

## LAO PDR

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### Partnerships for Irrigation and Commercialisation of Smallholders Agriculture (PICSA)

#### Implementation Support report

Type of mission	Implementation Support
Project Name	Partnerships for Irrigation and Commercialisation of Smallholders Agriculture (PICSA)
Country	Lao PDR
Country programme manager	Mr. Francisco Pichon
Name of Project Director	Mr. Khansawanh Sisopha
Date of mission (month/year)	Mar/ 2022
Project Area:	19 Districts in 4 Northern Provinces of Houaphan, Xieng Khouang, Luang Prabang and Xayabouly
Days in the field	6 days
Field sites visited	Ban Thongphiengvilay, and Ban That villages in Nan District, Luang Prabang province; Ban Pong in Xayabouly District; Ban Muang Phieng and Ban Phonxay villages in Phieng District, Xayabouly Province
Mission composition	Mr. Soulivanh Pattivong, IFAD Country Programme Officer, Team Leader Mr. Emmanuel Jouve, Agriculture Specialist Mr. Harold Liversage, IFAD Lead Global Technical Specialist, IFAD Safeguards Ms. Rachele Arcese, IFAD Programme Officer (PO), Targeting and Social Inclusion Specialist Ms. Eva Hendrika Jordans, Water User Group Organization and Irrigation Management / Value Chain Specialist Mr. Le Chi Dung, IFAD Country Finance Analyst / Financial Management Specialist Mr. Chu Tuan Dat, Procurement Specialist



## Abbreviations and acronyms

ADB	Asian Development Bank
AEIF	Agro-Enterprise Investment Facility
APG	Agriculture Production Group
AWPB	Annual Work Plan and Budget
BMZ	German Ministry for Cooperation and Development
CIRAD	Centre international de la recherche agronomique pour le développement
DAFO	District Agriculture and Forestry Office
DoES	District Office of Education and Sports
DOH	District Office of Health
Dol	Department of Irrigation
DPI	Department of Planning and Investment (MAF)
DPIT	District Project Implementation Team
DPWT	District Public Works and Transport
ERP	Emissions Reduction Programme (of GIZ / GCF)
ESMP	Environmental and Social Management Plan
FGIF	Farmer Group Investment Facility
GAP	Good Agricultural Practice
GCF	Green Climate Fund
GoL	Government of Lao Peoples Democratic Republic
HH	households
ICP-CMT	IFAD client platform
IFAD	International Fund for Agricultural Development
ISM	Implementation Support Mission
KM	Knowledge Management
LAK	Lao Kip (national currency)
LFN	Lao Farmers' Network
LIC	Lead Implementation Consultant
LNCCI	Lao National Chamber of Commerce and Industry
LURAS	Lao Upland Rural Advisory Service project
LWU	Lao Women's Union
M&E	Monitoring and Evaluation
MAF	Ministry of Agriculture and Forestry
MIS	Management Information System
MoES	Ministry of Education and Sports
MoF	Ministry of Finance
MoH	Ministry of Health
MoIC	Ministry of Industry and Commerce
O&M	Operation and Maintenance
PAFO	Provincial Agriculture and Forestry Office
PGT	Project Governance Team
PICSA	Partnerships for Irrigation and Commercialisation of Smallholder Agriculture
PIM	Programme Implementation Manual
PPIT	Provincial Project Implementation Team
PPWT	Provincial Public Works and Transport
RSP	Representative Sub-Project (of SWRISMP)
SBCC	Social Behaviour Change Communication
SRIWMSP	Sustainable Rural Infrastructure and Watershed Management Sector Project
ToR	Terms of Reference
USD	United States Dollar
WA	Withdrawal Application
WUG	Water User Group

## A. Project Overview (auto-generated by the system)

*This chapter provides basic facts about the project. Therefore, you don't introduce any text here, it will be sourced from different IFAD's systems and displayed in the final report generated by the system.*

## B. Overall Assessment

*This chapter provides an overview table of all ratings, this table will be generated by the system. No need to introduce any text, it will be sourced from the sections below and displayed in the final report generated by the system.*

## C. Mission Objectives and Key Conclusions

### Background and main objective of the mission

1. IFAD and the Government of Lao PDR (GoL) jointly conducted an Implementation Support Mission (ISM) Partnerships for Irrigation and Commercialisation of Smallholders Agriculture (PICSA) from 28 March to 8 April 2022.
2. PICSA became effective on 29th November 2019 with an expected completion date of 31st December 2025. Total project costs are about US\$ 30 million equivalent, of which an IFAD loan will fund approximately US\$ 13 million, GoL approx. US\$ 2.1 million, beneficiaries US\$ 5 million equivalent, in cash or in kind, and private sector will contribute about US\$ 1.5 million. Additional loan financing of US\$ 8 million transferred from the NSLCP-RFSP project was approved by IFAD Executive Board in October 2020.
3. PICSA is implemented by Ministry of Agriculture and Forestry (MAF) through its Department of Irrigation (DoI). Implementation of the project is decentralised through Provincial Project Implementation Teams (PPIT) in four target Provinces (Xieng Khuang, Huaphanh, Xayabouly and Luang Prabang) and District Project Implementation Teams (DPIT) in 19 Districts.
4. PICSA forms part of a national programme with the Sustainable Rural Infrastructure and Watershed Management Sector Project (SRIWMSP, ADB/EU-funded) and Lao PDR Emission Reductions Program through Implementation of Governance, Forest Landscapes and Livelihoods Programme (ERP, BMZ/GCF-funded and implemented by GIZ). PICSA and SRIWMSP are implemented through a single PGT in DoI. ERP is implemented through MAF's Department of Forestry.
5. The key objectives of the mission were to: (1) review arrangements made and performance of the project to ensure that preparatory processes are on track for 2022 field investments; (2) review the status of implementation of agreed actions made during the 2021 SM; (3) provide technical assistance to the project team on identified issues.
6. In the context of heightened precautions against the spread of the COVID-19 pandemic virus, the mission was conducted in hybrid modality: the in-country team conducted field visits and consultations jointly with PGT, PPIT and PDIT. The remote mission team members joined through video link when possible. The mission interacted with project stakeholders at central level (MAF, ADB, GiZ, etc.) and line agencies at sub-national levels (agriculture and forestry, public works and transport, public health, education, Lao Women Union, etc.), as well as district authorities. The team interacted with production groups committees and members, water users' groups, village nutrition committees and conducted spot visits to locations selected for physical investments (farmers groups production and infrastructure investments, irrigation schemes, and access tracks).
7. Ms. Bounthiene Vongkaysone, DoI Deputy Director General participated in the field visits and chaired the kick off meeting on 28<sup>th</sup> March 2022 and the wrap-up meeting on 8<sup>th</sup> April 2022. The mission expresses its appreciation to the Government of Lao PDR, MAF, and other related Ministries and Departments, the PGT and all stakeholders at central and local levels, who participated in the mission for their cooperation and support.

### Key mission agreements and Conclusions

8. Assessment of overall progress: Since last mission in December 2021, PICSA has made significant progress, including : (i) Village profiles in 70 villages, (ii) Farmers' groups establishment and official endorsement, bank accounts opening (iii) Investment plans for the first round of investments in 70 villages, (iv) First MSP organised, (v) Long list of access track investments, (vi) Started nutrition activities and hired SP for KAP survey, (vii) Selection of the second cohort of 140 villages for initial engagement in 2022 and first batch of grants disbursement in 2023 and preparation of village profiles. A harmonized approach for rolling out of group-level grants and SME grants has been discussed with SRIWMSP.

9. Although physical investments have not been initiated yet, this mission organised early in the year confirmed that the project is likely to deliver most of the expected outputs as per the AWPB 2022. However, to ensure investment grants can be rolled out before the start of the cropping season in June, some critical steps need urgent attention, including resolving the issue related to tax exemption, accelerating the FGIF proposals review and approval process and ensure the grant implementation modalities follow the FGIF manual (including procurement by the groups).

10. Key constraints affecting delivery of project outputs and outcomes have been identified : (i) Project TA staff performance at central and provincial levels needs review and improvement, (ii) Internal decision process needs to be improved at PGT level for key management functions such as annual planning, procurement, HRD, finance, etc., (iii) Internal coordination and communication at Provincial and District level have room for improvement, (iv) Procurement and FM needs to be strengthened/clarified (v) Coordination between PICSA, SRIWMSP and ERP can be improved, possibly through joint supervision missions (vi) Targeting strategies at village and group levels needs to be reviewed and consolidated. The overall outreach in terms of number of target villages is to be reviewed, while overall outreach target in terms of number of households and persons receiving services from the project are to be maintained. This review intends to intensify support in a fewer number of villages and avoid dispersed interventions.

11. Key strategic agreements are summarised in the table below:

Key mission agreements	Responsibility	Deadline	Status
<b>Project TA staff at PGT and PPIT</b> Review performance of key TA positions and propose improvements at PGT and PPIT levels	PGT	Immediate	Agreed
<b>Internal decision-making process at PGT</b> Improve decision making process at PGT for key management functions of the project: planning, procurement, HRD, finance, involving CTA	PGT	Immediate	Agreed
<b>FGIF implementation readiness</b> Ensure readiness for rolling out FGIF before the start of the cropping season (including Tax exemption issue, proposal review and approval process, grant implementation as per the FGIF manual including procurement of goods and works by the groups, etc.,)	PGT, PPIT, DPIT and farmers' groups	Immediate	Agreed
<b>Coordination between PICSA, SRIWMSP and ERP</b> Continue operationalisation of harmonized interventions between the 3 programmes (PICSA, SRIWMSP and ERP), consider in-country joint supervision missions between IFAD, ADB and GiZ	PGT, IFAD, ADB, GiZ	Nov / Dec 2022	Agreed
<b>Targeting strategy</b> Review the overall village targeting strategy for the third cohort, improve the farmers' group targeting and formation processes	PGT, steering committees, IFAD	Jul/2022	Agreed

## D. Overview and Project Progress

12. The project has yet to start physical investments on the ground but it has made impressive progress since the last supervision mission in December 2021 in terms of farmers' groups mobilisation, formal endorsement, and investment planning for activities to be funded through the Farmers Groups Investment facility in 70 villages in 2022.

13. The status of agreed actions from Supervision mission in December 2021 is reported in Appendix 1 of this report. Most of the agreed actions have been or are being addressed. When this is not the case, they are to be implemented in a timely manner and in any case before the next supervision mission.

14. Overall, the project teams at national and subnational levels demonstrate reasonable commitment to ensure a timely and full implementation of the AWPB 2022. However, the mission acknowledged that some adjustments may be necessary for some technical assistant positions. The mission also acknowledge that the project is likely to achieve the annual targets for 2022 but has reiterated that the workload is set to double in 2023 with planned investments in the second cohort of 140 villages, bringing the total active target villages to 210.

15. With these key elements in mind, the mission and the project discussed the overall strategy for rolling out activities in the third cohort of villages. The project is to assess the needs in the villages of the third cohort and propose an updated village targeting strategy prioritising investments where they are the most likely to leverage

co-investments by already formed producers groups and by the private sector involved through the Multi Stakeholder platforms (MSP).

**Component 1 (Intensified agricultural development)** is assessed as satisfactory (5/6): Significant progress has been made in terms of groups' readiness and planning for investments, and implementation capacities at district level have been visibly strengthened.

16. Output 1.2 – Water User Groups (WUG) trained. The O&M guidelines have been finalized and translated into Lao language. A kick start training package has been developed by the O&M senior adviser, in close collaboration with the Department of Irrigation. TOT training for all four provinces and supervision and guidance has been provided to support the roll out of training in all target districts.

17. Efforts have been made to closely coordinate with the ADB SRIWMSP Project and regular meetings are conducted with the ADB water management experts to develop a joint planning approach. Some activities may be conducted jointly, whereas others may be distributed. Ultimately the same PPIT and DPIT and district staff implement the activities with the farmers. PICSA will predominantly focus on strengthening existing groups of water users at village level while at scheme level the overall WUG/WUA will be supported by ADB SRIWMSP. PICSA will form and support the Agricultural Production Groups and support market linkages for high value crops. SRIWMSP will address and ensure compensation/mitigation of loss of land to extension of schemes/construction, resettlement and disruption of services due to construction works.

18. The list of 120 villages in 18 ADB schemes has been updated in line with ADB consultation, and provincial and district focal points for O&M have been instructed to start collecting data at village level as per the O&M manual requirements. A second round of District level TOT training is scheduled during late April 2022 and will be followed by the delivery of WUG / WUFG administration and operations trainings directly with the groups, as per the target set in the AWBP 2022.

19. Issues: (i) Coordination: Ensure consistency on WUG and O&M messages and establish effective coordination and collaboration approach between PICSA and SRIWMSP. SRIWMSP has to start construction activities, with the first 4 scheme designs ready. Construction will start this year. Strengthening and involvement of WUGs is important in all phases of the irrigation scheme rehabilitation, not only after construction. WUGs can give their inputs in the design, perform an active role in oversight/quality control during construction and suggest exact placement of valves and off-takes during construction. With completion date set at December 2025, and delays in construction there may be less time to support WUGs after construction is completed.

20. (ii) Training approach: Existing functioning Water user groups would need a different capacity building approach compared to areas where no functioning WUG exist – so no blueprint approach should be followed; instead the capacity building approach should be based on actual needs and functioning of each WUG. The WUG training approach would need to involve all members of the group, and not only the WUG Committee. The mission shared with PGT several participatory training exercises developed by FAO and used by IFAD in Rwanda and Lesotho that could be used.

21. Output 1.4 – Farmer Group Investment Facility established: The first batch of 70 farmers' groups have been established and formally endorsed by district authorities. The groups have opened bank accounts and have prepared investment plans to be supported by the Farmers' Group Investment Facilities (FGIF). The investment proposals are being reviewed for consistency and technical quality by PPIT and PGT and are expected to be approved by end of May 2022. The 70 Agricultural Production Grant proposals include a diversity of production activities - vegetables, groundnut, sticky rice, garlic and turmeric as well as pig and goat meat production.

22. Out of these 70 groups, 40 prepared infrastructure grant proposals to support their production. A majority of the 40 proposals are for small scale irrigation facilities and a few are for feeder track improvement and UXO clearing. These proposals currently have a very large scope of various interventions: different irrigation systems like gravity, electric pump, solar pump and small canal improvement, and the use of different sources of water. PPIT and DPIT, especially, the irrigation staff, need to understand better each system to be able to assess, design and prepare budgets for this range of small-scale irrigation projects. At central level, PGT has expertise in the form of an On-Farm Water Management Specialist who supports Provincial and District staff and reviews the grant proposals. A template for these proposals has been developed. To ensure quality of grant proposals the mission advises to hire short-term additional TA (1 or 2) for one year to practically support the PPIT and DPIT to prepare these proposals in the next batch of infrastructure grant proposals, as well as support their implementation. This will also be on-the-job training for District staff, so that for the third batch of proposals they are better equipped to do this on their own. This TA needs to be irrigation engineers with experience in small-scale schemes and technologies including boreholes, solar pumps, sprinklers and drip irrigation, etc.

23. The investment proposal template has been kept relatively short and simple to promote groups involvement in their preparation. The proposals are reviewed at central and provincial levels for consistency (names of bank account signatures and committee members), technical feasibility, and environmental screening. The review does not include aspects such as profitability, value for money, sustainability of the investments.

**Component 2 (Value chains developed)** is assessed as moderately satisfactory (4/6).

24. Output 2.1 – Multi-Stakeholder Platforms (MSPs) established. Trainings on the MSP process were conducted in all provinces and 12 districts and the project has initiated the first MSP events in Houaphan (6 meetings), Luang Prabang (4 meetings) and in Xayabouly (2 meetings). These first events were useful in mobilising stakeholders, but some events were organised with farmers' groups involved in different production activities. Too few buyers and equipment / inputs suppliers were invited. For the next round of meetings, stakeholders' involvement can be broadened, and events are to be made VC specific.

25. Output 2.2 – Agro-enterprise Investment Facility established. The AEIF grants will be rolled out when MSP processes have resulted in business matching agreements and joint investment opportunities with SME have been identified. PICSA and SRIWMSP have agreed on a clear joint approach to rolling out the SME grants, where PICSA focuses on supporting local SMEs operating in the local and domestic markets, while SRIWMSP will mobilise larger grants in support to SMEs that are export oriented.

26. Output 2.3 – Access improved. The project has established formal links with the Public Works and Transportation (PWT) offices in the 4 provinces and at district level. Based on consultations between district line agencies and target villages, a long list of potential candidate access track alignments has been prepared. Most of the proposed alignments consist of village to production area tracks and a few villages to main road tracks. The combined length of access tracks is of 360 Km, while the AWBP 2022 made provision for 250 Km. During the mission, it was confirmed that the unit cost for access track rehabilitation indicated in the Costab is broadly in line with PWT standard costs for rehabilitation of cat VII rural tracks (LAK 40 million / km).

27. Issues: (i) the project approach has deviated from the design: village-to-production-areas access track were initially included under the Farmers' Groups' infrastructure grants under component 1 and village-to-village tracks under component; (ii) the long list of proposed alignments contains proposals to create new access tracks that are ineligible for investment, unless a detailed assessment of environmental and social impacts is conducted. Before proceeded to survey and design stage, the project is to apply selection criteria and determine a consolidated short list of access tracks for rehabilitation in 2023.

**Component 3 Improved nutritional practices:** is assessed as moderately satisfactory (4/6)

28. Component 3 will be implemented in 135 villages of nine districts of Xayabouly and Luang Prabang provinces. Key activities include nutrition education and SBCC interventions, nutrition grants and school gardens.

29. So far, preparatory arrangements have been implemented in 48 villages (35% of the target), including : (i) district orientation held for 192 participants / 67 women from PGT, DNC, PPIT and DPIT, on component 3 and nutrition related aspects, timeline on nutrition interventions in target villages, criteria of nutrition target villages, etc.; (ii) District Nutrition Committee established in nine districts of the two provinces with 81 members (36 women); (iii) training held to 47 TOT (33 women) from PNC and DNC; (iv) Village Nutrition Committee established in 48 villages with 108 members (58 women); (v) three Village Nutrition Facilitators (health, agriculture and LWU) from the Village Committee, selected; (5) 135 nutrition villages (64 in Luangprabang and 71 in Xayabouly) re-selected through consultations with DCN, PPIT and DPIT; (vi) 48 schools selected for nutrition interventions; (vii) key tools developed including nutrition facilitator handbook, teacher nutrition handbook, food processing hand book, with nutrition posters for nutrition TOT and nutrition activities in the village level; and (viii) ten poor households from each village selected for grant support for household nutrition improvement.

30. The Knowledge, Attitudes and Practices (KAP) survey questionnaire is being prepared by a service provider and will be shared with IFAD for technical inputs. The KAP survey should include the establishment of the baseline of the Minimum Dietary Diversity for women (MDDW) indicator based on consumption of 10 food groups (also including local foods-including forest foods- with high nutritional value). The field survey is expected to start during late April and the KAP survey will be completed during July 2022 and the results will be used to inform the project nutrition interventions priorities, needs, and implementation modalities. The logframe has integrated the nutrition core indicators CI 1.1.8 and 1.2.8. However, the CI 1.2.8 (MDDW) appears both at the goal level and outcome 3 level. It is recommended to maintain the indicator at the outcome level and remove it from the goal level since the target for nutrition is only 1,700 beneficiaries.

31. There are several on-going nutrition related programmes in the target provinces. There are risks of duplication of interventions, but also opportunities for partnership and complementarity. The Project is to map these on-going interventions and identify the villages with the highest needs, based on information from the District Nutrition Committees.

32. As planned, to improve nutrition education and SBCC at school and community levels, PICSA has planned to conduct a number of key events and interactive sessions: village nutrition day (health, agriculture, education, cooking session), HH exchange visits among granted HHs and nutrition awareness raising at school and community using developed tools and related videos already developed by SSSJ, AFN, etc.

33. PICSA has developed detailed work-plans and activities to be implemented during Q2, that will accelerate key investments of Component 3 from now on.

<b>Component 1 - Intensified agricultural development</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
<b>Coordination for WUG support under Comp. 1.2</b> Ensure consistency on WUG and O&M messages and establish an effective coordination and collaboration approach between PICSA and SRIWMSP	PGT	Jun/2022	Agreed
<b>Coordination of WUG support (Comp 1.2)</b> In each Province, PPIT and DPIT should develop a joint programme for strengthening of WUG in the SRIWSMP RSP areas, combining resources of the two projects for this purpose.	PGT/ PPIT / DPIT	Continuous	Agreed
<b>WUG Training approach (Comp 1.2)</b> Capacity building of existing WUGs to be based on their functioning and needs, and involve all WUG members	PGT, PAFO, DAFO, PPIT/DPIT	Nov 2022	Agreed
<b>Technical support for irrigation proposals (Comp 1.4)</b> Engage short-term TA (1 or 2 for 1 year) to practically support PPIT and DPIT in preparing small-scale irrigation infrastructure grants and support implementation. Provincial irrigation services to support checking design of irrigation investment grants on output-based arrangement	PGT	Jun 2022	Agreed
<b>FGIF approval and implementation modalities</b> Ensure that the FGIF implementation remains under the responsibility of the farmers' groups with guidance and supervision of the DPIT. Follow FGIF manual	PGT, PPIT, DPIT, farmers' groups	May 2022	Agreed
<b>Review and approval of second cohort FGIF proposals</b> For next round of proposals, strengthen the review of the proposals' technical, financial, environmental and sustainability aspects	PGT, PPIT	<i>At next round</i>	Agreed
<b>Implementation approach for the 3<sup>rd</sup> cohort of villages</b> Once the project has made a decision on the village targeting approach, review the number of group members in the villages and develop a revised approach for rolling out of grants and trainings	PGT	Aug/2022	Agreed
<b>Component 2 - Value chains developed</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
<b>MSPs arrangements</b> MSPs: Before next season organise VC specific MSPs to prepare seasonal plan between stakeholders for a specific commodity	PGT, PPIT, PICO	Aug /2022	Agreed
<b>AEIF grants – harmonisation with SRIWMSP, ERP</b> Operationalise the agreements between the 3 projects (PICSA, SRIWMSP, ERP) and other on-going projects on harmonization of MSPs to inform investments and rolling out of SME grants	PGT, SRIWMSP, ERP	Aug/2022	Agreed
<b>Eligibility of access tracks, risk screening</b> Apply risk screening and exclude non-eligible investments (new access tracks, existing tracks that may have impacts on areas under protection status, wetlands, etc)	PGT	Jul /2022	Agreed
<b>Change in the access tracks rehabilitation approach</b> Consolidate the new approach for access track and disseminate across all stakeholders (including public work and transportation and target villages)	PGT, PPIT and DPIT with PWT and steering committees	Jun/2022	Agreed
<b>Complementarity of investments</b> Ensure complementarity of access tracks investments with other project interventions.	PGT, PPIT and DPIT with PWT and target villages / farmers' groups	Jul./2022	Agreed

Component 3 - Improved nutritional practices	Responsibility	Deadline	Status
<b>KAP survey</b> Finalise design of KAP survey and support the contracted service provider to conduct KAP survey in Xayabouly and Luang Prabang Provinces. KAP survey should include study of availability / consumption / nutritional value of forest foods	PGT	July 2022	Agreed
<b>Mapping of Nutrition Interventions and Comp 3 Planning</b> Map on-going nutrition projects / activities and nutrition needs in Xayabouly and Luang Prabang Districts. Develop implementation plan for Component 3 based on (1) KAP survey results; (2) mapping results; (3) opportunities for partnership; and (4) priority needs	PGT	Oct 2022	Agreed
<b>Beneficiary targets for nutrition</b> From the logframe, the target number for nutrition is 1,700 HH (CI 1.1.8). Considering that the bulk of nutrition interventions are based on nutrition education and SBCC, the project should consider raising this target to minimum of 10,000 households. The nutrition outreach to also be disaggregated by beneficiary type (e.g poor HH, women of reproductive age etc), number of schools targeted etc	PGT	June 2022	Agreed

## E. Project implementation

### i. Effectiveness and Development Focus

#### Development Focus

#### Targeting and Outreach

Rating: n.a

#### Justification of rating

34. According to the project data, to date the project has reached 6,965 individuals, of which 47% men, 53% women, 28% youth and 18% belonging to ethnic groups. Almost 60% of total outreach has been reached from January to March 2022 thanks to PICSA commendable progress and launch of activities. To ensure that the project meets its intended target groups while promoting social inclusion of vulnerable, marginalized and disadvantaged groups, a comprehensive Targeting Action Plan (including gender, youth and ethnic groups' considerations) is to be developed based on a contextual analysis and an analysis of the capacities of target groups and feedback recipients as recommended during the last supervision mission in December 2021.

#### Main issues

35. The PICSA target area includes 4 provinces, 19 districts and 353 villages (of which 23% are ADB-SRIWMSP, 10% are GIZ- ERP and 67% are PICSA villages). To date, the project completed the village profiles for 70 villages in 2021 and 140 villages in 2022. According to PICSA implementation scale-up approach, start-up activities will focus on 210 villages in 2022 and 143 villages in 2023. The mission discussed the option of downsizing the number of villages by reaching more people in the existing villages for greater impact and less dispersion.

Table 1. PICSA target villages, including ADB and ERP villages, per year of implementation

Implementation year	Tot targeted villages	Villages overlapping with ADB- SRIWMSP	Villages overlapping with GIZ- ERP	PICSA villages
2021	70	35 (50%)	9 (13%)	26 (37%)
2022	140	28 (20%)	16 (11%)	96 (69%)
2023	143	18 (13%)	11 (8%)	114 (79%)
<b>TOTAL</b>	<b>353</b>	<b>81 (23%)</b>	<b>36 (10%)</b>	<b>236 (67%)</b>

36. The mission discussed the option of downsizing the number of villages by reaching more people in the existing villages for greater impact and less dispersion. As reflected in the key mission agreements above, the project agreed to "review the overall village targeting strategy for the third cohort and to improve the farmers' group targeting and formation processes".

#### Gender equality & women's participation

Rating: n.a

## Justification of rating

37. Since last supervision mission in December 2021, PICSA converted the TOR of the gender consultant into a Targeting and social inclusion consultancy as per agreed action. However, neither a gender and social analysis of PICSA target groups was conducted nor the gender action plan was translated into a broader Targeting Action Plan (TAP). Also, no progress has been noted in terms of increased engagement and coordination with ADB and GIZ gender focal points at central level. Following a meeting with the latter, it was decided to set quarterly meetings between the central gender focal points of the three projects or ensure that they actively attend the coordination meetings of the three projects at management or technical level.

## Main issues

38. The mission jointly reviewed the PICSA's GAP and agreed to provide inputs in tracked changes to the project via email. Meantime, the project will (i) conduct a social assessment of the targeted area based on the available village profiles data analysis, among others; (ii) based on the results of this analysis and IFAD comments to the GAP, broaden out the GAP into a Targeting Action Plan (TAP) to include also youth and ethnic groups mainstreaming activities with no extra budget implication; (iii) apply targets in terms of women participation to project activities (e.g., 25% committees; 45% training; tbd% grants; tbd% women occupying decision-making positions in APGs/WUGs and in project-related decision-making bodies; tbd% female staff within the project team at all levels, etc.); (iv) identify and train social inclusion focal points at all levels, and ensure communication and knowledge sharing with SRIWMSP and ERP respective focal points; (v) ensure that sex-disaggregated results and impact data are regularly collected regarding both beneficiaries and project staff at all levels. The TAP is to be intended as a living document that can be updated in due course as needed and in consultation with IFAD Laos office.

Gender	Responsibility	Deadline	Status
<b>Gender and social analysis</b> Undertake a gender and social analysis of PICSA potential beneficiaries based on village profiles data analysis, among others.	Gender specialist/PGT	Apr 2022	Agreed
<b>Finalization and conversion of GAP into TAP</b> (1) Together with PICSA project team (especially with component specialists, M&E and KM officer) convert the GAP into a broader Targeting Action Plan (TAP) which, besides gender, includes also youth and ethnic groups mainstreaming activities; (2) finalize activities formulation having no extra budget implication; (3) ensure that gender mainstreaming activities address the following three objectives: economic empowerment, voice and decision making, equitable workloads; (4) set targets in terms of women participation to project activities; (5) ensure that sex-disaggregated results and impact data are regularly collected, regarding both beneficiaries and project staff at all levels.	PGT	Apr 2022 - continuous	Agreed
<b>Capacity building of local authorities</b> Nominate gender/social inclusion focal points at the district level and raise gender awareness and build capacity among project-related staff and local authorities.	Gender specialist/PGT	January 2022	Agreed

## ii. Sustainability and Scaling-up

### Partnership-building

Rating: n.a

## Justification of rating

39. The partnerships with SRIWMSP and with ERP are critical to the success of the project. Strengthening coordination with SRIWSMP & ERP is ongoing: including overlapping villages identified (all), MSPs being used for planning & coordination, incl. identification of priority VCs & private sector engagement (SRIWSMP & PICSA). Priorities to strengthen cooperation include: (1) developing a joint programme of WUG strengthening between SRIWMSP and PICSA; (2) harmonize support for MSPs; (3) Operationalise the agreements between the 3 projects (PICSA, SRIWMSP, ERP) and other on-going projects on harmonization of MSPs to inform investments and rolling

out of SME grants; (4) map village coverage, including overlapping villages; and (5) coordinate and align gender and targeting approach.

### **Main issues**

40. Partnerships are at the core of the Partnerships for Irrigation and Commercialisation of Smallholder Agriculture (PICSA) Project, upfront in the project name, and the strength of these partnerships will be a determining factor for PICSA's success. Partnerships need to be fostered at different levels and in various contexts, including (a) between PICSA and its sister projects SRIWMSP and ERP; (b) effective collaborations between Central, Provincial and District levels against the background of decentralisation; (c) at village level through effective group formation and strengthening (APG, WUG, Nutrition Committees, etc.), and (d) through linking farmer producer groups to private sector actors in the context of market linkage and commercialisation.

41. Consultations have been held among technical teams of PICSA, SRIWMSP and ERP and representatives of the three projects participate in the joint SRIWMSP-PICSA PSC meetings for regular update and information sharing. The Project has included all key technical agencies at central, provincial and district levels as Project Steering Committee members, providing strategic and technical guidance to project implementation and management through project coordination and technical meetings held on a monthly, quarterly and semi-annual and annual manners. The project has organised some multi-stakeholder platforms (MSPs) to ensure that key project stakeholders from government, private sectors / agro-enterprises and smallholder farmers regularly interact, leveraging the partnerships towards the goal and objectives of the Project.

42. However, PICSA, SRIWMSP and to a lesser extent, ERP, have overlapping activities that could be better coordinated, to avoid duplication of efforts (e.g. in training PAFO on WUG and O&M) and the risk of confusion (e.g. separate efforts to strengthen WUGs, inconsistent approaches to matching grants). Both ERP and SRIWMSP LIC technical teams are now in place, allowing for effective dialogue and collaboration. Responsibility for coordination of SRIWMSP and PICSA ultimately lies with the joint PGT responsible for both projects.

43. To enhance coordination, it is proposed to explore the possibility of in-country joint supervision missions between IFAD, ADB and GiZ, notably the upcoming Supervision mission at the end of the 2022, as well possibly the MTR tentatively planned for mid-2023.

44. Key partnerships with the local communities are being formed through linkage to Village Authorities, and the establishment of Village Nutrition Committee, Parent and Teacher Association (PTA), WUGs and APGs; with explicit participation of poor, women and ethnic groups. These groups require more capacity building to become less reliant on government initiative by pursuing market linkages and access to diverse technical and financial supports for productive investments.

45. Some issues with partnership arrangements have led to slow delivery in some components: workload of PPIT and DDIT and their limited capacities to deliver intensive support to the planned activities – WUGs / APG related activities, etc. These issues will be improved with technical support of project advisors at PGT, PPIT and DPIT, with detailed operational plans with clear targets and deliverables and field reporting shared among project partners on a timely basis.

46. As reflected in the key mission agreements, it is agreed to continue the operationalisation of harmonized interventions between the 3 programmes (PICSA, SRIWMSP and ERP), and to consider in-country joint supervision missions between IFAD, ADB and GiZ.

### **iii. Project Management**

#### **Quality of Project Management**

**Rating: n.a**

#### **Justification of rating**

47. The project management has continued to show significant efforts in implementation of the previous SM recommendations including the following: (i) all staff recruited and are on board; (2) monthly district technical meetings held, but mainly attended by DPIT from DAFO and some district technical agencies needing technical support only; and (3) trainings held for 392 participants (110 women) from PPIT and DPIT on thematic areas.

### **Main issues**

48. With a large number of implementing and supporting agencies, namely at district levels, even with clear division of tasks between these agencies, it is crucial to continue to improve coordination among the agencies to coordinate district level work effectively, through regular District monthly technical meetings with detailed monthly activity planning and budgeting in line with FM management rules and timely reporting and information sharing. In partnership with PPIT, it is suggested that FM and M&E advisors, and other TA of PGT join monthly district technical meetings to provide technical support (activity planning, budgeting, reporting, etc.,) to come up with practical

monthly work-plans, clear deliverables and timely reporting. This system will facilitate the decentralised approach, supported by all levels of government. Strict adherence to this system will be needed to enable the accelerated implementation of planned deliverables, including investments of the FGIF, AEIF, nutrition related interventions, etc., from Q2 of 2022.

49. To support rural decentralised project implementation and management as per project design, proactive roles of PPIT, namely Provincial Project Coordinator and Provincial Project Advisor – PDA and APG advisor, should be increased to provide technical support to DPIT (district project coordinator, M&E, FM, Cluster Facilitators, etc.), in planning for investments and providing clear information on the upcoming steps and modalities. Similarly, as per the ToRs, proactive roles of the District Project Coordinator, FM and M&E advisors and Clusters Facilitators should be raised up to plan and implement project activities with timely reporting and information sharing among district implementing agencies.

50. Even with technical trainings held, staff at district level has significant capacity gaps for planning/investment mechanism, nutrition-technical contents and financial management. Re-fresher trainings via monthly technical meetings, etc., and regular technical support by PPIT and PGT to district counterparts and APGs, etc., are needed in supporting and providing clear information on the upcoming steps and modalities for field investments.

Project Management	Responsibility	Deadline	Status
<b>Proactive roles of PPIT and DPIT</b> Provincial and District Project Coordinators and Project Technical Advisors are to intensify support to district counterparts in supporting groups in planning for investments and providing clear information on the upcoming steps and grants implementation modalities	PPIT and DPIT	Continuous	Agreed
<b>Monthly Technical Meeting</b> Organised regular District monthly technical meetings, attended by related district implementing agencies, held with support of PPIT and FM and M&E Advisors, and other TA of PGT as needed, on activities planning, budgeting and reporting, etc.,	PPIT, PDIT and PGT	Continuous	Agreed
<b>Re-fresher trainings and technical support to DPIT and APGs</b> PGT to continue to provide re-fresher trainings and support to PPIT and DPIT on thematic areas – procurement and financial management, M&E, etc. PDIT and DPIT will continue to take the advantage of District Monthly Meetings and Quarterly Meetings to orient PPIT and DPIT and related agencies, to develop a clear understanding of project objectives, project components, implementation methodologies of each component/activity, financial arrangements, monitoring and evaluation requirements	PGT, PPIT and PDIT	Continuous	Agreed

### Knowledge Management

Rating: n.a

#### Justification of rating

51. Following last SM recommendations, KM officer conducted assessment of KM capacity at all levels and developed training material on quantitative and qualitative data collection and analysis and on report writing accordingly. The KM training will be provided to 4 provinces in May and June 2022 together with the M&E officer.

52. To improve both KM and M&E activities, 95 tablets are being procured for M&E/KM staff at all levels. The KM and M&E specialists will provide a specific training to relevant district officers on how to use the tablets for KM and M&E purposes; accordingly, district staff will train village M&E/KM focal points.

#### Main issues

53. Informative material on nutrition (over 30 publication), AEIF, farm water management and O&M was produced and distributed to relevant stakeholders. Further material will be prepared to ensure beneficiaries fully understand project activities, including beneficiaries in the most remote areas, based on the KM plan to be developed.

54. Quarterly meetings are held with district and provincial staff to discuss lessons learned from both project failure/successes. PICSA will ensure that ERP and SRIWMSP relevant staff will also be invited to the next meetings

to ensure proper knowledge sharing and coordination between the three projects, including on mainstreaming themes. Lastly, project will think on a recognition event to encourage KM/M&E staff engagement and motivation at all levels (e.g., KM award during project annual meeting).

55. While the KM and Communication strategy has been finalized and approved by IFAD in March 2022, the project has not developed a detailed KM plan yet. The mission shared a KM plan template with the project to be completed (who, what, why, when, how, etc.) to guide the implementation of KM activities.

KM	Responsibility	Deadline	Status
<b>KM plan 2022</b> Finalize detailed 2022 KM plan based on the template provided by IFAD during the ISM	PGT, KM specialist	May 2022	Agreed
<b>Project website</b> Create a project website to disseminate key information such as contract awards, interactive map of target villages and interventions	PGT KM specialist	Nov 2022	Agreed

**Performance of M&E System** **Rating: n.a**

#### Justification of rating

56. Since last supervision mission in December 2021, all set-up arrangements for the online Project Implementation Monitoring & Evaluation System (PIMES) have been completed. The M&E system looks adequate to allow monitoring of project activities implementation and results at all levels. The M&E training needs assessment for all 19 M&E staff has been completed. Training sessions are scheduled to take place in May and June 2022 together with the KM training sessions. PICSA M&E Guidelines have been finalized. The project will update them based on the inputs provided by IFAD via email on 22 March 2022.

#### M&E system Review

57. There is still room for improvement in reporting the participation of beneficiaries accessing project services at the individual level by using the available data disaggregated by sex, age, ethnic group and economic status. Furthermore, it was recommended to have the main titles of all M&E databases in both Laos and English languages.

58. The Core Outcome Indicators (COI) baseline survey has been completed, while the KAP survey has just been launched. It was agreed that at MTR, KAP questions will be integrated into the COI midline survey to streamline the two processes. Regarding the Annual Outcome Surveys, IFAD clarified that they are no longer compulsory as they have been superseded by the COI methodology; however, the project can still make use of them and seek IFAD comments to the questionnaire (max 20 questions covering a small, random sample of project beneficiaries), if need be.

59. The mission reviewed the LogFrame with the project, and it was noted that the project is yet to confirm if the PIM was adjusted to correct the discrepancy on the indicator for Output 2.1 between the PIM and PIMES.

60. The following two indicators need further discussion among IFAD and PICSA in a follow-up technical meeting: (i) Outreach- Groups receiving services: there is the need to clarify whether the groups are counted by services or groups of individuals, hence confirm or review the related end target; (ii) Development Objective: % households - percentage (%) – according to the baseline study, the baseline target should be 14% (rather than 30%) and midterm 11% (rather than 20%). PICSA and IFAD will need to discuss on whether the targets should be modified.

M&E	Responsibility	Deadline	Status
<b>Reporting on beneficiaries</b> Report on beneficiaries at individual level and not only at HH level, disaggregating data by gender, age, ethnic group, economic status.	M&E Officer	Continuous	Agreed
<b>Logframe indicators</b> Logframe indicators “Groups receiving services” under Outreach and “% of households below the poverty line” under development objective to be clarified in a technical follow-up meeting	M&E Officer, PGT / IFAD	May 2022	Agreed

**Requirements of SECAP<sup>1</sup>** **Rating: n.a**

**Justification of rating**

61. Compliance with requirements of SECAP are tentatively assessed as moderately satisfactory (4/6). Social, Environment, and Climate-related documents (ESMP/ESIA /IPP/RAP/ESMF/FPIC and other plans) been produced and are of good quality. However, the project is still to operationalise the risk screening process for farmers' groups investments plans as they are being submitted. Social, Environment, and Climate Standards requirements are in place and are partially integrated into the AWPB, PIM, and procurement and monitoring plans, and the measures are being implemented.

**SECAP Review**

62. The project has made visible efforts to prepare a detailed ESMP and related screening checklists that have been approved and have received non-objection from IFAD. These documents need to be translated and disseminated at subnational level. Clear responsibilities are to be assigned at subnational levels (provincial, district, village cluster, village and group levels) to ensure that potential social, environmental and climate risks are adequately identified at an early stage of activity planning and that adequate measures are in place to address, manage and/or mitigate these risks.

63. The out-going rural development specialist has conducted trainings for project staff at provincial and district level on the SECAP requirements and the ESMP. The newly recruited specialist will have a critical role in training project staff and communities / farmers' groups in the screening process. Following trainings, the specialist will be instrumental in coaching project staff on the job, by demonstrating the screening process for farmers' groups investments plans, access tracks under component 2 and other project activities. Alignment with the ADB social and environmental safeguards in common target areas will also be of critical importance. In particular, any investment funded by the FGIF within the command area of irrigation schemes to be rehabilitated or expanded with support from the ADB funded SRIWMSP will not be eligible for compensation.

64. The project is also to develop a climate change strategy with a clear action plan, responsibilities, and millstones for monitoring. Some investments (access tracks, irrigation and production infrastructures such as livestock sheds, value chain structures such as warehouses, etc) may be vulnerable to the impacts of climate related events and this has to be addressed at an early stage in the design and planning process. Whenever possible, climate proofing measures are to be integrated in the designs.

SECAP	Responsibility	Deadline	Status
<b>ESMP</b> Translate the ESMP into Lao language and ensure that DPIT are involved in screening of Environmental, social and climate risks of investments. On the job follow up training to be provided to district staff, involving village and farmer's' groups in the process	PGT Env specialist / DPIT	Jun 2022	Agreed
<b>Risk screening</b> Sub-project screening to be decentralized to district & village levels	PGT and DPIT	Apr 2022 - continuous	Agreed
<b>Climate change strategy</b> Develop a climate change adaptation strategy for mainstreaming across all project components and stakeholders	PGT	June 2022	Agreed

**iv. Financial Management and Execution**

**Disbursement Rate**

**Acceptable Disbursement Rate** **Rating: auto-calculated**

**Justification of rating**

65. As of March 2022, disbursement rate is USD 0.4 million, 10% of AWPB and 16% cumulatively. Disbursement rate is still low and needs to be improved in the future.

**Main issues**

<sup>1</sup> Social, Environmental and Climate Assessment Procedures (SECAP)

66. In reference to the Letter to Borrower (MOF), dated 28 April 2021, PICSA received an additional loan of USD 8 million. In the Letter to Borrower, there is USD 1 million for authorized allocation of additional loan that is available for disbursement to the project. This additional advance will overcome the shortage of funding for project implementation. Through MOF, PICSA/DOI/MAF should request to get USD 1, 000,000 to DA. In addition, project should ensure the frequency of WA submission in ICP, at least quarterly.

### Fiduciary Aspects

**Quality of financial management** **Rating:** n.a

#### Justification of rating

67. The mission appreciates prompt action to address the issues from last supervision mission, especially the capacity building for project finance staff in Q1 2022 and ongoing process of the selection of add-on accounting software. The mission acknowledges the timeliness and correctness of financial reporting provided to IFAD.

#### Main issues

68. The following issues need to be addressed by PGT and ministries: (i) Tax exemption is still not entirely resolved, and this is one of the bottlenecks for procurement and it is not complied to IFAD covenant, it has been ongoing issue being discussed with MoF and needs to be resolved completely.

69. Implementation of new add-on accounting software will be significant for improvement of Financial Management that need to be systematically carried out at provincial and district levels. The mission appreciates the ongoing recruitment of additional Finance Staff and believe this would strengthen the project's FM capacity on checking increasing supporting documents. We advise the continuity of capacity building and training to finance staff at all levels and keep strong cooperation with IFAD Finance Officer to resolve ongoing issue.

70. With the new additional loan to be used in the future, PGT should ensure separate source and used of fund to be posted in the accounting software and reported in accordance with IFAD reporting requirement.

Financial Management	Responsibility	Deadline	Status
<b>Advance to be requested for Additional Loan</b> Withdrawal Application for advance of USD 1 million is submitted to IFAD as per Revision to LTB dated 28 April 2021 for additional loan	PGT, MAF and MOF	Jun 2022	Agreed
<b>Tax exemption for project expenditure</b> MoF issues Tax exemption certificate/approval	MoF, MAF	Jun 2022	Agreed
<b>Strengthening FM system and reporting</b> Procurement and Implementation of new add-on accounting software	PGT	Jun 2022	Agreed
<b>Increase Finance Staf at PGT</b> Additional Finance Staff to be recruited to support the inspection of supporting document.	PGT	Jun 2022	Agreed
<b>Reporting of additional loan</b> Consult with software provider to ensure sources of fund are separately posted and reported from ACCPAC	PGT	Jun 2022	Agreed

### Procurement Review

**Procurement** **Rating:** n.a

#### Justification of rating

71. Procurement is rated as moderately satisfactory (4/6). Processes, procedures and systems applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required; however, prompt resolution of issues/constraints is likely.

#### Procurement Review

72. The Procurement Plan (PP) for 2022 was approved by IFAD on 7 March 2022. The implementation of PP for 2022 is on track with some delays. Only 2 out of 10 goods packages are under procurement. Among 42 consulting services packages, 2 packages are under procurement and 2 packages were procured. Most of the remaining goods packages are waiting for the approval of the groups' proposals. None of the 2 works packages, which contain many small contracts, have been procured pending the approval of the groups' proposals. It is

foreseen that lot of procurement will be carried out from June to August 2022 after proposals are approved, expectedly in May 2022. The timelines in the PP need to be updated.

73. The procurement staff at PGT includes 1 procurement officer, 1 procurement assistant (newly recruited), and a procurement consultant working part-time. The procurement officer and procurement consultant are being training under ILO/IFAD procurement programme. The procurement human resources at PGT is assessed as sufficient.

74. The main focus of procurement in 2022 is procurement to be carried out by farmer groups. The procurement by groups shall follow the FGIF Guideline approved on 31 May 2021. To facilitate groups getting 3 quotations for contracts greater than USD 3,000, PPIT and DPIT should provide a list of potential suppliers, including contact information, for equipment and construction materials in the areas. In addition, the groups will be provided with requirements on records keeping and supporting documents to be submitted with claims for payments to avoid delays. There will be many contracts to be procured by farmer groups in 70 villages identified last years and 140 villages included this year. DPIT staff will support farmer groups at villages in procurement, documentation, contract implementation, and disbursement when proposals are implemented.

75. As 4 of April 2022, the Project has entered into the CMT system 156 contracts, including 4 goods contracts, 19 work contracts, and 133 consulting services contracts with a total value of USD 1,307,694. This is considered a good achievement compared to the small number of entered contracts in the last mission. However, PGT needs to check the entered data as the system shows that 7 contracts are 120-200 days overdue, 2 contracts are 60-120 days overdue, 1 contract is 0-60 days overdue, and 24 contracts (USD 112,560.91) have payments greater than implementation.

76. The publication of contract award notices has not been done yet. Record retention system of the Project is assessed to be adequate. All of the due actions in the last supervision missions have been implemented. As contract award notices were sent to bidders only, the Mission recommends the Project develop a Project website for knowledge sharing and publication of contract award notices.

Procurement	Responsibility	Deadline	Status
<b>Assist Farmer Groups</b> Follow FGIF Guideline and APG procurement process conducted with technical support of DPIT in procurement, documentation, contract implementation, and disbursement in villages Provide a list of potential suppliers to groups and requirements on records keeping and supporting documents to be submitted with claims to get payments to avoid delays.	DPIT, PPIT, PGT	On-going	Agreed
<b>Enter and Update Contract Data</b> Review, clean, and update contract data	PGT	Monthly	Agreed
<b>Publish contract award notices to public media</b> Publish contract award notices to public media, such as a project website	PGT	Ongoing	Agreed

## **Aide-Memoire and Agreed Actions table**

### **C. Mission Objectives and Key Conclusions**

#### **Background and main objective of the mission**

77. IFAD and the Government of Lao PDR (GoL) jointly conducted an Implementation Support Mission (ISM) Partnerships for Irrigation and Commercialisation of Smallholders Agriculture (PICSA) from 28 March to 8 April 2022.

78. PICSA became effective on 29th November 2019 with an expected completion date of 31st December 2025. Total project costs are about US\$ 30 million equivalent, of which an IFAD loan will fund approximately US\$ 13 million, GoL approx. US\$ 2.1 million, beneficiaries US\$ 5 million equivalent, in cash or in kind, and private sector will contribute about US\$ 1.5 million. Additional loan financing of US\$ 8 million transferred from the NSLCP-RFSP project was approved by IFAD Executive Board in October 2020.

79. PICSA is implemented by Ministry of Agriculture and Forestry (MAF) through its Department of Irrigation (DoI). Implementation of the project is decentralised through Provincial Project Implementation Teams (PPIT) in four target Provinces (Xiang Khuang, Huaphanh, Xayabouly and Luang Prabang) and District Project Implementation Teams (DPIT) in 19 Districts.

80. PICSA forms part of a national programme with the Sustainable Rural Infrastructure and Watershed Management Sector Project (SRIWMSP, ADB/EU-funded) and Lao PDR Emission Reductions Program through Implementation of Governance, Forest Landscapes and Livelihoods Programme (ERP, BMZ/GCF-funded and implemented by GIZ). PICSA and SRIWMSP are implemented through a single PGT in DoI. ERP is implemented through MAF's Department of Forestry.

81. The key objectives of the mission were to: (1) review arrangements made and performance of the project to ensure that preparatory processes are on track for 2022 field investments; (2) review the status of implementation of agreed actions made during the 2021 SM; (3) provide technical assistance to the project team on identified issues.

82. In the context of heightened precautions against the spread of the COVID-19 pandemic virus, the mission was conducted in hybrid modality: the in-country team conducted field visits and consultations jointly with PGT, PPIT and PDIT. The remote mission team members joined through video link when possible. The mission interacted with project stakeholders at central level (MAF, ADB, GIZ, etc.) and line agencies at sub-national levels (agriculture and forestry, public works and transport, public health, education, Lao Women Union, etc.), as well as district authorities. The team interacted with production groups committees and members, water users' groups, village nutrition committees and conducted spot visits to locations selected for physical investments (farmers groups production and infrastructure investments, irrigation schemes, and access tracks).

83. Ms. Bounthiene Vongkaysone, DoI Deputy Director General participated in the field visits and chaired the kick off meeting on 28<sup>th</sup> March 2022 and the wrap-up meeting on 8<sup>th</sup> April 2022. The mission expresses its appreciation to the Government of Lao PDR, MAF, and other related Ministries and Departments, the PGT and all stakeholders at central and local levels, who participated in the mission for their cooperation and support.

#### **Key mission agreements and Conclusions**

84. Assessment of overall progress: Since last mission in December 2021, PICSA has made significant progress, including : (i) Village profiles in 70 villages, (ii) Farmers' groups establishment and official endorsement, bank accounts opening (iii) Investment plans for the first round of investments in 70 villages, (iv) First MSP organised, (v) Long list of access track investments, (vi) Started nutrition activities and hired SP for KAP survey, (vii) Selection of the second cohort of 140 villages for initial engagement in 2022 and first batch of grants disbursement in 2023 and preparation of village profiles. A harmonized approach for rolling out of group-level grants and SME grants has been discussed with SRIWMSP.

85. Although physical investments have not been initiated yet, this mission organised early in the year confirmed that the project is likely to deliver most of the expected outputs as per the AWPB 2022. However, to ensure investment grants can be rolled out before the start of the cropping season in June, some critical steps need urgent attention, including resolving the issue related to tax exemption, accelerating the FGIF proposals review and approval process and ensure the grant implementation modalities follow the FGIF manual (including procurement by the groups).

86. Key constraints affecting delivery of project outputs and outcomes have been identified : (i) Project TA staff performance at central and provincial levels needs review and improvement, (ii) Internal decision process needs to be improved at PGT level for key management functions such as annual planning, procurement, HRD, finance, etc., (iii) Internal coordination and communication at Provincial and District level have room for improvement, (iv) Procurement and FM needs to be strengthened/clarified (v) Coordination between PICSA, SRIWMSP and ERP can be improved, possibly through joint supervision missions (vi) Targeting strategies at village and group levels needs to be reviewed and consolidated. The overall outreach in terms of number of target villages is to be reviewed, while overall outreach target in terms of number of households and persons receiving services from the project are to be maintained. This review intends to intensify support in a fewer number of villages and avoid dispersed interventions. Key strategic agreements are summarised in the table below:

**Component 1 (Intensified agricultural development)** is assessed as satisfactory (5/6): Significant progress has been made in terms of groups' readiness and planning for investments, and implementation capacities at district level have been visibly strengthened.

87. Output 1.2 – Water User Groups (WUG) trained. The O&M guidelines have been finalized and translated into Lao language. A kick start training package has been developed by the O&M senior adviser, in close collaboration with the Department of Irrigation. TOT training for all four provinces and supervision and guidance has been provided to support the roll out of training in all target districts.

88. Efforts have been made to closely coordinate with the ADB SRIWMSP Project and regular meetings are conducted with the ADB water management experts to develop a joint planning approach. Some activities may be conducted jointly, whereas others may be distributed. Ultimately the same PPIT and DPIT and district staff implement the activities with the farmers. PICSA will predominantly focus on strengthening existing groups of water users at village level while at scheme level the overall WUG/WUA will be supported by ADB SRIWMSP. PICSA will form and support the Agricultural Production Groups and support market linkages for high value crops. SRIWMSP will address and ensure compensation/mitigation of loss of land to extension of schemes/construction, resettlement and disruption of services due to construction works.

89. The list of 120 villages in 18 ADB schemes has been updated in line with ADB consultation, and provincial and district focal points for O&M have been instructed to start collecting data at village level as per the O&M manual requirements. A second round of District level TOT training is scheduled during late April 2022 and will be followed by the delivery of WUG / WUFG administration and operations trainings directly with the groups, as per the target set in the AWPB 2022.

90. Issues: (i) Coordination: Ensure consistency on WUG and O&M messages and establish effective coordination and collaboration approach between PICSA and SRIWMSP. SRIWMSP has to start construction activities, with the first 4 scheme designs ready. Construction will start this year. Strengthening and involvement of WUGs is important in all phases of the irrigation scheme rehabilitation, not only after construction. WUGs can give their inputs in the design, perform an active role in oversight/quality control during construction and suggest exact placement of valves and off-takes during construction. With completion date set at December 2025, and delays in construction there may be less time to support WUGs after construction is completed.

91. (ii) Training approach: Existing functioning Water user groups would need a different capacity building approach compared to areas where no functioning WUG exist – so no blueprint approach should be followed; instead the capacity building approach should be based on actual needs and functioning of each WUG. The WUG training approach would need to involve all members of the group, and not only the WUG Committee. The mission shared with PGT several participatory training exercises developed by FAO and used by IFAD in Rwanda and Lesotho that could be used.

92. Output 1.4 – Farmer Group Investment Facility established: The first batch of 70 farmers' groups have been established and formally endorsed by district authorities. The groups have opened bank accounts and have prepared investment plans to be supported by the Farmers' Group Investment Facilities (FGIF). The investment proposals are being reviewed for consistency and technical quality by PPIT and PGT and are expected to be approved by end of May 2022. The 70 Agricultural Production Grant proposals include a diversity of production activities - vegetables, groundnut, sticky rice, garlic and turmeric as well as pig and goat meat production.

93. Out of these 70 groups, 40 prepared infrastructure grant proposals to support their production. A majority of the 40 proposals are for small scale irrigation facilities and a few are for feeder track improvement and UXO clearing. These proposals currently have a very large scope of various interventions: different irrigation systems like gravity, electric pump, solar pump and small canal improvement, and the use of different sources of water. PPIT and DPIT, especially, the irrigation staff, need to understand better each system to be able to assess, design and prepare budgets for this range of small-scale irrigation projects. At central level, PGT has expertise in the form of an On-Farm Water Management Specialist who supports Provincial and District staff and reviews the grant proposals. A template for these proposals has been developed. To ensure quality of grant proposals the mission advises to hire short-term additional TA (1 or 2) for one year to practically support the PPIT and DPIT to prepare these proposals in the next batch of infrastructure grant proposals, as well as support their implementation. This will also be on-the-job training for District staff, so that for the third batch of proposals they are better equipped to do this on their own. This TA needs to be irrigation engineers with experience in small-scale schemes and technologies including boreholes, solar pumps, sprinklers and drip irrigation, etc.

94. The investment proposal template has been kept relatively short and simple to promote groups involvement in their preparation. The proposals are reviewed at central and provincial levels for consistency (names of bank account signatures and committee members), technical feasibility, and environmental screening. The review does not include aspects such as profitability, value for money, sustainability of the investments.

**Component 2 (Value chains developed)** is assessed as moderately satisfactory (4/6).

95. Output 2.1 – Multi-Stakeholder Platforms (MSPs) established. Trainings on the MSP process were conducted in all provinces and 12 districts and the project has initiated the first MSP events in Houaphan (6 meetings), Luang Prabang (4 meetings) and in Xayabouly (2 meetings). These first events were useful in mobilising stakeholders, but some events were organised with farmers' groups involved in different production activities. Too few buyers and equipment / inputs suppliers were invited. For the next round of meetings, stakeholders' involvement can be broadened, and events are to be made VC specific.

96. Output 2.2 – Agro-enterprise Investment Facility established. The AEIF grants will be rolled out when MSP processes have resulted in business matching agreements and joint investment opportunities with SME have been identified. PICSA and SRIWMSP have agreed on a clear joint approach to rolling out the SME grants, where PICSA focuses on supporting local SMEs operating in the local and domestic markets, while SRIWMSP will mobilise larger grants in support to SMEs that are export oriented.

97. Output 2.3 – Access improved. The project has established formal links with the Public Works and Transportation (PWT) offices in the 4 provinces and at district level. Based on consultations between district line agencies and target villages, a long list of potential candidate access track alignments has been prepared. Most of the proposed alignments consist of village to production area tracks and a few villages to main road tracks. The combined length of access tracks is of 360 Km, while the AWBP 2022 made provision for 250 Km. During the mission, it was confirmed that the unit cost for access track rehabilitation indicated in the Costab is broadly in line with PWT standard costs for rehabilitation of cat VII rural tracks (LAK 40 million / km).

98. Issues: (i) the project approach has deviated from the design: village-to-production-areas access track were initially included under the Farmers' Groups' infrastructure grants under component 1 and village-to-village tracks under component; (ii) the long list of proposed alignments contains proposals to create new access tracks that are ineligible for investment, unless a detailed assessment of environmental and social impacts is conducted. Before proceeded to survey and design stage, the

project is to apply selection criteria and determine a consolidated short list of access tracks for rehabilitation in 2023.

**Component 3 Improved nutritional practices:** is assessed as moderately satisfactory (4/6)

99. Component 3 will be implemented in 135 villages of nine districts of Xayabouly and Luang Prabang provinces. Key activities include nutrition education and SBCC interventions, nutrition grants and school gardens.

100. So far, preparatory arrangements have been implemented in 48 villages (35% of the target), including : (i) district orientation held for 192 participants / 67 women from PGT, DNC, PPIT and DPIT, on component 3 and nutrition related aspects, timeline on nutrition interventions in target villages, criteria of nutrition target villages, etc.; (ii) District Nutrition Committee established in nine districts of the two provinces with 81 members (36 women); (iii) training held to 47 TOT (33 women) from PNC and DNC; (iv) Village Nutrition Committee established in 48 villages with 108 members (58 women); (v) three Village Nutrition Facilitators (health, agriculture and LWU) from the Village Committee, selected; (5) 135 nutrition villages (64 in Luangprabang and 71 in Xayabouly) re-selected through consultations with DCN, PPIT and DPIT; (vi) 48 schools selected for nutrition interventions; (vii) key tools developed including nutrition facilitator handbook, teacher nutrition handbook, food processing hand book, with nutrition posters for nutrition TOT and nutrition activities in the village level; and (viii) ten poor households from each village selected for grant support for household nutrition improvement.

101. The Knowledge, Attitudes and Practices (KAP) survey questionnaire is being prepared by a service provider and will be shared with IFAD for technical inputs. The KAP survey should include the establishment of the baseline of the Minimum Dietary Diversity for women (MDDW) indicator based on consumption of 10 food groups (also including local foods-including forest foods- with high nutritional value). The field survey is expected to start during late April and the KAP survey will be completed during July 2022 and the results will be used to inform the project nutrition interventions priorities, needs, and implementation modalities. The logframe has integrated the nutrition core indicators CI 1.1.8 and 1.2.8. However, the CI 1.2.8 (MDDW) appears both at the goal level and outcome 3 level. It is recommended to maintain the indicator at the outcome level and remove it from the goal level since the target for nutrition is only 1,700 beneficiaries.

102. There are several on-going nutrition related programmes in the target provinces. There are risks of duplication of interventions, but also opportunities for partnership and complementarity. The Project is to map these on-going interventions and identify the villages with the highest needs, based on information from the District Nutrition Committees.

103. As planned, to improve nutrition education and SBCC at school and community levels, PICSA has planned to conduct a number of key events and interactive sessions: village nutrition day (health, agriculture, education, cooking session), HH exchange visits among granted HHs and nutrition awareness raising at school and community using developed tools and related videos already developed by SSSJ, AFN, etc.

104. PICSA has developed detailed work-plans and activities to be implemented during Q2, that will accelerate key investments of Component 3 from now on.

### **Targeting and gender**

105. According to the project data, to date the project has reached 6,965 individuals, of which 47% men, 53% women, 28% youth and 18% belonging to ethnic groups. Almost 60% of total outreach has been reached from January to March 2022 thanks to PICSA commendable progress and launch of activities. To ensure that the project meets its intended target groups while promoting social inclusion of vulnerable, marginalized and disadvantaged groups, a comprehensive Targeting Action Plan (including gender, youth and ethnic groups' considerations) is to be developed based on a contextual analysis and an analysis of the capacities of target groups and feedback recipients as recommended during the last supervision mission in December 2021.

106. The PICSA target area includes 4 provinces, 19 districts and 353 villages (of which 23% are ADB-SRIWMSP, 10% are GIZ- ERP and 67% are PICSA villages). To date, the project completed the village profiles for 70 villages in 2021 and 140 villages in 2022. According to PICSA implementation scale-up approach, start-up activities will focus on 210 villages in 2022 and 143 villages in 2023. The mission

discussed the option of downsizing the number of villages by reaching more people in the existing villages for greater impact and less dispersion.

**Table 1. PICSA target villages, including ADB and ERP villages, per year of implementation**

Implementation year	Tot targeted villages	Villages overlapping with ADB- SRIWMSP	Villages overlapping with GIZ- ERP	PICSA villages
2021	70	35 (50%)	9 (13%)	26 (37%)
2022	140	28 (20%)	16 (11%)	96 (69%)
2023	143 (tbc)	18 (13%)	11 (8%)	114 (79%)
<b>TOTAL</b>	<b>353</b>	<b>81 (23%)</b>	<b>36 (10%)</b>	<b>236 (67%)</b>

107. Gender: Since last supervision mission in December 2021, PICSA converted the TOR of the gender consultant into a Targeting and social inclusion consultancy as per agreed action. However, neither a gender and social analysis of PICSA target groups was conducted nor the gender action plan was translated into a broader Targeting Action Plan (TAP). Also, no progress has been noted in terms of increased engagement and coordination with ADB and GIZ gender focal points at central level. Following a meeting with the latter, it was decided to set quarterly meetings between the central gender focal points of the three projects or ensure that they actively attend the coordination meetings of the three projects at management or technical level.

108. The mission jointly reviewed the PICSA's GAP and agreed to provide inputs in tracked changes to the project via email. Meantime, the project will (i) conduct a social assessment of the targeted area based on the available village profiles data analysis, among others; (ii) based on the results of this analysis and IFAD comments to the GAP, broaden out the GAP into a Targeting Action Plan (TAP) to include also youth and ethnic groups mainstreaming activities with no extra budget implication; (iii) apply targets in terms of women participation to project activities (e.g., 25% committees; 45% training; tbd% grants; tbd% women occupying decision-making positions in APGs/WUGs and in project-related decision-making bodies; tbd% female staff within the project team at all levels, etc.); (iv) identify and train social inclusion focal points at all levels, and ensure communication and knowledge sharing with SRIWMSP and ERP respective focal points; (v) ensure that sex-disaggregated results and impact data are regularly collected regarding both beneficiaries and project staff at all levels. The TAP is to be intended as a living document that can be updated in due course as needed and in consultation with IFAD Laos office.

## SECAP

109. The ESMP has been developed and received no objection. PPIT and DPIT have been trained in formal meetings, but no on-the job coaching has been conducted so far. The Rural development specialist has left the project and a replacement specialist is expected to be mobilised in May 2022. The specialist will be charge of disseminating the ESMP and screening guidelines to PPIT and DPIT to support up-coming investments: farmers production and infrastructure grants (in irrigation in particular), access tracks, etc. The project is yet to develop a climate change adaptation strategy.

## Project management

110. The project management has continued to show significant efforts in implementation of the previous SM recommendations including the following: (i) all staff recruited and are on board; (2) monthly district technical meetings held, but mainly attended by DPIT from DAFO and some district technical agencies needing technical support only; and (3) trainings held for 392 participants (110 women) from PPIT and DPIT on thematic areas.

111. With large number of implementing and supporting agencies, namely at district levels, even with clear division of tasks between these agencies, it is crucial to continue to improve coordination among the agencies to coordinate district level work effectively, through regular District monthly technical meetings with detailed monthly activity planning and budgeting in line with FM management rules and timely reporting and information sharing. In partnership with PPIT, it is suggested that FM and M&E advisors, and other TA of PGT join monthly district technical meetings to provide technical support (activity planning, budgeting, reporting, etc.,) to come up with practical monthly work-plans, clear deliverables and timely reporting. This system will facilitate the decentralised approach, supported by all levels of government. Strict adherence to this system will be needed to enable the accelerated

implementation of planned deliverables, including investments of the FGIF, AEIF, nutrition related interventions, etc., from Q2 of 2022.

112. To support rural decentralised project implementation and management as per project design, proactive roles of PPIT, namely Provincial Project Coordinator and Provincial Project Advisor – PDA and APG advisor, should be increased to provide technical support to DPIT (district project coordinator, M&E, FM, Cluster Facilitators, etc.), in planning for investments and providing clear information on the upcoming steps and modalities. Similarly, as per the ToRs, proactive roles of the District Project Coordinator, FM and M&E advisors and Clusters Facilitators should be raised up to plan and implement project activities with timely reporting and information sharing among district implementing agencies.

113. Even with technical trainings held, staff at district level has significant capacity gaps for planning/investment mechanism, nutrition-technical contents and financial management. Re-fresher trainings via monthly technical meetings, etc., and regular technical support by PPIT and PGT to district counterparts and APGs, etc., are needed in supporting and providing clear information on the upcoming steps and modalities for field investments.

## **M&E**

114. Since last supervision mission in December 2021, all set-up arrangements for the [online](#) Project Implementation Monitoring & Evaluation System (PIMES) have been completed. The M&E system looks adequate to allow monitoring of project activities implementation and results at all levels, however, there is still room for improvement in reporting the participation of beneficiaries accessing project services at the individual level by using the available data disaggregated by sex, age, ethnic group and economic status. Furthermore, it was recommended to have the main titles of all M&E databases in both Lao and English languages.

115. The M&E training needs assessment for all 19 M&E staff has been completed. Training sessions are scheduled to take place in May and June 2022 together with the KM training sessions.

116. PICSA M&E Guidelines have been finalized. The project will update them based on the inputs provided by IFAD via email on 22 March 2022.

117. The COI baseline survey has been completed, while the KAP survey has just been launched. It was agreed that at MTR, KAP questions will be integrated into the COI midline survey to streamline the two processes. Regarding the Annual Outcome Surveys, IFAD clarified that they are no longer compulsory as they have been superseded by the COI methodology; however, the project can still make use of them and seek IFAD comments to the questionnaire (max 20 questions covering a small, random sample of project beneficiaries), if need be.

118. The mission reviewed the LogFrame with the project, and it was noted that the project is yet to confirm if PIM was adjusted to correct the discrepancy on the indicator for Output 2.1 between the PIM and PIMES.

119. The following two indicators need further discussion among IFAD and PICSA in a follow-up technical meeting: (i) Outreach- Groups receiving services: there is the need to clarify whether the groups are counted by services or groups of individuals, hence confirm or review the related end target; (ii) Development Objective: % households - percentage (%) – according to the baseline study, the baseline target should be 14% (rather than 30%) and midterm 11% (rather than 20%). PICSA and IFAD will need to discuss on whether the targets should be modified.

## **Knowledge management**

120. Following last SM recommendations, KM officer conducted assessment of KM capacity at all levels and developed training material on quantitative and qualitative data collection and analysis and on report writing accordingly. The KM training will be provided to 4 provinces in May and June 2022 together with the M&E officer.

121. To improve both KM and M&E activities, 95 tablets are being procured for M&E/KM staff at all levels. The KM and M&E specialists will provide a specific training to relevant district officers on how to

use the tablets for KM and M&E purposes; accordingly, district staff will train village M&E/KM focal points.

122. Informative material on nutrition (over 30 publications), AEIF, farm water management and O&M was produced and distributed to relevant stakeholders. Further material will be prepared to ensure beneficiaries fully understand project activities, including beneficiaries in the most remote areas, based on the KM plan to be developed.

123. Quarterly meetings are held with district and provincial staff to discuss lessons learned from both project failure/successes. PICSA will ensure that ERP and SRIWMSP relevant staff will also be invited to the next meetings to ensure proper knowledge sharing and coordination between the three projects, including on mainstreaming themes. Lastly, PICSA will think on a recognition event to encourage KM/M&E staff engagement and motivation at all levels (e.g., KM award during project annual meeting).

124. While the KM and Communication strategy has been finalized and approved by IFAD in March 2022, the project has not developed a detailed KM plan yet. The mission shared a KM plan template with the project to be completed (who, what, why, when, how, etc.) to guide the implementation of KM activities.

### **Financial management**

125. As of March 2022, disbursement rate is USD 0.4 million, 10% of AWPB and 16% cumulatively. Disbursement rate is still low and needs to be improved in the future.

126. In reference to the Letter to Borrower (MOF), dated 28 April 2021, PICSA received an additional loan of USD 8 million. In the Letter to Borrower, there is USD 1 million for authorized allocation of additional loan that is available for disbursement to the project. This additional advance will overcome the shortage of funding for project implementation. Through MOF, PICSA/DOI/MAF should request to get USD 1, 000,000 to DA. In addition, project should ensure the frequency of WA submission in ICP, at least quarterly.

127. The mission appreciates prompt action to address the issues from last supervision mission, especially the capacity building for project finance staff in Q1 2022 and ongoing process of the selection of add-on accounting software. The mission acknowledges the timeliness and correctness of financial reporting provided to IFAD.

128. The following issues need to be addressed by PGT and ministries: (i) Tax exemption is still not entirely resolved, and this is one of the bottlenecks for procurement and it is not complied to IFAD covenant, it has been ongoing issue being discussed with MoF and needs to be resolved completely.

129. Implementation of new add-on accounting software will be significant for improvement of Financial Management that need to be systematically carried out at provincial and district levels. The mission appreciates the ongoing recruitment of additional Finance Staff and believe this would strengthen the project's FM capacity on checking increasing supporting documents. We advise the continuity of capacity building and training to finance staff at all levels and keep strong cooperation with IFAD Finance Officer to resolve ongoing issue.

130. With the new additional loan to be used in the future, PGT should ensure separate source and used of fund to be posted in the accounting software and reported in accordance with IFAD reporting requirement.

### **Procurement**

131. The Procurement Plan (PP) for 2022 was approved by IFAD on 7 March 2022. The implementation of PP for 2022 is on track with some delays. Only 2 out of 10 goods packages are under procured. Among 42 consulting services packages, 2 packages are under procured and 2 packages were procured. Most of the remaining goods packages are pending approval of the farmers' groups' investment proposals. None of the 2 works packages, which contain many small contracts, have been procured pending the approval of the groups' proposals. It is foreseen that lot of procurement will be carried out from June to August 2022 after proposals are approved, expectedly in May 2022. The timelines in the PP need to be updated.

132. For procurements to be implemented by farmer groups, the groups shall follow the FGIF Guideline. To facilitate groups getting 3 quotations for contracts greater than USD 3,000, PPIT and DPIT should provide farmer groups with a list of potential suppliers, including contact information, of equipment and construction materials. In addition, the groups will be provided with requirements on records keeping and supporting documents to be submitted with claims for payments to avoid delays.

133. As 4 April 2022, the Project has entered into the CMT system 156 contracts, including 4 goods contracts, 19 work contracts, and 133 consulting services contracts with a total value of USD 1,307,694. This is considered a good progress compared to the small number of entered contracts in the last mission. However, PGT needs to check the entered data as the system shows that 7 contracts are 120-200 days overdue, 2 contracts are 60-120 days overdue, 1 contract is 0-60 days overdue, and 24 contracts (USD 112,560.91) have payments greater than implementation.

134. The publication of contract award notices has not been done yet. The Mission recommends the Project to develop a Project website for knowledge sharing and publication of contract award notices.

135. Up-coming missions: the supervision mission is planned for Q4 2022, and is suggested to organise it jointly with ADB and GiZ if possible. The MTR is tentatively scheduled for mid-2023.

136. IFAD and the Government of Lao PDR hereby endorse the findings of the Implementation Support Mission.

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**Francisco Pichon**  
Country Director, IFAD

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**Bounkham Sydavong**  
Director General  
Department of Irrigation  
Ministry of Agriculture and Forestry

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Date:

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Date:

## Agreed Actions ISM 2022

	Key mission agreements	Responsibility	Deadline	Status
1	<b>Project TA staff at PGT and PPIT</b> Review performance of key TA positions and propose improvements at PGT and PPIT level	PGT	Immediate	Agreed
2	<b>Internal decision-making process at PGT</b> Improve decision making process at PGT for key management functions of the project: planning, procurement, HRD, finance, involving CTA	PGT	Immediate	Agreed
3	<b>FGIF implementation readiness</b> Ensure readiness for rolling out FGIF before the start of the cropping season (including Tax exemption issue, proposal review and approval process, grant implementation as per the FGIF manual including procurement of goods and works by the groups, etc)	PGT, DPIT and farmers' groups	Immediate	Agreed
4	<b>Coordination between PICSA, SRIWMSP and ERP</b> Continue operationalisation of harmonized interventions between the 3 programmes (PICSA, SRIWMSP and ERP), consider in-country joint supervision missions between IFAD, ADB and GiZ	PGT, IFAD, ADB, GiZ	Nov / Dec 2022	Agreed
5	<b>Targeting strategy</b> Review the overall village targeting strategy for the third cohort, improve the farmers' group targeting and formation processes	PGT, steering committees, IFAD	Jul/2022	Agreed
	<b>Component 1 - Intensified agricultural development</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
6	<b>Coordination for WUG support under Comp. 1.2</b> Ensure consistency on WUG and O&M messages and establish an effective coordination and collaboration approach between PICSA and SRIWMSP	PGT	Jun/2022	Agreed
7	<b>Coordination of WUG support (Comp 1.2)</b> In each Province, PPIT and DPIT should develop a joint programme for strengthening of WUG in the SRIWSMP RSP areas, combining resources of the two projects for this purpose.	PGT/ PPIT / DPIT	Continuous	Agreed
8	<b>WUG Training approach (Comp 1.2)</b> Capacity building of existing WUGs to be based on their functioning and needs, and involve all WUG members	PGT, PAFO, DAFO, PPIT/DPIT	Nov 2022	Agreed
9	<b>Technical support for irrigation proposals (Comp 1.4)</b> Engage short-term TA (1 or 2 for 1 year) to practically support PPIT and DPIT in preparing small-scale irrigation infrastructure grants and support implementation. Provincial irrigation services to support checking design of irrigation investment grants on output-based arrangement	PGT	Jun 2022	Agreed
10	<b>FGIF approval and implementation modalities</b> Ensure that the FGIF implementation remains under the responsibility of the farmers' groups with guidance and supervision of the DPIT. Follow FGIF manual	PGT, PPIT, DPIT, farmers' groups	May 2022	Agreed
11	<b>Review and approval of second cohort FGIF proposals</b> For next round of proposals, strengthen the review of the proposals' technical, financial, environmental and sustainability aspects	PGT, PPIT	At next round	Agreed

12	<b>Implementation approach for the 3<sup>rd</sup> cohort of villages</b> Once the project has made a decision on the village targeting approach, review the number of group members in the villages and develop a revised approach for rolling out of grants and trainings	PGT	Aug/2022	Agreed
<b>Component 2 - Value chains developed</b>		<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
13	<b>MSPs arrangements</b> MSPs: Before next season organise VC specific MSPs to prepare seasonal plan between stakeholders for a specific commodity	PGT, PICO, PPIT,	Aug /2022	Agreed
14	<b>AEIF grants – harmonisation with SRIWMSP, ERP</b> Operationalise the agreements between the 3 projects (PICSA, SRIWMSP, ERP) and other on-going projects on harmonization of MSPs to inform investments and rolling out of SME grants	PGT, SRIWMSP, ERP	Aug/2022	Agreed
15	<b>Eligibility of access tracks, risk screening</b> Apply risk screening and exclude non-eligible investments (new access tracks, existing tracks that may have impacts on areas under protection status, wetlands, etc)	PGT	Jul /2022	Agreed
16	<b>Change in the access tracks rehabilitation approach</b> Consolidate the new approach for access track and disseminate across all stakeholders (including public work and transportation and target villages)	PGT, PPIT and DPIT with PWT and steering committees	Jun/2022	Agreed
17	<b>Complementarity of investments</b> Ensure complementarity of access tracks investments with other project interventions.	PGT, PPIT and DPIT with PWT and target villages / farmers' groups	Jul./2022	Agreed
<b>Component 3 - Improved nutritional practices</b>		<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
18	<b>KAP survey</b> Finalise design of KAP survey and support the contracted service provider to conduct KAP survey in Xayabouly and Luang Prabang. KAP survey should include study of availability / consumption / nutritional value of forest foods	PGT	July 2022	Agreed
19	<b>Mapping of Nutrition Interventions and Comp 3 Planning</b> Map on-going nutrition projects / activities and nutrition needs in Xayabouly and Luang Prabang Districts. Develop implementation plan for Component 3 based on (1) KAP survey results; (2) mapping results; (3) opportunities for partnership; and (4) priority needs	PGT	Oct 2022	Agreed
20	<b>Beneficiary targets for nutrition</b> From the logframe, the target number for nutrition is 1,700 HH (CI 1.1.8). Considering that the bulk of nutrition interventions are based on nutrition education and SBCC, the project should consider raising this target to minimum of 10,000 households. The nutrition outreach to also be disaggregated by beneficiary type (e.g poor HH, women of reproductive age etc), number of schools targeted etc	PGT	June 2022	Agreed
<b>Gender</b>		<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
21	<b>Gender and social analysis</b> Undertake a gender and social analysis of PICSA potential beneficiaries based on village profiles data analysis, among others.	Gender specialist/PGT	Apr 2022	Agreed

22	<b>Finalization and conversion of GAP into TAP</b> (1) Together with PICSA project team (especially with component specialists, M&E and KM officer) convert the GAP into a broader Targeting Action Plan (TAP) which, besides gender, includes also youth and ethnic groups mainstreaming activities; (2) finalize activities formulation having no extra budget implication; (3) ensure that gender mainstreaming activities address the following three objectives: economic empowerment, voice and decision making, equitable workloads; (4) set targets in terms of women participation to project activities; (5) ensure that sex-disaggregated results and impact data are regularly collected, regarding both beneficiaries and project staff at all levels.	PGT	Apr 2022 - continuous	Agreed
23	<b>Capacity building of local authorities</b> Nominate gender/social inclusion focal points at the district level and raise gender awareness and build capacity among project-related staff and local authorities.	Gender specialist/PGT	January 2022	Agreed
<b>SECAP</b>		<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
24	<b>ESMP</b> Translate the ESMP into Lao language and ensure that DPIT are involved in screening of Environmental, social and climate risks of investments. On the job follow up training to be provided to district staff, involving village and farmer's' groups in the process	PGT Env specialist / DPIT	Jun 2022	Agreed
25	<b>Risk screening</b> Sub-project screening to be decentralized to district & village levels	PGT and DPIT	Apr 2022 - continuous	Agreed
26	<b>Climate change strategy</b> Develop a climate change adaptation strategy for mainstreaming across all project components and stakeholders	PGT	June 2022	Agreed
<b>Project Management</b>		<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
27	<b>Proactive roles of PPIT and DPIT</b> Provincial and District Project Coordinators and Project Technical Advisors are to intensify support to district counterparts in supporting groups in planning for investments and providing clear information on the upcoming steps and grants implementation modalities	PPIT and DPIT	Continuous	Agreed
28	<b>Monthly Technical Meeting</b> Organised regular District monthly technical meetings, attended by related district implementing agencies, held with support of PPIT and FM and M&E Advisors, and other TA of PGT as needed, on activities planning, budgeting and reporting, etc.,	PPIT, PDIT and PGT	Continuous	Agreed
29	<b>Re-fresher trainings and technical support to DPIT and APGs</b> PGT to continue to provide re-fresher trainings and support to PPIT and DPIT on thematic areas – procurement and financial management, M&E, etc. PDIT and DPIT will continue to take the advantage of District Monthly Meetings and Quarterly Meetings to orient PPIT and DPIT and related agencies, to develop a clear understanding of project objectives, project components, implementation methodologies of each component/activity, financial arrangements, monitoring and evaluation requirements	PGT, PPIT and PDIT	Continuous	Agreed
<b>M&amp;E, KM</b>		<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>

30	<b>Reporting on beneficiaries</b> Report on beneficiaries at individual level and not only at HH level, disaggregating data by gender, age, ethnic group, economic status.	M&E Officer	Continuous	Agreed
31	<b>Logframe indicators</b> Logframe indicators “Groups receiving services” under Outreach and “% of households below the poverty line” under development objective to be clarified in a technical follow-up meeting	M&E Officer, PGT / IFAD	May 2022	Agreed
32	<b>KM plan 2022</b> Finalize detailed 2022 KM plan based on the template provided by IFAD during the ISM	PGT, KM specialist	May 2022	Agreed
33	<b>Project website</b> Create a project website to disseminate key information such as contract awards, interactive map of target villages and interventions	PGT, KM specialist	Nov 2022	Agreed
<b>Financial Management</b>		<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
34	<b>Advance to be requested for Additional Loan</b> Withdrawal Application for advance of USD 1 million is submitted to IFAD as per Revision to LTB dated 28 April 2021 for additional loan	PGT, MAF and MOF	Jun 2022	Agreed
35	<b>Tax exemption for project expenditure</b> MoF issues Tax exemption certificate/approval	MoF, MAF	Jun 2022	Agreed
36	<b>Strengthening FM system and reporting</b> Procurement and Implementation of new add-on accounting software	PGT	Jun 2022	Agreed
37	<b>Increase Finance Staf at PGT</b> Additional Finance Staff to be recruited to support the inspection of supporting document.	PGT	Jun 2022	Agreed
38	<b>Reporting of additional loan</b> Consult with software provider to ensure sources of fund are separately posted and reported from ACCPAC	PGT	Jun 2022	Agreed
<b>Procurement</b>		<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
39	<b>Assist Farmer Groups</b> Follow FGIF Guideline and APG procurement process conducted with technical support of DPIT in procurement, documentation, contract implementation, and disbursement in villages Provide a list of potential suppliers to groups and requirements on records keeping and supporting documents to be submitted with claims to get payments to avoid delays.	DPIT, PPIT, PGT	On-going	Agreed
40	<b>Enter and Update Contract Data</b> Review, clean, and update contract data	PGT	Monthly	Agreed
41	<b>Publish contract award notices to public media</b> Publish contract award notices to public media, such as a project website	PGT	Ongoing	Agreed

## **Status of Agreed Actions of Supervision Mission in December 2021**

The tables in the next pages detail the progress of implementation of the actions agreed at the last Supervision Mission in December 2021.

Status of Agreed Actions of Supervision Mission in December 2021

#	Actions	Responsibility	Deadline	Status as March 2022
<b>Component 1: Intensified Agriculture Development</b>				
1	<b>Develop a joint programme of WUG strengthening with SRIWMSP</b> In each Province, PPIT and DPIT should develop a joint programme for strengthening of WUG in the SRIWSMP RSP areas, combining resources of the two projects for this purpose.	PGT/ PPIT / DPIT	January 2022	Ongoing
2	<b>Selection of FGIF Infrastructure Investments Based on Farmers' Priorities</b> Small scale irrigation and farm access tracks are eligible investments to be financed by FGIF infrastructure grants. All investments should be directly linked to production activities. So far as possible the choice of type in each village should be based on the farmers' priorities.	PGT/PPIT /DPIT/DPWT	Ongoing	Ongoing
3	<b>Consider durable spot-improvement investments for access tracks</b> Given the small budgets available it is unlikely that significant lengths of all-weather road can be constructed with FGIF. Where improved access is a priority, consider investments such as bridges and culverts to improve critical sections of the track, as these will be more durable than low-cost earthworks.	PGT/PPIT /DPIT/DPWT	Ongoing	250Km of tracks will be surveyed and designed this year. Contract with DPWT is being prepared.
<b>Component 2: Value Chains Developed</b>				
4	<b>Selection of priority commodities</b> Review the selection of priority commodities from various sources to be validated through MSP with private entities for investments. Ensure full participation of farmers groups (including ethnic groups, women and youth) and village authorities in the decision-making process	PGT/PPIT/DPIT with SRIWMSP VC team	January 2022	MPS was organized in 6 districts of Houaphan province. Each district is preparing to organize buying contract negotiation between farmer groups and enterprises.
5	<b>Screening of private sector stakeholders in agricultural value chains</b> Exchange information on private sector stakeholders in agricultural value chains between PICSA, ERP and SRIWMSP (if relevant at this early stage) Ensure that a common engagement channel between the 3 projects and the identified private companies to avoid duplicate / contradicting communication	PGT/PPIT/DPIT with SRIWMSP VC team and ERP	February 2022	Screening of private sector and input supplier stakeholders has been done.
6	<b>MSP process</b> Harmonize the Value Chain development approach and private sector involvement modalities between PICSA, SRIWMSP and ERP. Conduct common MSP in SRIWMSP representative subprojects (RSPs) and ERP target villages to develop partnerships business plans and investment plans in common	PGT/PPIT/DPIT with SRIWMSP VC team and ERP	January 2022	MPS was organized in 6 districts of Houaphan province. This workshop will be organized in XK, LPB and XY province in between March and April 2022.
7	<b>Agro-Enterprise Investment Facility (AEIF)</b> The AEIF and VC grant facilities under SRIWMSP to be mobilised through an MSP process common to PICSA and SRIWMSP to avoid duplication. Consider harmonizing requirements and modalities across both VC grant facilities to facilitate access by MSMEs	PGT/PPIT/DPIT with SRIWMSP VC team and ERP	Ongoing	The AEIF grant will be announced after organizing MPS.
8	<b>Business development support</b> Identify needs of MSMEs / AEIF applicants in terms of capacity building for business development and assess the adequacy of the Business Development Support services available at the Provincial SME Support Centres (SSC) under the Lao National Chamber of Commerce and Industry (LNCCI). Identify other	PGT, LNCCI	Ongoing	Not have been implemented yet due to grant application is underway to announcement stage.

	service providers to address gaps in business development capacity building for MSMEs			
9	<b>Village-to-Village Roads Selected by MSP- reiterated agreed action at Implementation Support Mission of May 2021</b> Selection of Village-to-Village roads should be done by the MSP to ensure the selected roads support agriculture value chains. Involve all steering committee members (including P/DPWT) in validation of the selected investments	PGT/PPIT /DPIT	2022	Selection of target village to village road that need to be improved is done.
10	<b>Review Target for Village-to-Village Roads</b> Ensure climate proofing measures are included in the design of road rehabilitation and focus on quality interventions and O&M arrangements and responsibilities to ensure sustainability of the upgraded roads even if this results in an increased unit cost compared to that foreseen at design. Based on findings of initial surveys, PGT should develop a revised estimate of average unit cost and propose a revised target for total length of roads to be completed accordingly.	PGT/PPIT /DPIT P/DWT, SC, IFAD	April 2022	To be completed Q2 2022
<b>Component 3: Improved Nutritional Practices</b>				
11	<b>Prioritise ERP target villages for Nutrition Interventions</b> Target villages of ERP should be considered as high priority for nutrition interventions of PICSA Component 3	PGT, PPIT and DPIT	Ongoing	Complete selected nutrition target villages and village's information (population, ethnic, Number poor household, and some nutrition information) in LPB and Sayaboury provinces with PPIT, DPIT, Provincial and district nutrition committee teams. There are 135 villages in project period (LPB 64 villages and Sayaboury 71 villages). Target In 2022, there are 54 villages (LPB 24 villages and Sayaboury 30 villages). Also completed villages nutrition committee (VNC) in 54 nutrition target villages.
12	<b>Knowledge, Attitudes and Practice (KAP) Survey</b> Add increased budget for KAP survey in 2022 AWPB and PP with formal request to IFAD via NOTUS for review and NOL	PGT	December 2021	Completed to request budget for KAP 38,760 USD to IFAD via NOTUS and already get the NOL. Work has started
13	<b>Coordination of district convergence agencies</b> Provide technical trainings and strategic guidance to district convergence agencies on their key roles, a system of joint planning sharing and nutrition sensitive interventions via technical trainings and coordination meetings	PGT, PPIT and DPIT DNC	March 2022	Complete established technical staffs from District nutrition committee (Health, education, LWU, agriculture) in 9 districts. Who will run the nutrition activity in the target area and will organize TOT training end of March 2022
<b>Targeting and Social Inclusion</b>				
14	<b>Village profile</b> (1) Ensure data of village profile reflects important realities including out-migration of youth. Analyse data to complete the targeting guidelines and action plan; and (2) Make full use of the village profiles to support village planning exercise and identification/prioritization of project activities during planning process.	PGT DPIT	April 2022	To be implemented during next round of VP exercise
15	<b>Develop system for household registration</b> Add household level to the existing group / village level ID system in PIMES with IFAD support.	M&E Officer, PGT / IFAD	February 2022	Completed (Kop)
16	<b>Gender and social analysis</b> Undertake a gender and social analysis of PICSA potential beneficiaries based on village profiles data analysis, among others.	Gender specialist/PGT	April 2022	To be implemented during next round of VP exercise

17	<b>Finalization and conversion of GAP into TAP</b> (1) Together with PICSA project team (especially with component specialists, M&E and KM officer) convert the GAP into a broader Targeting Action Plan (TAP) which, besides gender, includes also youth and ethnic groups mainstreaming activities; (2) finalize activities formulation having no extra budget implication; (3) ensure that gender mainstreaming activities address the following three objectives: economic empowerment, voice and decision making, equitable workloads; (4) set targets in terms of women participation to project activities; (5) ensure that sex-disaggregated results and impact data are regularly collected, regarding both beneficiaries and project staff at all levels.	PGT	On-going 2022	The first draft is already in place and further to be discussed
18	<b>Capacity building of local authorities</b> Nominate gender/social inclusion focal points at the district level and raise gender awareness and build capacity among project-related staff and local authorities.	Gender specialist/PGT	Preparing Tools/ April 2022	Training tools prepared. Awaiting NOL for the GAP and will implement in Q2 2022
19	<b>Gender consultant TOR translated into Targeting and social inclusion consultant TOR</b> Develop TOR for a Targeting and Social Inclusion Consultant (rather than only gender), who will ensure mainstreaming of both gender and youth, while ensuring inclusiveness of ethnic groups.	PGT	January 2022	Done
<b>Environment, Social and Climate Risks</b>				
20	<b>Finalise the ESMP</b> Finalise the ESMP, conduct training and implement to ensure an effective process for environment, social and climate risk screening of investments, impact assessment and preparation of sub-project ESMPs.	PGT / PPIT / DPIT	January 2022	Completed in March 2022
21	<b>Prepare and Adopt a Project Climate Change Adaptation (CCA) Plan</b> (from 2020 Supervision Mission) Prepare a project CCA Plan for operationalising the CCA activities described in the PIM.	PGT / Short term consultant	March 2022	To be implemented in Q2 2022
22	<b>SECAP requirements for village-to-village road rehabilitation</b> Ensure full compliance with SECAP requirements for infrastructure investments including roads and access tracks.	PGT/PPIT/DPIT with SRIWMSP VC team and ERP	Ongoing	To be implemented in Q2 2022
23	<b>Environmental impacts of VC development</b> Further engage with identified inputs / equipment suppliers to ensure compliance with national regulations for agro-chemicals and encourage provision of sound technical advice by suppliers to farmers / customers on safe use and handling of agrochemicals. Include screening of VC impacts and mitigation measures in ESMP in line with IFAD SECAP guidelines	PGT/PPIT/ DPIT with SRIWMSP VC team and ERP	Ongoing	To be implemented in Q2 2022
<b>Monitoring and Evaluation and Knowledge Management</b>				
24	<b>Finalise KML Strategy</b> Finalise the KML strategy, including PGT approval, and share with IFAD for review and inputs	KM Specialist / PGT	February 2022	The KML strategy has been produced and approved by PGT and has been uploaded to NOTUS for IFAD's approval.
25	<b>Develop plan for local M&amp;E staff capacity development</b> Conduct needs assessment for District M&E Officers with IFAD technical support. Based on the assessment's findings, complete M&E staff capacity development plan enclosed in the M&E Guidelines (Annex 3).	M&E Officer, PGT IFAD	February 2022	Not yet. Training need assessment for district's M&E staff will be conducted on 14 Mar 2022

26	<b>Finalise M&amp;E Guidelines</b> Complete M&E Guidelines, especially with regards to the M&E Work Plan (Annex 2), and more details concerning data collection, entry, and analysis. Ensure that sex-disaggregated results and impact data are regularly collected, regarding both beneficiaries and project staff at all levels	M&E Officer, PGT	January 2022	Done. Finalized of M&E guidelines sent to IFAD's technical team for final review.
27	<b>Update logframe in PIMES (2 items)</b> (i) Add missing mid-term and end-line targets for multipliers of three indicators (CI 1.2.2, 1.1.4, and 1.2.8); (ii) Identify reason for differences of indicator for Output 2.1 in PIM, PIMES and ORMS, and agree on consistent way forward.	M&E Officer, PGT / IFAD	January 2022	Done. Logframe indicators in PIMES has been updated during MS 2021
28	<b>Complete baseline process</b> Improve the quality of data analysis, analyse resilience scorecards with IFAD support, and update the logframe with baseline data.	M&E Officer, PGT / IFAD	February 2022	Done. Datasets and resilience index has been revised with supported by IFAD team on 26 Jan 2022
29	<b>Revise Logframe after Baseline Survey (from 2020 Supervision Mission Aide Memoire)</b> After baseline survey data are available, review logframe indicators and targets and propose changes to IFAD if needed. Discuss with SRIWSMP LIC on the possibility of adopting one or more common indicators for the two projects	PGT / M&E Adviser	January 2022	Done. Logframe indicators updated and will be propose change to IFAD during ISM 2022.
<b>Project Management</b>				
30	<b>Review of Project Management Processes</b> Review project management processes to simplify and reduce the number of approval steps needed for time-critical actions	PGT	Ongoing	Ongoing
31	<b>Efficient management and work planning</b> Develop district-by-district quarterly implementation schedules with key milestones and timelines, matching with project overall planning/investment process and timely physical and financial progress reports shared among local partners	PGT, advisors PPIT, DPIT and district agencies	Q1 2022 onwards	Implemented for work planning exercise and OP Q2 2022
32	<b>Systematic introductions and technical trainings</b> Technical trainings and introduction to project advisors and local implementing agencies on key project details, technical guidelines, linkages between components relationships, steps, process, etc.)	PGT, advisors PPIT, DPIT and district agencies	March 2022	Every quarter
33	<b>Prepare a First Draft Exit Strategy</b> Prepare a first draft exit strategy for three components (FGIF, AIF, nutrition)	PGT / TA technical specialists	December 2022	To be implemented in Q3 / Q4 2022
<b>Partnerships</b>				
34	<b>Strengthen coordination with SRIWSMP and ERP on key issues</b> Initiate technical coordination including including (1) developing a joint programme of WUG strengthening between SRIWMSP and PICSA; (2) use of the MSPs as a combined planning and coordination mechanism at local level; (3) coordinated selection of priority value chains; (4) coordination of private sector engagement; and (5) ensuring optimal alignment of the private sector matching grants. Conduct quarterly coordination meetings (as agreed at wrap-up meeting)	PGT, SRIWSMP-LIC, ERP	January 2022 / Quarterly	Done
<b>Financial Management</b>				
35	<b>Increase AA to a Full Ceiling</b> Submit WA for an additional advance of USD100,000.	PGT, MOF & IFAD	December 2021	Done
36	<b>Submit AWPB 2022</b> Submit AWPB 2022 for NoL by IFAD As soon as possible.	PGT	December 2021	Done
37	<b>Financial Management Training</b>	PGT/PPIT/DPIT	Q1 2022	Done with 19 district & 4 Province

	Conduct financial management training to the provinces and the districts FM staff, including preparation and use of the chart of accounts, use of excel spreadsheet summaries, and bank a/c and cash reconciliations.			
38	<b>ACCPAC Training</b> More training on ACCPAC at the PGT level is required.	PGT	Q1 2022	End of March
39	<b>Increase Finance Staff at PGT</b> Increase one finance staff at the central level to support the inspection of documents of 1,050 matching grant groups and all of the expenditure documents of 23 sub-accounts.	PGT	January 2022	Pending
40	<b>Purchase Add-On Accounting Software</b> Purchase local add-on accounting software to help the PPIT and DPIT input data linked to the ACCPAC system so that the volume and workload of data entry in the PGT is reduced and to speed up the financial reporting processes.	PGT	January 2022	On processing
41	<b>Submit Audit report 2021</b> Submit the audit report 2021	PGT	June 2022	Recruitment of the Auditors
42	<b>Address Issues in Audit Report 2020 Management Letter</b> Address four issues raised in the Management Letter of the Audit Report for 2020.	PGT	June 2022	On going
<b>Procurement</b>				
43	<b>Procurement Plan</b> Revise and submit Procurement Plans for 2022 to IFAD for No Objection.	PGT	December 2021	Completed
44	<b>Revise Project Procurement Guidelines</b> Revise the Project Procurement Guidelines and submit to IFAD for No Objection	PGT	March 2022	Internally Completed (need to be confirm from PGT and IFAD)
45	<b>Pilot procurement with community participation</b> Pilot a procurement with community participation in each project province in line with procurement guidelines	PGT, PPIT, and DPIT	December 2022	Preparation stage
46	<b>Enter and Update Contract Data</b> Enter contract data for 17 works contracts and 125 consulting services contracts. Review, clean, and update contract data	PGT	December 2021 / Monthly	Last updated on 31 January 2022
47	<b>Publish contract award notices to public media</b> Publish contract award notices to public media, such as a newspaper or a website	PGT	Ongoing	Not yet in place.

## **Appendix 4: Technical background analysis**

This Appendix 4 contains two technical annexes prepared by Ms. Eva Hendrika Jordans, Water User Group organization and irrigation management specialist

- Technical Annex 1: Component 1 – Water User Groups (Sub-component 1.2)
- Technical Annex 2: Component 2 Multi Stakeholder Platforms (MSP) – VC based

## Appendix 4.1: Technical Guidance on Water Users' Groups

### Technical Annex 1: Component 1 – Water User Groups (Sub-component 1.2)

#### A. WUGs in PICSA

The PICSA PDR states that: "Irrigation Operation and maintenance responsibilities have been assigned to water users' groups (WUG) in a systematic process of Irrigation Management Transfer (IMT). Farmers groups established as Water User Groups and Associations (WUG/WUA) lacked management and financial capacity to operate and maintain infrastructures. The engineer-led design and construction process has generally hampered local participation and genuine involvement of water users in the management of the schemes. There are an estimated 2,533 groups nationwide, assessed as 66 formal Associations with strong management capacity, 1,627 groups with medium capacity and 840 groups with low management capacity (Dol, 2014). In this context, the recent Law on Irrigation issued in 2013 aims at promoting further investments in irrigation and irrigated agriculture with expected contribution from the private sector. It also maintains the existing approach of transferring operation and maintenance to Water Users Associations. The Irrigation Law has not been supported by application decrees and guidelines and previous decrees still apply, maintaining uncertainty on mandates and sharing of responsibilities for O&M management, financing of maintenance and repairs and recouping of infrastructure investment costs."

The PDR (pg.15) states that PICSA will strengthen the capacity of WUG groups in order to ensure that they fulfil their mandate and intensify the use of their irrigation systems. Doing so includes: (i) establishing an elected WUG committee; (ii) preparation of internal rules and regulations; (iii) planning for production of high value crops; (iv) setting-up a basic accounting system to ensure recovery of O&M costs; and (v) agreeing on routines and responsibilities for operating and maintaining irrigation infrastructure.

The PDR further states that the project will target 15 to 20 Water User Groups in each district. PGT estimates to support around 440 WUGs. The training programme spans the full project period, starting with formal training in the first and second years and on-the-job coaching in subsequent years. Exchange visits between WUGs will provide the opportunity to learn from WUGs with advanced management capacity. Training will be provided by DAFO staff with assistance of project staff.

WUGs will be strengthened and/or formed by PICSA in 3 types of irrigation scheme contexts:

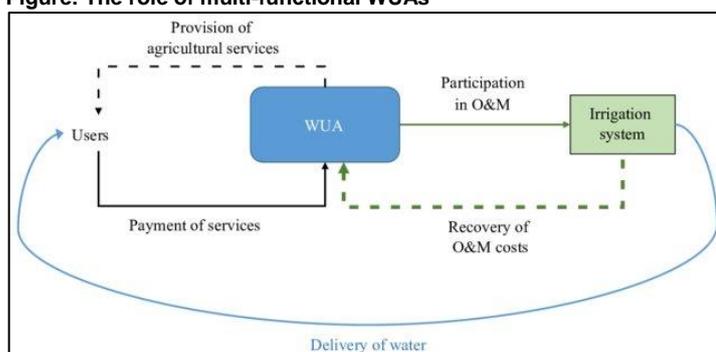
- 18 schemes of SRIWMSP – starting with the four RSPs in each Province – in total these 18 schemes cover 120 villages
- Other government schemes in the 4 Provinces
- Small-scale irrigation schemes initiated under FGIF

There are also different scenarios in terms of overlap with the FGIF (sub-component 1.4):

- Some of the WUGs will also access the input packages grants under 1.4 – so will be Agricultural Production Groups as well – in this case there is a maximum of 20 households that can benefit;
- Some of WUGs will access the infrastructure grants for investments in small- scale irrigation and infrastructure - there is no upper limit for number of participating households for infrastructure projects;

The overlap between WUGs and APGs can be seen visually in the next figure indicating different roles for the WUG:

**Figure: The role of multi-functional WUAs**



Source: IWMI Working Paper 180<sup>2</sup>

<sup>2</sup>

[https://www.researchgate.net/publication/333118784\\_Water\\_User\\_Associations\\_A\\_Review\\_of\\_Approaches\\_and\\_Alternative\\_Management\\_Options\\_for\\_Sub-Saharan\\_Africa\\_IWMI\\_Working\\_Paper](https://www.researchgate.net/publication/333118784_Water_User_Associations_A_Review_of_Approaches_and_Alternative_Management_Options_for_Sub-Saharan_Africa_IWMI_Working_Paper)

## B. O&M Manual: 5 Key Themes:

In the PICSA O&M manual five steps (5) are presented for the strengthening of WUGs:

- Step 1: Appoint and build capacity to PAFO/DAFO staff to empower farmers in irrigation use. Check the existing WUFG. If yes, review the data and go to Step 4. If not, continue Step 2.
- Step 2: Collect data and analyze information from farming households and their farming activities, irrigation area, fields, activities, etc.
- Step 3: Consultation meeting with village authorities and target farmers, and then organize the WUFG, its members, and committee<sup>3</sup>, develop the WUFG's roles and formalization.
- Step 4: WUFG members are trained on O&M methods, rules, and regulations in linking to FGIF (e.g. FGIF can be used for maintenance cost, not for water user's fee) WUFG is trained on farming productivity and profitability by using irrigation water for their high-value crop or their priorities.
- Step 5: Monitoring and assistance with any technical requests from the WUFG committee. Progress report (progress, achievements, issues/problems, and solutions)

Training of Trainers has been conducted to PAFO on 5 key themes:

- Water User Group Administration
- Delivery of Water
- Maintenance & Repair
- Cropping pattern & calendar
- Financial Management

## C. Implementation process and coordination

Construction in the 4 RSP schemes of SRIWMSP will start this year. Strengthening and involvement of WUGs is important in all phases of the irrigation scheme rehabilitation, not only after construction. WUGs can give their inputs in the design, perform an active role in oversight/quality control during construction and suggest exact placement of valves and off-takes during construction. With completion date set at December 2025, and some delays in construction foreseen there may be less time to support WUGs after construction is completed. In general steps in scheme design and implementation are presented below, including 1) identification and feasibility, 2) design and institution building, 3) construction, 4) Scheme hand-over and O&M and 5) Monitoring of sustainable O&M. For each of the 18 SRWMSP schemes these steps will be at different times. Coordination between PICSA and SRIWMSP is important at each step. So is the efforts to establish market linkages through MSPs and also the link to activities carried out by ERP in the uplands. This is presented visually in the below figure:

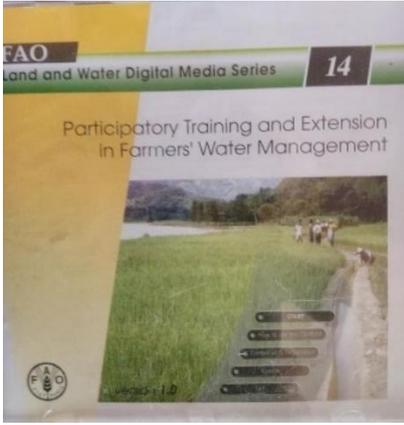
Implementation process and coordination PICSA – SRIWMSP - ERP					
	1	2	3	4	5
	Identification and feasibility	Design and institution building	Construction	Scheme handover and O&M	Monitoring of sustainable O&M
Soft-ware (Institutional) Activities PICSA	Consultation meetings with farmers on WUFG and water use (step 1)	Start forming WUFG, select committee (step 2) and form WUFG (step 3)	WUFG's/farmers contribution to construction and oversight	WUFG training on O&M	O&M by WUFG
Coordination PICSA and SRIWMSP in/around 18 schemes	↕	↕	↕	↕	↕
Hard-ware (Technical) Activities SRIWMSP	Rapid Appraisal, technical options, study feasibility	Prepare design, plan and procure materials	Construction of physical works	Advise and train on O&M	Monitoring
Markets/MSPs and grants (PICSA, SRWMSP, ERP)	Organise MSPs, facilitate market linkages and contract farming, identify private sector partners and grant proposals		Ensure and monitor effective market linkages and partnerships between producers and buyers, VC development.		
ERP- Watershed Mgt.	Participatory land use planning, including forest protection and preparation of village investment plan		Training and implementation of village investment and land use plan, including forest protection, and village investment plan.		

<sup>3</sup> Criteria to set up the WUFG, its memberships and committees are specified in the O&M manual of Dol.

#### D. WUG Training Approach

PICSA is yet to start training the WUGS themselves. Existing functioning Water user groups would need a different capacity building approach compared to areas where no functioning WUG exist – so no blueprint approach should be followed; instead the capacity building approach should be based on actual needs and functioning of each WUG. Furthermore, the WUG training approach would need to be practical, in the field and involve all members of the group, and not only the WUG Committee. The mission shared with PGT the detailed description of several participatory training exercises developed by FAO<sup>4</sup> and used by IFAD in Rwanda and Lesotho. These exercises are based on the Farmer Field School (FFS) approach. See a blog with the experiences in Rwanda: <https://ifad-un.blogspot.com/2016/06/putting-water-in-local-hands-farmers-to.html>

Below these participatory training exercises are presented and linked to the PICSA O&M Manual:

<ol style="list-style-type: none"> <li>1. Understanding WUG Organization</li> <li>2. Conflict management (1)</li> <li>3. WUG Governance : conflict management (2)</li> <li>4. Land Preparation</li> <li>5. Defining Operation and Maintenance</li> <li>6. Review of O&amp;M</li> <li>7. Field Irrigation Practices</li> <li>8. Irrigation scheduling – Frequency and amounts</li> <li>9. <b>Participatory assessment of irrigation &amp; drainage system: Mapping</b></li> <li>10. <b>Problem identification and priority ranking</b></li> <li>11. <b>Identification of solutions and appropriate technologies</b></li> <li>12. <b>Sustainability, Empowerment of Water users and Accountability Issues</b></li> <li>13. WUG Self-Evaluation</li> <li>14. Fulfilment of WUG responsibilities</li> </ol>	
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These exercises could link to the 5 themes identified in PICSA O&M Manual as follows:

	Topic	
1	Water User Group Administration	Ex. 1: Understanding WUG Organization Ex. 2: Conflict management (1) Ex. 3: WUG Governance : conflict management (2) <b>Ex. 12: Sustainability, Empowerment of Water users and Accountability Issues</b> Ex. 13: WUG Self-Evaluation
2	Delivery of Water	Ex. 7.: Field Irrigation Practices Ex. 8: Irrigation scheduling – Frequency and amounts Ex. 9: <b>Participatory assessment of irrigation &amp; drainage system: Mapping</b>
3	Maintenance & Repair	Ex. 5: Defining Operation and Maintenance Ex. 6: Review of O&M <b>Ex. 10: Problem identification and priority ranking</b> <b>Ex. 11: Identification of solutions and appropriate technologies</b>
4	Cropping pattern & calendar	Ex. 4: Land Preparation Ex. 8: Irrigation scheduling – Frequency and amounts
5	Financial Management	Ex. 14: Fulfilment of WUG responsibilities

<sup>4</sup> Adapted from Participatory Training and Extension in Farmers' Water Management, FAO Land and Water Digital Media Series 14, FAO 2001

### E. Steps in the WUG strengthening process

The following steps are considered a model for success of WUG by increasing the level of ownership towards sustainability of irrigation schemes:

1. **WUG formation/Strengthening:** In the 18 irrigation schemes under SRIWMSP, covering 120 villages, the beneficiaries have to be mobilized, sensitized, and organized for forming the WUG. Since these are already operating irrigation schemes some WUGs are already existing; these need to be identified and their organisational strength assessed and their needs determined. The sensitization would focus on the roles and functions of the WUG during scheme planning, construction as well as the operations and maintenance necessary for the sustainability of schemes. *(An example of a WUG bylaws is attached Annex 1).*
2. **WUG committee:** After being sensitized, various activities relating to the scheme and organization of WUG will start. The first activity would be a general assembly meeting with all beneficiaries to elect the WUG committee which will work and collaborate with PICSA-SRIWMSP during the implementation period. At this stage, the elected committee would start their activities by preparing a list of beneficiaries who have a plot in proposed command area with the average plot size of every beneficiary. The women and youth would be motivated to become committee members of WUG.
3. **WUG training:** Training would be organized for all WUG members. The training would make them understand their rights and responsibilities, constitution and bylaws, organization and management in particular, the leadership training, etc. The WUG committee, with assistance of District staff, would prepare a draft of constitution and bylaws which will be presented to the general assembly meeting for amendment and approval. The WUG committee would be involved in all phases of scheme development and this WUG committee would involve themselves fully during field survey and design. This involvement in planning, preliminary survey, feasibility study, design, implementation and test checking is part of training which will result on ownership of the scheme to the sustainability after handing over.
4. **Consultation on design with WUG:** When indicative plan and scheme estimates are ready, these would be further discussed with WUG and the local administrative authorities so that their views and opinions on proposed arrangement for the implementation are considered. Any modifications needed and the suggestions proposed by the WUG would be incorporated in the plan and estimates.
5. **Selection of scheme facilitator:** The WUG would be encouraged to select one among them as a group leader or scheme facilitator and through him/her; the beneficiaries would be motivated to set up construction committees. In selecting the facilitator, the social values and practices would be respected.
6. **Scheme implementation agreement:** Before the commencement of construction, an agreement could be made and signed between WUG and SRIWMSP indicating clearly the roles and responsibilities and obligation of all parties. The agreement would also indicate a provisional timeframe for proposed activities of WUG to be completed. The result from the survey and design activities as well as the work already done by WUG in scheme preparation such as elaboration of the list of beneficiaries, preparation of the constitution and bylaws would be a part of the WUG activities to be specified in the agreement. The agreement would emphasize and include the aspects of (i) construction activities by providing (paid) labour, (ii) time for training, (iii) outline of the scheme organization, draft of the constitution and bylaws of WUG, (iv) explanation of scheme ownership and procedures for handing over to WUGs, etc. This implementation agreement will be presented and discussed with WUG members together with proposed scheme organization, constitution and bylaws. The agreement will be signed by the WUG committee and DOI/SRIWMSP. *(An example of a scheme implementation agreement is attached Annex 2).*
7. **WUG participation in construction:** In all procurement procedures, clear division of role and responsibilities between the participating farmers and DOI/SRIWMSP would be made in the agreement to be signed between the DOI/SRIWMSP and the WUG. The participation of beneficiaries would be determined by the different activities that will be provided such as supply of local construction material like sand and stone, excavation of the canal or trenches, bush clearing, land preparation, etc. All items should be specified in quantities.
8. **Strengthening the WUG for sustainable management of irrigation scheme:** The provision of training on aspects related to the operation and maintenance of the irrigation system, farming training, water management, Irrigation scheduling for frequency and amounts, field Irrigation Practices, participatory assessment of irrigation and drainage system mapping, Sustainability, empowerment of WUG and accountability issues, etc. A detailed manual would be developed by PICSA/SRIWMSP and provided to every WUG.
9. **Integrate the WUG in inspection:** During and after completion of work, the WUG would be involved in inspection with all technical team to assess the quality of work. After construction is completed, the inspection

of the system during the first seasons/one year needs to be done jointly and any deficiencies will be noted, and will be corrected before the scheme handover.

**10. Formation of WUG:** A scheme level WUG would need to be formed covering all WUGs formed in the villages/blocks under the scheme. This WUG would need to register formally as a WUA.

**11. Irrigation management transfer agreement:** The irrigation scheme after being completed would be transferred to the WUA. This would be done under the agreement to be signed between the DOI and the WUA for regular operation and maintenance. All databases of the scheme would be handed over to WUG and the database will comprise the maps of irrigation scheme showing all designed infrastructures and structures and its lists, manual for the operation and maintenance of the system. *(An example of an irrigation management transfer agreement is attached Annex 3).*

**Annexes to Appendix 4.1:**

- Annex 1: Model of Irrigation Water Users Group/Association bylaws
- Annex 2: Scheme Agreement between DOI and WUG for irrigation facilities
- Annex 3: Irrigation Management Transfer (IMT) Agreement

## **Annex 1: Model of Irrigation Water Users Group/Association bylaws**

*[Name of irrigation scheme] IRRIGATION WATER USERS GROUP/ASSOCIATION*

### **CHAPTER ONE: NAME, OFFICE, DURATION AND OBJECTIVES**

#### **Article 1: Name**

Refer to Minister order law N° [Number] of *[Date/Month/Year]* establishing irrigation Water User Associations in irrigation schemes. It has been created an Association regulated by the present statute named *[Name of the WUA/WUG]*

#### **Article 2: Head Office**

The Headquarter of the Association is located in *[Geographical or administrative Location]* District, Lao PDR.

#### **Article 3: Duration**

The association is established for an indefinite period of time.

#### **Article 4: Mission and activities**

The Association has the following mission: Management, protection, operation and maintenance of hydraulic infrastructures in *[Name of Scheme]* irrigation scheme.

The Association has the following activities:

- Setting up irrigation schedule;
- Elaborate the operation and maintenance plan of hydraulic infrastructures.
- Ensure full participation of all members in all its activities including water services payment for operation and maintenance of irrigation scheme;
- Minimize waste of water;
- Promote the use of new techniques and technologies for raising yield per unit of water;
- Avoid erosion, salinization, overwatering and control flooding;
- Ensure members maintain the fertility of the soil and protect the environment;

### **CHAPTER II: THE MEMBERS**

**Article 5:** The founder Members are those that have signed the present statute. Ordinary members are those who would have accepted this present statute and accepted after a written application by the Association.

The founder and ordinary members are referred to as effective members of the Association with equal rights and duties. Honorary members are all physical and moral persons whom the General Assembly will give that title in recognition of their special and appreciable services rendered to the Association. Honorary members attend the General Assembly but with no right to vote or to be voted.

**Article 6:** The effective members commit to unconditionally participate in the activities of the Association. They attend the General Assembly meetings with the right to vote. They are compelled to pay the water fee determined by the General Assembly.

**Article 7:** Membership ceases due to death, exclusion or the dissolution of the Association. The modalities of resignation and exclusion are determined in the Association's Internal Rules and Regulation.

### **CHAPTER III: THE PATRIMONY**

**Article 8:** The Association can hire, borrow or possess movable and immovable assets necessary to achieve its objective.

**Article 9:** The patrimony of the Association is comprised of the payment of water fees, products of the works of the Association, donations, legacies and divers subsidies.

**Article 10:** The assets of the Association are its exclusive property. It allocates its resources to anything that can lead to direct or indirect realization of its mission.

**Article 11:** Upon approval of the 2/3 of the total votes, the general assembly should approve the liquidation of the association. When the association is liquidated, after the inventory and payment of debts, the remaining patrimony

shall be allocated to any other association of the same mission on the basis of the internal rules and regulation of the dissolved association. When the association is liquidated, the General Assembly nominates one or more person to finalize the liquidation process. The serving term of the Executive Committee ends at the nomination of the liquidation committee.

#### **CHAPTER IV: THE ORGANS**

**Article 12:** The organs of the association are:

- General Assembly;
- Executive Committee;
- Audit Commission;
- Dispute Resolution Committee.

**Article 13:** The General Assembly is the supreme organ of the association. It is composed of all members who use water in irrigation scheme of [Name of Scheme]

##### **Section one: General Assembly**

**Article 14:** The General Assembly has the following powers:

- Adopt and modify the statutes and rules of internal order of the association;
- Nominate and layoff the members of the Executive Committee, Audit Commission and Dispute Resolution Committee;
- Approve the annual action plan and budget of the Association;
- Admit, suspend and exclude a member;
- Approve the annual activity reports and financial statements;
- Accept donations and legacies;
- Dissolute the Association;
- Approve partnership of the Association with other associations or organizations with the same objectives.

**Article 15:** The General Assembly is convened and presided over by the Legal representative or by the assistant Legal representative of the Association in case of his/her absence. In case of absence or refusal of the Legal Representative and the assistant, the General Assembly is summoned in writing by one thirds of the effective members. In that case, the General Assembly elects the president of the session among the attending members.

**Article 16:** The General Assembly meets twice a year in ordinary sessions. The invitations containing the agenda are sent at least thirty days before the meeting.

**Article 17:** On the agenda of the first meeting of the year, must obligatorily appear the annual report of activity of the past year, budget proposal for the next year, and the auditors' report.

**Article 18 :** The General Assembly meets and makes valuable deliberations when 2/3 of the effective members are present. If the quorum is not attained, a new summon is sent in 15 days. After that time, the General Assembly meets and makes valuable deliberations no matter the number of participants. Except for the cases provided for by the law relating to organization and functioning of National Non-governmental Organizations, the decisions of the General Assembly are made by absolute majority of votes. In case of equality, the president's vote counts double.

**Article 19:** The extraordinary General Assembly is summoned and presided in the same conditions as the Ordinary General Assembly. The time for summoning is 15 days. But in case of extreme emergency, that time can be reduced to 7 days. The debates cannot be on other than the objective of its summoning.

**Article 20:** The minutes of the meetings of the General Assembly are signed by the Chairperson and by Deputy Chairperson who is also the Secretary of IWUG.

##### **Section two: Executive Committee**

**Article 21:** The Executive committee is composed of:

- Chairperson who is the Legal Representative of the Association;
- Deputy Chairperson who is the vice Legal Representative and the Secretary;
- Treasurer;
- Deputy treasurer;
- The person in charge of hydraulic infrastructures;
- Advisors.

**Article 22:** The members of the Executive Committee are elected among effective members of the Association for a renewable term of 3 years.

**Article 23:** The Executive Committee meets once by cultural season and every time needed, summoned by the President, or in case of his absence by the Vice-President. It assembles and makes decisions by absolute majority of its members. In case of parity of votes, the president's vote counts double.

**Article 24:** The Executive committee is in charge of:

- Executing the decisions and recommendations of the General Assembly;
- Follow up the daily management of the Association;
- Prepare annual activity reports and financial statements;
- Represent the association to the authorities and all other individuals and entities for the interest of the association;
- Prepare the draft budget and work plan for approval by the General Assembly;
- Negotiate financial support with the partners;
- Prepare the sessions of the General Assembly;
- Recruit, nominate and dismiss the personnel of the Association.

### **Section three: Auditors**

**Article 25 :** The Audit Commission consists of three persons elected by the General Assembly for a two-year term with a role of controlling the financial management and patrimony of the association. Without displacement, they have access to books and records of accounts of the Association. They provide a written report to the General Assembly.

### **Section four: Dispute Resolution Committee**

**Article 26:** The Dispute Resolution Committee consists of three members elected among farmers and another member representing users of irrigation water for non-agricultural activities. They are elected by the General Assembly for a period of three years renewable. This committee has a mandate of preventing and resolving conflicts that may arise among members. An association member who has an allegation toward another or the Association reports through a written complaint to the Dispute Resolution Committee. This one solves the problem by referring to the internal rules and regulations of the Association.

## **CHAPTER IV: FINAL DISPOSITIONS**

**Article 27:** The present statute can be modified by absolute majority of the effective members meeting in a General Assembly, on proposition by the Executive Committee or by 1/3 of the effective members.

**Article 28:** For what is not provided for in this current statute, the Association will refer to the law *[Number of Law]* of *[Date/Month/Year]* relating to the organization and functioning of national non-governmental organizations and to Internal rules and regulations adopted by the General Assembly.

**Article 29:** The current statutes are adopted by the founder members of the Association meeting in a General Assembly at *[Location]*, on the *[Date/Month/Year]*

*[Full name& Signature]*

WUG Chairperson and Legal Representative

*[Full name& Signature]*

WUG Deputy Chairperson /Deputy-Legal Representative

## **Annex 2: Scheme Agreement between DOI and WUG for irrigation facilities**

On behalf of the Ministry of Agriculture/Department of irrigation;  
and

On behalf of the WUG [*Name*], the chairman of the said WUG hereby execute the following agreement at [*Location of Scheme*] on [*Date/Month/Year*]:

### **Whereas**

- a) The [*Name*] irrigation system, having an irrigated area of [*Number of Hectare*] to be developed/rehabilitated under the DOI with [*number of beneficiaries*] members benefiting by it, is between [] and [];
- b) The construction of the scheme is scheduled to commence on [*date/Month/Year*];
- c) The WUG is an informal group/duly registered legal body, registered with [] and bearing registration number [], having (number) of farmers in the proposed area as its members;
- d) the WUG has requested for scheme assistance and agreed for the proposed Scheme and hereby confirms that it will assume full ownership on completion of work.

### **Now, Therefore,**

As per this agreement, the right of ownership of the Scheme, inclusive of all structures will vest with WUG for irrigation management, all other works to be executed by the DOI through the PICSA/SRIWMSP jointly with the WUG in the irrigation scheme mentioned above, remain assigned with the WUG.

In furtherance thereof, the DOI/ PICSA/SRIWMSP has awarded the construction work to the contractor [*name*] and the construction work is scheduled to commence on [*Name/Month/Year*].

It is further agreed that the WUG shall endeavour to bring all farmers who are the beneficiaries of the irrigation scheme to provide necessary labour support including free labour [*determine the rate of free labour to provide*] and WUG shall take active part during the Scheme construction;

**Co-operation and exchange of Information:** The DOI and the WUG shall maintain close collaboration through information exchange and transfer of skills, etc. The DOI through the PICSA/SRIWMSP shall prepare an implementation plan ("the Plan") for the entire Scheme showing the schedule of work, contribution by WUG and dates for completion of work.

The WUG shall employ a supervisor or nominate a scheme facilitator for overall implementation supervision and facilitating the construction activities.

The WUG is also responsible for implementation supervision and endorsing certificates of completion of work. The DOI shall undertake repairs arising out of natural calamities or any other unforeseen events. During the hand-over phase, the staff of PICSA/SRIWMSP and DOI shall work with the WUG and shall also learn from the members of the WUG about their perception of water use, irrigation system management and other needs.

### **Rights and responsibilities**

#### **Rights and responsibilities of the DOI:**

- a) Providing technical advice and guideline to the WUG with regard to the construction, operation and maintenance of the scheme and the facilities; and
- b) Supervision to the system area to ensure that this agreement is adhered to and the water fees received.

#### **Rights and responsibilities of the WUG in which the WUG shall:**

- a) assume full responsibility for the system;
- b) protect the entire system and structures from any damage whatever;
- c) facilitate any visits or the inspection by the DOI;
- d) abide by the implementation plan given to it from the time
- e) provide [*man/day*] labour for following activities: head work, construction of canals and structures;
- f) Provide the contribution by collecting stones [*m<sup>3</sup>*], sand [*m<sup>3</sup>*], other material required [*quantity*] etc. for construction; and
- g) Ensure the free access to the contractor and provide free right of way.

#### **Example of WUG participation:**

Activity	Quantity	Responsibility	Deadline
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Supply of local construction materials: <ul style="list-style-type: none"> <li>• Stone</li> <li>• Sand</li> </ul> Excavation of trenches or canal Bush clearing	m <sup>3</sup> m <sup>3</sup> m or m <sup>3</sup> m <sup>2</sup>	WUG WUG WUG WUG	Before construction
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**Other rights and obligations**

The DOI will have the right to terminate this agreement with WUG if the WUG shall have violated any of the laws or provision contained in the National Irrigation Law or shall have acted, negligently or intentionally, in detriment to the safety of the scheme. The DOI shall give to the WUG sufficient notice and opportunity to rectify the situation, or itself carry out necessary repairs or rectification work and recover the costs from the WUG. If the WUG shall have failed to take corrective action within **[number of days]** of receipt of notice, terminate this Agreement and the rights accruing to the WUG hereunder.

The WUG shall have the right to claims caused due to poor quality of civil work from the contractor or DOI. If the WUG shall be successful in its claim, the work will be carried by or repaired by the contractor or DOI free of any costs to the WUG.

**Dispute resolution**

All disputes arising out of any provision made in this Agreement shall be resolved by the DOI or by a committee appointed on its directive.

This Agreement shall remain in force for a period of **[Number of days]** with effect from the date of signing the agreement. Further continuation of the Agreement or the termination of the Agreement on its expiry date shall be decided with the consent of the parties mentioned herein above.

*[Full name and Signature]*  
 The Ministry of Agriculture  
*[Full name and Signature]*  
 The Chairperson of Water Users Group/Association  
*[Full name and Signature]*  
 Cosignatory: The District Authority

### **Annex 3: Irrigation Management Transfer (IMT) Agreement**

#### **Irrigation Management Transfer Agreement**

Irrigation Management Transfer (IMT) Agreement between the Ministry of Agriculture and Forestry and Irrigation Water Users Association NAME

##### **Preamble**

This agreement, signed *[Day/Month/Yeah]* between the Government of Lao PDR through the Ministry of Agriculture and Forestry and Water Users Association *[Name of WUG]* established at *[Location]* has for purpose to implement Ministerial Order *[Number]* establishing irrigation water users associations on all irrigation schemes.

This agreement has for general purpose to:

- i. improve the operation and maintenance of irrigation and drainage networks in all schemes;
- ii. make the WUGs the sole entities taking operational decisions on water management in the command areas of the schemes, and to
- iii. ensure the financial sustainability of the canal network by locating the responsibilities for operation and routine maintenance with the users.

The Government of Lao PDR and Water Users Association *[Name of WUG]* have concluded the following:

##### **Article 1: Definitions**

In this contract

- DOI shall refer to the Ministry of Agricultural and Forestry;
- WUG shall refer to Water Users Association *[Name of WUG]*;
- Scheme command area shall refer to the area developed to be irrigated by the canal networks ;
- WUG Chairperson´ shall refer to the water user elected by the members of the WUG to that board position in accordance with the WUG bylaws;
- Year shall refer to the 365 days calendar year.

##### **Article 2: The object of the transfer**

The Government transfers the responsibility for the management of irrigation scheme *[Name of Scheme]* which is described *[ Appendix of scheme map of irrigation scheme]* to the WUG *[Name of WUG]*. The transfer concerns all responsibilities for routine operation and maintenance.

##### **Article 3: Obligations of the Government**

The Government through its Ministry in charge of agriculture has the following obligations:

- a) Transfer to WUG the scheme in good state of functioning;
- b) Provide trainings and field support to the WUG;
- c) Provide support in terms of percentage for covering the cost of heavy maintenance works *[List of heavy maintenance work: in Appendix of this IMTA]*;
- d) Monitor and evaluate the performance of the irrigation system on regular basis;
- e) Commit to funding the rehabilitation of the system if reports by its auditors, establish that for a period of twenty years after signing this agreement the WUG has:
- f) Keep the head works, pipes/canals, drains and on farm distribution structures in working order;
- g) Protect the system against floods;
- h) Collect each year 95 to 100 per cent of the amount of the water service fees;

##### **Article 4: Obligations of the WUG**

The WUG commits to:

- a) sign a performance contract with the District irrigation steering committee every year;
- b) prepare an annual work plan and budget for maintenance and cleaning for its drains, pipes, canals and headwork each year specifying the activities to be implemented by the users and the activities to be outsourced. The annual work plan and budget to be approved by the general assembly'
- c) prepare a water distribution plan each year and adapt water distribution rules to emerging needs;
- d) calculate the management cost of the WUG each year and present the management budget to the District Irrigation Steering Committee;
- e) keep separate records of fee spending on operation and maintenance and on management;
- f) determine and collect the water fees to cover the cost of operation and maintenance and deposit these to the designed bank account of WUG;
- g) establish and maintain a reserve fund to cover emergency cases as recommended by the Government;

- h) put in place a simplified financial accountability system as recommended by the District Irrigation Steering Committee;
- i) contribute regularly to the Irrigation Trust Fund as defined by the Government;
- j) submit an simplified annual report and financial statement to the District irrigation steering committee, according to the model [ *Format to be agreed: Appendix* ];
- k) authorize the persons and institutions appointed by the DOI to have unlimited access to the scheme and the WUG financial records;
- l) grant its member unlimited access to all its books and records at any time;
- m) exclude major changes of the irrigation system without the prior approval from the DOI;
- n) exclude transfer of the irrigation system management responsibilities to a successor or other third party except with the written consent of the DOI;

#### **Article 6: Conflict resolution**

Parties will first consult each other to resolve any disagreements and reach a common understanding regarding the implementation of this Agreement. If parties fail to reach a shared understanding, they may submit the issue for settlement by arbitration to [XYZ];

#### **Article 7: Final provisions**

The Agreement becomes effective after its signature of both parties and co-signed by the District authority.

*[Full name and Signature]*

The Ministry of Agriculture and Forestry

*[Full name and Signature]*

The Chairperson of Water Users Association

*[Full name and Signature]*

Cosignatory: The District Authority

## Appendix 4.2: Guidance for Multi Stakeholder Platforms

Technical Annex: Component 2 Multi Stakeholder Platforms (MSP) – VC based

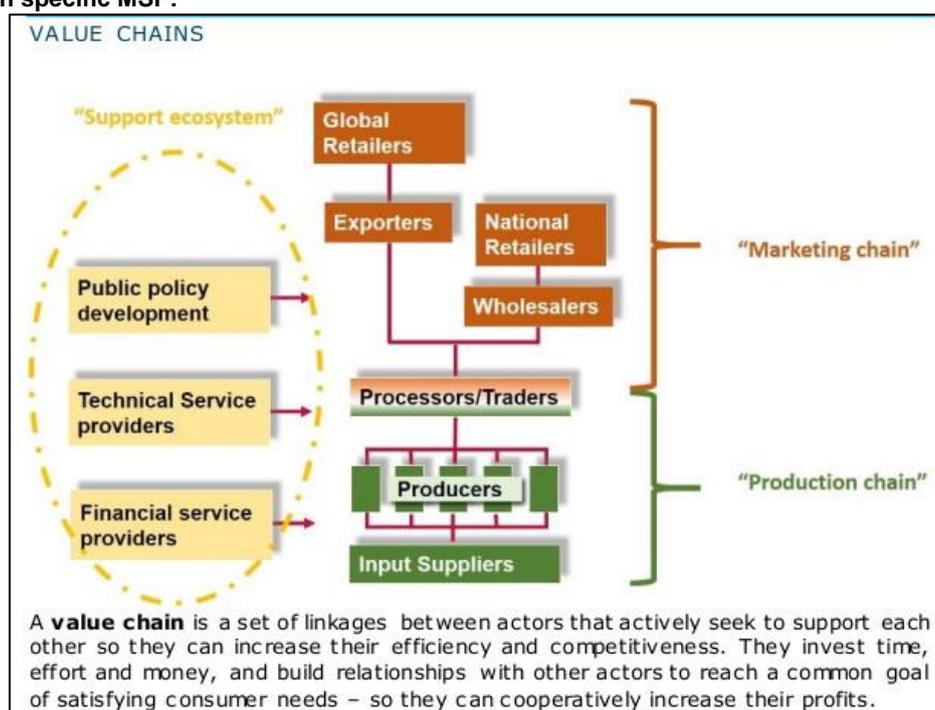
### Objective

The Multi Stakeholder Platforms (MSP) are facilitated processes through which stakeholders will:

- Reach consensus on constraints, opportunities and objectives;
- Cooperate in solving dilemmas, problems, disagreements or conflicts associated with objectives and collective resource use;
- Undertake joint actions with respect to the perceived problems.

These MSPs can be permanent or of limited duration, in the latter case most often in order to solve a specific issue. It is essential that any MSP identifies and mandates a **neutral facilitator** in charge of the design, set-up and facilitation of the MSP discussions. However, with time stakeholders could contribute to MSP facilitation.

### Value Chain specific MSP:



*Source:* Figure from Inclusive Agribusiness Cluster Development Methodology, p.4, SNV, Cambodia

The Value chain specific MSP would aim to encourage an inclusive agribusiness development initiative that involves stakeholder arrangements in the form of a "trading platform". The VC-MSP is designed to bring together value chain actors who experience profitability and growth challenges limited by access to competitive markets. The challenges may include but are not limited to access to finance, inputs and or produce market, timeliness of supply, quantity and quality just to name a few. The innovativeness of the MSP is the pulling of all the actors in a particular value chain in a mutually beneficial relationship that ensures strong connections as opposed to the traditional approach that largely relies on pushing products to the market often based on comparative or competitive advantage. In this approach, actors are much more informed and responsive to market needs, have opportunity to improve their service delivery and can capitalize on sector business knowledge and experience including providing tailor made services.

In practice, MSP should organize VC specific pre-season meetings to establish market requirements including inputs, finance as well as produce market.

The key incentive for value chain actors to participate in MSP and trading platform arrangements is about profitability. To this end, the strategic objective for PICSA is to support towards development of was to see to an increase in unit margin resulting from economies of scale and competitive access to inputs and produce markets. The objectives of the business dialogue through a VC specific MSP are:

- 1) Have a clear understanding of the local economic and business situation and potential related to the selected value chain,
- 2) Understand local opportunities and constraints to develop further local economic and business opportunities for the benefit of all

- 3) Share a common vision on how to develop business opportunities and socioeconomic impact on the communities and
- 4) Agree to be part of the propose cluster and on its geographical limits.

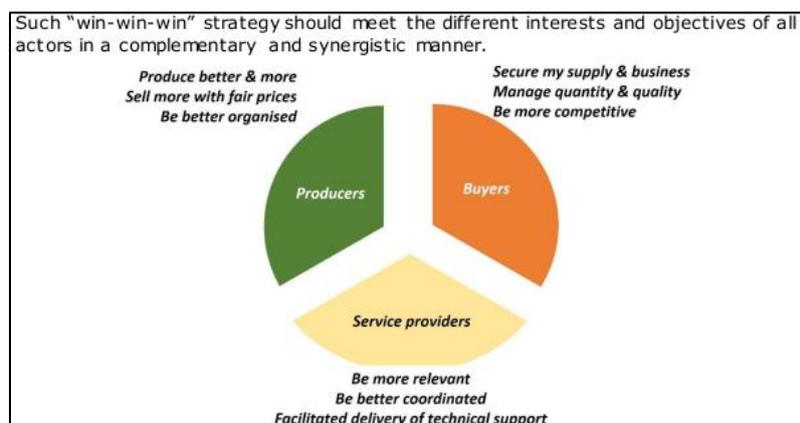


Figure from Inclusive Agribusiness Cluster Development Methodology, p.7, SNV, Cambodia

#### Agenda MSP: Focus of the discussions could be:

1. Actions by the "production actors", and how they will cooperate and synchronize their operations.



Specific questions include:

- How input providers will supply with the right equipment, technology, raw material, seeds and agro-inputs, at the right time and right price, as requested by the targeted market and standards to all engaged producers?
- How producers will plan their production as per the selected good practices and agreed calendar? How they will support and supervise each other's in order to guarantee quality and standard compliance?
- How village collectors or producer groups will aggregate production check quality, store and package final products as agreed with buyers?

2. Coordination by the different marketing actors such as traders and buyer agents, wholesalers and retailers



Specific questions include:

- What is the market the traders want to reach?
- What quality, type of product is required? What quantity and when?
- What price can they offer the producers?
- How will they coordinate in order to reach the consumer with the right product, right quality and right price.

Results from such validation/business dialogue will be used as the foundation for business relationship development between the engaged value chain actors within the cluster. Such dialogues will also help supporters such as skill development, extension services, and financial services to align concrete actions and offering to support such business arrangements.

Actors in each VC-MSP then enter into agreements, possibly in the form of Memorandum of Understanding (MoU) or contract, whichever is appropriate to firm their relationships. Follow up meetings by the parties need to be conducted to ensure agreed marketing and financial objectives are met as expected and necessary adjustment are made.

## M&E

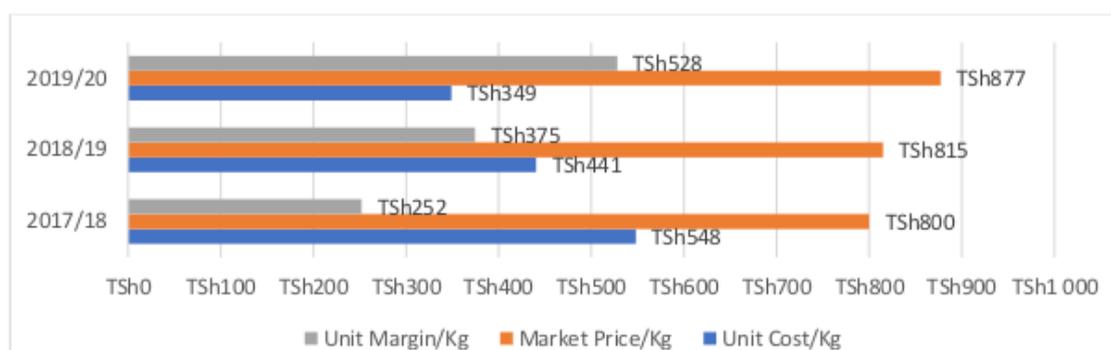
One of the main functions of an agribusiness cluster is to improve business relationships quantitatively and qualitatively in the long-term. Within the value chain, primary actors must develop and maintain vertical business relationships upstream (suppliers) and downstream (customers) as well as horizontal business relationships with other similar businesses (this is particularly the case for producers or collectors and retailers). It is therefore essential to assess and monitor those business relationships along the local value chain. Business relationships could be measured using the following three indicators:

1. Number of transactions;
2. % of transaction with regular business partner (supplier or customer);
3. Aggregated value of sales.

In addition to business relationships, it is suggested to monitor some internal business performances such as production / productivity, quality of products, and product diversification, as well as unit price of production (Unit Cost/kg), unit price at market (Market price/kg) and resulting gross profit margin (unit margin/kg). An example from Tanzania is presented below that shows the unit margin per kg of paddy double from Tsh 252 per kg in 2017/18 to Tsh 528/kg in 2019/20 as a result of VC stakeholder platform arrangements:

7. The key incentive for value chain actors to participate in trading platform arrangements is about profitability. To this end, the strategic objective for MIVARF support towards development of consortia was to see to an increase in unit margin resulting from economies of scale and competitive access to inputs and produce markets. Figure 16 below illustrates the trend observed over 3 years for the paddy Consortium in Southern Zone.

**Figure 16 – Progress in profitability under Consortium arrangement – Example of paddy in Southern Zone**



Source: PCT reports

### References/Further information:

- Inclusive Agribusiness Cluster Development Methodology. A participatory guide to develop and support inclusive business to business relationships between smallholders and agribusinesses in Cambodia. (Manual was shared by email with PGT PICSA in May 2021)
- Completion report. Experiences by the IFAD/AfDB funded Marketing Infrastructure Value Addition and Rural Finance programme (MIVARF) in Tanzania. See: <https://www.ifad.org/en/-/united-republic-of-tanzania-1100001553-mivarf-project-completion-report>
- IFAD: How do note Public-private-producer partnerships (4Ps) in Agricultural Value Chains. See: <https://www.ifad.org/en/web/knowledge/-/publication/how-to-do-public-private-producer-partnerships-4ps-in-agricultural-value-chains>

## Appendix 5: Mission preparation and planning, TORs, schedules, people met.

### Terms of Reference

**TO:** Soulivanh Pattivong, IFAD Country Programme Officer, Team Leader  
Emmanuel Jouve, Agriculture Specialist  
Harold Liversage, IFAD Lead Global Technical Specialist, IFAD Safeguards  
Rachele Arcese, IFAD Programme Officer (PO), Targeting and social inclusion specialist  
Sakphouseth Meng, IFAD CPO for Cambodia, Project Management Specialist  
Le Chi Dung, IFAD Country Finance Analyst  
Eva Hendrika Jordans, Water User Group organization and irrigation management specialist  
Chu Tuan Dat, Procurement Specialist

**FROM:** Francisco Pichon, IFAD Country Director a.i. for Lao PDR

**DATE:** 1 March 2022

**SUBJECT:** Partnerships for Irrigation and Commercialisation of Smallholders Agriculture  
(PICSA) Implementation Supervision Mission (ISM): 28 March - 8 April 2022 - Terms of Reference (TOR)

**COUNTRY OF ASSIGNMENT/LOCATION:** Lao PDR, field work in Luangprabang and Sayabouly provinces

**MISSION START AND END DATES:** 28 March - 08 April 2022

**COUNTRY DIRECTOR a.i.:** Francisco Pichon

#### MISSION COMPOSITION:

1. Mr. Soulivanh Pattivong, IFAD Country Programme Officer for Lao PDR, Team Leader
2. Mr. Emmanuel Jouve, Agriculture Specialist
3. Mr. Harold Liversage, IFAD Lead Global Technical Specialist, IFAD Safeguards
4. Ms. Rachele Arcese, IFAD Programme Officer (PO), Targeting and social Inclusion Specialist
5. Mr. Le Chi Dung, IFAD Country Finance Analyst / Financial Management Specialist
6. Ms. Eva Hendrika Jordans, Water User Group organization and irrigation management Value Chain Specialist
7. Mr. Chu Tuan Dat, Procurement Specialist

#### BACKGROUND:

PICSA became effective on 29 Nov 2019 and is due to completion on 31 Dec 2025. Total project cost is US\$ 55.04 mil, divided as follows: IFAD loan US\$ 21.03; Government's contribution US\$ 9.22 mil; international co-financing from ADB US\$30.36 mil and from GIZ US\$ 24.69 mil.

PICSA is implemented by Ministry of Agriculture and Forestry (MAF) through its Department of Irrigation (DoI). Implementation of the project is decentralised through Provincial Project Implementation Teams (PPIT) in four target Provinces (Xiengkhuang, Huaphanh, Xaybouly and Luangprabang) and District Project Implementation Teams (DPIT) in 19 Districts.

PICSA forms part of a national programme with the Sustainable Rural Infrastructure and Watershed Management Sector Project (SRIWMSP, ADB/EU-funded) and Lao PDR Emission Reductions Program through Implementation of Governance, Forest Landscapes and Livelihoods Programme (ERP, BMZ/GCF-funded and implemented by GIZ). PICSA provides irrigation management and market linkage support to irrigation systems rehabilitated under SRIWMSP as well as to other irrigated areas and their environs. SRIWMSP and PICSA benefit from conservation measures in the upper catchments supported by ERP and will cooperate directly in common target areas. SRIWMSP and PICSA converge on the development of irrigated high value crops, especially in the dry season; and complement each other's coverage in supporting improved nutritional practices. PICSA and SRIWMSP are implemented through a single PGT in DoI. ERP is implemented through MAF's Department of Forestry.

The key agreements from 2021 SM (1-17 December 2021) are summarised below:

1. **Review Management Processes to Ensure Timely Implementation.** PGT will review management processes with a particular focus on time and number of approval steps required to conduct trainings and implement investments at District and village levels. Wherever possible, processes will be simplified to speed up implementation;
2. **Strengthen Management Capacity at Province and District levels.** PGT will review capacity established in the Provincial Project Implementation Teams (PPIT) and District Project Implementation Teams (DPIT), including aspects in which some Provinces or Districts lag behind other. PGT will conduct targeted trainings to ensure that all PPIT and DPIT have a strong understanding of the project principles, planning approach, implementation procedures, linkages between components and appropriate sequencing of activities;
3. **Systematic operational planning with key targets and deliverables shared among project implementing agencies.** PGT, PPIT, DPIT and advisory team will develop a systematic operational plans with key targets and deliverables shared among implementing agencies at all levels, on a timely manner as key inputs for project implementation and management;
4. **Strengthen Coordination with SWRISMP and ERP.** PGT will initiate dialogue to strengthen coordination between PICSA, SWRISMP and ERP on key technical matters including including (1) developing a joint programme of WUG strengthening between SRIWMSP and PICSA; (2) use of the Multi-Stakeholder Platforms (MSPs) as a combined planning and coordination mechanism at local level; (3) coordinated selection of priority value chains; (4) coordination of private sector engagement; and (5) ensuring optimal alignment of the private sector matching grants facilities of SRIWSMP and PICSA;
5. **Financial and programme management.** Even with good financial management, PICSA will continue to improve financial and project management in order not to increase overall TA and operational costs to avoid cost overruns in components and categories and will carefully plan to use project budgets, mainly for key physical investment at the village and farmer group levels to achieve project goal and objectives; and
6. **Mid-Term Review (MTR) to be conducted in 2023.** The MTR of PICSA is tentatively planned for mid-2023, slightly more than halfway through the project implementation period, to allow time for physical progress under the AWPB 2022 to be fully assessed and for initial evidence of outcomes to emerge.

#### MISSION OBJECTIVES AND OUTPUTS:

The key objectives of the ISM are to: (1) review arrangements made and performance of the project to ensure that preparatory processes are on track for 2022 field investments; (2) review the status of implementation of agreed actions made during the 2021 SM; (3) provide technical assistance to the project team on identified issues.

#### Specific tasks:

##### Mr. Soulivanh Pattivong, IFAD CPO, Team Leader

The Team Leader (TL) will be responsible for leading the mission and ensuring that the terms of reference are fully met in a professional, efficient, effective and timely manner in line with IFAD supervision guidelines. Specifically, the TL will:

- Prior to the ISM, agree with the project management on how the ISM will be best conducted, how implementing partners, project staff and primary stakeholders will be involved, reporting, and how feedback on the conclusions will be organized; and collect all relevant documentation for PICSA project and distribute among mission members;
- Supervises the outputs of each mission member to ensure the overall consistency and quality of all of the mission's written contributions;
- To review the status of implementation of the PICSA AWPB-2022 with the implementing agencies at different levels;
- Assess implementation progress of Component 3 (Improved Nutrition Practices) including (1) preparation of nutrition IEC materials for school-based nutrition activities; and (2) preparation of the Knowledge, Attitudes and Practices (KAP) Survey on nutrition;
- Collaborate closely with the mission members in performing an analysis of strengths and weaknesses of the institutional set-up and implementation arrangements, namely PGT, PPIT and DPIT and Project Implementing Agencies at provincial and district levels and provide recommendations to accelerate project implementation; and Review the progress of programme interventions in the field of M&E, knowledge management and make time-bound recommendations to ensure knowledge and best practices are systematically captured and shared.

##### Mr. Emmanuel Jouve, Agriculture Specialist

The Specialist will be responsible for the following tasks:

- Collaborate closely with the TL to review progress of implementation of Component 1 (Intensified agriculture development);
- Review progress of implementation of Component 2 (Value Chains Developed) including the status of preparation of the Agro-Enterprise Investment Facility (AEIF) Manual and other AEIF start-up activities, and the identification and survey of village access tracks;
- Collaborate closely with the TL to consolidate the Aide memoire and mission report and input the management letter; and
- Any other tasks as agreed with the Team Leader.

**Mr. Harold Liversage, IFAD Lead Global Technical Specialist, IFAD Safeguards**

The IFAD Lead Global Technical Specialist will be responsible for assessing the PICSA management and performance. Specifically, he will:

- Review partnership and cooperation among MAF, IFAD, ADB, GIZ/ERP, etc. and provide technical assistance/guidance to the project for 2022 implementation,
- Review IFAD safeguards, identify actual or potential problems and discuss practical solutions with project partners;
- Provide inputs to the Aide memoire and ISM report as agreed with the TL; and
- Any other tasks as agreed with the Team Leader.

**Ms Eva Hendrika Jordans, Water User Group organization/irrigation management/VC specialist**

The Specialist will be responsible for the following tasks:

- Review the progress in implementing agreed actions under Component 1 (Intensified Agricultural Development) of the project, and value chain related areas in partnership with other team members;
- Closely assess the progress of Farmer Group Investment Facility (FGIF), formation and training of Water User Groups (WUGs), and development of extension materials and preparation and implementation of the Farmer Group Investment Facility (FGIF) Manual;
- Within this, particular focus should be on coordination with SRIWMSP – in scheme construction as well as WUG capacity building;
- In light of the above, provide technical back up and support to the formulation of the necessary measures and recommendations to be executed;
- Provide inputs for the revision of the AWPB if necessary;
- Contribute to the mission aide memoire and report and key agreed actions.

**Ms. Rachele Arcese, IFAD Programme Officer (PO), Targeting and social Inclusion Specialist**

The IFAD PO will be responsible for assessing and providing technical support and guidance on PICSA Targeting, gender, M&E and KM related aspects. Specifically, she will:

- Review PICSA overall implementation progress in terms of outreach (targeting) and gender, and provide technical support/guidance to improve PICSA performance;
- Review PICSA LF and M&E / MIS and provide technical support/guidance as needed;
- Review PICSA KM system and provide technical support/guidance as needed;
- Provide inputs to the Aide memoire and ISM report and support TL with the overall drafting of the reports;
- Any other tasks as agreed with the Team Leader.

**Mr. Sakphouseth Meng, IFAD CPO for Cambodia, Project Management Specialist**

The Project Management and Partnership Building Specialist will be responsible for assessing the PICSA management and performance and providing technical support and guidance to the project team as needed. Specifically, he will:

- Perform an analysis of strengths and weaknesses of the institutional set-up, namely PGT, PPIT/PAFOs and DPIT/DAFOs and Project Implementing Agencies at provincial and district levels and provide technical assistance/guidance to the project for 2022 implementation;
- Summarize the overall programme implementation performance in view of (i) Institutions and Policy Engagement and (ii) partnership-building;
- Identify actual or potential problems and bottlenecks and discuss practical solutions with project partners;
- Provide inputs to the Aide memoire and ISM report as agreed with the TL; and
- Any other tasks as agreed with the Team Leader.

**Mr. Le Chi Dung, IFAD Country Finance Analyst**

The Financial Management Specialist will work closely with the mission and project team in reviewing the FM practices and ensure it is in line with IFAD procedures. Specifically, he will:

- Review and assess financial management, including but not limited to statement of expenditures, audit report, AWPBs, fund flows, bank accounts setting, and withdrawal applications, and contribute to the FM sections of the Aide Memoire in line with IFAD's procedures;
- Review the arrangements for financial management and fund flow to ensure it is in line with IFAD procedures and the project budget and AWPBs;
- As the bank account at provincial level will not be opened (following request from MOF and agreement from IFAD), eligible expenditures are to be paid directly to the service; providers/suppliers when Advance Withdrawal arrangement is applied – review that this FM mechanism has been complied with;
- Identify risks related to financial management, develop mitigation measures, and provide recommendations for improvement when applicable;
- Review the results of the latest external Audit Report (including specifically the Management letter) to ascertain whether any issues raised by the auditor identify potential fiduciary risks - where relevant follow up on issues arising by meeting on-site with SAI;
- Consult main findings, requests for clarification and action plan proposed by FMD with the latest audit review exercise;
- Review the most recent quarterly Project Progress Reports. Have periodic progress reports been submitted within the prescribed time limit? Is content as agreed?;
- Use the original FMAQ as the basis to review the relevant information to re-assess the strengths and weaknesses of financial management systems;
- Review actions taken to address recommendations of previous year's Supervision review, recommendations raised by external auditors on previous years' management letters, recommendations raised by FMD during the audit review exercise;
- Perform a Financial Management Performance Assessment;
- Review sample Withdrawal Applications and Statements of Expenditure to verify adequacy, completeness and validity of claims, using the checklist provided as Appendix IV to this Guidance Note;
- Any other tasks as requested by the Country Director, RCES, ENRM Specialist or Team leader.

Mr. Chu Tuan Dat, Procurement Specialist

The Procurement Specialist will be responsible for assessing the overall performance of the procurement and asset management. Specifically, he will:

- Review the procurement procedures which include TOR and selection method for consultancies, documentation, correspondences, contracts and records management of procurement which establishes evidence in support of decisions and actions taken, and provide an audit trail for verification of transparency, accountability and effectiveness;
- Review project level internal controls of the procurement systems and processes in place and assess compliance with GoL and IFAD Guidelines;
- Assess the procurement capacities and training needs and make recommendations to mobilise resources for training and capacity building;
- Review procurement issues and agree on an action plan to address them;
- Provide inputs to the Aide memoire as agreed with the TL; and
- Any other tasks as agreed with the Team Leader.

**As a result of the mission, the following outputs are expected:**

The mission will prepare a concise Aide memoire and ISM Report, outlining key physical and financial achievements of the project and outline agreed actions and milestones contributing to achievement of project objectives.

## PICSA Implementation Support Mission schedule (28/03-8/04/2022)

Date	Agenda / activity / meeting
Mon, 28 Mar	<p><b>Virtual kick-off meeting</b></p> <p><b>14:00-16:30</b></p> <ul style="list-style-type: none"> <li>· 14:00: Opening Remarks by Mr. Bounkham SYDAVONG, Director General, DOI, MAF</li> <li>· 14:10: Opening Remarks by Mr. Francisco Pichon, IFAD Country Director for Laos</li> <li>· 14:20 - 15:00: Presentation by PICSA (Achievements, Challenges and Plans)</li> <li>· 15:00-16:20: Open Discussions</li> <li>· 16:20: Remarks by IFAD</li> <li>· 16:30: Closing Remarks by MAF/DOI</li> </ul> <p><b>IFAD Team:</b></p> <ul style="list-style-type: none"> <li>· Mr. Francisco Pichon, Country Director for Lao PDR</li> <li>· Mr. Soulivanh Pattivong, IFAD Country Programme Officer (CPO for Lao PDR), Team Leader</li> <li>· Mr. Harold Liversage, IFAD Lead Global Technical Specialist, IFAD Safeguards;</li> <li>· Ms Joyce Njoro, IFAD Lead Technical Specialist, Nutrition</li> <li>· Ms. Rachele Arcese, IFAD Programme Officer (PO), Targeting and social inclusion specialist</li> <li>· Mr. Le Chi Dung, IFAD Country Finance Analyst / FM Specialist</li> <li>· Mr. Emmanuel Jouve, Value Chain and Agriculture Specialist</li> <li>· Ms. Eva Hendrika Jordans, Water User Group organization and irrigation management specialist</li> <li>· Mr. Chu Tuan Dat, Procurement Specialist</li> </ul> <p><b>GoL and PICSA Project Team:</b></p> <ul style="list-style-type: none"> <li>· MAF (DOI, DOPF, DOF, NAFRI, DETEAP, etc.,)</li> <li>· MOF (EFDMD)</li> <li>· MPI (DIC)</li> <li>· MOIC (DoP)</li> <li>· PICSA PGT Management Team <ul style="list-style-type: none"> <li>· Provinces – 4 PAFOs and 4 Provincial Coordinators</li> <li>· Districts – 19 DAFOs and 19 District Project Coordinators</li> <li>· DPs: ADB, GIZ / ERP, LFN, etc.,</li> </ul> </li> </ul>
Tue, 29 Mar	<p>8:30 – 10:00: Technical meeting with PICSA management on 3 project components status: key areas needing support from the ongoing implementation support mission</p> <ul style="list-style-type: none"> <li>· Component 1</li> <li>· Component 2</li> <li>· Component 3</li> <li>· Project Management – Structures, staffing, meetings, etc.,</li> </ul>
	<p>10:10: Technical meeting with Huaphan PICSA team / PPIT and DPIT</p> <p>11:00: Technical meeting with Xiengkhouag PICSA team / PPIT and DPIT</p>
Afternoon	Leave for Luangprabang province (Vientiane-Luangprabang)
Wed, 30 Mar	10:00-11:00: Meeting with ADB / SRIWSMP
	11:00 – 12:00: Meeting with GIZ/ERP
	10:00: Bilateral Technical meeting on FM (Dung and Khamla)
	13:30: Meeting with Luangprabang PAFO, PPIT and provincial line agencies (education, health, LWU, Youth, Transport, Industry and Commerce, Environment, etc.,) and all DAFOs / DPITs
Thu, 31 Mar	Morning: Travel to Nan District and field work in target villages in Nan District
	13:30: Meeting with Nan DAFO and related District line agencies (education, health, LWU, Youth, Transport, Industry and Commerce, Environment, etc.,)
Afternoon	Continue to travel to Xayabouli province
	<b>19:30: IFAD internal team meeting</b>
Fri, 1 Apr	8:30: Meeting with Xayabouli PAFO, PPIT and provincial line agencies (education, health, LWU, Youth, Transport, Industry and Commerce, Environment, etc.,) and all DAFOs / DPITs
	13:30: Meeting with Sayabouly District - DAFO and DPIT and related District line agencies (education, health, LWU, Youth, Transport, Industry and Commerce, Environment, etc.,)
	15:30: Visit to Agro-enterprises in Sayabouly district
Sat, 2 Apr	<p>Morning: Travel to Phiang (field visit along the way if possible)</p> <p>13:30: Meeting with Phiang District - DAFO and DPIT and related District line agencies (education, health, LWU, Youth, Transport, Industry and Commerce, Environment, etc.,)</p>

<b>Date</b>	<b>Agenda / activity / meeting</b>
	Return to stay in Luangprabang province
Sun, 3 Apr	Leave Luangprabang for Vientiane (8 am – tbc)
	<b>15:00: IFAD internal team meeting</b>
Mon, 4 Apr	9:00 - 10:00: KM bilateral meeting [Rachele and Soulivanh/Ritik]
	13:30: 15:00: M&E bilateral meeting [Rachele, Soulivanh, Joyce, Eva + M&E team]
	14:00-16:00: Safeguard [Harold, Manu, Soulivanh + PICSA relevant team]
	15:00-16:30: Gender and Targeting [Rachele, Joyce, Eva + M&E team]
Tue, 5 April	13:00-14:00: Nutrition [Joyce + PICSA nutrition specialist]
	15:00: IFAD internal team meeting
Wed, 6 April	13:00: Technical meeting with all project implementing agencies – PGT, PPIT of four provinces and DPITs of 19 districts, MAF / DOI, MOF, and MPI
	<b>Afternoon: draft AM shared with IFAD and GoL</b>
Thu, 7 April	13:30: Pre-wrap meeting with MAF / DOI and PICSA Project Team
<b>Fri, 8 April</b>	<b>13:30: Wrap- meeting with:</b> <ul style="list-style-type: none"> <li>- GoL (MAF, MOF, MPI and MOIC)</li> <li>- DOI and PICSA PGT</li> <li>- PAFOs / PPIT</li> <li>- DAFOs / DPITs</li> <li>- Key DPs (ADB, GIZ / ERP, LFN, etc.,)</li> </ul>