

## **Minutes of the Third Project Steering Committee (PSC) Meeting for Food Security and Agriculture Productivity Project (FSAPP)**

The third PSC meeting of the Food Security and Agriculture Productivity Project (FSAPP) was held from 30<sup>th</sup> to 31<sup>th</sup> August 2018 at Tourist Information Centre, Haa Dzongkhag

### **PSC Members/representatives present:**

1. Ms. Kinlay Tshering, Director, DoA, Chair
2. Ms. Phintsho Choeden, Dzongdag, Dzongkhag Administration, Dagana
3. Mr. Karma Galey, Dzongdag, Dzongkhag Administration, Sarpang
4. Mr. Sonam Wangyel, Dzongdag, Dzongkhag Administration, Samtse
5. Mr. Minjur Dorji, Dzongdag, Dzongkhag Administration, Chhukha
6. Mr. Kinzang Dorji, Dzongdag, Dzongkhag Administration, Haa
7. Mr. Rabgye Tobden, Director, Directorate of Services, MoAF
8. Mr. Kencho Thinley, Chief PPD, MoAF
9. Mr. Dawa Tshering, Chief, MIRD, DAMC-MoAF
10. Mr. Kezang Tshering, Specialist, ARDC-OA Yusipang
11. Mr. Jigme Dorji, Project Director, FSAPP
12. Mr. Pema Chofil, Program Director ARDC Bajo
13. Ms. Tshering Yangdon, ARDC Samtenling
14. Mr. Tshewang Dori, DMEA, MoF
15. Mr. Chador, Beneficiary Representative, Sarpang
16. Mr. Nir Kumar Gurung, Beneficiary Representative, Samtse
17. Mr. Rajesh Mongar, Beneficiary Representative, Dagana
18. Ms. Kinley Yangzom, Beneficiary Representative, Chhukha
19. Ms. Sonam Dema, Beneficiary Representative, Haa

### **PSC Members/representatives absent:**

1. Representative, GNHC

### **Other invitees**

1. Mr. Bhim Raj Gururung, Marketing/Value Chain Expert, FAO Bhutan
2. Mr. Temba, Chief DEO, Dzongkhag Administration, Haa
3. Mr. Karchung, Sr. DAO, Dzongkhag Administration, Haa
4. Mr. Karma Tenzin, Monitoring & Evaluations Officer, FSAPP

The Chair welcomed members and the member-representatives for their participation, especially the new member - Director of the Directorate of Services, MoAF to the PSC. The Chair also noted and applauded the floor for attendance by all the members except a representative from the Gross National Happiness Commission (GNHC) Secretariat.

The resolutions of the meeting are arranged in the sequence of the deliberations, which was mostly as per the Agenda.

## **1. Review of resolutions of the Second PSC Meeting**

### ***Resolution No. 4 (a) of Second PSC meeting***

- The Project Director (PD) reported that Project Management Unit (PMU) was ready for printing and distribution of the project result matrix to all project implementing partners. However, PMU also wanted to print and distribute together the outcome/results indicator targets, which is first proposed for endorsement in the third PSC. The PD reported that once the target distribution is endorsed by PSC, it will be printed together with the results matrix and shared with all implementing partners.

**Resolution No. 4 (b) of Second PSC meeting**

- Marketing/Value Chain Consultant updated the committee on second PSC directive to initiate signing of memorandum of understanding (MoU) with Ministry of Education & Ministry of Agriculture and Forests on linking of schools to Producer/farmer groups. He reported that School Agriculture Program (SAP) under DoA informed DAMC that Department of School Education (DSE) has drafted a revised school menu to propose for increase of student stipend to Nu. 1500/month. This proposal is awaiting endorsement by the School Feeding Technical Committee, after which, it will be put up to Cabinet.
- Should the cabinet endorse the proposal, it is expected that school administration will be financially very comfortable to buy more vegetables and thus linking could be done easily.

**Resolution No. 5 of Second PSC meeting**

- The PD informed the floor that as per the resolution of the second PSC meeting, Grievance Redressal Management (GRM) was formalised and shared with all project implementing partners on 23<sup>rd</sup> May 2018 after incorporation of suggestions and comments.

**Resolution No. 8 (b) of Second PSC meeting**

- The PD updated the floor on PMU's consultation with the finance unit of Directorate Services of MoAF, and then seeking of approval from Ministry of Finance via Director DoA, which was eventually turned down. Thus, it is again included in the third PSC meeting as one of the agenda.

**Resolution No. 1 {No. Vii (b)} of Second PSC meeting**

- The PD reported that as directed by the second PSC, PMU formulated and circulated the criteria to select the beneficiary groups/cooperatives with regard to agricultural machines/equipment to all implementing partners on May 18, 2018.

**2. Annual Progress Report for FY 2017-2018**

The Monitoring and Evaluations Officer updated the committee on the progress made till June 2018. Since the project execution technically started only from January 2018, the progress update is actually of six months rather than one whole fiscal year.

The progress update was presented in the following form and sequence:

- a) Financial expenditure component wise (refer annex 1)
- b) Financial expenditure agency wise (refer annex 2)
- c) Update on the Project outcome and results indicators (refer annex 3)

Following were some of the comments shared by the PSC members during the course of discussions:

- **Budget re-appropriation across components**  
On the query shared by some of the members on the flexibility to re-appropriate budget across components, the chair shared that while re-appropriation within component is allowed, the World Bank do not support re-appropriation across components. Thus, re-appropriation across components was discouraged. As for re-appropriation within the component, project implementers should follow second PSC resolution.
- **Excavation along Laringkhola irrigation channel alignment**  
PSC member Dasho Dzongdag from Sarpang Dzongkhag shared his views about excavation for laying of irrigation HDPE pipes, which appears too wide like the construction of farm road, because of which the Dzongkhag Environment Officer raised some concerns. The Project Director shared that the width of the alignment as per the Environmental clearance is 2.5meters and that pipes have to be laid under ground. PMU was directed to advise project Engineer on it.

- **Time extension for Construction of Tharaykhola irrigation scheme, Samtse**

The Project Director clarified that unlike in the construction of Birkhola irrigation scheme in Dophuchen Gewog, where farmers requested delay in start of work due to their need of continuous irrigation water for paddy, the farmers under Norbugang Gewog did not put up any request and that Norbugang Gewog administration also shared the same view. Hence, no time extension is considered for M/s NTT Construction Pvt. Ltd. PD also shared that since the scheme construction is as good as new being on a new alignment, the Construction firm do not face the similar site inconveniences like in rest of the sites.

### **3. Project Results Matrix - Division of Targets to Implementing Partners**

The draft & copy of the division of targets to implementing agencies was sent to all DAOs, Program Directors and the focal officer-DAMC for review and comments on August 17, 2018 by PMU. It was thus put up in the third PSC for endorsement. The Project M&E Officer presented each indicator and the targets divided in detail (refer annex 4). The PSC endorsed the targets divided with following changes/comments;

- The target to establish five food-processing groups was divided equally among five project Dzongkhags. However, DAMC was also mistakenly given one target, which needs correction.
- Since none of the schools in Sarpang are in the list of sixteen schools to be linked by project, therefore Sarpang Dzongkhag has no targets of FG/PGs to link with schools. For the same reason, Sarpang has no target for indicator no. 18 (refer annex 4)

Following were some of the comments shared by the PSC members during the course of discussions:

- **Establishment of Farm Shops in Project Dzongkhags**
  - Unlike the current Farm shops established in most Dzongkhags through DAMC, these should be operated by an enterprising farmers/producers group with a sustainable business modality.
  - Ideally, the farm shops should be located in project Gewogs, operated by groups/Entrepreneur from the project area to benefit the project beneficiaries. However, in cases where Dzongkhag has other most suitable location or potential non-project groups to operate the farm shops, it could be done, but a system should be developed so that project area is also benefitted. DAMC, who is tasked to lead the farm shop establishment in project areas was thus directed to consider all these in their feasibility study, which will precede farm shop establishment.
  - Chhukha and Sarpang Dasho Dzongdags also shared their innovative ideas on the kind of farm shops they would like to have. To which, the Chair informed that, all these ideas must be shared with DAMC, so that they can accordingly plan and design for implementation of FSAPP farm shops.
- **Project baseline study**
  - The committee directed PMU that for the baseline study, production data from only the legal land holdings should be accounted. This was advised as some members shared about the existence of cardamom productions from the encroached state lands.

### **4. Presentation on FAO-TA Global Work Plan (five years)**

The FAO Consultant on Marketing/Value chain Mr. Bhim Raj Gurung presented the FAO technical assistance work plan 2017-2021 on behalf of FAO Bhutan Country Office. Mr. Gurung presented on the seven outputs to be delivered by FAO. From the total GAFSP grant, about USD 1.153 million was given to FAO for technical assistance to FSAPP.

This presentation on FAO-TA work plan was arranged just to create awareness to the committee on the project's technical support by FAO. The PSC members however shared the following:

- Members commended the Department in recruiting local experts for the technical assistances, otherwise, it is usually foreigner recruited as experts in Bhutan.
- The Chair shared that all the Consultants besides their field of expertise also possess other experiences through their long years of service in RGoB, for which project-implementing partners must try to make full use of them.

## 5. Sharing of Experiences on linking farmer/producer groups with Project target schools

On the request of the Chair, the PMU requested the Marketing/Value chain expert to share his experiences on school linking programs done in eastern Bhutan. Mr. Gurung worked as head of the eastern Regional Agricultural Marketing and Cooperatives (RAMCO), where he led the school linking programs. Some of the lessons learnt are noted here for the benefit of the project-implementing partners:

- Schools provide an assured market to farmers' produce for ten months annually.
- The contract agreement between schools and farmer groups/cooperatives are renewed annually, but the prices of commodities were agreed for ten months only. During price fixation/negotiation, prices in earlier quotations, existing market price and what schools offer are considered.
- According to school Principals, they are not able to buy more vegetables with the existing stipend of Nu. 1000/student/month.
- In the initial period of contract; farmer groups (FGs) expect schools to buy more vegetables than what is agreed in the contract; FGs also tend to supply more of cabbage and potato, as it is less perishable; Group coordinator don't respond promptly to the supply request of schools.
- Farmer groups are not able to produce sufficient quantities of chilli, onion and tomato as required by schools.

## 6. Review of Project Operations Manual (OM)

As per section 2.3 of Operations Manual, which states, *"The OM is meant to be a dynamic and living document with rooms for adjustment once the implementation has commenced based on ground realities and policies. The PSC set up at national level to advise the project management may approve changes, revisions or supplement the procedures described in this Operation Manual with notification to the stakeholders, particularly the Bank."*

Refer annex 5 for specific revisions.

## 7. Any Other Business

### a) Venue for 4<sup>th</sup> PSC meeting

The committee decided the next PSC meeting to be held on 7<sup>th</sup> and 8<sup>th</sup> of February 2019. As for venue, the first option was decided as Samtse Dzongkhag and second as Phuentsholing under Chhukha Dzongkhag. PMU was directed to discuss with Samtse Dzongkhag for convenience on the above dates and if not convenient, Chhukha Dzongkhag to be informed of the preparations.

### b) Proposal for PSC farmer representative DSA

PMU proposed for fixation of entitlement for the farmer representative during the third PSC meeting. The committee endorsed the following DSA effective from the third PSC:

- i. Nu.800/day without food and lodging **Or**
- ii. Nu. 500/day with food and lodge by project

The committee also directed to change the use of the terminology "Farmer Representative" as "Beneficiary Representative".

### c) Operationalizing Project Support Team (PST) technical forum at ARDCs

Though PST is already identified in the three regional ARDCs, it has not been playing the active role, which it is assigned. Thus, the PSC directed operationalizing the PST technical forum.

The committee also directed the PST to meet quarterly before the PSC meeting. Any issues that need attention of PSC may then be brought in the subsequent PSC or PSC resolutions could be presented in the following PSTs for follow up and information. In this way, DAOs, who are not members of PSC are also kept abreast of PSC decisions.

**d) Time frame for submission of quarterly reports (within first week of Oct, Jan, April & July)**

PMU proposed the first week of October, January, April and July months as dateline of progress update submission to PMU, which was unanimously approved by the committee.

**e) Supplementary Budget incorporation of Nu. 0.960 million for conduct of Renewable Natural Resources (RNR) Census 2019**

PMU received a letter (reference no. MoAF/DS/(RNR-stat) Census/19/126 dated 17<sup>th</sup> August 2018) from the Director, Directorate of Services, MoAF for the fund request of Nu. 1.44 million to buy tablets for two RNR staffs (one Agriculture & one Livestock staffs) of 24 project Gewogs, who will collect data using the tablets. This request was put up in the PSC for support and endorsement.

After a lengthy discussion, all PSC members agreed that support to project Gewogs only for the RNR census is warranted and that it will also benefit project with new data from the census such as, the actual household numbers, the production data etc. However, the committee endorsed only Nu. 0.960 million (one agriculture staff in each 24 gewogs only) for supplementary incorporation for the procurement of tablets & meeting DSA for those involved.

**f) Establishment of integrated nursery for Cardamom and Citrus at Gakidling, Haa**

Representative of ARDC-OA Yusipang Mr. Kezang Tshering informed the committee about the lack of budget for the above activity in the current fiscal year and requested if PSC could approve for supplementary incorporation.

PD clarified and informed the committee that the World Bank Mission team objected the activity, which was in fiscal year 2017-2018. The main reasons were:

- Establishment of a research sub-station, which was actually the primary idea, is not in the scope of project.
- The total technical estimate reported by ARDC-OA was over Nu. 10.0 million, which was too high.

However, the World Bank mission team alluded to agreeing to support at least some activities such as fencing etc, which was also not done by ARDC Yusipang and the budget was returned un-used in the fiscal year 2017-2018.

On this, the committee directed ARDC-OA Yusipang to immediately come up with design and estimate of the fencing works & land development and submit to PMU for incorporation and implementation.

## **8. Closing Remarks**

The Chair thanked all the PSC members for their active participation in the discussion and making the meeting a successful one with lots of fruitful discussion. She also solicited continued support from all Dasho Dzongdags in successful implementation of the project. The Chair thus closed the meeting formally.

**Food Security and Agriculture Productivity Project (FSAPP)**  
**Department of Agriculture, Ministry of Agriculture and Forests**  
Period: Fiscal Year 2017-2018

**Annex 1**

**Expenditure Component wise**

*(as of June 30, 2018)*

Project Components	Project Outlay (Nu. Million)	Approved Budget (Nu. Million)	Approved Budget (in USD million)	Budget Release by DPA <sup>1</sup> (Nu. Million)	Expenditure (Nu. Million)	Expenditure in USD
<b>Comp.1:</b> Strengthening Farmers and Producer Groups and Nutrition Capacity Building	69.712	1.535	23,761.610	46.810	1.469	22,737.136
<b>Comp. 2 :</b> Enhancing Farmer Productivity	336.525	97.135	1,503,637.771		34.462	533,468.187
<b>Comp. 3:</b> Enhancing Access to Markets	64.660	2.406	37,244.582		0.976	15,115.588
<b>Comp. 4:</b> Project Management	45.902	6.908	106,934.985		4.152	64,274.334
<b>Total</b>	<b>516.799</b>	<b>107.984</b>	<b>1,671,578.947</b>	<b>46.810</b>	<b>41.059</b>	<b>635,595.246</b>
<b>Budget utilization against release from DPA</b>				<b>88%</b>		
<b>Budget utilization against disbursement from World Bank</b>				<b>33%</b>		

<sup>1</sup>: DPA: Department of Public Accounts under Ministry of Finance

**Food Security and Agriculture Productivity Project (FSAPP)**  
**Department of Agriculture, Ministry of Agriculture and Forests**

**Annex 2**

**Expenditure - Agency wise for Period FY 2017-2018**

(in Ngultrums)

S/N	Agency/Project Areas with PLCs	Component 1		Component 2		Component 3		Component 4		Total Approved	Total Released	Total Expenditure	Agency Budget Utilization % against released Budget	
		Approved	Expenditure	Approved	Expenditure	Approved	Expenditure	Approved	Expenditure					
1	Chhukha	89,000.00	89,000.00	2,320,000.00	2,195,587.00	308,000.00	293,039.00	64,000.00	64,000.00	2,781,000.00	2,781,000.00	2,641,626.00	95%	
2	Dagana	-	-	2,300,000.00	2,280,536.00	98,000.00	88,339.00	64,000.00	64,000.00	2,462,000.00	2,462,000.00	2,432,875.00	99%	
3	Samtse	150,000.00	150,000.00	529,000.00	528,000.00	-	-	50,000.00	49,610.00	729,000.00	729,000.00	727,610.00	100%	
4	Sarpang	283,000.00	283,000.00	1,548,000.00	1,508,484.00	-	-	64,000.00	27,556.00	1,895,000.00	1,826,556.00	1,819,040.00	100%	
5	Haa	121,000.00	120,218.00	1,650,000.00	1,615,593.54	-	-	51,000.00	-	1,822,000.00	1,771,000.00	1,735,811.54	98%	
	<b>Dzongkhag Total</b>	<b>643,000.00</b>	<b>642,218.00</b>	<b>8,347,000.00</b>	<b>8,128,200.54</b>	<b>406,000.00</b>	<b>381,378.00</b>	<b>293,000.00</b>	<b>205,166.00</b>	<b>9,689,000.00</b>	<b>9,569,556.00</b>	<b>9,356,962.54</b>	<b>98%</b>	
6	ARDC Yusipang	160,000.00	159,905.00	7,693,000.00	3,425,424.80	-	-	176,000.00	175,920.00	8,029,000.00	4,336,000.00	3,761,249.80	87%	
7	ARDC Bajo	151,000.00	151,000.00	3,070,000.00	3,069,654.00	-	-	103,000.00	103,000.00	3,324,000.00	4,949,000.00	3,323,654.00	100%	
8	ARDC Samtenling	-	-	1,610,000.00	1,567,810.00	-	-	176,000.00	175,678.00	1,786,000.00	1,786,000.00	1,743,488.00	98%	
	<b>ARDCs Total</b>	<b>311,000.00</b>	<b>310,905.00</b>	<b>12,373,000.00</b>	<b>8,062,888.80</b>	<b>-</b>	<b>-</b>	<b>455,000.00</b>	<b>454,598.00</b>	<b>13,139,000.00</b>	<b>11,071,000.00</b>	<b>8,828,391.80</b>	<b>80%</b>	
9	DAMC, MoAF	581,000.00	515,696.00	-	-	2,000,000.00	595,089.00	-	-	2,581,000.00	1,323,000.00	1,110,785.00	84%	
	<b>DAMC Total</b>	<b>581,000.00</b>	<b>515,696.00</b>	<b>-</b>	<b>-</b>	<b>2,000,000.00</b>	<b>595,089.00</b>	<b>-</b>	<b>-</b>	<b>2,581,000.00</b>	<b>1,323,000.00</b>	<b>1,110,785.00</b>	<b>84%</b>	
10	PMU	-	-	10,750,000.00	3,682,529.55	-	-	6,060,000.00	3,434,578.00	16,810,000.00	24,846,015.00	7,117,107.55	88%	
	<i>i NPHC, Paro</i>	-	-	710,000.00	438,128.00	-	-	100,000.00	57,780.00	810,000.00		495,908.00		
	<i>ii Vegetable Program</i>	-	-	16,094,000.00	11,577,068.00	-	-	-	-	16,094,000.00		11,577,068.00		
	<i>iii Irrigation-AED</i>	-	-	45,759,000.00	488,220.00	-	-	-	-	45,759,000.00		488,220.00		
	<i>iv AMC, Paro</i>	-	-	2,133,000.00	2,085,010.00	-	-	-	-	2,133,000.00		2,085,010.00		
	<i>v MAPS</i>	-	-	969,000.00	-	-	-	-	-	969,000.00		-		
	<b>PMU total</b>	<b>-</b>	<b>-</b>	<b>76,415,000.00</b>	<b>18,270,955.55</b>	<b>-</b>	<b>-</b>	<b>6,160,000.00</b>	<b>3,492,358.00</b>	<b>82,575,000.00</b>	<b>24,846,015.00</b>	<b>21,763,313.55</b>		
	<b>Total</b>	<b>#####</b>	<b>1,468,819.00</b>	<b>97,135,000.00</b>	<b>34,462,044.89</b>	<b>2,406,000.00</b>	<b>976,467.00</b>	<b>6,908,000.00</b>	<b>4,152,122.00</b>	<b>107,984,000.00</b>	<b>46,809,571.00</b>	<b>41,059,452.89</b>		
												<b>Budget utilization against release from DPA</b>		<b>88%</b>
												<b>Budget utilization against World Bank Disbursement</b>		<b>33%</b>

**Food Security and Agriculture Productivity Project (FSAPP)**  
**Department of Agriculture, Ministry of Agriculture and Forests**

**Annex 3**

**Monitoring System for Project Outcome/Results indicators**

Project Development Objective	Project Outcome Indicator	Unit	Baseline (2016)	Target	Fiscal Year 2017-2018		Fiscal Year 2018-2019			
					Q3 till Jan.31, 2018	Q4 <sup>1</sup>	Q1	Q2	Q3	Q4
To increase agricultural productivity and enhance access to markets for farmers in selected gewogs in south west Bhutan	Productivity of targeted crops increased by at least 20 percent in project areas	Percent	n/a	20						
	Increase in volume of produce marketed by at least 20 percent.	Percent	n/a	20						
	Increase in value of produce marketed by at least 20 percent.	Percent	n/a	20						
	Number of direct project beneficiaries, of whom 30 percent are women.	Numbers	0*	1. People: 52000/HH-10400, 2. Female Nos: 15600	1. 3447, 2. Female-1784 (52%)	1. 5681, 2. Female-2985 (53%)				
<b>Intermediate Results Indicators</b>										
Component Objective	Project Output/Results Indicators	Unit			Year 2017		Fiscal Year 2018-2019			
					Q3 till Jan.31, 2018	Q4 <sup>1</sup>	Q1	Q2	Q3	Q4
<b>Component 1: Strengthening Farmers and Producer Groups</b>										
To strengthen farmers' groups (including in nutrition), so they are better able to implement and sustain project interventions.	1.1 Number of beneficiaries receiving technical trainings and other capacity building support	Numbers	0	300 FG/PGs/WUAs/ Coop	17	33				
	1.2 Numbers of Farmers who are members of an association including producer groups , cooperatives etc. (disaggregated by gender) – GAFSP Core Indicator # 14	Numbers	0	10400	525 (Female-305)	1187 (Female-661)				
	1.3 Number of people receiving improved nutrition services and products through the project - GAFSP Core Indicator # 11 (new GAFSP indicators)	Numbers	0	6000	55 (Female-26)	55 (Female-26)				
<b>Component 2: Enhancing Farmer Productivity</b>										
To improve agricultural productivity vital for	2.1 Targeted crop area provided with irrigation – GAFSP Core Indicator # 6	Acres								
	Area covered by Flood Irrigation		0	1346		0				
	Area covered by Micro irrigation		0	250		0				
	2.2 Number of water users with new/improved irrigation services – GAFSP Core Indicator # 8	Numbers	0	4065		0				

Intermediate Results Indicators										
Component Objective	Project Output/Results Indicators	Unit			Year 2017		Fiscal Year 2018-2019			
improving food security and nutrition.	2.3 Number of farmers who have adopted an improved agricultural technology promoted by the project in targeted project areas, (gender disaggregated) – GAFSP Core Indicator # 4	Numbers	0	10400	620	2294				
	2.4 Total land area under cultivation for citrus and cardamom increased by 5 percent	Percent	n/a	5						
<b>Component 3: Enhancing Access to Markets</b>										
To promote nutrition sensitive value chain development for high value (economically and nutrient-rich) crops in order to enhance market linkages for farmers.	3.1 Number of beneficiaries of project supported market infrastructure	Number	0	30 PGs		5				
	3.2 Number of producer groups receiving market	Number	n/a	30 PGs		0				
	3.3 Number of farmer groups linked to schools	Numbers	0	10 FGs/PGs		6				
	recommended 5 servings of fruits/vegetables per day	Numbers	0	2100		0				
<b>Component 4: Project Management</b>										
	4.1 At least 2 Learning Notes and 3 Case studies published and disseminated	Numbers	0	2 Learning notes & 3 Case studies						
	4.2 Progress reports are prepared and submitted on biannual basis and are of satisfactory quality.			Accurate & timely reports		done				
	4.3 Procurement of goods and works under this project is completed according to schedule.			Contracts awarded & completed on schedule						
	4.4 Percentage of beneficiaries satisfied with services provided by the project.	Percent	0	50						

<sup>1</sup>: Cumulative report

**Food Security and Agriculture Productivity Project**  
**Department of Agriculture**  
**Ministry of Agriculture and Forests**

**Annex 4**

**Distribution of Targets to Implementing Partners**

S/N	Results Indicator	Unit	Baseline	Target	Reporting Frequency	Targets for Implementing Partners											Remarks
						Chhukha	Dagana	Samtse	Sarpang	Haa	DAMC	ARDC-OA Yusipang	ARDC Samtenling	ARDC Bajo	PMU	FAO	
1	Productivity of targeted crops <sup>1</sup> increased by at least 20 percent in project areas	Percent	Baseline	Baseline + 20%	Annually	Baseline + 20%	Baseline + 20%	Baseline + 20%	Baseline + 20%	Baseline + 20%							
2	Increase in volume of produce marketed by at least 20 percent.	MT	Baseline	Baseline + 20%	Annually	Baseline + 20%	Baseline + 20%	Baseline + 20%	Baseline + 20%	Baseline + 20%							
3	Increase in value of produce marketed by at least 20 percent.	Ngultrum	Baseline	Baseline + 20%	Annually	Baseline + 20%	Baseline + 20%	Baseline + 20%	Baseline + 20%	Baseline + 20%							
4	Number of direct project beneficiaries, of whom 30 percent are women.	Nos. of HHs	0	10400 HHs <sup>2</sup> /52,000.00; 15600 Female beneficiaries	Annually	1560HHs; 2340 females	1560HHs; 2340 females	1560HHs ; 2340 females	1560HHs ; 2340 females	1040 HHs; 1560 females	780 HHs; 1170 females	780 HHs: 1170 females	780 HHs: 1170 females	416 HHs: 624 females	156HHs: 234 females	208HHs: 312 Females	15% for 4 Dzo; Haa-10%, 7.5% for DAMC & 2 ARDCs, ARDC Bajo: 4%. PMU: 1.5% & FAO : 2%
5	Number of Farmer Groups <sup>3</sup> receiving technical trainings and other capacity building support	Nos. of FGs/PGs	0	300	Quarterly	63	63	63	63	48							21% for 4 Dzo; 16% Haa
6	Numbers of Farmers <sup>4</sup> who are members of an association including producer groups , cooperatives etc. (disaggregated by gender)	Numbers	0	10400	Bi-annually	2184	2184	2184	2184	1664							21% for 4 Dzo; 16% Haa
7	Number of people receiving improved nutrition services and products through the project	Numbers	0	6000	Bi-annually	1260	1260	1260	1260	960							21% for 4 Dzo; 16% Haa
	Targeted crop area provided with irrigation																
8	Area covered by Flood Irrigation	Acres	0	1346	Bi-annually			648	698								Samtse, 52%
9	Area covered by Micro irrigation	Acres	0	250	Bi-annually	100	100	13	13	25							For Citrus, Large Cardamom, Vegetables: Chhukha

S/N	Results Indicator	Unit	Baseline	Target	Reporting Frequency	Targets for Implementing Partners										Remarks	
						Chhukha	Dagana	Samtse	Sarpang	Haa	DAMC	ARDC-OA Yusipang	ARDC Samtenling	ARDC Bajo	PMU		FAO
10	Number of water users <sup>9</sup> with new/improved irrigation services	Nos. of HHS	0	4065	Bi-annually	100	100	1850	1990	25							
11	Number of farmers who have adopted an improved agricultural technology <sup>5</sup> promoted by the project in targeted project areas.(gender disaggregated)	Nos. of HHS	0	10400	Bi-annually	1820	1820	1820	1820	1248	520	520	520	312			
12	Total land area under cultivation for citrus and cardamom increased by 5 percent	Acres	Baseline	Baseline + 5%	Bi-annually	Baseline + 5%	Baseline + 5%	Baseline + 5%	Baseline + 5%	Baseline + 5%							
13	Number of FGs/PGs/Cooperatives with project supported market infrastructure <sup>6</sup>	Numbers	0	30	Bi-annually	5	5	5	5	4	6						
14	Number of producer groups receiving market information <sup>7</sup>	Numbers	Baseline	Baseline + 30	Bi-annually						30						
15	Number of farmer <sup>10</sup> /producer groups <sup>11</sup> linked to schools	Nos. of FGs/PGs	0	10	Bi-annually	1	1	1	0	1	6						
16	<i>Number of Farm Shops established under project support</i>	<i>Nos. of Farm Shops</i>	<i>0</i>	<i>5</i>	<i>Annually</i>						5						
17	<i>Number of Food Processing Groups <sup>12</sup></i>	<i>No. of Groups</i>	<i>0</i>	<i>5</i>	<i>Annually</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>							
18	Number of children receiving the recommended 5 servings of fruits/vegetables per day under the project	Numbers	0	2100 <sup>a</sup>	Bi-annually	525	357	903	0	315							
19	At least 2 Learning Notes and 3 Case studies published and disseminated	Numbers		2 Learning notes & 3 Case Studies	Bi-annually												
20	Progress reports are prepared and submitted on biannual basis and are of satisfactory quality.			Accurate & timely reports	Bi-annually												

S/N	Results Indicator	Unit	Baseline	Target	Reporting Frequency	Targets for Implementing Partners										Remarks	
						Chhukha	Dagana	Samtse	Sarpang	Haa	DAMC	ARDC-OA Yusipang	ARDC Samtenling	ARDC Bajo	PMU		FAO
21	Procurement of goods and works under this project is completed according to schedule.	Date		Contracts awarded and completed on schedule	Ongoing												
22	Percentage of beneficiaries satisfied with services provided by the project.	Percentage		50	Mid & End of Project												

<sup>1</sup> Targeted crops include; Rice, Potato, Large Cardamom, Citrus, Vegetables (*Chilli, Cabbage, Cauliflower, Beans, Tomato, Carrot, Pea, Broccoli, Onion, Green leaves*) Quinoa, Ginger & Black Pepper

<sup>2</sup> 1 HH= estimated 5 family members on average. Total beneficiary HHs: 10400 X 5=52,000 (total estimated beneficiary population). 30% of total beneficiary population comes around=30% of 52,000=15,600.

<sup>3</sup> Farmer Groups: any farmer group (including Water User Associations etc) newly formed/strengthened by the project.

<sup>4</sup> Number of members. Supported by the project in creating or strengthening farmer groups

<sup>5</sup> Improved agri. Technology: including but not limited to-high efficiency irrigation, disease free seeds, saplings, SLM/terracing/soil conservation, farm machinery/equipment, electric fencing, green houses, post harvest equipment etc

<sup>6</sup> Market infrastructure: including but not limited to improved handling equipment (crates, tarpaulin sheets), collection/packing centers, small market sheds, improved storage structures e.g zero energy cool chambers, machines and materials for packaging and weighing, farm shops

<sup>7</sup> Market information: market prices, knowledge of markets present, and cost of market access

<sup>8</sup> 70% of targeted 3000 school children = 2100 children

<sup>9</sup> Beneficiary household water users - all farmers benefitting from project supported irrigation interventions both flood (563 HHs) and micro irrigation (250 HHs) supports: (563+250=813 x 5=4065 persons): On average @5 person /HH

<sup>10</sup> Farmer Groups (FGs): a group of not less than three (3) members deriving economic benefits from one or more economic enterprises related to RNR Sector

<sup>11</sup> Producer Groups (PG): Group of members deriving economic benefits from one or more enterprises related to RNR sector and legally constituted and registered in accordance with Bhutan's Cooperative Rules and Regulations 2010 and/or the Bhutan's Cooperative (amendment) Act 2009

<sup>12</sup> Preparing, packaging and marketing hygienically safe and nutritious foods to domestic markets

**Annex 5**  
**(Revision of Operations Manual)**

**Section 4.1 Project Steering Committee (PSC)**

- *Inclusion of* : Director, Directorate Services, MoAF as new member

**Section 4.6**

- **National Seed Centre, DoA**
  - *Deletion of* : “Establish demand based plastic tunnel and plastic houses for both seasonal and off-season cultivation of vegetables.”

**Section 5.2.2 (C2.1)(b)**

- **Greenhouses type technologies:** *(Insertion/deletions as indicated below)*
  - ⊖ Establish demand based plastic tunnel and plastic houses for both seasonal and off-season cultivation of vegetables, depending on the interest and demand. The support for green house type technologies will be provided to both farmer groups, and individuals and for poverty alleviation/promotional program and for commercialization. ~~The support for greenhouses will be based on 40% contribution from the beneficiary (in cash) if it is individual based demand and 20% contribution from the beneficiary (in cash) for group based demand. The implementers should follow the Input support Guideline prepared by the DoA “Inputs support & cost sharing modality for crop production & commercialization” circulated by the PMU vide letter No. DoA/FSAPP/01/2017-2018/42 dated March 15, 2018 in accordance with the minutes of the 2<sup>nd</sup> PSC held on 27<sup>th</sup> February, 2018.~~
- **Provision of Planting Material:** *(Insertion/deletions as indicated below)*
  - On a demand driven basis, make available quality rice, ~~maize~~ potato, quinoa and vegetable seeds to farmers groups to expand their production in line with the DOA policy for seed supply to farmers. Cost sharing mechanisms for cereals seeds, and basic inputs such as seeds and seedlings have not been popular.
  - ⊖ For cardamom and citrus seedlings, the project will supply these seedlings based on ~~70% contribution for the project and 30% contribution from the beneficiaries~~ the Input support Guideline prepared by the DoA “Inputs support & cost sharing modality for crop production & commercialization” circulated by the PMU vide letter No. DoA/FSAPP/01/2017-2018/42 dated March 15, 2018 in accordance with the minutes of the 2<sup>nd</sup> PSC held on 27<sup>th</sup> February, 2018.
  - Based on list of demand from the Gewogs, and concerned Dzongkhag Agriculture sector will collect the ~~30%~~ beneficiary contribution and deposit in the bank account of NSC together with the ~~70%~~ project contribution as per the AWPB timeline. The Dzongkhag will accordingly collect the seedling materials from the NSC and arrange for distribution as per the AWPB.

**Section 5.2.2 (C2.2)(a)**

- **Institutional Support to support NSC in;** *(Insertion/deletions as indicated below)*
  - Enabling farmer groups in the production of large cardamom, ~~citrus~~ quinoa, potato and vegetable seeds/seedlings under the technical supervision of the NSC.

#### Section 5.4

- **Activity wise details of Beneficiary contribution:** (*Insertion/deletions as indicated below*)

Component/ Sub-component	Activity	Implementing Agency	Percentage of beneficiary contribution	Nature (Cash / Kind)
2.Enhancing Farmer Productivity	Water use efficiency, improved farm management and technical capacity building, and enhanced agri-inputs and technologies	DoA	3%	Cash
Sub-component :	Support for greenhouses	DoA	20% 40% from individual and 20% from group for commercial farming	Cash
	Cardamom and citrus seedlings	DoA	100 % 30% for commercial farming	Cash
	Citrus seedlings	DoA	20 % for commercial farming	cash
3.Enhancing Access to Markets	(i) Post-harvest and market infrastructure support (ii) Linkages to Domestic and Export Markets	DAMC/FCBL	8%	Cash

#### Section 6.3 Project Evaluations

- Project evaluation will comprise of the following; (*Insertion/deletions as indicated below*)
  - Both the mid-term and end of project period should show a project beneficiaries satisfaction level of at least 4.4% 50% of the total number of beneficiaries based on Beneficiary Satisfaction Surveys

#### Annex 11

**PST, Bhur** :*Insertion/deletions as indicated*

Program Support Team (PST) Positions	Type of Appointment
PST coordinator (Mr. Ngawang)	Full time PST coordinator
Irrigation/Infrastructure engineer (Mr. K R Chhetri, Mr. Tsewang, Jr. Engineer) As per OD exercise there is provision for 7 engineers for the RDC	Full time basis.
M&E and Knowledge Management Focal (Ms. Tshering Yangden), Accountant (Mr. Sherub Tenzin) Procurement expert (Ms. Yangchen) Environmental and Social Safeguards Focal (Mr. Chezang Dendup)	Existing RDC staff 50% time share basis

**PST, Yusipang:** *Insertion/deletions as indicated*

<b>Program Support Team (PST) Positions</b>	<b>Type of Appointment</b>
PST coordinator ( <del>Mr. Kezang Tshering, Offtg. PD</del> <b>Ms. Kesang Tshomo, PD</b> )	Full time PST coordinator
M&E expert, (One specialist / Research Officer)- Mr. Kailash Pradhan, Specialist Accounts focal (Finance officer)- <del>Mr. Tshering Penjor</del> <b>Mr. Kishore Kr. Rai</b> Procurement Focal (Administration officer/ store officer)- Ms. Dil Maya Chettri, store officer)	Existing RDC staff 50% time share basis
Environmental and Social Safeguards Focal (Specialist designate for M&E) - Mr. Kailash Pradhan, Specialist	

**Annex 22**

**Procurement Management/Review Requirements/Prior review:** *Insertion/deletions as indicated*

- **Works and Goods:** All works contracts more than or equivalent to USD ~~500,000~~ **1.5m** and goods contract more than USD **30,000 up to** 200,000, all direct contracting, and force account.