

Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Main report and annexes

Mission Dates: 11/02/2024 - 20/03/2024

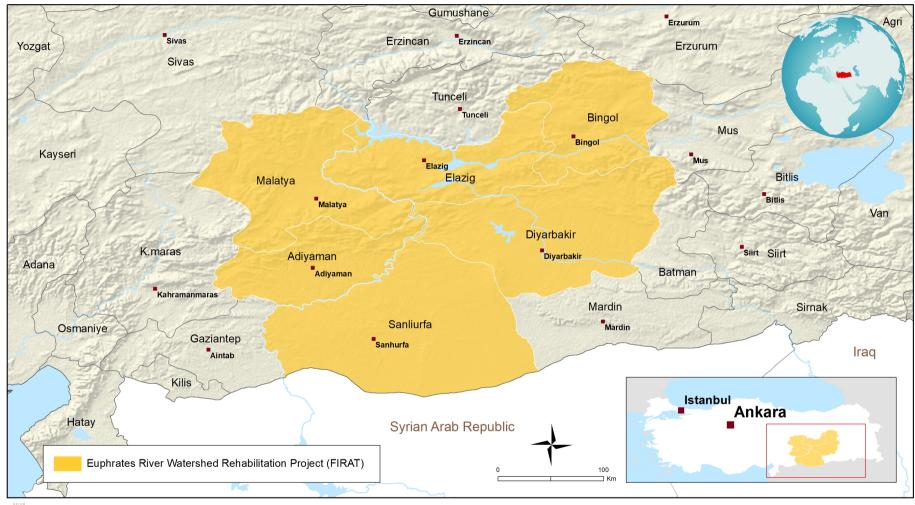
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Map of the Project Area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

IFAD Map compiled by IFAD | 08-03-2024

Abbreviations and Acronyms

AUO Office of Audit and Oversight of IFAD

AWPB Annual Work Plan and Budget

BRAM IFAD's Borrowed Resources Access Mechanism

CCA Climate Change Adaptation

CEM General Directorate of Combating Desertification and Erosion

COI Contract Monitoring Tool
COI Core Outcome Indicator

COSOP Country Strategic Opportunities Programme

CPMU Central Project Management Unit
CPMU Central Project Management Unit

CR Contract Register

CSPE Country Strategy and Programme Evaluation

DA Designated Account

DAPRDA Eastern Anatolia Project Regional Development Administration

DC Direct Contracting

DSA Daily Subsistence Allowance

DSI General Directorate of State Hydraulic Works

EFA Economic and Financial Analysis
EIRR Economic Internal Rate of Return
EKAP Electronic Public Procurement Plan

ENPV Economic Net Present Value

ENRM Environment and Natural Resources Management
ESMP Environmental and Social Management Plan
ESMS Environmental and Social Management System

ESRN Environment and Social Review Note

EU European Union

FA Financing Agreement

FAO Food and Agriculture Organization

FIRAT Euphrates River Watershed Rehabilitation Project

FM Financial Management

FMD IFAD's Financial Management Division

FMFCL Financial Management and Financial Control Arrangements Letter

FMS Finance management Specialist

FO Farmers Organisations

FPIC Free, Prior and Informed Consent

RDA/DA Regional Development Administration/Development Agency

FS Feasibility Study

FSS Food and Safety Standards

G20 Group of 20 (an intergovernmental forum)

GALS Gender Action Learning System
GAP South-eastern Anatolia Project

GAPRDA South-eastern Anatolia Project Regional Development Administration

General Directorate of Combating Desertification and Erosion, Ministry of Environment, Urbanization and Climate

Change

GDP Gross Domestic Product

GDRS General Directorate of Rural Services

GEF Global Environment Facility

GEWE Gender Equality and Women's Empowerment

GHG Greenhouse Gases

GIS Geographical Information System

GoT Government of Türkiye

GRM Grievance Redress Mechanism

GTWDP Göksu Taşeli Watershed Development Project

HDDS Household Dietary Diversity Score

HH HouseholdHQ Headquarters

ICB International Open Bidding

ICP IFAD Client Portal

ICS Individual Consultant Selection

ICT Information and Communication Technology

IFAD International Fund for Agricultural Development

IAS Impact Assessment Survey

IFIs International Financial Institutions

IFR Interim Financial Report

IFRS International Financial Reporting Standards
 INDC Intended Nationally Determined Contributions
 IOE Independent Office of Evaluation of IFAD

IPRM Integrated Programme Risk Matrix
ISA International Standards on Accounting

ISM Implementation Support Mission

KM Knowledge ManagementLDN Land Degradation Neutrality

LTB Last Time Bidding

M&E Monitoring and Evaluation

MC Micro Catchment
MCP Micro Catchment Plan
MG Matching Grants

MIIT Ministry of Investment, Industry and Trade

MIS Monitoring Information System

MoAF Ministry of Agriculture and Forestry

MoTF Ministry of Treasury and Finance

MoU Memorandum of Understanding

MRWRP Murat River Watershed Rehabilitation Project

MSME Micro, small and medium enterprises

MTP Medium term Plan

MURAT Murat River Watershed Rehabilitation Project

NCB National Competitive Bidding
 NPP Net Primary Productivity
 NDP National Development Plan
 NGO Non-Governmental Organization
 NRM Natural Resources Management

NS National Shopping

NWFP Non-Wood Forest Product

O&M Operation and Maintenance

OBM Regional Directorate of Forestry

OECD Organisation for Economic Co-operation and Development

OGM General Directorate of Forestry

ORKÖY Department of Forestry and Village Relations
PBS IFAD's Performance-Based Allocation System

PCR Project Completion Report

PDA Provincial Directorate of Agriculture and Forestry

PDM Project Design mission

PDO Project Development Objective

PDR Project Design Report

PIM Project Implementation Manual

PP Procurement Plan

PPA Project Procurement Arrangements
PPCL Public Procurement Contracts Law

PPL Public Procurement Law
PPM Project Procurement Manual

PPMU Provincial Project Management Unit

PPP Purchasing Power Parity

PSB Presidency of Strategy and Budget

PSC Project Steering Committee

QBS Qualifications Based Selection

QCBS Quality Cost Based Selection

RUE Rain Use Efficiency
RFP Request For Proposal

RIA Research and Impact Assessment

RIAD Research and Impact Assessment Division of IFAD

RPMU Regional Project Management Unit SDGs Sustainable Development Goals

SECAP Social Environmental and Climate Assessment Procedures

SME Small and Medium Enterprise
SO Strategic Objective (of IFAD)

SP Service Provider

SPA Special Provincial AdministrationSPD Standard Procurement Documents

SSS Single Source Selection
TA Technical Assistance

TKDK Agriculture and Rural Development Support Institution

TL Turkish Lira
ToC Theory of Change
ToR Terms of Reference

TVET Technical and Vocational Education and Training

UN United Nations
USD United-States Dollar
WA Withdrawal Application

WB World Bank

WUA Water Users Association

In line with IFAD mainstreaming commitments, the project has been validated as:
☐ Be gender transformative ☐ Be youth sensitive ☐ Be nutrition sensitive ☐ Prioritize persons with disabilities ☐ Prioritize indigenous peoples ☐ Include climate finance ☐ Build adaptive capacity

Executive Summary

Background

Since the formation of the modern state in 1923, Türkiye has progressed well economically and has become an upper middle-income country with a GDP of USD 1.12 trillion and per capita income of USD 13,110 in 2023. In recent years, however, productivity gains have slowed. Adoption of a complex set of regulatory measures to direct credit to selected sectors and to promote greater use of the national currency in the economy has led to significant market pressure on the Lira. This, accompanied by the COVID-19 and the war in Ukraine, has added to pre-existing vulnerabilities. With GDP growth of 11 percent in 2021 and 5.5 percent in 2022, 4.5 percent in 2023, post COVID-19 recovery is impressive, nonetheless. More recent macroeconomic policies have helped to improve external balance, but vulnerabilities still remain.

The agriculture sector contributed 6.2% of GDP and employed about 14.6% of Türkiye's labour force in 2023. During 2010–19, real agricultural GDP grew at an annual rate of 2.7%. Economic gains achieved over the past two decades enabled Türkiye to lift nearly 30 percent of its population out of poverty. However, the headcount ratio, measured using the upper middle-income poverty rate of \$6.85 in 2017, is relatively high at 12.9% in 2024. Even more concerning: the progress in reducing poverty has stalled in recent years. In general, upland, and mountainous areas, which are less connected and are more vulnerable to climate change risks, have higher rates of economic poverty and are subject to rural-urban outmigration.

Rationale

Despite the impressive economic achievements, Türkiye faces some development challenges. Monetary poverty is relatively high and Türkiye ranked relatively low in the Global Gender Gap Index, particularly. With over 44% of the population under the age of 30, Türkiye is a young nation. The unemployment rate among young people is high at 17.5% overall, and 23.4% for young women. As a result, while cities are getting crowded with young unemployed people, the farming population is growing older. In addition, rapid demographic growth, urbanisation, and industrialization is widening sustainability gaps. Productivity gains have slowed down. Climate change is expanding the agricultural sector's exposure to climatic risks and the country now experiences more frequent extreme weather-related events. With about 27% of its population living in water scarce areas, the level of water stress is substantial.

Agricultural growth in Türkiye has proven to be pro-poor and can contribute even more to reduce poverty and make the economy more resilient. The proposed project area reports a high poverty rate as well as high agricultural growth. This fortuitous combination needs to be maintained and accelerated by allocating more resources for the development of agriculture and use of natural resources. In identifying and designing the proposed project, the GoT and IFAD have considered the impact of the two strong earthquakes that hit the region in February 2023 and resulted in the death toll of more than 50,000 people. Small-scale producers were particularly affected by the loss of livestock, the destruction of their houses as well as agricultural assets including barns and irrigation systems.

Since it became a member in 1982, Türkiye has demonstrated its political and economic commitment to the IFAD supported programme. Importantly, a successful model for tackling the issues in upland and mountainous areas in Türkiye's Eastern and South-Eastern regions has evolved with the implementation of the IFAD supported Murat River Watershed Rehabilitation Project (MURAT). At completion point in 2023 this project was rated highly relevant and secured satisfactory results in terms of rural poverty impact, climate change adaptation, and gender equality and empowerment. The proposed Euphrates River Watershed Rehabilitation Project (FIRAT) builds on the firm foundation that MURAT has laid, while also introducing innovations that are expected to enhance the impact of the project on the targeted communities and households.

Goal and development objectives

FIRAT's goal will be to reduce poverty of the upland communities in the targeted MCs of the Euphrates River watershed.

The Project **development objectives** will be to increase the income and resilience of small-scale producers and vulnerable groups, including women and youth, in the targeted micro catchments (MCs).

The proposed project as designed is fully aligned and contributes directly to Türkiye's Vision for 2053 and caters directly to the themes of disaster-resilient habitats and sustainable environment identified in the 12th National Development Plan (2024-28). FIRAT's major thrust during implementation will be on restoring the livelihood of the earthquake victims – an area that GoT has accorded a very high priority. FIRAT is also fully aligned with the second objective of mainstreaming sustainable natural resource management into all aspects of upland agricultural production and increasing upland climate change resilience identified in the Country Strategic Opportunities Programme (COSOP). Adequate attention has been paid in on-boarding lessons learnt in Türkiye including those from the country programme and strategy evaluation (CSPE) undertaken by IFAD's Independent Office of Evaluation (IOE).

Target areas. FIRAT will target the remote upland areas and focus on livelihood diversification for small-scale producers to increase their resilience and income in approximately 40 MCs with 400 upland forest villages spread over 39 districts in the 6 targeted provinces (Şanlıurfa, Malatya, Diyarbakır, Adıyaman, and certain districts in Bingöl and Elazığ not targeted under the MURAT project). It will adopt the MC approach to integrate livelihood activities with natural resources restoration and sustainable

management.

Target group. The main target group will be small-scale producers living in upland forest villages and engaged in a mixed farming system as their main livelihood. They have few productive assets and most of them have experienced loss or damage to these assets due to the earthquakes. Among these, women and very poor farmers who are not registered as farmers are likely to suffer most. Specific focus will be on vulnerable groups, in particular: (i) poor rural households practising subsistence farming who have some marketable surplus and whose livelihood is negatively affected by environmental degradation, climatic shocks, and disasters; (ii) women, with a sharper focus on women-headed households; and (iii) unemployed and underemployed rural youth.

Target group and micro catchment selection. Poorest households will be identified based on poverty criteria considering income level (e.g. monthly income below two times the minimum wage and/or green card holders); productive assets (e.g. less than 10 decars of land; less than 10 cows; less than 100 small ruminants and other considerations including no access to water/irrigation facilities. These households will be eligible for grant support as defined by the scheme modalities in the two project components. Criteria for MCs selection are high levels of soil erosion and land degradation and high level of poverty and/or low level of socioeconomic development. In selecting the MCs in the first-year priority will be accorded to the MCs most affected by the earthquakes.

The total outreach is estimated at 140,000 individuals or 40,000 households (HHs), of which 27,000 households (HHs) are expected to receive multiple project services while 13,000 HHs will only benefit from community-level interventions. Women will account for 40% and youth for 15%.

Description of the project

The FIRAT goal and development objectives will be achieved through two technical components, viz. MC planning and natural resources management; and Investments in improved climate-resilient livelihoods and access to markets.

The MC planning and natural resources management component will support the development of 40 micro catchment plans (MCPs) including on average 10 villages in each MC and the implementation of activities related to the natural resources restoration and sustainable management. It is underpinned by two sub-components: (i) participatory micro-catchment planning and capacity building with focus on conducting an integrated assessment of the MC areas with the people living in the villages in the MCs and develop an MCP with an agreed Strategic Investment Plan (SIP) to be implemented in the Sub-component 1.2 as well as the component 2; and (ii) based on the MCP and SIP, the rehabilitation and sustainable management of natural resources aiming at reducing the risks of landslides and floods, ensuring resilient and sustainable livelihoods, and reducing sediments prolonging the life of the Atatürk and Karakaya Dams on the Euphrates River.

Under the second component entitled **Investments in sustainable land management, climate resilient infrastructure, livelihoods and access to markets**, FIRAT will based on the MCPs and SIPs invest in: (i) the recovery of production assets and diversification of agricultural production and economic activities in rural areas; (ii) marketing and the promotion of products from the participating provinces; and (iii) public irrigation infrastructure to be complemented with on-farm investments. Investments will be made in recovering assets lost or damaged by the earthquakes; for technologies, equipment and practices increasing climate resilience and productivity; and for adding value in aggregation and processing to increase sales and reduce food waste and loss.

The second component has 3 sub-components. The first sub-component establishes a *Revolving Fund Facility for improving sustainable land management, climate resilient production infrastructure, aggregation, processing, and marketing* which would support 4,800 youth to develop their capabilities to access wage employment as well as self-employment opportunities. It is noted that the term revolving fund is adopted in this context and elsewhere in the Project Design Report in recognition of the revolving element (50% in interest free loan) of the financing mechanism. Of the two windows within the revolving fund, the *Window for poor and transitory poor producers will* promote on-farm and off-farm investment by small-scale producers practising subsistence farming and selling surplus to markets by supporting them in: (i) post-earthquake recovery, (ii) increase their climate resilience and the productivity of crops and livestock with emphasis on integrated soil and water management practices, resources use efficiency and mechanical and digital solutions; (iii) enable them to meet standards to link to aggregators in value chains, (iv) and generally diversify their economic activities and reduce risks. The second window targeted at *producer organisations and aggregators* will support investments in production, processing, and marketing of agricultural products. The focus of this second window will be small-scale farmers' producer organisations (cooperatives, unions etc.) and eligible aggregators (MSME) of agricultural products. For livelihood investments, this subcomponent will build on ORKÖY's existing financing scheme for people living in upland forest villages while introducing changes that would make the scheme inclusive.

Under the second sub-component, FIRAT will focus on strengthening producer organisations and marketing to better capture emerging market opportunities in local, domestic and/or export markets and may involve investment opportunities such as construction of fruit-vegetable and/or animal marketplaces etc. This will be achieved through training of the management and technical staff on organisational governance, business management, knowledge exchange, promotion, and participation in domestic and international agricultural and trade events.

Under the third sub-component, FIRAT will invest in *creating off-farm climate resilient water infrastructure that would enhance water use efficiency* by reducing conveyance losses by upgrading dilapidated and inefficient small scale irrigation facilities based on open channels that are either nearing their end-of-life or were severely damaged during the earthquakes. Investments will be undertaken in selected locations where catchments possess restored vegetation cover as identified during the MC planning process and supported in sub-component 1.2. The irrigation schemes will enable small-scale agricultural producers to increase agricultural productivity as well as resilience to climate change and sustainability prospects.

The third component is cross-cutting and invests in **institutional strengthening and project management** and services the technical components and facilitates pathways for the effective and efficient implementation of project interventions. The institutional strengthening will be achieved through training, exchange visits, development or updating of technical guidelines and studies, the establishment or strengthening of existing partnerships, and the development of South-South and Triangular Cooperation

opportunities. In designing FIRAT, priority has been accorded to optimising the project's operational efficiency, reign-in operating to investment cost ratio, and ensuring sustainability. These objectives will be achieved by mainstreaming FIRAT activities to the normal operations of General Directorate of Forestry (OGM), Regional Directorate of Forestry (OBMs) and other subsidiary units to the extent possible.

In order to promote a programmatic approach in the portfolio financed by IFAD in Türkiye, the Project Steering Committee to be established under FIRAT will work closely with the CPMU overseeing implementation of URDP to promote synergies between FIRAT and URDP (and any future projects to be developed under the currency of the IFAD13 lending cycle.

Project costs and financing

The total cost of FIRAT is estimated at USD 98 million which will be met by: (i) IFAD loan of USD 65 million (66.3%); (ii) GEF grant of USD 1.4 million (1.4%); (iii) Government of Türkiye contribution of USD19.4 million (19.8%); and (iv) Beneficiaries contribution of USD 12.2 million (12.5%), most part of which will be met by the borrowings from the ORKÖY scheme of OGM.

Summary of the economic and financial analysis

Financial analysis was conducted for three types of wood-saving energy technologies, six and five different household-level farm models for transitory poor producers and poor producers, respectively and one each for MSME and irrigated crops. The analysis indicates all these models present a Financial Internal Rate of Return (FIRR) of above 25%. Net Present Value (NPV) with 19.1% discount factor is at least USD 232 for a stove and above USD 55,000 for a milk collection centre. The benefit-cost ratio (BCR) is above 1.03 in all cases and reaches up to 1.9. These indicate that all the models are financially attractive for investment by smallholder farm households – both those who are poor and transitory poor - and agripreneur.

The economic analysis of the programme using the economic prices shows the results of FIRAT to be positive: with NPV, at 6% social discount rate of the incremental benefits of USD 93 million and an economic internal rate of return (EIRR) of 18.9% over a 20-year period. Even when tested against occurrence of several risk scenarios, including reduced delays in implementation, cost overruns, etc. economic results remain robust and only a move to extremes makes FIRAT to become economically unviable. In sum, FIRAT investments are sound, and worth investing in from a financial and economic perspective.

Environmental, social and climate risks and mitigation measures

The environmental and social category for FIRAT is proposed as **Moderate**. The project aims to generate overall positive environmental and social benefits in a comprehensive manner and will implement nature-based soil erosion control activities. Afforestation and reforestation will be the key priority of FIRAT for the rehabilitation of biodiversity and degraded land and for improved resilience of livelihoods. Multiple purpose grass and trees will be selected for the plantation, while honey forest support will be continued.

Potential social risks consider that women, youth and other vulnerable categories and marginalised groups can be excluded from project benefits. Proactive efforts will be taken to target those individuals with fewer assets and opportunities, and address gender inequalities in accessing project Measures include: Pro-poor targeting criteria; strong outreach and communication activities; separate consultation with women, youth and vulnerable groups; incorporating use of GALS in capacity building services; gender and social inclusion experts are included full time as staff in the RPMUs.

The climate risk category of the project is proposed as **Moderate**. The forecasted effects of climate change in the project area include adverse impacts on surface water availability, increased occurrences of floods, prolonged periods of aridity and drought. These effects are expected to disrupt agricultural output and pose some threats to food security, but will be limited, transient or manageable. Financial, environmental, and social underperformance or failure due to climatic hazards is unlikely. Considering the likely impact, FIRAT will promote climate resilient farming practices and provide support for water management and improving use-efficiency to enable farmers to cope with drought and unpredictable precipitation.

FIRAT places a significant emphasis on social inclusion and to mitigate environment, social, and climate risks, a comprehensive Environmental, Social, and Climate Management Plan (ESCMP) has been prepared.

Implementation arrangements

The OGM within the Ministry of Agriculture and Forestry (MoAF) will be the Lead Project Agency for FIRAT which will be primarily responsible for the project implementation working in close coordination with the Ministry of Treasury and Finance (MoTF), and the Presidency of Strategy and Budget (PSB). Relevant collaborations will be established at lower levels as appropriate in implementing the component 2, Livelihood investments, marketing and irrigation. A Project Steering Committee (PSC) will be established at central level with responsibility for the overall policy guidance and oversight. The management structure for FIRAT will consist of: (i) a Central Project Management Unit (CPMU) hosted by OGM in Ankara; (ii) one Regional Project Management Unit (RPMU) within each of the OBMs in Elaziğ and Şanlıurfa; and (iii) additional support units in 3 provinces.

Located at the OGM at central level, the CPMU will be responsible for: (i) overall project planning, implementation, financial management, monitoring and evaluation, supervision of procurement procedures; (ii) liaising with concerned government departments; (iii) obtaining no objection from IFAD; (iv) providing guidance and support to RPMUs; and (v) selecting, establishing, and managing partnerships with service providers. The two RPMUs will be responsible for delivering the programme services and interventions in their respective target provinces.

Government appointed/seconded staff will be deputed to the various levels. For specialised expertise and programme delivery functions, in particular for the M&E, knowledge management and fiduciary aspects, staff will be recruited using IFAD resources. Service providers will be selected through a competitive bidding process. Staff and any service providers hired under the programme

will be sensitised on the importance of youth and gender mainstreaming with emphasis on the need to retain youth in the rural areas.

Monitoring and Evaluation and knowledge management

The M&E system of FIRAT will be built on the existing system of the OGM to be complemented by an automated MIS for planning, monitoring, analysis, and evaluation of data, to be developed at the start of the Project. The M&E system will be guided by the logical framework and will follow the IFAD COI measurement guidelines for periodic measurement of project results - activities, outputs, outcomes, and impact - in relation to agreed targets to monitor implementation performance, Annual Work Plan and Budget (AWPB) execution, outreach, and effectiveness of the targeting strategy. Where applicable, data will be disaggregated by gender and age. Emphasis will be given to monitoring outreach and physical progress for each key output, as and when they are delivered, and outcomes as they emerge.

FIRAT will invest in good quality, evidence-based knowledge management to contribute both to the implementation and to the policy development processes. Emphasis will be laid on the sustained anchoring of technical and managerial knowledge among supported upland farmers and entrepreneurs so that they receive help in increasing productivity and enhancing post-project sustainability.

1. Context

A. National context and rationale for IFAD involvement

a. National Context

i. Political, economic, and social context

- 1. Geography and demography. Occupying a unique geographical and cultural position at the crossroads of Europe and Asia, the Republic of Türkiye is located between the Mediterranean and the Black Sea and has a total area of 785,350 km², a coastline of 7,200 km, and a population of 85.4 million in 2023. Geographically, Türkiye can be divided into 7 regions^[1] and administratively it is divided into 81 provinces and 973 Türkiye remains a recognized global leader in its refugee response^[2] and currently hosts the world's largest refugee population with 3.7 million Syrians under temporary protection and over 320,000 refugees and asylum-seekers under international protection. [3]
- 2. **Political context.** Since the formation of the modern state of Turkey in 1923, the country progressed well both politically and economically. With the adoption of a new Constitution in 2017, Turkey moved from a parliamentary to an executive presidential system accompanied by a major reorganisation in Government. These changes included abolishing the Prime Minister's office and several ministries, mandating that all ministries be under the control of the president and transferring some of the parliament's oversight functions to the presidency. A national election held on 14 May 2023 led to a run-off election held on 28 May 2023 which resulted in a win for the ruling Justice and Development Party.
- 3. **Economic context.** Driven by broad-based macroeconomic and structural reforms, Türkiye achieved impressive economic gains over the past two decades. This enabled Türkiye to become an upper middle-income country with a GDP of USD 1.12 trillion and per capita income of USD 13,110^[4] in current prices in 2023, Gini Index of 41.9 and life expectancy of 76 years in 2022^[5]. Türkiye is the 19th largest economy in the world and a member of the OECD as well as the G20.
- 4. In recent years, however, as Türkiye's reforms waned, productivity gains have slowed, and growth became increasingly dependent on externally funded credit and demand stimulus. In this backdrop Türkiye adopted a new economic model consisting of low interest rates as well as a complex set of regulatory measures to direct credit to selected sectors (notably exporters) and to promote greater use of the lira in the economy. These policies led to significant market pressure on the lira in late 2021. This was combined with the COVID-19 health and economic crisis followed by the war in Ukraine, which added to pre-existing vulnerabilities.
- 5. More recently policy redirections have been sought which enabled achieving GDP growth of 11 percent in 2021, 5.5 percent in 2022, 4.5 percent in 2023, and estimated as 3.1 percent in 2024. In contrast, inflation has accelerated sharply, reaching a 24-year high of 85 percent in 2022, among the highest across large Emerging Markets. This, in part, is explained by high commodity price and supply-chain disruptions, and by Türkiye's loose monetary policy and the resulting exchange rate depreciation and shifting of inflation expectations. Following the May 2023 elections, the government has taken further positive steps to strengthen Türkiye's macroeconomic policies. This has helped to improve external balance, but vulnerabilities still remain. [6]

ii. Sustainable Development Goals (SDGs)

6. **Poverty (SDG 1).** Economic gains achieved over the past two decades enabled Türkiye to lift nearly 30 percent of its population out of poverty. As a result, absolute poverty is less than 1 percent in Türkiye. Measured as the proportion of the population facing monetary poverty (percentage of households with less than 50 percent of the median disposable income), poverty stands relatively high at 14.4 percent in 2022 and as high as 21.6 percent if the median disposable income threshold is increased to 60%. Importantly, high disparity in relative poverty rates persist in Türkiye. In general, upland and mountainous areas, which are less connected and more vulnerable to climate change risks, have higher rates of economic poverty and are subject to rural-

urban outmigration. Those areas are hard to reach, and thus under-served, due to their remoteness and escarpment and low population density. With 80% of the extremely poor population living in rural locations, extreme poverty in Türkiye is primarily a rural phenomenon. This is particularly true amongst forest villages [7].

- 7. High inflation has imposed large economic costs on Türkiye. The poor are in particular hard hit as real wages across all broad sectors have fallen steeply in 2022 and thus has eroded worker's pay. Poor households cannot switch the expenditure basket which comprises mostly essential goods and have limited wealth that can be used to hedge against price rises. In corollary, the deeply negative borrowing costs and stimulus-induced growth, has boosted private sector profits and thereby significantly reduced the share of labour in GDP.
- 8. When measured against the upper middle-income poverty rate of \$6.85 in 2017 Purchasing Power Parity (PPP), the headcount ratio has increased from 12.6% in 2020 to 12.8% in 2021 and 2022, 12.9% in 2023 and 2024 and projected to be 13% in 2025. In sum, progress on reducing poverty has stalled in Türkiye and it is not likely to improve, or may even worsen marginally, in near future.
- 9. **Food security and nutrition (SDG 2).** Türkiye ranked 49 out of 113 countries with an overall score of 65.3 in Global Food security Index (2024). The best ranks (26th) are in the categories food quality, safety and sustainability, and adaptation, while the lowest rank was in affordability (81st). The prevalence of undernourishment among the general population is low at 2.5 percent; stunting among children (< 5 years) at 5.5 percent; and wasting to be 1.7 percent. In terms of obesity 39 percent of adult women and 24 percent of adult men were obese (2016) and diabetes was affecting 14 percent of women and 13 percent of men (2014) both with an increasing trend. [9]
- 10. **Overall achievement and trend.** As per the assessment undertaken by OECD by using UNDESA data, Türkiye has already achieved 16 of the 123 SDG for which comparable data are available, based on most recent trends, and is expected to meet 5 additional targets by 2030. As virtually all OECD countries, Türkiye has already met (or is close to meeting) most targets related to securing basic needs and implementing the policy tools and frameworks mentioned in the 2030 Agenda. Some challenges, however, remain, particularly with respect to SDG 1- No poverty, which is labelled as "No progress or moving away from the SDG target' and SDG 2 Zero hunger in which progress has been made, but is insufficient [10]. These two SDGs therefore require attention.

iii. Smallholder agricultural and rural development context

- 11. Türkiye's agricultural economy is larger than that of any other European country. The agriculture sector contributed 2% of GDP and employed about 14.6% of Türkiye's labour force in 2023. During 2010–19, real agricultural GDP grew at an annual rate of 2.7% higher than 1.9% during 2000–09. The sector's expansion has been fuelled by growing domestic demand and changes in consumption patterns to favour more protein- and nutrient-rich foods (fruits, vegetables, fish, and animal products). Exports of agri-food products rose from USD3.6 billion in 2000 to about USD31.6 billion in 2023. Türkiye is the global lead producer of hazelnuts, apricots, figs, dried raisins, and cherries and is among the top 5–10 global producers of 20 other agri-food products. All these achievements were made possible by Türkiye's strategy for taking advantage of its natural capital which currently is about 12% of Türkiye's national wealth, with the share of crop land and pastures and generating significantly more wealth for Türkiye than for other peer countries.
- 12. In recent years productivity gains have slowed down and total factor productivity has become negative. With rapid demographic growth, unsustainable agricultural practices, urbanisation, and industrialization exert heavy pressure on natural resources and the environment. As a result, sustainability gaps are increasing. In addition, the effects of climate change, including rising annual mean temperatures and changes in precipitation patterns, have expanded the agricultural sector's exposure to climatic risks. The country now experiences more frequent extreme weather-related events such as floods, droughts, heatwaves, and out of season frost and hailstorms. With its diminishing surface water supply, Türkiye is already considered a water-stressed country, with about 27% of its population living in water scarce areas. Even worse, water resources in Turkish basins due to climate change may decrease by up to 25 percent in the next hundred years. Agriculture continues to be the largest water user, with about 75% of total consumption, urging to increase irrigation efficiency from the 2022 baseline of 50.4% in order to meet demand from the other sectors [11].
- 13. Since Türkiye is mostly arid and semi-arid and with rising temperatures and extreme weather events, the risk of land degradation through topsoil erosion is high. In addition to damaging agricultural practices, climate change now acts as an additional driver of land degradation through soil erosion, reducing soil fertility, and changing the structure of the soil. Hence, protecting soil health and adopting sustainable soil/land management practices are essential for improved productivity and food security.

iv. National strategies, policies and/or programmes relevant for smallholder agriculture, rural poverty reduction and enhanced food security

14. Türkiye's 12th National Development Plan (NDP, 2024-28) envisions it as an environmentally friendly, disaster-resistant, technologically advanced, and prosperous nation, with a focus on fair income distribution, consistent growth, and a strong economy. Within this framework, the agriculture and food sector's goal has been identified as creating an agriculture that is economically, socially, and environmentally sustainable, ensuring a balanced supply and demand, and providing adequate and balanced nutrition for society. Policies and measures include supporting environmentally friendly agricultural practices to combat climate change. Sustainable forest management and supporting alternative irrigation sources are integral to the plan. The Plan also aims at: (i) stimulating the rural economy; (ii) ensuring sustainable natural resource management; (iii) enhancing the quality of life to maintain population levels in rural areas; (iv) achieving sustainable development that aligns with the SDGs; (v) ensuring resilience to the effects of climate change; (vi) transitioning the economy to low carbon; and (vii) fostering social justice with a focus on environmental protection. The Medium-term Plan (MTP, 2024-26) has also accorded priority to 'healing the wounds of

earthquakes and mitigating disaster risks.

15. The national youth policy (2013) encompasses 13 themes, ranging from education, employment and entrepreneurship, to participation, civic consciousness, and culture. Each theme includes a set of targets and defines the group of stakeholders that should be involved in its implementation. The major agency responsible for conducting youth policies is the Ministry of Youth and Sports. The National Employment Agencies (İŞKUR), a branch of the Ministry of Family, Labour and Social Services, has the responsibility of solving employment problems of youngsters.

v. Key actors and institutional arrangements

- 16. Within GoT, IFAD's main strategic institutional partners are the Ministry of Treasury and Finance, the Presidency of Strategy and Budget (PSB), and the Ministry of Agriculture and Forestry (MoAF). The MoAF oversees food, agriculture, livestock, and forestry development in Türkiye and is the technical strategic partner of the IFAD supported programme. The MoAF has a fairly large structure with a comprehensive field coverage in all 81 provinces and 973 districts in the country and has a large contingent of experienced staff. It operates through the General Directorate of Agricultural Reform as well as the General Directorate of Forestry (OGM). OGM supports livelihood development in upland villages through its Department of Forestry and Village Relations (ORKOY). Since 2018 the State Hydraulic Works (DSI), the state agency responsible for water resources planning, operations, and management, has been also affiliated with the MoAF as a General Directorate. Since the closing of MoAF's General Directorate of Rural Services (GDRS) in 2005, the Special Provincial Administration (SPAs) are other relevant institutions active in 3 provinces of the project area (Adyaman, Elazığ and Bingöl) with in-house expertise to support the development of small-scale rural infrastructure.
- 17. At the regional and provincial level the Regional Development Administration/Development Agencies (RDAs/DAs) under the Ministry of Industry play an important role in territorial development through regional development plans. They have several projects supporting small-scale producers in a broad range of areas including early warning and adoption of climate adaptation practices and technologies, digital and precision farming, extension services, access to markets and integration in value chains.
- 18. State owned banks, private banks, microfinance institutions, farmers' organisations and cooperatives are also key institutional players in rural development in Türkiye. Founded in 1863 the Ziraat Bankasi (agricultural bank) is a 100% state-owned institution that provides financial services, among others, to agriculture. With more than 1800 branches within Türkiye and a share of about 12% of the total banking assets, the bank is an important player in Türkiye. Apart from offering financial services it also channels government-provided highly concessional resources to rural areas.
- b. Special aspects relating to IFAD's corporate mainstreaming priorities

- 19. The project will adopt an inclusive approach under which women, youth and very poor and earthquake-hit households will be consulted to ensure that activities take into consideration their specific needs when selecting Micro Catchments (MCs), and when key investments are decided by the project and communities concerned. This will be done during the participatory planning process for Micro Catchment Plans (MCPs) and followed through during implementation. The gender, youth and social inclusion strategy of FIRAT will focus on responsive and equitable participation of disadvantaged groups in development planning and implementation.
- 20. The project will contribute to expand women's economic and social empowerment by: (i) providing access to energy-saving technologies for reducing workload; (ii) strengthening their presence in decision-making; (iii) providing access to poverty-linked financial services (e.g. bank accounts, matching grants and interest-free loans from the revolving fund) and training to improve their livelihoods, income-generation and employment opportunities; and (iv) enabling women to increase their control over income at household level. Women's equal participation will also be facilitated by introducing gender transformative approaches at group level (e.g. use of selected GALS methodologies) and dedicated technical assistance. Government including project staff will be trained to ensure gender equality and women's empowerment goals are met.
- 21. From a youth perspective the project will address youth-specific challenges [12] by providing orientation, mentoring and coaching support to young men and women to: (i) identify the skills required to enter the job market and access relevant training offered by the public sector; and (ii) develop their business ideas and enable them to access start-up capital and technical advisory support. Youth will be able to access financial support from the project grant schemes as well as from other existing schemes and engage in agriculture as a business. Youth interested in vocational training will be supported to form groups and link to vocational training centres. It is expected that efforts will result in increased access of youth to job and entrepreneurship opportunities in the agriculture and wider rural sector, both on- and off-farm [13]. To increase the capital of rural youth the project will invest in supporting access to Information and Communication Technology (ICT) and the adoption of on-farm smart irrigation technologies, including digital solutions that will enhance water-use efficiency [14]. In line with IFAD's mainstreaming commitments, the project has been validated as: Youth Sensitive.
- 22. The project has mainstreamed climate change adaptation and mitigation as well as resilience building in project components and subcomponents through: (i) including participatory climate change risks and vulnerability assessments and identification of adaptation and resilience building options in MC planning processes, backed by downscaled historical trends and projection data and accompanied by related training of villagers; (ii) as identified in MCPs investing with up-land communities in afforestation, rehabilitation of existing multiple use forest, and erosion control and soil water harvesting structures to increase native vegetation with co-benefits for soil carbon, biodiversity and the availability of water resources in the landscape to buffer against prolonged dry periods and hotter climate; (iii) investing in irrigation and supporting farmers in the adoption of water-use efficient technologies; (iv) working with village livestock groups to create demonstrative examples of community led rangeland rehabilitation and management; (v) providing grants and interest-free loans to poor households for the adoption of energy saving and renewable energy household technologies (e.g. PVS panels, solar water heaters, efficient cook stoves); and (vi) climate risk and vulnerability assessment for off- and on-farm livelihood projects and inclusion of technical assistance and investments in adaptation and resilience building technologies as part of the implementation of grants and interest-free loan for the livelihood improvement projects.

c. Rationale for IFAD involvement

i. Development problem

- 23. Despite the impressive achievements made in reducing poverty prior to the COVID—19 pandemic and recent economic upheavals, some challenges persist, and some others have emerged or are emerging in Türkiye. As noted, monetary poverty is relatively high at about 12 to 13 percent of the population and progress in reducing poverty has stalled. Extreme poverty is primarily a rural phenomenon, with 80% of the extremely poor living in rural locations. This is particularly true amongst forest villages, most of which experience poverty rates above 43% (World Bank, 2017). Türkiye ranked 124th (out of 145 countries) in 2022 in the Global Gender Gap Index, lagging behind other Central Asian countries. With only 54% of women having an account as opposed to 83% of men, Türkiye has one of the largest gender gaps in financial inclusion. Türkiye is a nation of youth: nearly half of the population (44.2 percent) is under the age of 30, and 27 percent of the population is between the ages of 15 and 29 years. The unemployment rate among young people is high at 17.5 percent (2023) overall and even higher for young women (23.4%). Rapid demographic growth, urbanisation, unsustainable agricultural practices, and industrialization exert heavy pressure on natural resources and the environment and as a result sustainability gaps are increasing. Productivity gains have slowed down, effects of climate change have expanded the agricultural sector's exposure to climatic risks, and Türkiye is already considered a water-stressed country. [15] (Para 12). Last, protecting soil health and adopting sustainable soil and land management practices are essential for improved productivity and food security (Para 13).
- 24. Importantly, agricultural growth in Türkiye, as is the case with most other countries in the world, has proven to be pro- In Türkiye, agriculture has the potential to contribute even more to reducing poverty and making the economy much more resilient. Within Türkiye, agricultural growth is significantly higher in Southeast, and Eastern Anatolia Regions the proposed project area which also report highest poverty rates. This is a fortuitous combination and needs to be maintained and even accelerated by allocating more resources and using these judiciously for the development of agriculture in the provinces that fall in these regions.
- 25. The absence of sufficient use of soil erosion control and sustainable agricultural and rangeland management practices has resulted in 78% of the 1.3 million hectares of forest land in the proposed project area to be degraded. The land degradation in

the watershed further exacerbates the impact of increased climate variability and change, further hampering agricultural productivity in the uplands. Increasing variability in rainfall patterns, concentration of higher rainfall levels in fewer months and lower overall rainfall, out of season frost and hail storms and shifts in pressures from pests and diseases are climatic change impacts affecting upland agriculture. Farming is characterised by fragmented and inconsistent production on small plots with low productivity and obsolete and inefficient irrigation systems based on open channels of which many have been destroyed by the earthquakes.

- 26. Türkiye is a fastly urbanising country and as a result the share of urban population increased from 31.5% in 1960 to 77% in 2022. While the rate of urbanisation is decreasing gradually, the long-term trend of decreasing share of rural population persists. Recent estimates of the Turkish Statistical Institute show that nearly 25% of individuals aged 15–24 are unemployed. As a result, while cities are getting crowded with young unemployed people, the farming population is growing older. Against this backdrop, The National Youth Employment Strategy and Action Plan (2021-2023) has prioritised increasing youth employment in rural areas. Since agriculture is a major source of employment in rural areas and is likely to remain so for years to come, investment in agriculture needs to be accorded a high priority for the foreseeable future.
- 27. In identifying and designing the current project GoT and IFAD have considered the impact of the two strong earthquakes (magnitude 7.8 and 7.5) that hit the region on 6 February 2023 and resulted in the death toll of more than 50,000 people. According to FAO, the earthquakes caused USD6.7 billion in losses and damage to crops, livestock production, food stocks, agricultural infrastructure and assets. Small-scale producers were particularly affected by the loss of livestock, the destruction of their houses, barns, and irrigation systems as well as changes to surface and groundwater flows drying up wells and springs. In Adiyaman and Malatya alone, the estimated investment needed for the rehabilitation of irrigation distribution systems (excluding headworks) was some USD 38 million 17. Due to the need for cash to cope, many upland rural households sold their surviving livestock in the months following the earthquake and many are still struggling to recover. Even before the earthquakes hit, the proposed project area was characterised by low socio-economic development, including higher level of poverty and youth migration 18. Notably, the PSB post-earthquake assessment report of March 2023 highlights "integrated basin rehabilitation projects under soil preservation, erosion, flood, avalanche control considering the regional characteristics" as key long-term actions to sustain the recovery of the agriculture sector in the earthquake affected areas.
- 28. A successful model for tackling the development challenges in upland and mountainous areas in Türkiye's Eastern and South-Eastern regions has evolved over time in the form of Murat River Watershed Rehabilitation Project ("MRWRP" or "MURAT") which was implemented successfully by utilising the resources received from IFAD by the General Directorate of Forestry (OGM) in 36 upland MCs of the Murat River in the Eastern provinces of Elazığ, Bingöl and Muş between 2013 and 2022. At completion point in 2023, this project was rated highly relevant with satisfactory results in terms of indicators such as rural poverty impact, climate change adaptation, gender equality and empowerment, and reduction in soil erosion by 25% in treated areas [19].
- 29. Learning form the MURAT project and adapting to specific needs in the FIRAT project area, several changes and innovations have been introduced: i) involvement of DSI, SPA and other development partners from the beginning of the MC diagnostic and planning process in order to tap into their expertise and co-financing; ii) promotion of community-led rangeland management through agreements with rangeland user groups that require adoption of sustainable rangeland management measures as a pre-condition for investments in waterpoints in rangelands; iii) involving the RDA/DAs to enhance the technical assistance and training provided to young people and farmers, cooperatives and MSMEs, including in digital solutions, and support the creation of a market for these services to alleviate the reliance on public extension services; iv) specific support for integrated soil and water management on-farm to improve regenerative and efficient use of resources for long-term productivity; v) activities targeted to youth skills development as well as investment and technical support for employment or self-employment; and finally vi) establishing a structured grant mechanism building on OGM/ORKÖYs existing mechanism for upland forest villages.
- 30. According to the government regulation for upland villages, when a village decide to engage with OGM in forest and soil erosion control activities in their MCs they become target forest villages and as a compensation for the ecosystem services generated they become eligible for OGM/ORKÖY's grant scheme co-administered by the Ziraat bank. The ORKÖY scheme has been providing 20% grant and 80% matching interest-free loan for the development of a livelihood activity. The loan is repaid in instalments adjusted to the cash flow in the specific livelihood activity the loan is invested in. With the injection of IFAD resources for the poor and transitory poor farmers in the targeted MCs, the ORKÖY scheme will be adjusted with the increase in the grant element from 20% to 50% of the total investment which is in line with the on-going World Bank financed watershed project partly implemented by OGM. While for IFAD the interest free loan is a returnable grant and not a sustainable loan product the mechanism still supports two important initial steps for the financial inclusion of the beneficiaries namely the opening of a bank account and the creation of a credit history which is in particular important for women's financial inclusion. The 50% paid as a legally binding interest-free loan increases beneficiary ownership and allows for reaching more people in the target group of upland households. Finally, the partnership with the Ziraat Bank opens the opportunity for involving them in evaluating the financial viability of in particular the business plans for producer groups and MSMEs as well as linking these beneficiaries to the banks financial products for eventual future investments.

ii. IFAD's comparative advantage

31. Since 1982, IFAD has lent a total of USD 260.12 million through 11 projects aiming at supporting development activities in Türkiye that help rural poor people increase their incomes, diversify their livelihoods and participate in the decisions that shape their lives. IFAD's support thus far is in close alignment with the Turkish Government's poverty-reduction policy, which gives priority to the development of economically depressed regions, particularly in mountainous areas which lack physical and social infrastructure, such as roads, schools and hospitals. IFAD–funded projects have helped rural poor people, particularly women, to overcome economic, physical, intellectual and social isolation, improve their living conditions and overcome poverty.

- 32. A joint review of MURAT recommended that the GoT and IFAD consider financing a similar project while building on the innovations introduced for the first time in the project area and scaling up the successful achievements in the creation of sustainable natural resources and environment assets. This recommendation clearly recognises that IFAD has demonstrated its comparative advantage in providing support to marginalised smallholder farmers living in upland and mountainous areas, which according to the Country Strategy and Programme Evaluation (CSPE) undertaken by the Independent Office of Evaluation (IOE) of IFAD in 2023, are more vulnerable to climate change burdens, have higher rates of economic poverty and are subject to rural-urban outmigration. This evaluation also concluded that those areas are hard to reach, and thus under-served, due to their remoteness and low population density. The CSPE also found the overarching theme of household resilience (reflecting also the resilience of their farming activities and the agroecosystems) to climate, economic and social shocks and stressors in upland areas to be pertinent and therefore highly relevant. In sum, IFAD is extremely well placed in serving the target group identified by the proposed project and clearly has a distinct comparative advantage in identifying and catering to their needs.
- 33. The proposed project also aligns very well with IFAD's realisation that chronic underinvestment in infrastructure, such as water storage, irrigation and food storage, leaves smallholder farmers particularly vulnerable when shocks occur, where people turn to a range of coping strategies, often incurring debt or selling assets, leaving them ever more vulnerable to future shocks. [21] When a significant shock happens, such as the two earthquakes that have caused widespread destruction of agricultural production assets in addition to loss of life in the project area, recovery support is fundamental. The government has made rapid progress in the reconstruction of houses in urban as well as rural areas, while FIRAT will support the recovery of agricultural assets for the upland target group of vulnerable households. Another feature of the project is the focus on rehabilitation of the hydrological functioning of the MCs which will benefit river flows by reducing sediments as well as ensuring the adoption of water use efficient irrigation technologies and practices.

B. Lessons learned

- 34. IFAD-financed projects have generated valuable lessons and contextually relevant good practices over four decades of IFAD's engagement in Türkiye. Key lessons learned that have been distilled from the reviews and evaluations undertaken more recently, in particular, the MURAT Completion Report, the CSPE carried out by IOE, the impact assessment carried out by IFAD's Research and Impact Assessment Division (RIA), OGM's experience in other watersheds and from relevant government agencies and development partners' interventions are summarised These lessons have been seriously considered while designing FIRAT, jointly with the Government of Türkiye (GoT), and will subsequently guide its implementation.
- 35. Micro-catchment planning and rehabilitation
 - Defining project investments through a participatory MC planning process creates ownership among the villages in the MC. It is important to involve relevant government and other partners in the MC planning process [22] to: (i) benefit from their technical expertise and potential co-financing, (ii) support the implementation of the investments identified in the MC plans; and (iii) create synergies with other development initiatives in the MCs. Other success factors include: (v) holding specific discussions with women as part of the planning process; (vi) building planning on a solid diagnostic of land and water uses, natural resources management and degradation drivers, climate change risks and vulnerabilities; (vii) considering livelihood development challenges and opportunities; and (viii) establishing community groups to ensure that natural resources restoration and management become community-based [23];
 - While prioritising soil and water conservation and livelihood improvement, the project should seek co-benefits for enhancing biodiversity thus contributing to the resilience of ecosystems underpinning livelihood activities. FIRAT should facilitate the production of various trees, fruits, fodder, and grass species in nurseries and promote agroforestry and orchards with a diversity of mixed species. Additionally, producers should be motivated to adopt intercropping by showcasing the benefits for the production as well as market, climate and biotic shocks resilience; and
 - The use of multipurpose trees in afforestation and reforestation activities can contribute to income generation for the local communities, thus increasing their ownership of the woodlands and forest. Continuing support for honey forests is vital, as it engages communities in both livelihood activities and land/biodiversity improvement.

36. Rangeland management

• While the MURAT project provided livestock shades and water points to rangelands, it only implemented a few examples of sustainable rangeland management. The CSPE reported neither the establishment of sustainable community-based rangeland management groups, nor the provision of training in silvopastoral systems. Similar findings would appear to emerge from the implementation of the ongoing IFAD-supported Göksu Taşeli Watershed Development Project (GTWDP). Identification of challenges and solutions for sustainable rangeland management should therefore be part of the MC diagnostic and planning process with subsequent implementation through rangeland user groups [24]. In addition, investments in shade and particularly water points should be used as an incentive for the groups to engage in sustainable rangeland management practices.

37. Water infrastructure investments

Since investments in water infrastructure and irrigation in particular are key for resilience and increase in production, these
should be the first priority for most upland villages. As noted, DSI should be involved right from the beginning of the MC
planning process and throughout the implementation of identified water investments which would enable getting quality
assurance, training of water users' associations, and possibly co-financing of medium scale and large(r) scale water
infrastructure works. The relevant SPAs should be also involved upfront in the technical evaluation and to support the
implementation of investments prioritised in the MCP process in both village-based irrigation schemes and communal

livestock watering facilities. Dedicated capacity and institution building for the sustainable management of all the water facilities constructed should be also considered.

- 38. Effective investment in income generation and business viability
 - Business viability behind investments in livelihood activities needs to be strengthened, coupled with continued training and technical advisory services to promote technologies adapted to the conditions of upland small-scale farmers [25];
 - Livelihood activities need to be combined, among other things, with investment and capacity building of producer
 organisations in aggregation, value addition, integration in commodity chains and marketing to enable small-scale producers
 to capture market opportunities arising from the growing food demand across domestic and export markets;
 - Partnership with South-eastern Anatolia Project Regional Development Administration (GAPRDA) and Eastern Anatolia
 Project Regional Development Administration (DAPRDA) should be actively considered under FIRAT in order to strengthen
 technical support to farmers [26].
 - The beneficiary co-financing share for the different investments needs to balance ownership, cost per beneficiary and
 outreach ensuring that the poorest households are not excluded. A lower co-financing ratio could be considered for the
 poorest households based on objective criteria for their eligibility. In addition, linking other poor and vulnerable households to
 financial institutions to cover part of the co-financing should be actively considered as an option aiming at facilitating financial
 inclusion.
 - The CSPE report highlights the need to create opportunities for youth and has suggested: (i) developing guidance for rural youth targeting and support, specific to the intervention areas, their needs, interests and challenges; (ii) building on good practices of youth support in the Turkish context such as by promoting technologies to ease working effort; (iii) adopting approaches that target youth who have returned to rural areas, with good financial incentives to help them work in agricultural production.
- 39. Effective project implementation
 - The collaboration modalities need careful consideration in particular when it comes to the transfer of funds among partners.

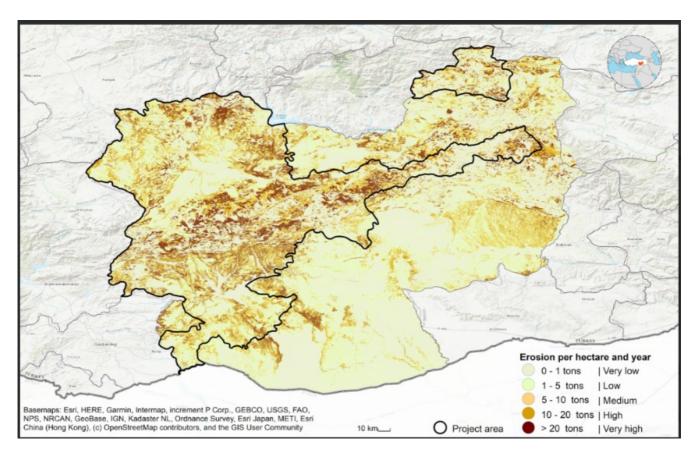
 The establishment of a Steering Committee may be an option to ensure joint planning and coordination [27].

2. Project Description

C. Project objectives, geographic area of intervention and target groups

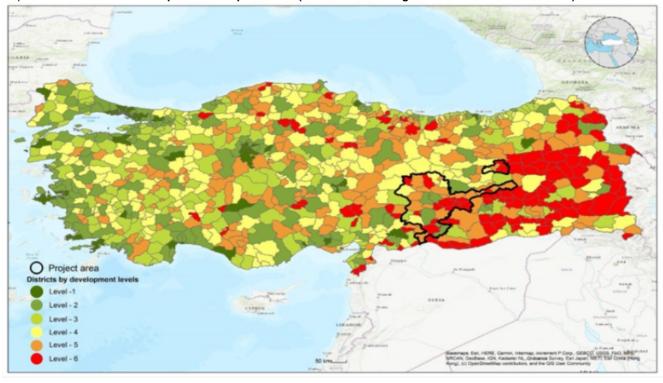
- 40. FIRAT's goal will be to reduce poverty of the upland communities in the targeted MCs of the Euphrates River watershed.
- 41. The **Project development objectives** will be to increase the income and resilience of small-scale producers and vulnerable groups, including women and youth, in the targeted MCs. The project focuses on the upland households as the unit of resilience and it seeks to enhance their resilience capacities against, climate, environmental, market, and economic shocks. In selecting the MCs higher priority will be accorded to those affected by the earthquakes that took place in February 2023.
- 42. **Duration of the project.** FIRAT will be implemented over 7 years in a phased manner as outlined in Para 89.
- 43. **Target areas.** FIRAT will target the remote upland areas in six provinces Şanlıurfa, Malatya, Diyarbakır, Adıyaman, and certain districts in Bingöl and Elazığ (not targeted under the MURAT project). It will focus on livelihood diversification and earthquake recovery for small-scale producers to increase their resilience and incomes, with a targeting approach aimed at reaching the most vulnerable farmers and responding to their needs, bearing in mind the specific contextual challenges of targeted areas. The FIRAT project will ensure adoption of the successful MC approach from the MURAT project to integrate livelihood activities with natural resources restoration and sustainable management and further enhance inter-directorate collaboration in a territorial and multi-stakeholder approach to catchment development. Furthermore, the project will ensure that groups and households at risk of being marginalised and excluded will have equal opportunities to participate in project activities starting from creating focus group discussions with these groups as part of the MC diagnostic and planning process to capture their needs and aspirations.
- 44. **Geographic targeting.** The geographic scope of the project will include rural areas in approximately 40 MCs with 400 upland forest villages within a total of 39 districts in the 6 targeted provinces. Criteria for MCs selection are: (i) high levels of soil erosion and land degradation; and (ii) high level of poverty and/or low level of socio-economic development. An additional criterion that will determine the sequencing in the roll out of the project will include the prioritisation of MCs highly affected by the earthquakes in the first year of the project implementation.
- 45. The target areas present high levels of soil erosion and land degradation as shown in the map 1.

Map 1. Soil erosion (Source: Generated based on multiple sources indicated on the map)

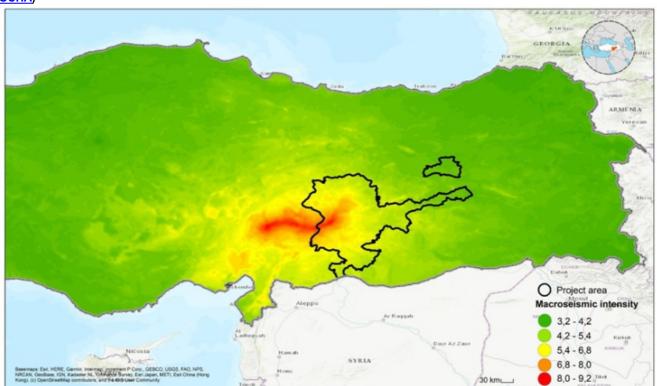


46. Out of the 39 preselected districts, 29 present the lowest socio-economic development level, while 10 of them rank higher (SEDI 2022)^[28] but have been included in the target area as they were amongst those most heavily affected by the 2023 earthquakes^[29]. The map 2 shows the districts by development levels pre-earthquake where 6 and 5 (lowest and lower respectively) correspond to 75% of the total targeted districts in line with poverty targeting criteria.

Map 2. Social-economic development index per district (Source: Districts figures extracted from SEDI 2022)



47. The project will target 15 MCs in year 1 followed by 20 in year 2 and 5 in year 3. For the first 15 MC priority will be given to MC with villages requiring post-disaster recovery of livelihood assets. The Earthquake affected areas are shown in map 3.



Map 3. Macroseismic intensity of the earthquakes in South-eastern Türkiye on 6 February 2023 (Source: USGS derived from OCHA)

- 48. The list of the total targeted districts is presented in the PIM including a table showing the total number of forest villages within the districts (886 total); the estimated resident population (about 270,000) and households (79,600).
- 49. **Project participants**. The total outreach is estimated at 40,000 households (HHs) or 140,000 individuals, of whom 36,000 will receive multiple services offered by the project i.e. any of the set of activities/interventions promoted by the project components, while 4,000 people will only receive benefits from community level interventions. Women will account for 40% (or 16,000) of participants and youth for 15% (or 6,000). An overview of the total number of participants by project activities and estimated percentage of participation by women and youth, and final figures removing double counting are presented in table 2.

Table 2. Component-wise project participants and outreach

Component 1: Micro- catchment planning and natural resources management	Total beneficiaries by activity	Final beneficiaries ¹	Women	% Women	Youth	% Youth
House improvements (50/50, roof or insulation)	500	500	350	70%	50	10%
Energy saving and renewable technologies for households (50/50)	3150	3150	2206	70%	316	10%
Communal investments (PV panels, ICT centre/internet, bakery, etc.)	12000	6000	3000	50%	706	12%
Implementation of rangeland rehabilitation and sustainable management plans (24 pilots)	720	360	36	10%	0	0
Access to rangeland infrastructures and equipment	200	200	20	40%	0	0
Sub-total Component 1		10210	5612	55%	1072	10%
Component 2: Investments i	n Improved Clin	nate Resilient Info	astructure, I	Livelihoods	and Acce	ss to
Markets	4000	2260		T 500/	2260	14000/
Youth mentoring and coaching	4800	3360		50%	3360	100%
Youth Enrolling in vocational Trainings (TVET)	1000			50%	1000	100%
Matching Grants (individuals) including BDS and trainings (livelihoods and economic development)	6500	6500	2600	40%	976	15%
Grants for groups (cooperatives, unions and MSMEs owned by the forest villagers or producer/farmer organisations)	250	250	100	40%	36	15%
Market facilitation and Promotion	8000	6400	2560	40%	320*	5%
Farmers to farmers and youth exchange (study tours/ exposure and learning visits)	5000	2500	1000	40%	750*	30%
Gender Action Learning System (GALS) for women's groups	2000		2000*	100%	600*	30%
On-farm soil and management practices trainings	5000	2500	816	32%	0	0
Access to water and irrigation facilities	9150	4576	1830	40%	0	0
Sub-total Component 2		26086	8906	34%	4372	17%
Total Project Direct Beneficiaries (Component 1 and 2)		36296	14518	40%	5444	15%

- 50. **Target Groups**. The main target group will be small-scale producers living in upland forest villages and engaged in mixed farming systems as their main livelihood. They have few production assets and the majority of them have experienced loss or damage to these assets due to the earthquakes. Among these, women and very poor farmers who are not registered as farmers are likely to suffer most as they often cannot apply for assistance provided under dedicated national recovery/rehabilitation schemes.
- 51. In general, the target group lacks access to improved climate resilient technologies and practices as well as technical assistance, advisory services and access to remunerative markets. Specific focus will be on vulnerable groups, in particular: (i) poor rural households practising subsistence farming who have some marketable surplus and whose livelihood is negatively affected by environmental degradation, climatic shocks and disasters; (ii) women, with a sharper focus on women-headed households; and (iii) unemployed and underemployed rural youth.
- 52. **Poverty focus.** Within the target group, low-income households practicing subsistence agriculture are the most vulnerable to poverty and negatively affected by shocks and disasters. These are disadvantaged households due to their socio-economic condition, deriving their income from small agriculture production base, agricultural labour and social welfare support. The poorest households will be considered as a priority group, especially for energy saving and housing improvements interventions (e.g. insulation, roof rehabilitation, energy efficient stoves, house PV solar panels) as well as for small interest-free loans matched by a grant which combinedly will support on-farm improvements and recovery of livelihood-related productive assets lost or damaged by the earthquakes. The project will also focus on the transitory poor (people vulnerable to poverty) selling their

agricultural products primarily in local markets and to traders. A points system will be used to prioritise the very poor (or poorest) households as recipients of livelihood. The point system and mechanism is outlined in the Project implementation manual (PIM) which will guide the project team in the beneficiaries selection process.

- 53. The project will build on MURAT's positive experience on gender equality and women's empowerment (GEWE) and address the gap in MURATs M&E in collecting data monitoring if tangible benefits for women are achieved. The project will support women to: (i) access project services and facilitate their access to renewable energy and wood-saving technologies for reducing workload; (ii) strengthen their engagement in decision making, especially in community level planning processes (e.g. MCPs) and rural organisations including cooperatives; (iii) have access to finance and training to improve their livelihoods, incomegeneration and employment opportunities; (iv) increase control over income at household level.
- 54. Women will access all project services with varying degrees of participation. They are expected to be the main beneficiaries of renewable energy and wood-saving technologies and housing improvement interventions targeting poor households (about 2,500 or 70% beneficiaries) and similarly, beneficiaries of matching grants and interest-free loans from the revolving fund (about 2,600 or 40% beneficiaries). Some 2,000 women organized in groups will be trained in Gender Action Learning Systems (GALS) in addition to livelihood support, business literacy and market promotion. The project will also ensure women's representation in committees leading MC Planning and other decision-making processes where women's representation will be at least 30%.
- 55. Institutional capacity will be strengthened by introducing innovative methodologies (e.g. use of gender action and learning system (GALS) at group level) and by providing technical assistance and training of staff so that the GEWE goals are fully met. Women applicants as well as investments in equipment and technologies that reduce the agricultural labour of women will receive additional points in the grant schemes to accord them priority while selecting grantees and certain investment types.
- 56. Youth in uplands forest villages are more likely to be resource poor, lack control over assets, migrate to cities due to limited livelihood options in rural areas, suffer from lower living standards, lack access to the internet, and are mostly deprived of cultural and physical infrastructures. A youth person is considered 15-29. National agriculture programmes consider youth up to 40 as age criteria for project targeting youth. The FIRAT will consider the following age brackets: 15-29 mainly for TVET and 30-40 for matching grants and interest-free loans from the revolving fund though these age brackets will only be used indicatively and not be deemed as hard eligibility criteria for youth inclusion.
- 57. FIRAT will address youth-specific challenges and engage with them, more specifically targeting: (i) young returning migrants (e.g. seasonal workers interested in investing in livelihood activities in their villages of origin); (ii) youth resident in forest villages interested in working in agriculture or other livelihood activities (e.g. micro enterprise development in off-farm activities (including non-agricultural activities for youth supported with Technical and Vocational Education and Training (TVET)), value addition and marketing, service provision) or in improving their skills; and (iii) young graduate students (agriculture or related sectors) interested in supporting project activities and to be employed at local level (e.g. community facilitators, livelihood development facilitators, extension workers). Proposals submitted by young people will be given an additional point so that they receive priority in the selection of beneficiaries of the grant. Grant financing will also consider proposals for activities not directly related to agriculture contributing to the overall socio-economic development of forest villages.
- 58. The project will provide orientation, mentoring and coaching support to about 4,800 young men and women including training for expanding wage- and self-employment opportunities through improved vocational skills. Details are provided under component 2 below. It is expected that about 1,000 youth will be able to access financial support from the project's grant schemes and 1,000 youth will form groups and receive vocational training provided by dedicated public entities. Overall, 1,500 youth will benefit from newly created job opportunities [30].
- 59. Dedicated studies such as youth labour market and demand assessments including skills gaps analysis will be conducted to identify specific needs and actions required to take advantage of both wage- and self-employment opportunities. As a result, training courses will be prepared, including in collaboration with the Employment Agency (İŞKUR) and other private sector actors and delivered in partnership with or by the private sector alone. Studies will help to identify the best sectors for rural youth employment and self-employment in the target area.
- 60. FIRAT will invest in supporting increased access to ICT (under component 1 community investment) aiming at increasing access to the Internet and enabling improved digital literacy which in turn will help building of social networks, improve social integration and eventually enhance the social capital among rural youth. To this end, investment will be made for strengthening/establishing community centres.
- 1. Series to all types of target groups and respond to the needs expressed by consulted stakeholders, and activities will be of interest for the community as a whole: i.e. MC participatory
- expressed by consulted stakeholders. Some activities will be of interest for the community as a whole: i.e. Mc participatory planning for improving livelihood activities, capacity building, productive and climate adapted and earthquake resilient in the structures and the province of the structures and the province of the structures and the structures are the structures of the structure of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structure of the structures of the structures of the structures of the structures of the structures of the structures of the structure of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of the structures of
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Component 1:Micro-catchment planning and natural resources management

69. This component will support the development of 40 MCPs including on average 10 villages in each MC and the implementation of natural resources restoration and sustainable management activities. In this regard it is noted that whilst there is no standalone Euphrates Watershed Plan, the experience gained in the preparation of the MURAT micro-catchment plans will benefit FIRAT and be replicated accordingly. In implementing FIRAT, the Project Steering Committee will ensure that the MCs are selected as envisaged during the design and the MCPs prioritise investments and activities in line with the National Watershed Rehabilitation (Restoration) Strategy" (NWRS) as and when approved. Component 1 includes the following subcomponents:

Subcomponent 1.1: Participatory micro-catchment planning and capacity building

- 70. The objective of this sub-component is to conduct an integrated assessment of the MC areas with the people living in the villages in the MCs. OGM will contract a MC planning service provider (SP) that will facilitate the participatory assessment and planning process in each MC involving multiple stakeholders (CEM, DSI, SPA, PDA, RDA/DA, soil and watershed conservation experts, universities, municipal and provincial government agencies, and the private sector) including focus group discussions to be held with women, men and young people from the villages in the MC.
- 71. Ensuring community participation and strengthening of grassroot organisations will be initiated in the MC planning process and continued in sub-component 1.2 with emphasis on: (i) making the villagers aware of the FIRAT activities and processes; (ii) clarifying the expected roles and responsibilities of the villagers in participatorily identifying and prioritising the community needs, prioritising these needs and developing implementation plans for the different activities; and (iii) strengthening the villagers' capacities to implement the plan.
- 72. To ensure high quality of the planning process, which should include capacity building of the villagers, the SP will provide analytical data and maps to support the assessment of:
- a. The status of land, soil and water resources and trends in land degradation and soil erosion both in forest and mountain slope areas, rangeland and in cultivated areas. GIS maps will be used in the discussions with villagers who will receive training on different aspects of the ecosystem functioning of the MC and on the link between restoration and ecosystem services benefiting livestock and agricultural production as well as drought and flood risk reduction. In addition to OGM, other important partners to be involved are CEM and DSI:
- b. Key climate change and other risks and vulnerabilities, building villagers capacities in vulnerability assessments based on historical climate trends and future projections, actual and potential impacts on their livelihood activities, and adaptation and resilience-building measures to be adopted;
- c. Livelihood recovery needs after the damages caused by the earthquakes on agricultural infrastructure (irrigation, barns, livestock, orchards, processing facilities) and livelihood opportunities including the opportunities to recover to more resilient livelihood activities and practices. Important partners to be involved will be the SPAs, DSI, PDAs and RDAs/DAs;
- 73. The final MCP will include land use maps with the agreed areas and activities for restoration and soil erosion control interventions, rangelands to be rehabilitated and sustainably managed, and the village groups created to accompany these activities to be implemented in sub-component 1.2. The MCP will also identify investments in water infrastructure, the creation of irrigation associations, and opportunities for investment in sustainable recovery of livelihood activities as well as diversification of livelihood activities to be implemented in component 2. Provisions are made in the FIRAT budget to fast-track *ad hoc* technical studies (e.g. geophysical and hydrological studies) that may be required to support the assessment of water resources as a key element of the MC plans. GEF resources will co-finance the development of all 40 micro-catchments plans providing 7% of the total budget for this activity focusing on capacity building in land degradation vulnerability assessments and identification of restoration, sustainable management and resilience building interventions. The MCPs will have an annexed SIP that contains all the investments and activities agreed with the communities to be supported by FIRAT Subcomponent 1.2 (rehabilitation and management of NR and communal investments) and subcomponent 2.3 (water infrastructure). The MC planning process will

include the dissemination of information on the matching grant and interest-free loan opportunity supported by Subcomponent 2.1 including eligibility criteria and the process and formats for application.

Sub-component 1.2: Rehabilitation and sustainable management of natural resources

- 74. Addressing soil erosion, land degradation and devegetation is a significant concern within the project's identified MC areas to reduce risks of landslides and floods, ensure resilient and sustainable livelihoods and prolonging the life of the Atatürk and Karakaya Dams on the Euphrates River.
- 75. The OGM and service providers will support the building of social and knowledge capital of grassroot organisations in the upland villages to govern and sustainably manage their natural resources in a participatory and broadly consultative manner. This will include the strengthening of local institutions and the role of local communities in enforcing rules and norms related to the sustainable use of natural resources such as through rotational grazing and other practices envisaged to restore degraded rangelands and forestland. While working with grassroots institutions, the inclusion of youth and women will have priority.
- 76. OGM will directly implement regeneration of grass species and afforestation of 1,500 ha of slopes highly prone to soil erosion and suitable for tree coverage, rehabilitation of 1,500 ha of existing forest, and soil erosion control structures on 3,000 ha of eroded land. Where feasible, OGM will continue the mixed plantation in the same block to increase the biodiversity and use multiple purpose tree species benefiting local livelihoods. People from the villages will be involved in selecting the areas for the different interventions and they will be employed in constructing physical barriers and terraces for soil and water retention, tree planting and caring for the young trees.
- 77. To ensure sufficient quality production of a diversity of tree saplings, the project will invest in upgrading equipment in OGM nurseries in the project provinces. The GEF resources will support the development and implementation of pilots on ecosystem services restoration on about 90 hectares in 3 different sites. This will be done through integration of a range of biodiversity elements to the classical a/reforestation implemented by OGM.
- 78. Villagers would normally not use the steep slopes foreseen to be afforested or forest areas to be rehabilitated, but in a few cases, and only if livestock keepers' consent, soil erosion control and restoration measures may end grazing activities for (in particular) goat keepers in these areas. To conserve rangeland productivity and sustainable management benefitting livestock keepers, the project will work with rangeland user groups to implement management and restoration measures for degraded areas classified as rangeland under the PDA responsibility in the MCs. Rangeland management and the interlinked access to fodder need to be adapted to climate change with overall decreasing trends in annual rainfalls and increasing temperatures reducing rangeland productivity.
- 79. In recognition of the previous limited success in establishing community-led rangeland management, the GEF resources will support the contracting of a service provider (SP) with special expertise in the 'social engineering' required for the establishment of such schemes. The SP will work closely with the PDA in capacity building of 24 rangeland user associations (including nomadic groups when relevant) formed as part of the MC planning process in MCs with high potential for community-led rangeland management. This will include participatory assessments of rangeland physical status, climate change risks, and current governance arrangement. The rangeland associations will be facilitated in establishing governance by-laws and preparing and implementing a rangeland management plan (24 plans for 24 sites of approximately 35 ha each covering about 800 ha) including rotational grazing/short-interval grazing, no-grazing zones in sprouting seasons in degraded areas, and physical structures to increase rainwater harvesting in rangeland soils as needed. Integration of highly nutrient and palatable species to enrich the fodder productivity of the rangeland and integration of fodder crops and trees in farming systems will also be supported to increase the availability of complementary fodder sources.
- 80. As an incentive for livestock keepers to engage in rangeland management and rehabilitation, the rangeland association will be encouraged to sign a conservation agreement with OGM within which they will be rewarded with livestock water infrastructure and rangeland access roads in their rangeland if they implement their rangeland rehabilitation and management plan. The 24 sites as well as other rangeland areas will be supported with drinking troughs, sheds, solar power stations, scratching poles, small-scale feed production machines, etc. In up to 10 strategic locations animal health centers may be constructed as needed. To reduce the pressure on forest resources the project will co-finance popular investments in wood saving energy technologies such as house insulation, solar water heaters, solar energy panels and efficient cookstoves for the poorest households. Finally the project will support communal infrastructure such as PV panels, communal ICT centre, internet connection, bakery, etc. The PMUs will be strengthened with adequate capacity (civil and water engineers) to support the design and supervision of all common infrastructure investments in rangelands and villages and coordinate with SPAs as applicable.

Component 2: Investments in sustainable land management, climate-resilient infrastructure, livelihoods and access to markets

81. This component will invest in recovery of production assets and diversification of agricultural production and economic activities in rural areas, improvement of production technologies and practices as well as aggregation and access to markets, based on the recovery needs and investment opportunities identified in the MCPs. Additional support will be provided for marketing and the promotion of products from the participating provinces and investments will be made in public irrigation infrastructure to be complemented with on-farm investments through a matching grant and interest-free loans from the revolving fund scheme. The component has the following sub-components:

Sub-component 2.1: Revolving Fund Facility for improving sustainable land management, climate resilient production infrastructure, aggregation, processing and marketing

82. During the project design mission the team conducted various conversations with villagers including women and youth throughout the project area to identify demands for livelihood development to be supported by the two matching grant and

interest-free loan windows. This information was complemented by meetings with other actors with experience in calls for matching grant and interest-free loan proposals or supporting value chains in the small-scale agricultural sector (e.i. PDA, OGM/ORKOY, RDA/DA and Ziraat) to tap into their experience with demands expressed in applications received. The combined information confirmed significant needs within the group of interviewed small-scale producers and a very strong demand for matching grants among the potential beneficiaries, however mostly as individual grants and much less demand for group grants for cooperatives or associations. Investment gaps were identified across the upland agriculture sector, with the most immediate priorities in the livestock, honey and horticulture subsectors. The participatory livelihood diagnostic and investment planning as part of the Micro-Catchment planning process facilitated by the RDAs/DAs will scout for and identify the opportunities in particular value chains including production and processing potentials, presence of aggregators and meeting market demands and requirements, which will lay the foundation for the facilitation of applications to the matching grant and interest-free loan windows. Business consultants engaged in supporting applications for similar ongoing matching grant programmes in the regions, ZIRAAT bank, ORKOY, donor projects etc. also assess the needs in the sector as very high, with conditions becoming more difficult particularly for farmers who had losses in their productive assets during and after the February 2023 earthquake. There is a particular need for offering business development services and financing for young people to maintain them or encourage them to come back to upland rural areas.

- 83. As part of the project's youth strategy ensuring youth are benefitting from livelihood activities, this subcomponent will support 4,800 youth (50% young women) through orientation, mentoring and coaching to: (i) identify the skills required to enter the job market and access relevant training offered by the public sector; and (ii) develop their business ideas and access start-up capital and technical advisory support (BDS). It is expected that about 1,000 youth will be able to access financial support from the project's grant schemes under this sub-component to engage in agriculture as a business. Youth interested in vocational training will be supported to form groups and linked to existing vocational training centres (TVET). It is expected that overall, 1,500 youth will access new jobs. The orientation, mentoring and coaching programme will be supported by RDAs eventually through a service provider. The implementing agencies will support linkages with the job market for youth. A dedicate study on youth labour market assessment will further support the creation of such link, including collaboration with the Employment Bureau [32]
- 84. For livelihood investments, this subcomponent will build on OGM/ORKÖY's existing financing scheme for people living in upland forest villages. The OGM/ORKÖY scheme has hitherto been providing 20% grants and 80% matching interest-free loans repaid and adjusted to the cash flow in the specific livelihood investment/business plan being financed. The scheme is managed by OGM/ORKÖY through the Ziraat Bank where the beneficiaries need to open a bank account which in particular in the case of women and young people, more likely not to have a bank account, would be the first step in their financial inclusion. The repayment of the loan helps them build a credit history ultimately further supporting their financial inclusion. According to OGM/ORKÖY the demand for the grants matched by the interest-free loans in up-land villages is higher than the capacity of supplying, however, the poorest households in the villages are not always among the recipients because of the 80% share of the interest-free loan. With the injection of IFAD resources to cover the grant element for eligible poor and transitory poor farmers in the targeted MCs, the OGM/ORKÖY scheme will be adjusted by increasing the grant element from 20% to 50% of the total investment requirement. This is aligned with the OGM/ORKÖY scheme used in the on-going World Bank co-financed watershed project.
- 85. In addition, resources have been allocated under FIRAT to increase OGM/ORKÖY's lending resources so that the poor and transitory poor producers receiving the MG under Window 1 (explained below) will be able to access the 50% of the total investment costs in the interest-free loans. Loan repayments made by the beneficiaries will be used by OGM/ORKÖY to serve other rural households within the FIRAT target group and thereby increase the outreach covered by the limited funding. OGM/ORKÖY will contribute adequate resources so that IFAD's contribution is limited to about 45% of the total funding required for interest-free loans, net of reflows over the life of the project.
- 86. The above-mentioned adjustments have been made considering that the equity investment requirement has implications on targeting, mainly in the form of exclusion of those who need the livelihood restoration/regeneration support most and thus to ensure that the poorest households (earning up to one minimum wage per month) are prioritised together with transitory poor households (earning up to two minimum wages per month). This provision will particularly benefit women and youth who face the highest level of difficulty in raising resources to meet equity (beneficiary) contribution requirements. With this grant matched by interest-free loans instrument available, the dire needs of recovering livelihood assets will be met and the risk of pauperization of the earthquake-hit families will be minimised.
- 87. Investments will be made in recovering assets lost or damaged by the earthquakes, technologies, equipment and practices increasing climate resilience, adding value in aggregation and processing to increase sales and reduce food waste and loss, and application of ICT across commodity chains (e.g. apricot, pistachio, almond, fruits, vegetables, dairy and meat). Learning from weaknesses identified in the impact assessment and evaluations of the MURAT project, access to training and provision of technical assistance and accompanying support to the grantees have been strengthened in the FIRAT design. OGM/ORKÖY will partner with the Regional Development Administration/Development Agencies (RDAs/DAs) who will cooperate with the OGM for the mapping of livelihood and business development opportunities as well as scouting/identification of potential (young or female) entrepreneurs who can lead cooperatives and (M)SME initiatives within the targeted villages as part of the MC planning process. Supported with FIRAT resources through OGM, the RDAs/DAs will collaborate with OGM to support a network of young professionals, technical experts and service providers specialised in business development services for small-scale farmers.
- 88. The RDAs/DAs and PDAs will work with the Project to coordinate the small-scale producers in the targeted MCs recognising that aggregation and processing opportunities will in some cases also require the integration of producers from villages outside the MCs who are part of the production dynamics in the territories. The RDAs/DAs will also cooperate with the Project to hire tailor-made technical assistance for the development of matching grant/interest-free loan business plans, acquiring supporting documentation needed for the application, and for the continued monitoring and following up on the implementation of the plans ensuring that the grantees receive timely and quality training, technical advice and business development services as needed.

Budget lines will be included in the business plans for further technical assistance during implementation of the matching grants/interest-free loan as appropriate. This approach will create opportunities for the development of private agribusiness advisory services in the project area, complementing existing public advisory efforts. Specific tailor-made capacity building and investment support will be provided to youth.

- 89. In recognition of the importance of enhancing the resilience of small-scale producers in a context of increasing input costs and degradation of agricultural land, GEF and IFAD resources will finance specialised technical support for training farmers on integrated soil and water management, as well as integrated pest management practices. OGM will cooperate with PDAs for contracting a service provider with expertise in these areas as well as in applying experiential learning and farmer-to-farmer training approaches to promote their adoption among small-scale producers.
- 90. The grants matched by interest free loans will be administered using the infrastructure of the Revolving Fund Facility, currently operated through Ziraat Bank by OGM/ORKÖY within its own scheme, making it a vehicle for increased investment in the agricultural sector. Standard 8 on Financial Intermediaries and Direct Investments will be applied.
- 91. The PDAs and RDAs/DAs will coordinate a wide-reaching awareness raising campaign with OGM/ORKÖY in the targeted villages as part of the MC development process (subcomponent 1.1) to ensure visibility among potential applicants of the new matching grant/interest-free loan financing opportunity in the sector of small-scale producers. Potential applicants will be made aware of all steps in the process, selection criteria, the rights and responsibilities arising from submitting an application, and how to seek further support in the preparation of their application and implementation of the investment.
- 92. The Revolving Fund Facility for investments in improvement of agricultural production infrastructure have the following two windows:
- 93. Window for poor and transitory poor producers will support on-farm or off-farm investment by 6500 small-scale producers practising subsistence farming and selling surplus to markets to support post-earthquake recovery of production infrastructure, increase their climate resilience and the productivity in crop and livestock production, implementation of practices allowing them to meet standards to link to aggregators in value chains, and diversification of their economic activities (e.g. eco/agritourism. small-scale processing and packaging). The investments supported through OGM/ORKÖY are outlined in their guidelines, but live animals and tractors will not be covered under FIRAT. Additional activities, like orchard establishment, small agricultural and forestry equipment for the smallholders, simple processing equipment for women groups, barn rehabilitation, equipment for sustainable irrigation systems or storage of water and other relevant activities in line with the requests of smallholders, collected through MCPs, will be considered in the grant programmes. It is expected that under the revolving fund facility (RFF) 6,500 poor and transitory poor small-scale producers will benefit from a maximum grant amount of USD 7,000, and average unit cost of USD 6,000 to be matched by an equivalent interest-free loan. Producers wishing to invest more may do so, providing an additional cash contribution. To be eligible for this window the household needs to have a monthly income below two times the minimum wage. These households can also be classified in terms of their productive assets e.g. less than 15 cows; less than 10 decares of land; or less than 100 small ruminants. Proposals from women, young people and members of poor households holders of a green card or with a monthly income below one minimum wage - will have priority. The qualification of households as poor may also be derived from their productive assets e.g. less than 5 decares of land; less than 2 cows; less than 30 small ruminants; and no access to water/irrigation facilities.
- 94. Window for producer organisations and aggregators will support investments in production, processing and marketing of agricultural products. The focus of this window will be small-scale farmers' producer organisations (cooperatives, unions etc.) and aggregators of agricultural products (off-takers) who cooperate with the project's target group of small-scale agricultural producers and support their operations through pre-financing, contract farming, technology transfer and knowledge sharing. While the cooperatives, unions and (M)SMEs owned by the forest villagers or producer/farmer organisations will be direct beneficiaries, the small-scale producers from whom they source their operations will indirectly benefit through better access to the market. Under this RFF window small-scale farmers' producer organisations (cooperatives, associations etc.) and aggregators of agricultural products (off-takers) can benefit from a grant amount of maximum USD 75,000 and average unit cost of USD 50,000, to be matched with an equivalent interest-free loan. It is expected that 25 producer cooperatives or unions or their affiliated (M)SMEs or forest villagers owning an MSME reaching out to cumulatively 250 beneficiaries will be served under this window. This target has been set in recognition of the relatively low demand in the project area for group grants as proven by similar mechanisms run by the PDAs. A producer group of target beneficiaries can obtain USD 7,000 per member up to a maximum of USD 75,000 per group in the grant amount. Producer organisations wishing to invest more may do so, providing an additional cash contribution. To be eligible for this window at least 50% of the members should have an income below two times the minimum wage.
- 95. Sub-component 2.2: Strengthening producer organisations and marketing
- 96. This sub-component will support capacity development of producer organisations (e.g. cooperatives, agribusiness associations, informal groups) operating in targeted MCs (including and beyond the ones that benefit from the Revolving Fund) to better capture emerging market opportunities in local, domestic and/or export mark It may involve investment opportunities such as construction of fruit and vegetable or animal marketplaces etc. This will be achieved through training of the management and technical staff on organisational governance, business management, knowledge exchange, promotion and participation in domestic and international agricultural and trade events. Project partners under this component will include the RDA/DA and the PDA in the project area while, among others, beneficiaries will be specialised farmers' organisations such as the Almond Unions, the Associations of Apricot Producers and the Association of Beekeepers, associations of Animal Breeders etc. Potential for the establishment of Geographical Indications and branding for certain agricultural products (such as dried apricot, cheese and organic honey) from the area will also be explored under this project component. The budget amount planned for strengthening producers' organisation and marketing is USD 600,000. With the additional allocation of USD 300,000 for creating marketing facilities, the total budget allocated is USD 900,000.

- 97. Subcomponent 2.3: Investments in off-farm climate resilient water infrastructure
- 98. This sub-component will invest in enhanced water use efficiency aiming at reducing conveyance losses by upgrading dilapidated and inefficient small scale irrigation facilities based on open channels that are either nearing their end-of-life or were severely damaged during the earthquakes. Investments will be undertaken in selected locations which possess restored vegetation cover as identified during the MC planning process and will consist of communal piped systems with hydrants at field edge and buffer storage pools as required. The schemes would typically be small in size with a command area of about 75 ha and will use more flexible HDPE pipes instead of rigid and less durable PVC. The irrigation schemes will enable small-scale agricultural producers to access water for agricultural purposes and help them to increase agricultural productivity. Importantly, this will help farmers to increase resilience to climate change and improve sustainability prospects.
- 99. It is estimated that FIRAT will support about 122 of these systems across six project provinces during its life, serving some 30% of the total number of villages targeted by the project. The main project implementing partner for this subcomponent will be DSI which will be actively involved right from the beginning from planning at MC level along with the assessment of the availability of water resources and then moving forward with conduct of technical feasibility on to the design stage and continuing with the implementation of the infrastructure, including the establishment and training/ capacity building of water users' associations.
- 100. In the provinces of Bingöl, Adiyaman and Elazığ, where rural infrastructure is under the direct responsibility of the SPAs, the SPAs will also be involved as implementation partners and possibly as a co-financier for implementing schemes to be identified during the MCP process. This could involve both village-based irrigation schemes and communal livestock watering facilities, as described above under component 1.
- 101. While the implementation of the irrigation sub-component will largely benefit from DSI's and SPAs' technical expertise by appointing FIRAT focal points from among their technical staff, the expected scale, geographic spread and site-specific features of FIRAT investments in small scale irrigation may require outsourcing of design and supervision of selected schemes for which the necessary budgetary allocations have been made under the FIRAT project. Two irrigation engineers to be contracted by the project will play a key role both in ensuring coordination with the other implementing partners (SPAs and DSI) directly involved in designs and implementation, and in supporting the management of relevant contracts entered by the project with service providers, e.g. to carry out supervision work.
- 102. FIRAT will invest in making public irrigation systems conveyance up to the farm edge more efficient through targeted support for water management (for water users' association (WUAs) or Cooperatives operating the irrigation systems), and by supporting the adoption of on-farm smart irrigation technologies, including digital solutions that will enhance water use efficiency. Such support will eventually lead to the increase of agricultural production and productivity and, in turn, generate higher farm incomes for those farmers involved in production of high value crops such as fruits and vegetables. This sub-component will be complemented by matching grants/interest-free loan provided to small scale producers under subcomponent 2.1 to improve onfarm irrigation systems. Off-farm irrigation investments under this sub-component will also benefit livestock production by facilitating reliable irrigation support to fodder crops.

Component 3: Institutional strengthening and Project management

103. This will be a cross-cutting component servicing the technical components and facilitating pathways for the effective and efficient implementation of project interventions. Based on needs, experience, and evidence from the project investments the component will support institutional strengthening of OGM at all levels, PDAs, RDA/DAs and other project partners as needed.

Institutional strengthening

104. The project will have resources for institutional strengthening (training, exchange visits, technical guidelines and studies, the establishment or strengthening of existing partnerships, the development of South-South and Triangular Cooperation opportunities, including through other ongoing investments in the country, as appropriate etc.) to facilitate MC management and development, to enhance project effectiveness and to ensure that proven good practices and lessons learned from FIRAT investments are developed and disseminated to a wider audience. In this regard, it will be pivotal to engage relevant national and international resource persons from both within and outside the public sector and the donor community in developing strategic directions that are robust and likely to work in the country context. The GEF financing of the project will support the development of technical guidelines for community-led sustainable rangeland management and restoration of ecosystem services. It will also allocate particular emphasis on in-depth stocktaking of existing data and monitoring (including GIS assessment) of land degradation neutrality (LDN) indicators in the target area and production of knowledge materials intended for dissemination among relevant stakeholders.

Project management

- 105. In designing FIRAT, priority has been accorded to optimising the project's operational efficiency and ensuring sustainability of the interventions in the post project phase. These objectives will be achieved by mainstreaming FIRAT activities to the normal operations of OGM, OBMs and other subsidiary units to the maximum extent possible. This will allow for utilising the staff resources already available to OGM, Regional Directorates of Forestry (OBMs) and the provincial support units and thereby minimising the recruitment of additional staff, which will be done only when absolutely necessary either due to the lack of skills among existing staff or when available staff numbers are grossly inadequate. Within this general approach, however, distinct identification of all the activities undertaken under FIRAT will be ensured by the M&E system and a separate set of books of account will be maintained for FIRAT by OGM and its subsidiaries.
- 106. Considering the skills gap as well as the need for incremental staffing for undertaking key tasks, resources have been allocated for implementing Components 1 and 2 including civil and irrigation engineers, livestock experts, agricultural experts and assistants, and livelihood and business development experts. These staff would directly support the implementation of, and cost

headings are presented accordingly under respective components [33]. Given the efficiency consideration, core management structure at the central and regional level will be kept lean with one project coordinator each at central and 2 regional OUs and 1 or 2 specialists leading activities related to watershed management, civil and irrigation engineering, sustainable land management, gender targeting and social inclusion, stakeholder engagement and communication etc. Resources have been allocated for hiring critical staff for discharging responsibilities related to M&E, knowledge management, financial management, and procurement [34]. The costs associated with incremental staffing will mostly be borne from IFAD resources.

107. Since the core full-time staff assigned for implementing this relatively large project is rather limited, resources have been allocated for hiring service providers for undertaking key activities such as micro catchment planning, hydrological studies and ad hoc studies identified during MCP, youth and women socio-economic study, community capacity building for rangelands management, Gender Action Learning System facilitation, market facilitation and product promotion, and design and supervision of irrigation schemes. The service provider may be assigned tasks on a turn-key basis or to complement the activities undertaken by the project management units [35].

E. Theory of Change

- 108. Problem statement: As noted above (Para 20-25), the proposed project area is characterised by: (i) low socio-economic development, including higher level of poverty and youth migration; (ii) degradation of natural resources and unsustainable land use; (iii) low capacity to adapt to climate change; (iv) lack of economies of scale hindering access to markets and limiting income generation from agricultural activities; and (v) the poor production techniques affecting the well-being and livelihoods in the targeted micro-catchment areas. These unfavourable conditions have been further exacerbated by the earthquake that hit the region on 6 February 2023 which caused small-scale producers to suffer from the loss of livestock; destruction of their houses, barns, and irrigation systems; and changes to surface and groundwater flows drying up wells and springs. At the same time, soil erosion and de-vegetation are increasing flood risks in midstream and downstream areas, and they have detrimental consequences on the lifetime and maintenance cost of the Atatürk and Karakaya Dams.
- 109. FIRAT Vision: Notably, the GOT/PSB's post-earthquake assessment report[36] identifies 'integrated basin rehabilitation projects under soil preservation, erosion, flood, avalanche control considering the regional characteristics' as key long-term actions to sustain the recovery of the agriculture sector in the earthquake affected areas. Against the backdrop of the stated problems and the long-term actions identified, FIRAT envisions: (i) restoration of ecosystem functions through afforestation or reforestation, erosion control and water retention infrastructures, promotion of sustainable natural resource management, and investments in wood saving renewable household technologies; (ii) diversification of rural livelihoods and employment creation with focus on women and youth; (iii) investment and technical assistance support for climate resilience and market-oriented agricultural production, aggregation, processing and marketing; and (iv) investments in off-farm climate-resilient water infrastructures and on-farm irrigation. In undertaking these activities, FIRAT will adopt a participatory MCP process and strengthen institutional capacities for MC management and development.
- 110. The Project will focus on vulnerable groups, specifically: (i) poor rural households practicing subsistence farming whose livelihoods are negatively affected by environmental degradation, climatic shocks and disasters; (ii) women with limited participation in decision-making and no access to income-generating employment opportunities; and (iii) unemployed and underemployed rural youth lacking incentives for job opportunities.
- 111. The first pathway, "improved capacity of communities in planning and implementing sustainable management and restoration of natural resources reducing soil erosion," will be achieved through: (i) participatory micro-catchment planning and capacity building focusing on conducting integrated assessment of the MC areas and developing an MCP with an agreed Strategic Investment Plan (SIP); and (ii) rehabilitation and sustainable management of natural resources aiming at reducing the risks of landslides and floods, ensuring resilient and sustainable livelihoods through afforestation, forest restoration, support for household wood saving renewable energy technologies with co-benefits for reducing women's workload, and sustainable rangeland management.
- 112. The second pathway, "improved agricultural production and productivity of small-scale producers through adoption of technological packages and climate-resilient practices, improved soil quality, diversified production, and market access, as well as job creation for women and youth," will be achieved through: (i) capacity building and technologies for small-scale producers for integrated water and soil fertility management and climate resilient practices; (ii) coaching and mentoring of young people and linking them to vocational training and employment opportunities or providing them with business development services to develop their business ideas for self-employment; (iii) investments in climate and earthquake resilient production infrastructure for aggregation, processing, and marketing using the revolving fund facilities which would support poor and transitory poor producers, producer organisations and aggregators, with priority given to women and young people; (iv) strengthening producer organisations and marketing to better capture emerging market opportunities in local, domestic and/or export markets and may involve investments in market infrastructure; and (v) investing in off-farm climate resilient water infrastructure combined with onfarm irrigation equipment and smart technologies financed by the revolving fund that would enhance water use efficiency by reducing conveyance losses by upgrading dilapidated and inefficient small scale irrigation facilities based on open channels that are either nearing their end-of-life or were severely damaged during the earthquakes.
- 113. The third pathway, "improved institutional capacity of project stakeholders and greater visibility on effectiveness and impact of the project" will be servicing the technical components and will facilitate the pathways for effective and efficient implementation of project interventions through training, exchange visits, development or updating of technical guidelines and studies, establishment or strengthening of existing partnerships, and development of SSTC opportunities.

- 114. Through the effective implementation of the different investments and adoption of climate-resilient techniques, improved soil rehabilitation and agricultural production and productivity, creation of new jobs, diversified income, improved sales and market access, the small-scale producers and vulnerable groups, including women and youth, would have increased their income and improved resilience against natural disasters, climate events, market and economic shocks, and enhanced their well-being and livelihoods. Ultimately, the project will contribute to reduced poverty in the targeted upland MC villages.
- 115. The success of the project builds on the assumptions that if provided with incentives, upland communities are willing to: (i) engage in their MC planning and development; (ii) adopt new climate-resilient technologies and practices; (iii) take collective actions for improved rangeland management, aggregation and market access; (iv) young people are willing to stay and invest in their villages if support for quality employment including self-employment is offered; (v) OGM manages to establish strong collaboration with other agencies and private sector actors, including co-financiers and implementing partners in the region e.g. DSI, SPAs, RDA/DA, and the Ziraat Bank; (vi) through the revolving fund window for producer organisations and aggregators and additional support for strengthening market linkages, FIRAT will establish effective partnerships with strong private-sector actors to enable access to markets of smallholder farmers living in the targeted mountain areas; and (vii) grassroots organisations are adequately strengthened so that the long-term sustainability of the investments is ensured.
- 116. The core intervention logic of FIRAT is derived from MURAT which produced satisfactory results in terms of rural poverty impact, climate change adaptation, gender equality and empowerment. Where weak links have been identified in the results chain, such as in the case of poor rangeland management, need to focus on quality employment and business opportunities for youth, and the need for more systematic provision of quality technical support for livelihood development activities, appropriate design improvements have been made. Similarly, where feasible and required, innovative elements have been added (Para 193). In sum, the ToC of FIRAT is robust and expected to produce satisfactory results.

F. Alignment, ownership and partnerships

a. Alignment with SDGs

- 117. With the aim of reducing poverty among upland communities, FIRAT project goal aligns fully with SDG-1 (no poverty), especially those who have lost productive assets due to earthquake and contributes directly to SDG-2 (zero hunger), in particular, SDG-2.3 (double the agriculture productivity and incomes of small-scale food producers). FIRAT mainstreams gender equality (SDG 5), contributes to SDG 8 (inclusive and sustainable economic growth, employment, and decent work for all), aligns with SDG 12-responsible consumption and production, and contributes to climate action (SDG-13) by strengthening resilience and adaptive capacity to climate related disaster (SDG 13.1).
- 118. In designing FIRAT priorities identified in the UN Sustainable Development Cooperation Framework between GoT and UN System in Türkiye (2021-25) have been appropriately considered and incorporated. These include: (i) women and girls achieving improved access to resources, (ii) engaging in inclusive, sustainable and innovative agricultural production, (iii) accelerating climate action by promoting responsible production; and (iv) improving the management of risks and threats to people.

b. Alignment with national priorities and COSOP

- 119. The proposed project as designed is fully aligned and contributes directly to Türkiye's Vision for 2053 which aims at making Türkiye an eco-friendly, disaster-resilient, technologically forward, and prosperous nation, prioritising equitable income distribution, consistent growth, and a robust economy. Of the five central themes that Türkiye's 12th NDP pursues, FIRAT caters directly to: consistent growth and a strong economy; competitive production with green and digital transformation; and disaster-resilient habitats and a sustainable environment. The project design has clearly factored in the aim of promoting high value-added production and at achieving growth through increased productivity and exports with a focus on green and digital transformation as identified by the country's MTP.
- 120. The project design has sought substantial alignment with important sectoral objectives of the GoT, including: (i) the objectives set in the Strategic Plan of MoAF 2019–2023 around the efficient use and protection of the sector's natural capital (soil, land, and water) and promotion of climate-smart production practices and ensuring food and feed safety from production to consumption by improving animal health and welfare; (ii) climate change adaptation objectives for the agriculture sector stated in Türkiye's National Climate Change Adaptation Strategy and Action Plan (2011-2023); (iii) climate change mitigation actions in agriculture proposed under the Intended Nationally Determined Contributions (INDC) under the UN Framework Convention on Climate Change and Türkiye Climate Change Strategy (2010-2023); (iv) soil conservation voluntary targets set under the national Land Degradation Neutrality approach, the United Nations Convention on Combating Desertification and National Strategy and Action Plan to Combat Desertification (2015-2023); (v) actions in relation to sustainable agriculture and climate change stated in the Green Deal Action Plan (August 2021); and (vi) the National Basin Management Strategy (2014-2023) to be updated during the implementation of FIRAT.
- 121. The project design is fully aligned with the Water Efficiency Strategy and Action Plan (2023-2033) which, considering the 77% share of agriculture in total water use in the country, aims at increasing irrigation efficiency from the current 50.4% to 60% by 2030 and 65% by 2050. Keeping this policy in mind and the target set, all irrigation schemes under FIRAT will consist of pressure (piped) systems to minimise conveyance losses up to field edge but also to foster the adoption of efficient on farm distribution methods such as drip and sprinkler irrigation.
- 122. The project has been designed to contribute directly to the IFAD COSOP's second objective of mainstreaming sustainable natural resource management into all aspects of upland agricultural production and increasing upland climate change resilience, and significantly to the first objective of enhancing market access for productive, poor smallholder farmers. The design has taken fully on-board the recommendations made by IFAD's Independent Office of Evaluation in the 2023 CSPE with respect to further prioritising the resilience of rural livelihoods in the mountain areas of Türkiye in an integrated manner and improving the

inclusiveness of the country programme towards poor/vulnerable rural women, as well as young men and young women. This design has also made an effort in leveraging the strategic partnership between IFAD and the GoT to foster engagement on policy matters and effective knowledge management for greater scaling up of results.

c. Alignment with IFAD policies and corporate priorities

123. With respect to IFAD's corporate mainstreaming priorities, the project has adopted an inclusive approach under which women, youth and very poor and earthquake-hit HHs will be consulted to ensure that project programme activities take into consideration their specific needs when selecting MCs and when key investments are decided by the project and communities concerned. This will be done during the participatory planning process for MCs and followed through during implementation. As noted, the gender, youth and social inclusion strategy of FIRAT will focus on responsive and equitable participation of disadvantaged groups in development planning and implementation.

d. Country ownership

- 124. So far, as concluded by the CPSE, 'the GoT has demonstrated political and economic commitment to IFAD's supported programme and has contributed significantly to the development and implementation of projects both at the central and provincial levels.' Building on this firm foundation the design of FIRAT was initiated based on a request from GoT following the completion of MURAT. In doing so this design has introduced selective replication/ scaling-up of the activities/sub-components that were found to be successful in MURAT and has also introduced a series of innovations that are expected to enhance the impact of FIRAT over the intended beneficiaries. As noted in Para 132-134, FIRAT's design framework has been aligned fully not only with the NDP and MTP but also with key sectoral policies and strategies. Most importantly, FIRAT's major thrust during implementation will be on restoring the livelihood of the earthquake victims an area that GoT and Türkiye's development have accorded a very high priority.
- 125. During its in-country work phase, the project design mission (PDM) consulted extensively and obtained guidance from senior officials of all relevant departments of the GoT, including the OGM, Sectors and Public Investments, the Presidency of Strategy and Budget, Department of Foreign Economic Relations, Ministry of Treasury and Finance, Department for Combating Desertification and Erosion, Directorate of Climate Change, Ministry of Environment, Urbanization and Climate change, Agriculture and Rural Development Support Institution (TKDK) of the Ministry of Agriculture and Forestry, and Directorate of Development Agencies at the Ministry of Industry and Technology. The PDM visited all 6 project provinces spread over 2 regions and consulted extensively with Provincial Governors and all relevant regional and provincial directorates in charge of forestry and agriculture as well as those responsible for irrigation (DSI and SPA), and development partners such as the Fırat Regional Development Agency (FRDA) and private sector actor, Elazığ Chamber of Agriculture. Furthermore, in-depth consultations were held extensively with potential project beneficiaries spread over all 6 provinces including those villagers affected heavily by the earthquake [37].

e. Harmonisation and partnerships

- 126.FIRAT has been designed building upon the success of IFAD-funded MURAT and directly addresses the COSOP objective of mainstreaming sustainable NRM. It forms an integral part of the IFAD country portfolio and complements other IFAD funded projects, namely Göksu Taşeli Watershed Development Project (GTWDP) and the Uplands Rural Development Programme, both being implemented by the Ministry of Agriculture and Forestry, and with the respective planned completion date of 30 June 2025 and 31 March 2027.
- 127.FIRAT will harmonise its interventions with on-going and pipeline projects supported by other development partners, specifically those that promote recovery from the earthquake, including support for livelihoods. These include UNDP's socio-economic recovery in the Earthquake-hit areas and the World Banks' Small and Medium Enterprises (SME) Development Organization of Türkiye and Türkiye Earthquake Recovery and Reconstruction Project 1. In addition, FIRAT will harmonise closely with the World Bank financed Resilient Landscape Integration Project for Türkiye which in part is being implemented by OGM 1.
- 128. During implementation FIRAT will require service providers from both non-governmental and private sector for providing technical assistance, in particular technical advisory services for agricultural development and assisting communities to enhance social capital, micro catchment planning and the promotion or strengthening of grassroots institutions to help develop and enforce norms and values that ensure sustainable management of natural resources such as rangelands. The PDM interacted with a sample of key institutions which should be expanded during the early implementation phase.

G. Costs, benefits and financing

a. Project costs

129. The total project costs including physical and price contingencies are estimated at USD 98 million over the seven-year implementation period. The costs for FIRAT's three main components are the following: (i) Component 1: "Micro-catchment Planning and Natural Resources Management", 33% of the total costs, or USD 32.3 million; (ii) Component 2: "Investments in Improved Climate Resilient Infrastructure, Livelihoods and Access to Markets", 62.4% of the total costs, or USD 61.2 million; and (iii) Component 3 "Institutional Strengthening and Project Management" 4.6% of the total costs, or USD 4.5 million. Most investments will occur between project years 2 and 5 (Table 4 below).

C	202	5	202	6	2027	7	2028	3	202	9	2030)	203	31	Tota	1
Component	Amount	%	Amount	96	Amount	%										
Micro-catchment planning and natural resources management	2 439	7.6	6 536	20.2	7 852	24.3	7 888	24.4	5 386	16.7	1 579	5	589	1.8	32 268	33
 Investments in improved climate-resilient infrastructure, livelihoods, and access to markets 	622	1	7 670	12.5	17 164	28	19 461	32	12 556	20.5	3 049	5	655	1	61 177	62.4
Institutional strengthening and project management	704	15.5	637	14.1	566	12.5	655	14.5	658	14.5	695	15.3	615	13.6	4 530	4.6
Total	3 764	3.8	14 843	15.2	25 582	26	28 004	28.6	18 600	19	5 323	5.4	1 859	2	97 975	100

b. Project financing/co-financing strategy and plan

- 130.FIRAT will be financed as follows: (i) 66.3% of the total costs or USD 65 million will be covered by IFAD; (ii) 1.4% or USD 1.4 million by GEF; (iii) 19.8% or USD 19.4 million by the Government; and (iv) 12.5% or USD 12.2 million by the beneficiaries (Table 5). The Government contribution consists of: (i) seconding part of the project staff (e.g. the field technical support team), and (ii) waiving all taxes and duties on goods and services procured under the project (except taxes on the matching grants). The rates and amounts of taxes and duties for project costs have been estimated consultatively and used to determine the Government's contribution and the overall total project cost. A very large part of the beneficiary contribution will be met through interest- free loans provided by ORKÖY to the poor and transitory poor under Window 1 (Para 132)^[42].
- 131.Most FIRAT investments will be made under two expenditure categories: (i) grants and subsidies (USD 41.94 million, 42.8% of the total costs) and (ii) works (USD 31.853 million, 32.5% of the total costs). The allocation thus reflects the heavy emphasis FIRAT has placed on reducing poverty among the targeted upland communities through investments in restoring and regenerating livelihoods and managing natural resources productively and sustainably.
- 132.IFAD's financing of USD 29.733 million for grants and subsidies category consists of: (i) matching grants (USD 22.5 million); and (ii) contribution to ORKÖY's interest-free loan fund (USD 7.2 million). While the former is an outright grant, the latter is a revolving credit fund to be used by ORKÖY to provide FIRAT beneficiaries with interest-free loans that will enable them to meet the equity contribution requirements for investments made in livelihoods restoration/regeneration. As recapitalising small farms is key for sustaining them, the livelihood support activities will entail a grace period and relatively longer repayment period. In order to provide loan support to a maximum number of beneficiaries, loan repayments made by the beneficiaries will be reinvested to cover new beneficiaries. This will reduce the total funding requirement from IFAD and the GoT.
- 133. While managed through the Ziraat Bank as part of its agency function, the financing under the OGM ORKÖY scheme is essentially a GoT operation and any loss or gain in the asset value is borne by/accrues to the GoT. Bearing in mind the high inflation rate experienced by the Turkish economy at time of project design and considering also the loan repayments taking place in nominal terms, the real value of the ORKÖY loan-related asset will be substantially eroded and estimated in the order of USD 4.7 million by the end of the 11th year, when FIRAT interest-free loans should be fully paid-off by the project beneficiaries [43]. This amount has not been included in the total cost, nor is it listed as government financing, yet it should be acknowledged as a cost to the GoT.

Table 5. Project costs by component and financier (Thousands of United States dollars)

(The same of the same of the same)										
Component	IFAD loan		GEF		Beneficiaries		The Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Micro-catchment planning and natural resources management	17 603	54.6	931	2.9	1 361	4.2	12 372	38.3	32 268	33
$2. \ $ Investments in improved climate-resilient infrastructure, lixelihoods and access to markets	43 797	71.6	250	0.4	10 848	17.7	6 282	10.3	61 177	62.4
3. Institutional strengthening and project management	3 600	79.5	231	5.1	-		700	15.4	4 530	4.6
Total	65 000	66.3	1 411	1	12 210	12.5	19 355	19.8	97 975	100

Table 6. Project costs by expenditure category and financier (Thousands of United States dollars)

Francisco estados	IFAD le	oan	GE	EF.	Benefic	ciaries	The Gove	ernment	Total	
Expenditure category	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment costs										
A. Works	20 821	65.4					11 032	34.6	31 853	32.5
B. Consultancies	7 544	67.1	1 262	11.2			2 445	21.7	11 251	11.5
C. Training and workshops	451	89.8	24	4.8			27	5.4	502	0.5
D. Equipment and goods	1 307	80					327	20	1 634	1.7
E. Grants and subsidies	29 733	70.9			12 210	29.1			41 943	42.8
Total Investment costs	59 856	68.7	1 286	1.5	12 210	14	13 831	15.9	87 183	89
II. Recurrent costs										
A. Expertise support, salaries, and allowances	4 077	43.1	125	1.3			5 257	55.6	9 460	9.7
B. Operating costs	1 067	80					267	20	1 333	1.4
Total Recurrent costs	5 144	47.7	125	1.2			5 524	51.2	10 793	11
Total	65 000	66.3	1 411	1.4	12 210	12.5	19 355	19.8	97 975	100

c. Disbursement

- 134. The funds will flow from IFAD to OGM project designated accounts (DAs) that will be opened at the Central Bank one DA for the IFAD Loan in the loan borrowing currency and the other for the GEF Grant in the grant currency. In addition, the project will open a bank account in local currency in which the government contribution will be deposited. A separate operating bank account in local currency will be opened at Ziraat Bank to channel the matching grants/interest-free loans to ORKÖY (Department of Forestry and Village Relations) and to receive repayment proceeds from the beneficiaries. Payments against project expenditures will be processed from the designated account directly using the prevailing exchange rate at the payment (value) date.
- 135. Should the recent practice whereby IFAD-funded projects in Türkiye be afforded lower than targeted budgetary allocations persist, FIRAT's pace of implementation is likely to face challenges. To overcome this challenge, extensive dialogue will have to be held with the MoTF to ensure a steady and uninterrupted flow of funds.
- 136. The Project will be withdrawing funds from IFAD using the Report-based disbursement mechanism. Advances will be withdrawn based on cash forecasts that will be submitted for a 6-month period. Withdrawal applications will include the Quarterly Interim Financial Reports (IFRs) and other reports as mentioned in the Financial Management and Financial Control Arrangements Letter (FMFCL). The report-based disbursement mechanism will serve also as an analytical tool for assessing the project's periodic and overall/cumulative performance. Furthermore, the project will require adequate cash forecasts on a quarterly basis that reflect the cash needed for the subsequent reporting periods, to be aligned with the AWPB.
- 137. Under the investment cost, the project includes the expenditures categories of works, consultancies, equipment and materials, goods and services, training and workshops and grants and subsidies while salaries and allowances and operating costs are outlined under recurrent costs. The investment to recurrent cost ratio of FIRAT is 89:11, thus, ex ante, is very favourable. As per project design, this will be achieved mainly by running project operations using existing field level management structures of various GoT agencies thereby limiting incremental operating costs.

d. Summary of benefits and economic analysis

138.FIRAT is expected to generate two main quantifiable and mutually reinforcing benefits:

- permanently higher rural incomes thanks to increased productivity increase, which will result directly from several project outcomes, such as higher access to improved climate-resilient technologies and integration into remunerative domestic and exports markets; and
- increased climate change resilience and adaptation to be achieved by addressing issues related to soil erosion and land degradation in the watersheds and thereby the mitigation of the impact of increased climate variability and change. In addition, the promotion of sustainable management of natural resources in the targeted areas will ensure their conservation and sustainable use by the beneficiaries.
- 139.FIRAT will also generate other positive impacts, non-quantifiable at this stage due to data availability and valuation related issues (e.g., higher social and economic inclusion of women and youth and enhanced institutional capacity). The economic internal rate of return (EIRR) calculated and presented below is somewhat an under-estimate.
- 140. As mentioned above, FIRAT is expected to benefit 140,000 individuals or 40,000 households (Para 49). The project interventions will approximately include rural areas in 40 MCs with 400 upland forest villages. The main target group will be small-scale producers living in upland forest villages and engaged in a mixed farming system as their main livelihood.
- 141. Financial analysis was conducted for three types of wood-saving energy technologies, six and five different household-level farm models for transitory poor producers and poor producers, respectively, and one each for MSME and irrigated crops. The analysis indicates all these models present a Financial Internal Rate of Return (FIRR) of above 25%. Net Present Value (NPV) with 19.1% discount factor is at least USD 232 for a stove and above USD 55,000 for a milk collection centre. The benefit-cost ratio (BCR) is above 1.03 in all cases and reaches up to 1.9. These indicate that all the models are financially attractive for investment by smallholder farm households both those who are poor and transitory poor and agripreneur.
- 142. The economic analysis of the project undertaken by using the economic prices shows the results of FIRAT to be positive: with NPV at 6%, social discount rate of the incremental benefits of USD 93 million and an EIRR of 18.9% over a 20-year period. Even when tested against occurrence of several risk scenarios, including reduced delays in implementation, cost overruns etc., economic results remain robust and only a move to extremes would make FIRAT economically unviable.
- 143. In sum, from a financial and economic perspective, FIRAT investments are sound, and worth investing in.

e. Exit Strategy and Sustainability

- 144. Overall, supporting beneficiaries' transition from a semi subsistence agriculture to a more commercialised agriculture which treats farming as a business would form a key element of FIRAT's sustainability and exit strategy. A judicious combination between off-farm investments such as in building irrigation infrastructure and on-farm developments enabling increased agricultural productivity should increase the sustainability prospects of FIRAT substantially.
- 145. Component-wise, a substantial part of the investments is dedicated to financing livelihood support activities and promotion of MSMEs which the beneficiary HHs will implement and benefit from. The analyses undertaken by the mission shows these activities are financially sound and generate adequate return and therefore can be expected to be financially sustainable. The financing mechanism as proposed links the beneficiaries with Ziraat Bank and over time offers them opportunities to access commercial loan products of the bank. Of the NRM-specific components, forestry investments require less Operation and Maintenance (O&M) intervention in the post project phase. Since rangelands need more sustained intervention and careful management, substantially increased investments in improving the management along with the adoption of a robust social mobilisation methodology has been incorporated in the design.
- 146. The supported irrigation systems will be relatively simple to operate and maintain by the beneficiaries and could be undertaken by informal Water Users Association (WUAs) of groups in coordination with the village Mukhtar, as is the current practice. During implementation the O&M department of the relevant regional directorate of DSI will identify the most appropriate means to help beneficiaries develop or strengthen their capacity for the O&M of the completed system, including establishing/ strengthening of WUAs or agricultural cooperatives. Service providers or Rural Development Agencies active in a specific region may be engaged in carrying out training and capacity building for the sustainable operation of the irrigation systems built under the project, covering both technical and financial sustainability aspects, including the setting up of a water fee and a reserve fund for routine, periodic and emergency maintenance and repairs.
- 147. Other institutional measures that would contribute and enhance sustainability prospect to a satisfactory level incorporated in the FIRAT design include:
 - Most parts of FIRAT will be implemented using existing organisational structure and management systems of OGM and OBM
 as well as Ziraat Bank and recruitment of additional staff have been kept to the minimum, thus preventing drastic withdrawal
 of follow-up support after project completion;
 - The project design has ensured active participation of project beneficiaries including women and youth which will ensure full alignment between the beneficiary needs on the one hand and development plans and regulations for MC and forest villages on the other. Implementing entities, in tandem with the grassroots institutions developed/strengthened, will continue to monitor and follow up on the restoration sites and work closely with the forest villages in the MCs after project completion;
 - Early development of partnerships with other agencies (e.g. DSI, DSA and GAP) and their involvement at the outset in the MC planning processes to help ensure that the investments made are integrated in their current and future priorities, have been built into the project design in line with the lessons learned from MRWRP;
 - FIRAT will strengthen the participating producers' access to high quality and continued technical assistance and inputs and step-up support for aggregation and marketing working with private sector partners;
 - A community driven process and screening of economic, social and environmental viability of promoted activities will ensure
 that the main investment activities continue to remain economically viable and environmentally sustainable after project
 completion:
 - Enhanced participation of the private sector micro- and small and medium enterprises (MSME) under FIRAT implies continuity of their business activities and partnerships with farmer groups beyond project completion; and
 - Through monitoring and evaluation, evidence will be documented to ensure that proven good practices and lessons learned
 from FIRAT investments are institutionalised in technical guidelines, regulations and eventual policy recommendations for
 sustainability and scaling up. The knowledge management processes incorporated in the design will facilitate continuity and
 scaling of relevant methodologies and approaches.
- 148. The exit strategy will be further developed by the CPMU working closely with key implementing agencies from FIRAT's inception to ensure that it is fully owned and rigorously implemented following IFAD's no objection. The project design acknowledges importance of preparing a robust exit strategy from the beginning of the project to be updated throughout implementation based on the Government's confirmation to finance post-project recurrent maintenance activities and scaling up of created natural resources assets. The exit strategy should also outline the implementation of users'/partners' commitments through relevant protocols covering, among other things, the sustainability of small-scale irrigation facilities, erosion control monitoring and support to agriculture technologies transfer for livelihood improvement.

3. Risks

H. Project risks and mitigation measures

- 149. Annex 9 presents the Integrated Project Risk Matrix (IPRM).
- 150. The ownership of IFAD-supported projects in Türkiye has historically been high (Para 124). Moreover, FIRAT's design parameters are fully aligned with Türkiye's Vision for 2053, the 12th NDP objectives and various sectoral policies. Also, FIRAT responds directly to the devastating earthquake of February 2023, recovering from which is a high priority. Overall, a strong buyin for the project concept by a wide spectrum of stakeholders was noted during the project design. Some gaps, however, may occur between policy pronouncement and translation into actions and in recent years IFAD projects have faced the issue of inadequate allocation of funds at the beginning of the year, mainly due to fiscal constraints. Türkiye's fiscal balance is projected

to improve over the years, however. Furthermore, given FIRAT's focus on earthquake-affected regions, chances are that the project will be provided with adequate resources. In general, FIRAT design has factored in GoT's fiscal constraints and allocated funds in a way that would allow largely uninterrupted implementation of livelihood restoration/support activities. In sum, while the risk associated with political context is rated as substantial in the IPRM matrix, its adverse impact can be kept at a manageable level.

- 151.FIRAT's design builds on lessons learned from the Murat project and plans to enhance technical and financial support to participating small-scale producers. FIRAT's focus is on reducing land and forest degradation and desertification and thereby contributing to the restoration and long-term sustainability of the natural resources base in the Euphrates micro catchments. Through the participatory process, the MCPs will not only highlight the on-the-ground impacts of climate change but also compile a list of implementable and impactful adaptation and mitigation measures. The project supports water management activities aimed at addressing drought and unpredictable rainfall patterns that may occur due to changing climate. Measures to control soil erosion will also be implemented. The level of technical, environmental and climate change related risks therefore are at moderate levels and with concerted effort, manageable.
- 152. While Türkiye has undergone major transformation in the public sector management, implementation challenges remain. Institutional changes or frequent changes in the management of institutions may occur at the central, regional and provincial levels with effects on implementation arrangements and the timeliness of achieving project development objectives. Implementation risk has been reduced by: (i) establishing a PSC that will ensure proper coordination among project implementing partners and smooth flow of funds; (ii) bringing in Ziraat Bank as a project implementation partner which, on behalf of OGM and in line with the existing institutional arrangement of Ziraat Bank performing agency function, will manage an extended MG scheme with revised terms and complement this with highly concessional credit scheme; (iii) mobilising a host of service providers for facilitating grassroots processes and institutions promotion/strengthening and providing technical assistance; and (iv) aiming at substantially increasing the relevance of FIRAT to the poorest and most vulnerable HHs, the MG terms have been revised in the favour of the poorest and most vulnerable HHs and resources have also been allocated for providing highly concessional loans to them that will enable them to meet the equity contribution requirement.

Procurement

- 153. In the absence of a MAPS (Methodology for Assessing Procurement Systems) report for Türkiye and since the implementing entities were not established at the time of design, the FIRAT Procurement Risk Matrix (PRM) (Part A) was prepared based on a documentary review of the procurement law, regulations, systems and publications; the implementing entity capacity assessment (Part B of the PRM) was prepared based on interview conducted with procurement staff at OGM central/regional directorates and the PMU performance of the previous MURAT project.
- 154. The Procurement Risk Analysis revealed a Medium/Moderate Risk Rating at both Inherent and Residual levels. Such rating is the basis of setting the procurement thresholds in the Project Procurement Arrangements (PPA) and reflected in the Procurement Implementation Manual (Annex 8).

Part/Pillar/Description	Inherent Risk	Net Risk
A/I/Legal, Regulatory and Policy Framework	Moderate	Moderate
A/II/Institutional Framework and Management Capacity	Moderate	Moderate
A/III/Public Procurement Operations and Market Practices	Moderate	Moderate
A/IV/Accountability, Integrity and Transparency of the PP System	Substantial	Substantial
B/1/Assessment of Project Complexity	Moderate	Moderate
B/2/Assessment of Implementing Agency Complexity	Substantial	Substantial
Overall	Moderate	Moderate

- 155. Project Procurement is affected by a number of institutional aspects such as decentralisation, ability to apply donor rules, and the role of control, audit, and complaints bodies. Türkiye has a well-functioning procurement system despite some challenges in professionalising the procurement function and operationalizing the strategic planning.
- 156. Procurement risks relate mainly to National Standard Procurement Documents, which exhibit some deviations from IFAD's minimum standards. Strategic planning in procurement is almost consistently absent. The ability of implementing entities to embrace strategic procurement planning and complex procurement is of critical importance. The Absence of procurement

certification and robust national training programmes, and the general reliance on outsourced consultants pose the risk of limited organisational learning and necessitate more direct IFAD support to procurement including contract management and SECAP monitoring.

- 157. The following adaptations to national rules and templates are required. In all procurement transactions, the implementing entities will ensure that the following IFAD Policies and Standards are clearly referred to and complied with:
 - IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations available atfad.org/en/document-detail/asset/40738506;
 - IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse available atifad.org/anticorruption policy; and
 - IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy available atifad.org/en/documentdetail/asset/41942012.
 - IFAD's Social, Environmental and Climate Assessment Procedures (SECAP). Information on SECAP is available on https://www.ifad.org/en/secap.
- 158. In addition, IFAD's Reporting Hotline (Office of Audit and Oversight AUO) should be explicitly available and clearly mentioned in all bidding documents. IFAD's right to Audit will also be spelled out in all contracts. The Procurement Implementation Manual details all areas where the implementing entities need to adapt national practices to align with IFAD's.
- 159.IFAD will conduct an intensive training programme to the above PMUs and CPMU at start-up to familiarize the staff with IFAD Guidelines and tools including the use of OPEN/CMT; the procurement implementation will be fully captured on the integrated systems. It is imperative that the PMU and CPMU staff acquaint themselves as soon as appointed/seconded to the project with the Procurement Strategy and initial Procurement Plan (Annex 7) developed during design to enable the PMUs to update it upon start-up, annually and as required. Procurement staff will also be required to be certified by the BUILDPROC programme within the first year of implementation.
- 160. Financial Management. The key fiduciary risks are related to: (i) the delay in recruiting/deploying project staff, (ii) limited budgetary allocations by MoTF constraining full implementation of project activities; (iii) delays in the submission of AWPBs until allocation is received from the PSB; (iv) lack of due diligence in the management of the matching grants; and (v) inability to use project specific accounting software. Given these, the inherent FM risk that FIRAT may face is substantial. These risks, however, can be mitigated by: (a) recruiting qualified finance staff who are dedicated to work on FIRAT; (b) providing training to these staff on IFAD's FM arrangements and requirements; (c) adopting a matching grants//interest-free loans manual that ensures rigour and due diligence; (d) signing an agreement with Ziraat Bank that captures IFAD reporting requirements, including for loan portfolio; (e) drafting the initial AWPB with flexibility that allows for minor changes once the project allocation is received from the MOTF; and (f) ensuring that an accounting software is fully functional at project start-up.

I. Environment and Social category

161. The environmental and social category for FIRAT is proposed as **Moderate**, based on the final screening using the SECAP screening tool 41. The project aims to generate overall positive environmental and social benefits in a comprehensive manner. The primary focus of FIRAT is to rehabilitate degraded land to reduce soil erosion and sedimentation in downstream dams together with improving livelihoods of people residing in selected catchment areas. The project will implement nature-based soil erosion control activities. Afforestation and reforestation will be the key priority of FIRAT for the rehabilitation of biodiversity and degraded land and for improved resilience of livelihoods. Multiple purpose grass and trees will be selected for the plantation, while honey forest support will be continued.

J. Climate Risk classification

- 162.As per the SECAP screening tool (Annex 5), the climate risk category of the project is proposed as **Moderate**. The forecasted effects of climate change in the project area include adverse impacts on surface water availability, increased occurrences of floods, prolonged periods of aridity and drought. These effects are expected to disrupt agricultural output and pose some threats to food security, but will be limited, transient or manageable. Financial, environmental and social underperformance or failure due to climatic hazards is unlikely.
- 163. The project will promote climate resilient farming practices. Support for water management and use-efficiency will be provided to cope with drought and unpredictable precipitation. Plantation and soil erosion control activities will follow natural succession. The climate trend and scenario will be one of the major criteria to select plantation species. Considering increasing wildfires, fire lines will be developed in plantation sites. Water retention activities such as contour terrace, inter or mix cropping, organic mulching, water conservation ponds will be promoted as well as sustainable rangeland management.

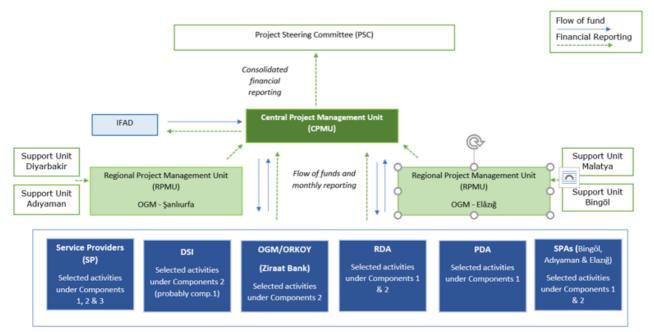
4. Implementation

K. Organizational Framework

a. Project management and coordination

- 164. The OGM within MoAF will be the Lead Project Agency which, working in close coordination with the MoTF and PSB, will be primarily responsible for implementation at central level in Ankara, regional level (OBMs) in Elazığ and Şanlıurfa and provincial level. Relevant adjustments will be made at lower levels as appropriate, in particular in implementing the irrigation subcomponent in view of the absence of SPAs in Malatya, Şanlıurfa and Diyarbakır.
- 165.A Project Steering Committee (PSC) will be established at central level with the responsibility for overall policy guidance and oversight, including approval of the PIM, matching grants/interest-free loan implementation procedures, and annual work plans and budgets subject to IFAD no-objection.
- 166. The management structure for FIRAT will consist of: (i) a Central Project Management Unit (CPMU) hosted by OGM in Ankara; (ii) one each of Regional Project Management Unit (RPMU) within OBMs in Elaziğ and Şanlıurfa, and (iii) additional support units in Malatya, Adıyaman, Bingöl and Diyarbakır provinces, as required (Figure 1). Apart from the operational staff for implementing project activities, the three operational units (OUs) at central and regional levels will also benefit from dedicated staff who will be responsible for monitoring and evaluation, including knowledge management and fiduciary aspects. Most staff engaged in the implementation will be deputed to various levels by OGM/OBM and other implementing agencies.
- 167. The management structure and the funds flow arrangement are depicted in the following schematics.

Figure 1: FIRAT management structure and the funds flow arrangement



- 168. Located at the OGM at central level, the CPMU will be responsible for the overall project planning, implementation, financial management, monitoring and evaluation, supervision of procurement procedures and liaising with concerned government departments such as MoTF and PSB. It will also be responsible for communicating, coordinating and obtaining no objection from IFAD when required and providing guidance and support to RPMUs. The CPMU will be selecting, establishing, and managing partnerships with service providers, research institutions, as well as collaborating with other projects and development initiatives, funded both domestically as well as externally.
- 169. The two RPMUs, in turn, will be responsible for delivering the project services and interventions in their respective target provinces. The RPMUs, working collaboratively with the provincial support units will be responsible for delivering the project services and interventions in all selected micro catchments spread over 38 districts in the 6 targeted provinces.
- 170. Service providers will be selected through a competitive bidding process. Staff and any service providers hired under the project will be sensitised on the importance of youth and gender mainstreaming with emphasis on the need to retain youth in the rural areas by creating suitable employment opportunities and fulfilling their basic social needs such as through access to the internet. The project design has provided an expert for engaging stakeholders who will ensure that project participants are selected through an inclusive and transparent process. The gender targeting and social inclusion expert will: (i) provide further support in ensuring inclusivity, including of women and youth; (ii) be responsible for implementing specific activities related to gender and youth, such as youth mentoring and coaching; and (iii) oversee the adoption of GALS.

b. Financial Management, Procurement and Governance

- 171.FIRAT will mainly use country systems: the CPMU will be established within OGM, the project budget will be included in the MOAF budget (which is part of the national budget), designated accounts will be opened at the Central Bank of Türkiye, project's internal audit will be conducted by OGM's internal audit department, and external audit will be conducted by the Board of Treasury Controllers under the MoTF. The only indicator that will not be integrated in the country systems directly would be the accounting for project transactions which will be recorded in a separate accounting software.
- 172. The CPMU at Ankara will consist of a Finance Unit which will be established before the project start-up and include at least a Finance Manager and an Accountant. Both positions should be filled with experienced and qualified staff who will be dedicated to work on the project finances. These finance positions will be either seconded or recruited by OGM subject to IFAD clearance. All new staff shall be recruited through a competitive process on terms and conditions acceptable to IFAD. IFAD will deliver a training on FM arrangements and requirements to the finance staff at project start-up.
- 173. The project will be included in the internal audit plan of the Internal Audit Department within OGM at least every other year which shall allow for proper checks on the project operations and finances. The external audit will be conducted in accordance with the International Standards of Auditing by the Treasury Controllers from the MoTF as per normal practice for internationally funded projects. The PMU will ensure that an accounting software that meets the project needs is fully functional at start-up in a way that would facilitate the preparation and submission of reliable auto-generated financial reports.

Procurement

- 174. Based on a positive assessment of the Turkish procurement framework (The Public Procurement Law (PPL) No. 4734 and the Public Procurement Contracts Law (PPCL) No. 4735) and in line with experiences in previous/ongoing IFAD Projects in Türkiye, FIRAT procurement will be conducted in accordance with Turkish Public Procurement Law to the extent its provisions are consistent with the IFAD Project Procurement Guidelines and IFAD Procurement Handbook. This will apply to all funds under FIRAT. The national system will be applied to all procurements except for Goods, Works and related non-consulting services above the threshold for international competitive bidding (ICB) that will instead be undertaken according to the IFAD Procurement Handbook and in line with IFAD Standard Procurement Documents (SPD). The same will apply for all consulting services which will also follow the IFAD Procurement Handbook and Standard Procurement Documents (SPD) for consulting services.
- 175. The PMU-Regional Directorates of Forestry (OBMs) in Elazığ and Şanlıurfa will be responsible for managing and overseeing their respective components and sub-components and the associated procurement activities. While each is responsible for planning, budgeting, and elaborating their procurement plans, the CPMU-General Directorate of Forestry (OGM) under the MoAF will handle procurement plan consolidation. The PMUs will be responsible for management of the procurement activities and reporting. Each entity will ensure having the requisite number and qualifications of procurement staff and/or consultants with sufficient experience in donor-funded procurement.

Governance

- 176. Türkiye's risk rating as a country is "Substantial" as per the Corruption Perception Index (CPI) for 2023 with a score of 34 and a rank of 115 out of 180 countries. Its rank has deteriorated 14 points compared to last year reaching the lowest score for Türkiye to date. The average score for Eastern Europe & Central Asia is 35.
- 177. The implementing entities will ensure that the following IFAD Policies and Standards are clearly referred to and complied with for all project activities:
 - IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations available at www.ifad.org/anticorruption policy;
 - IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse available at www.ifad.org/en/document-detail/asset/40738506; and
 - IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy available at www.ifad.org/en/document-detail/asset/41942012.
 - IFAD's Social, Environmental and Climate Assessment Procedures (SECAP). Information on SECAP is available on https://www.ifad.org/en/secap.
- 178. In addition, IFAD Reporting Hotline (Office of Audit and Oversight AUO) should be available and used in all bidding documents. IFAD's right to Audit will also be included in all contracts.

L. Planning, M&E, Learning, KM and Communication

a. Planning, M&E, Learning, Knowledge Management and Communication

- 179. The Project planning will be guided by the MCPs to be developed by the Afforestation Department of OGM through a participatory process of assessing the natural resources conditions and climate change risks and vulnerabilities in all the targeted MCs, and identifying the livelihood needs in the earthquake affected areas. The planning process will be jointly conducted by OGM, CPMU and all the Project implementing partners e.g. OBMs, DSI, SPA, PDA, RDAs/DAs, and CEM at the district, provincial, regional, and central levels, and in consultation with and participation by the beneficiaries to the maximum extent possible at the MC level. The activities and expected knowledge management (KM) products to be produced by component will be based on the approved MCPs and will be described in the annual work plan and budget (AWPB). OGM together with the CPMU will lead the preparation and finalisation of the AWPB ensuring that all activities and corresponding budgets, the physical and financial targets and expected outputs, as well as the timelines and responsibilities for implementation are included.
- 180. The implementing partners at all levels will provide inputs to the AWPB in consultations with their respective units/departments and with the beneficiaries. The CPMU will consolidate and submit the AWPB to the PSC for endorsement around October, and to IFAD for no objection, 60 days prior to the start of each fiscal year from 1 January to 31 December. The first AWPB will cover 12 months and will be prepared in the same period as the GoT budget planning process starting in August and will be an iterative process annually throughout the Project implementation period. The indicative format and contents of the AWPB is presented in the PIM.
- 181. Each province and the RPMUs will have their respective AWPBs against which to manage their activities. The MCP will be consolidated at the MC level with planned activities for the year for each forest village. The beneficiary HHs likely to be chosen as recipients for the matching grants and interest-free loans, if any, will be identified jointly with ORKÖY in collaboration with Ziraat Bank as part of the MCP following the procedures and criteria proposed in the PIM/grant operations manual.
- 182. **Monitoring and evaluation.** Overall, the M&E system of FIRAT will be built on the existing system of the OGM to be complemented by an automated MIS for planning, monitoring, analysis and evaluation of data, which will be developed at the start of the Project. Estimated financial resources for the M&E activities such as: (i) baseline, mid-term and completion surveys;

- (ii) training of M&E staff in-country or abroad; (iii) field visits for data validation, staffing at central, regional and provincial level, and automated MIS and digital tools for data collection, monitoring and analysis have been provided in the cost table and adequate resources will be allocated as part of the AWPB during implementation. The total estimated budget for M&E and KM as presented in the Project costing is approximately 2.4% of the total Project costs.
- 183. The M&E system developed and managed by the CPMU will be guided by the logical framework and will follow the IFAD COI measurement guidelines for periodic measurement of project results activities, outputs, outcomes and impact in relation to agreed targets to monitor implementation performance, AWPB execution, outreach and effectiveness of the targeting strategy, including data disaggregation by gender and age. Emphasis will be given to monitoring outreach and physical progress for each key output, as and when they are delivered, and outcomes as they emerge.
- 184. Considering FIRAT's large scope, an M&E expert will be recruited and assigned in the CPMU with the responsibility of overall data analysis, periodic validation and reporting on project progress and results in coordination with all the M&E staff at regional and provincial levels, technical specialists and implementing partners. At the regional level, M&E experts will be recruited and assigned to Elazığ and Şanlıurfa OBMs and will be responsible for the coordination, regular data collection and consolidation from all the provinces and villages and reporting to the CPMU. Dedicated M&E assistants will be recruited to support the M&E Expert in the CPMU and in Elazığ and Şanlıurfa OBMs.
- 185. The OGM Afforestation Department will be responsible for the implementation and monitoring of the MCPs and the biophysical monitoring of afforestation and soil erosion-related activities using the existing GIS and remote sensing tools used in the previous project, which will be improved in terms of data accuracy. OGM aims at collaborating with CEM (General Directorate of Combating Desertification and Erosion under the Ministry of Environment, Urbanization and Climate Change) on the biophysical monitoring of afforestation and soil erosion-related activities building on its experience on data management and proper technical analysis from the previous project. ORKÖY will be managing the revolving fund mechanisms through its existing system in collaboration with the Ziraat Bank. The infrastructure-related activities will be handled by DSI and SPA and the livelihood interventions will be managed in cooperation with the PDA. While the implementing partners will use their existing systems for reporting, the M&E experts from the CPMU and OBMs will provide guidance support to the provincial staff in terms of types of data to be collected and reported, formats, and frequency of reporting on Project progress.
- 186. The Project M&E plan [45] will be fully integrated in the PIM and elaborated at Project start-up. The plan will describe the (i) overall M&E approach, (ii) roles and responsibilities of the M&E staff and other project stakeholders at all levels, (iii) flow of information, (iv) proposed activities, expected outputs and outcomes, and the related budget and resources, and (v) the tools, methodology and formats for data collection and processing, analysis and reporting. The M&E plan will also describe the design, content, and linkages of the different elements of the automated MIS to the logical framework, AWPB and other systems as applicable, and will be updated as needed.
- 187. The automated MIS fitted with the function to store and visualise GIS data will complement the existing OGM system and will be guided by and linked to the logical framework and AWPB. All activities and the corresponding indicators of the logical framework with annual targets, progress and cumulative results disaggregated by gender and age will be included in the MIS. It is expected that the MIS will have the functionalities to record, generate and analyse data for systematic reporting on output and outcome indicators of the logical framework and for periodic progress reports. Spatially related indicators with area targets such as the number of hectares developed by the project will be demarcated using GIS. Area measurements will include the type and timing of an intervention. These measurements will form the basis for monitoring the environmental impact of the project using indicators derived from remote sensing to assess whether land degradation trends have been reversed. Remote sensing derived indicators to monitor rangeland health can include net primary productivity (NPP) or rain use efficiency (RUE). The project will also undertake efforts to identify areas that will not be developed but will act as a comparison group. This will allow the project to assess the attributable impact of the interventions. The MIS will serve as a key source for data and information to guide the decision-making and for that reason the user-interface of the MIS will be improved and made simpler along with the functionality of results visualisation. Its full design and features will be finalised at project start-up.
- 188. The M&E staff at the CPMU and OBMs will conduct field visits for periodic data collection and validation using digital tools to the extent possible and in prescribed formats. Training will be provided on the use and functionalities of the MIS and digital tools as well as on relevant M&E topics and best practices to enhance their skills and capacity. Comprehensive surveys will be conducted at baseline, mid-term, and completion following the IFAD Core Outcome Indicator (COI) guidelines. These surveys will be outsourced to a service provider selected through a competitive bidding process. The draft terms of reference for the baseline are provided in the PIM and will be finalised during the start-up to ensure timely completion of the survey and coverage of all required information. Findings from the baseline survey will provide further information about potential target groups and form the basis for assessing the results and outcomes of the Project at mid-term and completion point. Relevant baseline, mid-term and completion data will be reported in the logical framework.
- 189. The CPMU will prepare and submit quarterly, semi-annual and annual progress report with inputs from implementing partners and Project staff at all levels, describing the Project's physical and financial progress by components and expenditure categories including Outreach vis-à-vis the approved AWPB and the logical framework, and an assessment of its coherence with the overall implementation and achievement of Project objectives. The progress report will include the challenges encountered, and the related actions taken to address them, as well as the lessons learned, best practices and innovations that emerged during the reporting period. KM and communication materials and information like stories from the field, case studies, photos and other visual aids will be included in the report for dissemination to the different stakeholders and visibility of the Project. The M&E staff and technical specialists at the provincial level will prepare and submit monthly progress reports on different project activities including training and thematic studies. Furthermore, the CPMU will develop standard data collection forms using digital tools to the extent possible and templates for reporting. At start-up, the CPMU will prepare a guidance note on results reporting in the logical framework guided by the COI measurement guidelines and based on the Project activities by component and subcomponent.

- 190. Learning, knowledge management and communication. Recognising the CSPE recommendation that 'IFAD should strengthen the country programme KM framework for improved performance in generating relevant knowledge and lessons..., and greater scaling up of results', FIRAT will invest in good quality, evidence-based knowledge management to contribute both to the implementation and to the policy development processes. The KM activities will place particular emphasis on the sustained anchoring of technical and managerial knowledge among supported upland farmers and entrepreneurs which apart from helping in increasing productivity will also contribute to improved visibility of GoT and IFAD and enhance post-project sustainability. To this end, various KM products and platforms such as publications, Communities of Practice, instructional and documentary videos, etc. will be produced / established and disseminated.
- 191. Organizationally, the KM expert at the CPMU will be responsible for KM and communication of the Project. The KM expert will be responsible for (i) the preparation of the KM and communication plan in collaboration with the M&E staff, technical specialists and implementing partners, (ii) the implementation, monitoring and periodic update of the plan as required, and (iii) ensuring production, promotion and dissemination of knowledge products to a wider audience. The implementation of the KM/communication plan and the related outputs and outcomes will be monitored through the automated MIS. The digital tool, report outline, templates, and forms for producing the KM products are elaborated in the PIM.
- 192.A KM/Communication Plan will be developed while fully considering and responding to the knowledge and communication needs of all key stakeholders, including project participants (small farmers, women, youth, MSMEs etc.) and implementing partners at all levels. The KM/communication plan will describe the activities, approaches and tools to capture, analyse, use and share lessons learned and results, development of knowledge products and consultation with target groups. It will also clearly define the roles and responsibilities of Project staff and implementing partners on KM. While identifying the knowledge products to be produced, it is essential to define the target audience, communication and dissemination plans to reach and influence the Project stakeholders and partners. Several tools could be used for these initiatives such as fairs, roundtable discussions, networks, social media platforms, radio programmes, newsletters, etc. All the KM/communication activities, knowledge products and dissemination tools in the plan shall be included in the AWPB with adequate resources allocated to implement them. These initiatives will be monitored within the MIS and will form part of the Project M&E. The indicative outline of the plan is presented in the PIM.

b. Innovation and scaling up

193. The FIRAT project design has incorporated all key lessons learnt and to that end has introduced several changes and innovations when compared to MURAT. The key innovative feature of the programme is the participatory micro catchment planning process that will translate into the preparation of micro plans containing all key interventions that will be undertaken under FIRAT. Other innovations include: i) involvement of the General Directorate of State Hydraulics work (DSI) and other development partners from the beginning of the MC diagnostic and planning process in order to tap into their expertise and cofinancing; ii) use of rangeland management agreements with community rangeland groups to require adoption of sustainable rangeland management measures as a precondition for investments in animal sheds and waterpoints in rangelands, and smallscale feed production machines; iii) the stepping up of technical assistance and training provided to farmers, cooperatives, unions and (M)SMEs owned by the forest villagers or producer/farmer organisations; iv) the inclusion of mentoring, financial, technical and business development support for youth to support them to find employment or create self-employment opportunities; v) the establishment of a structured revolving fund providing matching grants and interest-free loan in a way that would not place any onerous demand on poor households to make financial contributions and thereby inadvertently exclude them from benefiting from the project interventions; and vi) the differentiation of the grant share of matching grants for beneficiaries below and above minimum wage income. Any successful innovations promoted by FIRAT will be considered for scaling-up purposes ensuring the targeted rural communities fully own the innovations and become catalysts and drivers in the process.

M. Project Target Group Engagement and Feedback, and Grievance Redress

a. Project Target Group Engagement and Feedback.

- 194.FIRAT will adopt a participatory and consultative approach in planning and implementing its activities. This will be achieved mainly by rigorously applying the micro catchment planning process at the community level in each MC involving multiple stakeholders and undertaking focus group discussions with women, men and young people from the villages. A service provider will facilitate this process by taking key steps of informing, consulting, engaging with all social actors and taking specific measures for inclusion of the poorest and most vulnerable as described in Para 91-92.
- 195. The project will work with community members, their formal and informal organisations, village head (Mukhtar), local leaders, women and youth representatives so that all community members are informed about the project activities and the processes and methodologies that will be adopted in planning and implementing these. In doing so, at the outset information on the project opportunities, targeting approach and eligibility criteria, terms and conditions that apply with intervention instruments such as matching grants, interest-free loans and expected contribution from beneficiary HHs will be explained. In addition, the ways and means to share the feedback and complaints, e.g. through focal points, leaders, complaints and suggestion box as appropriate will be clarified.
- 196. Recognizing that the needs and capabilities vary among specific segments within the target group, separate discussions will be held with women, youth and other disadvantaged social groups (e.g. Persons with Disabilities) and their pro-active participation will be sought. Regular community meetings will continue to take place during implementation to inform community members on the status of implementation and obtain their feedback.
- 197. The gender targeting and social inclusion expert located in RPMUs working closely with the service provider will be responsible to ensure social inclusion principles are applied and the voices of the various segments within the target group are heard both during planning and implementation phases. During initial consultation, staff of the service provider as well as of OGM will ask communities' preferred channels and language(s) for information sharing, feedback, complaints and apply them accordingly. Field staff will also be responsible for: (i) receiving, following up on and responding to project-related concerns as well as any other feedback and complaints; and (ii) addressing the occurrence of any unintended effects of the project on men, women and youth, as well as gender relations in target communities; and (iii) to the extent possible, monitoring these aspects by adopting a participatory process.
- 198. To facilitate the feedback process, written, verbal and WhatsApp communications (when possible) will be established with the leaders (Mukhtars) of the targeted villages. Women, youth and PwDs will be engaged on a priority basis and as such they will have access to all written and verbal communication tools via for instance a WhatsApp group or similar applications for continuous and effective communication. The communication system that will be established will ensure a two-way process so that women and youth can be informed about projects directly and their opinions can reach the relevant stakeholders on a timely basis

b. Grievance redress.

- 199.FIRAT will establish an adequate Grievance Redress Mechanism (GRM) to ensure that project participants are enabled to voice/report any aberrations in the project planning and implementation processes, or when they expect any potential or realised negative impacts. Such a system will facilitate timely resolution and would operate both at the local and central levels. To this end dedicated focal persons for GRM will be appointed at CPMU, RPMUs and MC levels and their names and locations will be widely publicised so that beneficiaries will know whom to contact with regard to their concerns. The assigned responsible staff will be trained about the rationale, implementation and monitoring of the GRM prior and during their assignment. Other stakeholder institutions and organisations will also be informed about this mechanism with an official letter. Project participants and Forest Village Communities will also be able to submit their feedback/grievances to Regional and Provincial Directorates of respective government institutions, District Governorships and Municipalities. Request, complaint and suggestions of Project beneficiaries will be communicated to CPMU through CIMER (Presidency Communication Center [46]) and direct applications to OBMs. These applications will be communicated in both ways and evaluated and answered by the CPMU.
- 200. The GRM will follow established practices, and will provide multiple access points (telephone, complaints box, website, email, postal address). Complaints received by the implementing agency shall be recorded and duly documented in a progress report, detailing the number and type of complaints, as well as the results of their resolution. Recognising that some groups such as disabled individuals or women may experience difficulties to access the GRM, FIRAT will: (i) give access to complaint and suggestion boxes in key locations; (ii) keep option of anonymous complaints operational; (iii) post announcement on GRM in public spaces in the settlements; and (iv) allow the communications in all languages that are in use in the project area.

N. Implementation plans

a. Supervision, Mid-term Review and Completion plans.

a. Implementation readiness and start-up plans

- 201. The start-up plan of the project includes: (i) establishment of the PSC; (ii) early mobilisation of service providers for MCP; (iii) establishment of CPMUs and RPMUs even in skeletal form so that the processes for staff recruitment and bidding for key service providers can begin.
- 202. **Retroactive Financing.** In order to save time taken to kick-start initial activities and ensure timely implementation of the project immediately following the start-up, the government may opt to benefit from retroactive financing to pre-finance some activities, using its own resources, including the recurrent costs of key PMU staff and investment costs associated with outreach officer, socio-economic studies of youth and women, baseline study, purchase of MIS and accounting software, IT and other office equipment and key staff. These expenditures, not exceeding USD 0.5 million in total, will be reimbursed by IFAD as and when the project enters into force and the conditions precedent to withdrawal are fulfilled.

b. Supervision, Mid-term Review and Completion plans

- 203. The Project will be directly supervised by IFAD. Implementation support and supervision missions will be jointly conducted by IFAD and OGM on an annual basis during the project implementation period. Both missions will assess the Project progress, challenges and mitigation measures, including documenting lessons learned.
- 204.IFAD and the GoT shall jointly carry out an in-depth mid-term review (MTR) no later than the third year of the project implementation period following the entry-into-force. The MTR will consider the achievements of project objectives and constraints and recommend any reorientations that might be required and will assess, *inter alia*: (i) targeting effectiveness, (ii) the quality of participatory processes used by the project, including processes used to monitor targeting performance; (iii) the approach adopted for improving the management of rangelands and its actual or likely effectiveness, also considering the impact of the approach adopted on social capital formation at the micro-catchment level under FIRAT; and (iv) the scope for adding some key downstream activities in the agricultural value chains such as aggregation and processing that would help making smallholder agriculture more remunerative and increase the income of the project beneficiaries.
- 205. The project completion review, *inter alia*, shall: (i) assess, and document overall project implementation performance and the results achieved; and (ii) inform about the relevance, efficiency, and effectiveness of project implementation as well as the sustainability of project benefits beyond project completion, and the lessons from implementation for future interventions. The PCR mission will be fielded in late 2030 or early 2031.

Footnotes

- [1] Eastern and South-eastern Anatolia in the East, the Black Sea in the North, Central Anatolia and the Mediterranean in the South, and Marmara in the West.
- [2] See: The World Bank, Performance and Learning Review of the Country Partnership Framework for the Republic of Turkey, 2020.
- [3] See: UNHCR https://reliefweb.int/report/turkey/unhcr-turkey-fact-sheet-february-2022-entr?
- gad_source=1&gclid=CjwKCAiAuYuvBhApEiwAzq_YiXpOfCxOXYQXZj1N7_qHr0Xei5fJgLkxsXjyGQdwRQ9UgG_X576YYRoCtA8QAvD_BwE
- [4] In 2022, Türkiye's per capita national income, in terms of purchasing power parity, reached 69% of the EU average, See National Development Plan.
- [5] See, World Bank: World Bank Economic Update for ECA Fall 2023, Türkiye, P82
- [6] See: IMF, Article IV Consultation Review, 2023.
- [7] For details, see Annex 5- Social, Environment and Climate Assessment.
- [8] See: World Bank Economic Update for ECA Fall 2023- Türkiye P82.
- [9]Global Nutrition Report
- 100 For which comparable data are available. It may differ from Voluntary National Reviews (VNRs) or other reporting processes.
- [11] Water Efficiency Strategy Document and Action Plan in the Framework of Adaptation to the Changing Climate (2023-2033, Government of Türkiye, 2022.
- [12] Challenges include unfavourable socio-economic conditions, high youth unemployment, lack of quality public services, as well as a non-supportive environment and a lack of opportunities for personal growth and professional development are contributing factors for youth migration.
- [13] Off farm activities for youth include non-farm activities not directly related to agriculture but contributing to the socio-economic development of the forest villages.
- [14] ToC for youth pathways is available in the PIM with greater details.
- [15] Water Efficiency Strategy Document and Action Plan in the Framework of Adaptation to the Changing Climate (2023-2033, Government of Türkiye, 2022.
- [16] These earthquakes affected the South-eastern provinces of Adıyaman, Hatay, Osmaniye, Kahramanmaraş, Kilis, Gaziantep, Malatya, Şanlıurfa, Diyarbakır, Elazığ and Adana with a death toll of more than 50,000 people. In terms of the contribution to the Turkiye's agricultural economy these provinces accounted for 20% of Türkiye's agricultural production, 15% of its agricultural GDP, 18.7% of its agricultural and forestry exports even before the earthquakes.
- [17] Based on an indicative estimate of the cost of repairs of about 12,000 TL (or USD 400) per ha, which is largely underestimated as it covers only the schemes under DSI (PSB March 2023 post-earthquake assessment report). Available records from Malatya

report about 150 community managed and obsolete schemes in need of repairs, with an aggregate area of about 39,000ha and not covered under DSI.

- [18] The Social Welfare Amount per capita provided to the households in the area was 40 to 50 percent higher than the national average (2022). This indicates that people living in the region experience a higher level of poverty than elsewhere in the country.
- The performance of the project was jointly reviewed by the GoT and IFAD in August-September 2022 and the project was found to be effective in achieving most development outcomes and demonstrating efficiency.
- [20] Resilient Landscape Integration Project for Türkiye
- [21] See: IFAD, Rural Development Report 2021, Pg 21
- [22] For example, DSI and the South-eastern Anatolia Project under the Ministry of Industry and Technology GAP, Special Provincial Administrations SPAs).
- [23] See- IFAD/IOE draft Türkiye CSPE report, 2023.
- [24] With continued degradation of rangelands used for grazing, the Turkish Parliament in 1998 passed the Rangeland Act, which gave the central government the authority to regulate grazing season, carrying capacity, rangeland development, and other measures to control rangeland use. However, enforcement of the act faces challenges.
- [25] Considering that the MURAT project was more successful in enhancing food security than in increasing incomes and it struggled to provide consistent, high-quality technical advice and extension services to the farmers, thus negatively affecting sustainability of gains in productivity and adoption of climate resilient production practices and technologies.
- [26] Considering that: (i) MoAF's capacity is below demand and mostly concentrated on medium to large scale farmers in the plains; and (ii) GAP have been successful in establishing their own extension and technical advisory services through which they have reached over 300,000 farmers.
- This is in the context of the experience of a World Bank supported project which has multiple implementing agencies and according to OGM this has slowed down implementation.
- The average socio-economic index of the proposed districts is lower than the national average, showing that the population experiences a higher level of poverty. While the country average of Share of the Population that Benefits Government Support for Health Insurance is 18 percent, this rate goes up to 43 in the targeted districts. Furthermore, the average level of Social Welfare Amount per Capita in the target areas is twice the national average (District SEDI Report 2022). Forest villages are often associated with greater remoteness, meaning relatively poor access to markets, education and health facilities.
- Given the massive losses in the areas it is likely possible that the socio-economic and poverty levels of the districts have changed after the earthquakes. Additional information based on 2024 RCO Economic Update providing a selective summary of the PSB Report on Kahramanmaraş and Hatay Earthquakes Recovery and Reconstruction Efforts is available in the PIM.
- [30] It is expected that the 1012 youth accessing grants (976 individual grants and 36 group grant) will be engaged in economic activities (self-employment) and hence generate new jobs; 500 additional youth (being 50% of youth receiving vocational training from TVET) will be able to find a job as a results of the training received and connection with potential employers facilitated by the project and based on the study on labour market for youth.
- [31] Criteria to define poor HHs were discussed during consultation at the design with implementing partners (OGM) and communities. They will be revised and fine-tuned at the start up.
- [32] Additional details in the PIM and in the SP ToRs.
- [33] The associated costs are included as part of Detailed Costs-2 table.
- [34] The associated costs are included as part of Detailed Costs-3 table.
- Most of these costs are included under Component 1 and 2 (Detailed Costs-1 and 2 tables).
- [36] TÜRKİYE EARTHQUAKES RECOVERY AND RECONSTRUCTION ASSESSMENT, Government of Türkiye, with support from the World Bank, UNDP, FAO and European Union, March 2023.
- [37] Keban Bademli, Elazig; Doğanşehir Polat, Malatya; Baskil Şahaplı and Merkez Öksüzuşağı, Elazig; Çüngüş Aktaş , Diyarbakır; and Gölbaşı Ozan village, Şanlıurfa.
- $\underline{^{[38]}}\underline{\text{https://www.undp.org/turkiye/press-releases/undp-launches-new-recovery-efforts-turkiye-marks-first-anniversary-devastating-earthquakes}$
- [39] https://projects.worldbank.org/en/projects-operations/project-detail/P181068
- [40] https://projects.worldbank.org/en/projects-operations/project-detail/P180849
- [41] https://projects.worldbank.org/en/projects-operations/project-detail/P172562
- [42] Net of the loan repayments and IFAD financing, the funding requirement for ORKÖYORKOY using its own internal sources is estimated to be about USD9.3 million.
- [43] The calculations were made by the FIRAT design mission by using the inflation rate projected by GoT 15.2% in 2025, 8.5% in 2026, 6.6% in 2027 and 4.7% thereafter. The actual inflation rate might be higher which will increase the loss to the GoT.
- [44] For details on this and next section, see Annex 5- Social, Environment and Climate Assessment.
- [45] Refer to PIM for the M&E plan outline.
- [46] The CİMER, that operates under the Presidency's Directorate of Communications, is an official state tool to be used for receiving requests, complaints and applications for information from the public. The citizens can communicate their advice, requests and complaints to the Presidency through the online CİMER system: www.cimer.gov.tr or via the call centre ALO 150.



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 1: Logframe

Mission Dates: 11/02/2024 - 20/03/2024

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 Project No.
 2000004004

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 6819-TR

Near East, North Africa and Europe Division Programme Management Department

Euphrates River Watershed Rehabilitation Project

Logical Framework

Results Hierarchy	Indicators				Me	ans of Verifi	cation	Assumptions	
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility		
Outreach	1 Persons receiving services promoted or	supported b	by the pro	ject	Project MIS		M&E and		
	Males	0	9600	24000		annual, Annual	Component Specialists		
	Females	0	6400	16000					
	Young	0	2400	6000					
	Not Young								
	Non-Indigenous people								
	Total number of persons receiving services	0	16000	40000					
	1.b Estimated corresponding total number	ted corresponding total number of households members			Project MIS Semi-	Project MIS		M&E and	
	Household members	0	56000	140000		annual, Annual	Component Specialists		
	1.a Corresponding number of households	reached			Project MIS	Semi-	M&E and		
	Households	0	16000	40000		annual,	Component Specialists		
Project Goal	Percentage of households with reduced p	overty			Income	Baseline,	CPMU, Service		
Poverty reduction of the upland communities in the targeted micro- catchments of the Euphrates River watershed	Households	0	28	70	questions integrated in COI Survey	Mid-term, Completion	Providers		
Development Objective Increased income and resilience of small-scale producers and vulnerable	Number of households reporting increase activities	in income fi	rom livelih	nood	COI survey	Baseline, Mid-term,	CPMU, Service Providers		
groups, including women and youth, in the targeted micro-catchments	Households	0	11200	28000		Completion			
	Percentage of households reporting an in- household assets	crease in the	e value of		COI survey	Baseline, Mid-term,	CPMU, Service Providers		
	Households reporting an increase in the value of HH assets		28	70		Completion			

Results Hierarchy	Indicators	•			Me	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
	Number of households reporting 20 perce resilience index score	entage point	increase i	n their	IFAD RDMT	Baseline, Mid-term,	CPMU, Service Providers	
	Households	0	11200	28000	integrated in COI survey	Completion		
	SF.2.1 Households satisfied with project-s	supported se	ervices		COI survey	Baseline,	CPMU, Service	
	Household members	0	42000	105000		Mid-term, Completion	Providers	
	Non-indigenous households					·		
	Non-women-headed households							
	Households (%)	0	30	75				
	Households (number)	0	12000	30000				
	SF.2.2 Households reporting they can inflauthorities and project-supported service		ion-makin	g of local	COI survey	Baseline, Mid-term,	CPMU, Service Providers	
	Household members	0	42000	105000		Completion		
	Non-indigenous households							
	Non-women-headed households							
	Households (%)	0	30	75				
	Households (number)	0	12000	30000				

Results Hierarchy	Indicators	i			Me	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
Outcome 1. Communities capable of planning and implementing sustainable	GEF 1 Area of land and ecosystems under and GEF3)	er restoration	n (Sum of	GEF2	GIS - remote	Annual	M&E Specialist	Provided with incentives, upland
management and restoration of natural resources reducing soil erosion	Hectares of land - Area (ha)	0	11546	28865	sensing plus ground proofing			communities are willing to: (i) engage in their MC planning
	GEF 2 Areas of natural grassland and wo	odland unde	er restorat	ion	GIS -	Baseline,	CPMU, Service	and development; (ii) adopt new
	Woodland	0	2436	6090	remote sensing	Mid-term, Completion	Providers	climate-resilient technologies and
	Natural grassland	0	2400	6000	plus ground proofing			practices; and (iii) take collective
	Pasture land and pasture	0	320	800	, sa G			actions for improved
				Erosion monitoring	Baseline, Mid-term,		CPMU, Service Providers	rangeland management,
	Reduction in soil erosion	0	10	25	system (RUSLE Erosion Model)	Completion		aggregation and market access.
	Increase in vegetative cover in restored areas GIS -		Baseline,	CPMU, Service				
	Normalized Difference Vegetation Index (NDVI) scale - average annual growth rate		6	6	remote sensing plus ground proofing	Mid-term, Completion		
	3.2.1 Tons of Greenhouse gas emissions sequestered	(tCO2e) ave	oided and	/or	Ex-Act	Baseline, Mid-term,	CPMU, Service Providers	
	Hectares of land		6612	33060		Completion		
	tCO2e/20 years		312503	1562517				
	tCO2e/ha		9.46	47.3				
	tCO2e/ha/year		0.48	2.4				
	Number of women reporting reduction in collecting firewood due to energy saving t		-	ent in	Qualitative assessment	Baseline, Mid-term,	CPMU, Service Providers	
	Women reporting reduction in workload and time spent in collecting firewood		1022	2555		Completion		
Output 1.1 Participatory micro-catchment planning and capacity-building	Number of participatory micro-catchment	plans (MCP	s) approv	ed	Project MIS	Semi- annual,	M&E and Component	Villagers will engage in MC

Results Hierarchy	Indicators	.			Me	Annual ans of Verifi	Specialists cation	planning and rehabilitation
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	activities if they are provided with: i) awareness raising
								of the importance of
	MCPs approved	0	40	40				soil erosion control and rehabilitation of
	Villages participated	0	400	400				vegetation cover for improving the
	People participated - male	0	4800	12000				provision of water
	People participated - female	0	3200	8000				and rangeland resources and the
	People participated - young	0	1200	3000				resilience of agroecosystems; ii) incentives of investment and capacity building in water resources for livestock and irrigation and rangelands facilities; iii) incentives of access to matching grants for investments in other livelihood activities as well as in household renewable energy and insulation.

Results Hierarchy	Indicators				Me	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
Output 1.2 Rehabilitation and sustainable management of natural resources	3.1.1 Groups supported to sustainably maclimate-related risks	anage natura	al resource	es and	Project MIS	Semi- annual,	M&E and Component	Villagers will engage in MC
	Total size of groups	0	1248	3120		Annual	Specialists	planning and rehabilitation
	Groups supported	0	58	144				activities if they are provided with: i)
	Males	0	749	1872				awareness raising of the importance of
	Females	0	499	1248				soil erosion control
	Young	0	187	468				and rehabilitation of vegetation cover for
	Groups headed by women	0	6	14				improving the provision of water
	3.1.3 Persons accessing technologies tha greenhouse gas emissions	t sequester	carbon or	reduce	Project MIS	Semi- annual, Annual	M&E and Component	and rangeland resources and the
	Males	0	438	1095		Annuai	Specialists	resilience of agroecosystems; ii) incentives of investment and capacity building in
	Females	0	1022	2555				
	Young	0	145	365				
	Total persons accessing technologies	0	1460	3650				water resources for livestock and irrigation and rangelands facilities; iii) incentives of access to matching grants for investments in other livelihood activities as well as in household renewable energy and insulation.

Results Hierarchy	Indicators				Me	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
Outcome	GEF 3 Areas of degraded agricultural land	d under resto	oration		GIS -	Annual	M&E Specialist	Young people are
 Improved sustainable land management and climate (and other shocks) resilient livelihoods for small-scale producers and vulnerable groups, including women and youth, through diversified production and employment opportunities 	Cropland including orchard	0	8068	20170	remote sensing plus ground proofing			willing to stay and invest in their villages if support for quality
	3.2.2 Households reporting adoption of er climate-resilient technologies and practice		ly sustain	able and	COI survey	Baseline, Mid-term,	CPMU, Service Providers	employment including self- employment is
	Total number of household members	0	11216	28040]	Completion		offered. OGM manages to establish strong collaboration with other agencies and
	Households	0	28	70				
	Households	0	3205	8012				
	2.2.6 Households reporting improved physprocessing and storage facilities	sical access	to marke	ts,	COI survey	Baseline, Mid-term,	CPMU, Service Providers	private sector actors, including co- financiers and
	Jóvenes	0	1400	3500		Completion		implementing partners in the region e.g. DSI, SPAS, RDA/DA, and
	Households reporting improved physical access to processing facilities	0	1400	3500				
	Total households reporting improved physical access	0	1400	3500			the Ziraat Bank.	
	2.2.5 Rural producers' organizations repo	rting an incr	ease in sa	ales	COI survey	Baseline,	CPMU, Service	1
	Number of Rural POs	0	20	50		Mid-term, Completion	Providers	
	Rural POs wtih women in leadership position	0	2	5				
	2.2.1 Persons with new jobs/employment	opportunitie	s		COI survey	Baseline,	CPMU, Service	
	Males	0	1620	4050	and M&E system	Mid-term, Completion	Providers	
	Females	0	1080	2700				
-	Young	0	604	1510				
	Total number of persons with new jobs/employment opportunities	0	2700	6750				

Results Hierarchy	Indicators				Me	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
	1.2.3 Households reporting reduced water needs	shortage v	is-à-vis pı	oduction	COI survey	Baseline, Mid-term,	CPMU, Service Providers	
	Households		40	100		Completion		
	Households		3948	9870				
	Total number of household members		13818	34545				
Output 2.1 Revolving fund facility (RFF) for improving sustainable land management, climate-resilient production infrastructure, aggregation,	Number of approved proposals for the RF transitory poor producers, and for produce aggregators			nd	Project MIS	Semi- annual, Annual	M&E and Component Specialists	Continued market demand, continued government support
processing and marketing	Number of approved proposals under the RFF window for poor and transitory poor producers	0	2600	6500				to up-land villages for their investment and capacity building in
	Number of approved proposals under the RFF window for producer organizations and aggregators	0	100	250				improving their livelihood activities, OGM establish a dynamic partnership
	Value of approved proposals under the RFF window for poor and transitory poor producers	0	15600	39000				with the RDA/DA to tap into their expertise in linking
	Value of approved proposals under the RFF window for producer organizations and aggregators	0	500	1250				small-scale producers with private sector aggregators and
	1.1.3 Rural producers accessing production packages	on inputs an	d/or techr	nological	Project MIS	Semi- annual,	M&E and Component	markets.
	Males	0	1620	4050		Annual	Specialists	
	Females	0	1080	2700				
	Young	0	404	1010				
	Total rural producers	0	2700	6750				
	2.1.3 Rural producers' organizations supp	orted			Project MIS	Semi-	M&E and	
	Total size of POs	0	4038	10120		annual, Component Annual Specialists	•	
	Rural POs supported	0	68	171				

Results Hierarchy	Indicators	i			Me	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
	Males	0	3252	8154				
	Females	0	786	1966				
	Young	0	607	1518				
	2.1.6 Market, processing or storage faciliti	ies construc	ted or reh	abilitated	Project MIS	Semi-	M&E and	
	Total number of facilities	0	1311	3277		annual, Annual	Component Specialists	
	Market facilities constructed/rehabilitated	0	1	2				
	Processing facilities constructed/rehabilitated	0	1310	3275				
	Number of youth participated in mentoring	g and coach	ng		Project MIS	Semi-	M&E and	
	Male youth	0	960	2400		annual, Annual	Component Specialists	
	Female youth	0	960	2400				
	Total number of youth	0	1920	4800				
	Number of women participated in GALS tr	raining			Project MIS		M&E and	
	Number of women participated in GALS training	0	800	2000			Component Specialists	

Results Hierarchy	Indicators	i			Me	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
Output	1.1.4 Persons trained in production practic	ces and/or te	echnologi	es	Project MIS	Semi-	M&E and	Continued market
2.2 Strengthening producer organisations and marketing	Total number of attendances to training sessions	0	6268	15670		annual, Annual	Component Specialists	demand, continued government support to up-land villages
	Men trained in crop	0	2298	5745				for their investment and capacity
	Women trained in crop	0	1532	3830				building in improving their livelihood activities, OGM establish a dynamic partnership with the RDA/DA to tap into their
	Young people trained in crop	0	575	1436				
	Men trained in livestock	0	983	2457				
	Women trained in livestock	0	655	1638				
	Young people trained in livestock	0	246	614				expertise in linking
	Men trained in forestry	0	480	1200				small-scale producers with
	Women trained in forestry	0	320	800				private sector aggregators and markets.
	Young people trained in forestry	0	120	300				
	Total persons trained in crop	0	3830	9575				
	Total persons trained in livestock	0	1638	4095				
	Total persons trained in forestry	0	800	2000				
	2.1.2 Persons trained in income-generatin management	ng activities	or busines	SS	Project MIS	Semi- annual,	M&E and Component	
	Males	0	1620	4050		Annual	Specialists	
	Females	0	1080	2700				
	Young	0	405	1013				
	Persons trained in IGAs or BM (total)	0	2700	6750				

Results Hierarchy	Indicators				Ме	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
Output 2.3 Investments in off-farm climate-resilient water infrastructure	1.1.2 Farmland under water-related infras constructed/rehabilitated	tructure			Project MIS	Semi- annual,	M&E and Component	Young people are willing to stay and
	Hectares of land	0	3660	9150		Annual	Specialists	invest in their villages if support for quality employment including self- employment is offered. OGM manages to establish strong collaboration with other agencies and private sector actors, including co- financiers and implementing partners in the region e.g. DSI, SPAs, RDA/DA, and the Ziraat Bank.

Results Hierarchy	Indicators				Me	ans of Verifi	cation	Assumptions
	Name	Baseline	Mid- Term	End Target	Source	Frequency	Responsibility	
Outcome 3. Improved institutional capacity of project stakeholders and greater	Number of technical guidelines on themat disseminated	ic areas add	opted and		Qualitative assessment	Baseline, Mid-term,	CPMU, Service Providers	OGM and the rangeland service
visibility on effectiveness and impact of the project	Technical guidelines adopted and disseminated	0		1		Completion		provider systematically captures lessons learned cost and benefits from community-led rangeland rehabilitation and sustainable management as the basis for developing technical guidelines as well as from other activities to improve other existing guidelines, regulations and dissemination material.
Output Institutional strengthening through knowledge generation and dissemination and development of technical guidelines on thematic areas	Number of implementing partners represe participated in training, exchange visits or Cooperation (SSTC) opportunities				Project MIS	Semi- annual, Annual	M&E and Component Specialists	Through gathering of evidence on benefits generated
	Number of participants in training, exchange visits or SSTC opportunities	0	1000	2500				from different livelihood and natural resources
	Number of KM products (e.g. stories from and lessons learned, technical studies, pudisseminated				Project MIS	Annual	KM, M&E and Component Specialists	rehabilitation interventions, OGM and project partners systematically
	KM products developed and disseminated	0	1	3				identifies success stories and facilitate cross learning between NRM and producer groups and develop KM products for wider dissemination.



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 2: Theory of change

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department

Challenges

Degradation of natural resources and unsustainable land use, and low capacity to adapt to climate change

- Soil erosion
- Land degradation and devegetation
- Recovery from 2023 earthquake

Low socio-economic development including high poverty, lack of economies of scale, poor production techniques, and youth migration

- Lack of economies of scale limiting market access for small-scale producers
- Limited access to technical training, technologies and practices on natural resource management and production
- Lack of market infrastructure (e.g. processing, marketing facilities, etc.)
- Limited access to market and energy-saving technologies to reduce workload
- Limited participation of women in decision-making
- Women's lack of access to income-generation and employment opportunities
- Youth's limited access to information, skills, capital and technology
- Lack of incentives and job opportunities for the rural youth

Activities

Component 1: Microcatchment (MC) planning and natural resources management

- Participatory microcatchment planning and capacity building
- Rehabilitation and sustainable management of natural resources

Component 2: Investments in sustainable land management, climateresilient infrastructure, livelihoods and access to markets

- Revolving fund facility for improving sustainable land management, climateresilient production infrastructure, aggregation, processing and marketing with particular attention to women and youth
- Strengthening producer organizations and marketing
- Investments in off-farm climate-resilient water infrastructure

Component 3: Institutional strengthening and project management

 Institutional strengthening through knowledge generation and dissemination to facilitate MC management and development including project effectiveness

Outputs

Micro-catchment plans prepared and implemented by communities

Afforestation or reforestation conducted in suitable areas within the micro-catchment to reduce soil erosion and land degradation

Households provided with technologies that sequester carbon or reduce greenhouse gas emissions

Small-scale producers provided with production inputs and/or technological packages including construction/rehabilitation of water infrastructure and different facilities

Farmers trained in production practices and/or technologies and income-generating activities or business development management

Marketing aggregation of small holders and partnership with private sectors actors

Financial support provided to individuals and producer groups through revolving fund facilities

Women trained in GALs and provided with renewable energy savings technologies

Youth participated in mentoring and coaching programs including vocational training, and provided with capital support

Technical guidelines and KM products developed and disseminated

Representatives of implementing partners and farmers participated in SSTC, study tours, exchange visits, etc.

Outcomes

Improved capacity of communities in planning and implementing sustainable management and restoration of natural resources reducing soil erosion.

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Improved agricultural production and productivity of small-scale producers through adoption of technological packages and climate-resilient practices, improved soil quality, diversified production, market access and Increase in sales, as well as job creation for women and youth.

; ; ;

Improved institutional capacity of project stakeholders and greater visibility on effectiveness and impact of the project

Development Objectives

Provided with incentives, upland communities are willing to: (i) engage in their MC planning and development; (ii) adopt new climate-resilient technologies and practices; and (iii) take collective actions for improved rangeland management, aggregation and market access.

Assumptions

Villagers will engage in MC planning and rehabilitation activities if they are provided with: i) awareness raising of the importance of soil erosion control and rehabilitation of vegetation cover for improving the provision of water and rangeland resources and the resilience of agro ecosystems; ii) incentives of investment and capacity building in water resources for livestock and irrigation and rangelands facilities; iii) incentives of access to matching grants for investments in other livelihood activities as well as in household renewable energy and insulation.

Continued market demand, continued government support to up-land villages for their investment and capacity building in improving their livelihood activities, OGM establish a dynamic partnership with the RDA/DA to tap into their expertise in linking small-scale producers with private sector aggregators and markets.

Young people are willing to stay and invest in their villages if support for quality employment including self-employment is offered.

OGM manages to establish strong collaboration with other agencies and private sector actors, including co-financiers and implementing partners in the region e.g. DSI, SPAs, RDA/DA, and the Ziraat Bank.

OGM and the rangeland service provider systematically captures lessons learned cost and benefits from community-led rangeland rehabilitation and sustainable management as the basis for developing technical guidelines as well as from other activities to improve other existing guidelines, regulations and dissemination material

Through gathering of evidence on benefits generated from different livelihood and natural resources rehabilitation interventions, OGM and project partners systematically identifies success stories and facilitate cross learning between NRM and producer groups and develop KM products for wider dissemination.

Increased income, and resilience of small-scale producers and vulnerable groups, including women and youth, in the targeted micro-

catchments



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 3: Project cost and financing: Detailed costs tables

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department

Annex 3: Project cost and financing: Detailed costs tables

Annex 3: Project cost and financing: Detailed costs tables

1. This annex presents the estimated programme costs and the financing plan of the proposed Euphrates River Watershed Rehabilitation Project (FIRAT). Part I of this annex introduces the main assumptions used for estimating the project costs, while part II presents the detailed costs and financing plan. Key data sources have been referenced as footnotes.

I. Main assumptions

- 2. Starting date and duration of the project period. It is estimated that FIRAT activities will start in 2025 and will last for a period of seven years, that is, until 2031. The overall programme cost for the full 7 years is estimated at USD 98 million.
- 3. *Unit costs*. Unit costs have been estimated based on prices prevailing during the project design in February-March 2024. They have been inserted in the Costab in USD. Salaries and allowances of the project personnel have been estimated based on information made available by national counterpart staff.
- 4. Physical and price contingencies. A physical contingency of 5% has been applied to civil works to ensure that the necessary resources will be available to cover unforeseen variations. As is the common practice, price contingencies have been applied to all costs, except for the category "grants and subsidies".
- 5. Inflation. In the last years, consumer price inflation soared, reaching a 24-year high of 85.51% in October 2022. Following a shift in macroeconomic policy in the last few months, the rise in consumer prices has slowed down but remains well above target (67.07% in February 2024).¹ However, Turkish authorities recently reaffirmed their determination to establish a gradual disinflation course from the second half of 2024 onwards.² This translates into an expected average inflation rate for the project period of 14.83%.³ For foreign inflation, an average rate of 2.7% has been assumed for the project period based on forecasts made by the Economist Intelligence Unit (EIU).⁴
- 6. Exchange rate. The macroeconomic policies adopted in recent years has put significant pressure on the Turkish lira causing its sharp depreciation, especially from Mid-2018 onwards. Persistent trade and fiscal imbalances suggest that the project period will be still characterized by depreciation, but at a much more moderate rate, as the recent policy shift and the statements of Turkish authorities point toward a more closely managed volatility. This analysis assumes an average exchange rate of YTL 44.58: USD 1 for the FIRAT duration.⁵
- 7. Taxes and duties. Costs that are presented include duties and taxes as well. The estimate of taxes and duties, including a value-added tax of 20%, is based on the rates prevailing at the time of the project design. As agreed, part of the Government contribution corresponds to the taxes and duties on all project inputs that involve funding from IFAD and GEF. Those levied on the grants will be paid by the beneficiaries and presented accordingly.

¹https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Inflation+Data

²https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Announcements/Press+Releases/2024/ANO2024-14

³ Source: Turkish Statistical Institute via The Economist Intelligence Unit, https://viewpoint-eiucom.fao.idm.oclc.org/analysis/qeography/XG/TR

⁴ Average of the export price inflation for manufactures over the project period. Source: https://viewpoint-eiu-com.fao.idm.oclc.org/analysis/geography/XA/reports/one-click-report

⁵ Source: International Monetary Fund via The Economist Intelligence Unit, https://viewpoint-eiucom.fao.idm.oclc.org/analysis/geography/XG/TR

8. Expenditure and disbursement accounts. The project disbursement categories have been set in accordance with IFAD circular IC/FOD/02/2013: works, consultancies, training and workshops, equipment and goods, grants and subsidies, expertise support salaries, and allowances, and operating costs. The structure of the expenditure categories follows the IFAD guidelines.

II. Total costs and financing

- 9. The total project costs including physical and price contingencies are estimated at USD 98 million over the seven-year implementation period. FIRAT is organized around three main components: (i) Component 1: "Micro-catchment Planning and Natural Resources Management", representing 33% of the total costs, or 32.2 USD million; (ii) Component 2: "Investments in Improved Climate Resilient Infrastructure, Livelihoods and Access to Markets", representing 62.4% of the total costs, or USD 61.2 million; and (iii) Component 3 "Institutional Strengthening and Project Management" for 4.7% of the total costs, or USD 4.6 million. Table A3.1 below shows that most investments will occur between year 2 and 5 of the project.
- 10. FIRAT will be financed as follows: (i) 66.3% of the total costs or USD 65 million will be covered by IFAD; (ii) 1.4% or USD 1.4 million by GEF; (iii) 19.8% or USD 19.4 million by the Government; and (iv) 12.5% or USD 12.2 million by the beneficiaries (Table A3.2).
- 11. The Government contribution consists of: (i) seconding part of the project staff (e.g. the field technical support team), and (ii) waiving on all taxes and duties on goods and services procured under the programme, except the taxes on the matching grants which will be borne by the beneficiaries as stated. The rates and amounts of the taxes and duties in the project costs have been estimated consultatively and used to determine the Government contribution and estimate the total project cost.
- 12. Table A3.3 below shows that most FIRAT investments will be made under two expenditure categories: (i) grants and subsidies (US\$ 41.94 million, 42.8% of the total costs) and (ii) works (US\$ 31.61 million, 32.3% of the total costs). The allocation thus reflects the heavy emphasis FIRAT has put in reducing poverty among the targeted upland communities through investments in restoring and regenerating livelihoods and sustainable management of natural resources.

TableA3.1. Project costs by component and year

(Thousands of United States dollars)

Component	2025		2026		2027		2028		2029		2030		2031		Total	
Component	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Micro-catchment planning and natural resources management	2 358	7.3	6 329	19.7	7 779	24.2	7 866	24.4	5 434	16.9	1 681	5.2	713	2.2	32 160	32.8
2. Investments in improved climate-resilient infrastructure, livelihoods, and access to markets	622	1	7 670	12.5	17 164	28.1	19 461	32	12 556	20.5	3 049	5	655	1.1	61 177	62.4
3. Institutional strengthening and project management	684	14.7	650	14	580	12.5	669	14.5	674	14.5	712	15.4	670	14.5	4 638	4.7
Total	3 663	3.7	14 649	15	25 523	26	27 996	28.6	18 664	19	5 443	5.6	2 038	2.1	97 975	100

Table A3.2. Project costs by component and financier

(Thousands of United States dollars)

Commont	IFAD loan		GEF		Beneficiaries		The Government		Tota	al
Component	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Micro-catchment planning and natural resources management	17 588	54.7	860	2.7	1 361	4.2	12 351	38.4	32 160	32.8
2. Investments in improved climate-resilient infrastructure, livelihoods, and access to markets	43 797	71.6	250	0.4	10 848	17.7	6 282	10.3	61 177	62.4
3. Institutional strengthening and project management	3 615	78.0	301	6.5	-	-	721	15.6	4 638	4.7
Total	65 000	66.3	1 411	1.4	12 210	12.5	19 355	19.8	97 975	100.0

TableA3.3 . Project costs by expenditure category and financier

(Thousands of United States dollars)

Even and it was not a saw	IFAD loan		GEF	=	Benefici	iaries	The Gove	rnment	Total		
Expenditure category	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
I. Investment costs											
A. Works	20 626	65.3					10 983	34.7	31 610	32.3	
B. Consultancies	7 724	67.3	1 262	11.0			2 489	21.7	11 476	11.7	
C. Training and workshops	451	89.8	24	4.8			27	5.4	502	0.5	
D. Equipment and goods	1 307	80.0					327	20.0	1 634	1.7	
E. Grants and subsidies	29 733	70.9			12 210	29.1			41 943	42.8	
Total Investment costs	59 841	68.7	1 286	1.5	12 210	14.0	13 827	15.9	87 164	89.0	
II. Recurrent costs A. Expertise support, salaries, and allowances	4 092	43.2	125	1.3			5 261	55.5	9 479	9.7	
B. Operating costs	1 066	80.0					267	20.0	1 333	1.4	
Total Recurrent costs	5 159	47.7	125	1.2			5 528	51.1	10 812	11.0	
Total	65 000	66.3	1 411	1.4	12 210	12.5	19 355	19.8	97 975	100.0	

Republic of Türkiye
FIRAT

Disbursement Accounts by Financiers

(US\$ '000)	<u> </u>	D	GEI	F	Benefic	iaries	The Gove	rnment	Tota	al	For.	(Excl.	Duties &
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Exch.	Taxes)	Taxes
A. Works	20 626	65.3	-	-	-	-	10 983	34.7	31 610	32.3	14 929	10 359	6 322
B. Consultancies													
International consultancies	189	80.0	-	-	-	-	47	20.0	236	0.2	111	78	47
2. National consultancies	7 535	67.0	1 262	11.2	-	-	2 442	21.7	11 239	11.5		8 991	2 248
Subtotal	7 724	67.3	1 262	11.0	-	-	2 489	21.7	11 476	11.7	111	9 070	2 295
C. Training and workshops	451	89.8	24	4.8	-	-	27	5.4	502	0.5	62	440	-
D. Equipment and goods													
Equipment and materials	1 287	80.0	-	-	-	-	322	20.0	1 609	1.6	786	501	322
2. Goods, services and inputs	20	80.0		<u> </u>			5	20.0	25	-		20	5
Subtotal	1 307	80.0	-	-	-	-	327	20.0	1 634	1.7	786	521	327
E. Grants and subsidies	29 733	70.9	-	-	12 210	29.1	0	-	41 943	42.8	30 607	2 947	8 389
F. Recurrent costs													
 Expertise support, salaries, and allowances 	4 092	43.2	125	1.3	-	-	5 261	55.5	9 479	9.7	1 108	8 370	-
2. Operating costs	1 066	80.0		-	<u> </u>	-	267	20.0	1 333	1.4		1 066	267
Subtotal	5 159	47.7	125	1.2	<u>-</u>	-	5 528	51.1	10 812	11.0	1 108	9 437	267
Total PROJECT COSTS	65 000	66.3	1 411	1.4	12 210	12.5	19 355	19.8	97 975	100.0	47 603	32 774	17 599

Local

Republic of Türkiye FIRAT Components by Financiers

Components by Financiers												Local	
(US\$'000)	IFAD		GEF		Beneficiaries		The Government		Total		For.	(Excl.	Duties &
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Exch.	Taxes)	Taxes
Micro-catchment planning and natural resources management	17 588	54.7	860	2.7	1 361	4.2	12 351	38.4	32 160	32.8	6 151	20 127	5 882
Investments in improved climate-resilient infrastructure, livelihoods and access to markets	43 797	71.6	250	0.4	10 848	17.7	6 282	10.3	61 177	62.4	41 343	8 254	11 580
Institutional strengthening and project management	3 615	78.0	301	6.5			721	15.6	4 638	4.7	108	4 393	137
Total PROJECT COSTS	65 000	66.3	1 411	1.4	12 210	12.5	19 355	19.8	97 975	100.0	47 603	32 774	17 599

Republic of Türkiye FIRAT Expenditure Accounts by Financiers (LIS\$ 1000)

(US\$ '000)	IFA	D	GEI	=	Benefici	aries	The Gove	rnment	Tota	al	For.	(Excl.	Duties &
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Exch.	Taxes)	Taxes
I. Investment Costs													
A. Works	20 626	65.3	-	-	-	-	10 983	34.7	31 610	32.3	14 929	10 359	6 322
B. Consultancies													
International consultancies	189	80.0	-	-	-	-	47	20.0	236	0.2	111	78	47
National consultancies	7 535	67.0	1 262	11.2	<u> </u>	-	2 442	21.7	11 239	11.5	<u> </u>	8 991	2 248
Subtotal	7 724	67.3	1 262	11.0	-	-	2 489	21.7	11 476	11.7	111	9 070	2 295
C. Training and workshops	451	89.8	24	4.8	-	-	27	5.4	502	0.5	62	440	-
D. Equipment and goods													
Equipment and materials	1 287	80.0	-	-	-	-	322	20.0	1 609	1.6	786	501	322
2. Goods, services and inputs	20	80.0			<u> </u>	-	5	20.0	25	-	-,	20	5
Subtotal	1 307	80.0	-	-	-	-	327	20.0	1 634	1.7	786	521	327
E. Grants and subsidies	29 733	70.9			12 210	29.1	0		41 943	42.8	30 607	2 947	8 389
Total Investment Costs	59 841	68.7	1 286	1.5	12 210	14.0	13 827	15.9	87 164	89.0	46 494	23 337	17 332
II. Recurrent Costs													
A. Expertise support, salaries, and allowances	4 092	43.2	125	1.3	-	-	5 261	55.5	9 479	9.7	1 108	8 370	-
B. Operating costs	1 066	80.0				-	267	20.0	1 333	1.4	-,	1 066	267
Total Recurrent Costs	5 159	47.7	125	1.2	-	-	5 528	51.1	10 812	11.0	1 108	9 437	267
Total PROJECT COSTS	65 000	66.3	1 411	1.4	12 210	12.5	19 355	19.8	97 975	100.0	47 603	32 774	17 599

Local

Republic of Türkiye FIRAT **Disbursements by Semesters and Government Cash Flow** (US\$ '000)

		Financing	Available		Costs to be Financed	The Gov	ernment
	IFAD	GEF	Beneficiaries		Project	1110 001	Cumulative
	Amount	Amount	Amount	Total	Costs	Cash Flow	Cash Flow
1	1 228	64	_	1 293	1 832	-539	-539
2	1 228	64	_	1 293	1 832	-539	-1 078
	4 941	216	769	5 926	7 324	-1 399	-2 477
5 4 5 5	4 941	216	769	5 926	7 324	-1 399	-3 875
5	8 612	157	1 793	10 562	12 761	-2 199	-6 074
6	8 612	157	1 793	10 562	12 761	-2 199	-8 274
7	9 393	152	2 025	11 569	13 998	-2 429	-10 702
8 9	9 393	152	2 025	11 569	13 998	-2 429	-13 131
9	6 178	88	1 276	7 542	9 332	-1 790	-14 921
10	6 178	88	1 276	7 542	9 332	-1 790	-16 711
11	1 688	18	242	1 948	2 721	-774	-17 485
12	1 688	18	242	1 948	2 721	-774	-18 259
13	461	11	=	471	1 019	-548	-18 807
14	461	11	-	471	1 019	-548	-19 355
Total	65 000	1 411	12 210	78 621	97 975	-19 355	-19 355

Republic of Türkiye										
FIRAT			(Local '000)					(US\$ '000)		
Components Project Cost Summary				%	% Total				%	% Total
				Foreign	Base				Foreign	Base
	Local	Foreign	Total	Exchange	Costs	Local	Foreign	Total	Exchange	Costs
1. Micro-catchment planning and natural resources management	713 211	185 546	898 757	21	30	21 334	5 550	26 885	21	30
2. Investments in improved climate-resilient infrastructure, livelihoods and access to markets	629 518	1 325 337	1 954 856	68	66	18 831	39 645	58 476	68	66
Institutional strengthening and project management	114 664	3 364	118 027	3	4	3 430	101	3 531	3	4
Total BASELINE COSTS	1 457 393	1 514 247	2 971 640	51	100	43 595	45 296	88 891	51	100
Physical Contingencies	5 355	21 422	26 777	80	1	160	641	801	80	1
Price Contingencies	796 738	633 541	1 430 279	44	48	6 617	1 666	8 283	20	9
Total PROJECT COSTS	2 259 486	2 169 210	4 428 696	49	149	50 373	47 603	97 975	49	110

Republic of Türkiye FIRAT Project Cost Summary (US\$ '000)	Cost Including Contingencies	% of Total	IFAD Financing	% Financing
Micro-catchment planning and natural resources management	32 160	32.8	17 588	54.7
2. Investments in improved climate-resilient infrastructure, livelihoods and access to markets	61 177	62.4	43 797	71.6
Institutional strengthening and project management	4 638	4.7	3 615	78.0
Total PROJECT COSTS	97 975	100.0	65 000	66.3

Republic of Türkiye **FIRAT** Investments in Expenditure Accounts by Components - Totals Including Continger Micro-catchment improved (US\$ '000) Institutional planning and climate-resilient natural infrastructure, strengthening resources livelihoods and and project management management access to markets Total I. Investment Costs A. Works 17 356 14 253 31 610 B. Consultancies 1. International consultancies 236 236 2. National consultancies 11 239 7 465 3 263 511 7 465 3 499 11 476 Subtotal 511 C. Training and workshops 190 288 502 24 D. Equipment and goods 1. Equipment and materials 1 517 92 1 609 2. Goods, services and inputs 25 25 1 517 Subtotal 117 1 634 E. Grants and subsidies 2 723 39 220 41 943 **Total Investment Costs** 29 085 57 163 916 87 164 **II. Recurrent Costs** A. Expertise support, salaries, and allowances 2 725 3 087 3 667 9 4 7 9 B. Operating costs 350 928 55 1 333 **Total Recurrent Costs** 3 076 4 014 3 722 10 812 **Total PROJECT COSTS** 32 160 61 177 4 638 97 975 5 882 11 580 137 17 599 Taxes

Foreign Exchange

41 343

108

47 603

6 151

Republic of Türkiye

FIRAT

Project Components by Year -- Totals Including Contingencies (US\$ '000)

		•
1. Micro-catchment planning and natural resources management	2 358	
2. Investments in improved climate-resilient infrastructure, livelihoods and access to markets	622	
3. Institutional strengthening and project management	684	
Total PROJECT COSTS	3 663	

		Total	s Including	Contingenc	ies		
2025	2026	2027	2028	2029	2030	2031	Total
2 358	6 329	7 779	7 866	5 434	1 681	713	32 160
622	7 670	17 164	19 461	12 556	3 049	655	61 177
684	650	580	669	674	712	670	4 638
3 663	14 649	25 523	27 996	18 664	5 443	2 038	97 975

Republic of Türkiye FIRAT Expenditure Accounts by Years -- Totals Including Contingencies (US\$ '000)

(US\$ '000)			Tota	ls Including	Contingend	ies		
	2025	2026	2027	2028	2029	2030	2031	Total
I. Investment Costs								
A. Works	-	3 671	9 024	10 635	6 860	1 420	-	31 610
B. Consultancies								
1. International consultancies	-	26	69	78	53	11	-	236
2. National consultancies	2 337	3 856	2 017	1 374	982	356	318	11 239
Subtotal	2 337	3 882	2 086	1 452	1 035	366	318	11 476
C. Training and workshops	69	51	82	86	94	103	17	502
D. Equipment and goods								
Equipment and materials	92	364	552	330	214	56	-	1 609
2. Goods,services and inputs	3	3	3	3	4	4	5	25
Subtotal	95	367	555	334	218	60	5	1 634
E. Grants and subsidies		5 279	12 289	13 930	8 748	1 698		41 943
Total Investment Costs	2 500	13 250	24 035	26 437	16 954	3 647	340	87 164
II. Recurrent Costs								
A. Expertise support, salaries, and allowances	1 021	1 236	1 314	1 377	1 508	1 572	1 451	9 479
B. Operating costs	142	162	173	182	202	224	247	1 333
Total Recurrent Costs	1 163	1 398	1 487	1 559	1 710	1 796	1 699	10 812
Total PROJECT COSTS	3 663	14 649	25 523	27 996	18 664	5 443	2 038	97 975

Republic of Türkiye FIRAT Expenditure Accounts Breakdown (LIS\$ '000)

(US\$ '000)																	Costs +	Plus
		Base	Cost		P	hysical Co	ntingencies			Price Con	tingencies			Total In	cl. Cont.		Price	Price
		Local				Local				Local				Local			Cont. on	Cont. on
	For.	(Excl.	Duties &		For.	(Excl.	Duties &		For.	(Excl.	Duties &		For.	(Excl.	Duties &		Base	Physical
	Exch.	Taxes)	Taxes	Total	Exch.	Taxes)	Taxes	Total	Exch.	Taxes)	Taxes	Total	Exch.	Taxes)	Taxes	Total	Costs	Cont.
I. Investment Costs																		
A. Works	12 816	7 956	5 193	25 965	641	-0	160	801	1 472	2 403	969	4 844	14 929	10 359	6 322	31 610	30 721	889
B. Consultancies																		
International consultancies	100	60	40	200	-	-	-	-	11	18	7	36	111	78	47	236	236	-
National consultancies		7 549	1 887	9 437				-		1 442	361	1 803		8 991	2 248	11 239	11 239	
Subtotal	100	7 609	1 927	9 637	-	-	-	-	11	1 460	368	1 839	111	9 070	2 295	11 476	11 476	-
C. Training and workshops	56	339	-	394	-	-	-	-	6	102	-	108	62	440	-	502	502	-
D. Equipment and goods																		
Equipment and materials	718	402	280	1 400	-	-	-	-	68	99	42	208	786	501	322	1 609	1 609	-
Goods, services and inputs		15	4	18				-		5	1	7		20	5	25	25	
Subtotal	718	417	284	1 419	-	-	-	-	68	104	43	215	786	521	327	1 634	1 634	-
E. Grants and subsidies	30 607	4 012	8 655	43 274		_		-		-1 065	-266	-1 331	30 607	2 947	8 389	41 943	41 943	
Total Investment Costs	44 296	20 333	16 059	80 688	641	-0	160	801	1 557	3 004	1 113	5 675	46 494	23 337	17 332	87 164	86 275	889
II. Recurrent Costs																		
A. Expertise support, salaries, and allowances	1 000	6 220	-	7 219	-	-	-	-	109	2 151	-	2 259	1 108	8 370	-	9 479	9 479	-
B. Operating costs	-	787	197	984	-	-	-	-	-	279	70	349	-	1 066	267	1 333	1 333	-
Total Recurrent Costs	1 000	7 007	197	8 203	-	-	_	-	109	2 430	70	2 608	1 108	9 437	267	10 812	10 812	
Total	45 296	27 340	16 256	88 891	641	-0	160	801	1 666	5 434	1 183	8 283	47 603	32 774	17 599	97 975	97 087	889

Physical

Cont.

Base

Republic of Türkiye FIRAT										Jnit															Parameters	(in %)				
Table 1. Micro-catchment planning and natural resources management										Cost														Phy		(III /e)	Summ	ary Divisions		
Detailed Costs					Quantitie	ns.				US\$		Ba	se Cost (US	(000' 22					Totals Includ	dina Contin	gencies (US	(000' 22		Con		Gross		Expenditure	Other Acco	unts
	Unit	2025	2026	2027	2028	2029	2030 20	031			2026				030 203	1 Total	2025	2026					31 Tota				te Compon		Disb. Acct.	Fin. Rule
L Investment Costs																														
A. Participatory micro-catchment planning and capacity building		15							40																			NAT EA	NAT DA	FAD (100%)
Participatory development of micro-catchment plans (MCP) Hydrological studies and ad hoc studies identified during MCP	Plan Study	15	20	5					40	110 16	49 2199 00 100	550				- 43	198 1 667 150 101	2 537	6/8								0.0 C1	NATEA	NAT_DA	FAD (100%) FAD (100%)
Nouth and women socio-economic studies	Study	1	2						2		40 80	30					20 40		02								0.0 C1	NAT EA	NAT DA	FAD (100%)
Climate risk analysis and vulnerability assessments	Lumpsum	0.5	0.5						1		23 23	- :					46 23			- :		- :					0.0 C1	NAT EA	NAT DA	GEF (100%)
Capacity building in SLM and NbS	Lumpsum	0.5	0.5						1		11 11						22 11					- 1					0.0 C1	TR EA	TRAINING DA	GEF (100%)
Subtotal	Lanpoun	0.0	0.0							18	24 2413	600		-				2785	740				- 5:				01	III_EX		CEI (100%)
B. Rehabilitation and sustainable management of natural resources											2110	000				-		2.00	140											
Investments in afforestation, reforestation and soil erosion control																														
a Afforestation-EAD	Hectare		187.5	437.5	500	312.5	62.5		1 500	1	- 268	626	715	447	89	- 21	45 -	309	772	928	642	142	. 2	193	0.0 (10 2	0.0 C1	WORKS_EA	WORKS DA	FAD (100%)
b. Afforestation-GVT	Hectare		187.5	437.5	500	312.5	62.5		1 500	1	- 219	512	585	366	73	- 17	55 -	253	631	759	525	116			0.0		0.0 C1	WORKS EA	WORKS DA	GOVT
c. Rehabilitation of existing forest-IFAD	Hectare		187.5	437.5	500	312.5	62.5		1 500	1	- 137	320	366	229	46	- 10	97 -	158	395	475	328	73	- 14	129	0.0	0.0 2	0.0 C1	WORKS EA	WORKS DA	FAD (100%)
d. Rehabilitation of existing forest-GVT	Hectare		187.5	437.5	500	312.5	62.5		1 500	1	- 112	262	299	187	37	- 8	198 -	129	323	388	269	59	- 11	69	0.0	0.0 2	0.0 C1	WORKS_EA	WORKS_DA	GOVT
e. Soil erosion control/FAD	Hectare		375	875	1 000	625	125		3 000	1	- 278	650	743	464	93	- 22	28 -	321	801	964	667	148	- 29	900	0.0	0.0 2	0.0 C1	WORKS_EA	WORKS_DA	FAD (100%)
f. Soil erosion control-GVT	Hectare		375	875	1 000	625	125		3 000	1	- 228	532	608	380	76	- 18	23 -	263	656	788	545	121	- 23	373	0.0	0.0 2	0.0 C1	WORKS_EA	WORKS_DA	GOVT
g. Pilots on restoration of ecosystem services																														
Design of 3 pilots /a	Hectare	30	30	30	-				90	1	25 25	25					75 25										0.0 C1	NAT_EA	NAT_DA	GEF (100%)
Implementation of 3 pilots	Hectare		30	30	30				90	3	- 103	103	103				. 80	119		133					0.0	0.0 2	0.0 C1	NAT_EA	NAT_DA	GEF (100%)
Subtotal											25 128		103				83 25			133				163						
h. Investments in improvement of nurseries /b	Lumpsum		0.5	0.5					1	450	- 225	225				- 4	50 -	247	258				- :	604	0.0 50	1.0 2).0 C1	EQ_EA	EQUIP_DA	FAD (100%)
i. Financing mechanism for wood-saving energy investments for households /c																														
House improvements	House		62	146	167	104	21		500	3	- 156	368	421	262	53	- 12	160 -	145		375	234	47	- 11				0.0 C1	GRANTS_EA	GRANTS_DA	IFAD (50%), BEN (<50%>, FT)
Energy-saving and renewable technologies	House		394	919	1 050	656	131		3 150	1	- 221	515	588	367	73	- 17		205		524	328	65			0.0 50	1.0 2	0.0 C1	GRANTS_EA	GRANTS_DA	IFAD (50%), BEN (<50%>, FT)
Subtotal											- 377		1 009	629	126	- 30		350		900	561	113	- 2							
Subtotal											25 1 973	4 136	4 427	2 701	541	- 138	102 25	2 178	4 792	5 335	3 538	772	- 161	39						
Investments in rangeland rehabilitation and management																														
a. Pilots on rehanilitation and sustainable management (SRM) of rangelands /d																														
Community mobilisation and development of SRM plans /e	Hectare	300	400	100	-				800		60 80	20					60 61	92	25								0.0 C1	NAT_EA	NAT_DA	FAD (31.25%), GEF (68.75%)
Implementation of SRM plans	Hectare		100	233	267	167	33		800	1	- 50		134	84	17		- 00	- 58		173	120	26 31					0.0 C1	NAT_EA	NAT_DA	FAD (25%), GEF (75%)
Livestock watering facilities fied to SRM pilots /f Subtotal	Facility		3	1	8	5	1		24		- 75 60 205		334	125 209	42	- t	60 61	234		234 408	150 270	57	- 1		5.0 80	0.0 2	0.0 C1	WORKS_EA	WORKS_DA	FAD (100%)
b. Rangeland infrastructure and equipment											00 205	312	334	209	42	. 11	00 01	234	309	408	2/0	3/	. 1.	196						
n. Kangeland infrastructure and equipment Ranceland infrastructure (c	Number		10	23	07	17			80	25	- 251	578	679	407	75	- 20	111 .	281	663	796	512	92	- 2:	110	5.0 80	0.0 2	0.0 C1	WORKS EA	WORKS DA	FAD (100%)
Animal drinking troughs	Number		37	23 88	100	62	13		300	25	- 201	18	90	427	10		60 -	201	19	790	14	92			0.0 80 0.0 80			EQ EA	EQUIP DA	FAD (100%)
Subtotal	Number		31	00	100	02	13		300		- 259	10	699	440	79	- 20	-	288		818	526	95	- 2		J.U OL	1.0 2		EU_EA	EQUIF_DA	FAD (100%)
c. Livestock handling facilities /h	Facility		1	3	3	2	1		10	30	- 30		90	60	30		100 -			106	72	37			5.0 80	10 2	0.0 C1	WORKS EA	WORKS DA	FAD (100%)
d. Pasture access roads	Km		5	7	8	5			25	35	- 175	245	280	175			75 -	195		328	210						0.0 C1	WORKS EA	WORKS DA	FAD (100%)
Subtotal	1011								20		60 669		1 402	883	150	- 44				1 659	1 077	189	- 5		,,,		01	HOIGIO_EII	HOINO_DIT	110(1000)
3. Communal investments /i	Village		5	12	13	8	2		40	20	- 100		260	160	40		100 -			308	200	53			0.0 50	10 2	0.0 C1	EQ EA	EQUIP DA	FAD (100%)
4. Biophysical monitoring	Lumpsum	3	3	3	3	3	3	3	21		01 101	101	101	101	101 1		09 102			131	145						0.0 C1	NAT EA	NAT DA	FAD (98.3884%), GEF (1.6116%)
Subtotal										1	86 2843	5719	6 190	3 846	831 1	101 197	17 188	3 156	6 627	7 434	4 961	1 175	178 23							(
Total Investment Costs										20	10 5 256	6 3 1 9	6 190	3 846	831 1	101 245	54 2 031	5 940	7 366	7 434	4 961	1 175	178 291	185						
II. Recurrent Costs																														
A. Expertise support/	Lumpsum	0.68	1	1	1	1	0.82	0.5	6	56	38 56	56	56	56	46	28 3	37 39	60	61	63	64	54	33 :	374	0.0 100	0.0	0.0 C1	SALARIES_EA	SALARIES_DA	FAD (100%)
B. Field technical support staff /k	Lumpsum	1	1	1	1	1	1	1	7	248 2	48 248	248	248	248	248 2	248 17	36 251	286	306	322	356	394	437 2	152	0.0	0.0	0.0 C1		SALARIES_DA	GOVT
C. Operating costs	Lumpsum	1	1	1	1	1	1	1	7	37	37 37	37	37	37	37		58 37			48	53	59	65 3	350	0.0	0.0 2	0.0 C1	OPER_EA	OPERATING_DA	FAD (100%)
Total Recurrent Costs											23 341		341	341		313 23				432	473	507	535 31					_	_	
Total										23	33 5 597	6 660	6 531	4 187	1 162	414 268	85 2 358	6 329	7 779	7 866	5 434	1 681	713 32	60						

is 3 sites, 30 haisite
to E.g. solar panels, imigation
to Lang-grant (3050 ratio, zero interest rate
to 24 sites
to 24 sites
16 24 sites
16 24 sites
Thimse processible, water facilities will also serve for human consumption
19 E.g. 90 sites; infrastructures including sheets and other flettings (e.g. solar power stations)
th lincludes the construction and/or rehisition of health sations
16 E.g. PV panels, CT centroliniment; balleny, etc.
19 kinductes and imprience, a livestock deport, an agricultural assistant
14 Staff seconded by the Government

Republic of	Turkiye
EIDAT	

Table 1. Micro-catchment planning and natural resources management
Detailed Costs

FIRAT																																		
Table 1. Micro-catchment planning and natural resources management															Expendi	itures by F	inanciers	(US\$ '000))															
Detailed Costs				IFA								GEF									Beneficia									Governm				
	2025	2026	2027	2028	2029	2030	2031	Total	2025	2026	2027	2028	2029	2030	2031	Total	2025	2026	202	27 2	028	2029	2030	2031	Total	2025	2026	2027	202	<u>28</u> 20	029 2	.030	2031	Total
I. Investment Costs																																		
A. Participatory micro-catchment planning and capacity building																																		
Participatory development of micro-catchment plans (MCP)	1 333	2 030	542					3 906																		330	5.0	7 13	36					976
Hydrological studies and ad hoc studies identified during MCP	81		49					222																		20) 2	3 1	12					56
Youth and women socio-economic studies	32	74						106																			1	.8						27
Climate risk analysis and vulnerability assessments	-								19	21						40											;	5						10
5. Capacity building in SLM and NbS	-								11	13						24																		-
Subtotal	1 446	2 196	592					4 234	30	34	-				-	64		-	-			-	-	-		366	55	34 14	8	-				1 069
B. Rehabilitation and sustainable management of natural resources																																		
1. Investments in afforestation, reforestation and soil erosion control																																		
a. Afforestation-IFAD		247	617	742	514	114		2 234												-			-				- 6			186	128	28		559
b. Afforestation-GVT	-	-					-				-				-				-	-	-	-	-	-			- 25	3 63	31 7	759	525	116		2 285
c. Rehabilitation of existing forest-IFAD	-	127	316	380	263	58	-	1 143			-				-				-	-	-	-	-	-			- 3			95	66	15		286
d. Rehabilitation of existing forest-GVT	-	-					-				-				-				-	-	-	-	-	-			- 12			388	269	59		1 169
e. Soil erosion control-IFAD		257	641	771	533	118		2 320																			- 6			193	133	30		580
f. Soil erosion control-GVT							-				-									-		-	-				- 26	3 65	i6 7	788	545	121		2 373
g. Pilots on restoration of ecosystem services																																		
Design of 3 pilots /a	-								20	23	25				-	68			-	-	-	-	-	-		Ę		6	6		-			17
Implementation of 3 pilots										95	101	107				303		<u>- </u>									. 2	<u> </u>	25	27	<u> </u>	<u> </u>		76
Subtotal									20	118	126	107				371				-	-		-			5	, 2			27				93
h. Investments in improvement of nurseries /b	-	197	206					404																			- 4	9 5	52					101
i. Financing mechanism for wood-saving energy investments for households /c																																		_
House improvements		72	167	188	117	24		567												167	188	117	24		567 794			J			0	- 1		0
Energy-saving and renewable technologies Subtotal		102	233	262	164	33	<u> </u>	794 1 361	<u> </u>	<u> </u>	<u> </u>			<u> </u>	-					400	262	164	33					<u> </u>	0	0	<u>-0</u>		<u> </u>	0
Subtotal				450	281	56 346			-		-	407			-						450	281	56 56	-					0	0	0	0		7 445
		1 003	2 180	2 343	1 590	346		7 462	20	118	126	107			-	371		- 17	/5	400	450	281	56		1 361	5	88	2 08	ib 24	436 1	1 667	369	-	7 445
2. Investments in rangeland rehabilitation and management																																		
a. Pilots on rehanilitation and sustainable management (SRM) of rangelands /d	15	23																																
Community mobilisation and development of SRM plans /e Implementation of SRM plans	15		- 6	35	24	·	-	104	33	51 35	14	104	70	40		312							-			12	:]	2 2	5 29	35	24	-		36 104
Livestock watering facilities tied to SRM pilots /f		67	29 161	188	120	24		559		35	00	104	12	10		312														47	30	5		140
Subtotal	15		195	222	144	30	 -	708	33	85	100	104	72	16		410		-	<u> </u>		<u> </u>	<u> </u>	<u> </u>			12		7 7	10	82	54	11	<u> </u>	280
b. Rangeland infrastructure and equipment	13	102	190	222	144	30		700	33	00	100	104	12	10		410										12		, ,	-	02	34	- 11		200
Rangeland infrastructure /g		224	530	636	410	74		1 875																			. 5	6 13	22	159	102	18		469
Animal drinking troughs		6	15	18	11	2	- 1	53			- 1		- 1								- :		- :					2 13	.5 1	109	3	10		13
Subtotal		231	546	654	421	76		1 928							-			. —			 -						- 5	8 13	36	164	105	19		482
c. Livestock handling facilities /h			83	84	58	29		281																						21	14	7		70
d. Pasture access roads		156	225	263	168			811																			. 3			66	42	- 1		203
Subtotal	15		1 048	1 224	790	135		3 728	33	85	100	104	72	16	-	410			-			-		-		12	15	0 28	37 (332	215	38		1 034
3. Communal investments /i		88	220	246	160	42		757					-														. 2			62	40	11		189
4. Biophysical monitoring	80		98	103	114	126	140	753	2	2	2	2	2	3	3	15										20			25	26	29	32	36	192
Subtotal	95	1 698	3 546	3 9 1 6	2 654	650	140	12 700	55	205	228	213	74	18	3	796		- 17	75	400	450	281	56		1 361	38	1 07	8 245	i3 21	855 1	1 951	450	36	8 861
Total Investment Costs	1 542	3 894	4 138	3 9 1 6	2 654	650	140	16 934	85	239	228	213	74	18	3	860		- 17	75	400	450	281	56		1 361	404	1 63	2 2 60	J1 21	855 1	1 951	450	36	9 929
II. Recurrent Costs																																		
A. Expertise support /j	39	60	61	63	64	54	33	374																										
B. Field technical support staff /k				-			-				-		-						-	-	-					251	28	6 30	J6 :	322	356	394	437	2 352
C. Operating costs	30	34	36	38	42	47	52	280			-							-	-	-			-			7		9	9	10	11	12	13	70
Total Recurrent Costs	69	94	98	101	106	101	85	654	-	-	-	-	-	-	-				-	-	-	-	-		-	258	29	95 31	5 :	331	367	406	450	2 422
Total	1 611	3 988	4 235	4 017	2 761	751	225	17 588	85	239	228	213	74	18	3	860		- 17	75	400	450	281	56	-	1 361	662	1 92	7 291	6 31	187 2	2 318	856	485	12 351

la 3 sites, 30 ha/site
b E.g. solar panels, irrigation
c Losargarar 50,50 ratio, zero interest rate
d 24 sites
le 24 sites
le 24 sites
Vilvan possible, water facilities will also serve for human consumption
lg E.g. 80 large infrastructures including sheds and other fittings (e.g. solar power stations)
ht includes the construction and/or rehabilistion of health stations
V.E.g. PV panels, CT certiferitemet, bakey, etc.
Vi includes a civil engineer, a (Nevstock opertan agricultural assistant
Vs. Staff seconded by the Government.

17

Republic of Türkiye FRAT Table 2. Investments in Improved Climate-Resisient Infrastructure. Livelihoods and Access to Markets										Unit Cost															_	Parame Phy.	ters (in %)		v Divisions		
Detailed Costs					Quantit	len.				(US\$			Dana (Cost (US\$ '0)	00)					Tatala lash	dina Canti	gencies (US	1000				or. G	ross	Expenditure	Other Ac	naurata.
Detailed Costs	Unit	2025	2026	2027	2028		2030	2031			2025 202	26 2027				2021	Total	2025		2027			2030	2021		Rate E		Rate Componer		Disb. Acct.	Fin. Rule
		2023	2020	2021	2020	2023	2030	2031	TOISI	000)	2023 202	202			2030	2031	Total	LULU	2020	2021	2020	1023	2030	2001	Olbi	Noio L	AUII. 102	resis Componen	t Account	DISU. HUUL	T III. NOIC
L Investment Costs A. Revolving fund facility for improving climate-resilient production, processing and marketing 1. Revolving fund facility /a																															
a. Window for poor and transitory poor producers	Investment		812	1896	2 167	1 354	271		6 500	6	- 4	872 11	376 131	002 81	124 1 62	26 -	39 000		4 790	11 127	12 674	7 919	1 585		38 094	0.0	73.0	20.0 C2	GRANTS_EA	GRANTS_DA	FAD (73%), BEN (<27%>, FT)
b. Window for producer organisations and aggregators	Investment		3	8	8	6			25	50		150	400	400 3	300		1 250		139	362	357	268			1126	0.0	50.0	20.0 C2	GRANTS_EA	GRANTS_DA	FAD (50%), BEN (<50%>, FT)
c. Transaction costs of the revolving fund	Lumpsum		0.12	0.3	0.33	0.21	0.04		1	112		13	33	37	23	4 -	- 112		15	41	48	34	7		145	0.0	0.0	20.0 C2	NAT_EA	NAT_DA	GOVT
Subtotal										_	- 5	035 11	809 13	439 84	447 163	30 -	40 362		4 945	11 530	13 078	8 220	1 592	-	39 365						
2. Business development services for grant design /b	Lumpsum	0.15	0.2	0.2	0.2	0.2	0.05		1	767	115	153	153	153	153 3	38 -	767	116	177	189	199	220	61		963	0.0	0.0	20.0 C2	NAT_EA	NAT_DA	IFAD (100%)
3. Youth mentoring and coaching	Lumpsum	0.15	0.2	0.2	0.2	0.2	0.05		1	180	27	36	36	36	36	9 -	180	27	42	44	47	52	14		226	0.0	0.0	20.0 C2	NAT_EA	NAT_DA	IFAD (100%)
4. On-farm sustainable soil and water management practices and IPM																															
a. Viability assessment for on-farm agroecologic practices /c	Lumpsum	0.5	0.5						1	58	29	29					- 58	29	33						62	0.0	0.0	20.0 C2	NAT_EA	NAT_DA	GEF (100%)
b. Implementation of agroecological practices for pioneer farmers	Lumpsum		0.25	0.25	0.25	0.25			1	195		49	49	49	49		195		56	60	63	70			250	0.0	0.0	20.0 C2	NAT_EA	NAT_DA	GEF (100%)
c. Training and farmer-to-farmer exchanges /d	Lumpsum			0.25	0.25	0.25	0.25		1	137			34	34	34 3	34 -	137			42	44	49	54		190	0.0	0.0	0.0 C2	TR_EA	TRAINING DA	IFAD (100%)
Subtotal										_	29	78	83	83	83 3	34 -	390	29	90	102	108	119	54	-	503						
5. Farmer to farmer, youth to youth learning study tours-FAD	Lumpsum		0.12	0.3	0.33	0.21	0.04		1	225		27	68	74	47	9 -	225		31	83	96	68	14		293	0.0	0.0	20.0 C2	NAT_EA	NAT_DA	IFAD (100%)
6. Farmer to farmer, youth to youth learning study tours-GVT	Lumpsum		0.12	0.3	0.33	0.21	0.04		1	75		9	23	25	16	3 -	- 75		10	28	32	23	5		98	0.0	0.0	20.0 C2	NAT_EA	NAT_DA	GOVT
7. Gender Action Learning System (GALS) facilitation for groups	Lumpsum		0.12	0.3	0.33	0.21	0.04		1	200		24	60	66	42	8 -	200		26	69	78	53	11		236	0.0	50.0	20.0 C2	INT_EA	INT_DA	IFAD (100%)
Subtotal										_	171 5	362 12	232 131	876 88	825 173	32 -	42 199	173	5 321	12 046	13 638	8 754	1 751	-	41 683						
B. Strengthening producer organisations and marketing																															
Strengthening producer organisations and marketing /e	Lumpsum		0.12	0.3	0.33	0.21	0.04		1	461		55	138	152	97 1	18 -	461		64	170	197	139	29		600	0.0	0.0	20.0 C2	NAT_EA	NAT_DA	IFAD (100%)
2. Marketing facilities	Lumpsum			1	1				2	129			129	129			259			148	152				300	5.0	80.0	20.0 C2	WORKS_EA	WORKS_DA	IFAD (100%)
Subtotal										_	-	55	268	281	97 1	18 -	720		64	319	349	139	29	-	900						
C. Investments in off-farm climate-resilient water infrastructure																															
Upgrade of small-scale irrigation schemes																															
a. Design of irrigation schemes	Lumosum	0.12	0.3	0.33	0.21	0.04			1	239	29	72	79	50	10		- 239	29	83	97	65	14			288	0.0	0.0	20.0 C2	NAT EA	NAT DA	FAD (100%)
b. Supervision of imigation schemes	Lumosum		0.12	0.3	0.33	0.21	0.04		1	120		14	36	39	25	5 .	- 120		17	44	51	36	8		156	0.0	0.0	20.0 C2	NAT EA	NAT DA	IFAD (100%)
c. Upgrade of small-scale imigation schemes if	Scheme		15	36	41	25	5		122	98	- 1	472 3	534 41	024 24	454 49	91 .	- 11 975		1 644	4 051	4718	2 940	601		13 953	5.0	80.0	20.0 C2	WORKS EA	WORKS DA	IFAD (100%)
Subtotal										_	29 1	558 3	648 4	114 24	489 49	96 .	12 334	29	1 743	4 193	4 834	2 990	609	-	14 397						
2. Training in water use efficiency	Lumosum		0.12	0.3	0.33	0.21	0.04		1	140		17	42	46	29	6 .	- 140		19	52	60	42	9		182	0.0	0.0	20.0 C2	NAT EA	NAT DA	FAD (100%)
Subtotal											29 1	575 3	690 4	160 25	518 50	01 .	12 474	29	1 762	4 245	4 894	3 032	617		14 579				-	-	
Total Investment Costs										_	200 6	993 16	190 18	318 114	440 2.25	52 .	55 392	202	7 147	16 610	18 881	11 925	2 398		57 163						
II. Recurrent Costs																															
A. Expertise support /g	Lumpsum	0.59	1	1	1	1	0.74	0.33	5.66	117	69	117	117	117	117 3	87 30	663	71	125	128	131	134	101	46	735	0.0	100.0	0.0 C2	SALARIES E	SALARIES DA	IFAD (100%)
B. Field technical support of	Lumpsum	1	1	1	1	i	1	1	7	248	248	248	248	248 2	248 24	48 248	1736	251	286	306	322	356	394	437	2352	0.0	0.0	0.0 C2	SALARIES E		GOVT
C. Operating costs	Lumpsum	1	1	1	1	i	1	1	7	98		98		98	98 9	98 98	685	99	113	121	127	141	156	172	928	0.0	0.0	20.0 C2	OPER EA	OPERATING DA	FAD (100%)
Total Recurrent Costs	Lampson										415	463	463	463 4	463 43	33 385	3 084	420	524	554	580	631	651	655	4 014				z. ercer	J. 2.1.1110_D/1	
Total										_	615 7		653 18						7 670	17 164	19 461		3 049	655							
T Wall											0.0 1		1000		200	J. J.	. 30410	022	. 310	104	10-401	12 300	0.040		·						

la Loan-grant ratio 5050, ano interest das

5 For the development of basiness piece, applications, for monitoring and follow up 3% of the matching grant salar of each investment

C brigands of oil, was and post management

of holding other material for scaling any approachody: practices

(a Capacity investment of producer organizations, available of porting any application of the producer organization, available of producer organizations, available of producer organizations of producer organizations of producer organizations of producer organizations of producer organization of producer organizations of producer organizations of producer organizations of producer organizations of producer organizations of producer organizations of producer organizations of producer organizations or producer organizations or producer organization organizat

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Detailed Costs
Table 2. Investments in Improved Climate-Resilient Infrastructure, Livelihoods and Access to Markets

FIRAT																																
Table 2. Investments in Improved Climate-Resilient Infrastructure, Livelihoods and Access to Markets															Expend	itures by Fir	nanciers ((US\$ '000)														
Detailed Costs				IF#								GE								Benef								The Gov				
	2025	2026	2027	2028	2029	2030	2031	Total	2025	2026	2027	2028	2029	2030	2031	Total	2025	2026	2027	2028	2029	2030	2031	Total	2025	2026	2027	2028	2029	2030	2031	Total
I. Investment Costs																																
A. Revolving fund facility for improving climate-resilient production, processing and marketing																																
1. Revolving fund facility /a																																
a. Window for poor and transitory poor producers		3 497	8 122	9 252	5 781	1 157		27 809										- 1 293	3 004	3 422	2 138	428		10 285			. 0	.0		0		0
 Window for producer organisations and aggregators 		70	181	178	134			563										- 70	181	178	134			563			. 0					0
c. Transaction costs of the revolving fund																										- 15	41	48	34	7		145
Subtotal		3 566	8 304	9 430	5 914	1 157		28 371		-	-			-		-	-	- 1 363	3 185	3 600	2 272	428		10 848		- 15	41	48	34			145
2. Business development services for grant design /b	93	142	151	159	176	49		770																	- 23	3 35	38	40	44	12		193
Youth mentoring and coaching	22	33	36	37	41	11		181																		۶ ذ	, 9	, 9	10	3		45
4. On-farm sustainable soil and water management practices and IPM																																
a. Viability assessment for on-farm agroecologic practices /c									23	27						50										3 7						12
 Implementation of agroecological practices for pioneer farmers 										45	48	51	56			200										- 11	1 12	. 13	14			50
c. Training and farmer-to-farmer exchanges /d			42	44	49	54		190																								-
Subtotal		-	42	44	49	54		190	23	72	48	51	56	-		250	-				-				- (3 18	12	. 13	14			62
Farmer to farmer, youth to youth learning study tours-IFAD		25	67	77	54	11		234																		- 6	. 17	19	14	3		59
Farmer to farmer, youth to youth learning study tours-GVT																										- 10	20		23	5		98
Gender Action Learning System (GALS) facilitation for groups		21	55	63	42	8	-	189	-	-	-	-														- 5	14	16	11	2		47
Subtotal	115	3 787	8 654	9 811	6 278	1 292		29 936	23	72	48	51	56			250		- 1 363	3 185	3 600	2 272	428		10 848	3	5 99	158	3 177	149	32		649
B. Strengthening producer organisations and marketing																																
 Strengthening producer organisations and marketing /e 		51	136	158	111	23		480																		- 13	34	; 39	28	6		120
2. Marketing facilities			119	121				240																			. 30	/30				180
Subtotal		51	255	279	111	23		720			-			-							-					- 13	64	1 70	28	6		180
C. Investments in off-farm climate-resilient water infrastructure																																
Upgrade of small-scale irrigation schemes																																
a. Design of irrigation schemes	23	66	78	52	11			230																		i 17	19	/ 13	3			58
b. Supervision of irrigation schemes		13	35	41	29	6		125																		- 3	. 9	10	7	2		31
c. Upgrade of small-scale irrigation schemes /f		1 315	3 241	3 774	2 352	481		11 163																		- 329	810	944	588	120		2 791
Subtotal	23	1 394	3 354	3 867	2 392	487		11 518					-													6 349	839	967	598	122	-	2 879
Training in water use efficiency		16	41	48	34	7		146																		- 4	10	/ 12		2		36
Subtotal	23		3 396	3 915	2 426	494							-													6 352	849			123	-	2 916
Total Investment Costs	138	5 248	12 305	14 005	8 814	1 809	-	42 320	23	72	48	51	56		-	250		- 1 363	3 185	3 600	2 272	428		10 848	40	0 464	1 071	1 225	783	161		3 745
II. Recurrent Costs																																
A. Expertise support /g	71	125	128	131	134	101	46	735																								
B. Field technical support staff /h																									25	1 286	306	322	356	394	437	2 352
C. Operating costs	79	90	97	102	112	124	138	742																	- 21	0 23	3 24	4 25	28	31	34	
Total Recurrent Costs	150	215	224	232	246	226	184	1 477	-	-	-		-	-	-										270	0 309	330	347	384	426	471	2 537
Total	288	5 463	12 530	14 238	9 061	2 035	184	43 797	23	72	48	51	56			250		- 1363	3 185	3 600	2 272	428		10 848	31	1 773	1 401	1 572	1 167	587	471	6 282

la Loan-grant ratio: 5050, zero interrest rate
b For the development of business plans, applications, for monitoring and follow up.3% of the matching grant value of each investment
b For the development of business plans, applications, for monitoring and follow up.3% of the matching grant value of each investment
b Industry of the material for scaling up agroecology practices
b Capacity development of productor organisations, analysis of potential geographical indications and branding
b Each scheme has a command area of approximately 75 Inctaines
b Includes an agricultural event a livestock assistant, a civil engineer, two imigation specialists, a livelihood and business development expert
is Staff seconded by the Government

Republic of Türkiye FIRAT									Unit															Pa	rameters (in	%)				
Table 3. Institutional strengthening and project management									Cost									_						Phy.	_		Summary	Divisions		
Detailed Costs	Unit	2025	2026 20		luantities	2020	2021		(US\$ (000) 20:	25 2026	2027	Base Cost			2021	Total	2025			g Continger			Tota	Cont.	For.	Gross Tay Pate	Component	Expenditure Account	Other A Disb. Acct.	ccounts Fin. Rule
Linvestment Costs A Institutional strengthening and policy support 1. Training and exchange visits a loduction training off side project staff is b. Training in M&E and MM c. Training in M&E and MM d. Exchange sides Subtotal 2. Development of stortrical guidelines for SRM and ecosystem restoration b 3. Implementation of communication and outreach plan on SLM 4. SSTC international workshops and cross-visits Subtotal	Lunpsum Lunpsum Lunpsum Lunpsum Lunpsum Lunpsum Lunpsum	1 1 1 1 1	1 1	. 1 . 1	1 1 1	1	0.16	1 6 1 6	10 3 25 10 93 18	10 3 25 10 48	3 - 10 1 13 1 93 3 11 1	3 3 3 11 11 27 27	3 - 10 13 - 3 11	3		10 16 25 60 111 93 18 56	10 3 25 10 48	. 3 . 12 15 107 3 12 137	3 12 16 4 12 31	. 3 . 13 16 . 4 12	4 14 18 4 13 35	4 16 20 5	- 1	10 0.0 20 0.0 225 0.0 77 0.0 333 007 0.0 25 0.0 62 0.0	0.0 0.0 0.0 0.0 0.0	0.0 0.0 0.0 0.0 20.0 20.0 0.0	C3 C3 C3 C3 C3 C3 C3 C3	TR_EA TR_EA TR_EA TR_EA NAT_EA NAT_EA	TRANING_DA TRANING_DA TRANING_DA TRANING_DA NAT_DA NAT_DA TRANING_DA	FAD (100%) FAD (100%) FAD (100%) FAD (100%) GEF (100%) GEF (100%) FAD (100%)
B. Project management 1. Project condination a. Equipment and goods Tablets for MAE Accouring software MS software Subtotal b. Training and workshops	Number Lumpsum Lumpsum	20 1 1	:	:	: :	:	:	20 1 1	43 43	4 43 43 90					:	4 43 43 90	4 44 44 92	:	:	:	:	:	-	4 0.0 44 0.0 44 0.0	50.0 50.0	20.0 20.0 20.0	C3 C3 C3	EQ_EA EQ_EA EQ_EA	EQUP_DA EQUP_DA EQUP_DA	FAD (100%) FAD (100%) FAD (100%)
Project staft-up and planning workshops Project steeling committee meetings Subtotal Subtotal 2. Monitoring and evaluation	Lumpsum Lumpsum	1	1	1	1 1	1	1	7	3	10	3 10 1	7 7 3 3 10 10 10 10	3 10	7 3 10 10	7 3 10	49 20 69 159	7 3 10 102	8 3 11	9 4 12 12	9 4 13	10 4 14 14	5 16	5 17	66 0.0 27 0.0 93 85		0.0	C3 C3	TR_EA TR_EA	TRAINING_DA TRAINING_DA	FAD (100%) GOVT
a. Baseline survey b. Midine survey c. Endline survey and completion report d. Support to MAE of CEF activities Substatal 3. Knowledge management and communication	Study Study Study Lumpsum	1	1	1	1 - 1	1	1	1 1 1 6	114 46 66 10	114	10 1	- 46 - 10 10 10	10 10	10 10	66 10 76	114 46 66 62 288	115	12 12	13 13	60 - 14 73	15 15	17	16 1 18	15 0.0 60 0.0 16 0.0 88 0.0	0.0	20.0 20.0 20.0 20.0	C3 C3 C3	NAT_EA NAT_EA NAT_EA NAT_EA	NAT_DA NAT_DA NAT_DA NAT_DA	FAD (100%) FAD (100%) FAD (100%) GEF (100%)
a. Development of knowledge management and communication products it: Subtotal Total Investment Costs II. Recurrent Costs A-PMU Statries	Lumpsum	1	1	1	1 1	1	1	7				3 3 23 69 50 96			3 89 92	18 466 743	3 220 268	3 26 163	3 28 60				56 5	25 0.0 89 16	0.0	20.0	C3	GOODS_EA	GOODS_DA	FAD (100%)
1. Central staff a. Poject coordinator b. MME expert c. KMACCOM expert d. MME assistant e. Financial manager 1. Accountant d. Pinanciament officer h. Interpretent Secretary Subtotal Subtotal 1. Procurement officer h. Interpretent Secretary Subtotal	Person year Person year Person year Person year Person year Person year Person year	1 1 1 1 1 1 1.5	1 1 1 1 1 1 1	1 1 1 1 1 1 1 1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 1 1 1 1 1 1 1	1 1 1 1 1 1 1	7 7 6 6 7 7 7 7.5	20 20 20 15 20 15 20 15 20	15 20 15 20 31	20 2 15 1 20 2 20 2	20 20 15 15 20 20 15 15 20 20	20 15 20 20	20 15	20 20 20 - 20 15 20 20 138	143 143 122 92 143 107 143 153	21 21 - 15 21 15 21 15 21 31	24 24 24 18 24 18 24 24 27	25 25 25 19 25 19 25 19 25 25	26 26	29 29 29 22 29 22 29 22 29 29 29	32 24 32 24	36 1 - 1 36 1 27 1 36 1	93 0.0 73 0.1 18 0.0 93 0.0 45 0.0 93 0.0 04 0.0	0.0 0.0 0.0 0.0 0.0	0.0 0.0 0.0 0.0 0.0 0.0 0.0	C3 C3 C3 C3 C3 C3 C3 C3	SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA	SALARIES_DA	FAD (100%) FAD (100%) FAD (100%) FAD (100%) FAD (100%) FAD (100%) FAD (100%) FAD (100%) FAD (100%)
2. Regional staff a. Regional project coordinator b. Regional project assistant (2) (d c. Gendre targeting and social inclusion expert (2) (e d. Sustainable land management expert d. Sustainable land management expert f. IMSE expert g. IMSE expert g. IMSE expert d. IMSE exp	Person,year Person,year Person,year Person,year Person,year Person,year Person,year Lumpsum	1 2 2 1 1 1 1 1 1	1 2 2 1 1 1 1 1 1 1	1 2 2 1 1 1 1 1 1	1 1 2 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 2 2 1 1 1 1 1	1 2 1 1 1	7 14 12 5 6 6 6 7 7		20 15 15 20 204 204 205 204	15 1 20 2 204 20	20 20 20 20 15 15 15 15 20 20 04 204 59 59	15 20 204 59	20 184 59	20 31 - - - 15 20 87 59	143 214 245 102 122 122 92 107 143 1 290 412 2 747	21 31 41 21 21 21 15 15 21 206 59	24 35 47 24 24 24 18 18 24 235 68	25 38 50 25 25 25 19 19 25 252 73	76	84	32 292 11 94 11	- 3 - 1 - 1 - 1 27 1 36 1	90 0.0 15 0.0 25 0.0 58 0.0 58 0.0 18 0.0 45 0.0 93 0.0 95 0.0	0.0 0.0 0.0 0.0 0.0 0.0 0.0	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	C3 C3 C3 C3 C3 C3 C3 C3	SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA SALARIES_EA	SALARIES_DA SALARIES_DA SALARIES_DA SALARIES_DA SALARIES_DA	FAD (100%) FAD (100%) FAD (100%) GEF (100%) GEF (100%) FAD (100%) FAD (100%) FAD (100%) FAD (100%) FAD (100%) GOVT
Sutrotal B. Operating costs Total Recurrent Costs Total	Lumpsum	1	1	1	1 1	1	1	7 🔽		6 411 4	6	6 6 22 422	6 422	6 401	6 289	2788 2788 3531	6 416 684	486 650	513 7 520 580	8 547	8 606	9 638 5		55 0.0 22	0.0	20.0	C3	OPER_EA	OPERATING_DA	FAD (100%)

la 200 people
b lincludes policy support
c E.g. videos, flyers, brochures, etc.
d Watershed management specialists
le One per region
Y Both central and regional units

	Türkiye
IRAT	
Detailed C	itutional strengthening and project management osts
I. Investm	
	utional strengthening and policy support iining and exchange visits
	Infing and exchange visits Induction training of field project staff /a
	Training in M&E and KM
	Training in GALS
d. Subt	Exchange visits
	velopment of technical guidelines for SRM and ecosystem restoration /b
	ementation of communication and outreach plan on SLM
	TC international workshops and cross-visits
Subtota	
	ect management Dject coordination
	Equipment and goods
	Tablets for M&E
	Accounting software
	MIS software
	Training and workshops
۵.	Project start-up and planning workshops
	Project steering committee meetings
	btotal
Subt	
	nitoring and evaluation Baseline survey
	Midline survey
	Endline survey and completion report
	Support for M&E of GEF activities
Subt	otal owledge management and communication
	Development of knowledge management and communication products /c
Subtota	ıl
	stment Costs
II. Recurre	nt Costs Salaries
	ntral staff
	Project coordinator
	M&E expert
	KM&COM expert
	M&E assistant Financial manager
	Accountant
	Procurement officer
h. Subt	nterpreter/Secretary
	gional staff
	Regional project coordinator
	Regional project assistant (2) /d
	Gender targeting and social inclusion expert (2) /e
	Sustainable land management expert Stakeholder engagement and communication expert
	M&E expert
	M&E assistant
h.	Financial officer
	Procurement officer
Subt 3 Se	otal conded PMU staff /f
Subtota	
B. Open	

			IFAD							Expendit	ures by Fir GE		JS\$ '000)						The Co	vernment			
2025	2026	2027		2029	2030	2031	Total	2025	2026	2027	2028	2029	2030	2031	Total	2025	2026	2027	2028	2029	2030	2031	Total
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10 48	12 15	12 16	13 16	14	16 20		133		-		-				-				-	-		-	
-	-	-	-	-	-		133		86						86		21						2
-	12	12	12	13	13	-	62	-	3	3	3	3	4	4	20	-	1	1	1 1	1	1	1	
48	26	28	29	31	33		195		88	3	3	3	4	4	106		22	1	1 1	1	1	1	2
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7 81	8	9	9	10 10	11	12 12	66 139		-	-	-		-		-	3 21	3	4		4	5		2
81		9	9	10	- 11	12	139	-	-	-	-	-	-		-	21	3	-	+ 4	4	. 5	. 5	4:
92	-	-	48	-	-	-	92 48	-	-	-	-	-	-	-	-	23	-		 - 12	-	-	-	12
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92	 -		48	 -		93	233		10	10	11	12	13	15 15	71	23	2	3				27	
32									10	10		12	13	13		25	-	,	, 13				
175	10	11	<u>3</u> 59	13	14	109	20 392	-	10	10	11	12	13	15	71	45	6		1 1 7 19	1	9	33	120
223	37	39	88	44	47	109	587	-	98	13	14	15	17	19	176	45	28	7				34	153
21	24	25	26	29	32	36	193																
21	24	25 25	26 26	29 29	32 32	36 36	193 173	-	-	-	-	-	-	-	-	-	-			-	-	-	
15	24 18	19	20	29	24	- 36	118	- :	- :	- :	- :				- :		- :						
21	24	25	26	29	32 24	36 27	193	-	-	-	-	-	-	-	-	-	-			-	-	-	
15 21	18 24	19 25	20 26	22 29	32	36	145 193	- :			- :				- :								
31	24	25	26	29	32	36	204																
144	177	189	199	220	243	242	1 414	-	-	-	-	-	-	-	-	-	-				-		
21	24	25	26	29	32	36	193					-		-	-						-	-	
31 41	35 47	38 50	40 53	44 59	49 65	54	290 315			- 1					- 1		- 1		: :			:	
-		-	-	-	-		-	21	24	25	26	29			125								
21	24	25	26	29	32	-	158	-	-	-	-	-	-		-	-	-			-	-		
21 15	24 18	25 19	26 20	29 22	32 24		158 118																
15	18	19	20	22	24	27	145	-	-	-	-	-	-	-	-	-	-			-	-		
21	24	25	26	29	32	36	193	-	-	-	-	-			-							-	
186	212	226	238	264	292	153	1 570	21	24	25	26	29			125	59	68	73		84	94	104	
	388	415	437	484	535	395	2 984	21	24	25	26	29	-	-	125	59	68	73	3 76	84	94	104	55
330																							
330 5 335	5 394	6 421	443	490	<u>7</u> 543	403	3 028	21	24	25	26	29			125	61	1 69	74					

la 200 people

1/b it includes policy support

1/c E.g. videos, flyers, brochures, etc.

1/d Watershed management specialists

1/e One per region

1/f Both central and regional units

21



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 4: Economic and Financial Analysis

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department

Annex 4: Economic and Financial Analysis

- 1. This annex presents the ex-ante economic and financial analysis (EFA) of the proposed Euphrates River Watershed Rehabilitation Project (FIRAT). The evaluation is built on the cost-benefit analysis (CBA) approach applied to the core project interventions: (i) the rehabilitation and sustainable management of natural resources, (ii) the revolving fund facility for improving climate-resilient production infrastructure, aggregation, processing, and marketing, and (iii) the investments in off-farm climate-resilient water infrastructure. Part I of this annex introduces the identification of benefits, followed by Part II which describes the methodology and assumptions used for the CBA analysis. Part III presents the economic analysis for the first component of the proposed project, while Part IV describes the financial analysis for the other interventions. Finally, Part V summarizes the economic results of the project, including a sensitivity analysis under different scenarios.
- 2. **Overall, FIRAT interventions are economically justified,** generating an indicative economic net present value (NPV) of the net additional benefits (using a social discount rate of 6%) of USD 93 million and an economic internal rate of return (EIRR) of 18.9% over a 20-year period and on a total budget of USD 98 million. These economic results are satisfying (the EIRR being more than 3 times the social discount rate), given that several other project benefits could not be quantified due to the difficulty of assigning them a monetary value. In addition, these economic results are robust when testing several sensitivity scenarios, including delays in implementation, cost overruns and reductions in benefits.

I. Identification of Benefits

- 3. **Two main quantifiable, mutually reinforcing benefits are expected from FIRAT.** First, the project will lead to *permanently higher rural incomes* thanks to increased productivity and sales. The higher productivity will directly result from several project outcomes, such as higher availability and access to improved climate-resilient technologies and innovations (i.e., improved inputs and assets, integrated soil and water management practices, irrigation, and other infrastructure), and to consistent, high-quality technical advisory and extension services. Moreover, beneficiaries will record higher sales thanks to their increased integration into remunerative domestic and exports markets. This will result from the promotion of diversification at farm and/or post-farm levels into higher value-added agricultural products. It will also be the effect of the better positioning of agricultural products through the strengthening of business and marketing skills of producers' organisations and through the participation in trade events.
- 4. The second main benefit resulting from FIRAT is the *increased climate* change resilience and adaptation. By addressing soil erosion and land degradation in the watershed, the project interventions will mitigate the impact of increased climate variability and change (e.g., by reducing the risk of landslides and floods and prolonging the life of the Atatürk and Karakaya dams). Moreover, the promotion of the sustainable management of natural resources in the targeted areas will ensure their conservation and sustainable use by the beneficiaries. Their resilience and adaptive capacity will also be strengthened through the increased availability of the above-mentioned climate-smart agriculture technologies and practices. In addition, natural resource management interventions will lead to income diversification thanks to new income-generating opportunities (e.g., timber, and non-timber forest production or recreational activities). Consequently, higher climate resilience and adaptation will not only secure the stability of agricultural incomes and rural livelihoods but also make them more remunerative.
- 5. **FIRAT will also have other positive impacts, non-quantifiable at this stage due to data availability and valuation related issues.** These include higher social and economic inclusion of women and youth, as all project components incorporate genderand youth-focused interventions (e.g., prioritizing their access to technologies and practices) and consequently, improved distributive justice. Besides, FIRAT will lead to

increased food security and nutrition, higher resilience of vulnerable groups, improved microclimate regulation, enhanced institutional capacity and policy frameworks, demonstration effects, greater community participation, etc.

II. Methodology and Assumptions

- This analysis follows the standard methodology for cost-benefit analysis recommended by IFAD and the World Bank, as described in Gittinger (1982), Belli et al. (2001) and is aligned to the recent guidelines for economic and financial analysis. The present analysis builds on the data provided by the General Directorate of Forestry (OGM), those collected during the FIRAT design mission and those collected during recent missions of similar projects in Türkiye, complemented with desk research.1 The financial analysis was conducted by comparing the with-project (WP) situation, modelled from the perspective of the target beneficiaries, with the without-project (WOP) situation. As many interventions are strongly demand-driven, the type of investments to be modelled were chosen based on their expected demand given the agricultural characteristics of the targeted areas and the different profile of actors who will be supported by the project. Altogether 16 models have been prepared for indicative crops and livestock, with computed costs and benefits experienced by the beneficiaries, using market prices (full description below). The analysis assumes a gradual uptake of improvements depending on the type of activity. Family labour is valued (imputed) at the same price as hired labour. The opportunity cost of capital used is in line with the guidelines of international organizations and the practice of recent projects, i.e. 19%.² Moreover, the financial models for the present analysis are mostly developed over a 5-to-20-year period, depending on the nature of the investment.
- 7. The economic analysis uses the incremental benefits, aggregating the targeted results of the project and from the society viewpoint. It assumes a different adoption rate depending on the investment type.³ Conversion factors have been calculated for different product categories and have been used to convert financial prices into economic ones. As some of the project costs are integrated in the individual models, the total project economic costs have been adjusted to avoid double-counting and are subsequently subtracted from the additional benefits to determine the overall economic viability of the project. For the years after the closure of FIRAT, an additional annual cost equal to the average annual coordination expenses of the program has been added to account for project monitoring activity. The discount rate used for the economic and financial analysis is 6%, which is in line with the World Bank guidelines and the practice of recent projects.⁴ Given the nature of the investments included in the project, the duration of the analysis has been considered for 20 years.⁵
- 8. In economic terms reducing the degradation of the forest land in the targeted areas while ensuring their sustainable management is a core objective

 $^{^{1}}$ The data collected for the completion report of the MURAT in 2022 and those collected for the mid-term review of the URDP in November 2023.

² This is the average interest rate on Turkish lira deposits (% per annum) based on available forecasts by the Central Bank of Türkiye over the project period. Source: The Economist Intelligence Unit, March 2024.

³ The analysis assumes a success rate of 90% for the investments in natural resource restoration (i. e., afforestation, rehabilitation of existing forest) and an adoption rate of 70% for the investments in the improved infrastructure and livelihood in line with the project log frame.

⁴ World Bank (2016): Discounting of Costs and Benefits in Economic Analysis of World Bank Projects, The World Bank, Washington DC, 11 p. Given the recent national economic developments, the present analysis considers that the interest rate on Turkish long-term government bonds does not accurately reflect the Turkish social discount rate. Hence, it uses a social discount rate of 6% based on the Ramsey rule as recommended by the World Bank, which is also more in line with the relevant literature (see for instance Akbulut et al. (2019), https://www.sciencedirect.com/science/article/abs/pii/S003801211730318X#:~:text=The%20overall%20resul t%20of%20the,because%20of%20limitations%20and%20simplifications).

⁵ NRM projects are often analysed over a minimum of 25 years as economic benefits are realized late in the project and tend to last for long. However, given that many proposed investments have a shorter lifespan, the present analysis assumes an average period of analysis of 20 years.

- **of FIRAT.** Under sub-component 1.2, the project aims to: (i) support afforestation of 1,500 hectares of slopes highly prone to soil erosion and suitable for tree coverage; and (ii) rehabilitate additional 1,500 hectares of existing forest. The total cost for both is approximately USD 7.7 million.
- Given that forest ecosystems provide a wide range of services, their estimation is a complex exercise. While the level of data required to perform a fullfledged analysis is not available at present, it is nonetheless possible to provide an estimation of the main potential benefits for which quantitative information can be obtained and conservative assumptions can be made. For this purpose, the present analysis relies on the benefit transfer method based on two recent valuation studies on forest ecosystems in Türkiye.⁶ Those two studies quantify and assess the economic value of services provided by forests in two areas in the southern part of the country, Kulumca and Konya. The ecosystem services identified and quantified in these two areas are timber production, carbon storage, biodiversity conservation, water production and cultural services. The two areas differ in the level of services provided depending on the level of degradation: while ecosystem services are ranked medium-high in Kulumca compared to the national average, the provision capacity in Konya is evaluated medium-low. Given these limitations it is difficult to assess at this stage the capacity of the project targeted areas and therefore the present analysis considers an average value based on the total economic values of the two areas, which works out to be USD 3,547.5 per hectare per year.⁷ It is also assumed that the full realization of benefits will happen at Year-12 and that the operation and maintenance costs will amount to 6.5% of the average annual investment costs.8
- 10. Based on the above approach and assumptions, the investments in afforestation and rehabilitation of forest under subcomponent 1.2 are economically justified. The project afforestation activities will generate an economic net present value (ENPV) of USD 9.4 million and an economic internal rate of return (EIRR) of 17% over 20 years. On the other hand, the rehabilitation activities will generate an ENPV of USD 4.2 million and an EIRR of 16%.9

IV. Financial analysis of the investments in improved climate-resilient infrastructure and livelihoods

11. Through the adoption of a micro-catchment approach that integrates livelihood activities with natural resources restoration and sustainable management, the project impact will be also catalysed by rural climate-resilient infrastructure investments to be made both privately and publicly. Based on the experience gained on other IFAD projects in Türkiye and justified by the low level of net incomes of the beneficiaries, FIRAT triggers and supports investments by households, producers, and producers' organisations by providing matching grants, increasing credit availability, and offering business services support. Under sub-component 1.2, FIRAT will support a financing mechanism for wood-saving energy technologies for the poorest households. Under sub-component 2.1, FIRAT will co-finance the Revolving Fund Facility (RFF) currently operated by OGM for investments in production infrastructure, aggregation, processing, and marketing for producers. The RFF will have two windows: (i)

⁶ Başkent (2021). Assessment and valuation of key ecosystem services provided by two forest ecosystems in Turkey. Journal of Environmental Management 285:112135; and Başkent (2023). Characterizing and assessing key ecosystem services in a representative forest ecosystem in Turkey. Ecological Informatics 74: 101993.

According to Başkent (2021 and 2023), the forest in Konya provides an average income of USD 943/hectare/year while the forest in Kulumca provides an average of USD 6,132 /ha/year. For the rehabilitation, additional benefits are calculated as half of the estimated full value.

⁸ O&M costs are estimated based on https://www.ogm.gov.tr/tr/e-kutuphane-sitesi/mevzuat-sitesi/Talimatlar/2024%20Y%C4%B1|%C4%B1%20Birim%20Bedelleri.pdf.

⁹ If considered over a longer period, as generally done in NRM projects, the economic indicators will be higher. However, as above-mentioned, for ease of comparison with the other project investments, the period of analysis is 20 years. As this analysis is at project level, due to the nature of the activities, the discount rate considered is the social one, that is 6%.

Window 1 for poor and transitory poor small-scale producers who can benefit from a grant amount of maximum USD 5,000 to be matched by an equivalent interest-free loan; and (ii) Window 2 for small-scale farmers' producer organisations (cooperatives, associations etc.) and aggregators of agricultural products (off-takers) who can benefit from a grant amount of maximum USD 75,000 to be matched with an equivalent interest-free loan. Both mechanisms will build on the OGM financing scheme and will finance each investment through the provision of a grant covering 50% of its cost and an interest-free loan matching the remaining 50%. In addition, the project will provide 100% financing to off-farm, public, climate-resilient irrigation infrastructure which will enable small-scale producers to access water for agricultural purposes.

- 12. **Financing mechanism for wood-saving energy technologies.** In line with the successful experience of MURAT, FIRAT will contribute to reducing the pressure on forest resources by co-financing investments in wood-saving energy technologies (house improvements and renewables technologies) for a total budget of USD 2.7 million. To estimate the financial returns from these investments, this analysis has developed three models based on the savings allowed by the following technologies: house insulation, solar water heating, and cooking and heating stoves. Based on the achieved results highlighted in the MURAT project completion report, these three technologies will allow to save energy costs by either 50% (house insulation and cooking stoves) or 27% (solar water heating) in the WP situation.
- 13. **RFF: Window 1 for poor and transitory poor producers.** This window will support small-scale producers engaged in farming as their main livelihoods and whose limited assets have been damaged or lost due to the earthquake. There will be two types of beneficiaries classified in terms of their monthly income or productive assets: poor and transitory poor. Priority will be given to the poor and most vulnerable groups, which are expected to benefit from half of the allocated budget to Window 1 (approximately USD 39 million). Consequently, the present analysis assumes that activities for the poor producers will be those mainly concerning women and youth.

III. Economic impact of the investments in afforestation and rehabilitation of existing forest

- 14. As the project focuses on the recovery of production infrastructure from the earthquake, higher climate resilience, productivity, and diversification, there are not preselected priority products for the matching grant scheme and consequently, there is not a pre-defined number of investments allocated to specific value chains. However, this analysis takes informed assumptions on the share of grants by product to be distributed for the project period based on the agricultural profile of the target areas, the type of actors, the experience of relevant stakeholders and other relevant projects. According to 2022 national data, agricultural production in the six FIRAT provinces mainly concerns cereal and orchard production (approximately 72% and 16% of the total agricultural land, respectively), particularly pistachio, apricot, table grape, and wheat. As for livestock activities, these will focus mainly on dairy cattle, dairy sheep, and beekeeping. However, as highlighted by the MURAT completion report and confirmed by the project stakeholders, it is likely that women and youth will be also interested in investing in innovative activities bringing short-term results such as high value off-season crops such as tomatoes and cucumbers in greenhouses and strawberries in open fields.
- 15. Cereal production. Given the importance of wheat production in the targeted area, this analysis estimates that approximately 13.5% of Window 1 grants for small-scale producers will concern wheat production. In the WP situation, producers will be able to obtain not only 8.5 tons/ha of wheat but also two cycles of fodder per year for a total of

 $^{^{10}}$ OGM generally applies a matching ratio with a lower grant portion (20%). However, in consideration of the needs of the target groups, FIRAT will finance a higher matching grant portion.

70 tons/ha of maize silage, alfalfa, vetch, and oat compared to a WOP situation where only one cycle of rainfed wheat could be produced obtaining a yield of 4 tonnes/ha.¹¹

- 16. Apricot production. The available data suggest that 14% of the total budget for Window 1 will concern apricot production. To estimate the financial returns from such activity, two models have been developed describing the installation of an irrigated apricot orchard of 5 decares or 5,000 square meters (transitory poor) and of 2.5 decares or 2 500 square meters (poor) in the WP scenario. The orchard has about 13 trees/decare with an increasing yield, starting from 7 kg/tree in year 4 to 80 kg/tree from year 7 to the end of the economic life of the orchard (around 25 years). This will represent a considerable improvement over the WOP situation, that is, rainfed wheat production.
- 17. Pistachio production. This analysis assumes that approximately 8% of the Window 1 budget will finance investments in pistachio production. Financial benefits from this activity are estimated by developing a model which compares a WOP situation of rainfed wheat production on 5 decares or 5,000 square meters with a yield of 2 tonnes against a WP situation characterized by the installation of an irrigated pistachio orchard of the same size. The orchard would have about 130 trees each yielding about 6.8 kg/year at full realization of benefits in the 7th year.¹²
- 18. Table grape production. It is estimated that table grape production will receive about 2% of the matching grants under Window 1. The related financial benefits are estimated by modelling the production of a newly established vineyard of 5 decares in the WP situation. The vineyard will start producing around 200 kg of grapes per decare in year 3 until it reaches full production in year 6 with 1 tonne of grapes per decare. As before, the WOP situation is assumed to be rainfed wheat production.
- 19. Greenhouse vegetable production. Based on the successful experience of MURAT and on discussion with implementation partners, it is expected that FIRAT will support cucumber and tomato production in greenhouses under Window 1 for about 15% of its total budget.¹³ This analysis assesses the related benefits by modelling the vegetable production of a newly established greenhouse of 240 square meters equipped with drip irrigation. This installation allows the year-round production in the project target areas with obtained yields (17 tonnes of cucumber and 15 tonnes of tomatoes per year) representing a considerable improvement over the WOP situation, that is, rainfed wheat production.
- 20. Strawberry production. The MURAT project introduced a highly successful pilot initiative which financed the establishment of strawberry orchards with drip irrigation and mulching. Such initiative was then scaled up by the provincial directorate of Agriculture and Forestry of the province where the pilot was implemented by establishing a dedicated matching grant scheme. Based on discussions with implementation partners, the establishment of such orchards is expected to be financed also by FIRAT through approximately 5.25% of the budget of Window $1.^{14}$ To estimate the financial returns from such investments, the analysis compares the WOP situation of rainfed wheat production with a WP situation where the project will finance the establishment of an irrigated

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¹¹ Experts from the field indicate the potential yield for irrigated wheat as high as 1 ton/decare or 10 tons/ha, but the present analysis conservatively assumes the minimum improvement of 8.5 tonne/ha.

¹²On average, rainfed pistachio trees in Turkey yield 4 kg/tree in on-year and 2 kg/tree in off-years. However, it is estimated that irrigation will bring about a yield increase of at least 70% with less periodicity. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Tree%20Nuts%20Annual Ankara Turkiye TU2023-0030.pdf and

http://acikerisim.harran.edu.tr: 8080/xmlui/bitstream/handle/11513/368/B-37.pdf? sequence = 1 & is Allowed = y.

¹³ The 2022 MURAT completion report states that, following the immediate and short-term results of tangible farm incomes, the greenhouse initiative was rapidly scaled up by project and non-project beneficiaries on a self-financing basis. Discussions with the implementation partners and the experience not only of MURAT but also of URDP show that this investment may particularly concern women and youth.

 $^{^{14}}$ Based on results from the currently implemented URDP project, the analysis assumes that such investment will concern especially youth.

strawberry garden of about 2,500 square meters yielding about 9 tons of strawberry over a 3-year cycle.

- 21. Dairy livestock. Dairy livestock producers in the targeted areas have been severely hit by the earthquake. Hence, FIRAT will help restore and improve their production by supporting investments in infrastructure and equipment (e.g., barn rehabilitation, milking machines) for about 35% of the budget for Window 1. Three dairy livestock models are developed to estimate the financial benefits from these investments. They assume that the barn rehabilitation in the WP scenario will allow producers to restore their halved cattle (WOP scenario: 1 dairy cow and 25 dairy sheep for the poor and 3 dairy cows for the transitory poor). This will also allow higher production (e.g., from 15 litres/day/cow to 20 liters/day/cow and from 0.7 litres/day/sheep to 0.8 litres/day/sheep) and lower mortality rates. Hence, producers will improve their cheese production and sale of calves.¹⁵
- 22. Beekeeping, FIRAT is expected to support beekeeping through Window 1 with 7.25% of its total budget. Based on discussions with relevant stakeholders, this analysis has developed a model assuming that the project support will allow the investor to increase the quantity of her /his production by investing in additional 50 modern hives reaching over time a WP yield of 15 kg of honey against a WOP yield of 5 kg per hive. 16 Moreover, it is expected that the beekeeper will obtain a higher quality of the produce allowing her or him to sell at the recommended price by the Association of Beekeepers. 17
- 23. RFF: Window 2 for poor and transitory poor producers. This window will support small-scale farmers' producer organisations and aggregators of agricultural products who cooperate with the project's target group of small-scale agricultural producers. The total budget for this window is approximately more than USD 1.25 million. To estimate the benefits from such investments, as an example, the analysis develops a model on the establishment of a milk collection centre, based on the available information and experience of similar projects.¹⁸ The WP situation is characterised by a newlyestablished or rehabilitated collection centre with an average capacity of 5 tons/day of milk which succeeds to include in the milk value chain more than 1 ton of milk per year. Being a new activity, the model assumes no collection in absence of the project (with benefits equal to the remuneration of labour assumed to be engaged in other agricultural activities).
- 24. Investments in off-farm climate-resilient water infrastructure. Efficient irrigation infrastructure is essential for resilient livelihoods. For this purpose, FIRAT will upgrade dilapidated and inefficient small-scale irrigation facilities serving a total of 9, 150 hectares under sub-component 2.3. The upgrading of these schemes will be complemented by the on-farm irrigation investments financed through the RFF. Hence, to avoid double counting, this analysis subtracts the number of hectares to be supported under subcomponent 2.1 and estimates the financial returns on the remaining 7,288 hectares by developing a model on integrated irrigated wheat and fodder production against a WOP situation characterised by rainfed wheat production.
- 25. The calculation of financial returns of the models/ enterprises were undertaken using the assumptions described above and the results are summarised in the following table.

¹⁵ Most farmers interviewed during the field mission use their milk for cheese production. Calves are generally sold while female calves are used for herd renewal.

 $^{^{16}}$ Honey is the main beekeeping product in the target areas but with the project support it is possible that beekeepers could start producing other valuable bee products such as pollen and propolis like in other Turkish regions. However, this analysis conservatively assumes only honey production.

 $^{^{17}}$ The actual recommended price is 300 TKY per kg of honey, but prices may decrease up to a minimum of 127 TKY per kg. Farmers generally sell their honey at 200 TKY per kg.

¹⁸ The choice of this model is justified by the lack of milk collection activities that forces small-scale producers who do not engage in fresh cheese production to sell their milk at a cheaper price in the forest village as highlighted during the field mission.

Table A4.1. Summary of financial returns from investments in improved climate-resilient infrastructure and livelihoods

Category	Model	Net incremental benefits (USD/unit/year) *	Net present value (@19.1%, 5/10/15/20-year, USD)	IRR (%)	В/С
Financing	House insulation	498	462	25.0%	1.2
mechanism for wood-	Energy-saving stove	305	232	44.8%	1.3
saving energy technologies	Solar water heating	183	320	47.0%	1.6
	Irrigated wheat and fodder (5 decares)	1,262	1,835	40.3%	1.1
DEE Windows	Apricot (5 decares)	6,162	5,494	29.2%	1.9
RFF: Window 1. Transitory	Pistachio (5 decares)	5,933	5,215	28.5%	1.9
poor producers	Table grapes (5 decares)	4,475	5,799	32.7%	1.9
	Dairy cows (6 cows)	14,596	22,313	39.1%	1.3
	Beekeeping (100 hives)	3,620	5,028	35.3%	1.1
	Apricot (2.5 decares)	2,451	2,127	28.8%	1.9
RFF: Window	Greenhouse vegetable production	3,670	4,086	33.1%	1.2
1. Poor producers	Strawberry orchard	1,571	1,621	32.2%	1.1
producers	Dairy cows (2 cows)	5,931	8,839	34.9%	1.6
	Dairy sheep (50 sheep)	5,011	7,138	31.8%	1.2
RFF: Window 2	New milk collection centre	31,682	55,421	39.1%	1.03
Off-farm water infrastructure	Irrigated wheat and fodder (1 ha)	2,524	4,766	41%	1.1

^{*} At full realization of benefits, depending on the model, it could be an average over the lifespan of the main investment

26. As can be discerned from the table presented above, all financial models demonstrate the profitability of the investments. Table A4.1 above shows that all investments supported by FIRAT generate positive additional benefits, ranging from USD 183 for a solar water heating system for households to USD 3,682 for the newly established milk collection centre. Looking at the net present value (NPV) at a discount rate of 19.1% and at the financial internal rate of return (IRR), the results are more than satisfactory ranging from a NPV of USD 232 and an IRR of 44.8% for the energy-saving stove to USD 55,421 and an IRR of 39.1% for the new collection centre. Even the lowest IRR of 25% for house insulation is above acceptable rate of return. In sum, all representative investment models are financially sound.

V. Overall economic results

- 27. Overall, the economic results of FIRAT are positive, generating a net present value (NPV, at 6% social discount rate) of the incremental benefits of USD 93 million and an economic internal rate of return (EIRR) of 18.9% over a 20-year period and for a total budget of USD 98 million. These economic results can be considered very satisfactory in the light of the fact that (i) a number of associated project benefits could not be quantified due to the difficulty of assigning them a monetary value (Para 5 above), and (ii) the assumptions taken were conservative.
- 28. The economic results have been tested against several risk scenarios, including reduced delays in implementation, cost overruns, etc., as presented in Table A4.2 below.

The sensitivity analysis indicates that results are robust for small to moderate delays, cost overruns, and reduction in benefits. Yet, larger changes in these parameters, particularly in terms of delays in accruing benefits and reduction in the values of the benefits can affect the project's economic justification. These values need to move to extremes, however, for FIRAT to become economically unviable.

Table A4.2 Sensitivity analysis

Scenarios		EIRR	NPV (6%, USD)
Base scenario		18.9%	93,237,481.2
Costs	+10%	18.1%	89,781,742.6
Costs	+20%	17.3%	86,326,004.0
Costs	+30%	16.6%	82,870,265.3
Benefits	-10%	18.0%	80,457,994.5
Benefits	-20%	16.9%	67,678,507.7
Benefits	-30%	14.8%	51,443,282.3
Benefits delayed	1 year	17.1%	77,093,883.3
Benefits delayed	2 years	15.3%	61,526,798.8
Benefits delayed	3 years	13.5%	46,558,663.3
Benefits delayed	4 years	11.6%	32,600,211.3
Adoption rate	-10%	18.0%	80,457,994.5
Adoption rate	-20%	16.9%	67,678,507.7



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 5: Social Environment and Climate Assessment (SECAP) Review Note

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department

The SECAP Review note should build on the preliminary note mentioned above, draw on the results of the screening exercise and be informed by the issues raised during the design mission, the stakeholders interviews, publicly available tools and dataset, and environmental, social or climate-related studies that inform on the characteristics of the project location. The SECAP review note includes the revised ESMP and should be attached to the Project Design Report, integrated in Draft Project Implementation Manual (PIM) and COSTAB and shall be submitted to Design Review Meeting (DRM) or IRC (for NSOs).

1. Introduction

- 1. This Social, Environmental, and Climate Assessment Procedures (SECAP) review note contributes to the design of the Euphrates River Watershed Rehabilitation Project (FIRAT). The project aims to reduce poverty of the upland communities in the targeted Micro Catchments (MCs) of the Euphrates River watershed. The Project development objectives are to increase the income and resilience of small-scale producers, reduce soil erosion and land degradation while ensuring sustainable management of natural resources in the targeted MCs. The geographic scope of the project will include rural areas in approximately 80 MCs encompassing a total of 38 districts within the 6 targeted provinces, namely Adiyaman, Sanliurfa, Diyarbakir, Bingol, Elazig, Malatya.
- 2. This SECAP review note is prepared to identify potential social, environmental, and climate risks to the project, and possible impacts of the project, and recommend technically feasible and cost-effective adaptation and mitigation measures to be incorporated into the project design and implementation.
- Along with this SECAP review note, a draft Environmental and Social Management Plan (ESCMP), Archeological Chance Finds
 Procedures, and a draft Stakeholder engagement Plan (SEP) were developed by the FIRAT design mission. These are
 presented respectively in Attachment 1, 2 and 3.

2. Situational analysis and potential project impacts

4. Turkiye is an upper-middle-income country with Gross National Income (GNI) per capita of US\$10,590 (WorldBank, 2023) and a Gross Domestic Product (GDP) of US\$906 billion, is the 19th largest economy in the World. Since the early 2000s, Turkiye has made significant progress in economic and social development. This achievement is attributed to factors such as macroeconomic stability, financial sector reform, enhanced economic relations with the European Union, and a shift from agriculture to manufacturing and services (WorldBank, 2018). The persistent high unemployment rate, consistently above 10% since 2015, is exacerbated by reduced participation in the labour force, particularly among women and young individuals. Turkiye's geographic, climatic, and socioeconomic situations causes high exposure of its' rural population to the consequences of climate change and other environmental hazards, emphasising the crucial need to prioritise adaptation and resilience.

2.1 Socio-economic assessment

a. Overall poverty situation

- 5. Economic gains achieved over the past two decades enabled Türkiye to lift nearly 30 percent of its population out of poverty. As a result, absolute poverty is less than 1% in Türkiye^[1]. Türkiye's HDI value for 2021 was 0,838, putting the country in the Very High human development category and positioning it at 48 out of 191 countries and territories. Between 1990 and 2021, Türkiye's HDI value changed from 0.600 to 0.838, and change of 39.7 percent. Between 1990 and 2021, Türkiye's life expectancy at birth changed by 8.3 years, mean years of schooling changed by 4.2 years and expected years of schooling changed by 9.3 years. Türkiye's GNI per capita changed by about 139 percent between 1990 and 2021. The country's Inequality-adjusted Human Development Index (IHDI) is about 0.683 lower than its nominal HDI (0.838 very high) with human inequality coefficient at 16.7 ^[2].
- 6. **Negative Impact of the Earthquakes:** Southern regions rank among the poorest and they have been further impacted by the devastating earthquakes on February 6, 2023: beyond the human tragedy, physical damage in 11 provinces accounting for 16.4% of Türkiye's population and 9.4% of its economy. Direct losses are estimated at \$34.2 billion, but the reconstruction needs could be doubled. The earthquakes added pressures to an increasingly fragile macro-financial situation.
- 7. Relevant data included in the 2024 PSB Report on Kahramanmaraş and Hatay Earthquakes Recovery and Reconstruction Efforts specifically on the targeted provinces: The total number of barns with moderate or more severe damage in the EQ affected 11 provinces is 25,543; number of containers in rural areas 65,706 and people sheltered in rural areas are 246,653. In the target areas it estimated that 13,000 Barns have moderate/severe damage (51% of total 11 provinces affected); 24,500 containers provided in rural areas and number of people sheltered are 104,000 (corresponding to 37% and 42% of the total 11 provinces).
- 8. Forest villages rank among the poorest: Data suggests that extreme poverty is primarily a rural phenomenon, with 80% of the

extremely poor population living in rural locations. This is particularly true amongst forest villages, most of which experience poverty rates above 43% and reaching nearly 70% in the Mediterranean [4]. Today Türkiye has more than 21,000 forest villages; their combined population is 7 million (10 percent of Turkiye's population and 40% rural population), although it has been declining with rural-to- urban migration. Forest villagers depend on traditional animal husbandry, low-productivity agriculture and forestry work. Poverty rates in forest villages are high with 40 percent of households living below the 60 percent of median income in the villages. They typically have a living standard far below the national average, limited education and healthcare services and high unemployment rates [5].

- 9. The rapid population decline in forest villages is a consequence of out-migration to urban areas as people search for employment and better opportunities. Specifically, the high rates of out-migration are due to a lack of income sources and social services, poor infrastructure, and limited access to markets. Nearly 10% of all villages do not have access to water, 80% have no sewerage system and 53% have no internet access. Forestry work is seasonal, lasting for approximately five months, mostly in winter, and done under very harsh working conditions with low monetary remuneration. The combination of the seasonality of the work, and low pay, means that forests are not meeting the current needs of forest villagers [6].
- 10. **Poverty and Social Assistance programmes:** Social assistance amounted to approximately 1.36 percent of GDP in 2021, up from around 1.12 percent of GDP in 2014. Türkiye uses two different criteria for poverty targeting depending on the social assistance program: having a household per capita income lower than one-third of the minimum wage or having no income from formal employment (i.e., not registered in the social security system). Final decisions on eligibility are made by the Board of Trustees in local offices, which use a proxy means test for social assistance programs and hybrid means tests for universal health coverage as a decision-support tool. Majority of social assistance programme funding is concentrated in districts classified as 5 and 6 as per development index.
- 11. **Rural population.** Rural population is decreasing. As of 31 December 2022, 57 million 934 thousand 583 people resided in the localities classified as densely populated, which constituted only 1.6% of the total surface area of Türkiye. In other words, 67.9% of Türkiye's population resided in densely populated areas^[9]. In the localities classified as thinly populated (93.5% of Türkiye's surface area), reside 17.3% of the total population. On the other hand, 14.8% of the population resided in the intermediate-density areas that constituted 4.9% of the country's total surface area. The drivers of inter-and intra-regional migration from rural to urban areas include: human resource-related issues (low levels of education and few skills), ineffective institutional structures including farmer organizations (cooperatives, producer unions, etc.) needed to support rural development, highly scattered settlement patterns, insufficient investments to develop and maintain physical, social and cultural infrastructure, high rate of hidden unemployment, insufficient diversification of agricultural and non-agricultural income-generating activities resulting in low incomes and relatively low quality of life for the rural population.
- 12. **Agriculture sector and smallholders farmers:** The agricultural sector provided 6.5% of the country's GDP in 2022. Agriculture is characterised by two type of farmers: Small-scale farmers (≤100 Decares) constitute 82.6% of registered farmers, while large-scale farmers (>200 Decares) account for 6.4%. [10] These large farms are commercialised, well aware of global trends, national and international markets use latest technologies, interested in innovations and fully integrated into value chains. It is estimated that 2/3 of the registered farmers (about 2.3 million) are concentrated in regions and areas that usually have limited agricultural base, affected by rough topography (mountainous) and relatively disadvantaged in terms of climate remoteness.
- 13. Main challenges of smallholder producers: According to MoAF (2020)[11], the main challenges of small holders in Türkiye are accessing finance, cooperation, risk averse, lack of leadership and difficulty to reach to market and the heavy procedures in grant programs. The small holders cannot save capital to create a viable business in both agriculture and non-agriculture sectors since they operate at low levels of resource efficiency and output. Small holders, particularly fruit and vegetable producers, have difficulty to access the market since their products are perishable. Furthermore, they are more vulnerable to unfavourable weather conditions and climate change.
- 14. [1] Measured as the proportion of the population facing monetary poverty (percentage of households with less than 50 percent of the median disposable income) stands relatively high at 14.4 percent in 2022 and as high as 21.6% if the median disposable income threshold is increased to 60%. Importantly, high disparity in relative poverty rates persist in Turkiye. In general, upland and mountainous areas, which are more vulnerable to climate change burdens as well, have higher rates of economic poverty and are subject to rural-urban outmigration. Those areas are hard to reach, and thus under-served, due to their remoteness and escarpment and low population density.
- 15. [2] UNDP, Human Development Report 2020, available at: https://www.undp.org/sites/g/files/zskgke326/files/migration/tr/UNDP-TR-BRIEFING-NOTE-TURKIYE-EN.pdf
- 16. [3] Southeastern provinces of Adıyaman, Hatay, Kahramanmaraş, Kilis, Osmaniye, Gaziantep, Malatya, Şanlıurfa, Diyarbakır, Elazığ and Adana in Southern and Southeastern parts.
- 17. [4] World Bank. 2017. Poverty, Forest Dependence and Migration in the Forest Communities of Turkiye. Washington, D.C.: World Bank. .available at: https://openknowledge.worldbank.org/entities/publication/a196d034-325c-5c74-a945-63b7d011c51f
- 18. [5] World Bank. 2017. Poverty, Forest Dependence and Migration in the Forest Communities of Turkiye. Washington, D.C.: World Bank.
- 19. [6] Ibidem

- 20. [7] The national social assistance system address multiple dimensions of need: basic income, housing, food, education, and health, mostly relying on cash transfers. The majority of programs are poverty-targeted and use: (i) no income from formal employment or (ii) per capita household income as the eligibility criterion in addition to the thematic criterion (iii): i.e., elderly, disabled widows, families who have individuals on mandatory military service.
- 21. [8] Deep dive into the Deep Dive into the Ecosystem for the Delivery of Social Assistance Payments TÜRKIYE Case study, World Bank 2022. Available at: https://documents1.worldbank.org/curated/en/099010011072245762/pdf/P17316601c8b0401b0ab340214079f623b6.pdf
- 22. [9] Densely populated areas are defined as localities that have at least 50% of their population living in urban centre grids. Intermediate density areas are localities that do not meet the criteria of densely populated areas and thinly populated areas. Thinly populated areas are localities that have more than 50% of their population living in rural grid cells (TurkStat).
- 23. [10] Ministry of Agriculture and Forestry, 2021, consulted at: https://www.tarimorman.gov.tr/ABDGM/Belgeler/Uluslararas%C4%B1%20Kurulu%C5%9Flar/NATIONAL%20PATHWAY%20OF%20TURKIYE_BOOKLET_28%20kas%C4%B1m%2002.pdf
- 24. [11] Towards sustainable food system, MoAF 2021, available at: https://www.unfoodsystemshub.org/docs/unfoodsystemslibraries/national-pathways/Turkiye/2021-12-22-en-designed-edition-national-pathway-of-turkiye.pdf?sfvrsn=82454b8b 1

b. Gender

- 25. Women make up 49.9% of the total population, the female labour force participation is 35% (national estimate) and Türkiye has the lowest female labour force participation rate among the OECD countries in 2022, making it an outlier in the upper-middle-income country (MIC) group. According to the World Economic Forum's Global Gender Gap Report 2023, Türkiye ranks 129th among 146 countries in gender equality (score 0,638), 99st in educational attainment for women, 118nd in their political empowerment, 133th in economic participation and opportunity, and 100th in health and survival [1]. The Gender Inequality Index (GII) that reflects gender-based inequalities is 0.306 ranking it 68 out of 162 countries in the 2019 index. Women have a limited participation in governance and very limited access to and control over resources including land and finance. GNI per capita is also considerably lower for women (US\$17,854) compared with for men. (US\$37,807)[2].
- 26. [1] World Economic Forum's Global Gender Gap Report 2023, available at: https://www.weforum.org/publications/global-gender-gap-report-2023/
- 27. [2] UNDP, Human Development Report 2020 available at: https://www.undp.org/sites/g/files/zskgke326/files/migration/tr/UNDP-TR-BRIEFING-NOTE-TURKIYE-EN.pdf

c. Youth

- 28. Türkiye has a young and dynamic population with 48.3% of the population being under the age of 30, and 24.4% being between the ages 15-29. About 51% of the youth are male and 49% are female. According to TUİK's projections, the proportion of youth population is expected to decrease to 14.0% in 2030, 13.4% in 2040, 11.8% in 2060 and 11.1% in 2080. [1]
- 29. About 24.2 percent of youth, mostly women (32% against 16% male), are neither working nor attending school and trainings—the highest share of inactive youth among OECD countries (average 13.3). According to the results of Household Labor Force Survey; The youth unemployment rate in the 15-24 age group was 24.7% (22% male and 30% female) the employment rate was 30.1% (2021). This rate was 40.4% for young males and 19.2 % for young females. About 14.6 % of young people were employed in agriculture, 22.4% were employed in industry and 57.2% were employed in service sector. The largest internal mobility in terms of size in 2021 was in the 20-24 age group with 731,284 people. Out of the 41.6% of the internal migrants in this age group were males and 58.4% were females. Youth movements are mainly from remote eastern villages to urban centres in western provinces. The hope of finding a job is still the main driver of rural-to-urban migration. Other main reasons include improving living standards and finding better cultural and physical infrastructure in the cities.
- 30. [1] Youth in Statistics, TUIK 2021.

d. Indigenous peoples

Minority groups. Officially, the Government recognizes Armenians, Jews, and Rum Christians as minorities. The status of
minorities in Türkiye is established by the 1923 Treaty of Lausanne, which defines minorities on the basis of religion.(UNHCR,
2011).

e. Marginalised groups

32. Vulnerable groups

- 33. The country currently hosts almost 3.2 million Syrian refugees (UNHCR 2023). Most refugees live outside camps. While Türkiye provides registered refugees with access to basic rights and services, the skyrocketing cost of living and lack of access to income opportunities make it increasingly difficult for refugee families to get by. Refugees have very limited access to formal and full livelihood and employment opportunities. According to FAO[1], an estimated 8 to 12 percent of Syrians in Türkiye work in agricultural production. Those working in agriculture are typically low-skilled and work for lower wages (FAO, 2022). The 2 earthquakes (February 2023) added further challenges for already vulnerable refugees.
- 34. [1] FAO, Syrian Refugee Resilience Plan 2022-2023 available at: https://www.fao.org/3/cc2343en/cc2343en.pdf

f. Nutrition

- 35. Based on global Nutrition Report, the latest prevalence data shows that 30.9% of women aged 15 to 49 years are now affected. Meanwhile, some progress has been made towards achieving the low birth weight target with 11.4% of infants having a low weight at birth. No progress has been made towards achieving the exclusive breastfeeding target, with 40.7% of infants aged 0 to 5 months exclusively breastfed. There is insufficient data to assess the progress that Türkiye has made towards achieving the target for stunting; however, the latest prevalence data shows that 6.0% of children under 5 years of age are affected. The prevalence of overweight children under 5 years of age is 8.1%, but there is insufficient data available to assess whether Türkiye is on course to prevent the figure from increasing. Diabetes is estimated to affect 16.6% of adult women and 15.9% of adult men^[1].
- 36. [1] GNR 2022: https://globalnutritionreport.org/reports/2022-global-nutrition-report/

2.2 Environment and climate context, trends and implications

37. The preliminary SECAP Review Note presents the main environment and climate context, trends and implications, focusing on the physiographic zones, water resources, soil, land degradation, forest and protected areas, in addition to climate change trends and climate scenarios.

a. Environmental assessment

Physiographic regions. Turkiye's physiographic regions include diverse landscapes, each characterized by unique geographical features and climates. The country is broadly divided into several regions: the Anatolian Plateau, Taurus Mountains, Aegean and Mediterranean coastal areas, and the Eastern Anatolia and Black Sea regions. The Anatolian Plateau, situated in the heart of Turkiye, consists mainly of high plateaus and mountains, dominating the country's centre. The Taurus Mountains, stretching parallel to the southern coastline, feature rugged terrain and deep valleys. The Aegean and Mediterranean coastal regions boast stunning coastlines, with fertile plains and mild climates. Conversely, the Eastern Anatolia and Black Sea regions are known for their diverse landscapes, ranging from high mountain ranges to dense forests and valleys. These physiographic zones collectively contribute to Türkiye's rich natural diversity and varied ecosystems.

Water Resources. Turkiye's per capita domestic freshwater availability is half the global average, posing significant challenges in terms of both quantity and quality. Uneven distribution of water, influenced by climate and topographical factors, results in irregular flows in rivers. Climate change forecasts predict a hotter, drier future with unstable precipitation patterns, worsening water scarcity. Additionally, untreated wastewater discharge from urban and industrial areas further contributes to water pollution, raising concerns amidst economic growth (World Bank, 2016). Certain provinces in Turkiye have distinct water sources: i) Elazig: Murat River, Karakaya Dam Reservoir (on the Euphrates River); ii) Malatya: Ataturk Dam Reservoir, Karakaya Dam Reservoir; iii) Bingol: Bingol Stream, Lakes in the Bingol region; iv) Adiyaman: Cendere Stream, Ataturk Dam Reservoir; v) Diyarbakir: Tigris River (known as Dicle River in Turkish), Dicle Stream, Karakaya Dam Reservoir; and vi) Sanliurfa: Firat River (Euphrates River), Karakoyun Stream.

Water potential varies significantly among these provinces. For instance, Elazig boasts 20831 hm3 of surface water potential and 174.4 hm3 of groundwater potential. Agricultural land and irrigable areas also exhibit differences, with Diyarbakir having the largest agricultural land at 1,357,732 ha, while Bingol has 35,831 ha available for irrigation and 31,899 ha economically viable for irrigation. These variations highlight the diverse hydrological and agricultural characteristics within Turkiye's Elazig, Malatya, Bingol, Adiyaman, Diyarbakir, and Sanliurfa provinces (DSI, 2023).

Table 1. Water status in the target area (data provided by OGM).

Parameters	Unit	Elazig	Malatya	Bingol	Adiyaman	Diyarbakir	Sanliurfa	Total
Area	km2	9153.0	12313.0	8 125.0	7614.0	41164.0	21375.0	9744.0
Total Surface water potential	hm3	20831.0	1832.0	9884.0	3371.0	19700.0	31742.0	87360.0
Total Ground Water Potential	hm3	174.4	148.5	88.4	32.0	800.0	3443.0	4686.3
Total Water potential	hm3	21005.4	1980.5	9972.4	3403.0	20500.0	31185.0	88046.3
Agricultural Land (Min. Agr. And Forestry)	ha	286 044.0	421993.0	151172.0	240820.0	1357732.0	1349425	807186
Land Ready to Irrigation (DSI)	ha	129426	183933	35831	160380	1010700	1034212	2554482
Land Economically Irrigable (DSI)	ha	83073.0	168969.0	31 899.0	120485.0	742 064.0	330189.0	1476 679

Soil. Turkiye's diverse topography significantly influences various aspects of the country, including climate, vegetation, population distribution, and economic activities. One crucial impact lies in its soil diversity, with four principal soil types dominating the landscape: calisols, cambisols, leptosols, and fluvisols. Cambisols in the northeastern regions, relatively young, boast agricultural potential, while calcisols prevalent in the central and eastern areas accumulate notable calcium carbonate due to arid conditions. Leptosols, found in the southern and western regions, exist over hard rock surfaces, indicating heightened erosion rates, while fluvisols, formed in floodplains, tend to be more fertile. Despite this diversity, Turkish soils face significant challenges, notably salinity and sodicity issues. About 19% of soils contain less than 1% organic matter, a sign often associated with pre-desertification stages. Soil erosion, influenced by soil types, topography, and human activities like agriculture without proper conservation measures, exacerbates the issue, contributing to land degradation in various regions (Burgess, 2010).

Land degradation. According to the report submitted by the Turkish government to the United Nations Convention to Combat Desertification in 2019, 10.25 million hectares (13.38% of the total land area) suffered degradation, while an even larger area of approximately 38.22 million hectares (nearly half of the nation's land) faced drought. This led to the exposure of 11.95 million individuals (15.13% of the population) to land degradation and 36.4 million people (47.47% of the population) affected by drought's adverse effects (UNCCD, 2023).

Findings from the Dynamic Erosion Model and Monitoring System reveal that water erosion displaces up to 642 million tons of soil annually, averaging 8.24 tons of soil per hectare. The distribution of soil loss categories in Türkiye's area is as follows: very low (60.28%), low (19.13%), moderate (7.93%), severe (5.97%), and very severe (6.7%). Precipitation, soil composition, topography, and vegetation are major contributors to spatial and quantitative changes in soil erosion within Türkiye, with precipitation accounting for 14.26%, soil composition for 3.36%, topography for 47.55%, and vegetation for 34.82% (RICCAR, 2021).

Despite limited surface flow beyond the Euphrates valley, erosion remains a significant issue, causing irreversible depletion of fertile topsoil, reservoir siltation, and structural impairment. Soil degradation is a pressing agricultural concern in much of the specified region, especially in irrigated zones where excessive surface flooding has exacerbated sediment transport and soil erosion. About 74.3% of the region faces moderate to high levels of soil erosion, with 54% experiencing bedrock exposure due to erosive processes (Ozturk, 2012).

Forest and Protected Areas. About 27.8% of Turkiye's total land area, which spans 77.8 million hectares, is covered by forests, equivalent to 21.6 million hectares. Per Turkish forestry regulations, forests with a tree canopy covering 11% or more are classified as "productive" and are subject to specific allowable cutting limits outlined in the forest management plan by the General Directorate of Forestry under the Ministry of Agriculture and Forestry. Of these forests, approximately 63% are used for economic purposes such as timber production, firewood, and various non-timber forest products. About 32% serve ecological roles like watershed management and erosion control, while the remaining 5% contribute to social and cultural aspects.

Table 2 provides an overview of forest areas categorized into grove and coppice forests across different provinces in Turkiye. Bingöl, with data available only for the Genç District, has a total forest area of 266,338 hectares, mainly consisting of coppice forests covering 183,423 hectares. Elâzığ, Malatya, and Adıyaman exhibit significant forest cover ranging from 159,234 to 209,648 hectares. Diyarbakır stands out with the largest forested area at 325,359 hectares, primarily constituted by grove forests covering

271,201 hectares. On the other hand, Şanlıurfa has a smaller forest area of 14,850 hectares, entirely comprised of grove forests. Overall, these provinces collectively have a forest coverage of 1,156,942 hectares, with grove forests accounting for 732,737 hectares and coppice forests covering 424,205 hectares.

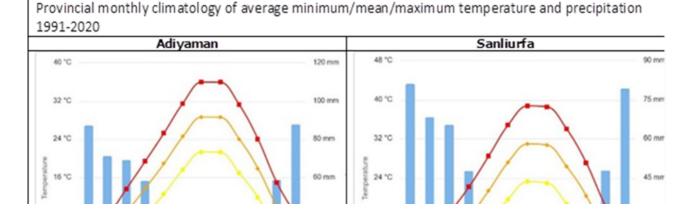
Table 2. Forest area (Data shared by OGM)

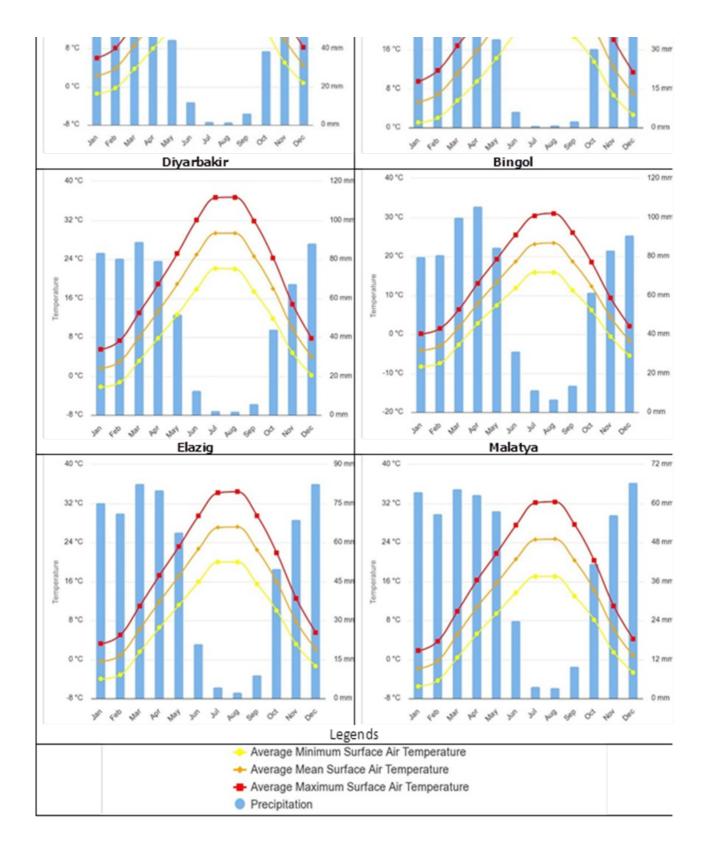
Province	Total Forest (Ha.)	Grove Forest (Ha.)	Coppice Forest (Ha.)
Bingöl	266,338	82,915	183,423
Elâzığ	181,513	151,867	29,646
Malatya	209,648	121,159	88,489
Adıyaman	159,234	90,745	68,489
Diyarbakır	325,359	271,201	54,158
Şanlıurfa	14,85	14,85	0
Total	1,156,942	732,737	424,205

b. Climate trends and impacts

- 38. Turkiye is currently witnessing a surge in temperatures and heightened unpredictability in its climate, particularly noticeable in the mountainous areas. While Turkiye predominantly lies in the Mediterranean region known for its mild climate, its diverse terrain, especially the mountain ranges along the northern and southern coasts, give rise to three distinct climate zones: Mediterranean, Subtropical, and Terrestrial. These zones each display unique rainfall patterns: i) convective rainfall occurring in Central Anatolia during spring and summer, ii) frontal rainfall prevalent in all regions, especially during winter and spring, and iii) orographic rainfall observed on the seaward slopes of the Black Sea and the Mediterranean Sea.
- 39. The forecasted effects of climate change in Turkiye include adverse impacts on surface water availability, heightened occurrences of floods, prolonged periods of aridity and drought, all of which will disrupt agricultural output and pose threats to food security. These climate-related risks and extreme weather events will persistently endanger the safety and livelihoods of hundreds of thousands of individuals. Moreover, they are likely to alter consumption patterns and cause damage to energy, waste, and transportation infrastructure. Current estimations suggest that annual property damage from floods alone has surpassed 300 million Turkish Liras (equivalent to over US\$40 million), with actual figures potentially even greater. In the absence of swift and decisive actions, the degradation of the environment and natural resources, compounded by the impacts of climate change, will increasingly impede societal well-being and serve as significant restraints on economic growth (WorldBank, 2022a).
- 40. The project area exhibits diverse climatic conditions. Adiyman experiences a hot summer Mediterranean climate. Similarly, Sanliurfa is characterized by a hot summer Mediterranean climate, transitioning to a hot semi-arid climate in its mid-southern part. Diyarbakir also features a hot summer Mediterranean climate, with its northeast region influenced by a hot summer humid continental climate. In Bingol, the southwest area aligns with a hot summer Mediterranean climate, while the northwest is under the influence of a Mediterranean-influenced hot summer humid continental climate, and the northeast witnesses a Mediterranean-influenced warm summer humid continental climate. Elazig predominantly boasts a hot summer Mediterranean climate, with exceptions in some parts of the northeastern region, where the climate shifts to a Mediterranean-influenced hot summer humid continental climate. Finally, Malatya's eastern part experiences a hot summer Mediterranean climate, while its western counterpart encounters a Mediterranean-influenced hot summer humid continental climate.

41. Table 3. Climatology by provinces





- 42. **Observed climate.** Over the period from 1991 to 2020, significant variations in climate indicators were observed among several provinces in Turkiye. Sanliurfa exhibited the highest annual average mean surface air temperature at 17.97°C, followed closely by Diyarbakir at 15.45°C and Adiyman at 15.5°C. In contrast, Bingol and Malatya experienced comparatively lower average mean temperatures of 9.64°C and 11.77°C, respectively. Sanliurfa also recorded the highest annual average maximum surface air temperature of 24.32°C, whereas Bingol had the lowest at 15.34°C. The differences in annual average minimum surface air temperature were notable as well, with Sanliurfa at 11.67°C and Diyarbakir at 9.73°C being higher than other provinces. When considering precipitation, Bingol had the highest amount at 752 mm, followed by Diyarbakir at 608 mm, while Sanliurfa recorded the lowest precipitation at 467 mm.
- 43. Climate change trend. Over the span of 1971 to 2020, discernible climate trends emerged across several provinces in Turkiye.

Adiyaman, Elazig, and Malatya exhibited consistent upward shifts in their average mean surface air temperatures per decade, with Adiyaman displaying the highest increase at 0.53°C, closely followed by Elazig at 0.56°C and Malatya at 0.49°C. Sanliurfa and Diyarbakir showed moderate rises of 0.49°C in average mean temperature per decade. Bingol demonstrated a slightly lower increase at 0.43°C. When examining average minimum and maximum surface air temperatures, Elazig experienced notable upward trends per decade across both categories at 0.53°C and 0.61°C, respectively. Conversely, Diyarbakir displayed a slightly lower rise in average minimum and maximum surface air temperatures at 0.49°C and 0.46°C, respectively. Adiyaman showcased consistent increases in both minimum and maximum temperatures, rising by 0.51°C per decade for each. Sanliurfa recorded a rise of 0.51°C in minimum temperature and 0.43°C in maximum temperature per decade. In terms of precipitation, reductions were observed across all provinces, with Bingol facing the largest decline of 15.65mm, followed by Sanliurfa at 17.78mm and Diyarbakir at 12.57mm. Malatya and Elazig experienced decreases of 14.03mm and 11.06mm, respectively, while Adiyaman had the most substantial reduction in precipitation at 19.66mm over the specified period.

- 44. Climate change scenario. The projected climate scenario, based on the SSP2-4.5 pathway from 1971 to 2020, forecasts consistent upward trends in average mean surface air temperatures per decade across several provinces in Turkiye. SSP2 represents a world where current trends continue without significant changes or major deviations. It assumes moderate population growth, medium levels of development, and a balance between economic, social, and environmental priorities. Adiyaman, Sanliurfa, Diyarbakir, Bingol, Elazig, and Malatya are all expected to experience moderate temperature increases, with Adiyaman and Sanliurfa showing a rise of 0.25°C per decade, followed by Diyarbakir at 0.26°C. Bingol is projected to see a slightly higher increase at 0.27°C, while Elazig and Malatya both anticipate a rise of 0.27°C in average mean temperature per decade. Similar trends are projected for average minimum and maximum surface air temperatures, with consistent increments across the provinces. Diyarbakir is forecasted to experience the highest increase in average maximum temperature per decade at 0.28°C, followed closely by Bingol at 0.29°C. Conversely, Adiyaman, Sanliurfa, Elazig, and Malatya are expected to see slightly lower but consistent rises in average maximum temperature per decade, ranging from 0.26°C to 0.27°C. Regarding precipitation, minor positive changes are predicted for all provinces, albeit relatively small, with expecting the highest increase at 6.02mm, followed by Diyarbakir at 5.64mm. Sanliurfa, Adiyaman, Elazig, and Malatya are projected to see smaller increments in precipitation, ranging from 2.75mm to 3.78mm. These projected trends illustrate a continuation of the warming trend across the regions alongside marginal increases in precipitation, emphasizing the potential climate shifts under the specified SSP2-4.5 scenario.
- 45. Table 4. Projected trend as per SSP 2.5 (World Bank Climate Knowledge Portal)

Projected trend per Decade change of (Period 1971-2020)	Adiyaman	Sanliurfa	Diyarbakir	Bingol	Elazig	Malatya
Average mean surface air temperature per decade	0.250c	0.250c	0.260c	0.270c	0.270c	0.270c
Average minimum surface air temperature per decade	0.240c	0.240c	0.240c	0.250c	0.250c	0.250c
Average maximum surface air temperature per decade	0.270c	0.260c	0.280c	0.290c	0.280c	0.280c
Precipitation	3.97mm	3.78mm	5.64mm	6.02mm	4.49mm	2.75mm

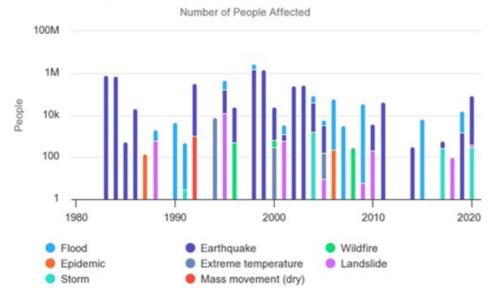
- 46. The projected climate scenario based on the SSP5-8.5 pathway from 1971 to 2020 indicates substantial and concerning trends in average mean surface air temperatures per decade across various provinces in Turkiye. This pathway describes a future where economic growth is prioritized over environmental concerns. It assumes high population growth, rapid technological development, and a heavy reliance on fossil fuels without stringent climate policies. Adiyaman, Sanliurfa, Diyarbakir, Bingol, and Elazig are anticipated to undergo significant temperature increases, with Adiyaman and Sanliurfa experiencing the highest rise at 0.85°C and 0.86°C per decade, respectively. Diyarbakir is forecasted to follow closely with an increase of 0.88°C, while Bingol and Elazig expect a slightly lower but notable increase at 0.89°C and 0.88°C, respectively. Malatya, however, displays a distinct projection, indicating a comparatively lower rise of 0.49°C in average mean temperature per decade.
- 47. This scenario also foresees substantial upward trends in average minimum and maximum surface air temperatures, showcasing consistent increments across the provinces. Bingol is expected to experience the highest increase in average maximum temperature per decade at 0.96°C, followed closely by Diyarbakir at 0.94°C. Sanliurfa, Adiyaman, and Elazig project slightly lower but significant rises in average maximum temperature, ranging from 0.90°C to 0.92°C. Conversely, Malatya is predicted to display a lower increase at 0.51°C. Regarding precipitation, all provinces show a substantial decline, with Bingol facing the largest reduction at 16.35mm, followed by Elazig and Diyarbakir at 16.23mm and 15.43mm, respectively. Sanliurfa and Adiyaman are anticipated to experience declines of 15.03mm and 20.68mm, while Malatya expects a reduction of 14.03mm. These projections highlight alarming trends of accelerated temperature increases alongside significant declines in precipitation, signifying potentially severe climate challenges for these regions under the specified SSP5-8.5 scenario.

48. Table 5. Project trend as per SSP 8.5 (World Bank Climate Knowledge Portal)

Projected trend per Decade change of (Period 1971-2020)	Adiyaman	Sanliurfa	Diyarbakir	Bingol	Elazig	Malatya
Average mean surface air temperature per decade	0.850c	0.860c	0.880c	0.890c	0.880c	0.490c
Average minimum surface air temperature per decade	0.790c	0.810c	0.810c	0.820c	0.800c	0.450c
Average maximum surface air temperature per decade	0.920c	0.900c	0.940c	0.960c	0.950c	0.510c
Precipitation	-20.68mm	-15.03mm	-15.43mm	-16.35mm	-16.23m	-14.03m

49. **Disaster Risk Profile.** The diagram presents key natural hazards in Turkiye between 1980 and 2020. Initially, until the mid-1980s, earthquakes dominated as the sole reported natural disaster. However, a shift occurred with the emergence of epidemics on three distinct occasions: in the late 80s, early 90s, and the mid-2000s. These outbreaks collectively resulted in 350,000 casualties, with a minimum of 100,000 occurring in a single instance. Following earthquakes, both floods and landslides emerged as the most hazardous natural calamities, exhibiting high frequency and substantial impact. Storms also posed significant threats, nearly paralleling the frequency and danger associated with landslides. Notably, the year 2000 experienced the most pronounced impact from extreme temperature variations. Additionally, wildfires became a noteworthy climate-induced disaster, with Turkiye experiencing its highest recorded wildfire in 2021, although this data is not depicted in the provided diagram.

Key Natural Hazard Statistics for 1980-2020



50. Between 1980 and 2020 in Turkiye, earthquakes occurred most frequently, totalling 45 times, representing 33.33% of the occurrences. Floods followed closely, transpiring 39 times on average, making up 28.89% of the occurrences. Landslides were less frequent, happening 11 times per year on average, accounting for 8.15% of the total incidents. Storms manifested nine times annually, contributing to 6.67% of the occurrences, while extreme temperature events were recorded seven times yearly,

constituting 5.19% of the incidents. Wildfires were less common, appearing five times annually, representing 3.70% of the occurrences. Epidemics were reported three times in a year on average, and miscellaneous accidents accounted for the remaining 11 incidents.

c. Climate change mitigation

- 51. **Emissions**. Total greenhouse gas emissions were 564.4 Mt CO2 equivalent in 2021. The 2021 greenhouse gas inventory showed a 7.7% rise in CO2 equivalent emissions to 564.4 million tonnes (Mt) compared to the previous year. Per capita emissions stood at 6.7 tonnes CO2 eq. The energy sector accounted for 71.3% of total emissions, followed by industrial processes at 13.3%, agriculture at 12.8%, and waste at 2.6%. Energy sector emissions surged to 402.5 Mt CO2 eq. in 2021, a notable 188.4% increase from 1990 and a 9.8% rise from the prior year. Industrial processes reached 75.1 Mt CO2 eq., up by 228.7% from 1990 and 10.6% from the previous year. Agriculture emissions reached 72.1 Mt CO2 eq., up 56.5% from 1990 but down 1.5% from the previous year. Waste emissions hit 14.7 Mt CO2 eq., climbing by 32.6% from 1990 but dropping 9.9% from the previous year (TSI, Turkish Statistical Institute, 2023).
- 52. In accordance with the Turkiye's Updated Nationally Determined Contribution (2023), the country's main mitigation policies in the agriculture sector relevant to the project include: i) regulating animal feed rations to control methane emissions; ii) ensuring optimal nitrogen fertilizer use in plant production; iii) increasing the manuring process in biogas plants; iv) alternating the use of nitrogen fertilizers with legumes in crop production to reduce nitrogen fertilizer usage; v)improving practices in cattle breeding, rational feeding, and regulating the number of animals; vi) using agricultural biomass for energy generation and enhancing methane production from manure; vii) optimizing crop allocation alongside improving application methods and standards of mineral and organic fertilizers; viii) providing training to farmers on new methods and technologies; ix) enhancing risk reduction against natural hazards for food security including agriculture-related adaptation measures like crop rotation, agrotechnical development of forecasting, and soil conservation practices to mitigate drought, water, and wind erosion, and x) assessing water availability in a basin and developing water allocation plans for sectoral use (e.g., irrigation, industry, energy production) and ecosystem maintenance.

2.3 Target group profiles

- 53. **Target Groups.** The main target group will be small-scale producers living in upland forest villages and engaged in a mixed farming system as their main livelihood. They have few production assets and the majority of them have experienced loss or damage to these assets due to the earthquake. Among these, women and very poor farmers who are not registered as farmers are likely to suffer most as they often cannot apply for assistance provided under dedicated national recovery/ rehabilitation schemes.
- 54. In general, the target group lacks access to improved climate resilient technologies and practices as well as technical assistance, advisory services and access to remunerative markets. Specific focus will be on vulnerable groups, in particular: (i) poor rural households practising subsistence farming who have some marketable surplus and whose livelihood is negatively affected by environmental degradation, climatic shocks and disasters; (ii) women, with a sharper focus on women-headed households; and (iii) unemployed and underemployed rural youth.
- 55. **Women:** Constraints such as lack of assets, capital and access to institutional credit, competing use of time, poor technical skills and lack of access to extension services affect women more than men. Low presence of women in formal institutions and organisations (i.e. cooperatives, associations, local committees) limit their ability to have a voice and have access to decision-making. Women have limited access to profitable economic opportunities. Their activities in rural areas tend to correspond with their role in housekeeping and are also those that would be more easily combined with domestic work. Because women farmers are not a part of the formal labor force, they often miss out on social benefits and access to key inputs such as finance, land rights, and pension access.
- 56. **Youth:** Youth are particularly disadvantaged as they experience unemployment and have no incentive to stay in rural upland areas also due to limited social and cultural facilities. Some rural youth remain in the villages to engage in agriculture activities, while others seasonally move to small towns and cities to find jobs mainly in construction and tourism sectors. Youth in Türkiye are considered those groups whose age is between 14-29, however in the implementation of specific national youth programmes, especially in the rural sector, official categories include those between 14-29 and between 30-40 years, moving youth age limits up to 40 years old.

3. Institutional analysis

57. Environment and Climate

58. **Legal and institutional framework.** The project will adhere to national environmental laws and regulations, including Environmental Law (No: 2872) aimed at protecting the environment in line with sustainable principles and Energy Efficiency Law (No: 5627) focused on increasing energy efficiency to minimize waste, reduce energy costs, and protect the environment.

59. The General Directorate of Forestry (OGM), project implementing entity, is responsible for managing and safeguarding Turkiye's forest resources while ensuring sustainable forest management practices. There is also the General Directorate of Combating Desertification and Erosion (CEM), which focuses on protecting soil, developing natural resources, and combating desertification and erosion through policy formulation and strategic initiatives. The General Directorate of State Hydraulic Works (DSI) with a legal entity and supplementary budget is the primary executive state agency for Turkiye's overall water resources planning, managing, execution and operation. The General Directorate of Nature Conservation and National Parks focuses on conserving Turkiye's natural heritage, managing national parks and nature reserves, and promoting sustainable ecosystems.

NDC programs relevant to the IFAD mandate	FIRAT contribution to the national NDC targets
Mitigation component	
Energy: Utilize energy efficiency and renewable potential at the highest level possible by considering feasibility, market conditions, and energy security. Increase renewable energy sources in primary energy consumption to 20.4% by 2030.	Upscaling from MURAT activities, FIRAT will promote alternative energy sources to replace and reduce firewood consumption. Solar PV panels and water heaters will be provided in feasible areas.
Agriculture Train farmers on new methods and technologies, Improve risk reduction against natural hazards for food security, including agriculture-related adaptation measures, such as crop rotation, agrotechnical development of forecasting, and soil conservation practices to reduce drought, water, and wind erosion.	Rehabilitation of grazing lands, land consolidation in agricultural areas, supporting the minimum tillage methods, environmental agricultural land protection program, chemical fertilizer management, animal manure management, reducing food loss and waste, adopting innovative technology and practices, organic agriculture, and good agricultural practices will be supported.
Waste Prevent waste generation and to reduce produced waste amount within the framework of circular economy principles.	Project supported harvesting, collection, aggregation, processing, and marketing support is expected to reduce waste generation. FIRAT will encourage farmers to convert waste to compost.
Land Use, Land Use Change, and Forestry (LULUCF) Increase the sink capacity of forests by improving/sustainable forest management, afforestation/reforestation, restoration, and long-term planning by rejuvenating existing forest areas. Encourage nature and/or technology-based solutions that increase sink capacity, such as afforestation, rural agricultural land protection, and grassland improvement. Prevent, control and reduce desertification and land degradation.	FIRAT core objective is the degraded land rehabilitation through soil erosion and conservation activities in forest or community land and promoting good agricultural practice in agriculture land. Project will directly contribute to the NDC's targets presented in left box.
Adaptation component	
Agriculture and Forestry Sector Sustainable production in agriculture, which protects natural resources, ecosystems, and biodiversity, will be increased. Agricultural crop patterns will be optimized, taking.into.account the future water availability under climate change scenarios. Insurance and agricultural support systems will help to manage risks of sustainable production in the agriculture sector to alleviate the adverse effects of climate change. Revised Türkiye's Agricultural Drought Combat Strategy and Action Plan will ensure resilience to drought	Same as support on LULUCF.
Disaster Risk Management	The project will have specific targeting approach for the earthquake victims.

- 60. Relevant policies and plans. Turkiye's 12th National Development Plan (2024-2028) aims to transform the nation into an environmentally friendly, disaster-resistant, technologically advanced, and prosperous country with fair income distribution and a strong economy. The plan focuses on creating a sustainable agriculture and food sector, supporting environmentally friendly practices, sustainable forest management, and alternative irrigation sources. It also aims to stimulate the rural economy, ensure sustainable resource management, improve rural life, align with SDGs, build resilience to climate change, transition to a low-carbon economy, and promote social justice with an environmental focus. The Medium-term Plan (MTP, 2024-2026) prioritizes healing earthquake wounds and mitigating disaster risks.
- 61. Several strategic documents concluded by 2023 have served as alignment points for the project. While the updated versions are not yet available, it is anticipated that the general direction will remain consistent or similar: Strategic Plan of the Ministry of Agriculture and Forestry (2020-2023), National Forestry Program of Turkiye (2004-2023), Climate Change Strategy of Turkiye (2010-2023), Climate Change Action Plan of the Republic of Turkiye (2011-2023), the National Combating Desertification Strategy and Action Plan (2015-2023), and the National Basin Management Strategy (2014-2023) to be updated during the implementation of FIRAT.
- 62. National Biodiversity Action Plan (NBSAP 2018-2028): With 7 National Objectives outlined, the project's implementation area selection will align with specific objectives and corresponding activities. These include ensuring the conservation and sustainable management of biodiversity in areas affected by agriculture, forestry, and fishing activities (National Objective 3) and rehabilitating damaged ecosystems while preventing harm to healthy ones (National Objective 5).
- 63. The proposed project aims to enhance natural resource management, alleviate pressures on biodiversity, and specifically address rural communities. Its activities encompass training government staff and local stakeholders in best practices for biodiversity conservation and management, including monitoring biodiversity and carbon levels, as well as implementing improved agricultural harvesting and processing techniques where applicable.

64. In April 2023, Türkiye submitted its updated Nationally Determined Contributions (NDC), outlining a commitment to reduce its greenhouse gas (GHG) emissions by 41% by 2030. This reduction, aiming for 695 Mt CO2 e.q. by 2030 with the base year set as 2012, represents a significant increase in ambition, aligning with scientific findings and principles of equity. It signifies a crucial step towards Türkiye's long-term objective of achieving a net-zero target by 2053. The NDC emphasizes the Turkish government's implementation of a comprehensive package comprising new policies and strategies across various sectors of the economy, essential for meeting the net-zero target. Additionally, the document acknowledges Türkiye's history as a long-standing recipient of support from the Global Environment Facility (GEF), highlighting the nation's commitment to environmental sustainability and its ongoing efforts to address climate change.

65. Gender

- 66. **Legal and institutional framework**: Türkiye became a party to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1985 and ratified the Optional Protocol to CEDAW in 2002. On March 20, 2021, Türkiye announced its withdrawal from the Istanbul Convention. The General Directorate on the Status of Women (GDSW) was established as a national mechanism in order to enable women to participate in a more active, productive and strong manner in all areas of social life in Turkiye; to enable women to benefit equally from all the rights and opportunities; and to prevent discrimination against women, was reorganised as a branch of the Ministry of Family, Labor and Social Services 11.
- 67. **Relevant policies**, **plans and programmes**: Türkiye's 11th National Development Plan 2019-2023 contains goals and measures to empower women, prevent discrimination against them, and to ensure that women have equal access to the rights, opportunities and services available to men. Other policy documents adopted include the National Strategy and Action Plan on Women's Empowerment (2018-2023), the National Action Plan on Combating Violence against Women (2021 -2025).
- 68. Most of the programmes targeting rural women and women's producers are carried out by the Ministry of Agriculture and Forestry. Within scope of "the Rural Development Investments Support Programme" in the parts of investment projects with 50% grant [2].
- 69. **Youth Policy**: The national youth policy of 2013 encompasses 13 themes, ranging from education, employment and entrepreneurship, to participation, civic consciousness, and culture. Each theme includes a set of targets and defines the group of stakeholders that should be involved in its implementation.
- 70. **Main Institutions:** The major agency which is responsible for conducting youth policies is the Ministry of Youth and Sports. The National Employment Agencies (İŞKUR), a branch of the Ministry of Family, Labour and Social Services, has the responsibility of solving employment problems of youngsters. The İŞKUR organises training activities for youngsters in order to facilitate their entry into the job market and supports entrepreneurship in the country through specific incentives. The Ministry of Agriculture and Forestry conducts its own programs to empower young farmers.
- 71. **Policy documents, plans and programmes:** The Eleventh Development Plan of the Presidency of the Republic of Türkiye has a specific section allocated to youth and it targets to reduce youth unemployment (target no. 116), equipping youngsters with new skills to facilitate market entrance (target no. 210), improving the inclusivity of society (target no.536), providing decent jobs to women and youngsters (target no. 539), and raising children and youngsters as individuals who have humanitarian and moral values (target no. 544). The İŞKUR has specific targets and policies addressing the employment problem of youth and the situation of NEETS as well as some active incentive programs to encourage employment of youth, such as subsidizing social security payments for a period from 2 to 5 years depending on age, previous employment and attendance to training services of IŞKUR. It also conducts active employment policies such as vocational training courses, professional training incentives, on the job training programs, public work programs, entrepreneurship programs through KOSGEB and projects for the disabled.
- 72. [1]The GDSW conducts activities based on cooperation, particularly legal activities for prevention and elimination of all kinds of violence, abuse and exploitation against women; and contributes to the activities organised by other institutions and organisations. The directorate also coordinates the development of key gender action plans.
- 73. [2] Women receive positive discrimination as programme beneficiaries: extra 1 point is added to the pre-assessment criteria; and extra 4 points are also added if the woman is a member of agricultural cooperative or union. In case that female farmers engaged in agriculture apply for machinery-equipment, they can benefit from a 50% grant for 35 types of machines.

4. Environmental and social category

- 74. The environmental and social category for FIRAT is proposed as **Moderate**, based on the final screening using the SECAP screening tool. The project aims to generate overall positive environmental and social benefits in a comprehensive manner. The primary focus of the FIRAT is to rehabilitate degraded land to reduce soil erosion and sedimentation in downstream dams together with improving livelihoods of people residing in selected catchment areas. The project will implement nature-based soil erosion control activities. Afforestation and reforestation will be the key priority of FIRAT for the rehabilitation of biodiversity and degraded land and for improved resilience of livelihoods. Multiple purpose grass and trees will be selected for the plantation. Honey forest support will be continued.
- 75. Potential **social risks** consider that women, Youth and other vulnerable categories and marginalized groups can be excluded from project benefits. Proactive efforts will be taken to target those individuals with fewer assets and opportunities, and address gender inequalities in accessing projects' benefits. Measures include: Pro-poor targeting criteria; strong outreach and communication activities; separate consultation with women, youth and vulnerable categories; incorporating use of GALS in capacity building services; gender and social inclusion experts are included full time as staff in the RPMUs.

5. Climate risk category

- 76. As per the SECAP screening tool, the climate risk category of the project is proposed as Moderate. The forecasted effects of climate change in the project area include adverse impacts on surface water availability, increased occurrences of floods, prolonged periods of aridity and drought. These effects are expected to disrupt agricultural output and pose some threats to food security, but will be limited, transient or manageable. Financial, environmental and social underperformance or failure due to climatic hazards is unlikely.
- 77. The project will promote climate resilient farming practices. Support for water management and use-efficiency will be provided to cope with drought and unpredictable precipitation. Plantation and soil erosion control activities will follow natural succession. The climate trend and scenario will be one of the major criteria to select plantation species. Considering increasing wildfires, fire lines will be developed in plantation sites. Water retention activities such as contour terrace, inter or mix cropping, organic mulching, water conservation ponds will be promoted as well as sustainable rangeland management.

6. Recommendations for project design and implementation

- 78. **Women.** The project will build on MURAT's positive experience on gender equality and women's empowerment (GEWE) and support women to: (i) access project services and facilitating their access to energy-saving technologies for reducing workload; (ii) strengthen their presence for decision making, especially in community level planning processes (e.g. MCPs) and rural organisations including cooperatives; (iii) access to finance and training to improve their livelihoods, income-generation and employment opportunities; (iv) increase control over income at household level. Institutional capacity needs to be strengthened by introducing innovative methodologies (e.g. use of GALS at group level) and by providing technical assistance and trained staff. It is recommended attention is required on capacity building for the social engineering of the project and RPMU recruit gender, youth, social inclusion specialists on a full time basis.
- 79. **Youth:** FIRAT will address youth-specific challenges and engage with them investing in proper monitoring and coaching activities, creating linkages with public/private service providers and ensure training packages (on farm-off farm) align with market demands. as such a study on the youth labour market is highly recommended.
- 80. **Social targeting and poverty focus**: Strong outreach and communication activities need to be conducted by the programme management unit (PMU) and fully integrated as part of the targeting and outreach strategy. In line with existing practices, consultation with village leaders and the community to target the poorest families will be considered including verification as needed (e.g. certificate of social assistance; spot check verification).
- 81. **Promote Biodiversity**: The MURAT project has successfully implemented practices focused on land conservation and improving livelihoods. To build on this success, the FIRAT project aims to incorporate biodiversity enhancement into its activities. To achieve this goal, the project will prioritize a diversity of multiple-purpose species in afforestation or reforestation efforts. Moreover, there will be a specific focus on planting grass in sloped lands, while giving priority to the cultivation of fodder and fruit trees. Scaling up the promotion of honey forests is also a key aspect of this initiative.
- 82. Water management: The project area is categorised as high drought area. Low precipitation, prolonged drought, unpredictable rainfall is creating water scarcity, while the changes in the existing surface and groundwater flows due to earthquakes are drying up wells and springs. FIRAT aims to address this issue by offering support for small-scale irrigation facilities by enhancing water use efficiency aiming at reducing conveyance losses by upgrading dilapidated and inefficient small scale irrigation facilities based on open channels that are either nearing their end-of-life or were severely damaged during the earthquakes. This will be complemented with investments in on-farm irrigation systems with efficient water use, emphasizing multiple water-use strategies and conservation techniques such as water harvesting, storage and recharge ponds. Moreover, there will be a priority placed on cultivating less water demanding tree species and crop varieties, contributing to greater resilience in the face of water scarcity.

7. Further studies needed

83. At the design stage, the Stakeholder Engagement Plan (SEP), standalone Environmental, Social and Climate Management Plan (ESCMP), including Archaeological Chance Finds Procedure and Grievance Redress Mechanism (GRM) have been developed. Additional studies are required before the detailed design to identify the sectors for youth engagement (on farm and off farm). A Youth and women Labour Market Assessment in the target area needs to be conducted. Draft ToRs in the PIM.

8. Monitoring and evaluation

- 84. The M&E system will give strong emphasis to monitoring of targeting performance. Implementing partners will provide disaggregated data on women and youth participation, in relation to overall programme targets. The M&E system will collect and analyse information about programme outreach, effectiveness of the targeting strategy and specific benefits for women and youth. Other participatory monitoring tools like outcome survey, environmental and social safeguard monitoring, and regular tracking of vulnerable groups with their problems and progress will be adopted. The OGM will be responsible for the implementation and monitoring of the MCPs and the biophysical monitoring of afforestation and soil erosion-related activities using the GIS and remote sensing tools. Impact will be assessed on the basis of methodologically gender sensitive baseline, mid-term and completion surveys which will use key indicators to measure women's empowerment and youth inclusion.
- 85. It is expected that through the implementation of the Gender Strategy, the following positive changes will be observed in beneficiary households: (i) increase in women income; (ii) increased / more equal access and control of productive assets by women; (iii) improved decision-making of women at household and community level; (iv) more equitable workloads between men and women at household level (v) women reduction of time spent sourcing firewood and for on farm manual labour (paid/unpaid). As for youth, it is expected that indicators will report on youth accessing job and entrepreneurial opportunities (resulting in reduction of unemployment in rural areas).

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ESCMP Matrix

Environmental , social and climate Impacts	ies as main		Recommended Mitigation/Enhanceme nt measures		Resp onsibl e Institu tion	Means of Verification			
						Indicators	Fre que ncy	So urc e of dat a	Cost Estimate & Source
1) Environmental									
Procurement of natural resources	Plant ation	r	Project will need a significant number of seedlings. OGM will enhance their production capacity to fulfil needs. Moreover, the private sector will be invited or supported to produce multiple purpose seedlings.	Community consultation to select plant species	OGM	Number of seedlings produced under the project support. Number of private nurseries supported.	Ann ual	Pro cur em ent pla n	USD 504,000 (h. Investments in improvement of nurseries, Component 1)
Mono cropping	Plant ation and Agric ulture	M o d e r at e	1) support nurseries to produce varieties of species, both quantity and quality, 2) Encourage private sector to do nursery business, especially youth		PMU	I) Number of nurseries supported, II) Number of seedling planted	Ann ual	Pro ject acti viti es	Same as above
Impact on soil and water from agrochemicals	Agric ulture , Horti cultur e	M o d e r at e	1. Promote the responsible use of fertilizers, pesticides, and herbicides. 2. Promote Organic farming. 3. Integrated Pest Management.	GAP tracings and youth enterprises and orientation Establishment of a feedback and observations mechanism from local communities, farmers (for changes in soil and water quality).	PMU	% of farmers reducing chemical inputs	Ann ual	MI S	USD 503,000(On-farm sustainable soil and water management practices and IPM, Component 2)
Inefficient water use	Agric ulture , Horti cultur e' plant ation	M o d e r at e	1. Awareness and Climate Smart Agriculture (CSA) training. 2. Alternate crops, recycle water. 3. Investment in water management including rainwater harvesting. 4. Water management support	Consultation with communities and stakeholders during micro catchment plan preparation	PMU	i) number of farmers supported with water management	Ann ual	you	USD 182,000(2. Training in water use efficiency, Component 2)

Social	Social										
limited capacity for beneficiaries to provide feedback and grievances	All interv entio ns	Low	Implement a well established GRM and update it as per projects need. Provide information to all interested parties about GRM and feedback mechanism Presence of stakeholder engagement and communication expert at PCU	Focus groups	СРМИ	I) number of complaints received and solved	Ann	GR M han dlin g pro ces s doc um ent s	no additional costs		
Women, Youth and other vulnerable categories and marginalized groups are excluded from project benefits	All interv entio ns	Low	Proactive targeting mechanisms, meaningful stakeholder engagement, participatory planning and implementation Application of GALS methodology Presence of gender experts at RPCUs	Public Consultation Activities	OGM, ORKO Y, R/CM PU and RPMU gende r expert s RPMU s	Ensure log frame data is disaggregated by sex, age and vulnerable groups where relevant.	e/mi d ter m/c omp	etin g rec ord s,	1.2 K (costs included in C1 and C2)		
Occupational, Health and Safety (OSH) risks	TBD	M o d e r at e	Disseminate clear employment and contracting requirements. Workers OHS Training Plans Worker contracts inclusive of adequate labor conditions Labor Management Plans Implement the GRM and act on grievances received.	Public Consultation Activities	CPMU, contra ctors Gende r expert s RPMU s	number of complaints received and solved			No additional costs (included in the above)		
Climate Chang	e							ı			
Landslides and flood	All	o d e r	Grass plantation Plantation following natural succession Weather forecasts and use Avoid infrastructure in Sloopy land Avoid agriculture in steep land	Capacity building and trainings	PMU	i) number of soil erosion and landslides activities	Ann ual	MI S	USD 125,000 (Sustainable land management expert, Component 3)		

Hailstorm	All	r	Encourage government department to support nets Select resilient crop and plan species		PMU	i) farms using nets	Ann ual	MI S	No additional costs (included in the above)
Drought	Agric ulture	o d e r	1. Species diversification, drought tolerant species.2. Alternate crops, recycle water3. Household water harvesting.4. Micro irrigation.5. Weather forecasts.6. Multi and inter cropping	CSA and GAP trainings	PMU	i) number of PO and farmers received CSA and GAP training, ii) Number of farmers received water management support, iii) ha under improved water supply	Ann ual	MI S	No additional costs (included in the above)
Pest and disease	ulture , Horti	d e r	Implement vector control measures to reduce the spread of pests and diseases. Improve security measures (quarantine, isolation facilities, restricted animal movements etc) to prevent disease outbreaks in livestock. Implement vaccination programs and regular health monitoring of livestock to reduce disease risks. Promote GAP and IPM	Awareness and consultation	PMU	i) number of farmers applying IPM	Ann ual	MI S	No additional costs (included in the above)
Heat stress i) decrease of milk production, ii) increase livestock mortality, iii) increase water scarcity to crops, iv) increase plantation mortality	Lives tock, Agric ulture , Horti cultur e, plant ation	Los	1. Collaborate with livestock department for improved shed. 2. Facilitate to improve the nutritional requirements of livestock to account for increased heat stress and provide balanced diets. 3. Select and breed heat-tolerant livestock breeds adapted to local conditions. 4. Trained primary veterinary health care and emergency rescue operation person/SHG, Mobile Veterinary Clinics. 5. Select heat tolerant species 6. Improved rangeland management	Awareness and consultation	PMU	i) number of farmers supported with improved breed	Ann ual	MI S	USD 194,000 (Development of technical guidelines for SRM and ecosystem restoration; Implementation of communication and outreach plan on SLM; SSTC international workshops and cross- visits)

Environmental and Social Safeguards Classification: Moderate

Environmental and Social Safe	Environmental and Social Safeguards										
Biodiversity conservation	Yes/No	Likelihood	Consequence	Risk Rating							
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	No			Low							
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	No			Low							
1.3 Could the project potentially involve or lead to an increase in the chance of human-wildlife encounters/conflict?	No			Low							
1.4 Could the project potentially involve or lead to risks to endangered species (e.g. reduction, encroachment on habitat)?	No			Low							
1.5 Could the project potentially involve or lead to impacts/risks to migratory wildlife?	No			Low							
1.6 Could the project potentially involve or lead to introduction or utilization of any invasive alien species of flora and fauna, whether accidental or intentional?	No			Low							
1.7 Could the project involve or lead to the handling or utilization of genetically modified organisms?	No			Low							
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Yes	Almost certain	Minor Poject may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	Moderate							
Resource Efficiency and Pollution Prevention	Yes/No	Likelihood	Consequence	Risk Rating							
2.1 Could the project involve or lead to the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No			Low							
2.2 Could the project involve or lead to primary not environmentally sustainable production of living natural resources? (Note: this includes the cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, plantation forestry, etc)	No			Low							
2.3 Could the project involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation?	Yes	Almost certain	Minor Only a small component of the project is focused on forestry, and this aspect is well regulated.	Moderate							

Environmental and Social Safe	eguards			
2.4 Could the project involve or lead to significant consumption of raw materials, energy, and/or water?	No			Low
2.5 Could the project involve or lead to significant extraction, diversion or containment of surface or ground water (e.g. construction of dams, reservoirs, river basin developments, groundwater extraction)?	Yes	Almost certain	Minor The project only needs a minimal amount of water. This can be obtained from existing sources, without the need for extension.	Moderate
2.6 Could the project involve inputs of fertilizers and other modifying agents?	No			Low
2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	No			Low
2.8 Could the project be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry)?	No			Low
2.9 Could the project involve livestock – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	Yes	Likely	Minor The project involves livestock or fisheries, but not in extensive or intensive systems.	Moderate
Cultural Heritage	Yes/No	Likelihood	Consequence	Risk Rating
3.1 Could the project be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	Yes	Possible	Minor The project is thought to be close to an area that is considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage. The site has been comprehensively surveyed, and all tanglible and intangible cultural heritage is well known.	Moderate
3.2 Could the project directly or indirectly affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	No			Low

Environmental and Social Safe	eguards			
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	Yes	Possible	Minor The project is thought to be close to an area that is considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage. The site has been comprehensively surveyed, and all tanglible and intangible cultural heritage is well known.	Moderate
3.5 Could the project involve or lead to alterations to landscapes and natural features with cultural significance?	No			Low
3.6 Could the project involve or lead to utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No			Low
indigenous peoples	Yes/No	Likelihood	Consequence	Risk Rating
4.1 Could the project be sited in areas where indigenous peoples are present (including the project area of influence)?	No			Low
4.2 Could the project result in activities located on lands and territories claimed by indigenous peoples?	No			Low
4.3 Could the project result in impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them?	No			Low
4.4 Could the project result in the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No			Low
4.5 Could the project lead to impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No			Low
Labour and Working Conditions	Yes/No	Likelihood	Consequence	Risk Rating
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)	No			Low
5.2 Could the project use or operate in a value chain where there have been reports of forced labour? (Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain)	No			Low
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?	No			Low

Environmental and Social Safe	guards				
5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)	Yes	Possible	Minor The project operates in a sector, area, or value chain where workers are occasionally exposed to significant OSH risks, and where regulation is known to be effective.	Moderate	
Community Health, Safety and Security	Yes/No	Likelihood	Consequence	Risk Rating	
6.1 Could the project be at risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases?	No			Low	
6.2 Could the project lead to unintended negative impacts on nutrition?	No			Low	
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	Yes	Highly unlikely	Minor The project has only moderate reliance on buildings or infrastructure. Risk of failure is unlikely to lead to loss of life or significant environmental damage. The structural integrity of the required infrastructure has been independently verified.	Low	
6.4 Could the project involve or lead to the construction or rehabilitation of dams?	No			Low	
6.5 Could the project involve or lead to transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No			Low	
6.6 Could the project lead to adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No			Low	
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?	No			Low	
6.8 Could the project lead to increases in traffic or alteration in traffic flow?	Yes	Possible	Minor The project will result in minor increases to traffic volume. Only minor increase in risk of injury or death.	Moderate	

Environmental and Social Safe	eguards			
6.9 Could the project lead to an influx of project workers?	No			Low
6.10 Could the project involve or lead to the engagement of security personnel to protect facilities and property or to support project activities?	No			Low
Physical and economic resettlement	Yes/No	Likelihood	Consequence	Risk Rating
7.1 Could the project result in temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No			Low
7.2 Could the project result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No			Low
7.3 Could the project present a risk of forced evictions?	No			Low
7.4 Could the project result in impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No			Low
Financial intermediaries and direct investments	Yes/No	Likelihood	Consequence	Risk Rating
8.1 Could the investment be granted to an institution that does not have an environmental and social policies and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?	No			Low
8.2 Could the investment be granted to an institution with insufficient capacities (i.e. unqualified personnel e.g. ES Officer) to implement the ESMS?	No			Low
8.3 Could the investment be granted to an institution that does not have an Exclusion List?	No			Low
8.4 According to the institution's portfolio classification: Could the institution have potential high-risk projects in their portfolio?	No			Low
8.5 Is there evidence that the institution does not comply with the local legal framework?	No			Low
8.6 Does the institution provide a stable communication channel with stakeholders and local communities (e.g. a Grievance Redress Mechanism)?	Yes	Possible	Minor Communities and stakeholders can contact the institution and and a process is in place for institutionalizing the communication channels (e.g. complaint-management system) and training staff accordingly.	Moderate
8.7 Does the organization provide auxiliary or capacity building support services.	No			Low

Climate Risk Classification: Moderate

Step 1: Hazard identification	
What are the expected hazards in the project intervention area?	No, Yes, TBD
River flood	Yes
Costal Flood	No
Urban Flood	Yes
Landslide	Yes
Cyclone	No
Water Scarcity (agricultural droughts and/or dry spells)	Yes
Extreme Heat	Yes
Wildfires	Yes
Future climate scenarios foreseen (period 2040-2059) - Change in frequency and intensity	No, Yes, TBD
Change in temperature (increase or decrease)	Yes
Change in rainfall (increase or decrease)	Yes
Climate variability (larger or smaller)	Yes
Intensity and frequency of extreme events (larger or smaller)	Yes
Is the project expected to have an impact on climate change (i.e. contribute to greenhouse gas emissions)?	No, Yes, TBD
Is the project expected to be a significant emitter of greenhouse gases?	No
Step 2: Exposure Assessment	
Is the project located in exposed areas to weather-related natural hazards?	No, Yes, TBD
Low-lying areas (valleys, coastal zones, and small islands)	No
Very warm areas (subtropical)	Yes
Tropical areas (rainforests)	No
Arid and semi-arid areas (deserts)	Yes
Mountains zones and permafrost areas (tundra)	No
River banks	Yes
Does the project target agricultural systems, ecosystems or livelihoods exposed to weather-related hazards?	No, Yes, TBD
Is crop production frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases?	Yes
Is livestock productivity frequently affected by rainfall variability, prolonged droughts, changes in temperature or diseases?	Yes
Are fisheries frequently affected by ocean acidification, water salinity and changes in sea surface temperature due to ocean-atmospheric oscillations or climate change?	No
Is forest productivity frequently affected by wildfires, diseases, rainfall variability, prolonged droughts, or changes in temperature?	Yes
Is the biodiversity in the project area likely to be affected by changes in climate variables?	Yes
Is any stage of the agricultural value chain (production, storage, processing and marketing) exposed to climate related hazards?	Yes
Is any rural infrastructure likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.	No
Step 3: Sensitivity Assessment	
What are key sensitivities for the populations in the project's areas of intervention?	No, Yes, TBD
Is conflict exacerbating the population's sensitivity to weather related hazards?	No
Is population displacement being exacerbated by climate change impacts?	No

Are diseases (e.g. COVID-19, malaria, cholera) increasing the population's vulnerability and affecting their capacity to address potential weather-related hazards?	No					
Is the income of the target population predominately coming from agriculture?	No					
Are social inequalities (e.g. based on gender, youth, indigenous persons and other marginalized groups) being exacerbated by climate change?	No					
Is the Human Development Index (HDI) equal to or below 0.6?	No					
Is the Multidimensional Poverty Index (MPI) equal to or above 0.1?	No					
Step 4: Adaptive capacity and climate resilience						
What are key adaptive capacities in the areas of project intervention?						
Is the country well ranked in the Disaster risk reduction progress score?	Yes					
Are climate and weather information services (real-time weather data, seasonal forecasts etc.) effectively being delivered (through radio, TV, SMS, extension services etc.) to farmers, rural dwellers, and end users?	Yes					
Does the project country have an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs?	No					
Does the government or other institutions support the target population/communities with the necessary social and economic resources to prepare for or respond to climate-related events?	No					
Is the target community carrying out (using their own means) agricultural adaptation?	No					
Does the target population have the economic means or support to adjust or adapt their activities in response to weather related shocks?	No					
Do policies/mechanisms exist that make financial credit, loans, and agricultural insurance available?	Yes					
Are rural infrastructures effectively delivering services to farmers and rural dwellers?	Yes					



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 6: First Annual Work Plan and Budget (AWPB)

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department

			-	Annual \	Work F	Plan an	d Bud	get 2025 FIRAT						
Subcomponent	Activity	Unit	Target	Q1		Q3	Q4	Unit cost (US\$ '000)	Total budget (US\$ '000)	IFAD (US\$ '000)	Gov (US\$ '000)	GEF (US\$ '000)	Beneficiaries (US\$ '000)	Cost category
	chment Planning and Natural Resources Management													
	1. Participatory development of micro-catchment plans (MCP)	Plan	:	15				121	1819	1455	364			Consultancy
·	2. Hydrological studies and ad hoc studies identified during MCP	Study		2	-			51	101	81	20			Consultancy
Participatory micro- catchment planning and	3. Youth and women socio-economic studies	Study		1				40	40.4	32.3	8			Consultancy
capacity building.	4. Climate risk analysis and vulnerability assessments	Lumpsum		1				23	23.3		5	19		Consultancy
	5. Capacity building in SLM and NbS	Lumpsum		1				11	11.2			11.20498837		Consultancy
	Subtotal Subcomponent 1.1								1995.0	1568.2	396.9	29.9	0.0	
	4. Design of 1 pilot for restoration of ecosystem services	На		30				0.8	25.3		5	20		Consultancy
Sub-component 1.2: Rehabilitation and	5. Community mobilisation and development of 9 sustainable rangeland management plans	На	30	00				0.2	61	15.2	12.1	33.3		Consultancy
sustainable management of natural resources.	6. Biophysical monitoring	Lumpsum		1				31	31	23	6	2		Consultancy (e.g.CEM)
	Subtotal Subcomponent 1.2								116.8	38.3	23.4	55.2	0.0	
	A. Contracting of expert support (1 civil engineer, 1 livestock expert, 1 agricultural assistant)	Lumpsum		1				39	39	39				Consultancy
Recurrent costs	B. Field technical support staff (Staff seconded by the Government)	Lumpsum		1				251	251		251			Staff
	C. Operating costs	Lumpsum		1				37	37	30	7.5			Operation costs
	Subtotal recurrent costs					П			327	69	258	0		
	Subtotal Component 1								2438.8	1675.4	678.3	85.0	0.0	
	its in Improved Climate Resilient Infrastructure, Livelihoods and Access to	Markets								207011	070.0	55.0		
·	Business development services for grant design	Lumpsum		1				116	116	93	23			Consultancy (RDA)
Sub-component 2.1:	Youth mentoring and coaching	Lumpsum		1				27		22	5			Consultancy (RDA)
Revolving Fund Facility for	3. Viability assessment for on-farm agroecologic practices	Lumpsum		1	1			29		22	5	23.3		Consultancy
resilient production infrastructure, aggregation, processing and marketing		Zumpaum						23			0			Consultancy
	Subtotal Subcomponent 2.1				+				173	115	35	23	(
Subcomponent 2.3: Investments in off-farm climate resilient water infrastructure	4. Design of irrigation schemes Subtotal Subcomponent 2.3	Lumpsum		1				29	29 29	23	6	o	(Consultancy (e.g. SPA, DSI)
Recurrent costs	A. Contracting of expert support (1 agricultural expert, 1 livestock assistant, 1 civil engineer, 2 irrigation specialists, 1 livelihood and business development expert)	Lumpsum		1				71	71	71		J		Consultancy
	B. Field technical support staff (Staff seconded by the Government)	Lumpsum		1				251	251		251			Staff
	C. Operating costs	Lumpsum		1				99	99	79.10444926	19.77611232			Operation costs
	Subtotal recurrent costs	1						30	420	150	270	n	(
	Subtotal Component 2						<u> </u>		622	288	311	23		

					20	25	- Unit cost		IFAD	Gov	GEF	Beneficiaries	
Subcomponent	Activity	Unit	Target	Q1	Q2	Q3 Q4	(US\$ '000)	Total budget (US\$ '000)	(US\$ '000)	(US\$ '000)	(US\$ '000)	(US\$ '000)	Cost category
Component 3: Institution	nal strengthening and Project management												
	1. Induction training of field project staff	Lumpsum		1			10	10	10				Training
Subcomponent 3.1:	2. Training in M&E and KM	Lumpsum		1			3	3	3				Training
	3. Training in GALS	Lumpsum		1			25	25	25				Training
strengthening	4. Exchange visits	Lumpsum		1			10	10	10				Training/travel
	Subtotal Subcomponent 3.1							48	48				
Duningt Managers	1.Tablets for M&E	Number	2	20			0.2	4.1	4.1				Equipment
Project Management - equipment	2.Accounting software	Lumpsum		1			44	44	35	9			Equipment
, ,	3.MIS software	Lumpsum		1			44	44	35	9			Equipment
Duningt Management	4.Project start-up and planning workshops	Lumpsum		1			7	7	7				Workshop and meeting
Project Management - workshops and meetings													
	5.Project steering committee meetings	Lumpsum		1			3	3		3			Workshop and meeting
Project Management -	6. Baseline survey	Study		1			115	115	92	23			Consultancy
M&E and KM	7. Development of KM and communication products	Lumpsum		1			2.6	2.6	2.1	0.5			Material and consultancy
	a. Project coordinator	Person year		1			21	21	21				Consultancy
	b. M&E and communication expert	Person year		1			21	21	21				Consultancy
S	c. M&E assistant	Person year		1			15	15	15				Consultancy
Project Management - PMU central staff	d. Financial manager	Person year		1			21	21	21				Consultancy
, , , , , , , , , , , , , , , , , , ,	e. Accountant	Person year		1			15	15	15				Consultancy
	f. Procurement officer	Person year		1			21	21	21				Consultancy
	g. Interpreter/Secretary	Person year	1.	.5			21	31	31				Consultancy
	a. Regional project coordinator	Person year		1			21	21	21				Consultancy
	b. Regional project assistant (2) /d	Person year		2			15	31	31				Consultancy
	c. Gender targeting and social inclusion expert (2) /e	Person year		2			21	41	41				Consultancy
Drainet Management	d. Sustainable land management expert	Person year		1			21	21			21		Consultancy
Project Management - PMU regional staff	e. Stakeholder engagement and communication expert	Person year		1			21	21	21				Consultancy
3	f. M&E expert (2) /f	Person year		2			21	41	41				Consultancy
	g. M&E assistant	Person year		1			15	15	15				Consultancy
	h. Financial officer	Person year		1			15	15	15				Consultancy
	i. Procurement officer	Person year		1			21	21	21				Consultancy
Project Management -	Seconded PMU staff	Lumpsum		1			59	59		59			Staff
operation costs	Operating costs	Lumpsum		1			6	6	5	1			Operation costs
	Subtotal Project Management							655.6	530.8	104.2	20.6	(
	Subtotal Component 3							703.7	578.9121431	104.2044907	20.61337928	(
	Total year 2025							3764.4	2542.2	1093.3	129.0	0.0	



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 7: Procurement Plan for first 18 months

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department

Procurem	nent Plan S	UMMARY												
Country:	Turkey													
Project Name:	Euphrates River V	Vatershed Rehabi	litation Project (FI	RAT)										
Project ID:														
Version	1.0	0												
Version Date	01-Apr-24													
Prepared by:	Nazih Azaiez													
Approved by:														
Procurement Category	PI	Plan Actual												
Currency	USD	LCU	USD	LCU										
Goods	99 170.00	-	-	-										
Works	1 955 000.00	-	-	-										
Consulting Services	3 741 609.00	-	-	-										
Non-Consulting Services	152 000.00	-	-	-										
Grants	-	-	-	-										
TOTAL	5 947 779.00	-	-	-										

The threshold tables below are based on the new LTB Template 2020.

Please fill in the fields that are applicable based on the provisions in the LTB for the project.

		Prior Revie	ew Threshold	S	
Category	Goods and goods- related Non- Consulting Services	Works and works- related Non- Consulting Services	Consulting Services and related Non- Consulting Services and/or MoU/Agreements	Individual Consultants	Decisions concerning Abnormally Low Bids shall be subject to the No Objection of IFAD:
Threshold	>= US\$ 70.000	>= US\$ 150.000	>= US\$ 60.000	>= US\$ 30.000	Only for procurement activities subject to prior review OR For all procurement activities

All Direct Contracting and Single-Source Procurements are **Prior Review** (in alignment with IFAD Procurement Handbook), or based on the thresholds stipulated in the LTB

The exchange rate at time of submission will be used for reviews.

		Procuren	nent Method	Thresholds		
	CQS	QBS/LCS/FBS	QCBS	Shortlisting	SSS - Firms	SSS - Individuals
Consulting Services and related Non- Consulting Services	<= US\$ 70.000	< US\$ 150.000	>= US\$ 150.000	>= US\$ 120.000	<= US\$ 0.00 (subject to prior review. Justification required if above threshold)	<= US\$ 0.00 (or with a contract duration of 3 months or less; subject to prior review)
	Direct Contracting	Shopping	NCB	ICB	Other Procuremen Arrangen	
Goods and goods- related Non- Consulting Services	>= US\$ 1.000 (subject to prior review. Justification required if above threshold)	<= US\$ 100.000	< US\$ 200.000	>= US\$ 200.000	Force Account	Up to a maximum aggregate amount of: US\$ 0.00 (subject to prior review)

>= US\$ 2.000 Works and works-(subject to prior Allowed related Non-Community review. Justification < US\$ 1.000.000 >= US\$ 1.000.000 OR <= US\$ 250.000 Participation Consulting required if above Not Allowed Services threshold)

Procurement Plan - Goods

Turkey

Approved by:

Euphrates River Watershed Rehabilitation Project (FIRAT)

Project ID:
Prepared by: Nazih Azaiez

Procurement
Methods
NS: National
Shopping
IS: International
Shopping
NCB: National
Competitive
Bidding
ICB: International
Competitive
Bidding
LIB: Limited

												0.00 0.0	00 Actual	_																							
Version 2	0 1-Apr-24	4					Basic D	ata								Pre-Q	ualification				Biddiı	ng Process			Bid E	valuation						Со	ontract Award & Sign	ature			
AWPB/Compone nt Ref	Nº	Description	Non Consulting Funding	Lot №/Description	Project Area or Procuring Entity	Plan vs. Actu	Pre-or Post Qualification	Prior or Post Rev	riew Procureme Method		pes Amount (US	SD) Amount (LCU)	Plan vs. Actual	Submission of PreQual Docs	No Objection Date	PreQual Invitatio	n PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Date Contract Award	Submission of Draft Contract	No-Objection Date	Date Contract Signature	Contract No. Vendor Name/ID	Amount (USD)	Amount (LCU)	Date Contract Completion
3.1.2.1.a	1 Tablets fo	for MS.E	IFAD		OGM	Plan	Post-Qual	Post Review	NS	1	4	100.00	Plan	15-Jan-25	N/A	N/A	N/A	N/A	N/A	15-Jan-25	N/A	16-Jan-25	30-Jan-25	N/A	N/A	6-Feb-25	N/A	Plan	N/A	12-Feb-25	17-Feb-25	N/A	21-Feb-25		4 100.00	-	
5.1.2.1.d	1 Tablets II	TOT IVIQE	IFAD			Actual							Actual															Actual									
2424	2	No. of Control	IFAD		OGM	Plan	Post-Qual	Post Review	NS	1	44 (000.00	Plan	1-Feb-25	N/A	N/A	N/A	N/A	N/A	1-Feb-25	N/A	2-Feb-25	16-Feb-25	N/A	N/A	23-Feb-25	N/A	Plan	N/A	1-Mar-25	6-Mar-25	N/A	10-Mar-25		44 000.00	-	
3.1.2.1.a	2 Accountii	ting software	IFAD			Actual							Actual															Actual									
2424-	2 DAIC and		IFAD		OGM	Plan	Post-Qual	Post Review	NS	1	44 (000.00	Plan	1-Feb-24	N/A	N/A	N/A	N/A	N/A	1-Feb-25	N/A	2-Feb-25	16-Feb-25	N/A	N/A	23-Feb-25	N/A	Plan	N/A	1-Mar-25	6-Mar-25	N/A	10-Mar-25		44 000.00	-	
3.1.2.1.a	3 MIS softv	tware	IFAD			Actual							Actual															Actual									
14221		1.1.	IFAD		OGM	Plan	Post-Qual	Post Review	NS	1	7 (070.00	Plan	1-Jan-26	N/A	N/A	N/A	N/A	N/A	Enter Date	N/A			N/A	N/A		N/A	Plan	N/A			N/A			7 070.00	-	
1.1.2.2.b	Animal d	drinking troughs	IFAD			Actual							Actual															Actual									

Procurement Plan - WORKS

Turkey

Euphrates River Watershed Rehabilitation Project (FIRAT)

Prepared by: Nazih Azaiez

Project ID:

Approved by:

Total 1 955 000.00 0.00 Plan

Amount 0.00 0.00 Actual

NonConsulting: 0.00 0.00 Actual

Procurement
Methods
NS: National
Shopping
IS: International
Shopping
NCB: National
Competitive Bidding
ICB: International
Competitive Bidding
LIB: Limited
(International)

												_															I									
Version	1.0	1-Apr-24					Basic Data								Pre-Qua	lification				Bidding	Process			Bid Eval	luation							Contract Awa	d & Signature			
AWPB/Comp	one Nº	Description	Non Consulting Funding	Lot №/Description	Project Area or Procuring Entity	Plan vs. Actual	Pre-or Post Qualification	Prior or Post Review	Procurement Method	Envelopes A	mount (USD) Amount (LCU)	Plan vs. Actual	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Date Contract Award	Submission of Draft Contract	No-objection Date	Date Contract Signature	Contract No. Vendor	Name/ID Amount (USD)	Amount (LCU)	Date Contract Completion
44224		Danas landinfus stureture /s	ITAD.	6	OGM/6 provinces	Plan	Pre-Qual	Prior Review	NCB	2	278 000.00	Plan	1-Feb-26	8-Feb-26	10-Feb-26	12-Mar-26	26-Mar-26	2-Apr-26	12-Apr-26	19-Apr-26	21-Apr-26	21-May-26	4-Jun-26	11-Jun-26	25-Jun-26	2-Jul-26	Plan	5-Jul-26	20-Jul-26	25-Jul-26	1-Aug-26	5-Aug-26		278 00	0.00	-
1.1.2.2.k		Rangeland infrastructure /g	IFAD			Actual						Actual															Actual									
				1	OGM/Bingol	Plan	Pre-Qual	Post Review	NS	2	30 000.00	Plan	20-Jan-26	N/A	N/A	N/A	N/A	N/A	Enter Date	N/A			N/A	N/A		N/A	Plan	N/A			N/A			30 00	0.00	-
1.1.2.2.k	2	Livestock handling facilities /h	IFAD		o enq emger	Actual						Actual															Actual									
				1		Plan	Pre-Qual	Prior Review	NS	2	175 000.00	Plan	10-Jan-26	N/A	N/A	N/A	N/A	N/A	Enter Date				N/A	N/A			Plan	N/A						175 00	0.00	-
1.1.2.2.0	3	Pasture access roads	IFAD	-		Actual						Actual															Actual									
		Upgrade of small-scale irrigation		4	4 by SPA Bingol 4 by SPA Adyaman	Plan	Pre-Qual	Prior Review	NCB	2	1 472 000.00	Plan	1-Jan-26	8-Jan-26	10-Jan-26	9-Feb-26	23-Feb-26	2-Mar-26	12-Mar-26	19-Mar-26	21-Mar-26	20-Apr-26	4-May-26	11-May-26	25-May-26	1-Jun-26	Plan	4-Jun-26	19-Jun-26	24-Jun-26	1-Jul-26	5-Jul-26		1 472 00	0.00	-
2.1.3.1.0	4	schemes /f	IFAD	-		Actual						Actual															Actual									

Procurement Plan - Consulting Turkey

Euphrates River Watershed Rehabilitation Project (FIRAT)

Project ID:

Prepared by: Nazih Azaiez
Approved by:

Selection Methods

QCBS: Quality and Cost-Based Selection

QBS: Quality-Based Selection

CQS: Selection by Consultants' Qualifications (shortlist is required for this method)

LCS: Least-Cost Selection

FBS Fixed Budget Selection

ICS: Individual Consultants Selection (shortlist is required for this method)

SSS: Sole Source Selection

Selection (Design/PIM): Single Sourcing established in the project design or implementation

manual

							Grants:	0.00	0.00 Plan 0.00 Actual																		
Version 1.0 1-A	Apr-24				Basic Data							EOI Shortlist Procedure				oposal Process	Proposal	Evaluati						Contract Award &			Date
Component Nº Ref	Description*	Grant Non Fur Consulting	Project Area or Procuring Entity OGM	Plan vs. Actual	Shortlist (Yes No) Yes	Prior or Post Review Prior Review	Procurement Method QCBS	Amount (USD) An	Plan vs. Actual	Submission of REOI 1-Feb-25		OI Launch Date Deadli 10-Feb-25 24-Feb	line Shortlist Repor	No Objection Date 17-Mar-25	Submission of RFP/RCQ No-objection Date 21-Mar-25 28-Mar-2	Date	submission deadline Submission of TI 14-May-25 28-May-25	No-objection Date Solution Date	No-objection Date 18-Jun-25 25-Jun-25	Plan vs. Issue of NOITA&Standstil	Date Contract Award 13-Jul-25	•	No-objection No-ob	on Date Contract Signature	Contract No. Vendor Name/ID Amount (USD) 1 819 000.	Amount (LCU)	Contract Completion
1.1.1 1 Par cate	rticipatory development of micro- tchment plans (MCP)	IF	AD	Actual				-	- Actual	2 1 3 3 2 2							2, 20			Plan 28-Jun-25 Actual	20 00. 20			20 7.00 20			
1.1.2 2 Hyd	drological studies and ad hoc udies identified during MCP	IF	OGM AD	Plan	Yes	Prior Review	QCBS	101 000.00	Plan	10-Feb-25	17-Feb-25	19-Feb-25 5-Mar	r-25 19-Mar-25	26-Mar-25	30-Mar-25 6-Apr-25	8-Apr-25	23-Ma y-25 6-Jun-25	13-Jun-25	27-Jun-25 4-Jul-25	Plan 7-Jul-25	22-Jul-25	6-Aug-25 11	Aug-25 18-Aug	g-25 22-Aug-25	101 000.	-	
3.00	vares raentinea dannig iviei			Actual				-	- Actual											Actual							
1.1.3 3 You	uth and women socio-economic udies	IF	AD OGM	Plan Actual	Yes	Post Review	CQS	40 400.00	Plan - Actual	20-Feb-25	N/A	22-Feb-25 15-Mai	r-25 29-Mar-25	N/A	2-Apr-25 N/A	4-Apr-25	25-Apr-25 N/A	N/A	9-Ma y-25 N/A	Plan N/A Actual	15-May-25	29-Ma y-25 3-	un-25 N/A	7-Jun-25	40 400.	-	
			OGM	Plan	Yes	Post Review	CQS	23 300.00	Plan	20-Jan-25	N/A	22-Jan-25 12-Feb	b-25 26-Feb-25	N/A	2-Mar-25 N/A	4-Mar-25	25-Mar-25 N/A	N/A	8-Apr-25 N/A	Plan N/A	14-Apr-25	28-Apr-25 3-	Ла y-25 N/A	7-May-25	23 300.	00 -	
	mate risk analysis and vulnerability sessments	G	EF	Actual				-	- Actual											Actual			·				
1.1.5 5 Cap	pacity building in SLM and NbS	G	OGM	Plan	Yes	Post Review	CQS	11 200.00	Plan	25-Jan-25	N/A	27-Jan-25 17-Feb	b-25 3-Mar-25	N/A	7-Mar-25 N/A	9-Mar-25	30-Mar-25 N/A	N/A	13-Apr-25 N/A	Plan N/A	19-Apr-25	3-May-25 8-	Ла y-25 N/A	12-May-25	11 200.	00 -	
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	esign of 1 pilot for restoration of osystem services	G	OGM	Plan Actual	Yes	Post Review	QCBS	25 300.00	Plan - Actual	1-Mar-25	N/A	3-Mar-25 17-Mar	r-25 31-Mar-25	N/A	4-Apr-25 N/A	6-Apr-25	21-Ma y-25 4-Jun-25	N/A	18-Jun-25 N/A	Plan 21-Jun-25 Actual	6-Jul-25	21-Jul-25 26	Jul-25 N/A	30-Jul-25	25 300.	-	
Con	mmunity mobilisation and		OGM	Plan	Yes	Prior Review	QCBS	61 000.00	Plan	10-Mar-25	17-Mar-25	19-Mar-25 2-Apr-	r-25 16-Apr-25	23-Apr-25	27-Apr-25 4-May-25	6-May-25	20-Jun-25 4-Jul-25	11-Jul-25	25-Jul-25 1-Aug-25	4.4	19-Aug-25	3-Sep-25 8-	Sep-25 15-Sep	o-25 19-Sep-25	61 000.	nn -	
1.2.2.a 7 dev	velopment of 9 sustainable ngeland management plans	GEF (31.25%	Actual				-	- Actual					55.4.50						Plan 4-Aug-25 Actual		5 5 5 F 5					
1.2.4 8 Bio	ophysical monitoring	IFAD	94.4% OGM	Plan	Yes	Post Review	cqs	31 000.00	Plan	1-Apr-25	N/A	3-Apr-25 24-Apr	r-25 8-May-25	N/A	12-Ma y-25 N/A	14-May-25	4-Jun-25 N/A	N/A	18-Jun-25 N/A	Plan N/A	24-Jun-25	8-Jul-25 13	Jul-25 N/A	17-Jul-25	31 000.	-	
		GEF	5.0%	Actual				-	- Actual											Actual							
1.2.A 9 eng	ntracting of expert support (1 civil gineer, 1 livestock expert, 1 ricultural assistant)	IF	AD	Plan Actual	Yes	Prior Review	ICS	39 000.00	Plan - Actual	1-Apr-25	8-Apr-25	10-Apr-25 1-May	y-25 15-Ma y-25	22-Ma y-25	26-Ma y-25 2-Jun-25	4-Jun-25	25-Jun-25 N/A	N/A	9-Jul-25 16-Jul-25	Plan N/A Actual	22-Jul-25	5-Aug-25 10-	Aug-25 17-Aug	g-25 21-Aug-25	39 000.	-	
			OGM	Plan	No	Prior Review	SSS	251 000.00	Plan	10-Jan-25	N/A	N/A N/A	A N/A	N/A	Enter Date		N/A	N/A		N/A					251 000.	nn -	
1.2.B 10 Fie	eld technical support staff (Staff conded by the Government)	G	OV OGW	Actual		. S. MEVIEW		-	- Actual	Juii 2J		. IN/ F	IV/ A	14/17			IN/ A	,		Plan IN/A Actual					251 000.	_	
1.2.C 11 Ope	perating costs	Yes	OGM AD	Plan	Yes	Post Review	CQS	37 000.00	Plan	1-Feb-25	N/A	3-Feb-25 24-Feb	b-25 10-Mar-25	N/A	14-Mar-25 N/A	16-Mar-25	6-Apr-25 N/A	N/A	20-Apr-25 N/A	Plan N/A	26-Apr-25	10-May-25 15-	Ma y-25 N/A	19-May-25	37 000.	00 -	
		Yes		Actual				-	- Actual											Actual							
2.1.2 12 Bus	siness development services for ant design	IF	OGM AD	Plan Actual	Yes	Prior Review	cqs	116 000.00	Plan - Actual	1-Jun-25	8-Jun-25	10-Jun-25 1-Jul-	-25 15-Jul-25	22-Jul-25	26-Jul-25 2-Aug-25	4-Aug-25	25-Aug-25 N/A	N/A	8-Sep-25 15-Sep-25	Plan N/A Actual	21-Sep-25	5-Oct-25 10	Oct-25 17-Oct	:-25 21-Oct-25	116 000.	-	
			OGM	Plan	Yes	Post Review	cqs	27 000.00	Plan	15-Jun-25	N/A	17-Jun-25 8-Jul-	-25 22-Jul-25	N/A	26-Jul-25 N/A	28-Jul-25	18-Aug-25 N/A	N/A	1-Sep-25 N/A	N/A	7-Sep-25	21-Sep-25 26	Sep-25 N/A	30-Sep-25	27 000.	00	
2.1.3 13 You	uth mentoring and coaching	IF	AD OGW	Actual		. JULINE VIEW		-	- Actual	Juii-2J	,	o-Jul-		14/ 17	IV/A		U IN/A	,^	IN/A	Plan IN/A Actual	. Jup 23	20	IN/A	30-3ep-23	27 000.	_	
2.1.4.a 14 Via	ability assessment for on-farm	G	OGM	Plan	Yes	Post Review	cqs	29 000.00	Plan	1-Ma y-25	N/A	3-May-25 24-May	y-25 7-Jun-25	N/A	11-Jun-25 N/A	13-Jun-25	4-Jul-25 N/A	N/A	18-Jul-25 N/A	Plan N/A	24-Jul-25	7-Aug-25 12-	Aug-25 N/A	16-Aug-25	29 000.	00 -	
agr	roecologic practices /c			Actual				-	- Actual											Actual							
2.1.3.1.a 15 Des	sign of irrigation schemes	IF	AD OGM	Plan Actual	Yes	Post Review	QCBS	29 000.00	Plan - Actual	1-Jul-25	N/A	3-Jul-25 17-Jul	l-25 31-Jul-25	N/A	4-Aug-25 N/A	6-Aug-25	20-Sep-25 4-Oct-25	N/A	18-Oct-25 N/A	Plan 21-Oct-25 Actual	5-Nov-25	20-Nov-25 25	Nov-25 N/A	29-Nov-25	29 000.	-	
	ntracting of expert support (1		OGM	Plan	Vos	Prior Review	ICS	71 000.00	Plan	1 Apr 25	9 Apr 25	10 Apr 25 1 May	y-25 15-May-25	22-Ma y-25	26-May-25 2-Jun-25	4 Jun 25	25-Jun-25 N/A	N/A	0 Jul 25 16 Jul 25	21/4	22-Jul-25	E Aug 25 10	Aug 25 17 Aug	21 Aug 25	71 000.	20	
2.2.A 16 ass spe	ricultural expert, 1 livestock sistant, 1 civil engineer, 2 irrigation ecialists, 1 livelihood and business velopment expert)	IF	AD	Actual	Yes	Pilor Review	103	-	- Actual	1-Apr-25	8-Apr-25	10-Apr-25 1-May	y-25 13-IVId y-23	22-1VId y-23	26-Ma y-25 2-Jun-25	4-Jun-25	25-Juli-25 N/A	N/A	9-Jul-25 16-Jul-25	Plan N/A Actual	22-Ju1-25	5-Aug-25 10	Aug-25 17-Aug	g-25 21-Aug-25	71000.	-	
2.2.B 17 Fie	eld technical support staff (Staff	G	OGM OV	Plan	No	Prior Review	SSS	251 000.00	Plan	10-Jan-25	N/A	N/A N/A	A N/A	N/A	Enter Date		N/A	N/A		Plan N/A					251 000.	00 -	
sec	conded by the Government)			Actual				-	- Actual											Actual							
2.2.C 18 Ope	erating costs	Yes IF <i>Yes</i>	OGM AD	Plan Actual	Yes	Prior Review	cqs	99 000.00	Plan - Actual	1-Feb-25	8-Feb-25	10-Feb-25 3-Mar	r-25 17-Mar-25	24-Mar-25	28-Mar-25 4-Apr-25	6-Apr-25	27-Apr-25 N/A	N/A	11-Ma y-25 18-Ma y-25	Plan N/A Actual	24-May-25	7-Jun-25 12	Jun-25 19-Jun	1-25 23-Jun-25	99 000.	-	
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3.1.1.1.a 19 Ind	duction training of field project staff	IF	AD OGW	Actual	Yes	Post Review	CQS	10 000.00	- Actual	1-Feb-25	N/A	3-Feb-25 24-Feb	b-25 10-Mar-25	N/A	14-Mar-25 N/A	16-Mar-25	6-Apr-25 N/A	N/A	20-Apr-25 N/A	Plan N/A Actual	26-Apr-25	10-Ma y-25 15-	Ma y-25 N/A	19-May-25	10 000.	-	
3.1.1.1.b 20 Tra	aining in M&F and KM	IF	OGM AD	Plan	Yes	Post Review	cqs	3 000.00	Plan	1-May-25	N/A	3-May-25 24-May	y-25 7-Jun-25	N/A	11-Jun-25 N/A	13-Jun-25	4-Jul-25 N/A	N/A	18-Jul-25 N/A	Plan N/A	24-Jul-25	7-Aug-25 12	Aug-25 N/A	16-Aug-25	3 000.	00 -	
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3.1.1.1.d 22 Exc	change visits	IF	AD OGM	Plan Actual	Yes	Post Review	CQS	10 000.00	- Actual	1-Jul-25	N/A	3-Jul-25 24-Jul	I-25 7-Aug-25	N/A	11-Aug-25 N/A	13-Aug-25	3-Sep-25 N/A	N/A	17-Sep-25 N/A	Plan N/A Actual	23-Sep-25	7-Oct-25 12	Oct-25 N/A	16-Oct-25	10 000.	-	
	oject Management - workshops and eetings	Yes	OGM AD	Plan	No	Post Review	ICS	7 000.00	Plan	1-Jan-25	N/A	3-Jan-25 24-Jan	n-25 7-Feb-25	N/A	11-Feb-25 N/A	13-Feb-25	6-Mar-25 N/A	N/A	20-Mar-25 N/A	Plan N/A	26-Mar-25	9-Apr-25 14	Apr-25 N/A	18-Apr-25	7 000.	00 -	
Pro	eetings oject start-up and planning orkshops	Yes		Actual				-	- Actual											Actual							
3.1.2.1.b 24 me	oject Management - workshops and eetings oject steering committee meetings	Yes G Yes	OGM	Plan Actual	No	Post Review	ICS	3 000.00	Plan - Actual	1-Jan-25	N/A	3-Jan-25 24-Jan	n-25 7-Feb-25	N/A	11-Feb-25 N/A	13-Feb-25	6-Mar-25 N/A	N/A	20-Mar-25 N/A	Plan N/A Actual	26-Mar-25	9-Apr-25 14	Apr-25 N/A	18-Apr-25	3 000.	-	
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3.1.2.2.a 25 Pro Bas	oject Management - M&E and KM seline survey	IF	AD OGM	Plan Actual	NO	Prior Review	QBS	115 000.00	- Actual	1-Feb-25	N/A	N/A N/A	A N/A	N/A	Enter Date				N/A N/A	Plan Actual					115 000.	-	
3.1.2.3.a 26 Dev	oject Management - M&E and KM evelopment of KM and	IE	OGM AD	Plan	No	Post Review	CQS	2 600.00	Plan	10-Jul-25	N/A	12-Jul-25 2-Aug	g-25 16-Aug-25	N/A	20-Aug-25 N/A	22-Aug-25	12-Sep-25 N/A	N/A	26-Sep-25 N/A	Plan N/A	2-Oct-25	16-Oct-25 21	Oct-25 N/A	A 25-Oct-25	2 600.	00 -	
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3.2.1.1 27 a. F b. N	Project Ivianagement - PIVIO central aff Project coordinator M&E and communication expert	IF	AD OGM	Plan Actual	No	Prior Review	ICS	144 000.00	Plan - Actual	1-Jan-25	8-Jan-25	10-Jan-25 31-Jan	n-25 14-Feb-25	21-Feb-25	25-Feb-25 4-Mar-25	6-Mar-25	27-Mar-25 N/A	N/A	10-Apr-25 17-Apr-25	Plan N/A Actual	23-Apr-25	7-May-25 12-	Ma y-25 19-Ma y	y-25 23-May-25	144 000.	-	
C. N	M&F assistant Dject Management - PMU regional		0011	DI a	NI-	Drior Do.	ICC	227 000 00		1 10 - 25	9-12n 25	10-lan-25	1-25	21 525 25	25-Fah-25	6 Mar 25	27-Mar-25	NI/A	10-Δης-25	N/A	72 Apr 25	7-May 25	May-25	v-25		20	
b. F	Regional project coordinator Regional project assistant (2) /d Gender targeting and social	IF	AD OGM	Plan Actual	INO	Prior Review	ICS	227 000.00	- Actual	1-Jan-25	8-Jan-25	10-Jan-25 31-Jan	1-25 14-Feb-25	21-Feb-25	25-Feb-25 4-Mar-25	6-Mar-25	27-Mar-25 N/A	N/A	10-Apr-25 17-Apr-25	Plan N/A Actual	23-Apr-25	7-May-25 12-	Ma y-25 19-Ma y	y-25 23-Ma y-25	227 000.	-	
3.2.1.3 29 Pro	oject Management - operation costs conded PMU staff		OGM OV	Plan	No	Prior Review	SSS	59.00	Plan	10-Jan-25	N/A	N/A N/A	A N/A	N/A	Enter Date		N/A	N/A		Plan N/A					59.	00 -	
Sec	conaea PMU staff	G		Actual				-	- Actual											Actual							
3.2.2 30 Pro Ope	oject Management - operation costs perating costs	Yes IF Yes	OGM AD	Plan Actual	No	Post Review	cqs	6 000.00	Plan - Actual	10-Jan-25	N/A	12-Jan-25 2-Feb	0-25 16-Feb-25	N/A	20-Feb-25 N/A	22-Feb-25	15-Mar-25 N/A	N/A	29-Mar-25 N/A	Plan N/A Actual	4-Apr-25	18-Apr-25 23	Apr-25 N/A	27-Apr-25	6 000.	-	
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1.1.1.2 31 Hyd stu	drological studies and ad hoc udies identified during MCP	IF	AD OGM	Plan Actual	Yes	Prior Review	QCBS	101 000.00	Plan Actual	10-Jan-26	17-Jan-26	2-Feb	o-26 16-Feb-26	∠3-⊦eb-26	27-Feb-26 6-Mar-26	8-Mar-26	22-Apr-26 6-May-26	13-Ma y-26	27-Ma y-26 3-Jun-26	Plan 6-Jun-26 Actual	21-Jun-26	υ- յ αι-20 11	Jul-26 18-Jul-	-26 22-Jul-26	101 000.	-	
1.1.2.2.a 32 Live	restock watering facilities tied to M pilots /f		SPA AD	Plan	Yes	Post Review	QCBS	75 750.00	Plan	10-Jan-26	N/A	12-Jan-26 26-Jan	n-26 9-Feb-26	N/A	13-Feb-26 N/A	15-Feb-26	1-Apr-26 15-Apr-26	N/A	29-Apr-26 N/A	Plan 2-May-26	17-May-26	1-Jun-26 6-	un-26 N/A	10-Jun-26	75 750.	00 -	
52 SRN	M pilots /f	I F		Actual					Actual											Actual							
2.1.3.1.a 33 Des	esign of irrigation schemes	IF	OGM AD	Plan Actual	Yes	Prior Review	QCBS	72 000.00	Plan	1-Feb-26	8-Feb-26	10-Feb-26 24-Feb	b-26 10-Mar-26	17-Mar-26	21-Mar-26 28-Mar-2	6 30-Mar-26	14-Ma y-26 28-Ma y-26	4-Jun-26	18-Jun-26 25-Jun-26	Plan 28-Jun-26	13-Jul-26	28-Jul-26 2-	Aug-26 9-Aug-	-26 13-Aug-26	72 000.	-	
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2.1.3.1.b 34 Sup	pervision of irrigation schemes	IF	AD OGM	Plan Actual	Yes	Post Review	CQS	14 000.00	Plan Actual	1-Mar-26	N/A	3-Mar-26 24-Mai	r-26 7-Apr-26	N/A	11-Apr-26 N/A	13-Apr-26	4-May-26 N/A	N/A	18-Ma y-26 N/A	Plan N/A Actual	24-May-26	7-Jun-26 12	Jun-26 N/A	16-Jun-26	14 000.	JU -	
2122	aining in water use office		OGM	Plan	Yes	Post Review	CQS	17 000.00	Plan		N/A	2-Jan-00 23-Jan	n-00 6-Feb-00	N/A	10-Feb-00 N/A	12-Feb-00	4-Mar-00 N/A	N/A	18-Mar-00 N/A	Plan N/A	24-Mar-00	7-Apr-00 12	Apr-00 N/A	A 16-Apr-00	17 000.	00 -	
	aining in water use efficiency		AD	Actual					Actual											Actual							



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 8: Project Implementation Manual (PIM)

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department





Republic of Türkiye
Euphrates River Watershed Rehabilitation Project (FIRAT)
IFAD Loan: GEF Grant:
Annex 8: Draft Project Implementation Manual

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WEIGHTS AND MEASURES

1 Kilogram = 2.204 lb.
1 kilometre (km) = 0.62 mile
1 metre = 1.09 yards

1 square metre = 10.76 square feet

1 hectare = 2.47 acres

1 acre = 0.405 hectare

ABBREVIATIONS AND ACRONYMS

AUO Office of Audit and Oversight of IFAD

AWPB Annual Work Plan and Budget

BRAM IFAD's Borrowed Resources Access Mechanism

CCA Climate Change Adaptation

CEM General Directorate of Combating Desertification and Erosion

CMT Contract Monitoring Tool
COI Core Outcome Indicator

COSOP Country Strategic Opportunities Programme

CPMU Central Project Management Unit
CPMU Central Project Management Unit

CR Contract Register

CSPE Country Strategy and Programme Evaluation

DA Designated Account

DAPRDA Eastern Anatolia Project Regional Development Administration

DC Direct Contracting

DSA Daily Subsistence Allowance

DSI General Directorate of State Hydraulic Works

EFA Economic and Financial Analysis
EIRR Economic Internal Rate of Return
EKAP Electronic Public Procurement Plan

ENPV Economic Net Present Value

ENRM Environment and Natural Resources Management ESMP Environmental and Social Management Plan

ESMS Environmental and Social Management System

ESRN Environment and Social Review Note

EU European Union FA Financing Agreement

FAO Food and Agriculture Organization

FIRAT Euphrates River Watershed Rehabilitation Project

FM Financial Management

FMD IFAD's Financial Management Division

FMFCL Financial Management and Financial Control Arrangements Letter

FMS Finance management Specialist

FO Farmers Organisations

FPIC Free, Prior and Informed Consent

RDA/DA Regional Development Administration/Development Agency

FS Feasibility Study

FSS Food and Safety Standards

G20 Group of 20 (an intergovernmental forum)

GALS Gender Action Learning System
GAP South-eastern Anatolia Project

GAPRDA South-eastern Anatolia Project Regional Development Administration GDC General Directorate of Combating Desertification and Erosion,

Ministry of Environment, Urbanization and Climate Change

GDP Gross Domestic Product

GDRS General Directorate of Rural Services

GEF Global Environment Facility

GEWE Gender Equality and Women's Empowerment

GHG Greenhouse Gases

GIS Geographical Information System

GoT Government of Türkiye

GRM Grievance Redress Mechanism

GTWDP Göksu Taşeli Watershed Development Project

HDDS Household Dietary Diversity Score

HH Household HQ Headquarters

ICB International Open Bidding

ICP IFAD Client Portal

ICS Individual Consultant Selection

ICT Information and Communication Technology
IFAD International Fund for Agricultural Development

IAS Impact Assessment Survey

IFIs International Financial Institutions

IFR Interim Financial Report

IFRS International Financial Reporting Standards
INDC Intended Nationally Determined Contributions
IOE Independent Office of Evaluation of IFAD

IPRM Integrated Programme Risk Matrix

IPs/IAs Implementing Partners/Implementing Agencies

IPSAS Cash International Public Sector Accounting Standards - Financial

Reporting Under the Cash Basis of Accounting

ISA International Standards on Accounting

ISM Implementation Support Mission

KM Knowledge Management LDN Land Degradation Neutrality

LTB Last Time Bidding

M&E Monitoring and Evaluation

MC Micro Catchment
MCP Micro Catchment Plan
MG Matching Grants

MIIT Ministry of Investment, Industry and Trade

MIS Monitoring Information System

MoAF Ministry of Agriculture and Forestry
MoTF Ministry of Treasury and Finance
MoU Memorandum of Understanding

MRWRP Murat River Watershed Rehabilitation Project

MSME Micro, small and medium enterprises

MTP Medium term Plan

MURAT Murat River Watershed Rehabilitation Project

NCB National Competitive Bidding

NPP Net Primary Productivity

NDP National Development Plan NGO Non-Governmental Organization NRM Natural Resources Management

NS National Shopping

NWFP Non-Wood Forest Product
O&M Operation and Maintenance
OBM Regional Directorate of Forestry

OECD Organisation for Economic Co-operation and Development

OGM General Directorate of Forestry

ORKOY Orman ve Köy İlişkileri Dairesi Başkanlığı (Department of Forestry

and Village Relations)

PBS IFAD's Performance-Based Allocation System

PCR Project Completion Report

PDA Provincial Directorate of Agriculture and Forestry

PDM Project Design mission

PDO Project Development Objective

PDR Project Design Report

PIM Project Implementation Manual

PP Procurement Plan

PPA Project Procurement Arrangements
PPCL Public Procurement Contracts Law

PPL Public Procurement Law
PPM Project Procurement Manual

PPMU Provincial Project Management Unit

PPP Purchasing Power Parity

PSB Presidency of Strategy and Budget

PSC Project Steering Committee
QBS Qualifications Based Selection
QCBS Quality Cost Based Selection

RUE Rain Use Efficiency

RFP Request For Proposal

RIA Research and Impact Assessment

RIAD Research and Impact Assessment Division of IFAD

RPMU Regional Project Management Unit SDGs Sustainable Development Goals

SECAP Social Environmental and Climate Assessment Procedures

SME Small and Medium Enterprise

SO Strategic Objective (of IFAD)

SP Service Provider

SPA Special Provincial Administration
SPD Standard Procurement Documents

SSS Single Source Selection
TA Technical Assistance

TKDK Agriculture and Rural Development Support Institution

TL Turkish Lira

ToC Theory of Change ToR Terms of Reference

TVET Technical and Vocational Education and Training

UN United Nations

USD United-States Dollar WA Withdrawal Application

WB World Bank

WUA Water Users Association

ANNEX 8 PROJECT IMPLEMENTATION MANUAL

1. INTRODUCTION

1.1 Purpose and Contents of the Manual

- 1. This Project Implementation Manual (PIM) provides the basis for the implementation of the Euphrates River Watershed Rehabilitation Project (FIRAT). It establishes the Strategic and Institutional Framework and provides guidance for the overall planning and implementation of activities. It details the collaborative framework for project implementation, the institutional and management arrangements; the administrative, fiduciary and contractual procedures; and monitoring, evaluation and reporting.
- 2. The Manual establishes effective implementation procedures and mechanisms, which will ensure the achievement of the overall objectives as outlined in the project's design document and logframe.
- 3. Lessons learned from the MURAT project as well as other IFAD interventions in Türkiye have informed the drafting of this manual. This manual will be used in conjunction with the Final Design Document and will be updated regularly by the Project team to reflect any changes agreed between the Government of Türkiye (GoT) and the International Fund for Agricultural Development (IFAD).

1.2 Intended Use and Users

4. This manual is to be used by all staff of the PMU and the staff of all units/departments who will provide support to the PMU in the implementation of the Project.

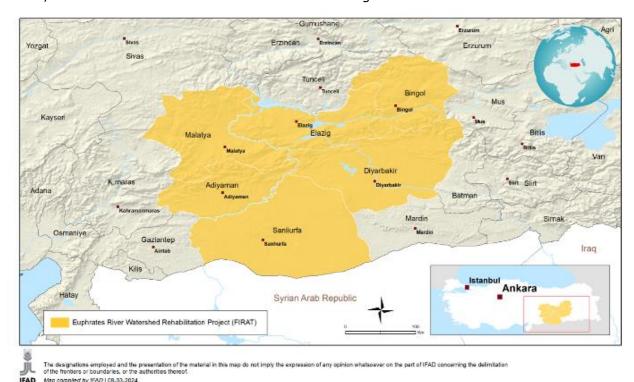
1.3 Scope and Limitations

- 5. This manual provides broad guidelines for the effective management and implementation of the project in accordance with its objectives, intended results and expected impacts. It does not provide decisions for each and every circumstance likely to occur during project implementation. Relevant matters will be handled by the project management, including the Project Steering Committee (PSC). It is therefore intended to serve as a guide in implementation, and as and when needed, it should be reviewed and updated to reflect changed conditions and thus different implementation requirements. In particular, it guides the CPMU in the following areas:
 - a) Target group and project area focus
 - b) Project organization, management and coordination
 - c) Planning, budgeting and reporting
 - d) Components, activities and expected outcomes
 - e) Contractual agreements and Memorandum of Understanding
 - f) Procedures for staff selection and recruitment
 - g) Administrative, accounting and evaluation arrangements
- 6. The manual does not attempt to draw up a management information system for the project, nor does it indicate the detailed procedures for procurement on each transaction the project will carry out.

1.4 Project Location

7. The area targeted by the project is the northern part of the Euphrates Basin, within Türkiye. The region includes six provinces: Malatya, Adıyaman, Şanlıurfa, Diyarbakır, Elazığ, and Bingöl. The border with Syria and Iraq forms the southern boundary of the project area. The geographic scope of the project will include rural areas in approximately 40 micro-catchments with 400 upland forest villages spread over 39 districts of the 6 targeted provinces. The region exhibits great diversity in geological structure, topography, climate, and vegetation cover. Within the region, high mountain ranges from an arc in the

northern parts of the Basin, which extends from west to east. The mountainous terrain is the main water source, feeding the Euphrates River and its branches. The population of the project area is about 4.24 million spread over 39 districts and 886 forest villages. Of these, about 0.27 million are identified as forest villagers.



1.5 Documents Referred

- 8. The following documents should be consulted in preparing and updating the PIM:
 - a) IFAD Project Final Design Report and its Appendices
 - b) IFAD Guidelines for Procurement
 - c) IFAD Guidelines for Supervision
 - d) Project Financing Agreements with the IFAD
 - e) IFAD General Conditions
 - f) Letter to the Borrower
 - g) IFAD Guidelines for Audit

2. LEGAL FRAMEWORK

- 9. The FIRAT Project is implemented by the Government of Türkiye (GOT) and is financed by a loan from the International Fund for Agricultural Development (IFAD), a grant from the Global Environment Facility (GEF) and government and beneficiary resources. The IFAD Loan (Number xxxxxxxxx) was approved by the IFAD Executive Board in September 2024. The financing agreement between the Republic of Türkiye and IFAD was signed on 2024 and entered into force on the 2024.
- 10. The Government of Türkiye will appoint the **Ministry of Treasury and Finance** (MoTF) as the Borrower responsible for the signing of the financing agreement and the General Directorate of Forestry (OGM) under the Ministry of Agriculture and Forestry (MOAF) as implementing agency who will be responsible for the implementation of the project. IFAD will be directly responsible for project supervision.
- 11. The Financing Agreement constitutes the legal basis of the project; it will outline the conditions of first disbursement.

- 12. The Project is expected to start implementation on 1 **December 2024**, and will be completed within **seven** years.
- 13. The implementation of this project should be in conformity with the rules and regulations of the Government of Türkiye and the Financiers (IFAD and GEF).

3. PROJECT FRAMEWORK AND STRATEGY

3.1. Project Rationale

- 14. Despite the impressive achievements made by Türkiye in reducing poverty some challenges persist and some others have emerged or are emerging in Türkiye. As noted, monetary poverty is relatively high at about 12 to 13% of the population and progress in reducing poverty has stalled. Türkiye ranked 124th (out of 145 countries) in 2022 in the Global Gender Gap Index, lagging behind other Central Asian countries. With only 54% of women having an account as opposed to 83% of men, Türkiye has one of the largest gender gaps in financial inclusion. Third, while Türkiye is a nation of youth, the unemployment rate among young people is high. Fourth, rapid demographic growth, unsustainable agricultural practices, urbanization, and industrialization exert heavy pressure on natural resources and the environment and as a result, sustainability gaps are increasing. As a result, while cities are getting crowded with young unemployed people, the farming population is growing older.
- 15. Furthermore, the effects of climate change, including rising annual mean temperatures and changes in precipitation patterns, have expanded the agricultural sector's exposure to climatic risks. Climate change thus acts as one of the main drivers of land degradation through soil erosion. Since Türkiye is mostly arid and semi-arid and with rising temperatures and extreme weather events, the risk of land degradation through topsoil erosion is serious. Also, Türkiye is already considered a water-stressed country. In the proposed project area, some 78% of the 1.3 million hectares of forest land is degraded.
- 16. Agricultural growth in Türkiye has proven to be pro-poor and it has the potential to contribute even more to reducing poverty and making the economy much more resilient. Within Türkiye, agricultural growth is significantly higher in Southeast, and Eastern Anatolia Regions the proposed project area which also report highest poverty rates. This is a fortuitous combination and needs to be maintained and even accelerated. Importantly, a successful model for tackling these issues in upland and mountainous areas in Türkiye's Eastern and South-Eastern regions has evolved over time in the form of Murat River Watershed Rehabilitation Project ("MRWRP" or "MURAT") which at completion point in 2023 was rated highly relevant with satisfactory results in terms of rural poverty impact, climate change adaptation, gender equality and empowerment.
- 17. Lastly and critically, in identifying and designing the current project GoT and IFAD have considered the impact of the two strong earthquakes (magnitude 7.8 and 7.5) that hit the region[3] on 6 February 2023 and resulted in the death toll of more than 50,000 people. The earthquakes caused US\$6.7 billion in losses. Small-scale producers were particularly affected, also by the drying up wells and springs. Due to the need for cash to cope, many upland rural households sold their surviving livestock in the months following the earthquake and many are still struggling to recover. Even before the earthquakes hit, the proposed project area was characterised by low socio-economic development, including higher levels of poverty and youth migration.

3.2. Project Objectives

- 18. The **project goal** is to reduce poverty of the upland communities in the targeted micro-catchments (MCs) of the Euphrates River watershed.
- 19. The **development objectives** of the project are to increase the income and resilience of small-scale producers and vulnerable groups, including women and youth, in

the targeted MCs. The project focuses on the upland households as the unit of resilience and it seeks to enhance their resilience capacities against, climate, environmental, market, and economic shocks. In selecting the MCs higher priority will be accorded to those affected by the earthquakes that took place in February 2023.

3.3. Project Area and Target Group

Geographical targeting and project area.

- The geographic scope of the project will include rural areas in approximately 40 MCs with 400 upland forest villages within a total of 39 districts in the 6 targeted provinces. Criteria for MCs selection are: (i) high levels of soil erosion and land degradation; and (ii) high level of poverty and/or low level of socio-economic development. An additional criterion that will determine the sequencing of the MCs in the roll out would be the prioritization of those that are most affected by the earthquakes. These MCs will be inducted in the first year of the project implementation.
- 21. The target areas present high level of soil erosion and land degradation as shown in the map:

Erosion per hectare and year 0 - 1 tons I Very low 1 - 5 tons 5 - 10 tons | Medium Basemaps: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community 10 - 20 tons | High

Map 1. Soil erosion (Source: Generated based on multiple sources indicated on the map)

Out of the 39 preselected districts, 30 present the lowest socio-economic development level, while ten of them rank higher (SEDI 2022)[1]. These 7 MCs have also been included in the target area as they were amongst those most heavily affected by the 2023 earthquakes^[2]. The map shows the districts by development levels prior to the earthquakes where 6 and 5 (lowest and lower, respectively) correspond to 75% of the total targeted districts in line with poverty targeting criteria.

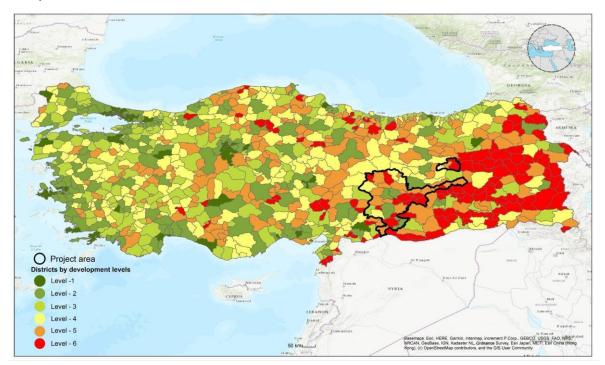
10 km

O Project area

| Very high

> 20 tons

Map 2. Social-economic development index per district (Source: Districts figures extracted from SEDI 2022)



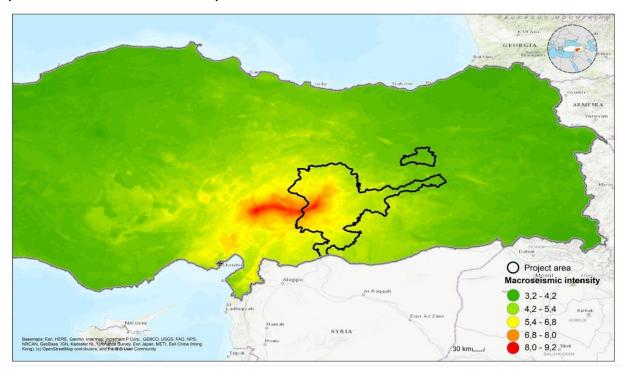
- 23. Relevant information based on the 2024 PSB Report on Kahramanmaraş and Hatay Earthquakes Recovery and Reconstruction Efforts, specifically on the targeted provinces, is provided below: the total number of barns with moderate or more severe damage in the earthquake-affected 11 provinces is 25,543; number of containers in rural areas 65,706 and people sheltered in rural areas are 246,653. In the target areas it is estimated that 13,000 barns have suffered moderate/severe damage (51% of total 11 provinces affected); 24,500 containers provided in rural areas and number of people sheltered are 104,000 (corresponding to 37% and 42% of the total 11 provinces).
- 24. The Government has identified 11,000 right holders who are entitled to barn reconstruction support. The design mission interacted with farmers who clearly mentioned they were not eligible for support as many of them were not registered as farmers in the government system. A vast majority of women interviewed during the design process affirmed that they could not access government's support given their status of not being registered farmers. This is a critical point for the project to consider and find ways and means to timely intervene in earthquake affected areas and target those farmers that are not registered with especial focus on women.

Table 1: Earthquake damages based on PSB Report on Kahramanmaraş and Hatay Earthquakes Recovery and Reconstruction Efforts

Province	Total number of Barns with Moderate or more severe damage	Number of containers in rural areas	Number of people Sheltered in Rural areas
Adıyaman	3,520	11,777	47,087
Diyarbakır	1,092	401	1,604
Elazığ	2,491	1,590	5,145
Malatya	5,009	7,353	30,182
Şanlıurfa	936	3,410	20,270
Bingol	0	0	0
Total FIRAT Target Area	13,048	24,531	104,288
Total including 11 EQ affected provinces as per PSB report	25,543	65,706	24,6653
% Target areas	51%	37%	42%

25. The project will target forest villages and within the selected MCs, give priority to villages requiring post-disaster recovery of livelihood assets. With the three levels of overlays, viz, severity of environmental degradation and soil erosion, low socio-economic levels, and the urgency to provide post-disaster recovery support to earthquake hit households, the following map shows the priority districts to be covered during the first phase of implementation:

Map 3. Macroseismic intensity of the earthquakes in South-eastern Türkiye on 6 February 2023 (Source: USGS derived from OCHA)



- 26. The list of the total targeted districts below shows the total number of forest villages within the districts (886 total), the estimated resident population (about 270,000), and the number of households (79,600).
- 27. **Project participants and outreach**. It is estimated that about 36,000 people will be direct project participants (individuals) receiving multiple services offered by the project i.e. any of the set of activities/interventions promoted by the project components. An additional 4,000 people will receive benefits from community level interventions, thus increasing the total outreach to 40,000 HHs. Women will account for 40%, or 15,000 beneficiaries, and youth for 15%, or 6,000. Some of these beneficiaries will receive multiple services. The following table provides an overview of total outreach including estimated percentage of participation by women and youth as well as unique households served by the project derived by accounting for double counting.
- 28. **Target Groups**. The main target group will be small-scale producers living in upland forest villages and engaged in a mixed farming system as their main livelihood. They have few productive assets and the majority of them have experienced loss or damage due to the earthquakes. Women and very poor farmers who are not registered are hardest hit as the non-registered farmers often cannot apply to dedicated national recovery schemes whose access is determined by registration/rights holding.
- 29. In general, the target group lack access to improved climate resilient technologies and practices as well as technical assistance, advisory services and remunerative markets. Specific focus will be on vulnerable groups, specifically: (i) poor rural households practising subsistence farming with selling of surplus and whose livelihood is negatively affected by

environmental degradation, climatic shocks and disasters; (ii) women, with a focus on women-headed households; and (iii) unemployed and underemployed rural youth. The profiles of the target group based on characteristics associated with poverty, coping strategies, and priority needs have been presented below (Table 4).

Table 2: Overview of target areas and targeted districts

Province	Population	HHs size	50% of the median income	Pre-selected Districts	Number of Forest Villages	Corresponding village population	Number of Households	Average HHs per village	Socio-economic development index Score	Rank (1- 973)	Development Level (1-6)	district province	by
			(poverty %)					3	(+6.9 / - 1,4)				
Adıyaman	635 169	3,85	3,7		282	97398	26648					9	
TRC1				Besni	67	27584	8042	120	-0,4	586	4		
				Samsat	16	2883	767	47	-0,8	861	6		
				Çelikhan	14	2227	619	44	-0,6	744	5		
				Gerger	35	9087	2242	160	-1,2	971	6		
				Gölbaşı	28	10259	3220	230	-0,1	392	3		
				Kahta	33	13595	3215	230	-0,5	642	5		
				Merkez	56	17510	4867	348	-0,5	215	2		
				Sincik	20	8279	1879	134	-1,2	955	6		
				Tut	13	5974	1797	128	-0,9	908	6		
Diyarbakır	1 804 880	4.24	7,7		82	27147	7137					2	
TRC2				Çermik	54	19529	4685	335	-0,8	<i>879</i>	6		
				Çüngüş	28	7618	2451	175	-1	930	6		
Elazığ	591 497	3,13	6.3		140	18392	6349					7	
TRB1				Baskil	33	3400	1203	86	-0,7	788	5		
				Keban	20	1453	479	34	-0,4	563	4		
				Maden	25	4413	1470	105	-0,5	708	5		
				Sivrice	38	2150	687	49	-0,6	755	5		
				Alacakya	10	3337	1485	106	-0,7	798	5		
				Aricak	10	3281	867	62	-1,7	928	6		
				ağin	4	358	159	11	-0,6	736	5		
Malatya	812 580	3,3	6.3		243	101366	32409					13	
TRB1				Akçadağ	25	9147	2828	202	-0,5	645	5		
				Arapgir	16	2251	794	57	-0,3	551	4		
				Arguvan	21	3053	1159	83	-0,8	<i>876</i>	6		
				Battalgazi	22	21020	6.450	464	0.0	1.60			
				Doğanşehir	22	21928	6458	461	0,8	162	2		
	+			Doğanyol	7	693 7849	215	15	-0,9	903 721	6 5	1	
				Hekimhan	38 7		2936	210	-0,6				
				kale Yazıhan	8	1922 3287	687 910	49 65	-0,7	791 799	<i>5</i>	-	
									-0,6			-	
				Yeşilyurt	11 47	3769 9854	1164 3038	83 217	1,2 -1	130 933	2 6	-	
				Poturge		20637					6	-	
				Dogansehir	29		7014	501	-0,9	903	6		
		1		Kulunkan	12	4069	1320	94	-0,8	<i>875</i>	р		

Province	Population	HHs	50% of the	Pre-selected	Number	Corresponding	Number of	Average	Socio-economic	Rank (1-	Development	district	by
		size	median	Districts	of Forest	village population	Households	HHs per	development	973)	Level (1-6)	province	-
			income		Villages			village	index Score				
			(poverty %)						(+6.9 / - 1,4)				
				Darende	21	8393	2809	201	-0,4	<i>578</i>	4		
Sanlıurfa	2170110	4,8	7.7		16	7430	1488					3	
TRC2				Bozova	4	2485	489	35	-0,9	896	6		
				Karaköprü	8	2591	519	37	0,4	232	2		
				Birecik	4	2354	539	39	-0,6	<i>759</i>	5		
Bingol	282 556	3,2	6.3		123	18380	5577					5	
				Adaklı	29	5373	1603	115	-1	932	6		
				Yayladere	16	1017	309	22	-0,4	593	4		
				Kiğı	22	2017	612	44	-0,5	649	5		
				Yedısu	12	1564	475	34	-0,9	902	6		
TRB1				genc	44	8409	2552	182	-0,6	<i>753</i>	5		
Total Area					886	270113	79608					39	

Table 3: Beneficiary's participation by activity excluding double counting and considering gender and age differentiation

Component 1: Micro-catchment planning and natural resources management	Total beneficiaries by activity	Final beneficiaries	Women	% Women	Youth	% Youth
House improvements (50/50, roof or insulation)	500	500	350	70%	50	10%
Energy saving and renewable technologies for households (50/50)	3150	3150	2206	70%	316	10%
Communal investments (PV panels, ICT center/internet, bakery, etc.)	12000	6000	3000	50%	706	12%
Implementation of rangeland rehabilitation and sustainable management plans (24 pilots)	720	360	36	10%	0	0
Access to rangeland infrastructures and equipment	200	200	20	40%	0	0
Sub-total Component 1		10210	5612	55%	1072	10%
Component 2: Investments in Improved Climate Resilient Infrastructure, Livelihoods and Access to Markets						
Youth mentoring and coaching	4800	3360		50%	3360	100%
Youth Enrolling in vocational Trainings (TVET)	1000	1000*		50%	1000	100%
Matching Grants (individuals) including BDS and trainings (livelihoods and economic development)	6500	6500	2600	40%	976	15%
Grants for groups (cooperatives, unions and (M)SMEs owned by forest villagers or producer/ farmer organizations)	250	250	100	40%	36	15%
Market facilitation and Promotion	8000	6400	2560	40%	320*	5%
Farmers to farmers and youth exchange (study tours/ exposure and learning visits)	5000	2500	1000	40%	750*	30%
Gender Action Learning System (GALS) for women's groups	2000	2000*	2000*	100%	600*	30%
On-farm soil and water management practices trainings	5000	2500	816	32%	0	0
Access to water and irrigation facilities	9150	4576	1830	40%	0	0
Sub-total Component 2		26086	8906	34%	4372	17%
Total Project Direct Beneficiaries (Component 1 and 2)		36296	14518	40%	5444	15%

¹ Final removing double counting of participants receiving more than one service. The symbol * indicate that the number has been reported to indicate the target but numbers don't add up to the final result as the beneficiaries are already counted under other project services.

Table 4: Target group profile and poverty characteristics

Typology	Poverty level and causes	Coping strategies	Priority needs
Poor smallholder farmers, landless or near landless, relying on subsistence agriculture and social assistance programmes. Highly vulnerable to economic, environmental and climate shocks.	Environmental degradation affecting their livelihood and food systems Few assets or assetless Operating at a subsistence level with low quality inputs and lack of technologies Experienced losses and damage of key agriculture and non- agriculture assets due to earthquakes Inability to access government recovery schemes as they lack right holding. They are often non-registered farmers	Unable to cope with disaster such as earthquakes Limited access to national recovery schemes Relying on Social assistance programmes and family support Engaged in low paid labour to make an income and fulfil basic needs Use savings to address basic needs in situation of emergency	Livelihood recovery and support for those hardly hit by the Earthquakes Increased resilience to economic and climatic shock livelihood diversification and income generation Access to better agriculture systems to improve production and productivity Strengthening of collective action and group formation Access to grants support for investments (e.g. time and energy saving technologies and recovery support).
Transitory poor smallholder farmers producing limited surplus, at risk of poverty and vulnerable to economic, environmental and climatic shocks.	Environmental degradation affecting their livelihood system Poor quality production and productivity due to lack of scale and appropriate services and technologies Experienced losses and damage of key agriculture assets due to the earthquakes Lack of collective action Some of them (to a lower extent as compared to poor HHs) may also experience Inability to access government recovery schemes as they lack right holding.	Livelihood diversification (agriculture and nonagricultural activities) Use of low-quality inputs and practices due to lack of finance to improve their production and productivity Work individually and with no prospect/interest to invest in collective action	Increased resilience to economic and climatic shock Technical assistance (production, marketing and processing) Access to more resilient and improved technologies and agriculture practises Access to better markets for their produce and aggregation Access to finance and grant support (including for assets recovery and on farm investment)
Women ranking among the poorest and most vulnerable as they are often unpaid family labour. They lack access to key productive assets and voice on decision making.	No access to profitable economic opportunities and livelihoods Limited access to land titles and agriculture assets Unpaid family labour lacking control over income and decisionmaking. Low level of literacy and limited access to technical assistance Produce for self-consumption and selling small surplus at farm gate with very limited market orientation Inability to access government recovery schemes as they lack right	Production for consumption Rely on social assistance programmes and support from family members Low paid manual labour or unpaid family labour	Livelihood recovery and support for those hardly hit by the Earthquakes Access to profitable income generating opportunities and livelihood options; Access to technologies, assets, financial and nonfinancial services Focus on energy and time saving technologies Access to grant financing Strengthen decision making at community and also at household level

Typology	Poverty level and causes	Coping strategies	Priority needs
	holding. Women are often non-registered farmers		
Youth unemployed and underemployed ranking among the working poor with limited job opportunities/low paid jobs/seasonal workers. They are also migrants in search of opportunities and better living conditions.	Lack of assets Lack of skills and skills mismatch with labour market demand Limited access to financial services due to collateral constraints Lack financial resources to buy inputs and technologies	 Engage in low paid labour Off-farm work Migration to urban areas and/or abroad 	 Skills creation Business and micro enterprise development Alternative and viable income generating activities Access to grants financing

30. **Poverty focus**. Within the target group, low-income households practicing subsistence agriculture are the most vulnerable to poverty and negatively affected by shocks and disasters. These are disadvantaged households due to their socio-economic condition, deriving their source of income from small agriculture production, agricultural labour and social welfare support. The poorest households will be considered as a priority group, especially for energy saving and housing improvements interventions (e.g. insulation, roof rehabilitation, energy efficient stoves, house PV solar panels) as well as for small zero interest loans matched by a grant supporting on-farm improvements and recovery of livelihood productive assets lost or damaged by the earthquakes. The project will also focus on the transitory poor (people vulnerable to poverty) selling their agricultural products primarily in local markets and to traders. A point system will be used to prioritize the very poor (or poorest) households as recipients of livelihood grants as presented in Table 5 which will quide the project team while selecting the beneficiaries.

3.4. Social Targeting and Inclusion Strategies

3.4.1 Social Targeting

- 31. FIRAT presents interventions that are of interest for all target groups and respond to the needs expressed by consulted stakeholders. Some activities will be of interest for the community as a whole, for example, the MC participatory planning for improving livelihood activities; capacity building; productive, climate adapted, and earthquake resilient infrastructures; and natural resource restoration and management. The main targeting mechanism will be self-targeting; however direct targeted interventions and quotas are set for vulnerable groups and those at risk of exclusion, e.g. poorest households, women and young people.
- 32. **Direct Targeting and beneficiaries' selection**: Livelihood grants will be provided to poor and transitory poor households to improve on-farm production, processing and households' resilience, giving priority to vulnerable groups with special attention to women and youth as they rank among the poorest. Pro-poor targeting criteria will be applied for beneficiaries' selection, to ensure the most vulnerable households are included and benefit from project services. Two main sets of criteria to define the very poor and the transitory poor households eligible for matching grants are elaborated below.
- 33. Poorest households will be identified based on poverty criteria considering income level (e.g. monthly income below two times the minimum wage and/or green card holders); productive assets (e.g. less than 10 decars of land; less than 10 cows; less than 100 small ruminants and other considerations including no access to water/irrigation facilities). These households will be accorded priority in providing grant support as defined by the scheme modalities specified for the two project components.
- 34. Similarly, transitory poor households will be assessed based on income level (e.g. monthly income below two times the minimum wage) and productive assets (e.g. less than 15 cows; 10 decares of land and 100 small ruminants). A point system will serve to give priorities in the process to vulnerable categories (Poor, women and youth).
- 35. Applicants will fill a form through which socio-demographic and economic information will be reported. A verification process will be conducted by the project field officers with support from local authorities to ensure that vulnerable and marginal categories get priority. The point

system to **prioritize the most vulnerable** in the scoring of grant proposals is presented below. Poorest households, women and youth will get an extra point in the evaluation process to give them priority.

Table 5: Point system to prioritize the most vulnerable

Target groups	Poverty Characteristics	Women	Youth
Poorest households	Monthly income below the minimum wage and/or green card holders); productive assets (e.g. less than 5 decares of land; less than 2 cows; less than 30 small ruminants and other considerations including no access to water/irrigation facilities		
Points	2	1	1
Transitory poor	Monthly income below two times the minimum wage) and productive assets (e.g. less than 15 cows; 10 decares of land and 100 small ruminants).		
Points	0	1	1

- 36. Community **mobilisation and consultation.** The robustness of the target strategy relies on a strong mobilisation and consultation process to be conducted at the beginning of the operations and supported by field staff of implementing partners. The GAP/RDA will work with OGM/ORKÖY in collaboration with Social Mobilisers (SM) under the Ministry of Family and Social Services who are already engaged in gender awareness activities at village level to ensure entry points in the communities take into account existing groups/social committees created with similar purposes. OGM field staff will be responsible for informing communities about poverty and vulnerability criteria for targeting of the poorest and most vulnerable, share key relevant project information and ensure that gender and social inclusive principles are well understood by participating communities (greater details are reported in the **Stakeholder Engagement Plan (PDR, Annex 5, Attachment 3)** and the ESCMP (Annex 5, Attachment 1). Furthermore, a dedicated gender, youth and social inclusion specialist will be part of the CPMU to ensure proper implementation of the targeting approach (See draft ToRs of the specialist in Appendix A.3).
- 37. The involvement of community-based organizations and local/traditional institutions will be key to mobilize and sensitize communities to get buy-in to the project and enhance the demand driven nature of the intervention. OGM field staff will work in coordination with social workers (Ministry of Family and social Affairs). This activity will be undertaken at the village level and will consist of public consultations with the community as a whole and separate interaction with special groups, such as women and youth including persons with disabilities (PwD). A simple three-step process as described below will be followed:
 - a) **Step 1:** <u>Initial Community Consultation at village level</u>. The first task for field level activities will be to conduct visits in the selected forest villages and work with community members and CBOs, including village elders, local leaders, to inform them about the project activities, and seek community concurrence about the relevance of the planned activities and ascertain their interest in participating in the different activities. During this initial phase it will be clarified that the community meetings shall include women and youth to the maximum extent possible and these would form not less than 50% and 20%, respectively.
 - b) **Step 2:** <u>Inclusion of Women, youth and groups at risk of exclusion</u> (e.g. PwD). Inclusion and interaction with specific groups, such as women and women heads of households, youth, including marginal groups (PwD) will also take place. The Gender and Social Inclusion Specialist and field officers will be directly responsible to facilitate inclusion of (or separate consultation if need be) those groups and their consequent mobilization within the process. They can be supported through Focus Groups Discussion (FGDs). They will be mobilized to participate in the broad community meetings, MCPs meetings through their representatives, and express their view and interest on the planning

- process and for any package support to be developed by FIRAT in line with different interests and needs of the target groups.
- c) **Step 3:** Women and youth representatives: Representatives appointed to participate in the planning exercise and MCP process (at least 30% women and 30% youth including from vulnerable categories, namely very poor households) should be selected to serve as an entry point on behalf of their respective groups to participate in the MC planning process. Dedicated project staff at field level will ensure women and youth representatives receive the necessary information and support to undertake the role. They will also facilitate the process for identification of women and youth representatives.
- 38. **Implementation Modalities**: Field Staff of OGM/ORKÖY will be responsible for: (i) informing on key criteria related to poverty and vulnerability for pro-poor participation and prioritization (e.g. accessing grant financing for livelihood development as well as house improvements); (ii) raising awareness; and (iii) mobilization and proper explanation of the project activities including the targeting and gender/social inclusion principles. In any event, the overall responsibility will stay with the gender and social inclusion (SI) expert of the CPMU. The SI expert will also be responsible to form and train field staff (on a Training of Trainers ToT basis) on how best to conduct the above-mentioned exercises using the most appropriate methodologies. Details on tasks and responsibilities are reported in the ToRs of the Gender, youth and social inclusion expert, overall responsible to supervise these activities.

3.4.2 FIRAT Gender Strategy

- 39. While promoting positive shifts in the natural resource management through capacity building and investments for adaptation and mitigation, FIRAT presents a major opportunity to mainstream gender empowerment to increase agency, access to agriculture and non-agriculture services and reduce negative gender norms and attitudes.
- 40. The gender strategy of FIRAT is informed by the Gender Assessment as presented in the SECAP (for more background information see dedicated SECAP sections) highlighting women's main challenges.
- 41. The majority of those employed in agriculture are women, but a large proportion of females subsidize their work in the form of unpaid family farm labour. Although female entrepreneurship has been increasing annually in Türkiye, and faster than male entrepreneurship, the overall proportion women entrepreneurs remain low both across sectors and in agriculture, due to limited access to capital and other financial support, as well as a lack of business skills and experience. Türkiye has one of the largest gender gaps in financial inclusion. Specifically, only 54% of women have an account as opposed to 83% men; and 43% of male-owned Turkish firms report being credit constrained compared to 63% female-owned firms (EBRD 2019 Gender discrimination in small business lending, Evidence from Türkiye).
- 42. This is due to smaller asset base and higher collateral requirements (as compared with men); indicatively, 58% of loans require collateral when the business is managed by a woman, compared to only 37% when the business is run by a man. A novel loan application experiment showed that bias against women entrepreneurs by lending officers also plays a role on limiting finance opportunities for women. In rural areas, women's access to finance is hampered by additional factors such as their limited mobility and lack of information on modes and costs of finance.
- 43. The gender strategy is built around the project components and identifies areas where activities will contribute to gender outcomes namely, increase in women's agency and decision-making, access to common resources and activities, increase in women's resilience, economic and social empowerment through access to knowledge, services, capital and markets.
- 44. The gender and social inclusion strategy consider lessons from existing and previous IFAD experiences in the country and will support women from forest villages in accessing key resilient technologies (e.g. energy efficient stoves as well as tools and technologies for improved agriculture practises), training and equipment, financial services to increase production and

productivity and enhance resilience. Use of gender action learning system (GALS) approach will also be promoted. Women will represent at least 40% of project participants (14,518).

- 45. Under Component 1 (Micro-catchment planning and natural resources management) 2,556 women will have priority support to access grants aimed at house improvements (e.g. roof rehabilitation or insulation); energy saving and renewable technologies; and to apply for communal investments benefiting 3,000 women organised in groups (e.g. communal bakeries).
- 46. Activities under component one build on the successful experience of MURAT and propose interventions aimed at: (i) improving women's economic empowerment through profitable economic activities; (ii) reduction of workload by eliminating time spent on collecting wood as a result of the adoption of energy-saving technologies for solar water heating, house thermal insulation, cooking and heating stoves and access to village stone bakeries for bread making; electric grape juice extractors; and (iii) women's empowerment for decision making regarding the selection of MCPs investment packages.
- 47. Under this component women will be organized in groups and representatives/ women leaders will be appointed to ensure that women's priorities are duly captured in the MCP process. Women representatives will be at least 30%. Investment decisions will then influence activities promoted under Component 2.
- 48. The investments selected for MCPs are expected to result from a consultative and participatory process. On this basis the project will invest in building the capacity of women and youth, holding separate consultations with them, to have at least 30% women leaders representatives and 20% youth representatives to ensure women/youth groups views (including women and youth with disability as part of the above) are captured to ensure investments respond to their needs/views and aspirations. With all measures in place and facilitators supporting the process, the investments will respond to their specific needs and the risk of exclusion is expected to be highly minimized.
- 49. The Community Mobilisers will encourage the participation of women in the identification and planning of the investments and raise awareness regarding the importance of ensuring that women's priorities are reflected in the choices made. Activities will foster women's participation on equal basis (50 percent) in developing Micro Catchment Plans (MCPs) and be at least 30% active participants in the MSP meetings and boards created for the planning process. The proposed strategy to incorporate the view of vulnerable groups and ensure equal information and participation are detailed in the SEP document.
- 50. Under component 2 (Investments in improved climate-resilient livelihoods and access to markets) women will be mobilised and organised in groups to receive specific trainings on the basis of their interests and activities along existing or new opportunities resulting from the Micro Catchment Plans. Women will equally benefit from recovery of production assets and diversification of agricultural production and economic activities, improvement of production technologies and practices as well as aggregation and access to markets, based on the recovery needs and investment opportunities identified in the MCPs. Training will focus on (but not be limited to) improved production, productivity and processing techniques; business development services and market promotion. 2,600 women are expected to access grants and as outlined in the point system (targeting section) they will have priority.
- 51. In addition to developing technical skills through trainings in improved agriculture practices and income generation as well as grant access, the project will support women beneficiaries to develop other life skills and confidence, mainly using GALS techniques at group level targeting 2,000 women. These sessions at group level will become the basis for a process of learning new words, gaining awareness of what causes underlying problems, and identifying action points and taking them forward. Trainers will be trained in using several tools for gender sensitization and awareness of women's groups. Draft ToRs for the GALS expert ad training to be conducted are reported in Appendix A.4.
- 52. Approach for gender mainstreaming: The project gender strategy aims at equal involvement and benefits of women and men in the development of forest villages. Women and

men of different ages and socioeconomic categories, including youth, will be given equal chances to participate in Project's activities and obtain equal returns.

- 53. Equal access to project's opportunities: Ensure that women and men have equal access to capacity building, training, productive assets, improved technologies and practices, financial and non-financial services. With this objective, the project will target at least 40% of the total direct beneficiaries to be women.
- 54. Strengthen women's decision-making role: Women will be trained to form groups and their leadership and negotiation skills will be strengthened to enable them to make informed decisions during the MCP process (Component 1). It is expected that women in representative positions will be 30%. In this respect the project will identify and train at least 2 women's leader per village (800 women).
- 55. Achieve a reduced workload and an equitable workload. The project will have a strong focus on reducing women's drudgery through introduction of new technologies, specifically energy saving solutions. Overall, through introduction of such technologies (solar water heating, house thermal insulation, cooking and heating stoves) women can benefit in terms of reduced work burden e.g. collection of firewood (Component 1).
- 56. Expand women's economic empowerment through access to and control over productive and household assets. Women headed households and women in male-headed households will be empowered. Their financial and business skills will be strengthened to build small businesses (along agriculture VC as well as to develop alternative livelihoods) and effectively engage in IGAs. Access to finance mechanism (e.g. matching grants and other source of credit) will contribute to women's economic empowerment and a point system applying gender positive discriminations will support their prioritization.
- 57. **Enabling measures:** The Project will bring an innovative feature by integrating the GALS to address the power relationships at the root of inequality to meet projects objectives on gender equity and women's empowerment (GEWE). This will lead to: (i) an equitable share of participation and benefits for women and men; (ii) improved decision-making capacities at household and community levels; and (iii) an equitable share of workloads in on-farm and domestic work. The GALS will also be used as an entry point to discuss key topics at group level during women's group trainings.
- 58. **Implementation modalities:** Two Gender Equality and Social Inclusion and Youth specialists will be appointed at RPMUs at the regional level who will be responsible for ensuring that targeting and gender and youth mainstreaming is applied throughout project activities in accordance with the Gender strategy and action plans. S/he will ensure, in coordination with the Project Coordinators that all terms of reference for service providers include focus on gender and social inclusion as appropriate. S/he will also organise dedicated trainings as appropriate for project staff (e.g. ORKÖY field staff) in order to improve project performance, outreach and inclusion of women and disadvantaged groups.
- 59. In order to develop gender-sensitive and gender-responsive approach in the project activities, the Specialists will prepare Gender, targeting, youth and social inclusion action plans. The action plans will be regularly monitored and reported during the annual review and planning exercises. The strategy and action plans will provide actions and quantified targets and indicators required to improve women's and poorer households' access to and control over capital, land, information, financial and non-financial services. In addition to the quantitative measures, action plans will also emphasize on qualitative analysis of achievements and challenges that need to be considered during project implementation. A GALS expert will be recruited to ensure that gender specialists are trained in key GALS methodologies and can replicate through ToT for community mobilisers and ORKÖY field staff working with women's groups (see ToRs). The GALS expert will conduct a workshop to train on the methodologies delivered to regional gender social inclusion specialist, field staff of RDA, ORKÖY as well as staff from project partners (ARD), the expert will organize at least two missions to the country.
- 60. The gender experts will follow up on anything related to the gender responsive trainings for community mobilisers and field staff (including on GALS) to overcome the social barriers to

the inclusion of women and disadvantaged groups in project interventions. The training modules and methods will be reviewed during project start-up and the specialists will ensure that the trainings meet the specific requirements of women and disadvantaged groups, and field staff is properly mobilized to attend GALS trainings. As women, youth and PwD are at risk of being excluded, the project will identify appropriate mechanisms, such as groups for women and other groups, secret voting system during community consultations, holding separate meetings with women, etc. to ensure that their voices are taken into consideration.

- 61. The project is categorized as B as reported in the Environmental and social risk assessment section and does not envisage any major adverse social impact or risks. Social risks that could negatively impact women (and compromise the GAP implementation and results) are outlined in the Environment and Social Management Plan: Women, Youth and other vulnerable categories and marginalized groups are excluded from project benefits. Risk rating is considered "low" based on risk screening applied in the SECAP but for each risk, mitigation measures, recommendations are provided including activities which need to be supervised by the gender and social inclusion experts (see ESMP/Stakeholder Plan with specific responsibility of the Gender, youth and social inclusion Specialist).
- 62. The M&E officer at CPMU level as well as gender and youth experts will be responsible for ensuring gender, age and target groups disaggregated data collection and Gender-responsive monitoring and evaluation of project activities. This will allow tracking the progress on inclusion of women, youth and disadvantaged groups. This data will be regularly reported through Results and Impact Management System (RIMS), in-country management system and annual performance and status reports. In addition, both M&E officers and KM officers will be responsible for documenting and sharing the achievements, lessons learnt and best practices in the form of M&E products and KM products through various communication tools to stakeholders and project implementers to support regular analysis, improved performance and annual programming of project activities. They will also ensure proper integration of Gender aspects in M&E and the KM strategy and manuals in close collaboration with the gender specialist at CPMU.

3.4.3 Youth mainstreaming Strategy

- 63. Youth in uplands forest villages are more likely to be resource poor, lack control over assets, migrate to cities due to limited livelihood options in rural areas, suffer from lower living standards, lack access to the internet, and are mostly deprived of cultural and physical infrastructures. Some rural youth remain in the villages to engage in agriculture activities, while others seasonally move to small towns and cities to find jobs mainly in construction and tourism sectors. Youth in Türkiye are considered those groups whose age is between 14-29, however in the implementation of specific national youth programmes, especially in the rural sector, official categories include those between 14-29 and between 30-40 years, moving youth age limits up to 40 years old (MoAF, 2018). The FIRAT will align the following age brackets: 15-29 mainly for TVET and 30-40 for livelihood grants activities though these age brackets will not be deemed as hard eligibility criteria for youth inclusion. The 30-40 year age bracket mentioned for young matching grant beneficiaries in the PIM will therefore be only indicative and the main criteria that will be applied would be the business viability and experience of the grantee in order to mitigate the risk of start-up failure.
- 64. A major medium-term challenge for Türkiye is to boost the participation of youth and women in the labour force. Despite notable success in job creation in recent years, almost half of the Turkish Working-Age Population (WAP) does not enter the labour market. About 24.2 percent of youth, mostly women (32% against 16% male), are neither working nor attending school and trainings (NEET) the highest share of inactive youth among OECD countries (average 13.3) (OECD, 2023). According to the results of Household Labour Force Survey the youth unemployment rate in the 15-24 age group was 24.7% (22% male and 30% female), the employment rate was 30.1% (2021). This rate was 40.4% for young males and 19.2 % for young females. About 14.6 % of young people were employed in agriculture, 22.4% were employed in industry and 57.2% were employed in the service sector (TSI, 2021).
- 65. The largest internal mobility in terms of size in 2021 was in the 20-24 age group with 731,284 people. Out of the 41.6% of the internal migrants in this age group were males and

- 58.4% were females (TSI, 2021b). Youth movements are mainly from remote eastern villages to urban centres in western provinces. Internal migration dynamics predominantly affect young women and men who are involved either as direct decision-makers or as migrating family members. Rural-to-urban migration in particular is a young-age phenomenon.
- 66. Istanbul was the destination city for about 385,000 migrants in 2021. Although youth unemployment is higher in urban areas, the hope of finding a job is still the main driver of rural-to-urban migration. Other main reasons include improving living standards and finding better cultural and physical infrastructure in the cities. Environmental deterioration (drought, floods, salinization of agricultural land, etc.) and decreases in agricultural output are also determinants of rural-to-urban migration, including education (ILO, 2023).
- 67. The project seeks to improve employment outcomes for the poor and vulnerable youth in the targeted villages with full consideration given to the main features of unemployment and underemployment. Youth are more likely to be resource poor, lack control over assets and migrants to cities due to limited livelihood options, lower living standards, lack of internet coverage, cultural and physical infrastructures in uplands forest villages. Youth face multiple constraints to limited access to information, skills, capital and technology.
- 68. The project relies on the provision of integrated packages of services designed to boost productivity and encourage diversification of activities through the alleviation of the most pressing constraints faced by the youth. The package therefore includes skills development, capital support (e.g. matching grants scheme) and seeds financing, coaching as well as collective action strengthening. The project focuses on strengthening or diversifying micro-enterprises managed by the youth, with downstream potential for yielding additional gains through job creation.
- 69. FIRAT will address youth-specific challenges and engage with them, more specifically targeting: (i) young returning migrants (e.g. seasonal workers interested in investing in livelihood activities in their villages of origin); (ii) youth resident in forest villages interested in working in agriculture or other livelihood activities (e.g. micro enterprise development in off-farm activities (including non-agricultural activities for youth supported with Technical and Vocational Education and Training (TVET) targeted youth), value addition and marketing, service provision) or in improving their skills; and (iii) young graduate students (agriculture or related sectors) interested in supporting project activities and to be employed at local level (e.g. community facilitators, livelihood development facilitators, extension workers). Proposals submitted by young people will be given an additional point so that they receive priority in the selection of beneficiaries of the grant matching grant and interest-free loan scheme. Grant financing will also consider proposals for activities (e.g. not directly related to agriculture) contributing to the overall socio-economic development of forest villages.
- 70. The project will support training and skills development for youth and support them in developing and implementing their business plans investing in productive assets and technical assistance through matching grants. It is expected that youth (18-40 years) will be engaged in agriculture production (e.g. greenhouse production; beekeeping, animal husbandry, aquaculture); trained in enterprise development (e.g. non-agricultural activities, microentrepreneurs including emerging sectors such as agri-tourism, commercial nurseries) and service provision (e.g. extension, input and marketing services). Proposals from young people will be given an extra point in the selection of beneficiaries in the revolving fund matching grant scheme.
- 71. Dedicated studies such as youth labour market and demand assessments including skills gaps analysis will be conducted to identify specific needs and actions required (both wage and self-employment focus). As a result, trainings and courses will be prepared, including in collaboration with Employment Agency (İŞKUR) and the private sector and delivered with or by the private sector (youth and gender labour study ToR attached to the PIM).
- 72. Youth interested in receiving vocational trainings will be organized and linked to vocational training centers. A list of potential private sector partners to support youth on the job trainings will also be included in the labour market assessment and collaborations identified.

- 73. To increase the social capital of rural youth, the project will invest in supporting access to ICT under component 3 (common investment). Through investment in community centers the access to the Internet will be increased in selected villages of the MCs to strengthen the social capital of youth in rural areas through their building of social networks and it would enhance social integration among youth community members.
- 74. Youth participation and employment promotion: Under component 2 youth will be organized in groups (young men and young women) on the basis of their interest and different degrees of participation in the programme; i.e. as existing farmers' producers, agrientrepreneurs, unskilled young agriculture labours, young returning migrants, thus being organized accordingly and receiving targeted interventions and trainings on the basis of their aspirations and interest in engaging in agricultural activities as well as skills and enterprise development (off farm/ value addition/ service provision). The project foresees a specific activity: youth mentoring and coaching which is directed to approximately 4800 youth (50% female) from forest villages (resident and those willing to return).
- 75. It is expected that majority of youth (4,800) will be trained, mentored and coached to better identify their priorities and path. Part of them will be trained in vocational trainings (1,000) and an equal number of self and enterprise development. These activities will support: (i) enterprise development and self-employment for 1,000 young entrepreneurs. The identification of training package for youth will be defined after community meetings/ MC plans meetings where the project team along with project participants will have defined best areas for youth investments and trainings across three main areas: enterprise and business development; vocational training, potential apprenticeship. During that phase also clear targets will be defined accordingly. The sector will also be outlined on the basis of the study promoted.
- 76. Implementation modalities and youth training delivery: The coaching, mentoring and orientation support will be provided to all youth in a way that they can understand their employment path based on the labour opportunities as well as youth aspirations.
- 77. Self-enterprise support trainings will be delivered to groups of young entrepreneurs, homogenous in terms of literacy, numeracy and business skills as well as business activity and its contents and training modality will be adjusted to the type of audience as part of Business development activities planned in component 2 (RDA). It is expected that the large majority of training package will be designed around basic training modules (e.g. technical skill upgrade, bookkeeping, business and market) and very practical rather than theoretical training approaches. One of the modules of the training will be on business planning. Each trainee will be helped develop his own individual or collective (depending on the business model chosen) BP during the training. They will be encouraged to apply for grants schemes promoted by FIRAT but not limited to that.
- 78. The services identified will be delivered with the most effective (i.e. with an adequate mix of theory and practice, taking advantage as much as possible of local expertise) and efficient (bundling of services for economies of scale) modality. Possible modalities of services provision could include: group training; peer training (entrepreneur to entrepreneur; farmer to farmer); demonstration; exchange visits; on the job training; individual / groups technical assistance; individual / group counselling and mentoring; individual / groups business coaching. The activities will be implemented by the Regional Development agency (RDA) through completive selected service providers. Business development services for young entrepreneurs will require collaboration with private sector. The business development service provision is described in Component 2 in greater details.
- 79. Vocational and skills development: Another group of youth, not interested in self-enterprise/grant financing will be supported to identify vocational training needed and will be linked to the TVET (present at district level). The project (RDA/SP) will facilitate the groups to identify the type of training and connection with TVET by working in close coordination with the Employment Agency and ministry of agriculture/ education and other entities responsible to deploy the trainer at the center.

- 80. This will follow the public sector modality in place whereby a group of applicants (e.g. youth/ women groups) form a group and apply to request dedicated trainings at the TVET. The project may mobilize extra support in case the public sector is unable to provide the required trainings, and this can be assessed during the labour study exercise. The design team confirmed that the public sector system is equipped to provide a cadre of trainings which are of interest for the youth.
- 81. Draft ToRs for the service providers (SP) for youth coaching, orientation and mentoring is provided in appendix to the PIM and RDA will be responsible to conduct the competitive process to select SP.

3.5 Expected Project Outcomes

- a) At the Goal and Development Objective level the following indicators will be used to measure key results:
- b) Percentage of households with reduced poverty
- c) Number of households reporting increase in income from livelihood activities
- d) Percentage of households reporting an increase in the value of household assets
- e) SF.2.1 Households satisfied with project-supported services
- f) SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers
- 82. Outcome indicators will measure the contribution of the project to the achievement of its goal and development objective:
 - a) GEF 1 Area of land and ecosystems under restoration (Sum of GEF2 and GEF3)
 - b) GEF 2 Areas of natural grassland and woodland under restoration
 - c) Percentage of reduction in soil erosion in treated areas
 - d) Increase in vegetative cover in restored areas
 - e) 3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered
 - f) Number of women reporting reduction in workload and time spent in collecting firewood due to energy saving technologies
 - g) GEF 3 Areas of degraded agricultural land under restoration
 - h) 3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices
 - i) 2.2.6 Households reporting improved physical access to markets, processing and storage facilities
 - j) 2.2.5 Rural producers' organizations reporting an increase in sales
 - k) 2.2.1 Persons with new jobs/employment opportunities
 - 1) 1.2.3 Households reporting reduced water shortage vis-à-vis production needs
 - m)
 - n) Number of technical guidelines on thematic areas adopted and disseminated

3.6 Sustainability

3.6.1 Political and institutional sustainability

- 83. The proposed project as designed is fully aligned and contributes directly to Türkiye's Vision for 2053 which aims at making Türkiye an eco-friendly, disaster-resilient, technologically forward, and prosperous nation, prioritising equitable income distribution, consistent growth, and a robust economy. Of the five central themes that Türkiye's 12th NDP pursues, FIRAT caters directly to: consistent growth and a strong economy; competitive production with green and digital transformation; and disaster-resilient habitats and a sustainable environment theme. The project design has clearly factored-in the aim of promoting high value-added production and at achieving growth through increased productivity and exports with a focus on green and digital transformation as identified by the country's MTP.
- 84. The project design has sought substantial alignment with important sectoral objectives of the GoT, including: (i) the objectives set in the Strategic Plan of MoAF 2019– 2023 around the efficient use and protection of the sector's natural capital (soil, land, and water) and promotion of climate-smart production practices and ensuring food and feed safety from production to

consumption by improving animal health and welfare; (ii) climate change adaptation objectives for the agriculture sector stated in Türkiye's National Climate Change Adaptation Strategy and Action Plan (2011-2023); (iii) climate change mitigation actions in agriculture proposed under the Intended Nationally Determined Contributions (INDC) under the UN Framework Convention on Climate Change and Türkiye Climate Change Strategy (2010-2023); (iv) soil conservation voluntary targets set under the national Land Degradation Neutrality approach, the United Nations Convention on Combating Desertification and National Strategy and Action Plan to Combat Desertification (2015-2023); (v) actions in relation to sustainable agriculture and climate change stated in the Green Deal Action Plan (August 2021); and (vi) the National Basin Management Strategy (2014-2023) to be updated during the implementation of FIRAT.

- 85. The project design is fully aligned with the Water Efficiency Strategy and Action Plan (2023-2033) which, considering the 77% share of agriculture in total water use in the country, aims at increasing irrigation efficiency from the current 50.4% to 60% by 2030 and 65% by 2050. Keeping this policy in mind and the target set, all irrigation schemes under FIRAT will consist of pressure (piped) systems to minimise conveyance losses up to field edge but also to foster the adoption of efficient on farm distribution methods such as drip and sprinkler irrigation.
- 86. The project has been designed to contribute directly to the IFAD COSOP's second objective of mainstreaming sustainable natural resource management into all aspects of upland agricultural production and increasing upland climate change resilience, and significantly to the first objective of enhancing market access for productive, poor smallholder farmers. The design has taken fully on-board the recommendations made by IFAD's Independent Office of Evaluation in the 2023 CSPE with respect to further prioritising the resilience of rural livelihoods in the mountain areas of Türkiye in an integrated manner and improving the inclusiveness of the country programme towards poor/vulnerable rural women, as well as young men and young women. This design has also made an effort in leveraging the strategic partnership between IFAD and the GoT to foster engagement on policy matters and effective knowledge management for greater scaling up of results. The project is aligned with the national policy framework.

3.6.2 Economic and financial sustainability

- 87. Overall, supporting beneficiaries' transition from a semi subsistence agriculture to a more commercialised agriculture which treats farming as a business would form a key element of FIRAT's sustainability and exit strategy. A judicious combination between off-farm investments such as in building irrigation infrastructure and on-farm developments enabling increased agricultural productivity therefore should increase the sustainability prospects of FIRAT substantially.
- 88. Component-wise, a substantial part of the investments is dedicated for financing livelihood support activities and proportion of MSMEs which the beneficiary HHs will implement and benefit from. The analyses undertaken by the mission shows these activities are financially sound and generate adequate return and therefore can be expected to be financially sustainable. The financing mechanism as proposed links the beneficiaries with Ziraat Bank and over time offers them opportunities to access commercial loan products of the bank. Of the NRM-specific components, forestry investments require less O&M intervention in the post project phase. Since rangelands need more sustained intervention and careful management, substantially increased investments in improving the management along with the adoption of a robust social mobilisation methodology has been incorporated in the design.
- 89. The supported irrigation systems will be relatively simple to operate and maintain by the beneficiaries and could be undertaken by informal Water Users Association (WUAs) of groups in coordination with the village muchtar, as is the current practice. During implementation the Operation and Maintenance (O&M) department of the relevant regional directorate of DSI will identify the most appropriate means to help beneficiaries develop or strengthen their capacity for the O&M of the completed system, including, establishing/ strengthening of WUAs or agricultural cooperatives. Service providers or Rural Development Agencies active in a specific region may be engaged in carrying out training and capacity building for the sustainable operation of the irrigation systems built under the project, covering both technical and financial

sustainability aspects, including the setting up of a water fee and a reserve fund for routine, periodic and emergency maintenance and repairs.

3.6.3 Environmental sustainability

- 90. The environmental and social category for FIRAT is proposed as **Moderate**, based on the final screening using the SECAP screening tool. The project aims to generate overall positive environmental and social benefits in a comprehensive manner. The primary focus of the FIRAT is to rehabilitate degraded land to reduce soil erosion and sedimentation in downstream dams together with improving livelihoods of people residing in selected catchment areas. The project will implement nature-based soil erosion control activities. Afforestation and reforestation will be the key priority of FIRAT for the rehabilitation of biodiversity and degraded land and for improved resilience of livelihoods. Multiple purpose grass and trees will be selected for the plantation. Honey forest support will be continued.
- 91. Potential social risks consider that women, Youth and other vulnerable categories and marginalized groups can be excluded from project benefits. Proactive efforts will be taken to target those individuals with fewer assets and opportunities, and address gender inequalities in accessing projects' benefits. Measures include: Pro-poor targeting criteria; strong outreach and communication activities; separate consultation with women, youth and vulnerable categories; incorporating use of GALS in capacity building services; gender and social inclusion experts are included full time as staff in the RPMUs.

3.6.4 Exit strategy

- 92. The project design acknowledges importance of preparing a robust exit strategy from the beginning of the project to be updated throughout implementation based on the Government's confirmation to finance post-project recurrent maintenance activities and scaling up of created natural resources assets. The exit strategy should also outline the implementation of users'/partners' commitments through relevant protocols covering, among other things, the sustainability of small-scale irrigation facilities, erosion control monitoring and support to agriculture technologies transfer for livelihood improvement. Considering the importance of adopting and implementing the exit strategy, a draft of the strategy has been prepared and appended as Annex 10 of the PDR. This draft exit strategy will be further developed by the CPMU working closely with key implementing agencies from the start of FIRAT to ensure that it is owned and following IFAD's no objection is rigorously implemented.
- 93. Other institutional measures that are expected to contribute and enhance sustainability prospect to a satisfactory level have been built-in in the FIRAT design. These include:
- a) Most parts of FIRAT will be implemented using existing organisational structure and management systems of OGM and OBM as well as Ziraat Bank and recruitment of additional staff have been kept to the minimum, thus preventing drastic withdrawal of follow-up support after project completion;
- b) The project design has ensured active participation of project beneficiaries including women and youth- which will ensure full alignment between the beneficiary needs on the one hand and development plans and regulations for MC and forest villages on the other. Implementing entities, in tandem with the grassroots institutions developed/strengthened, will continue to monitor and follow up on the restoration sites and work closely with the forest villages in the MCs after project completion;
- c) Learning from the MURAT, early development of partnerships with other agencies (e.g. DSI, DSA and GAP) and their involvement at the outset in the MC planning processes would help ensuring that the investments made are integrated in their current and future priorities have been built into the project design;
- d) FIRAT will strengthen the participating producers' access to high quality and continued technical assistance and inputs and step-up support for aggregation and marketing working with private sector partners;

- e) A community driven processes and screening of economic, social and environmental viability of promoted activities will ensure that the main investment activities continue to remain economically viable and environmentally sustainable after programme completion;
- f) Enhanced participation of the private sector micro- and small and medium enterprises (MSME) under FIRAT implies continuity of their business activities and partnerships with farmer groups beyond programme completion; and
- g) Through monitoring and evaluation, evidence will be documented to ensure that proven good practices and lessons learned from FIRAT investments are institutionalised in technical guidelines, regulations and eventual policy recommendations for sustainability and scaling up. The knowledge management processes incorporated in the design will facilitate continuity and scaling of relevant methodologies and approaches.

4. INSTITUTIONAL FRAMEWORK AND IMPLEMENTATION PARTIES, DUTIES AND RESPONSIBILITIES

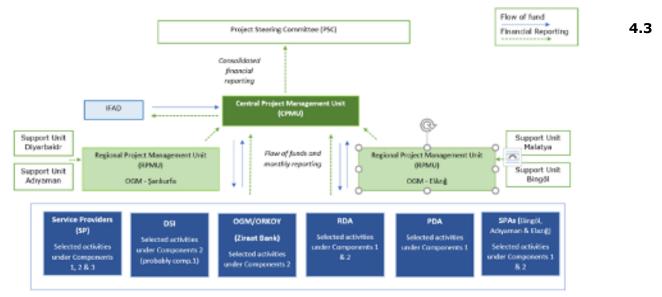
4.1 Implementing Agency

94. The OGM within MoAF will be the Lead Programme Agency which will be primarily responsible for implementation working in close coordination with the MoTF and PSB. Relevant collaborations adjustments will be established at lower levels as appropriate in implementing the component 2, Livelihood investments, marketing and irrigation.

4.2 Project Organization and implementation arrangements

- 95. A Project Steering Committee (PSC) will be established at central level with the responsibility for the overall policy guidance and oversight, including approval of PIM, matching grants implementation procedures, and annual work plans and budgets subject to IFAD no-objection.
- 96. The management structure for FIRAT will consist of: (i) a Central Project Management Unit (CPMU) hosted by OGM in Ankara; (ii) one each of Regional Project Management Unit (RPMU) within OBMs in Elaziğ and Şanlıurfa, and (iii) additional support units in Malatya, Adıyaman, Bingöl and Diyarbakır provinces, as required (Figure 1). Apart from the operational staff for implementing project activities, the three operational units (OUs) at central and regional levels will also benefit from the dedicated staff who will be responsible for monitoring and evaluation, including knowledge management and fiduciary aspects. Most staff engaged in the implementation will be deputed to various levels by OGM/OBM and other implementing agencies.
- 97. The management structure and the funds flow arrangement are depicted in the following schematic.
- 98. Located at the OGM at central level, the CPMU will be responsible for the overall programme planning, implementation, financial management, monitoring and evaluation, supervision of procurement procedures and liaising with concerned government departments such as MoTF and PSB. It will also be responsible for communicating, coordinating and obtaining no objection from IFAD when required and providing guidance and support to RPMUs. The CPMU will be selecting, establishing, and managing partnerships with service providers, research institutions, as well as collaborating with other projects and development initiatives, funded both domestically as well as externally. The two RPMUs, in turn, will be responsible for delivering the programme services and interventions in their respective target provinces. The RPMUs, working collaboratively with the provincial support units will be responsible for delivering the programme services and interventions in all selected micro catchments spread over 38 districts in the 6 targeted provinces.

Figure 1: FIRAT project organogram and the funds flow arrangement



Implementing partners

- 99. **The ORKÖY (Forest and Village Relations).** Under the ORKÖY activities are carried out by the General Directorate of Forestry in Türkiye in order to develop forest villages, improve forest and village relations, and reduce the pressure on forests. This project was initiated by the General Forestry Office under the Ministry of Agriculture and Forestry to increase well-being and development of people living in forest villages by helping them to increase their income. According to the government regulation for upland villages, when a village decide to engage with OGM in forest and soil erosion control activities in their MCs they become target forest villages and as a compensation for the ecosystem services generated they become eligible for OGM/ORKÖY's grant scheme co-administered by the Ziraat bank.
- 100. **Regional Development Agencies (RDAs)**. The RDAs were established in Türkiye pursuant to Law 5949 in order to develop cooperation between the public sector, private sector, and NGOs. They also serve to ensure the effective use of resources, to accelerate regional development, to reveal the local potential, and to ensure the sustainable development of the region in parallel with the national policy and to reduce interregional and intra-regional disparities. They work on the principle of regionalization and good governance and aim to use resources efficiently and productively and reduce exceptional disparities among regions. Each RDA prepares a Regional Plan that specifies priority topics and determines the Agency's strategy subsequent to participatory consultative process. The RDAs encourage sectors where the region is able to compete with other regions on a global scale, to increase employment opportunities and exports, and to support enterprises with high value added.
- 101. **State Hydraulic Works (DSI).** DSI is the state agency responsible for water resources planning, operations, and management. Its primary focus is to plan, design, construct and operate dams, hydroelectric power plants, water supply and wastewater treatment infrastructure, irrigation schemes, and implement structural flood protection and control measures. It has been affiliated with the MoAF since 2018. While typically dealing with relatively larger irrigation schemes, DSI will be involved from the beginning of the MC planning process and throughout the implementation of identified water investments in the project area. FIRAT will make substantial allocations to design and upgrade village-based schemes (less than 300 ha) and DSI can also finance medium scale and large(r) scale water infrastructure works providing important co-financing to the implementation of MCPs. Moreover, DSI technical staff at the regional level will be assigned to provide Quality Assurance in irrigation works and training of water users' associations. The project area extends in the territory of four regional directorates of DSI (N.9 for Elazig, Bingol and Malatya, N.10 for Diyarbakir, N.15 for Sanliurfa and N.20 for Adiyaman).

- 102. **Special Provincial Administrations (SPAs).** Since 2005 the SPAs took over the responsibilities for the development of small-scale rural infrastructure from the General Directorate of Rural Services (GDRS) under the former Ministry of Agriculture and Forestry (now MoAF). In Provinces with highly populated urban centers, the mandate to support infrastructure development in "rural neighbourhoods" was later transferred from the SPAs to the Metropolitan Municipalities. However, the SPAs still active in the project area (Adyaman, Elazig and Bingol) will be key implementation partners for the project. These SPAs will be instrumental to carry out design and supervision of contracted works, particularly for the upgrading of village level small scale irrigation systems (if under SPA's direct responsibility and not implemented under the supervision of the regional DSI office) or for livestock watering facilities and pasture access roads.
- 103. **Private sector.** FIRAT will also establish effective partnerships with strong private-sector actors to enable access to markets of smallholder farmers living in the targeted mountain areas through the matching grant window for producer organisations and aggregators exclusively working on strengthening market linkages.

5. PROJECT DESCRIPTION

5.1 Phasing of Micro Catchment Planning and Implementation

104. The FIRAT goal and development objectives will be achieved through two technical components, namely, Component 1: Micro-catchment planning and natural resources management; and Component 2: Investments in improved climate-resilient livelihoods and access to markets. A third component will address the needs of institutional capacity building, project management, monitoring and evaluation (M&E), and knowledge management. The project will be rolling out the preparation (component 1) and implementation (component 1 NRM and component 2 livelihood investments) of the MCPs in three phases as follows:

Table 6: Phasing of Micro Catchment Planning and Implementation

	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Phase 1	Preparation of 15 MCP (MCs mostly impacted by EQ	reforestation	ctivities 15 MC , soil erosion of rood and energ - comp 1)	control,	Continued support for rangeland and livelihood activities in 15 MCP for consolidation and sustainability		Implementation of exit strategy
	יב	•	ihood activities nns, marketing e - comp 2)		Sustainabii	icy	
Phase 2		Preparation of 20 MCP	Impl. NRM activities 20 MCP		rangeland and livelihood		
			Impl. of livelihood activities 20 MCP		activities in 20 MCP		
Phase 3			Preparation Implemental of 5 MCP MCP		tion of NRM a		
				Implementation of livelihood activities 5 MCP			

5.2 Component 1: Micro-catchment planning and natural resources management

105. This component will support the development of 40 micro-catchment plans (MCP) covering about 400 villages. In this regard it is noted that whilst there is no standalone Euphrates Watershed Plan, the experience gained in the preparation of the MURAT micro-catchment plans will benefit FIRAT and be replicated accordingly. In implementing FIRAT, the Project Steering Committee will ensure that the MCs are selected as envisaged during the design and the MCPs prioritise investments and activities in line with the National Watershed Rehabilitation (Restoration) Strategy" (NWRS) as and when approved. Component 1 has two sub-components:

a) Subcomponent 1.1: Participatory micro-catchment planning and capacity building involving an integrated assessment of the MC areas with the people living in the villages within the MCs to be undertaken by a MC planning service provider (SP) contracted by OGM that will facilitate the participatory assessment and planning process in each MC involving multiple stakeholders and focus group discussions with women, men and young people from the villages in the MC. The SP will provide analytical data and maps to support the assessment of: (i) the status of land, soil and water resources and trends in land degradation and soil erosion both in forest and mountain slope areas, rangeland and in cultivated areas, the ecosystem functioning of the MC; (ii) key climate change and other risks and vulnerabilities, building villagers capacities in vulnerability assessments; and (iii) identification of the livelihood recovery needs after the damages caused by the earthquakes on agricultural infrastructure.

Ensuring community participation and strengthening of grassroot organisations will be initiated in the MC planning process and continued in sub-component 1.2 with emphasis on: (i) making the villagers aware of the FIRAT activities and processes; (ii) clarifying the expected roles and responsibilities of the villagers in participatorily identifying and prioritising the community needs, prioritising these needs and developing implementation plans for the different activities; and (iii) strengthening the villagers' capacities to implement the plan.

The final MCP will include land use maps with the agreed areas and activities for restoration and soil erosion control interventions, rangelands to be rehabilitated and sustainably managed, and the village groups created to accompany these activities to be implemented in sub-component 1.2. The MCPs will have an annexed SIP that contains all the investments and activities agreed with the communities to be supported by FIRAT Subcomponent 1.2 (rehabilitation and management of NR and communal investments) and subcomponent 2.3 (water infrastructure). The MC planning process will include the dissemination of information on the matching grant opportunity supported by Subcomponent 2.1 including eligibility criteria and the process and formats for application.

b) Sub-component 1.2: Rehabilitation and sustainable management of natural resources which will address soil erosion, land degradation and devegetation concerns and reduce risks of landslides and floods, ensure resilient and sustainable livelihoods and prolonging the life of the Atatürk and Karakaya Dams on the Euphrates River. OGM will implement: (i) regeneration of grass species and afforestation of 1,500 ha; (ii) rehabilitation of 1,500 ha of existing forest, and (iii) soil erosion control structures in 3,000 ha of eroded land. OGM will follow its technical specifications and quidelines for activities developed, tailored to specific local biophysical, hydrological, soil type and topography conditions. These specifications and guidelines should be attached to this PIM and periodically updated according to experiences and experimentation with new approaches. In recognition of the previous limited success in establishing community-led rangeland management, the GEF resources will support the contracting of a service provider (SP) with special expertise in the 'social engineering' required for the establishment of such schemes. The SP will work closely with the PDA in capacity building of 30 rangeland user associations (including nomadic groups when relevant) formed as part of the MC planning process in MCs with high potential for community-led rangeland management. The rangeland association will be encouraged to sign a conservation agreement with OGM within which they will be rewarded with livestock water infrastructure in their rangeland. The project will also co-finance popular investments in wood saving energy technologies such as house insulation, solar water heaters, efficient cookstoves etc.

5.3 Component 2: Investments in Sustainable Land Management, Climate-Resilient Infrastructure, Livelihoods and Access to Markets

107. Under the second component FIRAT will invest: (i) in the recovery of production assets and diversification of agricultural production and economic activities in rural areas; (ii) in marketing and the promotion of products from the participating provinces; and (iii) in public irrigation infrastructure to be complemented with on-farm investments. Investments will be made in recovering assets lost or damaged by the earthquakes; for technologies, equipment and practices increasing climate resilience; and for adding value in aggregation and processing to increase sales and reduce food waste and loss.

108. The second component has 3 sub-components. The first sub-component establishes a Revolving Fund Facility for improving sustainable land management, climate resilient production infrastructure, aggregation, processing, and marketing which would also support 4,800 youth to develop their capabilities to access wage employment as well as self-employment opportunities. It is noted that the term revolving fund is adopted in this context and elsewhere in the Project Design Report in recognition of the revolving element (50% in interest free loan) of the financing mechanism, which concurrently provides matching grants and, to a lesser extent, interest free loans. Of the two windows within the revolving fund, the Window for poor and transitory poor producers, FIRAT will promote on-farm or off-farm investment by 6,500 small-scale producers practising subsistence farming and selling surplus to markets by supporting them: (i) for postearthquake recovery, (ii) increase their climate resilience and the productivity of crops and livestock, (iii) enable them to meet standards to link to aggregators in value chains, (iv) and generally diversify their economic activities and reduce risks. The second window targeted at producer organisations and aggregators will support investments in production, processing, and marketing of agricultural products. The focus of this second window will be small-scale farmers' producer organisations (cooperatives, unions etc.) and eligible aggregators of agricultural products. It is expected that 25 producer cooperatives or unions or their affiliated (M)SMEs or forest villagers owning an MSME reaching out to cumulatively 250 beneficiaries will be served under this window. In implementing this sub-component it is to be noted that the participatory livelihood diagnostic and investment planning as part of the Micro-Catchment planning process facilitated by the RDAs/DAs will scout for and identify the opportunities in particular value chains including production and processing potentials, presence of aggregators and meeting market demands and requirements, which will lay the foundation for the facilitation of applications to the matching grant windows. Furthermore, the RDAs/DAs supporting the development of matching grant proposals (SC2.1) will be tasked with looking for opportunities to include the adoption of digital solutions in both window 1 and window 2 matching grants. The option of allowing extra points during the evaluation and approval process for window 2 matching grant proposals covering groups and aggregators that promote digital technology transfer to upland small-scale producers will be conisdered at project start-up when the matching grant selection criteria will be finetuned.109. For livelihood investments, this subcomponent will build on ORKÖY's existing financing scheme comprising of interest-free loans for people living in upland forest villages while introducing changes that would make the scheme inclusive. Repayments made by the beneficiaries will be used by OGM/ORKÖY t serve other rural households within the new FIRAT target group and thereby increase the outreach covered by the limited funding. OGM/ORKÖY will contribute adequate resources so that IFAD's contribution is limited to about 45% of the total funding required for interest-free loans, net of reflows over the life of the project. In implementing the financing scheme under the project, Ziraat Bank will apply its Environmental and Social Impact Management Policy which controls its direct and indirect environmental and social impacts. This Policy was prepared with the aim of integrating the universally accepted principles of sustainability into its business model. Ziraat Bank rejects financing the activities which are included in the "List of Unfundable Activities" annexed to this Policy and which are prohibited/restricted by national legislation and international agreements to which Türkiye is a party, regardless of amount. In any case, no high-risk project will be supported by FIRAT. As such, Environmental and Social Due Diligence of Ziraat Bank has been undertaken and an Environmental and Social Action Plan has been prepared (See ESCMP).110. Under the second sub-component, FIRAT will focus on strengthening producer organisations and marketing to better capture emerging market opportunities in local, domestic and/or export markets and may involve investment opportunities such as construction of fruit-vegetable and/or animal marketplaces etc. This will be achieved through training of the management and technical staff on organisational governance, business management, knowledge exchange, promotion, and participation in domestic and international agricultural and trade events.

111. Under the third sub-component, FIRAT will invest in *creating off-farm climate resilient water infrastructure that would enhance water use efficiency* by reducing conveyance losses by upgrading dilapidated and inefficient small scale irrigation facilities based on open channels that are either nearing their end-of-life or were severely damaged during the earthquakes. Investments will be undertaken in selected locations which possess restored vegetation cover as

identified during the MC planning process. The irrigation schemes will enable small-scale agricultural producers to increase agricultural productivity as well as resilience to climate change and sustainability prospects.

5.4 Component 3: Institutional strengthening and Project management

- 112. The third component is cross-cutting and invests in institutional strengthening and project management and services the technical components and facilitates pathways for the effective and efficient implementation of project interventions. The institutional strengthening will be achieved through training, exchange visits, technical guidelines and studies, the establishment or strengthening of existing partnerships, and the development of South-South and Triangular Cooperation opportunities.
- 113. The GEF financing of the project will support the development of technical guidelines for community-led sustainable rangeland management and restoration of ecosystem services. It will also allocate particular emphasis on in-depth stocktaking of existing data and monitoring (including GIS assessment) of LDN indicators in the target area and production of knowledge materials intended for dissemination among relevant stakeholders.
- 114. In designing FIRAT priority has been accorded to optimising the project's operational efficiency, reign-in operating to investment cost ratio, and ensuring sustainability. These objectives will be achieved by mainstreaming FIRAT activities to the normal operations of General Directorate of Forestry (OGM), Regional Directorate of Forestry (OBMs) and other subsidiary units to the extent possible. Considering the skills gap as well as the need for incremental staffing for undertaking key tasks, resources have been allocated for implementing Components 1 and 2 including civil and irrigation engineers, livestock experts, agricultural experts and assistants, and livelihood and business development experts. The core management structure at the central and regional level will be kept lean with one project coordinator each at central and 2 regional OUs and 1 or 2 specialists leading activities related to watershed management, civil and irrigation engineering, sustainable land management, gender targeting and social inclusion, stakeholder engagement and communication etc. Resources have been allocated for hiring critical staff for discharging responsibilities related to M&E, knowledge management, financial management, and procurement². Resources have also been allocated for hiring service providers for undertaking key activities such as micro catchment planning, hydrological studies etc. In order to promote a programmatic approach in the portfolio financed by IFAD in Türkiye the Project Steering Committee to be established under FIRAT will work closely with the CPMU overseeing implementation of URDP to promote synergies between FIRAT and URDP (and any future projects to be developed under the currency of the IFAD13 lending cycle.

6. IMPLEMENTATION REGULATION AND GUIDELINES

6.1 Partnership and contractual arrangements

- 115. Before the implementation begins, OGM will sign a framework MoU at the level of DGs to cooperate with DSI in the project area to increase irrigation opportunities and possibly mobilize parallel financing from DSI own resources. The framework agreement will enable FIRAT funding to be made available to DSI for the design of irrigation facilities and for the implementation of the schemes on a case-to-case basis. Regional level agreements between relevant DSI directorates (Elazığ, Şanlıurfa, Dyiarbakir, Kahramanmaras) and the regional units of OGM will be entered subsequent to the identification of the investments at the MC level. DSI would appoint a FIRAT focal point at each regional directorate and will retain a key role in assessing water resources and providing overall Quality Assurance on the irrigation design and implementation process as identified in the MCPs.
- 116. For Component 1, besides the regional directorates of DSI, OGMs will engage with local administrations, regional and provincial directorates of ministries, universities, NGOs,

² The associated costs are included as part of Detailed Costs-3 table.

producer/farmer organizations etc. in the preparation of MCPs and in NRM investments. Given the demand driven nature of its interventions, the project will not have a pre-allocated budget per MCP, yet equitability considerations including the setting out of per HH and per village investment caps may be considered alongside with the development of the first set of 15 MCPs to be developed during PY1.

6.2 Sub-component 1.1 water investments

117. The upfront involvement of DSI in the MCP planning process will not only help assessing the technical feasibility of the MCP in respect to available water resources in a given micro catchment, but also identify upfront the need (if any) for **additional ad hoc studies or investigations** to be completed to support such assessment. These may include (but not limited to) the set-up of monitoring systems for springs or geophysical investigations to re-locate the wells in fractured rocky aquifers affected by the earthquake. The project will avail dedicated resources for such studies to be undertaken under the technical guidance of DSI.

118. Moreover, when investments in small scale irrigation are prioritized in an MCP, DSI would first evaluate whether such investments are already included in its own investment pipeline. The technical assessment/feasibility by DSI will constitute a key pass/fail criteria for any irrigation project to be further considered for implementation under FIRAT. Furthermore, the definition of site-specific **implementation arrangements for any proposed investment in small scale irrigation** (to be undertaken under Component 2) will be led by DSI and will constitute an integral part of the MCP planning exercise. The FIRAT design in fact envisages multiple implementation mechanisms given the wide variability of site conditions and likely variations in the commitment of partners operating in each of the target provinces. Engineering designs and physical implementation may in fact be undertaken directly by DSI, SPAs or by OGM (through contracted SPs) but in all cases DSI will retain an overall QA role through the designated FIRAT focal point at the DSI regional office concerned.

6.3 Sub-component 1.2

119. In conjunction with the implementation of rangeland management plans for 24 sites of approximately 35 ha each, the project will support the upgrading or development of water infrastructure in the rangelands including for instance fitting existing boreholes with PV pumps and panels, concrete or plastic storage tanks, piped networks as well as the construction of rainwater harvesting ponds for livestock use. The latter will typically consist of earthen embankments in all instances less then 9 m in height and 50,000 m3 in volume. All water resources (e.g. springs or ponds) will be protected from direct livestock access and fitted with troughs as required. In the case of earthen embankments the troughs will be supplied though a piped outlet with anti-seep collars to prevent piping. When available, SPAs would directly support both design, contracting and supervision of such facilities. In specific cases in which the SPA is not available, the project contracted water and civil engineer(s) responsible for the specific Province (two engineers in Elazig and two in Sanliurfa, TORS in Appendix A.1 and A.2) will take the lead in designing and supporting the implementation of these investments. Public infrastructure in the rangelands will be an incentive for livestock keepers to engage in rangeland management and rehabilitation, hence the rangeland associations will be encouraged to sign a conservation agreement with OGM within which they will be rewarded with livestock water infrastructure in their rangeland if they implement their rangeland rehabilitation and management plan.

120. Other public infrastructure facilities in the rangelands included in the MCPs and eligible for FIRAT support, will include **sheds and animal health stations and handling facilities** such as dips or vaccination alleys. Welding will be applied to smaller diameter steel parts while larger trusses and roof structures will be coupled though nuts and bolts. The designs of these structures will be based on available type drawings developed both under MURAT as well as other IFAD financed projects in Türkiye (URDP and GTWDP) with relevant upgrades such as the inclusion of itch poles, salt licks and solar charging stations as required. The design of sheds and all load bearing structures will be carefully reviewed by the PMU Civil Engineer(s) both in light of snow and seismic loads. Contracting will be undertaken by the OGM and supervision by the project civil engineers. Moreover, the project will distribute **galvanized iron sheet livestock troughs**

across villages with high livestock concentration committing to install them at appropriate locations to prevent water pollution and spread of disease.

- 121. If prioritized in the MCPs and found eligible for financing, the project would support the **upgrading of (unpaved) access roads to the pastures** (below 50 vehicles per day) used to transport milk and dairy products during the summer months. Interventions may include widening, grading, and stabilizing the road surface as well as spot improvements and the provision of longitudinal drains or cross drainage structures such as corrugated HDPE culverts. The implementation of road projects will be either through the SPAs or directly by OGM with own equipment typically used for construction and maintenance of forest roads.
- 122. To reduce the pressure on forest resources the project will co-finance popular investments in wood saving energy technologies such as house insulation, solar water heaters, efficient cookstoves, community bakeries, etc for the poorest households. As for the case of the sheds in the pastures, the technical evaluations required and design or review of all load bearing structures (particularly in communal buildings, designed to withstand both snow and seismic loads) will be undertaken by the project Civil Engineer(s). At least 50% of the village HHs must benefit directly from the public investment in common facilities in order to qualify for 100% financing by the project. Contracting of civil works may be undertaken by the OGM and supervision by the PMU civil engineers.

6.4 Sub-component 2.1

123. The individual investments for which potential beneficiaries may apply to the available windows under Revolving Funds (MLG) may include the main activities given in the table below. The **upgrade/reconstruction of barns** by rebuilding and lifting the roof structure for better ventilation or items complementing the off-farm irrigation works under subcomponent 2.3, namely: i) **drip irrigation** systems with filters, dosing pumps and fittings; ii) fitting **PV pumps** to existing individual sources of irrigation; iii) construction of **small on-site storage geotextile lined pools for water conservation** and improved water management at farm level. The project engineers will provide technical inputs as required in the formulation and evaluation of individual investment proposals. In particular, the civil engineers will undertake the required technical assessments in case structural works are involved (e.g. for barn rehabilitation). Demountable barns availed to earthquake victims under URDP may be also introduced under this window as viable investment option to meet specific needs. Overall, the project supported barn rehabilitation will promote upgrading hygiene and animal health through better ventilation and access to water (e.g. though push nose nozzle drinkers).

Table 7: Activities to be supported through ORKÖY under Sub-component 2.1

Tar	geting individual smallholders
1.	Vineyard establishment with trellis systems
2.	Fruit Orchard establishment
3.	Beekeeping
4.	Carpet weaving
5.	Handicraft Production
6.	Mushroom production
7.	Greenhouse Installation
8.	Medicinal and Aromatic Plant production
9.	Small Agricultural and Forestry Machinery and Equipment for smallholders
10.	Simple food processing equipment for women groups
11.	Equipment for sustainable irrigation systems
12.	Geomembrane pools
13.	Barn rehabilitation and new barn construction
14.	Other relevant activities requested in the MCPs
	geting Producer/Farmer Organisations and their affiliated MSMEs or MEs owned by forest villagers

30 %

Targeting individual smallholders						
1. Eco/agritourism,						
2. Small-scale processing and packaging equipment						
3. Investments on energy saving technologies						
4 Storage and cold storage						

6.5 Sub-component 2.3

- 124. The eligible investments in small scale irrigation facilities will be limited to villagebased systems (in which a single source is shared by maximum two villages and most likely multiple sources are utilized and ideally combined to cover the irrigation needs of a village). Typically, the command area will be of 75 to 100 haper village and in no instance exceed 299 ha and a total maximum investment amount of USD 250,000 of FIRAT funding (net of **VAT)** per village. In case of larger investments, the top up financing may be sourced by e.g. DSI, SPAs or RDAs. At least 50% of the village HHs must benefit from the public investment in common irrigation system in order to qualify for IFAD financing of 100% of the cost of construction (net of VAT). Eligible projects will need to show clear benefits in terms of reducing conveyance losses and use more flexible HDPE pipes with adequate pressure rating instead of PVC pipes which are rigid and less durable. Pipe joints will be realized through electrofusion welding by certified welders. The pipe alignment and the location of hydrants up to field edge will be agreed upon with the concerned farmers and no compensation will be granted by the project for any loss of land to the manholes and hydrants. Washouts and air valves will be installed at low and high points respectively as required and in any case every 800m of pipeline. All hydrants will use precast concrete manholes with steel lids and will have flanged outlets or fittings to facilitate the direct connection to the hydrants of on farm irrigation distribution systems by individual farmers.
- 125. Depending on the site-specific implementation arrangements identified by DSI during the MCP planning exercise, the irrigation works may be contracted by either DSI itself, SPAs or OGM. Specific MoUs entered at the Provincial/Regional level would provide the basis for transfer of project funding to DSI or and SPAs. These MoUs will also specify if any amount of financing will be sourced by the implementation partner own budget, which may include e.g. covering VAT for works as applied by the SPAs involved in the implementation of the IFAD financed URDP.
- 126. In line with their current practice DSI would typically outsource the detailed designs and will carry out supervision with their own staff while the SPAs are most likely to carry out both designs and supervision with own staff. In case of irrigation works contracted by OGM, designs and the supervision services will be contracted while the responsible project Water Engineer will retain the key role in contract management. The FIRAT budget has provisional allocations for the delivery of such services.
- 127. In the Provinces in which they are available, the SPAs will appoint a FIRAT focal point and will receive the necessary delegation of authority to conduct procurement in infrastructure investments after IFAD's capacity assessment to define the applicable procurement thresholds. A likely involvement of SPAs would improve the pace of implementation in the agreed areas of affiliation within the project. In the 3 Provinces where SPAs have been replaced by Metropolitan Municipalities (Malatya, Sanliurfa and Diyarbakir) these institutions will not receive project funding for small scale irrigation investments required in their respective territory, as this is not in line with current legislation. However, collaboration agreements may be entered into with these Municipalities as required to support design and supervision of the works contracted by OGM.
- 128. The construction of all small-scale irrigation facilities under FIRAT will be contracted to civil works contractors with adequate technical and financial capacity in line with the requirements of the national procurement Laws n.4735. The works defects liability period shall include at least one full irrigation season. The supported irrigation systems will be relatively simple to operate and maintain by the beneficiaries even under informal Water Users Groups under the coordination of the village *mukhtar*, as per current common practice. However, upon completion of the construction works for any investment in small scale irrigation the Operation and

Maintenance department of the relevant regional directorate of DSI will identify the most appropriate means to help beneficiaries develop or strengthen their **capacity for Operation and Maintenance** of the completed system, including, if required, institution building such as the registration of WUAs or Irrigation or Agricultural cooperatives. The assessment and subsequent capacity building would cover not only the schemes directly implemented by DSI but also by SPAs or OGM. Service providers or Rural Development Agencies active in a specific region may be also involved in carrying out training and capacity building for the sustainable operations of the irrigation systems built under the project, covering both technical and financial sustainability aspects, including the setting up of a water fee and a reserve fund for routine, periodic and emergency maintenance and repairs. A provisional budgetary allocation is made in the COSTABS for outsourcing trainings on water use efficiency coupled with capacity and institution building for irrigation water users.

7. PLANNING AND BUDGET

7.1 Process for the Preparation and Approval of the AWPB

129. All the activities to be implemented by the Project will be included in the Annual Work Plan and Budget (AWPB) along with the agreed financing share of the respective financiers (IFAD, government, GEF, beneficiaries).

130. The process for the preparation and approval of the AWPB will be as follows:

- a) The Project fiscal year will be based on the Government's financial year from January to December. The initial AWPB will cover 12 months period with the starting date to be adjusted based on the Project's entry-into-force date.
- b) Subsequent AWPBs will be prepared from August to October for endorsement by the Project Steering Committee in October.
- c) OGM together with the CPMU will lead the preparation and finalisation of the AWPB ensuring that all activities by components and subcomponents with the corresponding budgets, physical and financial targets and expected outputs, as well as the timelines and responsibilities for implementation, are clearly described.
- d) The planning process will be jointly conducted by OGM, CPMU and all the Project implementing partners e.g. OBMs, DSI, SPA, PDA, RDAs/DAs and CEM from the district, provincial, regional, and central levels, and in consultation with and participation by the beneficiaries to the greatest extent possible at the MC level.
- e) Inputs to the AWPB will be derived from the (i) MCP for each village; (ii) service provider's plan for delivering technical support and training; and (iii) other activities proposed by the component / technical specialists and the implementing partners at all levels in consultations with their respective units/departments.
- f) At the CPMU level, the M&E/KM expert will organize and facilitate an annual planning meeting with all the Project stakeholders at all levels including the beneficiaries to validate the AWP. The agenda of the meetings will be guided by the review, validation and update of the project logframe. The logframe indicators will have the yearly targets leading to the identification of activities, their corresponding budget and procurement plan.
- g) A planning meeting will be conducted with participation from OGM, CPMU, OBMs, OIMs, implementing partners and beneficiaries Once the planning meeting is concluded, the CPMU will consolidate the AWPB resulting from the needs and approved requests/proposals by beneficiaries including the inputs from the implementing partners at all levels. The Financial Manager and the Procurement Officer will translate the proposed AWP into budget allocations and procurement needs. This consolidation will be led, coordinated and facilitated by the M&E/KM expert at the CPMU who will also be responsible for providing feedback to the participants of the planning meetings regarding eventual changes and budgetary allocations.
- h) The draft AWPB will be submitted to the Project Steering Committee for review and endorsement no later than 30 October.
- i) A final draft will be submitted to IFAD for review and no objection 60 days before the start of next fiscal year.

- j) The draft AWPB shall be deemed approved within 30 days in the absence of IFAD response.
- k) To facilitate transparency in the budgeting, and facilitate implementation and monitoring of the budgeted activities, approved AWPBs will be accessible to all project staff and the SPB.

7.2 Outline of the AWPB

131. The indicative structure of the AWPB is presented in Appendix B.1 which will be further elaborated at start-up.

8. ADMINISTRATION AND HUMAN RESOURCES

8.1 Procedures for Recruitment and Contracting

132. The national procedures, based on the Procurement Act of 2003, shall govern the recruitment and contracting of personnel. However, IFAD's procedures shall supersede the Borrower's procedures where there are inconsistencies between the two procedures. Details have been presented in Section 10, Procurement.

8.2 Evaluation of Performance

133. The Government's performance evaluation procedures shall be used to evaluate performance of Project staff. If procedures are not available, the PMU must establish and implement effective performance evaluation policies and procedures.

9. ADMINISTRATION, FINANCES AND ACCOUNTING

9.1 Introduction

- 134. The Project is implemented by the General Directorate of Forestry (OGM) under the terms and conditions of the financing agreement signed between the Republic of Türkiye and IFAD. A PMU will be established within OGM to work on the project implementation. PMU will have the responsibility to implement sound financial management practices. This financial manual outlines the financial management processes and procedures to be implemented by PMU during the duration of the Project.
- 135. PMU will use other implementing partners to implement specific sub-components. PMU will enter into MOUs with these partners/agencies which will outline the financial management roles and responsibilities of each party. Refer to 20.13 for proposed MOU terms. Please refer to section 4 of the PIM for an overview of the implementation arrangements.

Reference material

This chapter of the document should be read together with the:

- a) Project Financing Agreement entered into between the Borrower and IFAD
- b) Financial Management & Financial Control Arrangements Letter
- c) IFAD General Conditions for Agricultural Development Financing
- d) Project Financial Management & Financial Control Handbook for Borrowers
- e) IFAD Handbook for Financial Reporting and Auditing of IFAD-financed projects

<u>Updates</u> and changes to financial management arrangements

FIRAT is an IFAD-funded project, therefore, in line with IFAD's efforts to capacitate and support projects, this section was developed during the project design process. It is envisaged that ongoing improvements and updates to financial management arrangements be updated in this section of the PIM under supervision of the Finance Manager and subject to IFAD no objection.

Table 8: Project summary

Project name Euphrates River Watershed Rehabilitation Project (FIRAT)

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Financiers, contributors, facilities	IFAD Loan (US\$65 million) GEF Grant (US\$1.4 million) Government (US\$19.4 million) Beneficiaries (US\$12.2 million)
Project effective date	TBD
Implementation period	7 years
Project completion date	7 years from entry into force
Project closure date	6 months from project completion date
Project area	Elâzığ, Malatya, Bingöl, Şanlıurfa, Diyarbakır and Adıyaman

9.2 Project cycle and financial management activities

136. The Finance Manager of PMU will have final responsibility for the execution of the financial management activities at each stage of the Project cycle as outlined below:

Table 9: FM activities at each stage of the Project cycle

Start-up	Implementation	Project closure and completion
 Fill staff vacancies/assignments Purchase & set-up the accounting software Customize IFRs templates (As included in the FMFCL) in the accounting software Preparation of first annual work plan and budget Opening of bank accounts Start-up training Attend anticorruption workshop organized by IFAD. PMU: conclude MOUs with implementing partners 	 Ongoing improvements to the Financial Manual Budgeting Accounting Disbursements and withdrawals Record keeping Internal controls Cash flow forecasting Auditing On-going training Implement performance evaluation Financial reporting to IFAD 	 IFAD Specific completion and closure procedures Final audit Asset and inventory handover Budget wrap up

IFAD on-going support

B: The PMU will have the final responsibility to prepare consolidated financial reports for submission to IFAD.

9.3 Pre-implementation activities

137. During the start-up of the Project, it is recommended that Project staff undertake the following activities. These activities are recommended to ensure that Project staff are well informed and knowledgeable with regards to the financial management aspects of the Project once implementation commences:

Table 10: Pre-implementation activities

Activity	Overview		
Financial management staff appointment	Fill vacancies (or finalize assignments) within PMU to ensure that PMU is capacitated to manage the Project.		
Accounting software	a) PMU to purchase & set up an accounting software and ensure that new staff are trained to use it. b) Incorporate correct chart of accounts and cost centres that include categories and components in line with the details in Schedule 2 of the Financing agreement with IFAD. c) Upload the Cost Table to the accounting software for the purposes of budgeting / monitoring. d) Upload first year AWPB to facilitate budget monitoring e) Integrate/customize the IFRs templates (As included in the FMFCL) in the accounting software f) Integrate/customize IFAD financial statements in the accounting software.		
Open bank accounts	The Finance Manager, with the assistance from the MoTF, will be responsible for the opening of the Project bank accounts. Refer 8.1 for overview of required bank accounts.		
Preparation of first annual work plan and budget	PMU Finance Manager, with support from PMU staff, will be responsible for the compilation of the first Annual Workplan and Budget, as directed by the Project Director, subject to IFAD no-objection. This budget will be a consolidation of the budgets obtained from PMU and other implementing agencies, following the process as outlined in 6.		
Staff training and capacity building	Newly appointed/assigned PMU financial Management staff (at central & regional offices) will be required to complete the IFAD FM e-learning and submit completion certificates to IFAD within 1 month of date of appointment. Refer 19. for link to training. All staff are required to study the project related documents at project start-up. **Other training at project start-up: PMU Financial management training workshop for all implementing agencies. This training to be presented by the PMU Finance Manager. Training to focus on PMU requirements (monthly reporting, document retention etc.) and cover practical issues / lessons learnt. PMU financial management training to regional Finance staff		

^{**}Finance staff to receive trainings on FM arrangements as needed and requested.

9.4 IFAD Anticorruption policy

138. The management of Project funds shall be sufficiently rigorous to safeguard against Fraud and Corruption. Fraud and corruption include, but are not limited to (as defined in the IFAD anticorruption policy):

- a) Corrupt practice: offering, giving, receiving, or soliciting, directly or indirectly, anything of value in order to improperly influence the actions of another party.
- b) Fraudulent practice: any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation.
- c) Collusive practice: an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- d) Coercive practice: impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

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e) Obstructive Practice:

- Deliberately destroying, falsifying, altering or concealing evidence that may be material to an investigation by the Fund or making false statements to investigators in order to materially impede an investigation by the Fund;
- Threatening, harassing or intimidating any party in order to prevent that party from disclosing its knowledge of matters relevant to an investigation by the Fund or from pursuing such an investigation; and/or
- The commission of any act intended to materially impede the exercise of the Fund's contractual rights of audit, inspection and access to information.

139. IFAD applies a zero-tolerance policy towards fraudulent, corrupt, collusive or coercive actions in Projects financed through its loans and grants. 'Zero tolerance' means that IFAD will pursue all allegations falling under the scope of this policy and that appropriate sanctions will be applied to parties or entities involved where the allegations are substantiated. IFAD takes all possible actions to protect individuals who submit allegations of fraudulent or corrupt practices in its activities from reprisal. The primary responsibility for enforcing the Anticorruption Policy lies with OGM, and the first defence for controls shall be exercised by Project staff and counterparts Pursuant to this, OGM shall have the responsibility to incorporate pertinent provisions of the Anticorruption Policy in its contracts with Project cooperating/implementing partners, and suppliers/ consultants.

140. It is the Project Director and the Project Finance Manager's responsibility to make sure that all Project staff are aware of IFAD's and the National's anticorruption policies and whistle blowing procedures.

IFAD Officer of Audit and Oversight should be contacted to report events.

How to contact the IFAD Office of Audit and Oversight

All communications are treated with the utmost CONFIDENTIALITY.

By phone: +39 06 54592888 By fax: +39 06 54597888

By e-mail: anticorruption@ifad.org

In person or by mail to:

IFAD, Office of Audit and Oversight (AUO), Investigation Section Via Paolo di Dono, 44 00142 Rome, Italy (Mark all mail "Personal and confidential")

Responsibilities of Recipients:

- a) Conduct due diligence checks of selected bidders/contractors (check if cross-debarred by other IFIs www.worldbank.org/debarr).
- b) Inform bidders and contractors of the AC policy and anticorruption@ifad.org
- c) Include clauses in procurement documents and contracts;
 - disclosure convictions, sanctions, use of agents, and conflicts of interest
 - requirement to report to IFAD allegations of prohibited practices
 - IFAD jurisdiction to investigate and require cooperation
 - maintenance of records for an adequate period of time
 - early termination of contract or suspension if sanctioned
- d) Promptly report to IFAD any allegations of prohibited practices.
- e) Maintain records for an adequate period of time.
- f) Cooperate with investigation including ensuring confidentiality.
- g) Adopt appropriate fiduciary and administrative practices and institutional arrangements.
- h) If there is a finding of Prohibited Practices;
 - Take appropriate corrective measures in coordination with the Fund
 - Give full effect to any temporary suspension or sanction imposed

- i) Inform IFAD of designated independent and competent local authority who will receive and take action on fraud and corruption allegations.
- j) Take timely action, coordinate with IFAD, and inform IFAD of actions taken.
- k) Encouraged to have whistleblower protection measures and confidential reporting channels.

Links that can be useful has been listed in Section 9.20 (Table 33) below.

9.5 FM organisational structure, roles and responsibilities

9.5.1 Overview of FM organizational structure

- 141. The finance unit within the PMU includes a dedicated Finance Manager, who reports to the Project Director, supported by a dedicated accountant. Based on budget availability and the several implementing partners involved in the project, additional positions could be identified within the structure.
- 142. The Finance Manager is responsible for ensuring proper management of the project funds in accordance with IFAD financial management requirements. This includes, but not limited to, support in budget preparation; budget monitoring; cash management; support in preparation of cash forecast; preparation and submission of withdrawal applications and interim financial reporting through IFAD Client Portal (ICP); preparation of annual financial statements; ensuring proper internal control are in place and work with the Treasury auditors to finalize the project annual audit.
- 143. On the other hand, the accountant mainly works on preparation of payment documents; keeping project accounts in the accounting software; ensuring completeness of supporting documents and support in financial reporting preparation.

9.5.2 FM staff - key roles and responsibilities

144. Detailed job descriptions for the Finance Manager and the Accountant are outlined in Appendix B.3 and Appendix B.4, respectively.

9.6 Planning and budgeting

145. Project financing has been approved in line with the following expenditure components and categories which will be an important reference for preparation and monitoring of the AWPB and progress in line with the approved financing agreements:

Table 11: Components and expenditure categories

Components	Expenditure categories	
Component 1: Micro-catchment planning and natural resources management	 a) Consultancies b) Works c) Equipment & Materials d) Grants & Subsidies e) Salaries & Allowances 	
Component 2: Investments in improved climate-resilient infrastructure, livelihoods and access to markets	f) Operating costs a) ü Consultancies b) ü Works c) ü Grants & Subsidies d) ü Salaries & Allowances e) ü Operating costs	
Component 3: Institutional strengthening and project management	a) ü Consultancies b) ü Training & Workshops c) ü Equipment & Materials d) ü Goods, Services & Inputs e) ü Salaries & Allowances f) ü Operating costs	

[INSERT TABLES FROM ANNEX 2 OF FINANCING AGREEMENT ONCE AVAILABLE]

- 146. The PMU Finance Manager will be responsible for preparing a consolidated AWPB with input from the PMU technical team and by obtaining input and individual budgets from the implementing partners. PMU and the other implementing partners are required to prepare a budget for the components/subcomponents for which they are responsible. The budget is prepared in Excel using the required format as outlined in 20.1. A bottom-up approach is required, whereby budgets are compiled from the provisional and regional levels upwards. The Finance Manager shall start with the AWPB process with sufficient time to seek IFAD no objection as required in terms of the financing agreement.
- 147. Once the AWPB has been developed and approved, it must be inserted in the budget module of the accounting system for the purposes of monitoring actual implementation in line with the budget. PMU should monitor budget at central, provisional & regional levels to actual expenditure per components/subcomponents/categories at least once a month.
- 148. The Finance Manager needs to ensure that expenditure per category is in line with the approved totals in the Financing Agreement. If the budget monitoring process indicates and expected over-expenditure on one or more of the cost categories, the Project will have to obtain a no objection from IFAD, allowing a reallocation amongst categories.
- 149. For information on how to prepare the AWBP (including the roles and responsibilities of various stakeholders and approval processes) refer to the Section 12.1.

9.7 Internal controls

9.7.1 Overview of internal controls

- 150. It is recommended that the Finance Manager of PMU consider the guidance outlined in *Guidelines for internal controls for Public Sector Entities (INTOSAI GOV 9100)* when developing/improving the system of internal control (also see COSO Integrated Framework Internal Control).
- 151. In terms of the Guidelines for Internal Control Standards for the Public Sector (INTOSAI GOV 9199):

Internal control is an integral process that is effected by an entity's management and personnel and is designed to address risks and to provide reasonable assurance that in pursuit of the entity's mission, the following general objectives are being achieved:

- a) executing orderly, ethical, economical, efficient and effective operations;
- b) fulfilling accountability obligations;
- c) complying with applicable laws and regulations;
- d) safeguarding resources against loss, misuse and damage.

Internal control is a dynamic integral process that is continuously adapting to the changes an organisation is facing. Management and personnel at all levels have to be involved in this process to address risks and to provide reasonable assurance of the achievement of the entity's mission and general objectives.

At project start-up it is recommended that the Finance Manager of PMU use the general framework for considering the internal control environment with the intention of improving the existing control environment. In terms of the general framework:

- a) Perform a risk assessment
- b) Develop control activities which address identified risks (or improve existing control activities)
- c) Implement control activities (by documenting controls, updating the information systems, communicating to relevant parties)
- d) Develop a system for monitoring the effectiveness of controls implemented

Control activities should be developed with consideration of the following categories:

Table 12: Control activities

Control activities	Description		
Authorisation and approval procedures	Authorisation controls require certification that a transaction or event is acceptable for further processing. The delegated authority of staff should ensure efficient implementation while mitigating related risks. Authorisation levels of Project staff should be in line with their underlying roles. For example, only the Project director may be authorised to approve payments.		
Segregation of duties	An important element in any control system is the separation of those duties which would, if combined, enable one individual to record and process a complete transaction. For example, an Accountant might prepare a document, but it would then be reviewed and cleared by the Finance Manager, and then approved by the Project Director. It is the Finance Manager's responsibility to ensure that certain duties are segregated, including authorising, processing, recording and reviewing.		
Access to resources and records	All data, records and assets should be kept in a physically secure environment. Petty cash should be kept secure. Financial data and other records should also be protected by back up procedures and copy records should be stored securely off site.		
Verifications	Transactions and significant events are verified before and after processing, e.g. when goods are delivered, the number of goods supplied is verified with the number of goods ordered. Afterwards, the number of goods invoiced is verified with the number of goods received.		
Reconciliations	Reconciliations between independent, corresponding sources of data are a key control for identifying errors and discrepancies in balances. The reconciliations should be done on a monthly basis. Any reconciling or balancing amounts should be promptly cleared. Unusually long outstanding reconciling items should be investigated. Physical checks should also be performed on assets and petty cash.		
Reviews of operating performance	Operating performance is reviewed against a set of standards on a regular basis, assessing effectiveness and efficiency. If performance reviews determine that actual accomplishments do not meet established objectives or standards, the processes and activities established to achieve the objectives should be reviewed to determine if improvements are needed.		
Reviews of operations, processes and activities;	Operations, processes and activities should be periodically reviewed to ensure that they are in compliance with current regulations, policies, procedures, or other requirements.		
Supervision	Competent supervision helps to ensure that internal control objectives are achieved. This includes assigning, reviewing, and approving an employee's work.		
Information and technology related controls	Information and technology controls can be both general and related to applications. The major categories of general controls are (1) entity-wide security program planning and management, (2) access controls, (3) controls on the development, maintenance and change of the application software, (4) system software controls, (5) segregation of duties, and (6) service continuity. Application controls are the structure, policies, and procedures that apply to separate, individual application systems, and are directly related to individual computerized applications. These controls are generally designed to prevent, detect, and correct errors and irregularities as information flows through information systems.		

152. Entities should reach an adequate balance between detective and preventive control activities. Corrective actions are a necessary complement to control activities in order to achieve the objectives.

153. The Financial Manual incorporates practical guidance on recommended control activities in the sections that follow which can be considered by the Finance Manager of PMU when developing/improving internal controls. **New/improved controls should be documented in detail in the Financial Manual Controls should be considered at both the central, regional and provisional offices.**

9.7.2 Authorization and approval

- 154. Each payment should be prepared by obtaining all needed supporting documents that justify the payment before they are submitted for approval.
- 155. Each payment to be uploaded to the accounting software based on an approved payment request.
- 156. If payments are released on on-line banking platform, they should be approved by 2 authorized signatories (by using authorized log-in credentials)

9.7.3 Segregation of duties

- a) Payment requests prepared by the Accountant
- b) Payments reviewed/approved by Finance Manager/Project Director
- c) Payments recorded in the accounting software by Accountant
- d) Payments released by authorized signatories (Finance Manager/Project Director)

9.7.4 Access to resources and assets

ü Finance unit Office to be locked after hours and key retained by the Finance Manager ü Other project offices locked after hours when not in use

9.7.5 Verifications

ü Semi-annual fixed asset physical verifications

ü Fixed assets are tagged with unique number or barcode

9.7.6 Reconciliations, reviews, supervision

157. The following reconciliations, checks, monitoring and review activities should be prepared on a monthly basis (PMU central office level):

Table 13: Reconciliations, reviews, supervision

Туре	Description	Preparer	Reviewer (signed by)
Designated account bank reconciliation	Reconciliation of the bank balance of the designated accounts to the cash book balance.	Accountant	Finance Manager
Transit accounts / interest accounts / tender accounts reconciliations (local currency)	Reconciliation of the bank balance of the transit accounts to the cash book balance.	Accountant	Finance Manager
Petty cash reconciliation (if applicable)	Reconciliation of petty cash to relevant cash book.	Accountant	Finance Manager
Petty cash spot checks (if applicable)	Finance Manager to undertake random sport checks of petty cash (compare cash balance to petty cash book)		Finance Manager
Advance justifications	Clear all outstanding advances within 2 days of each quarter (received and record approved expenditure) and follow up on long overdue items for which invoices/supporting documentation has not been received.	Accountant	Finance Manager

Review of monthly reports from Implementing partners (as per 20.14)	implementing agencies and confirm: ü Report was approved by IP Director ü Bank balances agree to bank statement / bank reconciliation ü Petty cash balances agree to petty cash reconciliation (of any) ü Listed expenses are supported by valid invoices and other supporting documentation (review original documentation)	Implementing Partner Accountant	PMU Finance Manager
	ü All advances from PMU are recorded in line with advances recorded in the accounting software ü Expenses have been incurred in line with the approved AWPB		
Quarterly and Monthly internal report	Prepare internal reports for the purposes of monitoring project progress and identifying issues.	Finance team	Project Director

158. In all instances, issues identified during the review/reconciliation process should be followed up and resolved in a timely manner.

9.7.7 Information and technology related controls

- a) Password is required to log into the accounting software
- b) The accounting software to require password change on a regular basis
- c) User rights are defined and documented and linked to log-in credentials
- d) Daily back-up of the accounting software data on server
- e) Sensitive information (e.g. payroll files) are password protected
- f) Regular software updates are undertaken to ensure that the accounting software version is supported by technical team at the software service provider
- g) Offsite backup of data on a weekly basis
- h) Finance staff are not allowed to share their passwords or use login credentials of others
- i) Desktop access requires login with a password
- j) Operating system software updates are performed regularly
- k) Use authorized signatory to have log-in credentials for on-line banking

9.7.8 Internal control environment - implementing partners

159. The Finance Manager of PMU will be responsible for the assessment of the internal control environment of implementing partners which report to it. In terms of the MOUs, it will be required that implementing partners perform an annual self-assessment of their financial management arrangements are outlined in 20.13. It is recommended that the Finance Managers use the information contained in this section to consider the soundness of the internal control environments and provide guidance on improving controls if weaknesses are identified.

9.8 Flow of funds

9.8.1 General flow of funds arrangements:

- a) PMU will both have the ability to request funds from IFAD and other financiers (via withdrawal application process report-based disbursement) for the project components.
- b) IFAD funds will be disbursed in the loan/grant denominated currency agreed in the Financing Agreement to designated accounts opened at the central bank.
- c) A designated account will be opened for each finance source (IFAD loan and GEF grant) therefore 2 foreign currency accounts for PMU.
- d) A local currency bank account will be opened by ORKOY to receive matching grants funds at an acceptable bank to IFAD.

- e) Payments to suppliers will be made directly from the designated accounts using the daily exchange rate prevailing at the day of payment.
- f) Advances will be paid to ORKOY project bank account to facilitate management and payments of the matching grants.
- g) A dedicated Interest Account will be opened in the denominated currency for the purposes of receiving interest on the designated accounts. (Proceeds in these accounts to flow back to MoTF).
- h) Implementing partners/departments reporting to PMU to submit written requests for funds. Funds advanced to implementing partner/departments bank accounts and recorded as advances until justified.

The flow of funds for PMU is depicted in Figure 1 above in Section 4.2.

9.8.2 Matching grants and flow of funds

- 160. Matching grants scheme includes 50% grant and 50% interest free loan for beneficiaries.
- 161. A bank account in local currency will be open at Ziraat bank for grants and loan financed within FIRAT. ORKÖY will be managing & monitoring matching grants payments through MOTF Integrated Finance Information System (MBYS); the matching grants payments are processed in Forest Information System (ORBİS). Payments and collections can be monitored daily through the Forest Information System (ORBİS) as the system retrieves collection information from Ziraat Bank's banking applications and transmits daily debt information. Based on this, there are no reports submitted by the Bank to ORKÖY as an automatic debt file is created overnight by ORBİS for the beneficiaries. ORKÖY can take the reports directly from this system.
- 162. Financing of the loan portion within the matching grants scheme shall be in parallel from both the government & IFAD. While the ratio of such financing would be about 50:50 over the life of the project, such ratio to be shared by the government may be lower in the initial years considering the loan grace period and low amount of loan used in the first years of the project. Consequently, IFAD will reimburse its share of the gross disbursement of the eligible loan, GoT will finance the remaining amount, net of repayments until IFAD disburses its limit of US\$ 7.24 million. Thereafter the entire loan requirement of FIRAT will be met by the GoT.
- 163. The following figure illustrates expected flow of funds from the project designated account to the end beneficiary. ORKÖY will be submitting fund requests to CPMU based on received applications from beneficiaries. Amounts will be disbursed in tranches based on actual identified applications. Each fund request shall include beneficiaries' names and financing amount per each beneficiary. Once requested funds are transferred from project DA to the ORKÖY project operational account opened at Ziraat bank, the bank will proceed with the transfers to the beneficiaries accounts.

Tranches based on beneficiaries applications (to include names & financing amounts for each beneficiary)

ORKÖY – Project
Bank Account at
Ziraat Bank

Loans & Grants Loan repayments

Beneficiaries Bank
Accounts

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Figure 2: Matching grants flow of funds

9.8.3 Petty cash account

- 164. In addition to the bank accounts as per above, PMU may need to operate a petty cash account in Turkish Lira. The purpose of the petty cash is to allow PMU to make payments for low value items in a quick and efficient manner.
- 165. In principle, there shall be no petty cash kept in the office unless needed. In case needed, it should be withdrawn from the bank close to the date it will be used. Refer to 11.8 for further details.

9.8.4 Authorized bank signatories

166. All bank accounts will have 3 authorised signatories. All bank transfers will be required to be released by 2 authorised signatories.

9.9 Accounting

9.9.1 Accounting system

167. Most of the Project activities result in the receipt, commitment or expenditure of funds. The accounting system records, processes and organizes this data in order to produce useful financial information in the form of AWPB, Financial Reports, Withdrawal Applications, Financial Statements etc. needed by the financier and project management. The accounting system should reflect the Project's needs and be purchased to provide the financial information required by all interested parties. It should also fulfil all the legal and regulatory requirements of the project. In addition, the accounting system should incorporate the reporting requirement of the chosen accounting standard for FIRAT which is **IPSAS**, Financial Reporting under the **Cash Basis** of Accounting.

9.9.2 Centralized accounting at PMU

- 168. The accounting function will be centralized at PMU in the central office and maintained under the supervision of the respective Finance Manager.
- 169. PMU will consolidate the accounting transactions from ORKOY and various implementing partners on a monthly basis by receiving ORKOY's transactions and IPs transactions (as applicable) in an agreed template. PMU will record the transactions on a manual basis in the accounting software and clear related advances.

(NB: Advances to ORKOY/implementing partners are recorded in the accounting software (indicating the relevant department/implementing agency). Only once advances are cleared, expenses are recorded at the historical exchange rate/within the correct component and expenses category).

9.9.3 Accounting software

170. An accounting software that meets the project needs and that is acceptable to IFAD will be purchased for the project. At the software purchase, the Finance Manager should identify required customization to ensure that the software can generate forms/reports in the formats required by IFAD and/or other financiers.

9.9.4 Chart of accounts

- 171. The accounting software should include the appropriate Chart of Accounts. The Chart of Accounts should be developed to cater for:
 - a) All components and sub-components as incorporated in the AWPB (outlined in the financing agreement)

- b) All categories as outlined in the financing agreement.
- c) Sources of finance (Government, IFAD, GEF, Beneficiaries)
- d) Sub categorisation to cater for activities at the various provinces

172. The Chart of Accounts should mirror the cost tables (as presented in the Project design report) to enable comparison of actual Project costs during implementation with those estimated during the Project preparation.

9.9.5 Recording and processing of transactions

- 173. Whenever a transaction takes place under the Project, it should be recorded and processed using the accounting software. Transactions are recorded on the **cash basis of accounting** which requires the recognition of cash flows when they occur (inflows and outflows).
- 174. Each transaction should be recorded in the accounting software based on the following:
 - a) Use double entry accounting (debit and credit, with **cash** always being one of the entries)
 - b) Capture the transaction using the correct account code (as determined by the chart of accounts) for all transaction, to be confirmed the Finance Manager
 - c) Capture transactions which have the required supporting documentation
 - d) Capture information accurately and completely.

9.9.6 Accounting for in-kind contributions

175. In terms of the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects, FIRAT is required to account for and disclose in-kind contributions. In order to meet this requirement, the Project is required to measure contributions as outlined below and record in the accounting system.

176. It is expected that the following in-kind contributions will be received by FIRAT.

From the Government of Türkiye:

- a) Portion of Salaries for seconded staff
- b) Use of OGM vehicles
- c) OGM Equipment & materials
- d) Use of OGM offices, spaces or facilities

From beneficiaries/Community Groups, related to the financing of matching grants:

- a) Allocation of land plot
- b) Labour related to operational activities
- c) Agricultural materials/tools
- d) Maintenance costs, as applicable
- 177. The following process is followed to account for in-kind contributions received from beneficiaries:

Table 14: In-kind contribution calculation

Measure	Value of contributions are measured by PMU technical and finance staff
Review	The Finance Manager reviews the calculations and supporting documentations.
Approve	The Project Director approves the calculations and supporting documentation before recording the information in the accounting software.
Record	Once approved, the accountant captures the contributions in the accounting software. The information is captured in line with the relevant expense category (source of funds: beneficiaries) on a monthly basis. NB: Sources = expenses

Туре	Measurement calculation	Supporting documentation to be retained (As applicable)
Government in-kind cor		
Portion of Salaries for seconded staff	Actual portion of salary cost of the staff assigned to fulfil duties specifically related and necessary to the project	Timesheets or salary calculation sheet.
Use of OGM vehicles	Average cost per month or day of the official rent price specific for that locality multiplied by days/months used	Reference document to official rent price.
OGM Equipment & materials	Fair market value / Institution book value	Copy of invoices. Reference document to the fair market value.
Use of OGM offices, spaces or facilities	Donated meeting rooms, space or facilities for which a rental fee is usually charged. Utilised space should be specifically related to and necessary to the project.	Reference document to the rental or office value if it is to be rented.
Beneficiaries in-kind cor	ntribution	
Land plot	Value is certified by an independent qualified valuer or duly authorised official body	Official document or data proving the price (Land Registration Certificate; Department of Statistics or other official institutional document)
Labour hours	Value = total hours worked X applicable wage rate (in most cases the applicable minimum wage rate for uneducated labour in the country)	Time sheet by the Community Group outlining the persons, and the hours they contributed during a specified time period. The time sheet should be duly signed by the Community Group representative and Project technical/M&E staff
Maintenance costs	Value = actual cost of materials purchased Fair market value for already purchased material	Copies of invoices.
Agricultural & Construction material/tools	Value = official unit rates issued annually (or semi-annually) by the Ministry of Environment, Urbanization and Climate Change	Copies of circulars that include the official rates.

- 178. When recording the in-kind contributions, it is important that the in-kind contributions are classified according to the same principles as regular Project expenditures; that is, every contribution must be by linked to an activity/component, by category and by financing source (government and/or beneficiaries) to ensure that consolidated financial reports can be produced without any extra effort.
- 179. In-kind contributions should be disclosed separately in the financial statements. The notes of the financial statements should also briefly explain the methodology of how it was calculated. On the other hand, when in-kind contributions cannot be reliably measured, for example the use of office space, then these should also be discussed in the notes to the Project financial statements.

NB: Government will pay for project related taxes. This is not considered in-kind unless Government provides an exemption instead of transferring the tax portion to the project bank account that will be opened for government cash contributions.

9.9.7 Accounting for exchange rate

- 180. Payments from the foreign currency designated account will be using the same day prevailing exchange rate and reported in the IFRs in the foreign currency value.
- 181. When justifying expenditures in local currency (especially matching grants) in IFRs, it is important to use the prevailing rate (historical exchange rate) at the time of transfer of funds from the Designated Account (denominated in USD) to the local currency account. Subsequent expenditures should be recorded on the First in First Out basis.

For example:

Conversion of local currency expenditures funded from the designated account.

- a) IFAD transfers funds to the Designated Account (in USD) as per the approved WA
- b) A portion of the funds in the Designated Account (usually the estimated local currency expenditures of the Project for the next 3 months) is transferred to the transit account in the local currency and is topped up as the need arises
- c) Local currency expenditures are then funded from the transit account.
- d) When justifying the local currency expenditures to IFAD, these expenditures are converted into the denomination of the designated account, using the prevailing rate (historical exchange rate) at the time of transfer of funds from the Designated Account to the Project Operating Account.

9.9.8 Accounting for advances

182. The Project may make advances (petty cash, travel related, advances to implementing partners, advances to ORKOY etc.) either in the form of cash or by bank transfer.

<u>In terms of accounting for advances:</u>

- a) Advances are recorded in the accounting system at the date that the advance is made, subject to the required approval process.
- b) The transaction is not recorded as an expenditure (in terms of categories, components) on this date.
- c) All advances should be cleared in a timely manner by the submission of original invoices/reports.
- d) All outstanding advances should be cleared by no later than 10 days after the end of the fiscal year-end.
- e) In terms of the cash basis of accounting advances at the end of the period, a list of outstanding advances should be included in a separate Note to the financial Statement.

9.10 Disbursements

- 183. The project will be using the Report based Disbursement Mechanism that aims to enhance project capacity to plan, ensure better liquidity management in place, systemize the submission of the WAs and ensure efficiency of funds allocation. The Report based Disbursement Mechanism include submission of quarterly IFRs within 45 days of the reporting period end. The quarterly IFRs shall include the following reports:
 - a) Report I: Cash Forecast for next 2 quarters
 - b) Report II: Summary of Sources and Uses of Funds (Designated Account)
 - c) Report III: Designated Account Activity Statement
 - d) Report IV: Variance Analysis of Use of Funds by Quarter
 - e) Report V: Variance Analysis of Use of Funds for the Financial Year
 - f) Report VI: Variance Analysis of Use of Funds cumulative

9.10.1 Cash forecasts

- 184. The project will be disbursing funds based on the quarterly submitted cash forecasts that will be covering a 6-month period for the upcoming two quarters. The project should work on producing reliable estimates of future expenditures in order to ensure availability of sufficient funds for implementation of project activities.
- 185. In order to prepare realistic cash forecasts that are reliable and include good estimates, the cash forecasts should:
 - a) Start from the AWPB and Procurement Plan.
 - b) Consider the contract's payments timeline.
 - c) Keep monitoring the actuals and forecasted expenditures.
 - d) Keep revising your forecast based on field reality.
- 186. The cash forecast is a core statement of the IFRs, it shall be prepared (refer to 20.9):
 - e) For the next 2 quarters
 - f) In the DA dominated currency
 - g) For each financing instrument

9.10.2 Eligibility of expenditures

- 187. In accordance with the IFAD disbursement procedures, between the date of entry into force of the Financing Agreement and the Financing Closing Date, the PMU may request withdrawals from the IFAD Loan and GEF grant for eligible expenditures.
- 188. Eligible expenditures are defined in the IFAD General Conditions Section 4.08 as follows:
- 189. The Financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements:
 - i) The expenditure shall meet the reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB and procured in conformity with the Fund's Procurement Guidelines.
 - ii) The expenditure shall be incurred during the Project Implementation Period, except that expenditures to meet the costs of winding up the Project may be incurred after the Project Completion Date and before the Financing Closing Date.
 - iii) The expenditure shall be incurred by a Project Party.
 - iv) If the Agreement allocates the amount of the Financing to categories of Eligible Expenditures and specifies the percentages of such Eligible Expenditures to be financed by the Financing, the expenditure must relate to a category whose allocation has not been depleted and shall be eligible only up to the percentage applicable to such category.
 - v) The expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement.
 - vi) The Fund may from time to time exclude certain types of expenditure from eligibility.
 - vii) Any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, shall not be eligible for financing by the Financing.
 - viii) Any payments to a person or an entity, or for any goods, works or services, if making or receiving such payment constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower/Recipient or any Project Party, shall not be eligible for financing by the Financing.
 - ix) All expenditures must be supported by sufficient supporting documentation as stated in the FMFCL and IFAD Project Financial Management and Financial control handbook (please see section below on supporting documentation).
 - x) The proceeds of the financing shall not be used to pay taxes. However, taxes paid by the ultimate recipient of an expenditure (e.g. withholding tax, income taxes paid by a Project

employee or taxes on the profits of a contractor) are not considered to be taxes paid by the Project.

- 190. In general, the target group lack access to improved climate resilient technologies and practices as well as technical assistance, advisory services and remunerative markets. Specific focus will be on vulnerable groups, specifically: (i) poor rural households practising subsistence farming with selling of surplus and whose livelihood is negatively affected by environmental degradation, climatic shocks and disasters; (ii) women, with a focus on women-headed households; and (iii) unemployed and underemployed rural youth. The profiles of the target group based on characteristics associated with poverty, coping strategies, and priority needs have been presented below (Table 4).
- 191. The IFAD disbursement procedures as outlined below are governed by the Project Financial Management and Financial Control Arrangements Letter (FMFCL) and IFAD Project Financial Management and Financial Control Handbook. The handbook is also available on the IFAD website. The PMU should ensure that they refer to the most recent version as published at https://www.ifad.org/en/-/document/loan-disbursement-handbook-for-projects-approved-under-gcs-effective

9.10.3 Disbursement procedure

192. The following disbursement procedure may be used for withdrawal from the IFAD Grant.

Table 15: Disbursement procedure

Туре	Description
Initial advance withdrawal	Based on a cash forecast for the next two reporting quarters. The forecast will be based on the first AWPB. It will be submitted once the disbursement conditions have been met (as applicable).
Additional Advances	 Amount to be disbursed = (total cash forecast for the next 2 quarters) - (cash available at the end of the reporting quarter). The project may not need a new disbursement/advance every quarter
Justifications	Amount to be justified = actual expenditures incurred during the reporting quarter per categories and components (Sources and Uses of Funds statements)
Direct payment (only for payments above EUR/USD 200,000 and with preagreement with IFAD. Currency to be determined in the FMFCL).	The direct payment modality is used for eligible Project expenditures to be paid directly by IFAD. This payment method is used when IFAD has been requested to pay the Supplier directly and is suitable in the following situations: • Payment of large civil works • Retention payments • Importing goods (when a letter of credit is not practical) • When exchange control regulations are present in the country. Consultancies and services provided by a third party based in the country is not eligible for Direct payments. The Withdrawal Application MUST indicate the date on which payment
Reimbursement	becomes due to the supplier. Reimbursement is applicable when eligible Project expenditures are pre-financed by the Recipient before access to IFAD Grant finance is possible. Such reimbursements are expected to be claimed no later than 90 calendar days from the date of payment by the Recipient. Reimbursement is used in cases of Retroactive Financing.

193. Request for disbursement from Government should be submitted **at the beginning of the year** for the annual allocation as estimated in the AWPB, in the format required by Government.

9.10.4 Evidence of Authority to sign Withdrawal Applications

194. IFAD requires PMU's representative, as designated in the financing agreement, to furnish satisfactory evidence of the authority and authenticated specimen signatures of the individuals who will sign WAs on behalf of the project. This evidence must reach IFAD before the first WA is presented by PMU and could be submitted either in original or as scanned copy to rmt-distribution@ifad.org. A sample template is provided in 20.16. Each WA should be signed by such duly authorized individuals, and the Fund must be notified of any change in the signatories authorized to withdraw funds from the loan/grant account.

195. IFAD must also be notified of the designated signatories for operating any designated and/or Project or other accounts, including changes thereto, whether or not these authorized signatories are included in the financing agreement. Such changes, as effected during the life of the Project, must be communicated promptly to the IFAD. PMU should provide the names and specimen signatures of the newly appointed signatories and include the date when such change is to take effect.

9.10.5 The Designated Account

196. The flow of funds for FIRAT starts with the opening of the Project Designated Accounts (DAs) in the Central bank, in accordance with IFAD's requirements identified in the Financing Agreement and the FMFCL (as per the financing denominated currency). The Finance Manager is responsible for opening and managing the Designated Account including preparing a monthly reconciliation and statement in line with the IFAD templates as outlined in 20.8.

9.10.6 Withdrawal of Financing Proceeds using withdrawal applications

197. The Finance Managers are required to ensure that WAs are prepared and submitted to IFAD with consideration of the following requirements.

Table 16: Withdrawal application submission

Requirement	Guidance
Timeliness	Withdrawal applications should be prepared on quarterly basis and should be submitted in ICP with 45 days of the reporting period end.
Completeness and accuracy of supporting documentation	Prepare and submit the required reports and supporting documents as outlined in the FMFCL. Ensure that information is complete and accurate.
Account reconciliation	PMU should submit the designated bank account statements for the three months of the reporting period. The statement should be reconciled with the project accounts. Project should ensure that the closing bank balances for all DAs correspond to the balances at the end of the same reporting period as indicated in the WA period.
Duly authorised	Ensure that WAs are duly authorised in terms of project's authorisation procedures and signed by the duly authorised representatives.
Document retention	Keep copies of supporting documentation available. Retain original documentation for inspection by IFAD upon request.
Minimize transaction costs	In order to minimize transaction costs, the finance manager must make sure that withdrawals from the loan/grant accounts are made at a reasonable amount (not too low).

9.10.7 Initial advance

198. Ensure the disbursement conditions as per the financing agreement and the Project Financial Management and Financial Control Arrangements Letter (FMFCL) have been met. Main provisions include but not limited to:

- Evidence that a designated account has been opened and the names/titles of the persons authorised to operate this account.
- A letter from the PMU, designating the name(s) of official(s) authorised to sign withdrawal applications including their specimen signature(s).

199. Initial (first) Advance amount shall be equivalent to the cash forecast for the first two quarters, as per the approved Annual Work Plan and Budget (AWPB) for IFAD financing.

200. Project would need to submit to IFAD the cash forecast report through the Financial Execution module in ICP. Then to submit the WA and link it to the IFRs through the WA module in ICP. Noting that linking IFRs for advances is mandatory.

For further guidance on how to submit WAs, please refer to ICP step-by-step quick guide for borrowers.

9.10.8 Additional advance

201. Following the withdrawal of the first advance, the project will be eligible to withdraw additional advances on quarterly basis through submitting the IFRs package in ICP. The additional advances will be based on the cash forecast that the project will prepare within the IFRs package. The cash forecast will cover the period of the next 6 months (after the end of the IFRs reporting period).

202. The additional advance amount will be equal to:

- Total cash forecast for the next 2 quarters cash available at the end of the reporting quarter
- The cash forecast should be done for each finance instrument/source separately. A WA should be submitted for each additional advance under each finance instrument separately.

203. Project would need to submit to IFAD the IFRs package through the Financial Execution module in ICP. Then to submit the WA and link it to the IFRs through the WA module in ICP. Noting that linking IFRs for advances is mandatory.

For further guidance on how to submit WAs, please refer to ICP step-by-step quick guide for borrowers.

9.10.9 Justification

204. The justification applications shall be submitted on quarterly basis within the IFRs package in ICP. The project will work on this in two phases:

- (i) IFRs package; enter the actual expenditures in the Summary of Sources and Uses of Funds within the IFRs package. These amounts will be reflected in the Designated Account Activity Statement and the Variances Statements as well.
- (ii) In ICP; after uploading the IFRs package in the Financial Execution module, you need to go to the WA module to enter the actual expenditures amounts for each category directly in ICP under the "Justification" application type.

For further guidance on how to submit WAs, please refer to ICP step-by-step quick guide for borrowers.

9.10.10 Foreign exchange conversion in preparing withdrawal applications

205. OGM is planning to pay the projects expenditures directly from the Designated Account by converting to local currency using the prevailing exchange rate at the payment date. The equivalent amount in the foreign currency will be used in the financial reporting.

206. Project would include payments in local currency account for the matching grants. When claiming expenditures in local currency in Withdrawal Applications or preparing a financial report, it is important to use the prevailing rate (historical exchange rate) at the time of transfer of funds from the Designated Account (denominated in financing currency) to the local currency account. This type of conversion is also called the First in First out (FIFO) basis.

207. The historical exchange rate/FIFO basis of converting is to be used in the following two cases in particular:

- When preparing designated account reconciliation as part of a WA or a financial report, the closing balance of the local currency account(s), and any expenditures already incurred in local currency but not yet claimed must be converted to the denomination currency of the designated account using the historical exchange rate/FIFO basis of converting.
- When preparing IFRs that will include expenditures incurred in local currency (or any other currency than the denomination currency of the designated account) and claimed in the WA, must be converted to the denomination currency of the designated account using the historical exchange rate/FIFO basis of converting.

Example:

The Project has a Designated Accounts denominated in USD and an Operating Account denominated in Turkish Lira:

- USD 100 000 is transferred to the Project Operating Account in TRY on 1 January 2024 at a prevailing rate of 29 TRY to 1 USD (equalling 29 million TRY).
- During the reporting period of 1 Jan to 31 Mar 2024 the Project incurs expenditures in local currency up to 20 million TRY.
- Justification for incurred expenditures during the reporting period is submitted to IFAD in May 2024, but the exchange rate is now 31 TRY to 1 USD.
- The withdrawal application should be prepared using the historical rate of 29 TRY COM (therefore claim 20 million/ 29 = 689K USD)

9.10.11 Suspension and the designated account

208. During a full suspension, IFAD will not disburse additional advances to the designated account. However, Borrowers may continue, except as otherwise indicated, to use any balance in the designated account to meet eligible expenditures and applications documenting these expenditures should continue to be regularly submitted.

9.10.12 IFAD client portal

209. The IFAD client portal (ICP) enables PMU to:

- a) access real-time financing information on country portfolios as well as operational and financial information related to Projects
- b) submit Withdrawal Applications directly and obtain electronic approvals required both from concerned ministries and IFAD
- c) submit IFRs directly in ICP and obtain IFAD verifications and review results on them.
- d) submit the unaudited financial statements and the audit report directly in the Financial Execution module in ICP for IFAD review.
- e) manage banking instructions electronically
- f) create and download relevant reports
- g) The Project may submit electronic copies of its withdrawal applications and maintain hardcopies for audit purposes.

9.10.13 Refund of withdrawals

210. If the IFAD determines that any amount withdrawn from the Loan and/or Grant Accounts was not used for the purposes indicated or will not be needed thereafter to finance Eligible Expenditures, the Borrower shall promptly refund such amount to the IFAD upon instruction by the Fund.

9.11 Processing of payments

- 211. IFAD funds may not be used for payment of taxes, customs or duties.
- 212. Procedures for payments is outlined as follows:
- a) General payments (11.2)
- b) International travel (11.3.1)
- c) Local travel (11.3.2)
- d) Civil works, equipment (11.4)
- e) Consulting services (11.5)
- f) Matching grants (11.6)
- g) Funds transfers to implementing agencies (11.7)
- h) Other

9.11.1 Supporting documentation

213. The processing of all payments is subject to PMU retaining the following original supporting documentation after processing.

Table 17: Retention of the supporting documentation

Expenditure type	Supporting documentation
AII	 § Signed contract or confirmed purchase order – showing the specified amount that is due to be paid; § The bank guarantee for: o advance payment, as specified in the contract documents;
	o performance, as specified in the contract documents; § Copies of communications sent by the IFAD Country Director to the project providing the 'no objection' to the contract award; and § Evidence of payment made by project.
Goods	§ Items listed above under "all" § Supplier's invoice, duly certified for payment by the Project Director– specifying the goods, their quantities, and prices; § Bills of lading or similar documents; and § As appropriate, the certificate of delivery (to include condition of goods on delivery).
Civils works	§ Items listed above under "all" § The claim of the contractor, including a financial progress report, stating the work performed and the amount due; § A certificate – signed by the Project consultants or owner's representative, if any, or by the borrower's chief engineering officer or resident supervising engineer assigned to the Project, to the effect that the work performed is satisfactory and the payment claimed is due in accordance with the terms of the contract; and § A copy of the contract payment monitoring form signed in original by the certifying officer.
Services (including consultants)	§ Items listed above under "all" § The supplier's or consultant's claim duly certified for payment by the Project director and showing sufficient detail. § As appropriate, a certificate of delivery of satisfactory services.

Expenditure type	Supporting documentation
For payment related to Matching grants [AAK2]	§ Items listed above under "all" § Confirmation of grant approval by PMU, § Signed agreement, § Confirmation that related project to which payment is related is included in agreement, § Confirmation of beneficiary contribution (in cash or in kind) § Confirmation of IFAD no-objection (if applicable), § Signed loan agreement with bank § Beneficiary selection information § Supplier selection information / procurement documents as prepared by buyer § Suppliers invoices/proof of completion of service/receipt of goods (as applicable)
For payment of Trips, fuel, stationary and other expenses	§ Items listed above under "all" § Supplier invoices; § Evidence of payment; § Back to office report; § Training certificate, § Travel authorization; and/or § Expense reports by the traveller (including invoices) § Boarding passes

<u>Pro forma invoices are not acceptable replacements for invoices. In all instances, supporting documentation need to include final invoices.</u>

9.11.2 General guidelines for processing of payments

214. For invoice related payments, the following general process is applicable:

Table 18: Process for invoice-related payments

Activity	Procedures
Request and approve activity in line with AWPB	Generally, ensure that expenses are in line with the AWPB/Procurement Plan and that IFAD no objection has been obtained if required.
Service delivered, or goods received	Obtain evidence that the goods were delivered / services received to the satisfaction of the Project. Evidence to be retained for the purposes of providing supporting evidence for processing of invoice. (delivery notes, completion reports etc.)
Prepare payment request	§ Once invoices are received, the Accountant prepares a payment request which includes supporting documentation and indicates accounting codes, category of payment, component of payment and source of finance. § The Finance Manager reviews the payment request for accuracy and validity. § The Finance Manager adds the correct account codes for the purposes of recording the transaction in the accounting software. § The Accountant forwards the payment request with supporting documentation to the relevant Technical Officer /Component Head for review and sign off.
Review/Approve of payment request	The Project Director shall review and sign the payment request, checking/confirming: § The expenditure is included in the approved AWPB § IFAD no objection was obtained (if applicable). § All expenditures are eligible in line with the financing agreement and has been incurred before/completed before Project completion date. § Payment was cleared by the relevant component technical officer/head. § All supporting documentation is attached (refer 11.1) § The payment request was reviewed and verified by the Finance Manager.

Activity	Procedures
Process payment	§ The approved payment request with related documents shall be sent to the Accountant for processing and uploading on the online banking platform. § The accountant shall confirm that the bank details provided by the supplier corresponds to the signed legal agreement / original bank letter provided. § Once loaded on the banking platform, the payment to be released by 2 authorised signatories (using unique digital signatures) (NB: Cheques are not used for general payments)
Record payment	§ Account record the transaction in the accounting software, using the correct codes as captured on the payment request. § File supporting documentation, include proof of payment (bank statement/bank confirmation of payment)

9.11.3 Travel related payments

215. The following type of travel may take place by Project staff or Project beneficiaries:

- International travel 11.3.1
- Local travel 11.3.2

216. All types of travel payments follow the general process as well as those specific to international and local travel.

9.11.3.1 International travel

Table 19: International travel payments

International travel		
Type of travel	§ Training which is conducted for Project staff or beneficiaries at an international location. § Business trips	
Overview of entitlement	§ Individuals are entitled to DSA, paid based on the number of days of travel for training purposes. § The per diem should be used to pay for the cost of accommodation, meals and travel § Taxi trips to/from airport and visa are paid for separately based on actual cost estimates. § Unused per diem is not returned to the Project. § The per diem amount is determined in line Government decree. § The per diem is reduced in the event that meals or accommodations is provided to the individual. § 100% of the DSA is advanced before commencement of the travel.	
	§ The number of travel days are calculated from date of departure from home until last day of the training. § Air travel is booked by the project and paid for by the Project directly.	
Request for travel	§ Air travel is booked by the project and paid for by the Project directly. The relevant department will prepare a request for travel which includes: § List of individuals to attend external training § Dates of training § Invitation to training / training registration confirmation § Overview of training (agenda, location noted) – brochure / email correspondence or other suitable evidence § Related AWPB classification (category, component) § Calculation of total per diem due (100%) § Estimated cost of air travel § Estimated cost of visas (Air travel is paid directly by the Project)	

Approval of travel request	§ The travel request is reviewed by the accountant for: o Accuracy and compliance with the Government decree in terms of the per diem rate applied. o Alignment with the approved AWPB § The travel request is submitted to the Project Director for approval. § IFAD and MoTF/MoA no-objection should be obtained for travel request after approval by the Project Director.
Advance provide	§ Upon approval of the travel request by the Project Director, the Project accountant will advance 100% of the total per diem to individuals or the team leader as appropriate. (prepare cheque for signing by the Project Director) § The Project accountant will record the advance in the accounting system, indicating the amount, date of advance, to who advanced and related budget line item. (advance is not recorded as an expense at this stage)
Justification of	§ Within 10 business days after the travel, the team leader / individual is
travel expenses	required to prepare a travel expense report which includes:
	o Travel Advance report
	o Boarding passes for air travel
	o Attendance register completed at the training event o Back to the office report
	o Back to the office report o Confirmation of IFAD/Ministry no objection (email correspondence)
	§ The travel expense claim is submitted to the accountant who confirms the
	accuracy and validity of the travel expense claim.
	§ The Financial Manual reviews the travel expense claim for accuracy and
	validity and captures the correct account codes on the request (in line with AWPB line items). (sign as evidence of review)
Approval of	§ The travel expense is approved by the Project Director by way of signing the
travel payment	travel expense report.
Recording of	§ The total travel expense is recorded as training expenditure/business trip, by
expense	clearing the travel advance, in terms of the correct category and component, in
	line with the account codes which are captured on the travel expense report.

217. <u>In all instances, unjustified travel advances will need to be reimbursed to the Project by the traveller within three months after the travel date or the amount will be deducted from the payroll.</u>

9.11.3.2 Local travel

Table 20: Local travel payments

Local travel	
Туре	Training / field visits
Overview of entitlement	§ The number of travel days used for the calculation of per diem is calculated from date of departure from home until last day of the training. § If Project vehicles are used, the driver is responsible for ensuring the vehicle is refuelled in terms of the process outlined in 12.9 § If private vehicles are used, staff are reimbursed in line with the allowable rate per kilometre as specified in the staff bylaws, based on actual distance travelled.

Local travel	
Request for	The relevant department will prepare a request for travel which includes:
travel	Training:
	§ List of individuals to attend training
	§ Dates of training
	§ Overview of training (agenda, location noted) – brochure / email
	correspondence or other suitable evidence
	§ Related AWPB classification (category, component)
	§ Confirmation from the Officer Manager that a Project vehicle(s) is available
	for the travel dates should this be the mode of transportation
	§ Calculation of per diem in line with Government decree.
	Field visits:
Approval of	§ Request for field trip from technical department § The travel request is reviewed by the accountant for:
Approval of travel request	o Accuracy and compliance with the staff bylaws in terms of the pocket money
traverrequest	allowance / estimation for fuel costs
	o Alignment with the approved AWPB
	§ The travel request is submitted to the Project Director for approval.
	§ Once approved, the team leader or individual should submit a request for
	vehicle use.
Advance	§ No fuel advances are provided in cash (driver will use fuel card to refuel)
provide	§ Applicable per diem is advanced in cash.
Justification of	§ Within 5 business days after the travel, the team leader / individual is
travel expenses	required to prepare a travel expense report which includes:
/ return of	o Attendance register completed at the training event
unused fuel	o If a private vehicle was used, indication of total distance travelled in
advance	kilometres with payment due to vehicle owner, based on the approved rate in the bylaws.
	o If a Project vehicle was used, invoiced for fuel which was paid from fuel
	advance.
	o Back to the office report (in case of field visits)
	§ The travel expense claim is submitted to the accountant with the fuel
	advance which was not used.
	§ The accountant confirms the accuracy and validity of the travel expense
	claim and determines the per diem which is due.
	§ The Project accountant reviews the travel expense claim for accuracy and
	validity and captures the correct account codes on the request (in line with
A / C	AWPB line items). (sign as evidence of review)
	§ The travel expense is approved by the Project Director by way of signing the
travel payment Recording of	travel expense report. § The total travel expense is recorded as expenditure in terms of the correct
Recording of expense	category and component, in line with the account codes which are captured on
CAPETISE	the travel expense report. (advance cleared at this stage)
	§ Only fuel expenses may be charged to the training budget code. If other
	vehicle maintenance was incurred, this expense is recorded as maintenance.

9.11.4 Civil works, equipment and tools

Table 21: Civil works, equipment and tools payments

Activity	Procedures
Request and approve activity in line with AWPB	§ Civils works, equipment and tools are defined and outlined in both the AWPB and the Procurement Plan. § Civil works, equipment and tools is contracted via a procurement process as outlined in the Project Operations Manual. § IFAD no objection is required on the bidding document, recommendation of award and contract outline before the final bid award is made. (refer to Procurement Arrangement Letter)
Prepare payment request	§ The procurement officer will request payment of invoices, subject to providing the following supporting documentation: Copy of civils contract with award letter (for civils only) Contract amendment letter (if applicable) Bid analysis and evaluation report Evidence of IFAD no objection related to the contract award Purchase order / Invoice Progress report prepared by consulting engineer The accountant prepares a payment request which includes the supporting documentation. The Finance Manager reviews the payment request for accuracy and validity. The Finance Manager adds the correct account codes for the purposes of recording the transaction in the accounting software. The accountant forwards the payment request with supporting documentation to the relevant Technical Officer /Component Head for review and sign off.
Review and approval of payment request	The Finance Manager reviews and signs the payment request before submission to the Project Director. The Project Director shall review and sign the payment request, checking/confirming: § The expenditure is included in the approved AWPB § IFAD no objection was obtained related to procurement as applicable § All expenditures are eligible in line with the financing agreement and has been incurred before/completed before Project completion date. § Payment was cleared by the relevant component technical officer/head. § All supporting documentation is attached (refer 11.1). § Where stipulated in the contract, the required bank guarantees are valid and is retained in the project's safe.
Process payment	§ The approved payment request with related documents shall be sent to the accountant for processing and uploading on the online banking platform. § The accountant shall confirm that the bank details provided by the supplier corresponds to the signed legal agreement / original bank letter provided. § Once loaded on the banking platform, the payment to be released by 2 authorised signatories (using unique digital signatures) (NB: Cheques are not used for these payments)
Record payment	§ Account record the transaction in the accounting software, using the correct codes as captured on the payment request. § File supporting documentation, include proof of payment (bank statement/bank confirmation of payment)

9.11.5 Payments for consultant services

Table 22: Consultant services payment

Activity	Procedures
Request and approve activity in line with AWPB	§ The process for requesting and approving consultants is outlined in the procurement section of the PIM (and FMFCL) and is dependent on whether the service is recruited internationally, nationally, locally or on a single source basis. § In all instances the procurement of consulting services is subject to IFAD's no objection.
Prepare payment request	§ The procurement officer will request payment of consulting services subject to providing the following supporting documentation: - Copy of consulting contract and invoice requesting payment (invoice to specify bank details in line with contract) - Copy of output (report / study, etc.) - Copy of timesheets (if time-based payment is required) - Written recommendation for payment from the relevant technical department which confirms that the consultant(s) have delivered the key outputs as specified in the consulting contract. - Confirmation of IFAD no objection. § The accountant prepares a payment request which includes the supporting documentation. § The Finance Manager reviews the payment request for accuracy and validity. § The Finance Manager adds the correct account codes for the purposes of recording the transaction in the accounting software. § The accountant forwards the payment request with supporting documentation to the relevant Technical Officer /Component Head for review and sign off.
Review and approval of payment request	The Finance Manager reviews and signs the payment request before submission to
Process payment	§ The approved payment request with related documents shall be sent to the accountant for processing and uploading on the online banking platform. § The accountant shall confirm that the bank details provided by the supplier corresponds to the signed legal agreement / original bank letter provided. § Once loaded on the banking platform, the payment to be released by 2 authorised signatories (using unique digital signatures) § (NB: Cheques are not used for these payments)
Record payment	§ Account record the transaction in the accounting software, using the correct codes as captured on the payment request. § File supporting documentation, include proof of payment (bank statement/bank confirmation of payment)

9.11.6 Matching Grants

- 218. The beneficiaries will be receiving funds within the matching grants scheme as 50% grant and 50% interest free loan. The associated interest cost will be subsidized by the government as is the current practice for ORKOY funds. The subsidized interest will be calculated and included as in-kind contribution from the government to the project.
- 219. The grant portion will be financed 100% from IFAD funds while the loan portion will be financed from both IFAD and the government funds. Total amount available for on-farm

investment and for livelihood support to the beneficiary households and MSMEs is estimated at about US\$ 42 million; US\$ 39 million will be disbursed within Component 2 while US\$ 3 million will be disbursed within Component 1. Of this, US\$ 39 million which will be invested for livelihood support under Window 1, the associated cost of which will be met by IFAD financing for: (i) matching grant (US\$ 22.494 million), and (ii) interest free loans (US\$ 7.239 million) and rest or US\$ 9.267 will be met using ORKOY loan funds.

- 220. Of the loans, 37% or US\$ 7.2 million would be from IFAD and 63%, or US\$ 12.2 million from the government budget to ORKOY (beneficiaries' loan repayments).
- 221. Financing of the loan portion within the matching grants scheme shall be in parallel from both the government & IFAD. While the ratio of such financing would be about 50:50 over the life of the project, such ratio to be shared by the government may be lower in the initial years considering the loan grace period and low amount of loan used in the first years of the project. Consequently, IFAD will reimburse its share of the gross disbursement of the eligible loan, GoT will finance the remaining amount, net of repayments until IFAD disburses its limit of US\$ 7.24 million. Thereafter the entire loan requirement of FIRAT will be met by the GoT.
- 222. In order to ensure proper use of funds, both the beneficiaries' selection criteria and the intended purpose of the investment shall be followed as included in the Matching Grants Operational Manual and the matching grants plans.
- 223. ORKÖY department (Department of Forestry and Village Relations) within OGM will be managing the matching grants scheme under FIRAT as well, which would include planning, budgeting, approval; and payment of transactions of the matching grants as agreed for FIRAT. Normally ORKÖY approves the work programs, beneficiary determination records & documents and completion & acceptance related documents. These checks and approvals are carried out by ORKÖY field organizations and ORKÖY officials.
- 224. A bank account in local currency will be open at Ziraat bank for grants and loan financed within FIRAT. ORKÖY will be managing & monitoring matching grants payments through MOTF Integrated Finance Information System (MBYS); the matching grants payments are processed in Forest Information System (ORBİS). Payments and collections can be monitored daily through the Forest Information System (ORBİS) as the system retrieves collection information from Ziraat Bank's banking applications and transmits daily debt information. Based on this, there are no reports submitted by the Bank to ORKÖY as an automatic debt file is created overnight by ORBİS for the beneficiaries. ORKÖY can take the reports directly from this system.
- 225. ORKÖY Branch Directorate and Forest Enterprise Directorate at the Regional Directorates follow up on beneficiaries' loans repayments through the ORBİS system. It is followed up by the Monitoring and Evaluation Branch Directorate at the ORKÖY Department. ORKÖY uses two modules for payment transactions and reporting; (1) the Expenditure Management System for creation of expenditure instruction, approval of documents and payment order; and (2) the Integrated Public Financial Management Information System for accounting recording and reporting transactions.
- 226. The Matching grants transactions should be properly recorded in FIRAT accounting software based on the financial reports that will be submitted by ORKÖY to CPMU on a monthly basis. The CPMU will be transferring funds from the DA directly to the opened bank account at Ziraat bank based on the ORKÖY-submitted requests.
- 227. The beneficiaries will be procuring & paying for the equipment (product/service) by themselves within the framework of the technical specification included in the type of the investment project prepared by ORKÖY. Once goods/service is completed/received, controls and acceptances are made by ORKÖY officials at the Enterprise Directorates. Reports/letters of completion of service/proof of recipients "realization reports" are approved by the Enterprise Directors at ORKÖY.
- 228. If the beneficiary does not make the payment as per the repayment schedule fixed, it is collected from the Guarantors. If it cannot be collected from the Guarantors, the state bears the loss. It is important to note that according to ORKÖY such a situation has not been encountered

by them - debt repayment is followed until it is collected and in the case of death, the heirs are required to repay the loan.

- 229. The beneficiaries submit a request petition in their application, this is the only document submitted. In addition to this, the following documents are kept after the inquiries are made according to the criteria:
 - a) Credit and Grant Allocation Approval
 - b) Credit and Grant Agreement
 - c) Acceptance and Control Report
 - d) Realization Report and its Annexes
 - e) Insurance Policy
 - f) Invoice or Invoice Substitute Documents
 - g) Report given by the Veterinarian appointed by the Provincial Directorate of Agriculture
 - h) IBAN No
 - i) Photocopy of Identity
 - j) Consent obtained from the spouse
- 230. Matching grants implemented by ORKÖY are audited by: (i) the General Directorate of EU and External Relations; (ii) the internal audit department of OGM; and (iii) the Treasury auditors (external). All requested documents are provided by ORKÖY.
- 231. Matching Grants will follow a process as outlined in section 9.8.2 above which details the flow of funds for MG.

9.11.7 Advances to implementing agencies

232. In case implementing agencies will request funds from PMU for the purposes of implementing activities.

Table 23: Advances to implementing agencies

Activity	
Receive payment request	§ Implementing agency submit ad-hoc funds requests in writing, using a request for funds form. § The request for funds form to be duly authorised by the Project Director of the Implementing Agency. § The request for funds form to stipulate the individual activities for which funds are requested in line with the approved AWPB.
Prepare payment request	§ The PMU Accountant to receive and review the request for funds from the implementing agency and confirm that requested funds are for activities approved in the AWPB related to the specific agency. § The Finance Manager reviews the request for accuracy and validity. § The Finance Manager may reject a request for funds if the implementing agency has large advances which have not been justified for previous funds requests. § The accountant prepares a payment request which indicates the details of the implementing agency and amount to be transferred.
Review and approval of payment request	§ The Finance Manager submits the payment request and supporting documentation to the Project Director for review and approval. § The Project Director shall review and sign the payment request, checking/confirming that the funds allocation is included in the approved AWPB.
Process payment	§ The approved payment request will be submitted to the accountant. § The accountant to load the payment on the online banking platform. § Payment released by 2 authorised signatories.
Record payment	§ Accountant to record the advance in the accounting software against the specific implementing agency. § Do not record the advance as an expense. Once advance is justified (refer procedures in 9.2), account for expenses using the correct expense codes (component, category) at the historical exchange rate.

9.11.8 Petty cash payments and replenishments

- 233. In principle, there shall be no petty cash, in case small amounts of cash are needed, cash should be withdrawn and paid in the same day. Any cash payments should be managed by the Accountant as described below. The purpose of petty cash is to make payments for low value items in a quick and efficient manner.
- 234. The Petty cash disbursements may be in the form of an advance or a reimbursement. Advances must be justified with proper supporting documentation (receipts etc.) on a timely basis.
- 235. The following would apply mainly in case the project started to use petty cash regularly. Some of below points are to be followed in case of "one time off" cash payments:
 - a) The cash is placed in a locked cash box which is kept in the Accountant's custody. The Petty cash disbursements may be in the form of an advance or a reimbursement (when the staff member has personally advanced the funds).
 - b) For <u>advances</u>, the Accountant delivers petty cash advances on the basis of the approved request. After the purchase is made, the requestor must return the invoice/receipt along with the change, if any, to the Finance Manager for recording into the Accounting system.
 - c) <u>For reimbursements</u> (i.e. when the goods or services have already been delivered), the invoice or receipt is given to the Officer Manager who reimburses the requesting staff member or directly pays the supplier. The form is signed by the individual who receives the money.
 - d) All disbursements from the Petty Cash must be recorded on a Cash Voucher form showing all particulars: the amount, the account being charged, the description of the transaction, authorization (by Finance Manager or/and the Project Director) and the signature of the payee. The necessary documents (invoice, payment tapes, and receipts) must be firmly attached. The Accountant must never disburse from the petty cash to her/himself without the Finance Manager or/and the Project Director's authorization.
 - e) (in case of regular petty cash use) The petty cash replenishment should be set at a preidentified limit. Once the level of the petty cash on hand falls below this point, the
 Accountant must request replenishment by submitting a completed petty cash
 replenishment form (20.11). This form will show a listing of all disbursements made, the
 accounts debited, and the total sum replenished. All the necessary petty cash vouchers
 and their supporting documents will be attached. A payment request will be prepared for
 the amount to be replenished and the Finance Manager is required to review and confirm
 all disbursements on the Petty Cash form before signing the check.
 - f) Petty cash is replenished upon presentation of actual receipts to the Finance Manager. All Petty cash replenishments will bring the balance of cash on hand to the petty cash ceiling (if applicable).
 - g) The Petty Cash Vouchers, Receipts and Electronic Petty Cash Reconciliation Sheet should be updated frequently. At the end of each week, the Accountant will reconcile the petty cash journal with the physical cash count. These will be checked, along with a surprise cash count by the Finance Manager, (or Project Director in the absence of the Finance Manager) via unannounced inspections at least once per month.

9.11.9 Payments for fuel

236. Vehicles may be refuelled at the local preferred fuel station, based on approved purchase orders issued to drivers by the Project accountant. In such instances the driver does not pay in cash for fuel. On a monthly basis the preferred petrol station will submit a customer statement for payment to the Project. The customer statement should:

- List all individual invoices separately with supporting purchase orders issued by the Project accountant
- Indicate the date and amount (value and volume)
- Indicate the vehicle registration number

237. The administrative assistant will compare the customer statement information to the respective Project vehicle logbooks to confirm accuracy of the customer statement. In addition, the administrative assistant will confirm that only approved Project vehicles are listed on the customer statement. Once the administrative assistant is satisfied with the customer statement, a payment request will be prepared.

238. If drivers are not able to refuel at the preferred fuel station, drivers may use fuel advances to procure fuel. The fuel invoices should be attached to the trip expense to be filed upon return to the office.

9.12 Financial Reporting

239. The section on financial reporting deals with:

- Financial reports for submission to IFAD and other financiers
- IAs reporting to PMU
- Internal reporting within each IA

9.12.1 Financial reports for submission to IFAD and other financiers

240. PMU is responsible for submitting consolidated financial reports to IFAD. The applicable financial reporting requirements applicable to IFAD-financed Projects are outlined in the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects which may be updated from time to time. The Finance Manager should ensure adherence to the latest version of the Handbook.

241. PMU is required to prepare financial reports and submit to IFAD as outlined in the table below:

Table 24: Submission of financial reports to IFAD

Туре	Period / Frequency of submission
Annual Financial Statements	 <u>Unaudited:</u> Prepare annual reports and submit to IFAD within 4 months of the end of the financial year-end. <u>Audited:</u> Submit audited financial statements within 6 months of the end of the financial reporting period. The reports should be prepared in line with requirements outlined in 12.4. The annual financial statement should be authorised by the Project Director for authorisation before submission to the auditor/IFAD.
Interim financial reports	Prepare quarterly reports and submit to IFAD in ICP within 45 days of the end of the quarter. The reports should be prepared in line with requirements are outlined in 12.4

9.12.2 Financial reporting requirements

242. PMU prepares the financial reports in line with **IPSAS**, "Financial Reporting under the **Cash Basis of Accounting" (IPSAS Cash).** Should the PMU propose to use a different accounting standard, this should be agreed with IFAD. In all instances, IFAD required Projects to use internationally accepted accounting standard.

9.12.3 General principles for the preparation of financial reports

243. PMU shall prepare financial reports with consideration of the following specific principles:

Table 25: Considerations in submitting financial reports

Principal	Guidance
Completeness	 The financial reports shall be complete and include the activities of PMU and other implementing agencies and present the results of a single entity. The sources and uses of all categories/components shall be included (including sources received in-kind). The sources and uses from all financiers shall be included, including: IFAD Loan GEF Grant Government Contributions Beneficiary Contributions
Accuracy	• Ensure that the various disclosures as outlined in 12.4 are reconcilable as appropriate
Accountability	The financial reports should promote the concept of accountability.

9.12.4 Minimum prescribed content for interim and annual financial reports

244. PMU is required to prepare financial reports (interim and annual) which includes the following minimum prescribed content (an illustrative financial report is outlined in 20.8):

Table 26: Content for interim and annual financial reports

Interim Financial Reports	Annual Financial Reports
 Cash forecast statement 	 Withdrawal Application statement
 Sources and Uses of Funds statement 	 Sources and Uses of funds statements
(DA)	per components and categories
 Designated Account Activity 	 Designated account statement
 Variances statements (quarterly, 	 Designated account reconciliation
annual and cumulative)	 Statement of cash receipts and
 To be submitted along with: 	payments
 - Contracts register report 	 Budget to actual comparison for the
 Bank statements 	period and cumulative
- Outstanding advances (to	- Notes to the financial statements
suppliers/implementing partners/staff) report	 Fixed asset schedule
 Other; as requested by IFAD 	

245. Detailed guidance on the preparation of the disclosures as prescribed by IPSAS Cash can be found in the Standard (https://www.ifac.org/publications-resources/revised-cash-basis-ipsas). PMU is required to adopt all reporting requirements as outlined in Part 1 of IPSAS Cash. The Project is encouraged to adopt Part 2 of IPSAS Cash on a voluntary basis.

Table 27: IPSAS cash reporting requirement

Content	Source of requirement	Guidance on preparation of content
Statement of Cash Receipts and Payments	Prescribed by IPSAS Cash	 Layout: Receipts - Payments = Surplus/Deficit + Opening Cash +/- Exchange rate difference = Closing Cash Balance The opening and closing cash balance should include the balance of the designated accounts (Loan/grant denominated currency) and all Project accounts (Turkish Lira)
		 The opening and closing cash balance in the Designated Account is derived by applying the spot rate on the date of translation (if applicable) Disclose cash receipts using an appropriate classification system (Contributions from external financiers, Contributions from Government, Contributions from Beneficiaries, Cash generated from Project activities) Disclose cash payments in line with the categories outlined in Schedule 2 of the IFAD financing agreement

Content	Source of requirement	Guidance on preparation of content
		Disclose the exchange rate gain or loss (resulting)
		from the translation of funds in the designated
		account from foreign currency to Turkish Lira).
Budget to Actual	Prescribed by IPSAS Cash	Ensure that the Budget period corresponds to the
Comparison		Financial Reporting Period
		Derive the budget disclosure from the approved AWPB. Disclose both the original and final
		approved AWPB.
		Calculate the variance between budgeted and
		actual results for both receipts (sources) and uses
		(payments)
		Provide narrative on the reason for the variances
A	Dura a suit and have IDCAC Count	observed.
Accounting policies and	Prescribed by IPSAS Cash	Develop accounting policies with reference to the guidance provided in IPSAS Cash
explanatory		Disclose the authorisation date
notes		Disclose the basis of presentation
		Disclose the presentation currency
Sources and	Prescribed by the IFAD	Include both cash and in-kind contributions in the
Uses of Funds	Handbook for Financial	Sources of Funds
Statement	Reporting and Auditing	Provide disclosure on uses of funds by financier/by
	for IFAD-financed Projects	category and financier/component
Designated	Prescribed by the IFAD	Prepare reconciliation which provide justifications
account	Handbook for Financial	for the IFAD cumulative advances – disclose for
reconciliation	Reporting and Auditing	each designated account.
	for IFAD-financed	Explain variances.
Darimatad	Projects 15AD	Donas of the second
Designated account	Prescribed by the IFAD Handbook for Financial	Prepare for each designated account.Ensure that opening and closing cash balances
Statement	Reporting and Auditing	presented in this Statement is reconciled with the
Statement	for IFAD-financed	cash balances used in the Statement of Cash
	Projects	Receipts and Payments.
		Disclose the exchange rate gain/loss separately
		and ensure that this is reconciled with the
Summary of	Prescribed by the IFAD	 Statement of Cash Receipts and Payments. Provide a summary for PMU separately and display
Summary of Withdrawal	Handbook for Financial	Provide a summary for PMU separately and display combined total.
Applications	Reporting and Auditing	Ensure that summary information is reconcilable
F F 23. 3. 3. 3	for IFAD-financed	with the IFAD historical transaction statement (to
	Projects	be extracted from ICP) with regards to the value
		date of the transaction amount of withdrawal in
		loan denomination currency.
		Cross reference amounts included here per WA to amounts included in the Designated Account
		Statement / Designated Account Reconciliation.
Fixed asset	Prescribed by the IFAD	Include a fixed asset register which lists all Project
register	Handbook for Financial	assets (including those purchased on behalf of the
	Reporting and Auditing	Community Groups if the Project retains the title
	for IFAD-financed	and the assets will be returned to the Project at
	Projects	Project closure).
		Indicate the implementing agency which procured the asset and related component.
		Ensure that all fields are included – refer
		illustration included in 20.8.

246. In addition to the above disclosures, the Project is required to maintain and Action Tracker log which is a log of agreed actions. This document should be maintained on an ongoing basis provide together with the financial report (interim or annual). The Action Tracker format is outlined in 20.8. It is required that the Action Tracker include actions which have been agreed

on with IFAD during missions or the Auditor during the audit (derived from the management letter). The purpose of the Action Tracker is to keep track of progress regarding agreed on actions.

9.12.5 Other considerations

247. The following specific issues should be considered in the preparation of the financial reports:

- Accrual related information should be disclosed in the Notes of the Financial Statements. This includes outstanding advances, which, in terms of the cash basis of accounting, should be expensed when provided. This entails that the advance will be recorded in the relevant categories /components at year-end. (NB: Best practice is that zero advances are outstanding at the end of the fiscal year).
- In-kind contributions from the Government should be reported in the Financial Statements in line with the process as outlined in section 9.7. Also refer to 20.8 to see the illustrative accounting policy and explanatory notes.
- Where applicable, disclose information for implementing partners separately and in a consolidated manner. In all instances the user of the financial statements should be able to identify if the information relates to activities of PMU.

9.12.6 Implementing partners reporting to PMU

248. (As applicable) All implementing partners which report to PMU are required to submit monthly reports to the PMU. The PMU will review the reports and verify bank balances/expenses with reference to supporting documentation attached to the report. PMU will proceed to record individual transactions in the accounting software and clear related advances. The IPs are required to submit monthly reports using the report format as outlined in Appendix B.14. This includes ORKOY reporting to the PMU.

249. IPs are responsible for the accuracy and completeness of reports submitted to PMU and will be required to respond to queries on report content in a timely manner.

9.12.7 Internal reporting

250. The following internal reports will be prepared by PMU and/or other IPs for the purposes of internal monitoring of project finances and progress:

Table 28: Internal reports - type and frequency

Туре	Period / Frequency of submission	
Quarterly project	The PMU Finance Manager to prepare a quarterly project report which includes (but not limited to):	
reports	Consolidated budget to actual expenditure comparison with variance explanation.	
	Individual budget to actual expenditure report per implementing agency with variance explanation.	
	This report to assist the PMU project director to monitor overall and implementing agency level performance for the purposes of taking corrective action if needed.	
Monthly management accounts	 (as applicable) It is required that each implementing agency prepare monthly management accounts for the purposes of monitoring allocated components/subcomponents. The content may include (but not limited to): A financial progress report (sources and uses) Monthly bank reconciliations Cash flow forecast 	
	 Summary of contract commitments Overview of budget to actual expenditure analysis with variance explanations Monthly vehicle maintenance and fuel consumption report Travel and DSA report. 	
	The monthly management accounts should be prepared within 10 days of the end of the month and submitted to the respective Project Directors for review and discussion during management meetings. The purpose of the monthly management	

accounts is to provide a monitoring tool for management with the purposes of identifying issues and taking corrective action.

9.13. Audit Matters

9.13.1 Internal Audit

251. PMU will be included in the internal audit plan of the Internal Audit Department within OGM. Audit will take place every other year. Findings should be reported to the project steering committee to ensure independence. The internal audit work will focus on the activities of the Regional Project Management Units, Support Units & implementing agencies which report to PMU. Recommended TOR is included in 20.5.

252. The internal audit procedures will be performed by the internal audit specialists under guidance of the Head of the internal audit department. The final report will be submitted to the Supervisory Board to ensure independence. The internal audit work will cover activities at both the central office, regional units as well as support units. The findings and recommendations should be considered and implemented in a timely fashion. In addition, an English version of the report shall be submitted to IFAD within 1 month of receipt thereof by the PMU.

253. In addition, the project could be subject to a review by the Inspection Board Presidency within OGM.

9.13.2 External Audit

9.13.2.1 Auditing standards

254. IFAD promotes the use of internationally accepted auditing standards and requires that FIRAT project be audited in terms of the International Standards on Auditing (ISA).

9.13.2.2 Assign the Audit Team

255. As per Türkiye normal practice, internationally funded projects are audited by the Treasury Auditors under the Ministry of Treasury and Finance. Project will be included in the annual audit plan and an audit team will be assigned for the purposes of auditing FIRAT (and other IFAD projects in Türkiye). The following should be considered during the assignment of the audit team:

- The auditor must be independent of the project, its staff and activities, in accordance with international best practices.
- The project auditor/any of the audit team may not provide consultancy services to the project or prepare the project financial statements or have done so in the previous two years.
- The auditor must be suitably qualified and be a member of a professional body affiliated with the International Federation of Accountants.
- The auditor's work must conform to international auditing standards
- The unit must be able to assign an audit team to the audit possessing the necessary competence and skills.
- The audit team must have a proven track record in conducting audits of a similar nature and complexity.
- The audit team must have sufficient staff to deploy to both the main offices of PMU as well as regional and support units.

256. Auditors should normally be assigned in advance of the start of the period to be audited, to allow the auditor sufficient time to plan and carry out a comprehensive examination of the borrower's/recipient's financial records and accounts.

9.13.2.3 Auditor terms of reference

257. A proposed TOR for FIRAT project is included in Appendix B.7. The Finance Manager should use and refine this TOR as required. The TOR should be shared with the audit team well in advance to ensure full understanding of IFAD requirements.

9.13.2.4 Audit opinion and audit package

258. The audit report will outline the audit opinion on the audited financial statements. The Treasury Auditors are required to issue an audit opinion in accordance with ISA 700/705.

259. The auditor is expected to submit an audit package that at a minimum includes the audited financial statements, the audit report and the management letter. The management letter is an integral part of the audit package, which documents internal control issues identified by the auditor. The management letter should:

- Outline the auditor's recommendations to address identified internal control issues, and the Project's management responses to them.
- Where applicable, provide follow-up commentary on the issues identified in the previous year's management letter.
- Include any ineligible expenditures identified during the audit be outlined in the management letter.

9.13.2.5 Audit reporting period

260. IFAD generally requires an annual audit of Project financial statements. However, the frequency of the audit may be changed by IFAD as a function of the Project's risk profile. In all instances, IFAD will confirm the frequency with which project's financial statements are to be audited.

261. The audit reporting period may be amended for the first and/or final audits, in line with the following guidance:

- For the first audit, in cases in which the Project commences during the financial year, the following procedures will generally apply:
- When the period between the first disbursement and the end of the financial year is less than six months, IFAD may allow the results for the first financial period to be included in the following financial year's audit; or
- When the period between the date of the first disbursement and the financial year-end is greater than six months, audited financial statements for the period are always required.
- For the final audit, IFAD may recommend an audit reporting period that is longer or shorter than 12 months, but that in no case may exceed 18 months. This is to ensure that the final audit can be concluded, and the audit report submitted to IFAD by the Project Closing Date.

262. In such instances, IFAD will discuss and agree on its requirements with the borrower well in advance of commencement of the final audit.

9.13.2.6 IFAD Audit reviews

263. IFAD will conduct reviews of FIRAT's audit reports. The main purpose of the reviews is to determine whether the auditors conducted a quality audit resulting in an audit opinion acceptable to IFAD, and to assess the quality of the financial reporting of the project.

264. IFAD will communicate the results of the audit report review process within sixty days following receipt of the audit package. If required, PMU will be requested to take corrective actions within a specified time frame. These actions should be included and monitored in the Action Tracker (illustrated in Appendix B.8).

9.13.2.7 Public disclosure of audit reports

265. IFAD will publicly publish Project financial statements and audit reports, subject to processes applicable to their publication. In line with the standards of the International Aid Transparency Initiative, OGM is encouraged to publish financial information on its own website, for increased accountability. PMU must ensure that the audit TORs explicitly mention the right of the OGM and of IFAD to publish the audit report, with no limitation-of-use clause.

9.13.2.8 Audit Standards

266. The audit shall be conducted in accordance with the International Standards of Audit (ISA) published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The audit includes examining, on a test basis, evidence, supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

267. In complying with ISA, the auditor is expected to pay particular attention to the following matters, including special considerations for public sector entities:

- a) In planning and performing the audit to reduce audit risk to an acceptably low level, the auditor should consider the risks of material misstatements in the financial statements due to fraud as required by the <u>International Standard of Audit 240: The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</u>.
- b) When designing and performing audit procedures and in evaluating and reporting the results thereof, the auditor should recognize that noncompliance by the entity with laws and regulations may materially affect the financial statements as required by the International Standard of Audit 250: Consideration of Laws and Regulations in an Audit of Financial Statements.
- c) The auditor should communicate audit matters of governance interest arising from the audit of financial statements to those charged with governance of an entity as required by the <u>International Standard of Audit 260: Communication with those Charged with Governance</u>.
- d) The auditor should communicate appropriately to those charged with governance and management deficiencies in internal control that the auditor has identified in an audit of financial statements as required by the <u>International Standard of Audit 265:</u>

 <u>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</u>
- e) In order to reduce audit risk to an acceptably low level, the auditor should determine overall responses to assessed risks at the financial statement level, and should design and perform further audit procedures to respond to assessed risks at the assertion level as required by the International Standard of Audit 330: The Auditor's Responses to Assessed Risks.
- f) In instances where certain aspects of an entity's operations are performed by a third party service provider, the auditor is expected to include an understanding and assessment of the internal control environment of the service provider during the audit process as required by the International Standard of Audit 402: Audit Considerations Relating to an Entity Using a Service Organization.
- g) As part of the audit process, the auditor is expected to obtain written representations from management and, where appropriate, those charged with governance as required by the <u>International Standard of Audit 580: Written Representations</u>.

9.14 Records Management

9.14.1 Maintenance of separate accounts and records

268. In terms of IFAD's General Conditions for Agricultural Finance:

"The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date..."

269. In order to comply with the above requirement, PMU and other implementing agencies is required to maintain accounts. Such accounts and records may include:

Table 29: Maintenance of accounts and records

Туре	Example
Electronic information	Data and information maintained within the accounting software Other documents and files maintained electronically, either on desktops, laptops or removable storage devices
Correspondence	EmailsHard copy correspondence (letters)
Documents received from external sources	Bank statementsSupplier documentation
Internally generated information	··

270. All documents and information are the property of FIRAT PMU and may not be removed.

9.14.2 Filing and storage of the financial records

271. PMU and other implementing agencies are responsible for filing records. To fulfil this responsibility:

- Project parties should maintain files in a chronological order, assigning appropriate codes/sequential numbers;
- Project parties should perform filing activities on a regular basis to prevent the accumulation of papers and to ensure that the financial records are always maintained in an up-to-date manner.
- Project parties should allocate an appropriate storage area for the financial records in paper format and maintain them in locked cabinets, safe from water and fire to which access is controlled and limited.
- Project parties should also classify the financial records as "Confidential", or "General".

9.14.3 Off-site archiving of financial records

272. The respective Finance Managers should ensure that the financial records are archived at an off-site location on a regularly basis. Once a year, the Finance Managers should make sure that the completed or inactive files are archived in a manner that will allow for easy retrieval of the files in case they are required at some future date.

9.14.4 Electronic back-up procedures

273. Back-up of electronic information is an important function to be undertaken under instruction from the Finance Manager. It is required that:

- Daily: Electronic information at each Project office is backed up on the local server
- Weekly: Electronic information is saved on an external storage device and kept in a locked cabinet

274. Project staff access to backup files are subject to authorisation by the Project director or Finance Manager. The access of external persons is prohibited except for the auditors and IFAD staff.

9.14.5 Retention period

275. Project parties are required to retain accounts and records for at least ten (10) years after Financial Close. The Finance Manager should ensure that all documents and records (electronic and paper) are handed over to OGM/MOAF at financial closure to ensure that records can be maintained for the 10-year period.

9.15 Fixed Asset Management

276. Fixed asset management is an important process that seeks to track fixed assets for the purposes of financial accounting and to ensure preventive maintenance, and theft deterrence. Adequate Fixed asset maintenance also increases the sustainability of the Project. There are three elements in fixed asset management that require the attention of the Finance Managers:

- Purchase of equipment
- Setting up and maintaining an asset register including verification
- Setting up a plan for disposal and/or handover of the asset once the Project is completed

9.15.1 Purchase of Equipment

277. The Accountants should follow the following process for each fixed asset purchased:

- Assign a unique, sequential asset number (excluding minor items such as stationary).
- Tag each item with its unique asset number.
- Record the item of equipment in fixed asset register

9.15.2 Fixed asset register

278. The accountants must maintain a fixed asset register in the asset management module of the accounting software. The asset register should record the following information for each individual piece of equipment (refer 20.8 for illustration):

- a) Asset description
- b) Asset number
- c) Individual responsible for asset
- d) Implementing agency responsible for purchase
- e) Source of funding of asset (IFAD, government, etc.),
- f) Location of the asset
- g) Date of purchase
- h) Cost of purchase and invoice number
- i) Remarks regarding the condition of the asset

279. The Finance Manager shall ensure that the consolidated fixed asset register is maintained and updated regularly.

280. Assets purchased for beneficiary use should be included in the fixed asset register if the assets remain under the ownership of the Project (therefore beneficiaries to return to Project at Project closure).

9.15.3 Asset Verification Review

281. Under the management of the Finance Manager, PMU must conduct an annual asset verification process whereby the following checks are performed:

- Verify that all fixed assets are still held in the location recorded on the register;
- Confirm the completeness and accuracy of the information recorded on the fixed asset register;
- Check that equipment and vehicles are still in a reasonable state of repair and that remarks regarding the condition of the assets are correct as recorded in the fixed asset register;

282. The verification review must be performed by different staff from those who use the equipment, to ensure adequate segregation of duty. Discrepancies between the verification exercise and the fixed asset register should be investigated. Where assets are missing or seriously damaged, they should be removed from the asset register. The removal should be formally documented and approved by Finance Manager and Project Director. Moreover, the Finance Manager will undertake random verification of fixed assets during field visit.

9.15.4 Vehicle Maintenance and Fuel

283. Drivers are required to maintain waybills/itinerary lists and vehicle history records (Appendix B.12).

284. No cash shall be advanced to drivers for the purposes of refuelling.

- a) Each vehicle to have dedicated fuel card which indicate the vehicle registration number.
- b) Each fuel card to have a set daily / monthly limit based on average consumption.
- c) Changes to the monthly limit is subject to approval by the Finance Manager (which will be approved based on approved trips).

- d) The waybill shall indicate the reading of odometer at the beginning and end of the period, i.e. the mileage of the car, as well as fuel consumption. This process shall be checked by an accountant based on GPS system ("Teltonika FM 4200) in the data server of "Realcom" LLC, which is set in each vehicle of PMU. Using the device, one can track the route, stop time, kilometres travelled, etc. The data shall be entered into the accounting software which distributes fuel by projects, depending on whether one or the other trip was made on any project. (Manual recording / monitoring at PMU is acceptable given limited number of vehicles)
- e) Fuel stations shall provide a monthly summary report on fuelling and invoice which the accountant shall compare to the fuel invoices attached to the waybill. Differences to be followed up/resolved.
- f) Provision of fuel and lubricants shall be strictly limited per each vehicle per month in accordance with the order signed by the Management.

Vehicle insurance

The Finance Manager should ensure that all Project vehicles are comprehensively covered and that all drivers are noted on the insurance policy. Under no circumstanced may uninsured drivers drive the vehicles. The insurance policies should be renewed annually or as stipulated in the policy. The safety of cars is the responsibility of the drivers assigned to the vehicles. Consequently, they must ensure that the vehicles are parked in a secure area when not in use or outside working hours.

Maintenance

The drivers are required to monitor the maintenance of their assigned vehicles. The drivers must notify the Office Manager (equivalent position) of maintenance needs so that the cars can be serviced on a timely basis. The Office Manager (equivalent position) is required to request the car maintenance, subject to approval by the Project Director.

The assigned cars must always be taken to the selected garage for repairs and maintenance.

9.16 Financial management support from IFAD

9.16.1 Overview of IFAD support

285. IFAD's Financial Management Division (FMD) will remain involved with PMU from Project inception (starting at Project design) to Financial Closure to ensure that FIRAT fiduciary requirements are met.

286. FMD's Finance Officer will establish ongoing contact with the Project, by liaising with the Finance Manager of PMU and will be available to provide remote support on financial management matters. In addition, FMD will visit FIRAT during missions to the Project (represented by either the Finance Officer or an appointed consultant). Mission types include supervision missions, mid-term reviews and implementation support missions. During missions, FMD will assess and monitor the adequacy of FIRAT financial management arrangements such as accounting, budgeting, internal controls, flow of funds, financial reporting and the auditing practices.

287. If financial management arrangements of FIRAT are deemed acceptable, IFAD will rely on them to provide assurance that the financing proceeds are being used for the intended purposes. In the case that IFAD identifies weaknesses in the financial arrangements, it will require PMU to take the appropriate measures to mitigate those risks.

288. The key findings and recommendations of missions will be captured in the Aid Memoire which is a document shared with MoAM and includes an overview of issues identified and proposed actions to be undertaken by the project/IFAD to address issues identified.

9.16.2 Roles and responsibilities related to IFAD support

289. FIRAT PMU will be required to participate in IFAD missions as follow:

Table 30: Project's support to IFAD missions

Stage	Project roles and responsibilities
Before IFAD missions	Prepare Appendix 1 (20.10) and submit to the FO/Consultant in electronic format (Excel Workbook, including formulas) <u>before</u> commencement of the mission – the FO/Consultant will specify the date range to be covered within Appendix 1. Each project party (PMU and other implementing agencies) to complete the Financial Management Assessment Questionnaire (FMAQ) in coordination with the FO/Consultant Prepare all other information as requested by FO/Consultant before commencement of the mission (refer 20.2).
During IFAD missions	Provide the FO/Consultant with all information which was requested before the mission. Arrange meeting with the auditors (internal and external) and any other selected party requested by the mission. Ensure that all FM staff are available to assist the FO/Consultant in performing their duties which may include: o Review of financial reports, reconciliations o Physical verification of fixed assets and inventory o Meeting with the auditor o Reviewing and completing the FMAQ Discuss identified FM weaknesses and risks and assist the FO/Consultant with developing appropriate actions for inclusion in the aide memoire.
After IFAD missions	Respond to any wrap-queries from the FO/Consultant Commence with implementing all actions which are included in the Aide Memoire Update the Action Tracker (see illustration in 20.8) with all actions raised during the missions.
Ongoing	Monitor and update the Action Tracker to ensure all actions are implemented in a timely manner. Liaise with the Finance Manager if required. Respond to ad-hoc queries received from the Finance Manager or other IFAD staff as it related to FM matters.

9.17 Project completion and closure

290. The Project completion date is defined in the financing agreement and the Project closure date is 6 months thereafter. The following is relevant to period before Project completion up to Project closure:

STAGE 1

Prior to the Project completion date

STAGE 2

Between Project completion and closure

Subsequent to Project closure date

STAGE 3

Project closure date

Project completion date

Table 31: Project completion and closure

STAGE 1	STAGE 2	STAGE 3
Up to the Project completion date	Between Project completion and closure	Project closure date
§ Submit an advance recovery plan to IFAD, indicating how the advance will be recovered up to Project closure (in line with financing agreement) (request template for plan from IFAD) § Agree on the audit scope of work and submit to IFAD for no objection § Incur eligible expenditure up to the Project completion date	§ Commencement of the final audit § Auditor performs the final audit in line with scope of work approved by IFAD § Incur winding up expenditure only (cost of audit, staff salaries, operating costs, Project completion report) § Submit final withdrawal application and recover advance via this process § Develop an asset handover and disposal plan (include up to date fixed asset register, indicate condition of all assets and to which entity the assets will be transferred.	§ Submit final audit report on or before the Project closure date § Submit Project completion report on or before the Financial Closure Date (as required in the financing agreement) § Confirm the final withdrawal application with IFAD § Return/Refund outstanding advance if applicable (if due and not recovered via recovery process) § Closure of the grant with IFAD

- 291. A notice is sent to the Borrower at least six months prior to the PCD to advise that all applications must be submitted before the closing date, and to remind the Borrower that expenditures incurred, and commitments made after the PCD will not be honoured, except for authorised expenditures during the "Winding Up Period" (from PCD to Financing Closing Date). This means that goods are delivered, civil works are completed, and services are rendered on or before the Project Completion date.
- 292. After the financing closing date, IFAD informs the Borrower of the formal closure of the loan/grant account, provides a history of disbursement transactions and cancels the unused loan/grant balance. A re-amortisation plan should be sent where relevant.

Asset handover plan

- 293. The plan should develop report outlining the following for the purposes of handing over Project assets to the identified beneficiaries:
 - The value of all the assets bought under the Project
 - Summary of the current condition of the assets,
 - To which entity, will the assets be transferred to and on which date and for what purpose.
 - List the assets that will be disposed and the reason for being disposed.

9.18 IFAD Financing agreements – amendments and budget reallocations

294. If amendments are required to the financing agreement:

- a formal written request should be submitted to IFAD
- outlining the required amendment and motivation/justification thereof.
- Amendments to the agreement may be required for (but not limited to):
- Changes (extension) to the project completion date and grant closing date,
- Changes to the project budget/budget reallocation (schedule 2); noting that the budget may not be increased above the original total amount
- Budget reallocations
- In some cases, the expenses category amounts as outlined in the financing agreement requires a revision if the project notes that actual expenditure is deviating from the original budget.
- In such instances a reallocation is required, depending on the size of the reallocation per category (expressed as %)
- Reallocation of equal to or less than 10% (of each category) between the various categories if such a reallocation *does not change the basic purpose of the project.*
- For reallocation greater than 10% of any expense category, the Borrower is required to formally request a reallocation from IFAD (supported by a detailed motivation).

9.19 Project Cost

295. The total project costs including all contingencies are estimated at USD 98 million over the seven-year implementation period. On the terms and conditions set forth in the IFAD Financing Agreement, the International Fund for Agricultural Development (IFAD) has agreed to provide the Borrower, a loan in the amount of USD 65 million and a GEF grant in the amount of USD 1.4 million to implement the FIRAT project. The Borrower's contribution, estimated at USD 19.4 million will consist mainly of: (i) seconding part of the project staff (e.g. the field technical support team), and (ii) waiving on all taxes and duties on goods and services procured under the programme, except the taxes on the matching grants which will be borne by the beneficiaries as stated. The beneficiaries' contribution is estimated at 12.2 million.

296. The Project consists of the following components as outlined in schedule 1 of the IFAD Financing Agreement.

- a) **Component 1:** Micro-catchment planning and natural resources management", representing 33% of the total costs, or 32.3 USD million;
- b) **Component 2**: Investments in Improved Climate Resilient Infrastructure, Livelihoods and Access to Markets", representing 62.4% of the total costs, or USD 61.2 million; and
- c) **Component 3:** Institutional strengthening and project management" for 4.6% of the total costs, or USD 4.5 million. Table 3 below shows the eligible expenditures by financiers and components for the Project.

Table 32: Project Eligible Expenditures by Expenditure Components (Thousands of United States dollars)

Component	GOT	IFAD Loan	GEF Grant	Beneficiaries	Total
I. Micro-catchment planning and natural resources management	12 372	17 603	931	1 361	32 268
II. Investments in Improved Climate Resilient Infrastructure, Livelihoods and Access to Markets	6 282	43 797	250	10 848	61 177
III. Institutional strengthening and project management	700	3 600	231		4 530
Total	19 355	65 000	1 411	12 210	97 975

297. The Borrower, and IFAD have agreed within the Financing Agreement to allocate the financing of the Project to categories of eligible expenditures shown in the Schedule 2 of the IFAD Financing Agreement and shown in Table 4 below. Most IFAD and GEF investments will be made under two expenditure categories: (i) grants and subsidies (USD 29.7 million or 45%) and (ii) works (USD 20.8 million or 31%).

Table 33: IFAD Eligible Expenditures by Expenditure Category (Thousands of US dollars)

Category	IFAD Loan	GEF Grant	Eligible expenditures (%) net of Tax
I. Investment costs			
A. Works	20 821		31
B. Consultancies	7 544	1 262	13
C. Training and workshops	451	24	1
D. Equipment and goods	1 307		2
E. Grants and subsidies	29 733		45
Total Investment costs	59 856	1 286	92
II. Recurrent costs			
A. Expertise support, salaries, and	4 077	125	6
allowances			
B. Operating costs	1 067		2
Total Recurrent costs	5 144		8
Total	65 000	1 411	100

9.20 Useful links

Document	Link
IFAD financial management e-learning	https://www.ifad.org/e-learning/financial-
	management-assessment/
Revised IFAD policy on preventing fraud and	https://www.ifad.org/en/document-
corruption in its activities and operations	<u>detail/asset/40189695</u>
(December 2018)	
Guidelines for internal controls for Public Sector	https://www.issai.org/wp-
Entities (INTOSAI GOV 9100)	content/uploads/2019/08/intosai gov 9100 e.pdf
IFAD General Conditions for Agricultural	https://www.ifad.org/documents/38711624/3942102
Development Financing	4/general_e.pdf/47c5f14b-2903-4285-b0b0-
	62c67cd650b8
IFAD Handbook for Financial Reporting and	https://www.ifad.org/documents/38711624/3942100
Auditing of IFAD -financed projects (English)	9/IFAD+Handbook+for+Financial+Reporting+and+Au
	diting+of+IFAD-Financed+Projects/133b165d-15c7-
	<u>4f79-8217-aef95b79dd67</u>
Project Financial Management and Financial	https://www.ifad.org/en/-/document/loan-
Control Handbook for Borrowers	<u>disbursement-handbook-for-projects-approved-under-</u>
	<u>gcs-effective</u>
IPSAS Cash Standard	https://www.ifac.org/publications-resources/revised-
	<u>cash-basis-ipsas</u>
ICP page	https://icp.ifad.org/
ICP support email	icpsupport@ifad.org

10. PROCUREMENT

10.1 Applicable Procurement Rules

298. As per the Procurement Arrangement Letter (PAL), the following procurement rules shall apply:

Procurement of goods works and services shall be carried out in accordance with the provisions of the borrower/recipient's procurement regulations, to the extent such are consistent with the IFAD Project Procurement Guidelines³.

- a) The Special arrangements, the Procurement standard Document (SPD) and the extend of application of the National Procurement rules under the project implementation shall be applied in accordance with Article-3 Paragraph-c) of the National Procurement Law (PPL) No. 4734.
- b) The **Project Management Unit** 4 will fully abide by the provisions of the Financing Agreement, Project Design Report, Procurement Arrangement Letter, and IFAD Project Procurement Guidelines as well as with IFAD Procurement Handbook based on the above. The provisions of such references are generally not repeated in this Chapter, and the **Project Management Unit** shall persistently consult with the same. Whenever IFAD's Operational Policy and Results Division (OPR) issues a circular, guidance or clarification, the **Project Management Unit** will comply with the same and will amend the PIM accordingly.
- c) The **Project Management Unit** will endeavour to recruit, train, and sustain procurement staff in the required numbers and qualifications as specified in the Project Design. The **Project Management Unit** will ensure that any procurement staff is well versed with this Manual and with National procurement rules and IFAD procurement Guidelines as well as with IFAD Procurement Handbook.

³ Any reference to IFAD Project Procurement Guidelines also includes the IFAD Procurement Handbook. Ensuring that applicable procurement rules are consistent with IFAD's Project Procurement Guidelines is mandatory; the Handbook is used as a guidance document for the borrower/recipient. For both the Guidelines and the Handbook, the latest version shall always apply.

⁴ The PMU refers to any government unit or other implementing partner entrusted with executing procurement activities including grants under this project.

10.2 Procurement Methods, Thresholds and Prior Review

10.2.1 Procurement Plans (PP)

299. The PP shall be prepared using IFAD's template on OPEN, shall be fully aligned with the AWP&B, and shall be submitted for No Objection sufficiently in advance before the planned start of any procurement activity in the plan. No procurement activity shall start unless it is present in a PP that received a No Objection. The PP shall be updated with actual dates/figures and shall be upgraded for any changes in the procurement methods, addition of activities, elimination of others, increases in the budget, etc. Any upgrade to the PP shall also be submitted for No Objection. Procurement activities and their respective methods and timelines shall be strictly adhered to. Further guidance on estimation of costs and schedule is provided under Section 3.2 of this PIM Chapter. The PP template is available at www.ifad.org/project-procurement.

300. The first PP shall be for an 18-months period and subsequent PPs shall be submitted on an annual basis shortly before the start of the fiscal year. At the end of each fiscal period, all outstanding procurement activities (i.e. not contracted yet) shall be transferred to the upcoming PP with its planned and achieved actual dates included as well.

301. Regardless of the time limits established by National procurement rules (if applicable), the time limits pre-designed into the PP template and automatically generated by it will be fully respected.

302. IFAD's No Objection needs to be sought prior to publishing any General Procurement Notice (GPN). The GPN template is available at www.ifad.org/project-procurement. While the publication of an initial GPN (covering first 18 months of implementation) is mandatory, the subsequent publication of annual updated GPNs is highly recommended. The GPN should mandatorily include all open procurement methods in the upcoming period covered by the initial PP (i.e. REOI, Request for Prequalification, openly advertised consulting services, ICB and NCB) and preferably also other non-open procurement activities (e.g. prior-list based consulting services, shopping, Limited International Bidding, Direct Contracting and Single Source Selection).

303. The use of the PP for activities entrusted to Implementing Partners (goods, works, consulting services, non-consulting services, grants or loans) is subject to the provisions elaborated in sections 3.4 and 4.3 below.

10.2.2 Contract Register (CR) and Contract Monitoring Tool (CMT)

304. The CMT is a mandatory platform for the recording and monitoring of all contracts. It includes:

- a) procurement contracts (goods, works, services, and non-consulting services): all contracts and purchase orders signed based on the PP covering all procurement methods and contract types;
- b) Grants (all first-level in kind and monetary grants): The procurement method for Grants will include competitive methods such as QCBS, QBS, FBS, CQS, ICS or non-competitive methods such as SSS or Selection based on project design/PIM; competitive methods are always recommended unless duly justified and exceptional; FBS is the closest method to grants where the ceiling is fixed;
- c) Implementing Partner contracts (MoU, MoA): including all agreements with all types of third parties who will be delegated procurement authority such as UN agencies and community participation contracts whether contracted competitively or not; procurement methods for these implementing partners are the following:
 - Governmental body / State owned enterprises (like SPA and DSI)
 - Community contract (single source selection)
 - Community contract (recipient or selection process defined at design/PIM)
 - Community contract (competitive selection)
 - UN agency (competitive selection)
 - UN agency (single source selection)

- NGO / International Organization (competitive selection)
- NGO / International Organization (single source selection)
- d) Subsidiary financing agreements and investment agreements: typically include financing contracts for micro-credit loans and other types of loans. In this case, only the first-level financing or refinancing contract selected using one of two methods shall be entered in the CMT:
 - Selection as defined in Design/PIM; or
 - Single Source Selection.
- 305. The Contract Register will be extracted as a Report directly from the CMT. It will be a cumulative document that is augmented progressively and automatically with the new contracts signed and inserted in the system.
- 306. The **Project Management Unit** will adopt the Contract Monitoring Tool deployed by IFAD and will dedicate sufficient resources to use and operate and generate reports from this system as instructed by IFAD. CMT Help section offers guidance and support on how to use this tool.
- 307. The recording of contracts signed by Implementing Partners with third parties (goods, works, consulting services, non-consulting services, or grants) must also be made on the CMT and is subject to the provisions elaborated below in sections 10.3.4 and 10.4.3 below.

10.2.3 Tabular Summary of Applicable Methods and Thresholds

- 308. The default procurement method for goods, works and non-consulting services is the ICB; however, for procurement activities estimated to cost less than the ICB threshold, other procurement methods may be used as per the below table.
- 309. The default procurement method for consulting services (and non-consulting services similar to them) is the QCBS; however, for procurement activities estimated to cost less than the QCBS threshold, other procurement methods may be used as per the below table.

Table 34: Applicable Methods, Thresholds and time limits

Procurement Methods, Thresholds and Time limits ⁵					
Procurement Methods Project Types and Time limits	DC (Direct Contracting)	Shopping (limited Request for Quotations)	NCB (National Open Bidding) ⁶	ICB (Internat ional Open Bidding)	PRIOR Review
Goods/NCS	Post Review: < 1,000 US\$ per proc. < US\$ 10,000 aggregated per year	≤ 100,000 US\$	< 200,000 US\$	≥ 200,000 US\$	≥ 70,000 US\$
Works/NCS	Post Review: < 2,000 US\$ per proc. < 10,000 US\$ aggregated per year	<u><</u> 250,000 US\$	< 1,000,000 US\$	≥ 1,000,000 US\$	≥ 150,000 US\$
Minimum Time Limit to submit quotes/bids from launch	n/a	14 days	30 days	45 days	
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	7 days	15 days	25 days	
Minimum Time limit for PMU to answer questions (measured from deadline)	Same day	5 days	10 days	20 days	
	SSS	CQS ⁷	QBS, FBS, LCS	QCBS	PRIOR Review

⁵ The time limits in this table are minimum periods; the actual dates generated by the Procurement Plan for bid/proposal submission will be the ones adopted for each procurement activity.

⁶ A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification.

 $^{^{7}}$ A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification.

Consulting Services / NCS - Firms	Post Review: < 1,000 US\$ per proc. < 10,000 US\$ aggregated per year	<u><</u> 70,000 US\$	QBS: any value FBS & LCS: < 150,000 US\$	≥ 150,000 US\$	<u>></u> 60,000 US\$
Shortlisting	(REOI or Prior List) is Advertisement is man	Shortlisting using REOI is mandatory for CQS and ICS; Shortlisting (REOI or Prior List) is mandatory for all other methods ≥ 180,000 US\$ Advertisement is mandatory for consultancy contracts estimated to cost 100,000 US\$ or more, regardless of the selection method			
Minimum Time Limit to submit proposals from launch	n/a	21 days (REOI) 21 days (RFP)	21 days (REOI) 45 days (RFP)	21 days (REOI) 45 days (RFP)	
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	10 days (REOI) 10 days (RFP)	10 days (REOI) 25 days (RFP)	10 days (REOI) 25 days (RFP)	
Minimum Time limit for PMU to answer questions (measured from deadline)	Same day	8 days (REOI) 8 days (RFP)	8 days (REOI) 20 days (RFP)	8 days (REOI) 20 days (RFP)	
Individual	Post Review: < 500 US\$ per proc. < 5,000 US\$ aggregated per year		applies to contrac rdless of the value	ts with	<u>></u> 30,000 US\$
Minimum Time Limit to submit proposals from launch	n/a	21 days (REOI) 21 days (RFP)			
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	10 days (REOI) 10 days (RFP)			
Minimum Time limit for PMU to answer questions (measured from deadline)	Same day	8 days (REOI) 8 days (RFP)		H DC 0	

 $[\]cdot$ Post Review DC or SSS are cleared in advance as part of Procurement Plan approval. All other DC or SSS procedures are subject to Prior Review

10.2.4 Special Procurement Arrangements

310. Based on the Financing Agreement, PAL and the Project Design Report, the following procurement arrangements apply:

Table 35: Applicable Procurement Arrangements

Arrangement	Yes/No	Comments	
UNGC terms	Yes	The preference for UNGC participation will be applied to procurement activities utilizing the procurement methods of International Competitive Bidding (ICB), National Competitive Bidding (NCB), and Quality and Cost-Based Selection (QCBS).	
Force Account	Yes	Total aggregate amount to be advised by IFAD in a PAL revision.	
Procurement of Commodities	Yes	Procurement of inputs for farmers (if required)	
Procurement from UN Agencies	No	Not planned, shall be amended by IFAD in a PAL revision (if required).	
Procurement with Community Participation	No	Community participation Not planned at the project starting, shall be amended by IFAD in a PAL revision (if required).	
Domestic Preference for ICB Works	Yes	7.5%	
Domestic Preference for ICB Goods	Yes	15%	

[·] Force Account may be used if justified and included in the PAL and Procurement Plan and is subject to Prior Approval.

[·] Secondary Procurement (orders against existing Long-term Agreements, national e-catalogues etc.) follows the regulations and applicable thresholds of the national legislation. The prior review threshold of the respective procurement category (goods, works, consulting services and related non-consulting services) applies.

10.2.5 Standard Procurement Documents (SPD) to be used

- 311. The PAL states which SPD's will be used; in case national templates need to be used, they need to be reviewed by IFAD in advance.
- 312. The following Standard Bidding Documents will be adopted by the Project for all procurement activities:

Table 36: Applicable Standard Procurement Documents

Procurement Method/Process	Standard Procurement Documents
Procurement Plan	IFAD template
GPN	IFAD template
SPN	IFAD template
ICB Works/NCS	IFAD SPD
ICB Goods/NCS	IFAD SPD
NCB Goods/NCS	National SPD
NCB Goods/NCS	National SPD
Shopping Works/NCS	National SPD
Shopping Goods/NCS	National SPD
Direct Contracting	National Standard Contract
Request for Pre-qualification	National SPD except if used under ICB
REOI	IFAD SPD
QCBS	IFAD SPD
QBS, FBS, LCS	IFAD SPD
CQS, ICS	IFAD SPD
SSS	IFAD Standard Contract
Prequalification Report	National SPD except if used under ICB
Shortlisting Report	IFAD template
Evaluation Report	IFAD template
Negotiation Report	IFAD template
NOITA	IFAD template for ICB and C.S. and national for others
NoA	IFAD template for ICB and C.S. and national for others

- 313. If National documents and templates are permitted as per the above table, the **Project Management Unit** will be responsible to ensure absence of any contradictions with IFAD's Guidelines. National procurement documents shall be amended to eliminate any inconsistency highlighted in Section 3.1 below; they shall also include the mandatory Self-Certification Forms (at bidding stage and at contract stage).
- 314. IFAD's Standard Procurement Documents are available at www.ifad.org/project-procurement.

10.2.6 Guidance Offered in the IFAD Procurement Handbook

10.2.6.1 Application of the Handbook

- 315. The IFAD Procurement Handbook includes "best practice advice on all elements of the procurement process for any IFAD-financed operation. It serves as a guidance document when country systems are used, and as an operations' manual when IFAD systems are solely used."
- 316. In the implementation of this Project:
- 317. The **Project Management Unit** will rely on the Handbook for Guidance where National Procurement complies with IFAD Procurement Guidelines and will rely on the Handbook strictly for areas where National Procurement contradicts the provisions of IFAD Guidelines. These areas of contradiction are spelled out in section 10.3.1 below.

10.2.6.2 Key Provisions of the Handbook

318. Based on the above, the **Project Management Unit** will refer to the Handbook following the below guidance on relevant sections for various procurement aspects:

Table 37: Mapping of Procurement Guidance in the Handbook

Procurement Aspect	Reference in the Handbook
Procurement Planning and GPN	Module C
Procurement and Selection Methods	Goods, Works and NCS: Module F1
	Consulting Services and NCS: Module F2
Direct Contracting and Single Sourcing	Goods, Works and NCS: Module F1 (Section 6)
	Consulting Services and NCS: Module F2 (Section 6)
Individual Consultants	Module F2 (Section 7)
Technical Specifications and Terms of	Need identification: Module D
Reference	Requirements & Specifications for Goods: Module E1
	Requirements & Specifications for Works: Module E2
	Terms of Reference: Module E3
Prequalification and Shortlisting	Module G
Preparation of Procurement Documents	Goods: Module H1
	Works: Module H2
	Consulting Services: Module H3
	Contract Types: Module J
Bidding Process	Module I
Evaluation	General: Module K1
	General Goods, Works and NCS: Module K2
	Goods: Module K3
	Works: Module K4
	General Consulting Services: Module K5
	QCBS: Module K6
	LCS: Module K7
	NCS: Module K8
	Abnormally Low Bids (all methods): Module K9
	Post-qualification (all methods): K10
	Rejection of All Bids: Module O1
Formation of Evaluation committees	Module K1
Notifications for Intent to Award and for	NOITA: Module L1
Award	NoA: Module L2
Standstill and Debriefs	Module M1
Protests and Appeals	Module M2
Negotiations and discussions	Negotiations (Consulting Services): Module N1
	Discussions (Goods, Works and Services): Module N2
Contract Award	Module O2 and O3
Contract Management	Module P
Force Account	Module F1 (Section 7)
Community Participation	Module Q
Procurement from UN Agencies	Module F1 (Section 9)
Records Management	Module B

10.2.7 Prior Review Documentation

319. All prior review submissions shall be communicated, and No Objections issued through the Online Project Procurement End-to-End System (OPEN). Through OPEN, the PMU will also upload all documentation for post review activities in a timely manner. The below are the No Objection requirements for all transactions listed in the PAL:

10.2.7.1 Procurement Plan (PP)

- 320. The **Project Management Unit** shall ensure IFAD's no Objection on each of the following:
- (i) The initial 18-months PP;
- (ii) Annual PP's, subsequently; and

(iii) Any upgrade to the PP.

10.2.7.2 The General Procurement Notice(s) (GPN)

321. The **Project Management Unit** shall ensure IFAD's no Objection on each of the GPN's before publication.

10.2.7.3 ICB/NCB (Goods, Works, Non-Consulting Services)

322. Submission through OPEN for No Objection shall be for the following procurement files and documents:

- a) Specific Procurement Notice (Announcement);
- b) Prequalification documents (if applicable) as well as Announcement for Prequalification;
- c) Prequalification report (if applicable);
- d) Bidding documents inclusive of Technical Specifications (including cost estimates and, as applicable, drawings, Bills of quantities, and schedules of requirements);
- e) Any amendments to the Bidding Documents;
- f) Evaluation Reports (including Bid Opening Reports) inclusive of all clarifications; in case of two-envelope procedure, separate opening and evaluation reports for the Technical envelopes and the Financial Envelopes in addition to a Combined report combining both;
- g) Draft Contract duly filled;
- h) Signed contract (for information and record);
- i) Major contract amendments;
- j) Cumulative Contract amendments⁸ exceeding 10% of the original contract value (Module P2, article 2 (v)); and
- k) Cumulative Contract extensions exceeding 25% of the original contract duration (Module P2, article 2 (v)).

10.2.7.4 Shopping (Goods, Works, Non-Consulting Services)

323. Submission through OPEN for No Objection shall be for the following procurement files and documents:

- (i) Request for Quotations inclusive of Technical Specifications (including cost estimates and, as applicable, drawings, Bills of quantities, and schedules of requirements;
- (ii) Any amendments to the RFQ;
- (iii) Evaluation Reports inclusive of all clarifications; in case of two-envelope procedure (exceptionally used), separate opening and evaluation reports for the Technical envelopes and the Financial Envelopes;
- (iv) Draft Contract or Purchase Order duly filled;
- (v) Signed contract or PO (for information and record);
- (vi) Major contract amendments;
- (vii) Cumulative Contract/PO amendments exceeding 10% of the original contract/PO value (Module P2, article 2 (v)); and
- (viii) Cumulative Contract/PO extensions exceeding 25% of the original contract/PO duration (Module P2, article 2 (v)).

⁸ Amendments to existing goods, works and non-consulting services contracts involving items of similar nature shall be made using DC up to a maximum of 10% of the original contract value (reference IFAD Handbook Module F1 article 6); amendments to existing contracts for additional quantities (of the same items) may exceed 10% subject to the N.O. of IFAD with no need to use DC (reference IFAD Handbook Module P2 article 2). In case of Consulting Services, SSS may be approved in cases of services that are deemed a natural continuation of previously delivered services for concluded contracts (reference IFAD Handbook Module F2 article 6); if the contract is ongoing, amendments are possible. Amendments increasing the contract price by more than 10% requires IFAD N.O. with no need for SSS (reference IFAD Handbook Module P2 article 2);

10.2.7.5 Consulting Services: QCBS, QBS, FBS, and LCS

324. Submission through OPEN for No Objection shall be for the following procurement files and documents:

- (i) Request for Expression of Interest (REOI) (if applicable), the Terms of Reference, and the detailed cost estimates;
- (ii) Shortlist Report (if applicable);
- (iii) Prior list (if applicable) including the rationale for selecting the firms;
- (iv) Request for Proposals (RFP);
- (v) Any amendments to the RFP;
- (vi) Technical Evaluation Report (inclusive of Proposal Opening Report) and any clarifications;
- (vii) Combined Evaluation Report (inclusive of Financial Proposal Opening Report);
- (viii) Draft Contract duly filled;
- (ix) Minutes of Negotiations (inclusive of unsuccessful negotiations and intention to cancel or invite second ranked consultant);
- (x) Signed contract (for information and record);
- (xi) Major contract amendments;
- (xii) Cumulative Contract/MoU amendments exceeding 10% of the original contract value; and
- (xiii) Cumulative Contract/MoU extensions exceeding 25% of the original contract duration.

10.2.7.6 Consulting Services: CQS and ICS

325. Submission through OPEN for No Objection shall be for the following procurement files and documents:

- (i) Mandatory Request for Expression of Interest (REOI) and Terms of Reference (including cost estimates);
- (ii) Mandatory Shortlist Report;
- (iii) Request for Proposals (RFP);
- (iv) Any amendments to the RFP;
- (v) Evaluation Report (inclusive of any clarifications);
- (vi) Draft Contract duly filled;
- (vii) Minutes of Negotiations (inclusive of unsuccessful negotiations and intention to cancel or invite second ranked consultant);
- (viii) Signed contract (for information and record);
- (ix) Major contract amendments;
- (x) Cumulative Contract amendments exceeding 10% of the original contract value; and
- (xi) Cumulative Contract extensions exceeding 25% of the original contract duration.

10.2.7.7 Direct Contracting and Single Source Selection

326. Submission through OPEN for No Objection shall be for the following procurement files and documents:

- a) Justification for Single Sourcing (including below the DC/SSS thresholds set above in Table 1) and rationale for selecting the particular firm/individual;
- b) Technical Specifications or Terms of Reference;
- c) Simplified Bidding Document or Request for Proposals;
- d) Negotiation Report (inclusive of evaluation of submitted bid/proposal and its full negotiation);
- e) Draft Contract duly filled;
- f) Signed contract (for information and record);

- g) Major contract amendments;
- h) Cumulative Contract amendments exceeding 10% of the original contract value; and
- i) Cumulative Contract extensions exceeding 25% of the original contract duration.

10.2.7.8 Force Account⁹

327. Submission through OPEN for No Objection shall be for the following procurement files and documents:

- a) Justification Report for using Force Account (if not already submitted along with PP);
- b) Solicitation Document for Public entity to be engaged on Force Account basis;
- c) Negotiation report evidencing verification of resources, capacities, and competence;
- d) Draft Agreement duly filled;
- e) Signed agreement (for information and record);
- f) Major contract amendments;
- g) Agreement amendments exceeding 10% of the original value; and
- h) Agreement extensions exceeding 25% of the original duration.

10.2.7.9 Procurement from United Nations Agencies¹⁰ (if applicable)

328. Submission through OPEN for No Objection shall be for the following procurement files and documents:

- a) Justification Report for recourse to UN Agencies (if not already submitted along with PP);
- b) Solicitation Document for UN Agency to be engaged with the Project for the particular scope;
- c) Draft Agreement duly filled;
- d) Signed agreement (for information and record);
- e) Major contract amendments;
- f) Cumulative Agreement amendments exceeding 10% of the original value; and
- g) Cumulative Agreement extensions exceeding 25% of the original duration.

10.2.7.10 Other specific Prior Review requirements

329. The **Project Management Unit** shall additionally secure IFAD's No Objection for the following:

- a) The recruitment of any Procurement staff and audit firms;
- b) The templates of bidding documents and requests for proposals for all procurement methods (whether for post review or prior review) in case different from IFAD SPDs;
- c) Recommendation to reject all bids or proposals or to cancel a procurement process;
- d) Recommendations to terminate negotiations with a consulting firm/individual and proceed with negotiations with the next-ranked consulting firm/individual;
- e) Recommendations to proceed to award the next ranked bidder in case the selected bidder failed to sign a contract;
- f) Justifications for proceeding with opening of bids/proposals that are less than three;
- g) Use of a performance guarantee other than in the form of an unconditional and irrevocable on-demand bank guarantee;
- h) Decisions concerning Abnormally Low Bids;
- i) Establishing a shortlist composed of less than three entities; and
- j) Intention to terminate any contract.

10.2.8 Other procurement-related coordination with IFAD

⁹ Please remove this subsection if Force Account is not foreseen in the PAL.

¹⁰ Please remove this subsection if procurement from UN Agencies is not foreseen in the PAL.

- 330. The **Project Management Unit** shall coordinate in advance with IFAD on the following matters and issues:
 - a) Any changes to the PIM;
 - b) Any changes to the staffing of the **Project Management Unit**;
 - c) Composition of Evaluation committees;
 - d) Summaries of Debriefing requests and copies of Protests for all prior review procurement activities before a decision is issued (optional for post review procurement activities);
 - e) The **Project Management Unit** shall inform IFAD of any related Appeal filed to competent national authorities (if applicable) immediately upon becoming aware of such an appeal;
 - f) Procurement progress reports as well as special reports on critical issues;
 - g) Details of defaulting or corrupt vendors;
 - h) Debarment of a vendor who appears to be debarred by another MDB for validation by IFAD if cross-debarment should apply (for prior and post review); and
 - i) Any other matter specifically requested by IFAD.
- 331. In addition to the above, the Project will provide full assistance to IFAD implementation support, supervision, MTR, and project closing missions. The Project will avail all necessary staff and provide all required documents, records and files. The same applies for any IFAD audit or investigation.

10.3 Critical Procurement Issues

10.3.1 Areas of Inconsistency between National Law and IFAD Project Procurement Guidelines

332. As stated in the IFAD Project Procurement Guidelines 2019, article 7: "In cases where IFAD deems that a Borrower's/Recipient's national procurement system is not fully in line with these Guidelines, alternative provisions for procurement will apply as provided for in the Procurement Handbook." Accordingly, this section elaborates the areas of inconsistency between National Procurement rules and those of IFAD (Section 3.1.1) and resolves this contradiction by specifying the applicable provisions (Section 3.1.2).

10.3.1.1 Comparison between National and IFAD Procurement

333. The table below summarizes main comparison between National (Borrower/Recipient) Procurement Rules (Laws & Regulations) and those of IFAD Procurement Guidelines; the aim is to highlight to the **Project Management Unit** the conflicting aspects that must be settled by applying IFAD Guidelines and Handbook as elaborated in Section 3.1.2:

Table 38: Comparison between National Procurement Rules and IFAD's Guidelines

Procurement Aspect	National Procurement	IFAD Procurement Guidelines
Procurement Principles	Article 5- In tenders to be conducted in accordance with this Law, the contracting authorities are liable for ensuring transparency, competition, equal treatment, reliability, confidentiality, public supervision, and fulfilment of needs appropriately, promptly, and efficient use of resources.	Ethics; Accountability; Competition; Fairness; Transparency; Efficiency, Effectiveness and Economy; and Best Value for Money.
Default Procurement Method for Goods and Works	Same methods for goods, works and services: -Open: international announcement is optional: -Restricted and -Negotiated with notice: two-stage bidding (with price negotiations); -Negotiated without notice: (like RFQ or shopping).	Goods, works and some non- consulting services: ICB, NCB, LIB, Shopping, DC. Price negotiations in NCB and Shopping are not allowed And Negotiated procedure with/without notice cannot be applied.

Procurement Aspect	National Procurement	IFAD Procurement Guidelines
Default Procurement Method for Consulting Services	The Methods for Consulting services and the non-consulting services are not specified such as QCBS, QBS, CQS, FBS, LCS, etc. The open tender procedure is the default method of procurement. In principle, the open procedure is applied to all public tenders.	Consulting and some non-consulting services: QCBS, QBS, FBS, LCS, CQS, ICS, or SSS. RFP must be used and sent directly to a shortlist (preset or after REOI) or announced directly to the public.
Restrictions and discrimination	All procurement opportunities shall be based on full, fair and legitimate competition among eligible suppliers and contractors; There are concerns with respect to the fairness of competition between international and National bidder due the exception stipulated in Article-3	All procurement opportunities shall be based on full, fair and legitimate competition among eligible suppliers and contractors
Minimum number of quotations, bids, or proposals	Three. If < 3, cancel, correct B.D. and reinvite prequalified firms. In consulting services, cancel if < 3 shortlisted or < 3 technically and financially compliant.	Three quotations/bids/proposals below which a No Objection is required to proceed
Thresholds	In accordance with national law different thresholds are stipulated based on the type of procurement and legal structure of the authorities	IFADs different methods and Thresholds for each are defined in the LTB/PAL
Exclusions from competitive procurement	National legislation excludes the following from the application of procurement rules: -Agricultural products and Livestock directly from producers; Forestry activities directly from local villagers and cooperatives -Institutes and Breeding stations attached to Ministry of Agriculture and Village Affairs -Goods, services, and consultancy procurement from Scientific and Technical Research Council -Road rehabilitation and environmental planning including associated goods and services	IFAD does not tolerate any exclusions, discrimination, bias, prejudice, favouritism, etc. None of the listed activities should be excluded unless: 1. They are procured from impacted communities using SSS/DC. 2. IFAD expressly approves SS from those producers; or 3. Force Account is adopted. In the Handbook, Force Account is foreseen only for construction and physical services and is possible as long as 1. Max aggregate amount is set in the agreement; and 2. IFAD grants N.O.
Domestic Preference	Joint Venture members must all be domestic. Price advantage for domestic bidders: 15% for local consultants and contractors and 15% for suppliers offering local goods.	-Preference for indigenous bidders if foreseen in Design and subject to N.OGoods' ICB domestic preference: 15% if allowed in LTBWorks' ICB domestic preference: 7.5% if allowed in LTB. no limitation on participation from foreign bidders
Time to submit bids	Although the PPL sets acceptable time limits to submit bids, there are several ways to reduce them to unacceptable limits; for example, an open procedure may be reduced to 24 days. Optional international announcements require increasing bid submission deadlines by 12 days.	ICB > 45 days LIB > 45 days NCB > 30 days Shopping ~ 14 days Consulting services ~ 21-45 days Cannot be further reduced if posted on e-procurement or if there was a prior information notice.

Procurement Aspect	National Procurement	IFAD Procurement Guidelines
Bid Security	-Mandatory for goods and works with the amount determined by tenderer at > 3%Optional for consulting servicesMay be deposited at accounting departments of the C.A. may expose price and identityRetained for first and second most economically advantageous tenderers until signature.	-Bid Security or Bid Securing Declaration may be usedAmount should be fixed for all bidders: 1.5-3%Not recommended for consulting services.
Clarification during evaluation	Contracting Authority writes to tenderers to provide clarification; If the tenderer does not respond and clarify, its bid security will be forfeited.	Tender Evaluation Committee writes to clarify; Handbook does not allow forfeiting bid security for this reason.
Arithmetic errors	In case arithmetic errors are present, the tenderer will be disqualified from the competition.	Evaluation Committee conducts arithmetic correction and requests bidder to confirm.
Performance security (P.S.)	-Amount: 6%; -in works, if price < estimate, then P.S. is 6% of estimate; -in consulting services, P.S. is 6% after signature of contract; alternatively, Purchaser retains 6% from each progress payment; -Release of P.S. is conditional to the submission of social security clearance; -if the vendor has debts to social security, it will be deducted from the P.S.	-Amount: 5-10%; -always calculated based on contract value; - not recommended for consulting services; -restricting release to social security clearance is not in line with standard financing agreements; -forfeiting P.S. to pay for social security debts is not accepted.
Negotiations	In consulting services, the top ranked firm is invited to negotiate technical and financial aspects.	Financial negotiation is only allowed in QBS, CQS, ICS and SSS.
Contract amendment increasing price	Allowable limits: increase in price < 10% for lump sum works increase in price < 40% in unit price works increase in price < 20% for goods and services	Direct Contracting may be used for increase up to 10% of contract value. N.O. is needed for >10% increases if under prior review.
Standstill, Debriefing and Protests	5 days for Negotiated procedure under emergency or security; 10 days for all other procedures.	10 days that may be extended until settlement of protests and appeals.

10.3.1.2 Extent of Application of the National Procurement rules under the Project

334. Based on the above comparison, the following will be subjected to the IFAD Procurement Handbook:

- The GPN will be updated annually;
- The PPS will be updated annually;
- Time limits shall be as prescribed in OPEN;
- All ICB will follow IFAD Handbook and SPDs;
- All consulting services procurement will use IFAD SPDs;
- Grant templates shall be subject to prior review.
- Procurement opportunities should be published on https://www.ogm.gov.tr/tr/ihaleler,
 Türkiye Central Govt Tenders and Türkiye Central Public Procurement Portal sites as well
 as other media, but suitable measures need to be taken not to hinder participation of
 foreign bidders if they can't access the system from abroad;
- Works qualification criteria shall ensure fairness among competitors especially eligible SOEs as they compete with private sector entities and that qualification criteria are fair and avail equal opportunity to bidders of all eligible categories;
- The PMU should prepare template Q&A reports and ensure that answers are validated and checked for language ambiguities;
- SOEs bidding for FIRAT contracts shall be scrutinized for eligibility;

- Construction requiring Environmental Impact Assessment (EIA) must comply with national requirements also regarding EIA preparation and timely approval;
- Shortlists shall be three to six Consultants based on scoring and ranking;
- Technical Negotiations in consulting services should be conducted before contract signature;
- Financial negotiations in consulting services are required only for QBS, CQS, SSS and IC;
- For Goods, Works and related Non-consulting services, PMU may hold pre-contract "discussions" which aim to clarify some non-material aspects of the contract (See Module N2 of the Handbook);
- The only procurement methods that involve price negotiations are DC, SSS, QBS, CQS, and ICS. This is in addition to MoAs and Force Account;
- PMU shall publish all contract awards including details on price, contact details, presence and limits of subcontracting, etc.;
- Two envelopes may be used for NCB as per national Law Article 51;
- Domestic preference may apply only under ICB as per IFAD's Handbook;
- The national rules on complaints and appeals shall apply; however, the standstill period shall be mandatory and not discretionary;
- A single bid may be evaluated and awarded if substantiated and cleared by IFAD;
- Reference to IFAD Policies and SECAP shall be in all bidding documents and contracts;
 - IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations available at <u>www.ifad.org/en/document-detail/asset/40738506</u>;
 - IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse available at www.ifad.org/anticorruption policy; and
 - IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy available at www.ifad.org/en/document-detail/asset/41942012.
 - IFAD's Social, Environmental and Climate Assessment Procedures (SECAP). Information on SECAP is available on https://www.ifad.org/en/secap.
- Self-certification shall be requested at bidding and contract stage;
- IFAD Reporting Hotlines shall be in all bidding documents and contracts:

Office of Audit and Oversight (AUO) Investigation Section (IS) Via Paolo di Dono 44 00142 Rome, Italy

Email: anticorruption@ifad.org

Phone: +39 0654592888 Fax: +39 0654597888

- All Bidding documents should include IFAD's right to audit the contracts and the requirement for the vendor or grantee to maintain the records associated with implementation for 10 years after contract completion;
- When Individual Consultants are recruited over multiple years, the total value of the engagement (multiple years) is used to determine the review status (prior or post);
- Bid securing declaration may be used for low-risk procurement instead of bid security;
- PMU shall clearly include insurance requirements as some of the effectiveness conditions;
- Sufficient testing and validation (including commissioning) shall be conducted before payment is effected; validation of compliance with warranty obligation is critical before settlement of retention monies and/or release of performance guarantees is works and goods;
- The PMU will employ multiple-eye principles for acceptance (consultant, PMU engineers, and beneficiaries). Rigorous testing should be conducted before provisional acceptance and before final acceptance;
- PMU staff assigned to Contract Management shall closely monitor schedule implementation to ensure that the contract is implemented on time and that any delay by the vendor is addressed through application of liquidated damages;
- Procurement staff shall have a clear role in contract management and administration along with their technical colleagues;

- The PMU can develop CM strategy and approach for key procurement categories/activities or groups of activities. Such an approach can include:
- Payment validation and processing workflow
- Critical risks and mitigations
- Key performance indicators
- Change management process
- RACI
- Procurement staff shall retain the full set of records for all phases of the procurement cycle including contract management;
- PMU shall consolidate data on item pricing for Goods, Works and Services and retain the same in an easily retrievable manner to support cost estimation and decision making;
- Upon start-up, the PMU will clearly elaborate in the PIM the roles of each of DSI and SPA with respect to IFAD projects. The PIM will detail the working relationship and role of the OGM;
- Payment adjustment for currency devaluation should be present in all contracts payable in TRY;
- The E&S specialist (SECAP) in the PMU should conduct scheduled and ad hoc visits to construction sites and manufacturer facilities and validate the compliance with SECAP requirements;
- The Engineer appointed to supervise works shall have in the job description the detailed requirements for monitoring SECAP more regularly;
- All such reports shall be accessible on a shared platform for IFAD review.
- Procurement packaging to explore other options beyond the traditional approaches where rehabilitation, Solar PV, other equipment, and smart Agriculture are all separated from one another. Even on a pilot basis, the PMU may consider vertical integration and execute the full scope in a certain area/site in one single-responsibility package;
- The PMU should provision for SECAP awareness in every pre-bid meeting.

10.3.2 Cost and Schedule Estimate

- 335. The detailed cost and schedule estimates of each procurement activity will be accurately estimated during the elaboration of the requirements (specifications or TOR's) at the latest. These detailed estimates shall be submitted along with the requirements for prior review activities. Should the cost estimate exceed the allocated budget in the AWP&B and the PP, one of the following will be done:
 - a) Update the AWP&B and PP by reallocating the required funds; if the increase in originally approved budget exceeds 10%, the upgraded PP should be submitted to IFAD No Objection (as per the Handbook Module C, article 3);
 - b) Redesign the procurement activity to fit within the limits of available budget;
 - c) A mix of the two above options.
- 336. When packaging procurement activities, due consideration shall be given to pooling of needs and activities into packages that may be launched under one procedure split into several lots in order to achieve economies of scale, promote competition, facilitate access to small and medium enterprises, and reduce the transaction cost associated with procurement activities. When the procurement activity is split into lots, the total cost estimate of all lots will be used for identifying the correct procurement method. Artificially splitting procurement activities into smaller packages launched separately in order to escape the application of more open and competitive procurement methods is a breach of the procurement principles.
- 337. The schedule estimates for implementing contracts shall also be accurately estimated to ensure that the timeframe specified in solicitation documents are realistic and do not deter competition.

10.3.3 Publication of Notices

- 338. The GPN and all ICB procurement notices (SPN) shall be published on the following fora:
- IFAD Website;

- The United Nations Development Business Website;
- The designated Borrower/Recipient website:
 https://ekap.kik.gov.tr/EKAP/Default.aspx
 https://www.ogm.gov.tr/tr/ihaleler
- A local newspaper of wide circulation; and
- Other media as appropriate.
- 339. NCB procurement notices (SPN) shall be published on the following fora:
- (i) The designated Borrower/Recipient website: https://ekap.kik.gov.tr/EKAP/Default.aspx https://www.ogm.gov.tr/tr/ihaleler
- (ii) A local newspaper of wide circulation; A local newspaper of wide circulation; and
- (iii) Other media as appropriate.
- 340. Notice of Award (NoA) for all contracts and purchase orders as well as results of shortlisting and prequalification and the decision to cancel a procurement activity and reject all bids/proposals shall be published on the following fora:
- a) IFAD Website;
- b) The United Nations Development Business Website (for ICB only);
- c) The designated Borrower/Recipient website: https://ekap.kik.gov.tr/EKAP/Default.aspx https://www.ogm.gov.tr/tr/ihaleler
- d) A local newspaper of wide circulation; and
- e) Other media as appropriate.

10.3.4 Award of Grants/Loans

- 341. Grants: Award of grants (whether monetary or in-kind) is as provisioned in the Project Design. Grants may be executed (i.e. disbursed in case of monetary grants or procured and distributed in case of in-kind grants) by the **Project Management Unit** solely or in partnership with an Implementing Partner based on the provisions of the design. The selection of Implementing Partners for this purpose will be based on the following provisions under section 3.4.1.
- 342. <u>Loans:</u> In the case of micro-credits and loans (inclusive of refinancing), the **Project Management Unit** will rely on Partner Financial Institutions (PFI) either as nominated in the project design, or as competitively selected based on the provisions of the Financing Agreement and National Law.

10.3.4.1 Selection of Grant or Refinancing Partners

- 343. <u>Grants:</u> In some cases, the **Project Management Unit** may not be the direct entity responsible for disbursing grants. Disbursement of monetary grants is sometimes conducted through intermediaries, such as Implementing Partners (I.P.). The engagement with such I.P.'s can be made through a proper procurement process resulting in an agreement with each partner. This means that such first level agreements shall be duly registered separately in the PP with the proper selection method of the I.P. When the I.P. is stated in the Financing Agreement, the selection process will be SSS. Otherwise, it would be through a competitive process. The value, where applicable, of such agreements may be composed of several components depending on the case: (i) the fees that such I.P.'s charge for the services entrusted to them; and (ii) the other fees and expenses that the I.P. may be required to spend in providing support to beneficiaries (e.g. training, events, coaching, etc.). In very rare cases, if provisioned in the design, the grant funds may also be included in the agreement with the I.P. In any case, the I.P. agreement should be processed and recorded in CMT.
- 344. Whenever the grant funds to be disbursed to beneficiaries are included in the I.P. agreement, the I.P. will be responsible for the selection of those beneficiaries through a Call for Proposals (CfP) issued and managed by the I.P. In this case, the selection process is entered in

the PP of the I.P. (and in OPEN if subject to prior review) and the resulting grant contracts are entered in the CMT. In the other case, where the grant funds are to be disbursed by the **Project Management Unit** to beneficiaries, the CfP shall be issued and managed by the **Project Management Unit**. In this case, the CfP is entered in OPEN (if subject to prior review) and the resulting grant contracts are entered in the CMT. For both cases, details of issuing the CfP and awarding the grants are found in section 3.4.2 below.

345. <u>Loans:</u> PFI's must meet eligibility criteria set in Government Decisions and following national legislation. The draft agreements with these entities shall be subject to the prior review by IFAD; each such agreement shall be planned in the PP and registered in the CMT. However, credit and refinancing agreements (second-level agreements such as micro-credits) with third parties are not entered neither in OPEN not in CMT, but should be maintained in a separate CR.

346. The table below summarizes the various types of agreements/contracts normally associated with grants and loans and specifies whether use of OPEN and CMT are required:

Table 39: Guidance on whether OPEN and CMT apply for some types of contracts or agreements

Type of Agreement/activity	Entered in OPEN	Entered in CMT
Grant Call for proposals launched by PMU and subsequent	Yes ⁺	Yes
Grant contracts signed between PMU and beneficiaries (first-		
level agreements)		
Agreement between PMU and I.P. for the disbursement of	Yes+	Yes
monetary grants (first-level agreement)		
Agreement between PMU and I.P. for the procurement of in-	Yes+	Yes
kind grants (first-level agreement)		
Agreement between PMU and PFI for the refinancing of	Yes+	Yes
micro-credits (first-level agreement)		
Grant Call for proposals launched by I.P. and subsequent	Yes+	Yes
grant contracts signed between I.P. and beneficiaries		
(second-level agreements) for either monetary or in-kind		
grants		
Procurement of grant assets by PMU (in-kind grants)	Yes+	Yes
Procurement of grant assets by I.P. (in-kind grants)	Yes+	Yes
Loan contracts signed between PFI and borrowers (second-	No	No*
level agreements)		
Life phase the prior review threehold as now the DAI	` <u> </u>	· ·

⁺ if above the prior review threshold as per the PAL.

10.3.4.2 Grant Beneficiary Selection

347. As mentioned under section 3.4.1 above, Grants provisioned in the Financing Agreement shall be openly advertised by the **Project Management Unit** and/or an Implementing Partner (I.P.) as the case may be. In either case, the process shall follow the following steps:

- a) Planning the call(s) for proposals in the respective PP(s) (*Project Management Unit's*PP or the I.P.'s PP as the case may be); the total value of grants provisioned under the
 CfP and the method used shall be the basis for the determination of the review procedure
 (prior or post). Grants award processes can be done through one of the services'
 methods;
- b) Preparation of the Request for Proposals (by **Project Management Unit** or I.P.) using the appropriate selection method and the detailed Terms of Reference elaborating the requirements, selection criteria, evaluation criteria, etc. for award of grants in multiple contracts; since the ceiling of the grant is usually fixed, selection should ideally follow the Fixed Budget selection. The template to be used shall be reviewed by IFAD in advance and N.O. issued for adoption of the template;
- c) The use of REOI facilitates shortlisting of qualified applicants who later submit proposals in response to the RFP; all applicants meeting the eligibility criteria can be shortlisted for the next stage of the application. However, REOI is not mandatory as the CfP for grants may be launched directly subject to N.O. without threshold limitation.

^{*} even though not entered in the CMT, those contracts are entered in a dedicated and separate CR specific to the I.P./PFI.

- d) The grant proposals are evaluated based on the pre-disclosed criteria, and an evaluation report is prepared recommending award of grants in the requisite numbers within the grant cap and total ceilings set; evaluation shall include scoring of applications based on the evaluation criteria of the RFP to (i) identify those who pass from those who don't and (ii) enable selection of the passing applicants that will be awarded grants in case the total number of eligible and passing applications exceeds the financial resources available. In the latter case, the selection will be starting from the top ranked applicant downwards;
- e) When an I.P. launches the Call for Proposals, the I.P. will submit to **Project Management Unit** the evaluation of the applications as well as the applications received for **Project Management Unit** verification; **Project Management Unit** will prepare a verification report approving/amending the evaluation process as is necessary;
- f) The resulting evaluation and selection reports shall be uploaded on OPEN. In case the CfP is managed by the I.P., the *Project Management Unit* will handle OPEN submissions. If applicable, IFAD's review will ensure consistency with the Financing Agreement, PIM, and CfP. Once N.O. is issued by IFAD, the grant contracting process with the selected beneficiaries may start by signature of Agreements by the *Project Management Unit* or the I.P. as the case may be;
- g) All monetary grant agreements disbursed directly by the **Project Management Unit** will be entered in the CMT. Monetary grants disbursed by an I.P. will also be recorded in the CMT;
- h) All In-kind grant agreements where the distributed assets are procured by the **Project Management Unit** will be entered in the CMT with a monetary value set to zero. The purpose is to avoid double accounting for the grant amount since the value of the grant will appear in the procurement contract through which the **Project Management Unit** will procure the subject of the grants (assets). Similarly, in-kind grant agreements where the assets are procured by an I.P. are registered in the CMT with a value of zero as the Partner will be procuring those assets through a separate contract.

348. The flowcharts below summarize the basic steps in the selection process of grant beneficiaries:

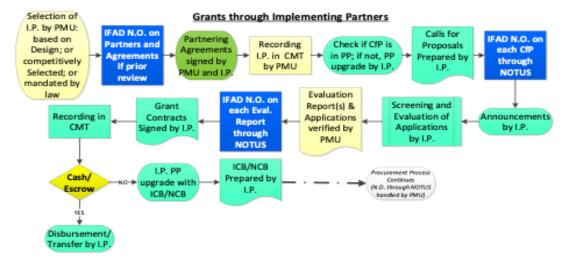
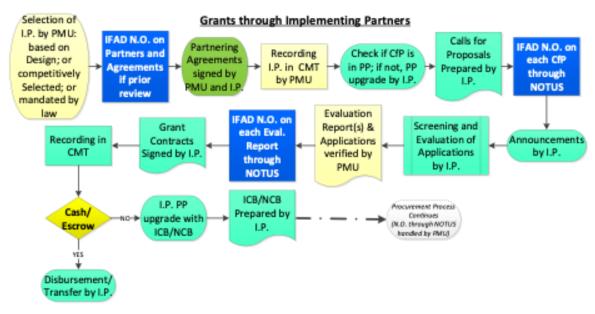


Figure 3: Grants through Implementing Partners

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Figure 4: Grants through PMU



10.3.4.3 Micro-credit Financing

349. The agreements with partner financial institutions for the provisioning of micro-credit loans shall be planned in the PP as per the requirements of Section 3.4.1 above. The resulting credit agreement with the financial institutions shall be recorded in the CMT. However, the procedures for selecting loan recipients shall not be governed by this Manual and shall follow pre-agreed mechanisms set with the credit institutions.

10.3.5 Procurement Principles and Ethics

350. The **Project Management Unit** will strictly adhere to the provisions of Section II of the IFAD Project Procurement Guidelines (2019) covering the key Procurement Principles:

- Ethics;
- Accountability;
- Competition;
- Fairness;
- Transparency;
- Efficiency, Effectiveness and Economy; and
- Best Value for Money.

351. Furthermore, the **Project Management Unit** will strictly adhere to the provisions of **IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations** available at www.ifad.org/en/document-detail/asset/40738506. The Project shall ensure that this policy is clearly stated in all procurement documents (solicitation documents and contracts) and that all vendors comply with this policy. All such documents shall clearly also include IFAD's Anti-corruption Hotline:

Office of Audit and Oversight (AUO) Investigation Section (IS) Via Paolo di Dono 44 00142 Rome, Italy

Email: anticorruption@ifad.org

Phone: +39 0654592888 Fax: +39 0654597888

10.3.6 Combatting Corruption and Sexual Harassment

352. The **Project Management Unit** will strictly adhere to the provisions of **IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse** available at www.ifad.org/anticorruption-policy. The Project shall ensure that this policy is

clearly stated in all procurement documents (solicitation documents and contracts) and that all vendors comply with this policy. All such documents shall clearly also include IFAD's Ethics Hotline:

Ethics Office (ETH) Via Paolo di Dono 44 00142 Rome, Italy

Email: ethicsoffice@ifad.org Phone: +39 06 5459 2525 https://www.ifad.org/en/ethics

10.3.7 Anti-Money Laundering and Countering Financing of Terrorism

353. The **Project Management Unit** will strictly adhere to the provisions of **IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy** available at www.ifad.org/en/document-detail/asset/41942012.

10.3.8 Record Keeping

354. As per the provisions of Module B of the Handbook, the **Project Management Unit** will retain procurement records and files (for 10 years) in an easily accessible and easily retrievable manner that facilitates review and audit even when conducted remotely. The table of records as extracted from the Handbook for ease of reference is available in Annex 2. To facilitate review, supervision and audit, all procurement and contract management records shall be archived under the responsibility of the procurement staff. Should other departments or teams or entities be entrusted with archiving some of the procurement documents, a copy should be retained by the procurement staff. Records shall also include all documentation associated with grants/loans to beneficiaries of the project.

355. Where implementation is delegated to pre-approved third parties, the **Project Management Unit** shall maintain a full record of all documentation electronically while the full original set of documents are maintained by the implementing partner for 10 years also.

10.4 Procurement Transactions - Institutional Setup and RACI

10.4.1 Delegated Procurement Responsibilities to local entities

356. As elaborated in the Financing Agreement, no local, provincial, regional, or municipal entities will be entrusted with any procurement functions for any procurement activities.

357. Whenever a local entity is entrusted with procurement responsibilities, it must adhere to the provisions of the PAL and this Manual and shall operate under the full authority of the **Project Management Unit**. The institutional arrangements (Roles and Responsibilities) for each local entity shall be developed following the same format as the two tables presented below under Section 4.4 and shall be annexed to the PIM. The **Project Management Unit** will handle the associated procurement planning and will offer procurement guidance, support, training, approvals, etc. to the above local entities.

358. The value of the agreement (that will be entered in the CMT) with each L.E. shall be based on the fees¹¹ that the L.E. charges for the services entrusted to them (if any and if permitted by law); otherwise, it will show a zero value. All contracts awarded by each L.E. by virtue of this agreement must be recorded in the CMT by the **Project Management Unit**.

10.4.2 Implementing Partners

359. As elaborated in the Financing Agreement, below are the predefined Project Implementing Partners:

a) Implementing Partner 1: The General Directorate of State Hydraulic Works (DSI)

¹¹ This is because the fees (where applicable) are the funds that will go directly to the L.E. and that are subject to competition or negotiation before signing an MoU/Agreement with the L.E., while the remaining funds entrusted to an L.E. (to finance the contracts signed by the L.E.) are agreed upon, fixed and not subject to negotiation with the L.E.; such funds will be spent using applicable procurement methods and should be entered in the CMT accordingly.

- b) Implementing Partner 2: The Special Provincial Administration (SPA)
- c) Others (If required)

360. In case the Project calls for competitively selecting Implementing Partners, the requisite methods and procedures elaborated in the applicable procurement rules will be applied for the selection of any other Implementing Partner. Selection (using the appropriate procurement method) and contracting (using the appropriate form of contract or Memorandum of Understanding) with Implementing Partners shall always be subject to the Prior Review by IFAD; such agreements will be planned within the respective PP.

361. Each Implementing Partner (forming part of the public sector) must adhere to the provisions of the PAL and this Manual. Other Implementing Partners (from the private sector or civil society) may apply their own procurement rules as long as these do not contradict with IFAD Procurement Guidelines and after a positive assessment by IFAD. The institutional arrangements (Roles and Responsibilities) for each implementing partner shall be developed following the two tables presented below under Section 4.4 and annexed to the PIM. Each Implementing Partner will prepare its PP following the IFAD-approved templates and shall submit the same to the **Project Management Unit** for integration within the consolidated PP. The same applies to their updates and upgrades. All contracts signed by the Implementing Partner should be entered in the CMT.

362. The value of the partnership agreement (that will be entered in the CMT) with an I.P. shall be based on the fees¹² that the I.P. charges for the services entrusted to them. The contracts awarded by an I.P. by virtue of this agreement must be recorded separately in the CMT.

10.4.3 Accounting for Procurement by Local Entities and Partners

363. Whenever procurement responsibilities (including grants) are entrusted to Local Entities (L.E.) or Implementing Partners (I.P.), the following provisions shall apply:

- The procurement plans prepared by L.E./I.P. will follow IFAD's PP template and will be consolidated with the **Project Management Unit** PP; to avoid double counting of financial figures, the agreements with such L.E./I.P.'s shall be recorded in the CMT showing only (where applicable) the fees payable to such partners to render the services entrusted to them;
- The PP prepared by the **Project Management Unit** will include also the procurement activities of engaging with L.E.'s or I.P.'s (MoU/Agreement) and will show the value of fees (if any) entrusted to L.E.'s or I.P.'s; whenever procurement authority is delegated to an L.E./I.P., the latter will spend this allocated budget by conducting procurement activities that will be planned and executed as per this Manual and the PAL;
- The PP by a L.E./I.P. will be subject to prior review by IFAD; procurement activities managed by an L.E./I.P. will be subject to prior/post review by IFAD as the case may be;
- All contracts concluded by a L.E./I.P. must be entered in the CMT by the *Project Management Unit* or the partner;
- The **Project Management Unit** will supervise the procurement activities conducted by each L.E. or I.P. based on detailed provisions included in the MoU/Agreement which is subject to the prior review by IFAD as applicable;
- Where a procurement activity by a L.E./I.P. is subject to prior review by IFAD, the **Project** *Management Unit* will handle the reporting trough OPEN (except for loans and microcredits which are not entered in OPEN);
- All first level MoU/Agreements signed between Project Management Unit and any L.E./I.P. will be entered in the CMT as explained in Section 3.4.1 above; and

¹² This is because the fees (where applicable) are the funds that will go directly to the I.P. and that are subject to competition or negotiation before signing an MoU/Agreement with the I.P., while the remaining funds entrusted to I.P. (to finance the contracts signed by the I.P.) are agreed upon, fixed and not subject to negotiation with the I.P.; such funds will be spent using applicable procurement methods and should be entered in the CMT accordingly.

The L.E./I.P. is bound to the record keeping requirements of this Manual; **Project** *Management Unit* shall ensure availability of and accessibility to all records and documentation for review operations.

10.4.4 Institutional Setup, Roles and Responsibilities

364. The subsections below elaborate on the operational procedures for Evaluation Committees, on the mechanism for staff recruitment and on the responsibilities of key stakeholders and staff.

10.4.4.1 Evaluation Committees

365. Since the project applies National Procurement Rules as far as they do not contradict with IFAD's Project Procurement Guidelines, the following procedures concerning Evaluation Committees shall apply for all evaluation committees under the project:

- a) Each procurement activity (including grants and staff recruitment) shall have its officially appointed Opening and Evaluation Committee;
- b) The committee may be one for both Opening and Evaluation proceedings as long as each member is free from any conflict of interest and assures that his/her engagement in evaluation will not be biased based on preparatory work such as drafting specifications or terms of reference and conducting market studies;
- c) The following conditions will be respected for all committees:
- The committee is formally appointed by the competent authority;
- The committee members are well acquainted with the REOI, Pre-qualification Documents, Bidding Documents or Request for Proposals; they dedicate sufficient time to fully understand the document and process and allocate full time to complete the evaluation promptly;
- All members of the committee sign a Declaration of Impartiality and Confidentiality (following IFAD standard template) immediately after knowing the names of the bidders and any of their partners, staff, experts, subcontractors, etc. Immediately upon realizing presence of conflict of interest (potential or actual), the concerned committee member should report the same to the Chairperson who shall coordinate immediate replacement;
- The committee includes technical specialists in the subject-matter of the procurement, procurement specialists, and other specialists as is necessary for the particular activity (e.g. finance, legal, etc.);
- The committee may include end-user representatives as well; end-users are engaged when the procurement activity is dedicated to the benefit of a group or community that is legally established;
- Should the staff of the *Project Management Unit* (and of end-users if applicable) lack some qualifications, skills or expertise in the subject matter of the procurement, the *Project Management Unit* may include in the committee an external member (consultant or staff of another public entity) as long as this member is free from any conflict of interest and abides by the rules outlined in this Manual and Handbook;
- The number of committee members is odd with a minimum of three with the size depending on the value and complexity of the assignment;
- The committee operates autonomously and does not include managers who ultimately approve the outcome of the evaluation; there should be also no hierarchical authority between committee members to ensure that no such a hierarchy exerts undue pressure on members;
- The evaluation is done individually by each committee member especially when evaluation involves scoring; in this case, the individual scores are subsequently discussed and may be adjusted accordingly as long as original scores, and adjusted scores are both included in the report with reasoning behind the adjustments; combined scores will be on average basis (average of adjusted individual scores);
- In all aspects of evaluation that are on a pass/fail basis (no scoring), the committee should take its decision unanimously, failing which decision should be based on majority vote with due recording of dissenting opinion. In case the disagreement is major with irreversible impact on the outcome, the competent Minister will decide;

- Committee members are anticipated to evaluate the full set of EOI's/qualification applications/bids/proposals/quotations received for the full steps of evaluation; splitting of evaluation vertically (splitting bids among members for evaluation) or horizontally (some members conducting preliminary examination while others handling technical evaluation) are both not allowed;
- Despite the above, each member of the committee will exert their expertise and qualifications without unduly influencing the opinions of other members;
- In addition to fulfilling the evaluation role just as other committee members, the procurement specialist in the committee is responsible for ensuring the full respect of the procurement rules in place; the procurement specialist shall be responsible for communicating any clarifications (based on committee agreement) with bidders and for drawing up the evaluation report. Furthermore, the procurement specialist will assume the role of committee Facilitator as provisioned in IFAD Handbook Module K1 including ensuring compliance with the procurement rules in place as per this Manual;
- Each committee shall be presided by a Chairperson responsible for coordinating technical discussions within the committee and will assume the roles as per the Handbook Module K1;
- All evaluations and decisions shall be made based on criteria and requirements elaborated in the Procurement documents, Bidding Documents or Requests for Proposals; all decisions should be sufficiently substantiated with elaboration of deliberations, reservations, discussions, strengths and weaknesses, etc. in sufficient detail to ensure that due process has been applied;
- The committee completes evaluation promptly and in any case within the period of validity of bids/proposals; in exceptional and duly substantiated circumstances, the committee may request extensions of bid validity. Such requests are addressed to bidders officially in writing before the expiry of the validity through the *Project Management Unit* Director;
- d) The same evaluation committee should ideally proceed into pre-contract discussions or negotiations within the limitations for the same as specified in the Handbook and this Manual;
- e) The competent Minister is the appointing authority of evaluation committees; the competent Minister is also the approving authority of the evaluation outcomes. Consequently, the competent Minister will not be a member of chair of such committees; The competent Minister shall appoint a committee for each procurement activity (or groups/categories of activities as long as the competencies, experience and skills required are common and as long there is no overlap in terms of timing and workload); the committee is formed sufficiently in advance of the date and time of opening, and its constituents should remain confidential until the public opening date and time;
- f) Any attempt by a prospective bidder or economic operator to influence any of the committee members or any of the **Project Management Unit** or end-user staff or staff of concerned government agencies should not be tolerated; it should be recorded in the evaluation report and referred to competent authorities;
- g) The committee shall have the following authorities:
- Independently evaluate each submission based on its own merits and on the basis of criteria included clearly in the solicitation documents;
- Decide individually (each member) on the outcome of evaluation and collectively (committee jointly) where consensus is needed, without the recourse to any person or authority external to the committee;
- Request the assistance of subject-matter experts to be appointed by competent Minister;
- Decide on the deviations identified in each submission and classify each as minor or major based on the sole guidance of the Handbook, the content of the procurement documents while ensuring fairness, equal treatment, proportionality and transparency;
- Decide on the need for and content of clarifications from bidders in line with the provisions of the solicitation documents and the Handbook;
- Decide autonomously on the rejection of a submission with detailed justifications;
- Decide autonomously on the rejection of all submissions and cancellation of the process if one of the conditions of cancellation in the Handbook is present;

- Decide with due substantiation on the recommendations for award;
- Report any attempt to influence the committee in the conduct of its work;
- o Refrain from disclosing any information related to its work to any person or entity until the proceedings of evaluation are completed; then, internal reporting as well as reporting to IFAD are required before the evaluation outcome can be made public;
- Provide detailed opinion and feedback for any complaint or debrief request;
- Where negotiations are permitted, manage the whole negotiation process within the limits allowed by the Request for Proposal and Handbook and within the validity period of proposals:
- In addition to appointing the committee, the competent Minister reviews and approves the outcome of evaluation; the competent Minister has the following authorities:
- o Replace a member of the committee for reasons of conflict of interest or other reasons and amend the committee formation decision accordingly;
- Issue requests for bid validity extensions if duly substantiated by the committee;
- Approve the recommendations as submitted by the committee in the signed report;
- Upon receipt of the signed report, clarify from the committee aspects of the evaluation and request more elaboration and substantiation;
- Reject the recommendation of the committee based on detailed justifications;
- Approve the dissemination of the outcome of evaluation (e.g. NOITA, NOA, Cancellation notices, etc.)
- h) The committees shall refer to IFAD Procurement Handbook for detailed guidance on evaluation (see section 2.6.2 above).

10.4.4.2 IFAD-funded PMU staff selection

366. The procedure to recruit IFAD-funded staff to join the **Project Management Unit** will be the Individual Consultant Selection procedure (ICS) described in IFAD Procurement Handbook. This does not apply to staff seconded by government. As stated under section 2.8 (bullet 2), selection of **Project Management Unit** staff or changes to staff shall be coordinated in advance with IFAD. If the selection process exceeds the prior review threshold for individual consultants, the selection shall be also subject to the No Objection by IFAD through OPEN as per section 2.7.6 above. To identify whether the selection process is subject to N.O., the *Project* Management Unit shall estimate the cost covering the remuneration for the full remaining duration of the project as per the Financing Agreement. Some IFAD-funded Project Management Unit staff selections are subject to No Objection regardless of the value as per the PAL (including all procurement staff). All staff recruitment shall feature in the relevant Procurement Plan.

367. The selection process shall follow the ICS procedure with the following highlights adapted for the particular case of selecting **Project Management Unit** staff:

- a) Preparation of TOR using IFAD SPD Template TOR (refer to Annex 8: Terms of Reference for Procurement Staff):
- b) Preparation of REOI using IFAD SPD Template REOI Advertisement;
- c) If interviews with the shortlisted applicants are foreseen to help identify the most qualified applicant,
 - the interview as well as the related criteria should be explicitly specified in the REOI and TOR; this means that the interview requirement must be known in advance and announced to the public as well;
 - the interview competencies required should be assigned a weight in addition to the weights for other qualification criteria;
 - competency criteria should be formulated in a clear and objective manner;
 - interviews should be based on the same set of competency questions used with all candidates;
 - all applicants passing the minimum score (for CV evaluation) shall be invited for interview;
 - interviewees should be given sufficient time in advance;
 - interviews should be held online in case of obstacles to physical meeting are present;

- In addition to competency questions, *Project Management Unit* may test interviewees to validate their knowledge and experience through one or more "technical questions" which also shall be standardized and common to all interviewees;
- Project Management Unit shall consult with IFAD in advance for setting up the competency-based interview questions as well as the technical questions for each position; apart from such a consultation, the questions shall remain strictly confidential;
- the interviews shall be fully documented as well as the resulting scoring within the evaluation report;
- d) for the recruitment of long-term **Project Management Unit** staff funded by IFAD, competency-based interviews are recommended;
- e) The flowchart below depicts the main steps in the ICS procedure.

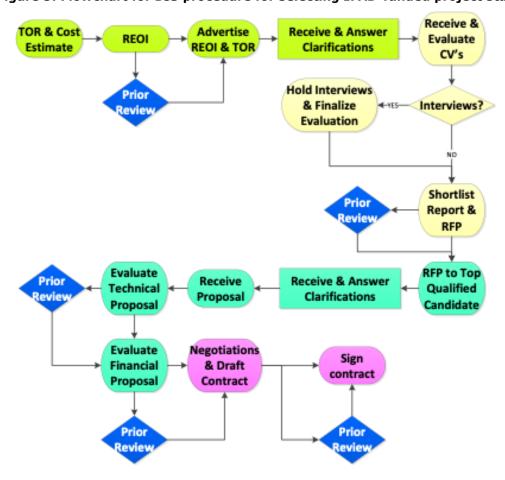
368. In exceptional and duly justified cases identified in the Handbook, Individual Consultants may be selected on a sole-source basis:

- tasks that are a continuation of previous work that the consultant has done and for which the consultant was competitively selected;
- certain assignments expected to last less than three months;
- emergencies arising from natural disasters;
- when the individual is the only consultant qualified for the assignment; and
- when the individual consultant assignment budget is below the predefined low value threshold for SSS.

369. In such cases, the **Project Management Unit** will launch a SSS through OPEN including detailed justifications.

370. Recruitment of Civil Servants is subject to IFAD's policies. Whenever Operational Policy and Results Division (OPR) issues a new update, the PIM will need to be updated accordingly.

Figure 5: Flowchart for ICS procedure for selecting IFAD-funded project staff



4.4.3 Roles & Responsibilities

371. The below two tables clarify the roles and responsibilities of all stakeholders especially those entrusted with one or more functions of the procurement cycle. The first table is a high-level representation of organizational roles and responsibilities of high-level procurement functions among concerned entities while the second table (Appendix C.1) is a detailed responsibility Assignment Matrix covering the majority of procurement functions and steps within the **Project Management Unit**.

Table 40: Inter-agency Procurement Roles and Responsibilities

	OGM PMU (Regional)	OGM PMU (Central)
Prepare Procurement Plan (PP)	X	
Finalize and Approve PP		Х
Manage PP updates and upgrades	X	Х
Prepare Technical Requirements	X	
Finalize and Approve Requirements	X	Х
Prepare Bidding Documents (B.D.)	X	
Finalize and Approve B.D.'s	X	Х
Publish Notices and Advertisements	X	
Evaluation committee Members	X	
Form Evaluation Committees		Х
Manage Bid/Proposal Opening	X	
Manage Bid/Proposal Evaluation	X	
Approve Evaluation Recommendations		Х
Manage Debriefs and Protests	X	
Prepare Draft Contract	X	
Sign Contract		Х
Technical Management of Contract	X	
Contract Management	X	Х
Acceptance committee members	X	X
Form Acceptance Committee		X
Review Payment Requests	X	
Check and approve payment requests	X	
Process Payments	Х	
Archive all procurement-related files	X	
Correspond with IFAD for No Objection	X	Х
[other]		
[other]		

11. MONITORING AND EVALUATION

372. Overall, the M&E system of FIRAT will be built on the existing system of the OGM to be complemented by an automated MIS for planning, monitoring, analysis and evaluation of data, which will be developed at the start of the Project. Estimated financial resources for the M&E and KM activities such as: (i) baseline, mid-term and completion surveys; (ii) training of M&E staff in-country or abroad; (iii) field visits for data validation, staffing at central, regional and provincial level, and automated MIS and digital tools for data collection, monitoring and analysis have been provided in the cost table and adequate resources will be allocated as part of the AWPB during implementation.

11.1 M&E Plan

373. The Project M&E plan will be fully integrated in the PIM and elaborated at Project start-up. The plan will describe the (i) overall M&E approach, (ii) roles and responsibilities of the M&E staff and other project stakeholders at all levels, (iii) flow of information, (iv) proposed activities, expected outputs and outcomes, and the related budget and resources, and (v) the tools,

methodology and formats for data collection and processing, analysis and reporting. The M&E plan will also describe the design, content, and linkages of the different elements of the automated MIS to the logical framework, AWPB and other systems as applicable, and will be updated as needed. The indicative template for the M&E plan is presented in Appendix D.3.

11.2 Participatory M&E

374. Considering FIRAT's large scope, an M&E expert will be recruited and assigned in the CPMU with the responsibility of overall data analysis, periodic validation and reporting on project progress and results in coordination with all the M&E staff at regional and provincial levels, technical specialists and implementing partners. At the regional level, M&E experts will be recruited and assigned to Elazığ and Şanlıurfa OBMs and will be responsible for the coordination, regular data collection and consolidation from all the provinces and villages and reporting to the CPMU. Dedicated M&E assistants will be recruited to support the M&E Expert in the CPMU and in Elazığ and Şanlıurfa OBMs. The TORs for the M&E experts and M&E assistants are presented in Appendix A.7 and Appendix A.8 respectively.

375. While the implementing partners will use their existing systems for reporting, the M&E experts from the CPMU and OBMs will provide guidance support to the provincial staff in terms of types of data to be collected and reported, formats, and frequency of reporting on Project progress.

11.3 Biophysical monitoring

376. The OGM Afforestation Department will be responsible for the implementation and monitoring of the MCPs and the biophysical monitoring of afforestation and soil erosion-related activities using the existing GIS and remote sensing tools used in the previous project, which will be improved in terms of data accuracy. OGM aims at collaborating with CEM (General Directorate of Combating Desertification and Erosion under the Ministry of Environment, Urbanization and Climate Change) on the biophysical monitoring of afforestation and soil erosion-related activities building on its experience on data management and proper technical analysis from the previous project.

11.4 Revolving Fund facility and infrastructure activities

377. ORKÖY will be managing the revolving fund mechanisms through its existing system in collaboration with the Ziraat Bank. The infrastructure-related activities will be handled by DSI and SPA and the livelihood interventions will be managed in cooperation with the PDA.

11.5 M&E System

378. The M&E system developed and managed by the CPMU will be guided by the logical framework and will follow the IFAD COI measurement guidelines for periodic measurement of project results - activities, outputs, outcomes and impact - in relation to agreed targets to monitor implementation performance, AWPB execution, outreach and effectiveness of the targeting strategy, including data disaggregation by gender and age. Emphasis will be given to monitoring outreach and physical progress for each key output, as and when they are delivered, and outcomes as they emerge.

379. The automated MIS fitted with the function to store and visualise GIS data will complement the existing OGM system and will be guided by and linked to the logical framework and AWPB. All activities and the corresponding indicators of the logical framework with annual targets, progress and cumulative results disaggregated by gender and age will be included in the MIS. It is expected that the MIS will have the functionalities to record, generate and analyse data for systematic reporting on output and outcome indicators of the logical framework and for periodic progress reports. Spatially related indicators with area targets such as the number of hectares developed by the project will be demarcated using GIS. Area measurements will include the type and timing of an intervention. These measurements will form the basis for monitoring the environmental impact of the project using indicators derived from remote sensing to assess whether land degradation trends have been reversed. Remote sensing derived indicators to monitor rangeland health can include net primary productivity (NPP) or rain use efficiency (RUE). The project will also undertake efforts to identify areas that will not be developed but will act as

a comparison group. This will allow the project to assess the attributable impact of the interventions. The MIS will serve as a key source for data and information to guide the decision-making and for that reason the user-interface of the MIS will be improved and made simpler along with the functionality of results visualization. Its full design and features will be finalised at project start-up.

380. The M&E staff at the CPMU and OBMs will conduct field visits for periodic data collection and validation using digital tools to the extent possible and in prescribed formats. Training will be provided on the use and functionalities of the MIS and digital tools as well as on relevant M&E topics and best practices to enhance their skills and capacity. Comprehensive surveys will be conducted at baseline, mid-term, and completion following the IFAD Core Outcome Indicator (COI) guidelines. These surveys will be outsourced to a service provider selected through a competitive bidding process. The draft terms of reference for the baseline are provided in the PIM and will be finalised during the start-up to ensure timely completion of the survey and coverage of all required information. Findings from the baseline survey will provide further information about potential target groups and form the basis for assessing the results and outcomes of the Project at mid-term and completion point. Relevant baseline, mid-term and completion data will be reported in the logical framework.

11.6 Baseline

381. Comprehensive quantitative and qualitative surveys will be conducted at baseline, midterm, and completion following the IFAD COI measurement guidelines. These surveys will be outsourced to a service provider through a competitive selection process. The draft terms of reference for these surveys are presented in Appendix A.10 and will be finalized during the start-up to ensure timely completion of the baseline survey. Findings from the baseline survey will form the basis for assessing the Project results and outcomes at mid-term and completion which will be reported in the logical framework.

11.7 Mid Term Review

382. IFAD and the GoT shall jointly carry out an in-depth mid-term review (MTR) no later than the third year of the project implementation period following the entry-into-force. The MTR will consider the achievements of project objectives and constraints and recommend any reorientations that might be required and will assess, *inter alia*: (i) targeting effectiveness, (ii) the quality of participatory processes used by the project, including processes used to monitor targeting performance; (iii) the approach adopted for improving the management of rangelands and its actual or likely effectiveness, also considering the impact of the approach adopted on social capital formation at the micro-catchment level under FIRAT; and (iv) the scope for adding some key downstream activities in the agricultural value chains such as aggregation and processing that would help making smallholder agriculture more remunerative and increase the income of the project beneficiaries.

383. The Project will conduct a mid-term outcome survey in line with IFAD COI guidelines to adequately inform the MTR mission. The PMU will outsource the survey to a service provider through a competitive selection process. Furthermore, the PMU will ensure that the agreed actions at MTR are implemented within the agreed time frame.

11.8 Project Completion Review

384. After the project completion date and no later than the closing date, IFAD in partnership with OGM will conduct a project completion review to assess and document overall project implementation performance and the results achieved. The PCR shall also inform about the relevance of project interventions, the effectiveness of project implementation and to the extent the project objectives were met and the likelihood for sustainability of project benefits beyond project completion including the lessons from implementation for future interventions. The PMU will recruit a service provider who will carry out the completion survey.

11.9 Reporting Requirements

385. The CPMU will prepare and submit quarterly, semi-annual and annual progress report with inputs from implementing partners and Project staff at all levels, describing the Project's physical

and financial progress by components and expenditure categories including Outreach vis-à-vis the approved AWPB and the logical framework, and an assessment of its coherence with the overall implementation and achievement of Project objectives. The progress report will include the challenges encountered, and the related actions taken to address them, as well as the lessons learned, best practices and innovations that emerged during the reporting period. KM and communication materials and information like stories from the field, case studies, photos and other visual aids will be included in the report for dissemination to the different stakeholders and visibility of the Project. The M&E staff and technical specialists at the provincial level will prepare and submit monthly progress reports on different project activities including training and thematic studies. Furthermore, the CPMU will develop standard data collection forms using digital tools to the extent possible and templates for reporting. At start-up, the CPMU will prepare a guidance note on results reporting in the logical framework guided by the COI measurement guidelines and based on the Project activities by component and sub-component.

386. The progress report shall include (i) the assessment of progress made in implementing the Project and achieving its objectives; (ii) the challenges encountered, and the related actions taken or proposed to address them, and (iii) the lessons learned, best practices and innovations that emerged during the reporting period including the remaining activities and results expected in the remaining period of implementation.

387. KM and communication materials and information like stories from the field, case studies, photos and other visual aids will be included in the report for dissemination to different stakeholders and to a wider audience using visuals, media and platform for Project visibility and knowledge exchange.

388. The M&E staff and technical specialists at the provincial level will prepare and submit monthly progress reports on different project activities including training and thematic studies. Furthermore, the CPMU will develop standard data collection forms and reporting templates using digital tools to the extent possible.

11.10 IFAD supervision and implementation support

389. The Project will be directly supervised by IFAD. Implementation support and supervision missions will be jointly conducted by IFAD and OGM on an annual basis during the project implementation period. Both missions will assess the Project progress, challenges and mitigation measures, including documenting lessons learned. The PMU will ensure that the agreed actions at supervision and Implementation support missions are implemented within the agreed timeframe.

12. COORDINATION AND PLANNING

12.1 Annual work planning

390. The AWPB is the outcome of the annual project planning process as described in Section 7.1 of this PIM. Through annual work planning, the project decides what activities will be carried out over the next 12 months, by whom, the resources and the time needed to complete them. The AWPB is therefore a planning and management tool that specifies what is expected to be done during the year, how and at what cost.

12.2 Micro-catchment plans and planning process

391. The Project planning will be guided by the MCPs to be developed by the Afforestation Department of OGM through a participatory process of assessing the natural resources conditions and climate change risks and vulnerabilities in all the targeted MCs, and identifying the livelihood needs in the earthquake affected areas. The planning process will be jointly conducted by OGM, CPMU and all the Project implementing partners e.g. OBMs, DSI, SPA, PDA, RDAs/DAs, and CEM at the district, provincial, regional, and central levels, and in consultation with and participation by the beneficiaries to the maximum extent possible at the MC level. The activities and expected knowledge management (KM) products to be produced by component will be based on the approved MCPs and will be described in the annual work plan and budget (AWPB). OGM together with the CPMU will lead the preparation and finalisation of the AWPB ensuring that all activities

and corresponding budgets, the physical and financial targets and expected outputs, as well as the timelines and responsibilities for implementation are included.

12.3 The role of Project Steering Committee

392. The implementing partners at all levels will provide inputs to the AWPB in consultations with their respective units/departments and with the beneficiaries. The CPMU will consolidate and submit the AWPB to the PSC for endorsement around October, and to IFAD for no objection, 60 days prior to the start of each fiscal year from 1 January to 31 December. The first AWPB will cover 12 months and will be prepared in the same period as the GoT budget planning process starting in August and will be an iterative process annually throughout the Project implementation period. The indicative format and contents of the AWPB is presented in the Appendix B.1.

12.4 Regional and provincial plans

393. Each province and the RPMUs will have their respective AWPBs against which to manage their activities. The MCP will be consolidated at the MC level with planned activities for the year for each forest village. The beneficiary HHs likely to be chosen as recipients for the matching grants and interest-free loans, if any, will be identified jointly with ORKÖY in collaboration with Ziraat Bank as part of the MCP following the procedures and criteria proposed in the PIM/grant operations manual.

13. KNOWLEDGE MANAGEMENT

394. Knowledge generation and knowledge sharing are important elements of Project implementation in addition to the M&E. Specific evidence-based knowledge products will be developed on the basis of Project experiences capturing lessons learned and best practices, replicate innovative approaches, achieve better outcomes and greater impact, and strategically disseminate the knowledge generated to support decision-making and policy processes at all levels.

13.1 Main thrust of Knowledge Management

395. Recognising the CSPE recommendation that 'IFAD should strengthen the country programme KM framework for improved performance in generating relevant knowledge and lessons..., and greater scaling up of results', FIRAT will invest in good quality, evidence-based knowledge management to contribute both to the implementation and to the policy development processes. The KM activities will place particular emphasis on the sustained anchoring of technical and managerial knowledge among supported upland farmers and entrepreneurs which apart from helping in increasing productivity will also contribute to improved visibility of GoT and IFAD and enhance post-project sustainability. To this end, various KM products and platforms such as publications, Communities of Practice, instructional and documentary videos, etc. will be produced / established and disseminated.

13.2 Role of the KM expert

396. Organizationally, the KM expert at the CPMU will also be responsible for KM and communication of the Project. The KM expert will be responsible for (i) the preparation of the KM and communication plan in collaboration with the other M&E staff, technical specialists and implementing partners, (ii) the implementation, monitoring and periodic update of the plan as required, and (iii) ensuring production, promotion and dissemination of knowledge products to a wider audience. The implementation of the KM/communication plan and the related outputs and outcomes will be monitored through the automated MIS. The ToR for the Knowledge Management expert is presented in Appendix A.9.

13.3 KM/Communication Plan and knowledge products

397. A KM/Communication Plan will be developed while fully considering and responding to the knowledge and communication needs of all key stakeholders, including project participants (small farmers, women, youth, MSMEs etc.) and implementing partners at all levels. The KM/communication plan will describe the activities, approaches and tools to capture, analyse,

use and share lessons learned and results, development of knowledge products and consultation with target groups. It will also clearly define the roles and responsibilities of Project staff and implementing partners on KM. While identifying the knowledge products to be produced, it is essential to define the target audience, communication and dissemination plans to reach and influence the Project stakeholders and partners. Several tools could be used for these initiatives such as fairs, roundtable discussions, networks, social media platforms, radio programmes, newsletters, etc. All the KM/communication activities, knowledge products and dissemination tools in the plan shall be included in the AWPB with adequate resources allocated to implement them. These initiatives will be monitored within the MIS and will form part of the Project M&E.

14. SECAP REVIEW NOTE

Introduction

398. This Social, Environmental, and Climate Assessment Procedures (SECAP) review note contributes to the design of the Euphrates River Watershed Rehabilitation Project (FIRAT). The project aims to reduce poverty of the upland communities in the targeted Micro Catchments (MCs) of the Euphrates River watershed. The Project development objectives are to increase the income and resilience of small-scale producers, reduce soil erosion and land degradation while ensuring sustainable management of natural resources in the targeted MCs. The geographic scope of the project will include rural areas in approximately 80 MCs encompassing a total of 38 districts within the 6 targeted provinces, namely Adiyaman, Sanliurfa, Diyarbakir, Bingol, Elazig, Malatya.

399. This SECAP review note is prepared to identify potential social, environmental, and climate risks to the project, and possible impacts of the project, and recommend technically feasible and cost-effective adaptation and mitigation measures to be incorporated into the project design and implementation.

400. Along with this SECAP review note, a draft Environmental and Social Management Plan (ESCMP), Archeological Chance Finds Procedures, and a draft Stakeholder engagement Plan (SEP) were developed by the FIRAT design mission. These are presented respectively in Attachment 1, 2 and 3.

2. Situational analysis and potential project impacts

401. Turkiye is an upper-middle-income country with Gross National Income (GNI) per capita of US\$10,590 (WorldBank, 2023) and a Gross Domestic Product (GDP) of US\$906 billion, is the 19th largest economy in the World. Since the early 2000s, Turkiye has made significant progress in economic and social development. This achievement is attributed to factors such as macroeconomic stability, financial sector reform, enhanced economic relations with the European Union, and a shift from agriculture to manufacturing and services (WorldBank, 2018). The persistent high unemployment rate, consistently above 10% since 2015, is exacerbated by reduced participation in the labour force, particularly among women and young individuals. Turkiye's geographic, climatic, and socioeconomic situations causes high exposure of its' rural population to the consequences of climate change and other environmental hazards, emphasising the crucial need to prioritise adaptation and resilience.

2.1. Socio-economic assessment

a. Overall poverty situation

402. Economic gains achieved over the past two decades enabled Türkiye to lift nearly 30 percent of its population out of poverty. As a result, absolute poverty is less than 1% in Türkiye¹³. Türkiye's HDI value for 2021 was 0,838, putting the country in the Very High human development category and positioning it at 48 out of 191 countries and territories. Between 1990

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¹³ Measured as the proportion of the population facing monetary poverty (percentage of households with less than 50 percent of the median disposable income) stands relatively high at 14.4 percent in 2022 and as high as 21.6% if the median disposable income threshold is increased to 60%. Importantly, high disparity in relative poverty rates persist in Turkiye. In general, upland and mountainous areas, which are more vulnerable to climate change burdens as well, have higher rates of economic poverty and are subject to rural-urban outmigration. Those areas are hard to reach, and thus under-served, due to their remoteness and escarpment and low population density.

and 2021, Türkiye's HDI value changed from 0.600 to 0.838, and change of 39.7 percent. Between 1990 and 2021, Türkiye's life expectancy at birth changed by 8.3 years, mean years of schooling changed by 4.2 years and expected years of schooling changed by 9.3 years. Türkiye's GNI per capita changed by about 139 percent between 1990 and 2021. The country's Inequality-adjusted Human Development Index (IHDI) is about 0.683 lower than its nominal HDI (0.838 very high) with human inequality coefficient at 16.7^{14} .

403. **Negative Impact of the Earthquakes:** Southern regions rank among the poorest and they have been further impacted by the devastating earthquakes on February 6, 2023: beyond the human tragedy, physical damage in 11 provinces¹⁵ accounting for 16.4% of Türkiye's population and 9.4% of its economy. Direct losses are estimated at \$34.2 billion, but the reconstruction needs could be doubled. The earthquakes added pressures to an increasingly fragile macro-financial situation.

404. Relevant data included in the 2024 PSB Report on Kahramanmaraş and Hatay Earthquakes Recovery and Reconstruction Efforts specifically on the targeted provinces: The total number of barns with moderate or more severe damage in the EQ affected 11 provinces is 25,543; number of containers in rural areas 65,706 and people sheltered in rural areas are 246,653. In the target areas it estimated that 13,000 Barns have moderate/severe damage (51% of total 11 provinces affected); 24,500 containers provided in rural areas and number of people sheltered are 104,000 (corresponding to 37% and 42% of the total 11 provinces).

405. **Forest villages rank among the poorest:** Data suggests that extreme poverty is primarily a rural phenomenon, with 80% of the extremely poor population living in rural locations. This is particularly true amongst forest villages, most of which experience poverty rates above 43% and reaching nearly 70% in the Mediterranean¹⁶. Today Türkiye has more than 21,000 forest villages; their combined population is 7 million (10 percent of Turkiye's population and 40% rural population), although it has been declining with rural-to- urban migration. Forest villagers depend on traditional animal husbandry, low-productivity agriculture and forestry work. Poverty rates in forest villages are high with 40 percent of households living below the 60 percent of median income in the villages. They typically have a living standard far below the national average, limited education and healthcare services and high unemployment rates¹⁷.

406. The rapid population decline in forest villages is a consequence of out-migration to urban areas as people search for employment and better opportunities. Specifically, the high rates of out-migration are due to a lack of income sources and social services, poor infrastructure, and limited access to markets. Nearly 10% of all villages do not have access to water, 80% have no sewerage system and 53% have no internet access. Forestry work is seasonal, lasting for approximately five months, mostly in winter, and done under very harsh working conditions with low monetary remuneration. The combination of the seasonality of the work, and low pay, means that forests are not meeting the current needs of forest villagers¹⁸.

407. **Poverty and Social Assistance programmes:** Social assistance amounted to approximately 1.36 percent of GDP in 2021, up from around 1.12 percent of GDP in 2014¹⁹. Türkiye uses two different criteria for poverty targeting depending on the social assistance

UNDP, Human Development Report 2020, available at:

https://www.undp.org/sites/g/files/zskgke326/files/migration/tr/UNDP-TR-BRIEFING-NOTE-TURKIYE-EN.pdf

¹⁵ Southeastern provinces of Adıyaman, Hatay, Kahramanmaraş, Kilis, Osmaniye, Gaziantep, Malatya, Şanlıurfa, Diyarbakır, Elazığ and Adana in Southern and Southeastern parts.

¹⁶ World Bank. 2017. Poverty, Forest Dependence and Migration in the Forest Communities of Turkiye. Washington, D.C.: World Bank. available at: https://openknowledge.worldbank.org/entities/publication/a196d034-325c-5c74-a945-63b7d011c51f

¹⁷ World Bank. 2017. Poverty, Forest Dependence and Migration in the Forest Communities of Turkiye. Washington, D.C.: World Bank.

¹⁸ Thidem

¹⁹ The national social assistance system address multiple dimensions of need: basic income, housing, food, education, and health, mostly relying on cash transfers. The majority of programs are poverty-targeted and use: (i) no income from formal employment or (ii) per capita household income as the eligibility criterion in addition to the thematic criterion (iii): i.e., elderly, disabled widows, families who have individuals on mandatory military service.

program: having a household per capita income lower than one-third of the minimum wage or having no income from formal employment (i.e., not registered in the social security system). Final decisions on eligibility are made by the Board of Trustees in local offices, which use a proxy means test for social assistance programs and hybrid means tests for universal health coverage as a decision-support tool²⁰. Majority of social assistance programme funding is concentrated in districts classified as 5 and 6 as per development index.

408. **Rural population.** Rural population is decreasing. As of 31 December 2022, 57 million 934 thousand 583 people resided in the localities classified as densely populated, which constituted only 1.6% of the total surface area of Türkiye. In other words, 67.9% of Türkiye's population resided in densely populated areas ²¹. In the localities classified as thinly populated (93.5% of Türkiye's surface area), reside 17.3% of the total population. On the other hand, 14.8% of the population resided in the intermediate-density areas that constituted 4.9% of the country's total surface area. The drivers of inter-and intra-regional migration from rural to urban areas include: human resource-related issues (low levels of education and few skills), ineffective institutional structures including farmer organizations (cooperatives, producer unions, etc.) needed to support rural development, highly scattered settlement patterns, insufficient investments to develop and maintain physical, social and cultural infrastructure, high rate of hidden unemployment, insufficient diversification of agricultural and non-agricultural incomegenerating activities resulting in low incomes and relatively low quality of life for the rural population.

409. **Agriculture sector and smallholders farmers:** The agricultural sector provided 6.5% of the country's GDP in 2022. Agriculture is characterised by two type of farmers: Small-scale farmers (≤ 100 Decares) constitute 82.6% of registered farmers, while large-scale farmers (> 200 Decares) account for 6.4%.²² These large farms are commercialised, well aware of global trends, national and international markets use latest technologies, interested in innovations and fully integrated into value chains. It is estimated that 2/3 of the registered farmers (about 2.3 million) are concentrated in regions and areas that usually have limited agricultural base, affected by rough topography (mountainous) and relatively disadvantaged in terms of climate remoteness.

410. **Main challenges of smallholder producers:** According to MoAF (2020)²³, the main challenges of small holders in Türkiye are accessing finance, cooperation, risk averse, lack of leadership and difficulty to reach to market and the heavy procedures in grant programs. The small holders cannot save capital to create a viable business in both agriculture and non-agriculture sectors since they operate at low levels of resource efficiency and output. Small holders, particularly fruit and vegetable producers, have difficulty to access the market since their products are perishable. Furthermore, they are more vulnerable to unfavourable weather conditions and climate change.

b. Gender

411. Women make up 49.9% of the total population, the female labour force participation is 35% (national estimate) and Türkiye has the lowest female labour force participation rate among the OECD countries in 2022, making it an outlier in the upper-middle-income country (MIC)

²⁰ Deep dive into the Deep Dive into the Ecosystem for the Delivery of Social Assistance Payments TÜRKIYE Case study, World Bank 2022. Available at:

 $https://documents1.worldbank.org/curated/en/099010011072245762/pdf/P17316601c8b0401b0ab340214079f623b6. \\ pdf$

²¹ Densely populated areas are defined as localities that have at least 50% of their population living in urban centre grids. Intermediate density areas are localities that do not meet the criteria of densely populated areas and thinly populated areas. Thinly populated areas are localities that have more than 50% of their population living in rural grid cells (TurkStat).

 $^{^{\}rm 22}$ Ministry of Agriculture and Forestry, 2021, consulted at:

 $https://www.tarimorman.gov.tr/ABDGM/Belgeler/Uluslararas%C4\%B1\%20Kurulu%C5\%9Flar/NATIONAL\%20PATHWAY\%200F\%20TURKIYE_BOOKLET_28\%20kas%C4\%B1m\%2002.pdf$

²³ Towards sustainable food system, MoAF 2021, available at:

 $https://www.unfoodsystemshub.org/docs/unfoodsystemslibraries/national-pathways/Turkiye/2021-12-22-endesigned-edition-national-pathway-of-turkiye.pdf?sfvrsn=82454b8b_1$

group. According to the World Economic Forum's Global Gender Gap Report 2023, Türkiye ranks 129th among 146 countries in gender equality (score 0,638), 99st in educational attainment for women, 118nd in their political empowerment, 133th in economic participation and opportunity, and 100th in health and survival²⁴. The Gender Inequality Index (GII) that reflects gender-based inequalities is 0.306 ranking it 68 out of 162 countries in the 2019 index. Women have a limited participation in governance and very limited access to and control over resources including land and finance. GNI per capita is also considerably lower for women (US\$17,854) compared with for men. (US\$37,807)²⁵.

c. Youth

412. Türkiye has a young and dynamic population with 48.3% of the population being under the age of 30, and 24.4% being between the ages 15-29. About 51% of the youth are male and 49% are female. According to $TU\dot{I}K's$ projections, the proportion of youth population is expected to decrease to 14.0% in 2030, 13.4% in 2040, 11.8% in 2060 and 11.1% in 2080.²⁶.

413. About 24.2 percent of youth, mostly women (32% against 16% male), are neither working nor attending school and trainings—the highest share of inactive youth among OECD countries (average 13.3). According to the results of Household Labor Force Survey; The youth unemployment rate in the 15-24 age group was 24.7% (22% male and 30% female) the employment rate was 30.1% (2021). This rate was 40.4% for young males and 19.2 % for young females. About 14.6 % of young people were employed in agriculture, 22.4% were employed in industry and 57.2% were employed in service sector. The largest internal mobility in terms of size in 2021 was in the 20-24 age group with 731,284 people. Out of the 41.6% of the internal migrants in this age group were males and 58.4% were females. Youth movements are mainly from remote eastern villages to urban centres in western provinces. The hope of finding a job is still the main driver of rural-to-urban migration. Other main reasons include improving living standards and finding better cultural and physical infrastructure in the cities.

d. Indigenous peoples

414. Minority groups. Officially, the Government recognizes Armenians, Jews, and Rum Christians as minorities. The status of minorities in Türkiye is established by the 1923 Treaty of Lausanne, which defines minorities on the basis of religion.(UNHCR, 2011).

e. Marginalised groups

Vulnerable groups

415. The country currently hosts almost 3.2 million Syrian refugees (UNHCR 2023). Most refugees live outside camps. While Türkiye provides registered refugees with access to basic rights and services, the skyrocketing cost of living and lack of access to income opportunities make it increasingly difficult for refugee families to get by. Refugees have very limited access to formal and full livelihood and employment opportunities. According to FAO²⁷, an estimated 8 to 12 percent of Syrians in Türkiye work in agricultural production. Those working in agriculture are typically low-skilled and work for lower wages (FAO, 2022). The 2 earthquakes (February 2023) added further challenges for already vulnerable refugees.

f. Nutrition

416. Based on global Nutrition Report, the latest prevalence data shows that 30.9% of women aged 15 to 49 years are now affected. Meanwhile, some progress has been made towards achieving the low birth weight target with 11.4% of infants having a low weight at birth. No progress has been made towards achieving the exclusive breastfeeding target, with 40.7% of infants aged 0 to 5 months exclusively breastfed. There is insufficient data to assess the progress

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²⁴ World Economic Forum's Global Gender Gap Report 2023, available at:

https://www.weforum.org/publications/global-gender-gap-report-2023/

²⁵ UNDP, Human Development Report 2020 available at:

 $https://www.undp.org/sites/g/files/zskgke326/files/migration/tr/UNDP-TR-BRIEFING-NOTE-TURKIYE-EN.pdf\ 26\ Youth\ in\ Statistics,\ TUIK\ 2021.$

²⁷ FAO, Syrian Refugee Resilience Plan 2022-2023 available at: https://www.fao.org/3/cc2343en/cc2343en.pdf

that Türkiye has made towards achieving the target for stunting; however, the latest prevalence data shows that 6.0% of children under 5 years of age are affected. The prevalence of overweight children under 5 years of age is 8.1%, but there is insufficient data available to assess whether Türkiye is on course to prevent the figure from increasing. Diabetes is estimated to affect 16.6% of adult women and 15.9% of adult men²⁸.

2.2. Environment and climate context, trends and implications

a. Environmental assessment

417. **Physiographic regions.** Turkiye's physiographic regions include diverse landscapes, each characterized by unique geographical features and climates. The country is broadly divided into several regions: the Anatolian Plateau, Taurus Mountains, Aegean and Mediterranean coastal areas, and the Eastern Anatolia and Black Sea regions. The Anatolian Plateau, situated in the heart of Turkiye, consists mainly of high plateaus and mountains, dominating the country's centre. The Taurus Mountains, stretching parallel to the southern coastline, feature rugged terrain and deep valleys. The Aegean and Mediterranean coastal regions boast stunning coastlines, with fertile plains and mild climates. Conversely, the Eastern Anatolia and Black Sea regions are known for their diverse landscapes, ranging from high mountain ranges to dense forests and valleys. These physiographic zones collectively contribute to Türkiye's rich natural diversity and varied ecosystems.

418. **Water Resources.** Turkiye's per capita domestic freshwater availability is half the global average, posing significant challenges in terms of both quantity and quality. Uneven distribution of water, influenced by climate and topographical factors, results in irregular flows in rivers. Climate change forecasts predict a hotter, drier future with unstable precipitation patterns, worsening water scarcity. Additionally, untreated wastewater discharge from urban and industrial areas further contributes to water pollution, raising concerns amidst economic growth (World Bank, 2016). Certain provinces in Turkiye have distinct water sources: i) Elazig: Murat River, Karakaya Dam Reservoir (on the Euphrates River); ii) Malatya: Ataturk Dam Reservoir, Karakaya Dam Reservoir; iii) Bingol: Bingol Stream, Lakes in the Bingol region; iv) Adiyaman: Cendere Stream, Ataturk Dam Reservoir; v) Diyarbakir: Tigris River (known as Dicle River in Turkish), Dicle Stream, Karakaya Dam Reservoir; and vi) Sanliurfa: Firat River (Euphrates River), Karakoyun Stream.

419. Water potential varies significantly among these provinces. For instance, Elazig boasts 20831 hm3 of surface water potential and 174.4 hm3 of groundwater potential. Agricultural land and irrigable areas also exhibit differences, with Diyarbakir having the largest agricultural land at 1,357,732 ha, while Bingol has 35,831 ha available for irrigation and 31,899 ha economically viable for irrigation. These variations highlight the diverse hydrological and agricultural characteristics within Turkiye's Elazig, Malatya, Bingol, Adiyaman, Diyarbakir, and Sanliurfa provinces (DSI, 2023).

²⁸ GNR 2022: https://globalnutritionreport.org/reports/2022-global-nutrition-report/

Table 1. Water status in the target area (data provided by OGM).

Parameters	Unit	Elazig	Malatya	Bingol	Adiyaman	Diyarbakir	Sanliurfa	Total
Area	km2	9153.0	12313.0	8 125.0	7614.0	41164.0	21375.0	9744.0
Total Surface water potential	hm3	20831.0	1832.0	9884.0	3371.0	19700.0	31742.0	87360.0
Total Ground Water Potential	hm3	174.4	148.5	88.4	32.0	800.0	3443.0	4686.3
Total Water potential	hm3	21005.4	1980.5	9972.4	3403.0	20500.0	31185.0	88046.3
Agricultural Land (Min. Agr. And Forestry)	ha	286 044.0	421993.0	151172.0	240820.0	1357732.0	1349425	807186
Land Ready to Irrigation (DSI)	ha	129426	183933	35831	160380	1010700	1034212	2554482
Land Economically Irrigable (DSI)	ha	83073.0	168969.0	31 899.0	120485.0	742 064.0	330189.0	1476 679

- 420. **Soil.** Turkiye's diverse topography significantly influences various aspects of the country, including climate, vegetation, population distribution, and economic activities. One crucial impact lies in its soil diversity, with four principal soil types dominating the landscape: calisols, cambisols, leptosols, and fluvisols. Cambisols in the northeastern regions, relatively young, boast agricultural potential, while calcisols prevalent in the central and eastern areas accumulate notable calcium carbonate due to arid conditions. Leptosols, found in the southern and western regions, exist over hard rock surfaces, indicating heightened erosion rates, while fluvisols, formed in floodplains, tend to be more fertile. Despite this diversity, Turkish soils face significant challenges, notably salinity and sodicity issues. About 19% of soils contain less than 1% organic matter, a sign often associated with pre-desertification stages. Soil erosion, influenced by soil types, topography, and human activities like agriculture without proper conservation measures, exacerbates the issue, contributing to land degradation in various regions (Burgess, 2010).
- 421. **Land degradation.** According to the report submitted by the Turkish government to the United Nations Convention to Combat Desertification in 2019, 10.25 million hectares (13.38% of the total land area) suffered degradation, while an even larger area of approximately 38.22 million hectares (nearly half of the nation's land) faced drought. This led to the exposure of 11.95 million individuals (15.13% of the population) to land degradation and 36.4 million people (47.47% of the population) affected by drought's adverse effects (UNCCD, 2023).
- 422. Findings from the Dynamic Erosion Model and Monitoring System reveal that water erosion displaces up to 642 million tons of soil annually, averaging 8.24 tons of soil per hectare. The distribution of soil loss categories in Türkiye's area is as follows: very low (60.28%), low (19.13%), moderate (7.93%), severe (5.97%), and very severe (6.7%). Precipitation, soil composition, topography, and vegetation are major contributors to spatial and quantitative changes in soil erosion within Türkiye, with precipitation accounting for 14.26%, soil composition for 3.36%, topography for 47.55%, and vegetation for 34.82% (RICCAR, 2021).
- 423. Despite limited surface flow beyond the Euphrates valley, erosion remains a significant issue, causing irreversible depletion of fertile topsoil, reservoir siltation, and structural impairment. Soil degradation is a pressing agricultural concern in much of the specified region, especially in irrigated zones where excessive surface flooding has exacerbated sediment transport and soil erosion. About 74.3% of the region faces moderate to high levels of soil erosion, with 54% experiencing bedrock exposure due to erosive processes (Ozturk, 2012).
- 424. **Forest and Protected Areas.** About 27.8% of Turkiye's total land area, which spans 77.8 million hectares, is covered by forests, equivalent to 21.6 million hectares. Per Turkish forestry regulations, forests with a tree canopy covering 11% or more are classified as "productive" and are subject to specific allowable cutting limits outlined in the forest management plan by the General Directorate of Forestry under the Ministry of Agriculture and Forestry. Of these forests, approximately 63% are used for economic purposes such as timber production, firewood, and various non-timber forest products. About 32% serve ecological roles like watershed management and erosion control, while the remaining 5% contribute to social and cultural aspects.

425. Table 2 provides an overview of forest areas categorized into grove and coppice forests across different provinces in Turkiye. Bingöl, with data available only for the Genç District, has a total forest area of 266,338 hectares, mainly consisting of coppice forests covering 183,423 hectares. Elâzığ, Malatya, and Adıyaman exhibit significant forest cover ranging from 159,234 to 209,648 hectares. Diyarbakır stands out with the largest forested area at 325,359 hectares, primarily constituted by grove forests covering 271,201 hectares. On the other hand, Şanlıurfa has a smaller forest area of 14,850 hectares, entirely comprised of grove forests. Overall, these provinces collectively have a forest coverage of 1,156,942 hectares, with grove forests accounting for 732,737 hectares and coppice forests covering 424,205 hectares.

		•	•
Province	Total Forest (Ha.)	Grove Forest (Ha.)	Coppice Forest (Ha.)
Bingöl	266,338	82,915	183,423
Elâzığ	181,513	151,867	29,646
Malatya	209,648	121,159	88,489
Adıyaman	159,234	90,745	68,489
Diyarbakır	325,359	271,201	54,158
Şanlıurfa	14,85	14,85	0
Total	1.156.942	732.737	424.205

Table 2. Forest area (Data shared by OGM)

b. Climate trends and impacts

426. Turkiye is currently witnessing a surge in temperatures and heightened unpredictability in its climate, particularly noticeable in the mountainous areas. While Turkiye predominantly lies in the Mediterranean region known for its mild climate, its diverse terrain, especially the mountain ranges along the northern and southern coasts, give rise to three distinct climate zones: Mediterranean, Subtropical, and Terrestrial. These zones each display unique rainfall patterns: i) convective rainfall occurring in Central Anatolia during spring and summer, ii) frontal rainfall prevalent in all regions, especially during winter and spring, and iii) orographic rainfall observed on the seaward slopes of the Black Sea and the Mediterranean Sea.

427. The forecasted effects of climate change in Turkiye include adverse impacts on surface water availability, heightened occurrences of floods, prolonged periods of aridity and drought, all of which will disrupt agricultural output and pose threats to food security. These climate-related risks and extreme weather events will persistently endanger the safety and livelihoods of hundreds of thousands of individuals. Moreover, they are likely to alter consumption patterns and cause damage to energy, waste, and transportation infrastructure. Current estimations suggest that annual property damage from floods alone has surpassed 300 million Turkish Liras (equivalent to over US\$40 million), with actual figures potentially even greater. In the absence of swift and decisive actions, the degradation of the environment and natural resources, compounded by the impacts of climate change, will increasingly impede societal well-being and serve as significant restraints on economic growth (WorldBank, 2022a).

428. The project area exhibits diverse climatic conditions. Adiyman experiences a hot summer Mediterranean climate. Similarly, Sanliurfa is characterized by a hot summer Mediterranean climate, transitioning to a hot semi-arid climate in its mid-southern part. Diyarbakir also features a hot summer Mediterranean climate, with its northeast region influenced by a hot summer humid continental climate. In Bingol, the southwest area aligns with a hot summer Mediterranean climate, while the northwest is under the influence of a Mediterranean-influenced hot summer humid continental climate, and the northeast witnesses a Mediterranean-influenced warm summer humid continental climate. Elazig predominantly boasts a hot summer Mediterranean climate, with exceptions in some parts of the northeastern region, where the climate shifts to a Mediterranean-influenced hot summer humid continental climate. Finally, Malatya's eastern part experiences a hot summer Mediterranean climate, while its western counterpart encounters a Mediterranean-influenced hot summer humid continental climate.

Table 3. Climatology by provinces

Provincial monthly climatology of average minimum/mean/maximum temperature and precipitation 1991-2020 Sanliurfa Adiyaman 90 mm 75 mm 40 °C 32 10 100 mm 32 °C 60 mm 80 mm 40 mm 16 °C 30 mm 20 mm 8.0 15 mm 4 40 40 40 40 40 40 40 40 40 A. d 40 de Diyarbakir Bingol 120 mm 120 m 100 mm 32.0 100 m 80 mm 80 m 16 °C 60 mm 40 mm -10 °C 0.0 the that he has how the Co. that Co. de 16 th to the 12 th to 15 th th Elazig Malatya 40 °C 90 m 72 mm 60 mm 32 °C 75 m 60 m 48 mm 16 °C 16 °C 36 mm 45 m 8 °C 24 mm 30 m 15 m 0 °C 12 mm A 10 4 4 4 4 4 4 4 4 4 4 ap 10, ap Legends Average Minimum Surface Air Temperature Average Mean Surface Air Temperature Average Maximum Surface Air Temperature Precipitation

- 429. **Observed climate.** Over the period from 1991 to 2020, significant variations in climate indicators were observed among several provinces in Turkiye. Sanliurfa exhibited the highest annual average mean surface air temperature at 17.97°C, followed closely by Diyarbakir at 15.45°C and Adiyman at 15.5°C. In contrast, Bingol and Malatya experienced comparatively lower average mean temperatures of 9.64°C and 11.77°C, respectively. Sanliurfa also recorded the highest annual average maximum surface air temperature of 24.32°C, whereas Bingol had the lowest at 15.34°C. The differences in annual average minimum surface air temperature were notable as well, with Sanliurfa at 11.67°C and Diyarbakir at 9.73°C being higher than other provinces. When considering precipitation, Bingol had the highest amount at 752 mm, followed by Diyarbakir at 608 mm, while Sanliurfa recorded the lowest precipitation at 467 mm.
- 430. Climate change trend. Over the span of 1971 to 2020, discernible climate trends emerged across several provinces in Turkiye. Adiyaman, Elaziq, and Malatya exhibited consistent upward shifts in their average mean surface air temperatures per decade, with Adiyaman displaying the highest increase at 0.53°C, closely followed by Elazig at 0.56°C and Malatya at 0.49°C. Sanliurfa and Diyarbakir showed moderate rises of 0.49°C in average mean temperature per decade. Bingol demonstrated a slightly lower increase at 0.43°C. When examining average minimum and maximum surface air temperatures, Elazig experienced notable upward trends per decade across both categories at 0.53°C and 0.61°C, respectively. Conversely, Diyarbakir displayed a slightly lower rise in average minimum and maximum surface air temperatures at 0.49°C and 0.46°C, respectively. Adiyaman showcased consistent increases in both minimum and maximum temperatures, rising by 0.51°C per decade for each. Sanliurfa recorded a rise of 0.51°C in minimum temperature and 0.43°C in maximum temperature per decade. In terms of precipitation, reductions were observed across all provinces, with Bingol facing the largest decline of 15.65mm, followed by Sanliurfa at 17.78mm and Diyarbakir at 12.57mm. Malatya and Elazig experienced decreases of 14.03mm and 11.06mm, respectively, while Adiyaman had the most substantial reduction in precipitation at 19.66mm over the specified period.
- 431. Climate change scenario. The projected climate scenario, based on the SSP2-4.5 pathway from 1971 to 2020, forecasts consistent upward trends in average mean surface air temperatures per decade across several provinces in Turkiye. SSP2 represents a world where current trends continue without significant changes or major deviations. It assumes moderate population growth, medium levels of development, and a balance between economic, social, and environmental priorities. Adiyaman, Sanliurfa, Diyarbakir, Bingol, Elazig, and Malatya are all expected to experience moderate temperature increases, with Adiyaman and Sanliurfa showing a rise of 0.25°C per decade, followed by Diyarbakir at 0.26°C. Bingol is projected to see a slightly higher increase at 0.27°C, while Elazig and Malatya both anticipate a rise of 0.27°C in average mean temperature per decade. Similar trends are projected for average minimum and maximum surface air temperatures, with consistent increments across the provinces. Diyarbakir is forecasted to experience the highest increase in average maximum temperature per decade at 0.28°C, followed closely by Bingol at 0.29°C. Conversely, Adiyaman, Sanliurfa, Elazig, and Malatya are expected to see slightly lower but consistent rises in average maximum temperature per decade, ranging from 0.26°C to 0.27°C. Regarding precipitation, minor positive changes are predicted for all provinces, albeit relatively small, with expecting the highest increase at 6.02mm, followed by Diyarbakir at 5.64mm. Sanliurfa, Adiyaman, Elazig, and Malatya are projected to see smaller increments in precipitation, ranging from 2.75mm to 3.78mm. These projected trends illustrate a continuation of the warming trend across the regions alongside marginal increases in precipitation, emphasizing the potential climate shifts under the specified SSP2-4.5 scenario.

Table 4. Projected trend as per SSP 2.5 (World Bank Climate Knowledge Portal)

Projected trend per Decade change of (Period 1971-2020)	Adiyaman	Sanliurfa	Diyarbakir	Bingol	Elazig	Malatya
Average mean surface air temperature per decade	0.250c	0.250c	0.260c	0.270c	0.270c	0.270c
Average minimum surface air temperature per decade	0.240c	0.240c	0.240c	0.250c	0.250c	0.250c
Average maximum surface air temperature per decade	0.270c	0.260c	0.280c	0.290c	0.280c	0.280c
Precipitation	3.97mm	3.78mm	5.64mm	6.02mm	4.49mm	2.75mm

432. The projected climate scenario based on the SSP5-8.5 pathway from 1971 to 2020 indicates substantial and concerning trends in average mean surface air temperatures per decade across various provinces in Turkiye. This pathway describes a future where economic growth is prioritized over environmental concerns. It assumes high population growth, rapid technological development, and a heavy reliance on fossil fuels without stringent climate policies. Adiyaman, Sanliurfa, Diyarbakir, Bingol, and Elazig are anticipated to undergo significant temperature increases, with Adiyaman and Sanliurfa experiencing the highest rise at 0.85°C and 0.86°C per decade, respectively. Diyarbakir is forecasted to follow closely with an increase of 0.88°C, while Bingol and Elazig expect a slightly lower but notable increase at 0.89°C and 0.88°C, respectively. Malatya, however, displays a distinct projection, indicating a comparatively lower rise of 0.49°C in average mean temperature per decade.

433. This scenario also foresees substantial upward trends in average minimum and maximum surface air temperatures, showcasing consistent increments across the provinces. Bingol is expected to experience the highest increase in average maximum temperature per decade at 0.96°C, followed closely by Diyarbakir at 0.94°C. Sanliurfa, Adiyaman, and Elazig project slightly lower but significant rises in average maximum temperature, ranging from 0.90°C to 0.92°C. Conversely, Malatya is predicted to display a lower increase at 0.51°C. Regarding precipitation, all provinces show a substantial decline, with Bingol facing the largest reduction at 16.35mm, followed by Elazig and Diyarbakir at 16.23mm and 15.43mm, respectively. Sanliurfa and Adiyaman are anticipated to experience declines of 15.03mm and 20.68mm, while Malatya expects a reduction of 14.03mm. These projections highlight alarming trends of accelerated temperature increases alongside significant declines in precipitation, signifying potentially severe climate challenges for these regions under the specified SSP5-8.5 scenario.

Table 5. Project trend as per SSP 8.5 (World Bank Climate Knowledge Portal)

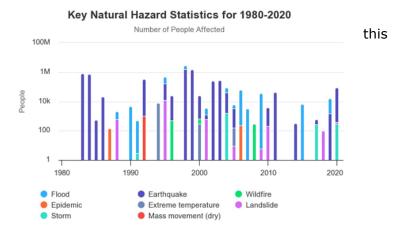
Projected trend per Decade change of (Period 1971-2020)	Adiyaman	Sanliurfa	Diyarbakir	Bingol	Elazig	Malatya
Average mean surface air temperature per decade	0.850c	0.860c	0.880c	0.890c	0.880c	0.490c
Average minimum surface air temperature per decade	0.790c	0.810c	0.810c	0.820c	0.800c	0.450c
Average maximum surface air temperature per decade	0.920c	0.900c	0.940c	0.960c	0.950c	0.510c
Precipitation	-20.68mm	-15.03mm	-15.43mm	-16.35mm	-16.23m	-14.03m

434. **Disaster Risk Profile.** The diagram presents key natural hazards in Turkiye between 1980 and 2020. Initially, until the mid-1980s, earthquakes dominated as the sole reported natural disaster. However, a shift occurred with the emergence of epidemics on three distinct occasions: in the late 80s, early 90s, and the mid-2000s. These outbreaks collectively resulted in 350,000 casualties, with a minimum of 100,000 occurring in a single instance. Following earthquakes, both floods and landslides emerged as the most hazardous natural calamities, exhibiting high frequency and substantial impact. Storms also posed significant threats, nearly paralleling the

frequency and danger associated with landslides. Notably, the year 2000 experienced the most pronounced impact from extreme temperature variations. Additionally, wildfires became a

noteworthy climate-induced disaster, with Turkiye experiencing its highest recorded wildfire in 2021, although data is not depicted in the provided diagram.

435. Between 1980 and 2020 in Turkiye, earthquakes occurred most frequently, totalling 45 times, 33.33% representing of the occurrences. Floods followed closely, transpiring 39 times on average, of 28.89% making up occurrences. Landslides were less frequent, happening 11 times per



year on average, accounting for 8.15% of the total incidents. Storms manifested nine times annually, contributing to 6.67% of the occurrences, while extreme temperature events were recorded seven times yearly, constituting 5.19% of the incidents. Wildfires were less common, appearing five times annually, representing 3.70% of the occurrences. Epidemics were reported three times in a year on average, and miscellaneous accidents accounted for the remaining 11 incidents.

c. Climate change mitigation

436. **Emissions.** Total greenhouse gas emissions were 564.4 Mt CO2 equivalent in 2021. The 2021 greenhouse gas inventory showed a 7.7% rise in CO2 equivalent emissions to 564.4 million tonnes (Mt) compared to the previous year. Per capita emissions stood at 6.7 tonnes CO2 eq. The energy sector accounted for 71.3% of total emissions, followed by industrial processes at 13.3%, agriculture at 12.8%, and waste at 2.6%. Energy sector emissions surged to 402.5 Mt CO2 eq. in 2021, a notable 188.4% increase from 1990 and a 9.8% rise from the prior year. Industrial processes reached 75.1 Mt CO2 eq., up by 228.7% from 1990 and 10.6% from the previous year. Agriculture emissions reached 72.1 Mt CO2 eq., up 56.5% from 1990 but down 1.5% from the previous year. Waste emissions hit 14.7 Mt CO2 eq., climbing by 32.6% from 1990 but dropping 9.9% from the previous year (TSI, Turkish Statistical Institute, 2023).

437. In accordance with the Turkiye's Updated Nationally Determined Contribution (2023), the country's main mitigation policies in the agriculture sector relevant to the project include: i) regulating animal feed rations to control methane emissions; ii) ensuring optimal nitrogen fertilizer use in plant production; iii) increasing the manuring process in biogas plants; iv) alternating the use of nitrogen fertilizers with legumes in crop production to reduce nitrogen fertilizer usage; v)improving practices in cattle breeding, rational feeding, and regulating the number of animals; vi) using agricultural biomass for energy generation and enhancing methane production from manure; vii) optimizing crop allocation alongside improving application methods and standards of mineral and organic fertilizers; viii) providing training to farmers on new methods and technologies; ix) enhancing risk reduction against natural hazards for food security including agriculture-related adaptation measures like crop rotation, agrotechnical development of forecasting, and soil conservation practices to mitigate drought, water, and wind erosion, and x) assessing water availability in a basin and developing water allocation plans for sectoral use (e.g., irrigation, industry, energy production) and ecosystem maintenance.

2.3 Target group profiles

438. **Target Groups.** The main target group will be small-scale producers living in upland forest villages and engaged in a mixed farming system as their main livelihood. They have few production assets and the majority of them have experienced loss or damage to these assets due to the earthquake. Among these, women and very poor farmers who are not registered as farmers are likely to suffer most as they often cannot apply for assistance provided under dedicated national recovery/ rehabilitation schemes.

- 439. In general, the target group lacks access to improved climate resilient technologies and practices as well as technical assistance, advisory services and access to remunerative markets. Specific focus will be on vulnerable groups, in particular: (i) poor rural households practising subsistence farming who have some marketable surplus and whose livelihood is negatively affected by environmental degradation, climatic shocks and disasters; (ii) women, with a sharper focus on women-headed households; and (iii) unemployed and underemployed rural youth.
- 440. **Women:** Constraints such as lack of assets, capital and access to institutional credit, competing use of time, poor technical skills and lack of access to extension services affect women more than men. Low presence of women in formal institutions and organisations (i.e. cooperatives, associations, local committees) limit their ability to have a voice and have access to decision-making. Women have limited access to profitable economic opportunities. Their activities in rural areas tend to correspond with their role in housekeeping and are also those that would be more easily combined with domestic work. Because women farmers are not a part of the formal labor force, they often miss out on social benefits and access to key inputs such as finance, land rights, and pension access.
- 441. **Youth:** Youth are particularly disadvantaged as they experience unemployment and have no incentive to stay in rural upland areas also due to limited social and cultural facilities. Some rural youth remain in the villages to engage in agriculture activities, while others seasonally move to small towns and cities to find jobs mainly in construction and tourism sectors. Youth in Türkiye are considered those groups whose age is between 14-29, however in the implementation of specific national youth programmes, especially in the rural sector, official categories include those between 14-29 and between 30-40 years, moving youth age limits up to 40 years old.

3. Institutional Analysis

Environment and Climate

- 442. **Legal and institutional framework.** The project will adhere to national environmental laws and regulations, including Environmental Law (No: 2872) aimed at protecting the environment in line with sustainable principles and Energy Efficiency Law (No: 5627) focused on increasing energy efficiency to minimize waste, reduce energy costs, and protect the environment.
- 443. The **General Directorate of Forestry (OGM)**, project implementing entity, is responsible for managing and safeguarding Turkiye's forest resources while ensuring sustainable forest management practices. There is also the **General Directorate of Combating Desertification and Erosion (CEM)**, which focuses on protecting soil, developing natural resources, and combating desertification and erosion through policy formulation and strategic initiatives. The **General Directorate of State Hydraulic Works (DSI)** with a legal entity and supplementary budget is the primary executive state agency for Turkiye's overall water resources planning, managing, execution and operation. The **General Directorate of Nature Conservation and National Parks** focuses on conserving Turkiye's natural heritage, managing national parks and nature reserves, and promoting sustainable ecosystems.

NDC programs relevant to the IFAD mandate	FIRAT contribution to the national NDC targets
Mitigation component	
Enerux: Utilize energy efficiency and renewable potential at the highest level possible by considering feasibility, market conditions, and energy security. Increase renewable energy sources in primary energy consumption to 20.4% by 2030.	Upscaling from MURAT activities, FIRAT will promote alternative energy sources to replace and reduce firewood consumption. Solar PV panels and water heaters will be provided in feasible areas.
Adriculture Train farmers on new methods and technologies, Improve risk reduction against natural hazards for food security, including agriculture-related adaptation measures, such as crop rotation, agrotechnical development of forecasting, and soil conservation practices to reduce drought, water, and wind erosion.	Rehabilitation of grazing lands, land consolidation in agricultural areas, supporting the minimum tillage methods, environmental agricultural land protection program, chemical fertilizer management, animal manure management, reducing food loss and waste, adopting innovative technology and practices, organic agriculture, and good agricultural practices will be supported.
<u>Waste</u> Prevent waste generation and to reduce produced waste amount within the framework of circular economy principles.	Project supported harvesting, collection, aggregation, processing, and marketing support is expected to reduce waste generation. FIRAT will encourage farmers to convert waste to compost.
Land Use, Land Use Channe, and Forestry (LULUCF) Increase the sink capacity of forests by improving/sustainable forest management, afforestation/reforestation, restoration, and long-term planning by rejuvenating existing forest areas. Encourage nature and/or technology-based solutions that increase sink capacity, such as afforestation, rural agricultural land protection, and grassland improvement. Prevent, control and reduce desertification and land degradation.	FIRAT core objective is the degraded land rehabilitation through soil erosion and conservation activities in forest or community land and promoting good agricultural practice in agriculture land. Project will directly contribute to the NDC's targets presented in left box.
Adaptation component	
Agriculture and Forestry Sector Sustainable production in agriculture, which protects natural resources, ecosystems, and blodiversity, will be increased. Agricultural crop patterns will be optimized, taking.into.account the future water availability under climate change scenarios. Insurance and agricultural support systems will help to manage risks of sustainable production in the agriculture sector to alleviate the adverse effects of climate change. Revised Türkiye's Agricultural Drought Combat Strategy and Action Plan will ensure resilience to drought	Same as support on LULUCF.
Disaster Risk Management	The project will have specific targeting approach for the earthquake victims.

- 444. Relevant policies and plans. Turkiye's 12th National Development Plan (2024-2028) aims to transform the nation into an environmentally friendly, disaster-resistant, technologically advanced, and prosperous country with fair income distribution and a strong economy. The plan focuses on creating a sustainable agriculture and food sector, supporting environmentally friendly practices, sustainable forest management, and alternative irrigation sources. It also aims to stimulate the rural economy, ensure sustainable resource management, improve rural life, align with SDGs, build resilience to climate change, transition to a low-carbon economy, and promote social justice with an environmental focus. The Medium-term Plan (MTP, 2024-2026) prioritizes healing earthquake wounds and mitigating disaster risks.
- 445. Several strategic documents concluded by 2023 have served as alignment points for the project. While the updated versions are not yet available, it is anticipated that the general direction will remain consistent or similar: Strategic Plan of the Ministry of Agriculture and Forestry (2020-2023), National Forestry Program of Turkiye (2004-2023), Climate Change Strategy of Turkiye (2010-2023), Climate Change Action Plan of the Republic of Turkiye (2011-2023), the National Combating Desertification Strategy and Action Plan (2015-2023), and the National Basin Management Strategy (2014-2023) to be updated during the implementation of FIRAT.
- 446. National Biodiversity Action Plan (NBSAP 2018-2028): With 7 National Objectives outlined, the project's implementation area selection will align with specific objectives and corresponding activities. These include ensuring the conservation and sustainable management of biodiversity in areas affected by agriculture, forestry, and fishing activities (National Objective 3) and rehabilitating damaged ecosystems while preventing harm to healthy ones (National Objective 5).
- 447. The proposed project aims to enhance natural resource management, alleviate pressures on biodiversity, and specifically address rural communities. Its activities encompass training government staff and local stakeholders in best practices for biodiversity conservation and management, including monitoring biodiversity and carbon levels, as well as implementing improved agricultural harvesting and processing techniques where applicable.
- 448. In April 2023, Türkiye submitted its updated Nationally Determined Contributions (NDC), outlining a commitment to reduce its greenhouse gas (GHG) emissions by 41% by 2030. This reduction, aiming for 695 Mt CO2 e.q. by 2030 with the base year set as 2012, represents a significant increase in ambition, aligning with scientific findings and principles of equity. It signifies a crucial step towards Türkiye's long-term objective of achieving a net-zero target by

2053. The NDC emphasizes the Turkish government's implementation of a comprehensive package comprising new policies and strategies across various sectors of the economy, essential for meeting the net-zero target. Additionally, the document acknowledges Türkiye's history as a long-standing recipient of support from the Global Environment Facility (GEF), highlighting the nation's commitment to environmental sustainability and its ongoing efforts to address climate change.

Gender

- 449. **Legal and institutional framework:** Türkiye became a party to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1985 and ratified the Optional Protocol to CEDAW in 2002. On March 20, 2021, Türkiye announced its withdrawal from the Istanbul Convention. The General Directorate on the Status of Women (GDSW) was established as a national mechanism in order to enable women to participate in a more active, productive and strong manner in all areas of social life in Turkiye; to enable women to benefit equally from all the rights and opportunities; and to prevent discrimination against women, was reorganised as a branch of the Ministry of Family, Labor and Social Services²⁹.
- 450. **Relevant policies, plans and programmes**: Türkiye's 11th National Development Plan 2019-2023 contains goals and measures to empower women, prevent discrimination against them, and to ensure that women have equal access to the rights, opportunities and services available to men. Other policy documents adopted include the National Strategy and Action Plan on Women's Empowerment (2018-2023), the National Action Plan on Combating Violence against Women (2021 -2025).
- 451. Most of the programmes targeting rural women and women's producers are carried out by the Ministry of Agriculture and Forestry. Within scope of "the Rural Development Investments Support Programme" in the parts of investment projects with 50% grant³⁰.
- 452. **Youth Policy**: The national youth policy of 2013 encompasses 13 themes, ranging from education, employment and entrepreneurship, to participation, civic consciousness, and culture. Each theme includes a set of targets and defines the group of stakeholders that should be involved in its implementation.
- 453. **Main Institutions:** The major agency which is responsible for conducting youth policies is the Ministry of Youth and Sports. The National Employment Agencies (İŞKUR), a branch of the Ministry of Family, Labour and Social Services, has the responsibility of solving employment problems of youngsters. The İŞKUR organises training activities for youngsters in order to facilitate their entry into the job market and supports entrepreneurship in the country through specific incentives. The Ministry of Agriculture and Forestry conducts its own programs to empower young farmers.
- 454. **Policy documents, plans and programmes:** The Eleventh Development Plan of the Presidency of the Republic of Türkiye has a specific section allocated to youth and it targets to reduce youth unemployment (target no. 116), equipping youngsters with new skills to facilitate market entrance (target no. 210), improving the inclusivity of society (target no.536), providing decent jobs to women and youngsters (target no. 539), and raising children and youngsters as individuals who have humanitarian and moral values (target no. 544). The İŞKUR has specific targets and policies addressing the employment problem of youth and the situation of NEETS as well as some active incentive programs to encourage employment of youth, such as subsidizing social security payments for a period from 2 to 5 years depending on age, previous employment and attendance to training services of İŞKUR. it also conducts active employment policies such as vocational training courses, professional training incentives, on the job training programs,

²⁹The GDSW conducts activities based on cooperation, particularly legal activities for prevention and elimination of all kinds of violence,

abuse and exploitation against women; and contributes to the activities organised by other institutions and organisations. The directorate also coordinates the development of key gender action plans.

³⁰ The point system used by the GoT for women positive discrimination as programme beneficiaries is the following: extra 2 points are added to the preassessment criteria; and extra 4 points are also added if the woman is a member of agricultural cooperative or union. In case that female farmers engaged in agriculture apply for machinery-equipment, they can benefit from a 50% grant for 35 types of machines. The FIRAT programme point system is described in the PIM and is different from the above.

public work programs, entrepreneurship programs through KOSGEB and projects for the disabled.

4. Environmental and social category

455. The environmental and social category for FIRAT is proposed as **Moderate**, based on the final screening using the SECAP screening tool. The project aims to generate overall positive environmental and social benefits in a comprehensive manner. The primary focus of the FIRAT is to rehabilitate degraded land to reduce soil erosion and sedimentation in downstream dams together with improving livelihoods of people residing in selected catchment areas. The project will implement nature-based soil erosion control activities. Afforestation and reforestation will be the key priority of FIRAT for the rehabilitation of biodiversity and degraded land and for improved resilience of livelihoods. Multiple purpose grass and trees will be selected for the plantation. Honey forest support will be continued.

456. Potential **social risks** consider that women, Youth and other vulnerable categories and marginalized groups can be excluded from project benefits. Proactive efforts will be taken to target those individuals with fewer assets and opportunities, and address gender inequalities in accessing projects' benefits. Measures include: Pro-poor targeting criteria; strong outreach and communication activities; separate consultation with women, youth and vulnerable categories; incorporating use of GALS in capacity building services; gender and social inclusion experts are included full time as staff in the RPMUs.

5. Climate risk category

457. As per the SECAP screening tool, the climate risk category of the project is proposed as Moderate. The forecasted effects of climate change in the project area include adverse impacts on surface water availability, increased occurrences of floods, prolonged periods of aridity and drought. These effects are expected to disrupt agricultural output and pose some threats to food security, but will be limited, transient or manageable. Financial, environmental and social underperformance or failure due to climatic hazards is unlikely.

458. The project will promote climate resilient farming practices. Support for water management and use-efficiency will be provided to cope with drought and unpredictable precipitation. Plantation and soil erosion control activities will follow natural succession. The climate trend and scenario will be one of the major criteria to select plantation species. Considering increasing wildfires, fire lines will be developed in plantation sites. Water retention activities such as contour terrace, inter or mix cropping, organic mulching, water conservation ponds will be promoted as well as sustainable rangeland management.

6. Recommendations for project design and implementation

459. **Women.** The project will build on MURAT's positive experience on gender equality and women's empowerment (GEWE) and support women to: (i) access project services and facilitating their access to energy-saving technologies for reducing workload; (ii) strengthen their presence for decision making, especially in community level planning processes (e.g. MCPs) and rural organisations including cooperatives; (iii) access to finance and training to improve their livelihoods, income-generation and employment opportunities; (iv) increase control over income at household level. Institutional capacity needs to be strengthened by introducing innovative methodologies (e.g. use of GALS at group level) and by providing technical assistance and trained staff. It is recommended attention is required on capacity building for the social engineering of the project and RPMU recruit gender, youth, social inclusion specialists on a full time basis.

460. **Youth:** FIRAT will address youth-specific challenges and engage with them investing in proper monitoring and coaching activities, creating linkages with public/private service providers and ensure training packages (on farm-off farm) align with market demands. as such a study on the youth labour market is highly recommended.

461. **Social targeting and poverty focus**: Strong outreach and communication activities need to be conducted by the programme management unit (PMU) and fully integrated as part of the targeting and outreach strategy. In line with existing practices, consultation with village leaders

and the community to target the poorest families will be considered including verification as needed (e.g. certificate of social assistance; spot check verification).

- 462. **Promote Biodiversity**: The MURAT project has successfully implemented practices focused on land conservation and improving livelihoods. To build on this success, the FIRAT project aims to incorporate biodiversity enhancement into its activities. To achieve this goal, the project will prioritize a diversity of multiple-purpose species in afforestation or reforestation efforts. Moreover, there will be a specific focus on planting grass in sloped lands, while giving priority to the cultivation of fodder and fruit trees. Scaling up the promotion of honey forests is also a key aspect of this initiative.
- 463. **Water management:** The project area is categorised as high drought area. Low precipitation, prolonged drought, unpredictable rainfall is creating water scarcity, while the changes in the existing surface and groundwater flows due to earthquakes are drying up wells and springs. FIRAT aims to address this issue by offering support for small-scale irrigation facilities by enhancing water use efficiency aiming at reducing conveyance losses by upgrading dilapidated and inefficient small scale irrigation facilities based on open channels that are either nearing their end-of-life or were severely damaged during the earthquakes. This will be complemented with investments in on-farm irrigation systems with efficient water use, emphasizing multiple water-use strategies and conservation techniques such as water harvesting, storage and recharge ponds. Moreover, there will be a priority placed on cultivating less water demanding tree species and crop varieties, contributing to greater resilience in the face of water scarcity.

7. Further studies needed

464. At the design stage, the Stakeholder Engagement Plan (SEP, Attachment 3), including Grievance Redress Mechanism (GRM), standalone Environmental, Social and Climate Management Plan (ESCMP, Attachment 1), and Archeological Chance Finds Procedure (Attachment 2) and have been developed. Additional studies are required before the detailed design to identify the sectors for youth engagement (on farm and off farm). A Youth and women Labour Market Assessment in the target area needs to be conducted. Draft ToRs in the PIM.

8. Monitoring and evaluation

- 465. The M&E system will give strong emphasis to monitoring of targeting performance. Implementing partners will provide disaggregated data on women and youth participation, in relation to overall programme targets. The M&E system will collect and analyse information about programme outreach, effectiveness of the targeting strategy and specific benefits for women and youth. Other participatory monitoring tools like outcome survey, environmental and social safeguard monitoring, and regular tracking of vulnerable groups with their problems and progress will be adopted. The OGM will be responsible for the implementation and monitoring of the MCPs and the biophysical monitoring of afforestation and soil erosion-related activities using the GIS and remote sensing tools. Impact will be assessed on the basis of methodologically gender sensitive baseline, mid-term and completion surveys which will use key indicators to measure women's empowerment and youth inclusion.
- 466. It is expected that through the implementation of the Gender Strategy, the following positive changes will be observed in beneficiary households: (i) increase in women income; (ii) increased / more equal access and control of productive assets by women; (iii) improved decision-making of women at household and community level; (iv) more equitable workloads between men and women at household level (v) women reduction of time spent sourcing firewood and for on farm manual labour (paid/unpaid). As for youth, it is expected that indicators will report on youth accessing job and entrepreneurial opportunities (resulting in reduction of unemployment in rural areas).

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Attachment 1: ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

1 Introduction

- 1. As FIRAT has been identified as a project that is of "moderate risk" as per the environmental and social risk screening procedure, contained in the SECAP manual, the FIRAT design mission has developed this Environmental, Social and Climate Management Plan (ESCMP). This Plan sets out the principles, guidelines and procedures for selecting, assessing and managing the potential environmental, social and climate risks and impacts of future interventions. It particularly details the:
- a. measures to be taken during project implementation to eliminate or offset adverse environmental, social and climate impacts, or reduce them to an acceptable level;
- b. measures to enhance environmental and social outcomes; and
- c. necessary actions (e.g. monitoring, supervision, reporting), implementation arrangements, institutional responsibilities, time schedule and costs of implementing the measures.

2 Constraints at the design stage

- 2. Since the specific locations of micro catchments and villages will be identified during the implementation and due to the demand-driven nature of Component 2 of the project, the mission proposed to develop this ESCMP following the Social, Environmental, and Climate Assessment Procedures (SECAP) guidelines. It is worth mentioning that this document is a 'living' document, meaning that it has to be revisited and updated on a constant basis during the implementation.
- 3. The MC participatory planning process will identify climate change risks and vulnerabilities. The subsequent implementation of activities and investments under components 1 and 2, agreed in the MCPs, will include concrete measures to address these vulnerabilities through adaptation and resilience building interventions.
- 4. The project will be rolling out the preparation (component 1) and implementation (component 1 NRM and component 2 livelihood investments) of the MCPs in three phases as described in Section 5.1.

3 Institutional and legal framework

5. This section includes **national laws, regulations** in relation to relevant environmental, social and climate issues and obligations of the country applicable to the project under relevant international treaties and agreements.

Table 1: National laws and regulations governing environmental, social and climate issues

Title of Legislation and Date/Issue of Official Journal	Brief summary
Environment	
Environmental Law No. 2872 (16.08.1983/18132)	The framework law for environmental legislation (and penalties). Overall environmental protection.
Forest Law No. 6831 (08.09.1956/9402)	Regulates the protection and conservation of forests, including topics such as rights of forest villagers, tourism, water management, the forests under protection, natural parks, non-wood products, public consciousness, grasslands and financial supports given to the villagers.

Law on Groundwater No:167	Regulates use of groundwater. State Hydraulic Works (DSI) is the competent authority for groundwater exploration, and construction and operation of wells to be utilized by facilities for groundwater extraction purposes.
Energy Efficiency Law (No: 5627)	Aimed at increasing energy efficiency to minimize waste, reduce energy costs, and protect the environment.
Ecosystem Services	
Pasture Law No. 4342 (as amended with the Law No. 6552 and relevant regulations)	The purpose of this law is to ensure that pastures are used in accordance with the rules to be determined, to increase and maintain their productivity by maintaining and improving them, to constantly monitor their use, to protect and to change the purpose of use if it is necessary. Stipulates that in-forest pastures and grazing lands are redefined by a committee and cannot be used for any other purposes unless their allocation purposes are modified
Agricultural Law No. 5488 (18.04.2066/ 26149)	The aim of this Law determining the necessary policies and making arrangements for the development and support of the agricultural sector and rural area in line with the development plans and strategies. Sets the necessary policies and regulates development and support of the agricultural sector and rural areas in line with the development plans and strategies
Soil Protection and Land Use Law No:5403 (19.07.2005/25880)	The purpose of this Law; protection of land, development, classification of agricultural lands, determination of minimum agricultural land and sufficient income agricultural land sizes and prevention of their fragmentation, determination of principles to ensure planned use of 24 Title of Legislation and Date/Issue of Official Journal Brief context agricultural land and sufficient income agricultural lands in accordance with environmental priority sustainable development principle.
Stakeholder Engagement	
Constitution of the Republic of Türkiye	The Constitution of the Republic of Türkiye is the fundamental document in respect to guaranteeing citizens' freedom of thought and opinion. Everyone has the right to express and disseminate his/her thoughts and opinions, individually or collectively, through speech, writing, pictures or other means.
Law on the Right to Information No.4982 (Official Journal dated 24.10.2003 and numbered 25269)	Law on the Right to Information defines the process concerning the right to information. It regulates this right in line with the principles of equality, impartiality and transparency, which are the prerequisites of democratic and transparent administration.
The Law on Use of the Right of Petition (Official Journal dated 01.11.1984 and numbered 3071)	Citizens of the Turkish Republic are entitled to apply to the Turkish Grand National Assembly and the public authorities by written petition,
Labour	
Occupational Health and Safety Law (Official Journal dated 20.06.2012 and numbered 6331)	Object of this law is to regulate duties, authority, responsibility, rights and obligations of employers and workers in order to ensure occupational health and safety at workplaces and to improve existing health and safety conditions.
Labour Law (Official Journal dated 22.05.2003 and numbered 4857)	Working conditions and work-related rights and obligations of employers and employees working under an employment contract are regulated by this law.

Labour Law (Official Journal dated 22.05.2003 and numbered 4857)- Article 71	It is prohibited to employ children who have not completed the age of 15. However, children who have completed the age of 14 and have completed compulsory primary school period can be employed in light works.
Social Insurance and General Health Insurance Law (No.5510) (16.06.2006 / 26200)	Determines the rights of beneficiaries and provides for general rules for the functioning of the insurance system and funding conditions. Also contains provisions on employers and workplaces, short-term and long-term insurances.
Primary Education and Training Law (Official Journal dated 12.01.1961 and numbered 222)-Article 59	Those who do not attend compulsory primary education institutions cannot be employed (for a fee or for free) in any official and private workplaces. Those who document that they attend primary education institutions can be employed in such places except for the lecture hours provided that the provisions of the law regulating the employment of children are applied.
Child Protection Law (Official Journal dated 15.07.2005 and numbered 5395)	The basic principles for the protection of the child rights are explained.
Public Health Law (Official Journal dated 06.05.1930 and numbered 1593)-Article 173	Employment of all children under the age of 12 as labour and apprentice in all kinds of businesses, such as factories, workshops, mines is prohibited.
Vocational Training Law (Official Journal dated 19.06.1986 and numbered 3308)-Article 13	Includes regulations on the development of knowledge and skills in the context of child labour starting at the age of 14
Cultural Heritage	
Law on Conservation of Cultural and Natural Assets No. 5879 (Official Journal dated 21.7.1983 and numbered 18113)	The purpose of this Law is to determine the definitions related to movable and immovable cultural and natural assets that need to be protected, to organize the transactions and activities to be carried out, to determine the establishment and duties of the organization that will take the necessary principles and implementation decisions in this regard.
Gender	
Civil Law (Official Journal dated 01.01.2002 and numbered 24607)	The law upholds equality between women and men, puts an end to sexual discrimination, renders women equal to men in both family and the society; and values the women's work. With the new Civil Code, substantial changes were made considering the developments in the law of domestic relations, and the changes and needs of the day.
Penal Law no: 5237 (Official Journal dated 01.06.2005 and numbered 25611)	Include modern arrangements with respect to gender equality and violence against women.

- 6. Turkish national policy on protection of environment, cultural heritage and conservation of biological resources has been formulated on the basis of relevant international agreements signed or ratified by Türkiye:
 - a. European Convention on the Protection of the Archaeological Heritage (ratified on 29.11.1999)
 - b. European Landscape Convention (ratified on 01.08.2018)
 - c. Paris Convention on the Protection of the World Cultural and Natural Heritage (ratified on 16.03.1983)

- d. Ramsar Convention on Wetlands of International Importance Especially as Wildfowl Habitat (ratified on 13.11.1994)
- e. Stockholm Convention on Persistent Organic Pollutants (ratified on 30.07.2009)
- f. United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (ratified on 16.05.1998)
- g. United Nations (UN) Framework Convention on Climate Change (Kyoto Protocol) (ratified on 28 May 2009)
- h. UN (Rio) Convention on Biological Diversity (ratified on 11.06.1992) 32
- i. Vienna Convention or the Protection of the Ozone Layer (ratified on 20.09.1991)
- j. ILO Occupational Safety and Health Convention (ratified on 03.02.2004)
- k. Occupational Health Services Convention (ratified on 03.02.2004)
- I. Labour Inspection Convention (ratified in 1947)
- m. Promotional Framework for Occupational Safety and Health Convention (ratified on 15.06.2006)
- n. Worst Forms of Child Labour Convention (ratified on 25.01.2001

4 Environmental, Social and Climate Risk Assessment Procedures

- 7. The environmental and social category for FIRAT is **Moderate**, based on the final screening using the SECAP screening tool. The project aims to generate overall positive environmental and social benefits in a comprehensive manner. The primary focus of the FIRAT is to rehabilitate degraded land to reduce soil erosion and sedimentation in downstream dams together with improving livelihoods of people residing in selected catchment areas. The project will implement nature-based soil erosion control activities. Afforestation and reforestation will be the key priority of FIRAT for the rehabilitation of biodiversity and degraded land and for improved resilience of livelihoods. Multiple purpose grass and trees will be selected for the plantation. Honey forest support will be continued.
- 8. Potential social risks consider that women, Youth and other vulnerable categories and marginalized groups can be excluded from project benefits. Proactive efforts will be taken to target those individuals with fewer assets and opportunities, and address gender inequalities in accessing projects' benefits. Measures taken would include: pro-poor targeting criteria; strong outreach and communication activities; separate consultation with women, youth and vulnerable groups; and use of GALS in capacity building services. The gender and social inclusion experts are included full time as staff in the RPMUs.
- 9. As per the SECAP screening tool, the climate risk category of the project is **Moderate**. The forecasted effects of climate change in the project area include adverse impacts on surface water availability, increased occurrences of floods, prolonged periods of aridity and drought. These effects are expected to disrupt agricultural output and pose some threats to food security, but will be limited, transient or manageable. Financial, environmental and social underperformance or failure due to climatic hazards is unlikely.
- 10. The project will promote climate resilient farming practices. Support for water management and use-efficiency will be provided to cope with drought and unpredictable precipitation. Plantation and soil erosion control activities will follow natural succession. The climate trend and scenario will be one of the major criteria to select plantation species. Considering increasing wildfires, fire lines will be developed in plantation sites. Water retention activities such as contour terrace, inter or mix cropping, organic mulching, water conservation ponds will be promoted as well as sustainable rangeland management.

5 Procedures for ESC Screening and Management of sub-projects

11. Social, environmental and climate sustainability is central to achieving IFAD's mandate. Projects and programs that promote social, environmental and climate sustainability are among the Fund's highest operational priorities. In order to achieve these objectives, IFAD updated its Social, Environmental and Climate Assessment Procedures (SECAP) in 2021. This sets out a

framework and detailed process for managing risks and impacts, and for integrating crosscutting priorities into new investments supported by IFAD.

- 12. IFAD's environmental and social standards bring together key requirements for the environmental and social sustainability of projects. The standards are based on best practices from the United Nations, international financial institutions and multilateral development banks. The full list of standards is as follows:
- a. Standard 1 Biodiversity conservation
- b. Standard 2 Resource Efficiency and Pollution Prevention
- c. Standard 3 Cultural heritage
- d. Standard 4 Indigenous Peoples
- e. Standard 5 Labour and working conditions
- f. Standard 6 Community Health and Safety
- g. Standard 7 Resettlement and economic reintegration
- h. Standard 8 Financial intermediaries and direct investments
- i. Standard 9 Climate Change
- 13. All sub-projects will undergo an environmental, social and climate assessment to assist in determining which of the above standards apply and contribute to decision making on future investment. If it is determined that a project will go forward, the assessment determines how the risks and impacts (both those affecting the Project and those resulting from the Project) should be addressed. The degree of risk is determined in a detailed checklist assessment, with mitigation and adaptation measures adopted appropriate to the nature and scale of the Project, and its level of environmental, social and climate risk. If unforeseen environmental and social risks or impacts arise during the execution of the Project, the Project team, in collaboration with the national authorities, must revise the Project plan or put in place appropriate mitigation measures. The matching grants under the livelihood investments sub-component will be managed through Ziraat Bank (a financial intermediary). No high-risk sub-projects will be supported by FIRAT through Ziraat Bank.
- 14. The table below summarizes the standards relevant and applicable to FIRAT as identified through the review process. The ESCMP matrix appended at the end of this Attachment provides details on the recommended mitigation/enhancement measures, public consultation activities, the responsible institution identified during the implementation phase and the relevant monitoring and reporting plan.

Table 2: Standards relevant and applicable to FIRAT

Standards	Summary of impacts	Mitigation measures
Biodiversity Conservation	The project will not pose any risks or threats to biodiversity. Drawing lessons from the MURAT project, FIRAT will prioritize biodiversity enhancement in both production and conservation-related activities. The risk is assessed as moderate since FIRAT will be involved in plantation activities, which may involve production and potentially the purchase of seedlings.	Enhancing biodiversity stands as a key priority for the FIRAT project, an aspect that was somewhat lacking in the MURAT initiative. For land rehabilitation, the following strategies will be implemented: Species selection will carefully consider microclimates and soil types. Natural succession processes will be followed. Priority will be given to species serving multiple purposes. Promotion of mixed plantation methods, alongside grass plantation, will be encouraged. In terms of agricultural support, FIRAT aims to: Advocate for good agricultural practices such as integrated pest management and the use of bio inputs. Encourage mixed and intercropping techniques. Prioritise the selection of multipurpose crops. Promote the cultivation of local and indigenous crop varieties. Regarding the acquisition of seedlings for plantation, OGM possesses extensive experience in nursery management and seedling production. FIRAT intends to support OGM and the private sector, particularly young individuals, in producing high-quality seedlings that meet the project's requirements.

Resource efficiency and pollution prevention	The use of chemical fertilisers, pesticides, veterinary medicines, and inadequate waste management in agriculture and livestock pose inherent pollution risks. While the project does not endorse these practices, it acknowledges their ongoing use by farmers and provides support in areas where such practices persist. Livestock management, known to create pollution and resource consumption, will also receive attention. However, transitioning farmers entirely to organic production presents a significant challenge due to their reliance on chemical inputs for commercial farming, driven by the belief that these inputs yield quick results and are readily available in the market.	FIRAT will refrain from supporting or promoting the purchase of chemical inputs and fertilizers, instead focusing on capacitating farmers for bio inputs production and usage. Efforts will be made to reduce agricultural waste through the provision of tools, technologies, and support for aggregation, processing, and marketing facilities. Project activities are designed to prevent pollution of water resources, and regulations will be implemented for livestock medicines. The project will not promote the excessive use of medicines and antibiotics for livestock. Plantation efforts will prioritize multiple-purpose species, with an emphasis on grass and fodder, to alleviate pressure on natural resources.
Cultural Heritage	FIRAT will not have any impact on cultural heritage. Soil erosion control measures and plantation activities will be conducted in barren and degraded lands. Agriculture and livestock support activities will be limited to the lands currently under practice. No negative impact assessed at design stage.	Considering the chance finding of cultural heritage during the land rehabilitation activities, the project will follow national chance finding procedure. A draft procedure has been presented as Attachment 2 of this Annex). Turkish national legislation on protection of cultural assets mainly satisfies the standard 3 requirements for physical cultural heritage.
Indigenous peoples	The project will not include IPs since targeted areas and activities are not related to IPs. No risks or negative impacts are foreseen at design.	
Labour and working conditions	The project activities will comply with national labour laws and international commitments regarding working conditions. During the field visits for FIRAT full design, it was confirmed that there were no instances of labour discrimination or gender inequality observed. There is no possibility of child or forced labour and work regulations are known and applied. The risk rating is low. The works considered in the project could potentially pose OSH risks.	During implementation the procurement plan and policy will explicitly state a zero-tolerance approach toward labour discrimination and inequality. In general, Turkish national laws and regulations regarding labour and working conditions satisfies the standard 5 requirements. Any activities with minimal risks of involving child or forced labour, or exacerbating gender-based violence, will not be supported or promoted. The project includes gender awareness messages for gender equality and opportunities for all, including collaboration with local entities (e.g. social workers from Ministry of family and social services) already promoting training and sensitisation about GBV and women's inclusion. The activities will be promoted in all targeted communities and starting from the on-set. The works considered in the project could potentially pose OSH risks for workers. The project as mitigation measure will consider: 1. Workers OHS Training Plans 2. Worker contracts inclusive of adequate labor conditions 3. Labor Management Plans

Community health and safety:

The plantation activities supported by FIRAT will may not require a minimal influx of labour as it is expected that the vast majority of workers will be sourced from local communities (especially women and youth as it is the current practice observed in the ground) the works are run by the Village Forest Cooperatives present in the areas and so influx is kept to a minimum and any risk can be is effectively managed. Risk rating is moderate.

It is expected that for plantation activities carried out in collaboration with Forest Cooperatives the project will also promote hiring local unemployed youth for the purpose of income generation and seasonal employment. These activities will be relatively small-scale and will not have adverse impacts on community health and safety. In fact, FIRAT is likely to bring about several positive impacts through the promotion of good agricultural practices and the enhancement of biodiversity.

The project may lead to minor changes to community dynamics but no serious cases of gender-based violence and/or sexual exploitation. Communities in forest villages present a high level of social cohesion and solidarity. Furthermore, a system is in place to create awareness and build social understanding on GBV and gender discrimination.

In the event of external workers (which as of design is not contemplated), which is unlikely, OGM and Forest Cooperatives will closely monitor plantation workers' behaviour. A code of conduct for workers to respect community culture, tradition, and safety will be established and provisions made in the contract of the contractor.

The project includes gender awareness messages for gender equality and opportunities for all, including collaboration with local entities (e.g. social workers from the Ministry of family and social services) already promoting training and sensitisation about GBV and against women's discrimination. Existing protocols are sufficient to minimize any potential risks.

Physical and economic resettlement

FIRAT activities will be limited to government-owned barren and degraded land for land rehabilitation, and to farmers' land for agricultural and livestock support activities. No physical or economic resettlement is foreseen.

Financial Intermediaries and direct investments

Although some part of the project funds will be managed by the Department of Forestry and Village Relations (ORKOY) and channelled through Ziraat Bank, ORKOY itself is not considered as a financial intermediary, but rather as a part of the implementing entity - OGM. The overall management of the funds falls under OGM/ORKOY's responsibility.

For livelihood investments, this subcomponent will build on ORKÖY's existing financing scheme for people living in upland forest villages while introducing changes that would make the scheme inclusive, based on the targeting and outreach strategy of the FIRAT project. The beneficiaries will need to open a bank account in Ziraat Bank. The repayment of the loan helps them build a credit history ultimately supporting their financial inclusion. With the injection of IFAD resources to cover the grant element for eligible poor and transitory poor farmers in the targeted MCs, the ORKÖY scheme will be adjusted with the increase in the grant element from 20% to 50% of the total investment requirement. Stakeholder engagement process and grievance redress mechanism as well as proper monitoring will be ensured by OGM/ORKOY.

	Türkiye is one of the countries most susceptible to the adverse effects of climate change, including intense rainfalls, floods, storms, landslides, heatwaves, and forest fires. The provinces and communities targeted by the project confront the consequences of droughts, erratic rainfall, heatwaves, soil degradation, and forest fires. Agriculture is one of the sectors most affected by adverse effects of climate change. It is foreseen that the main impact of climate change on Türkiye will be drought, desertification, decline in agricultural productivity, loss of biological diversity and ecosystem services, increase in forest fires, epidemics and pests. There are signs that climate change has already affected crop productivity and also the livestock productivity indirectly through low yields of forage crops and cereals (straw), livestock drinking water availability and rangeland productivity.	The project supports water management activities aimed at addressing drought and unpredictable rainfall patterns, significant impacts of climate change. Measures to control soil erosion will be implemented. Furthermore, farmers will be oriented toward and supported with tools and techniques for good agriculture and climate- smart agriculture. The selection of crop and plantation species will align with the microclimate, taking climate predictions into consideration.
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6 Environment and Social Safeguards Risk Rating Checklist

15. Each of the sub-projects will need to be assessed using the SECAP screening tool. For the sake of example, the overall FIRAT SECAP screening is provided below.

Table 3: Environmental and Social Safeguards

Environmental and Social Safeguards	No, Yes,	If Yes or TBD		
	TBD	Likelihood	Consequence	
Biodiversity				
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	No			
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	No			
1.3 Could the project potentially involve or lead to an increase in the chance of human-wildlife encounters/conflict?	No			
1.4 Could the project potentially involve or lead to risks to endangered species (e.g. reduction, encroachment on habitat)?	No			
1.5 Could the project potentially involve or lead to impacts/risks to migratory wildlife?	No			

1.6 Could the project potentially involve or lead to introduction or utilization of any invasive alien species of flora and fauna, whether accidental or intentional?	No		
1.7 Could the project involve or lead to the handling or utilization of genetically modified organisms?	No		
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Yes	Almost certain	Minor
Resource Efficiency and Pollution Prevention			
2.1 Could the project involve or lead to the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No		
2.2 Could the project involve or lead to primary not environmentally sustainable production of living natural resources? (Note: this includes the cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, plantation forestry, etc.)	No		
2.3 Could the project involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation?	Yes	Almost certain	Minor
2.4 Could the project involve or lead to significant consumption of raw materials, energy, and/or water?	No		
2.5 Could the project involve or lead to significant extraction, diversion or containment of surface or ground water (e.g. construction of dams, reservoirs, river basin developments, groundwater extraction)?	Yes	Almost certain	Minor
2.6 Could the project involve inputs of fertilizers and other modifying agents?	No		
2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	No		
2.8 Could the project be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry)?	No		
2.9 Could the project involve livestock – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	Yes	Likely	Minor
Cultural Heritage			
3.1 Could the project be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	Yes	Possible	Minor
3.2 Could the project directly or indirectly affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	No		

3.3 Could the project involve or lead to significant excavations, demolitions, movement of earth, flooding or other environmental changes?			
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)		Possible	Minor
3.5 Could the project involve or lead to alterations to landscapes and natural features with cultural significance?	No		
3.6 Could the project involve or lead to utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?			
Indigenous peoples			
4.1 Could the project be sited in areas where indigenous peoples are present (including the project area of influence)?	No		
4.2 Could the project result in activities located on lands and territories claimed by indigenous peoples?	No		
4.3 Could the project result in impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them?	No		
4.4 Could the project result in the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?			
4.5 Could the project lead to impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?			
Labour and Working Conditions			
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)			
5.2 Could the project use or operate in a value chain where there have been reports of forced labour? (Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain)			
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?			

5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)		Possible	Minor
Community Health and Safety			
6.1 Could the project be at risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases?			
6.2 Could the project lead to unintended negative impacts on nutrition?	No		
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	Yes	Highly unlikely	Minor
6.4 Could the project involve or lead to the construction or rehabilitation of dams?	No		
6.5 Could the project involve or lead to transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?			
6.6 Could the project lead to adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?			
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?			
6.8 Could the project lead to increases in traffic or alteration in traffic flow?	Yes	Possible	Minor
6.9 Could the project lead to an influx of project workers?	No		
6.10 Could the project involve or lead to the engagement of security personnel to protect facilities and property or to support project activities?			
Physical and Economic Resettlement			
7.1 Could the project result in temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?			
7.2 Could the project result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?			

7.3 Could the project present a risk of forced evictions?		
7.4 Could the project result in impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?		
Financial Intermediaries and Direct Investments		
8.1 Could the investment be granted to an institution that does not have an environmental and social policies and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?		
8.2 Could the investment be granted to an institution with insufficient capacities (i.e. unqualified personnel e.g. ES Officer) to implement the ESMS?	No	
8.3 Could the investment be granted to an institution that does not have an Exclusion List?	No	
8.4 According to the institution's portfolio classification: Could the institution have potential high-risk projects in their portfolio?	No	
8.5 Is there evidence that the institution does not comply with the local legal framework?	No	
8.6 Does the institution provide a stable communication channel with stakeholders and local communities (e.g. a Grievance Redress Mechanism)?	No	
8.7 Does the organization provide auxiliary or capacity building support services.	No	

- 16. As a result of the screening, the sub-projects will be classified as of Low, Moderate, Substantial and High risk. The features of such sub-projects are provided below.
- 17. **High Risk**: This classification is based on whether the potential risks and impacts associated with a subproject have most or all of the following characteristics:
- Leads, in sensitive areas, to irreversible or unprecedented risks and impacts (for example, leading to the loss of important natural habitats or the conversion of wetlands);
- Leads to risks and impacts of significant scale and/or spatial scope (extensive geographical area or size of the population likely to be affected);
- · Presents significant risks and impacts affecting a much wider area than the sites or facilities subject to physical interventions;
- · Causes significant cumulative or transboundary negative impacts;
- High probability of serious adverse effects on human health and/or the environment (due, for example, to accidents, or to the disposal of toxic waste);
- Risks and potential impacts are not easily corrected by preventive actions or mitigation measures;
- The affected area is of high value and sensitivity e.g. sensitive and valuable ecosystems and habitats (legally protected and internationally recognized areas of high biodiversity value), lands or rights of indigenous peoples and other vulnerable minorities, processes intensive or complex involuntary resettlement or land acquisition, or cultural heritage impacts;

- There are significant concerns that the negative social impacts of the Project and the associated mitigation measures may give rise to significant social conflicts, harms, risks or significant impacts on human security;
- There is a history of unrest in the Project area or significant concerns about the activities of security forces;
- The Project is being developed in a legal or regulatory environment where there is significant uncertainty or conflict regarding the jurisdiction of competing agencies, where legislation or regulations do not adequately address the risks and impacts of complex projects, where changes applicable legislation are ongoing, where enforcement actions are weak;
- There are significant concerns related to the capacity, commitment, and previous experiences of Project stakeholders with respect to engagement, or there are multiple external factors that could significantly impact performance or environmental effects or social aspects of the Project.

Examples include:

- New construction or modernization of large irrigation perimeters (greater than 1000 hectares);
- Use of groundwater from areas already experiencing ground subsidence due to overexploitation and/or increased depth to the water table (e.g. observed in existing wells) and/or groundwater abstraction close to recharge rate (taking into account all abstraction needs of the groundwater unit);
- Economic or physical displacement (e.g. land, drinking water and water for other uses), or physical resettlement of more than 100 households or businesses, and/or significant loss of assets or access to resources (i.e. a reduction of more than 15% of a farmer's or community's assets);
- Conversion and loss of tangible cultural resources.
- 18. **Substantial risk**: A sub-project should be placed in the substantial risk category when it is not as complex as a high-risk project and its environmental and social scale is not in such a sensitive area, but that it can present significant risks and impacts if not managed properly. These potential risks and impacts have most or all of the following characteristics:
- They are mainly temporary, foreseeable or reversible, and the nature of the Project allows them to be avoided or reversed entirely;
- It is feared that the negative social impacts of the Project and the associated mitigation measures may cause, to a limited degree, social conflicts, detrimental effects or impacts on human security;
- The geographical area and the size of the population likely to be affected are medium to large.
- There is some potential for cumulative or transboundary impacts, but these would be less severe and more easily avoided or mitigated than in a high-risk project;
- There is a medium to low probability of serious adverse effects on human health or the environment (e.g. due to accidents, disposal of toxic waste), and reliable mechanisms are known to prevent or minimize such incidents;
- The effects of the Project on areas of high value or sensitivity will probably be less than those of high-risk projects;
- Mitigation or compensation measures may be easier to design and more reliable than those intended for high-risk projects;
- The Project is being developed in a legal or regulatory environment where there is significant uncertainty or conflict regarding the jurisdiction of competing agencies, where

legislation or regulations do not adequately address the risks and impacts of complex projects, where changes applicable legislation are ongoing, where enforcement actions are weak;

- The past experience of the Borrower/Recipient/Partner and Executing Agencies in developing complex projects is limited, and their past performance on environmental and social issues suggests that some concerns could be addressed by the through implementation support;
- There are concerns about capacity and experience in managing stakeholder participation, but these can be easily addressed through implementation support.

Examples include:

- a. Development of a large-scale agro-industrial facility;
- b. New construction or modernization of medium-sized irrigation schemes (up to 1000 hectares);
- c. Economic or physical displacement (e.g., land, clean water, and water for other uses), or physical resettlement of 20-100 households or businesses, or reduction of 10-15% of a farmer's or community's assets.
- 19. **Moderate Risk**: A subproject should be placed in the Moderate Risk category when the potential adverse risks and impacts on human populations or the environment are unlikely to be significant. This may be because the Project is not large or complex, does not involve activities with a high potential to harm people or the environment, and is located away from environmentally or socially sensitive areas. The potential risks and impacts are:
- · Predictable and probably temporary or reversible;
- Small scale;
- Site specific, with no likelihood of impacts beyond the life cycle of the Project;
- Low probability of severe adverse effects on human health or the environment (not including, for example, the use or disposal of toxic materials, routine safety measures should be sufficient to prevent accidents);
- The risks and impacts of the Project can be easily mitigated in a predictable manner.

Examples include:

- Small-scale construction of buildings and secondary structures;
- Construction, rehabilitation/development of small irrigated areas (less than 300 hectares);
- New construction, rehabilitation or improvement of rural roads.
- 20. **Low Risk**: A subproject should be placed in the low-risk category if it will have negligible or no environmental or social consequences.

Examples include:

- Technical assistance grants for agricultural research and training; Research;
- Outreach;
- Health;
- Nutrition;
- Education;
- · Capacity building and institution building.
- 21. In addition to undertaking the above risk assessment, a complementary analysis of potential climate hazards the project may be exposed should be undertaken. The following

checklist ensures that all hazards with regard to FIRAT, along with applicable adaptation and mitigation measures, have been identified.

Table 4: Climate Risk Screening Ch	Table 4: Climate Risk Screening Checklist				
Climate	Climate Risk Screening Checklist				
Question	Yes, No, TBD or N/A	Data Source			
Step1:Hazard identification Step 1 helps Project Design Team (PDT) to identify the key natural hazards, based on past and current climate observations and trends, as well as future projections, for a given location. These hazards should be considered in project design and implementation to promote disaster and climate resilience. This includes weather-related hazards that are likely to affect agricultural systems (including crops, livestock, fisheries, livestock forests, value chains and agricultural livelihoods). The identification of the hazard risks are based on the Thinkhazard tool, which ranks the likelihood of different natural hazards affecting project areas (very low, low, medium and high), and provides guidance on how to reduce the possible impacts of these hazards. Future projections on climate variability are available on the World Bank Climate Change Knowledge Portal (CCKP). Follow the guiding questions below to establish a baseline of existing and potential weather-related hazards, including projected future change compared to the current baseline. The potential impacts of the project on climate change (in terms of greenhouse gas emissions) are also addressed in this section					
What are the expected hazards in intervention area?	the project	Think Hazard tool			
1.1 River flood	Yes	In the ThinkHazard tool, select "Yes" if the hazard level is Medium or High.			
1.2 Coastal Flood	No	In the ThinkHazard tool, select "Yes" if the hazard level is Medium or High.			
1.3 Urban Flood	Yes	In the ThinkHazard tool, select "Yes" if the hazard level is Medium or High.			
1.4 Landslide	Yes	In the ThinkHazard tool, select "Yes" if the hazard level is Medium or High.			
1.5 Cyclone	No	In the ThinkHazard tool, select "Yes" if the hazard level is Medium or High.			
1.6 Water Scarcity (agricultural droughts and/or dry spells)	Yes	In the ThinkHazard tool, select "Yes" if the hazard level is Medium or High.			
1.7 Extreme Heat	Yes	In the ThinkHazard tool, select "Yes" if the hazard level is Medium or High.			
1.8 Wildfires	Yes	In the ThinkHazard tool, select "Yes" if the hazard level is Medium or High.			

Future climate scenarios foreseen (po 2059) - Change in frequency and intens		WB Climate Change Knowledge Portal
1.9 Change in temperature (increase or decrease)	Yes	In the WB CCKP, follow these steps: - Select the "Climate projections" tab. - Select the "Mean projections" tab. - Select the "Mean temperature" variable. - Select the "2040-2059" time period option. - Select the SSP5-8.5 Scenario. If the average change is higher than 1°C compared to the baseline mean temperature, select "Yes".
1.10 Change in rainfall (increase or decrease)	Yes	In the WB CCKP, follow these steps: - Select the "Climate projections" tab. - Select the "Mean projections" tab. - Select the "Precipitation" variable. - Select the "2040-2059" time period option. - Select the SSP5-8.5 Scenario. If the average change is judged significant in the local context, select "Yes".
1.11 Climate variability	Yes	In the WB CCKP, follow these steps: - Select the "Climate projections" tab Select the "Trends & variability" tab Assess the visuals presented using the different variables in the SSP5-8.5 Scenario. If the climate variability is judged significant select "Yes".
1.12 Intensity and frequency of extreme events	Yes	In the WB CCKP, follow these steps: - Select the "Extremes" tab Assess the visuals presented using the different variables in the SSP5-8.5 Scenario. If the increase in intensity or frequency of extreme events is judged significant select "Yes".
Is the project expected to have an implemissions)?	act on clima	te change (i.e. contribute to greenhouse gas
1.13 Is the project expected to be a significant emitter of greenhouse gases?	No	Select "Yes" if the project plans to invest in land use change leading to decreased forest coverage; increasing livestock (especially cattle), increasing the use of agrochemicals. Select 'no' if none of these apply, or if other investments within the project have been confirmed to offset the emissions from such activities. Select "TBD" if further analysis is required. If "Yes", a GHG assessment is required (e.g. EXACT tool)

Hazard rick - (tot	tal no YES + TBD responses	/ total no VEC I NO I	TRD recogness() $*$ 10
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Hazard Risk Rating = 7,69

Step 2: Exposure Assessment

Step 2 helps the PDT identify the exposure of the project area to the hazards identified for this location in Step 1. This is based on information related to presence of people, agricultural livelihoods, species or ecosystems, environmental functions, services, and resources, infrastructure; or economic, social, or cultural assets in project locations and settings that could be adversely affected by project activities. Follow the guiding questions below to identify the project's exposure to natural hazards.

project's exposure to natural hazards.				
Is the project located in exposed areas to weather-related natural hazards?				
2.1 Low-lying areas (valleys, coastal zones, and small islands)	No	Project design mission assessment		
2.2 Very warm areas (subtropical)	Yes	Project design mission assessment		
2.3 Tropical areas (rainforests)	No	Project design mission assessment		
2.4 Arid and semi-arid areas (deserts)	Yes	Project design mission assessment		
2.5 Mountains zones and permafrost areas (tundra)	No	Project design mission assessment		
2.6 Riverbanks	Yes	Project design mission assessment		
Does the project target agricultural systems, ecosystems or livelihoods exposed to weather related hazards?				
2.7 Is crop production frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases?	Yes	PDT should engage in stakeholder interviews or look at publicly available sources of information such as research by national meteorological authorities, national climate strategies and frameworks (e.g. NDCs, NAPs, National		
2.8 Is livestock productivity frequently affected by rainfall variability, prolonged droughts, changes in temperature or diseases?	Yes	Communications to the UNFCCC), national agriculture and climate change action plans. For agricultural systems that are not targeted by the project, select "N/A".		
2.9 Are fisheries frequently affected by ocean acidification, water salinity and changes in sea surface temperature due to ocean-atmospheric oscillations or climate change?	No			
2.10 Is forest productivity frequently affected by wildfires, diseases, rainfall variability, prolonged droughts, or changes in temperature?	Yes			

2.11 Is the biodiversity in the project area likely to be affected by changes in climate variables?	PDT should engage in stakeholder interviews or look at publicly available sources of information such as research by national meteorological authorities, national climate strategies and
2.12 Is any stage of the agricultural value chain (production, storage, processing and marketing) exposed to climate related hazards?	frameworks (e.g. NDCs, NAPs, National Communications to the UNFCCC), national agriculture and climate change action plans.
2.13 Is any rural infrastructure likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.	

Exposure risk = (total nº YES + TBD responses / total nº YES + NO + TBD responses) * 10

Exposure Risk Rating = 6,15

Step 3: Sensitivity Assessment

Step 3 helps the PDT identify the degree to which a system is susceptible to, and unable to cope with, adverse effects of climate change, including climate variability and extremes. Individuals and communities are differentially vulnerable depending on factors including wealth, education, gender, age, nutrition, disability and health. Follow the guiding questions below to identify the vulnerability of your project area or system to weather-related hazards and exposure. Reflect on the current social, economic and political factors in your project area.

Examples of factors to consider include access to technology, prices (particularly food and energy), financial resources, conflict, political instability, legal enforcement, population growth, urbanization, pollution, land ownership issues, land and soil quality, nutrition, education, and life expectancy.

To guide your data gathering, The INFORM Risk Index supports the development of proactive crisis management frameworks. It supports resource allocation for disaster management and helps users plan coordinated actions focused on anticipating, mitigating, and preparing for humanitarian emergencies. Additional information can be found on the WB CCKP, which provides a TAB on climate vulnerability with key snapshots of vulnerability trends of national populations. Important information can also be found in countries' National Communications to the UNFCCC (chapter on vulnerability of population) and other national climate change and DRR frameworks or scientific papers.

What are key sensitivities for the populations in the project's areas of intervention?		<u>INFORM database</u>
3.1 Is conflict exacerbating the population's sensitivity to weather related hazards?	No	Use the INFORM, Hazard& Exposure tab - Current Highly Violent Conflict Intensity Score (Column - DT).
		For scores of 5 and above, include a "Yes" response. For scores below 5, include a "No" response
3.2 Is population displacement being exacerbated by climate change impacts?	No	Project design mission assessment
3.3 Are diseases (e.g. COVID-19, malaria, cholera) increasing the population's vulnerability and affecting their capacity to address potential weather-related hazards?	No	Use the INFORM, Vulnerability tab - Current Highly Health Conditions Score (Column - AB). Scores above 5 would trigger a "Yes" response.

3.4 Are social inequalities (e.g. based on gender, youth, indigenous persons and other marginalized groups) being exacerbated by climate change?		Use the INFORM, Vulnerability tab – Inequality index (Column - H). Scores above 5 would trigger a "Yes" response - Also assess presence of indigenous group in the country/project intervention area through the International Working Group for Indigenous Affairs website.
3.5 Human Development Index (HDI)	No	Use the INFORM, Vulnerability tab - Human development (Column - C) Scores above 5 would trigger a "Yes" response.
3.6 Multidimensional Poverty Index (MPI)	No	Use the INFORM, Vulnerability tab - Multidimensional Poverty Index (Column - D) Scores above 5 would trigger a "Yes" response.

Sensitivity risk = (total nº YES + TBD responses / total nº YES + NO + TBD responses) * 10

Sensitivity Risk Rating = 0,00

Step 4: Adaptive capacity and climate resilience

Step 4 assesses the degree to which a system or a community is able to adapt to the adverse effects of climate change, including climate variability and extremes. While responses in Steps 1-3 above increased the project's expected overall climate risk rating, Step 4 on adaptive capacity may decrease the expected risk level.

Adaptive capacity is the ability of a community or individual exposed to climate change to adjust, absorb, avoid, and/or diffuse the negative consequences of climate change in their production and livelihood context. Their ability to do so is linked to their context, including their level of general development as well as assets, information (including climate information tailored to agriculture), resources and opportunities, alternatives and the diversity of sources of income available to them, as well as the degree to which these are subject to the impacts of climate change.

What are key adaptive capacities in the areas of project intervention?		<u>INFORM database</u>
4.1 Is the country well ranked in the Disaster risk reduction progress score?	Yes	Use the INFORM, Lack of coping capacity tab – DRR. Scores Below 5 would trigger a YES response.
4.2 Are climate and weather information services (real-time weather data, seasonal forecasts etc.) effectively being delivered (through radio, TV, SMS, extension services etc.) to farmers, rural dwellers, and end users?		Project design mission assessment
4.3 Does the project country have an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs?		Project design mission assessment
4.4 Does the government or other institutions support the target population/communities with the necessary social and economic resources to		Project design mission assessment

prepare for or respond to climate-related events?		
4.5 Is the target community carrying out (using their own means) agricultural adaptation?		Project design mission assessment
4.6 Does the target population have the economic means or support to adjust or adapt their activities in response to weather related shocks?		Project design mission assessment
4.7 Do policies/mechanisms exist that make financial credit, loans, and agricultural insurance available?		Project design mission assessment
4.8 Are rural infrastructures effectively delivering services to farmers and rural dwellers?		Existing Roads, Irrigation schemes and water management structures are effectively working in the project intervention area.
Adaptive capacity = (total nº YES / total nº YES + NO + TBD responses) * 10		

Adaptive Capacity Rating = 6,25

Step 5 - Climate risk classification:

Based on the responses in the screening checklist, the screening tool will identify potential climate related risks and hazards in the project area and obtains a climate risk classification as 'Low', 'Moderate', 'Substantial' or 'High' risk.

Based on the formula below, calculate the climate risk by assigning the number of "Yes" responses of each step to Hazards, Exposure, Sensitivity and Adaptive Capacity and use the guidance below to determine the overall climate risk on the project.

Climate Risk=(((Hazards+Exposure+Sensitivity)-Adaptive Capacity))/3

Climate Risk Rating =		2,53
Risk between 0 and 2	Low Risk	No action required but recommended to monitor risk throughout the project development.
Risk between 2 and 4.5	Moderate Risk	Additional screening, studies and consultations are recommended literature review of climate assessments is required to ensure that the risks identified are fully understood and addressed in the project design. Follow guidance on more detailed risk assessment.
Risk between 4.5 and 7	Substantial Risk	Targeted Adaptation Assessment is required in order to adequately identify measures to reduce risks. Measures to manage or reduce climate risks should be identified and applied.

Risk between 7 and 10		Detailed Vulnerability Impact and Adaptation Assessments are mandatory in order to adequately identify measures to reduce risks. Measures to manage or reduce climate risks should be identified and applied.
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Social risks

- 22. The project design team has conducted a brief Gender and Social Inclusion Assessment which is presented in the SECAP (Annex 5). It analyses gender in terms of poverty, culture context of gender roles, the gendered division of labour, gender legal and national strategies, and gender-related issues raised from community consultations. The assessment has assisted the project design in taking proactive measures to integrate gender-focused development strategies, thus ensuring that any risk posed to the principle of gender equality and women's empowerment and more specifically "Women, Youth and other vulnerable categories and marginalized groups are excluded from project benefits" is minimized.
- 23. FIRAT presents interventions that are of interest for all target groups and respond to the needs expressed by consulted stakeholders during project design. Pro-poor targeting criteria will be applied for beneficiaries' selection, to ensure the most vulnerable households are included and benefit from project services. Proactive efforts will be taken to target those individuals with fewer assets and opportunities, and address gender inequalities in accessing projects' benefits. Strong outreach and communication activities will be conducted by the programme management unit (PMU) staff and elected village leaders (*mukhtars*) and fully integrated as part of the targeting and outreach strategy. In line with existing practices, consultation with village leaders and the community to target the poorest families will be considered including verification as needed (e.g. certificate of social assistance; spot check verification).
- 24. Through participatory discussions women's feedback will be collected to inform training design and mechanisms for service delivery, to improve women outreach. Participatory discussions will be planned considering women's schedule and other responsibilities to ensure maximum participation. Also, women-focused outreach activities will be conducted to ensure broad awareness and dissemination around the opportunities and benefits to women generated from their engagement in project activities. The project will reach out with information and awareness raising campaigns (on services offered by the project) to women through means that are accessible to women.
- 25. The project will adopt a number of measures to support women's active participation more broadly, including service providers with proven experience/capacity working with women; and hold separate sessions with women to ascertain their opinions and needs during consultation. The project will also contribute to reducing gender biases in agriculture by incorporating, in capacity building services, messages that do not confine women to defined gender roles and social expectations, use of Gender Action Learning System (GALS) is also included. To address the gap in terms of women accessing financial products, for the grant programs supported under Component 2 the project will include eligibility/evaluation criteria of grant applications to benefit women participation (positive discrimination through additional points through a point system described in the PIM).
- 26. A process of informed consultation will be used to seek the views of vulnerable or disadvantaged groups. The following may be included:
- Sharing project objectives and activities with vulnerable or disadvantaged communities;
- Assessing and avoiding potential adverse effects;
- Exploring and enhancing potential project benefits;;
- · Obtaining broad community support for the project;

- Monitoring and evaluating vulnerable or disadvantaged groups' participation and consultation during project implementation.
- Stakeholder engagement is one of the most important tools for the implementation of the ESMP. It is also essential to ensure the effectiveness of the mitigation measures developed under the ESMP. The Stakeholder Engagement Plan (SEP) has been prepared in order to meet the Project standards by considering the following basic objectives.
- Identification of stakeholders directly or indirectly affected by the project or interested in the Project:
- Identification and planning of stakeholder engagement activities that will start at the preparation and planning stages of the project and continue during the construction and operation phases:
- Determining the frequency of stakeholder engagement activities, information sharing and degree of participation, content of consultation activities;
- Establishing a Grievance Mechanism that will provide an open communication channel for stakeholders at every stage of the project;
- Addressing concerns and expectations communicated by stakeholders.
- 28. The SEP is presented in Attachment 3 of this Annex.
- Field staff will be responsible for community mobilization and consultation. They will work in synergy at community level, including the involvement of community-based organizations and local/traditional institutions to mobilize and sensitize communities to get buy-in to the Programme and enhance the demand driven nature of the intervention. OGM field staff will also work in coordination with social workers (Ministry of Family and social Affairs). This activity will be undertaken at the village level and will consist of public consultations with the community as a whole and separate interaction with special groups, such as women and youth. Details can be found in the SEP (Attachment 3).
- Risk of gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, income increase or other actions that alter intra-family and community dynamics is low. As explained above, there is no expected major influx of workers. The risk is considered minimal.
- 31. Mitigation Measures: Implementation of a sound gender strategy, which includes the creation of a cadre of gender trainers with responsibility to sensitize and train all key actors and institutions on gender (including messages on GBV) and provide follow up and monitoring. GALS tools will be applied to address underlying normative constraints and challenges to gender equality both at the household and community level, also involving men, local leaders and authorities. The focus will be on stimulating dialogue and consensus building so as to avoid conflicts and potential backlash. Key messages on GBV will be included. Furthermore, an effective GRM system will be put in place, which is accessible to women to ensure that potential cases of GBV as a result of project interventions are rapidly detected and addressed and victims addressed to the national responsible entity as per system in place.
- 32. Grievance Redress Mechanisms (GRM): One of the main requirements of the ESMP is to implement an effective mechanism to ensure community members can provide feedback and report complaints as needed. The basic principles of effective communication methods with the Grievance Mechanism as, detailed in the SEP (Attachment 3), are as follows:
- Sharing the information with stakeholders about GRM;
- Appoint a person within the PMU, handling of internal and external complaints;
- Sharing information on the functioning of the Grievance Mechanism with affected communities as part of stakeholder engagement activities.
- The Presidential Communication Center (CIMER) provides a direct communication system that all stakeholders can use. The PMU will ensure the establishment of a local grievance

mechanism to deal with complaints in a timely and effective manner. Requests, complaints and suggestions of Project beneficiaries will be communicated to CPMU through CIMER (Presidency Communication Center) and direct applications to OBMs. These applications will be communicated in both ways and are evaluated and answered by the CPMU.

34. Recording and follow up of grievances will be the primary responsibilities of the CPMU. They will have personnel assigned for the grievance management process. Contact information will be provided via Project website, through public information meetings, consultation meetings and Project brochures to raise awareness and offer transparency of how stakeholders can voice their grievances (see SEP, Attachment 3).

Monitoring

- 35. The overall objective of environmental and social monitoring is to measure effectiveness of mitigation measures qualitatively and quantitatively, and develop appropriate responses to incompliances with Project standards, and emerging environmental and social issues. Monitoring will be carried out to ensure that all Project activities and mitigation measures comply with the national legislation and the SECAP standards. The main objectives of developing a monitoring program and defining parameters are to:
- · Control that all mitigation measures are in place,
- Measure effectiveness of the mitigation measures,
- · Provide mechanisms for taking timely action when unexpected environmental and social incidents are encountered, and
- Identify training requirements at all levels of the organizational structure.
- 36. **Social Monitoring** will be the responsibility of the gender and social inclusion experts and M&E person, who will take part in monitoring the compliance and performance of the project activities with the ESMP requirements. The incumbent will be responsible for conducting relevant assessments, developing corrective actions and presenting them to the Implementing entity and IFAD.
- 37. The project's M&E will well capture disaggregated data on gender, youth and household poverty. The CPMU will lead in the monitoring and evaluation process of the project together with implementing partners and stakeholders. The M&E system will give strong emphasis to monitoring of targeting performance. Implementing partners will be required to provide disaggregated data on women and youth participation, in relation to overall programme targets. The M&E system will collect and analyse information about programme outreach, effectiveness of the targeting strategy and specific benefits for women and youth. This requires strong coordination and collaboration between the M&E responsible person and the Gender and Social Inclusion Officer. For all activities affected communities will be consulted within a structured and culturally appropriate manner according to the SEP.

Roles and responsibilities

38. **Community consultation**: Field Staff from OGM/ORKOY and RDA as well as service provider will be responsible to inform on key criteria related to poverty and vulnerability set for pro-poor participation and prioritization for e.g. accessing grant financing for livelihood development as well as house improvements. (ii) raise awareness; (iii) mobilization and proper explanation of the project activities including the targeting and gender/social inclusion principles, the overall responsibility will stay with the gender and social inclusion (GESI) experts of RPMU (see ToRs in the PIM). The SI expert will also be responsible to form and train field staff (on a Training of Trainers – ToT basis) on how best to conduct the above-mentioned exercises using the most appropriate methodologies.

Capacity Building

39. The environmental and social training program will be finalized before the commencement of the project. The training will be provided to the project staff, construction contractors, and other staff engaged in the Project. Training will cover all staff levels, ranging

from the management and supervisory to the skilled and unskilled categories. The scope of the training will cover general environmental and social awareness and the requirements of the ESMP, with special emphasis on sensitizing the project staff to the environmental, social and genders aspects of the region.

40. Specifically for social inclusion and gender awareness, the project will invest in capacity building activities for project staff (PMU and implementation partners) to ensure that participatory and gender responsive methodologies are applied throughout the project lifetime. Measures include training in GALS; participatory and gender-sensitive techniques (e.g. Focus Group Discussions) during consultation; gender awareness messages at community level. The Gender and social inclusion experts at RPCU will be responsible to provide training (e.g. ToT) as required.

Costs and budgetary considerations

- 41. To ensure that mitigation and monitoring measures are adequately funded, the ESCMP contains preliminary cost estimates. During implementation, the ESCMP will be revised once construction and operation activities are well defined. Information should also be provided on responsibilities for reporting, work plan, procurement plan, cost estimation and corrective action mechanisms.
- 42. Cost estimate for mitigation measures related to Environmental, Social and Climate Risks (e.g. beneficiaries, women and vulnerable groups are at risk of exclusion; GBV and gender-related concerns) is approximately 1.7 Million. The individual budget line and activities are provided in the below breakdown:

Table 5: Cost estimate for mitigation measures related to Environmental, Social and Climate Risks

Activity	Budget
Hydrological studies and ad hoc studies identified during MCP	USD 278,000
Climate risk analysis and vulnerability assessments	USD 50,000
Capacity building in SLM and NbS	USD 24,000
GALS training	USD 236,000
Community consultation for MCPs (10% total budget)	USD 532,000
Sustainable land management expert	USD 125,000
Gender experts at RPCU (full time)	USD 315,000
Stakeholder engagement and communication expert	USD 158,000
Total	USD 1,718,000

43. The ESCMP Matrix is presented below.

ESCMP Matrix

Environmental, social and climate Impacts		Risk rating	Recommended Mitigation/Enhancement measures	Public Consultati on Activities	Responsi ble Instituti on	Means of Verification			Cost Estimate &
						Indicators	Frequency	Source of data	
1) Environmental									
Procurement of natural resources	Plantation	Moderat e	Project will need a significant number of seedlings. OGM will enhance their production capacity to fulfill needs. Moreover, the private sector will be invited or supported to produce multiple purpose seedlings.	Community consultation to select plant species	OGM	Number of seedlings produced under the project support. Number of private nurseries supported.	Annual	Procurem ent plan	USD 504,000 (h. Investments in improvement of nurseries, Component 1)
Mono cropping	Plantation and Agriculture	Moderat e	support nurseries to produce varieties of species, both quantity and quality, Encourage private sector to do nursery business, especially youth		PMU	I) Number of nurseries supported, II) Number of seedling planted	Annual	Project activities	Same as above

Impact on soil and water from agrochemicals	Agriculture, Horticulture	Moderat e	 Promote the responsible use of fertilizers, pesticides, and herbicides. Promote Organic farming. Integrated Pest Management. 	GAP tracings and youth enterprises and orientation	PMU	% of farmers reducing chemical inputs	Annual	MIS	USD 503,000(Onfarm sustainable soil and water management practices and IPM, Component 2)
				Establishme nt of a feedback and observation s mechanism from local communitie s, farmers (for changes in soil and water quality).					
Inefficient water use	Agriculture, Horticulture' plantation	Moderat e	Awareness and Climate Smart Agriculture (CSA) training. Alternate crops, recycle water. Investment in water management including rainwater harvesting. Water management support	Consultation with communities and stakeholders during micro catchment plan preparation	PMU	i) number of farmers supported with water management	Annual	MIS and youth support	USD 182,000(2. Training in water use efficiency, Component 2)

limited capacity for beneficiaries to provide feedback and grievances	All interventions	Low	Implement a well established GRM and update it as per projects need. Provide information to all interested parties about GRM and feedback mechanism Presence of stakeholder engagement and communication expert at PCU	Focus groups	CPMU	I) number of complaints received and solved	Annual	GRM handling process documen ts	no additional costs
Women, Youth and other vulnerable categories and marginalized groups are excluded from project benefits	All interventions	Low	Proactive targeting mechanisms, meaningful stakeholder engagement, participatory planning and implementation Application of GALS methodology Presence of gender experts at RPCUs	Public Consultatio n Activities	OGM, ORKOY, R/CMPU and RPMU gender experts RPMUs	Ensure log frame data is disaggregate d by sex, age and vulnerable groups where relevant.	Baseline/ mid term/com pletion and annual.	Meeting records, program database	1.2 K (costs included in C1 and C2)
Occupational, Health and Safety (OSH) risks	TBD	Moderat e	Disseminate clear employment and contracting requirements. Workers OHS Training Plans Worker contracts inclusive of adequate labor conditions Labor Management Plans Implement the GRM and act on grievances received.	Public Consultation Activities	CPMU, contractors Gender exp RPMUs	received and	Annual	GRM handling process documen ts	No additional costs (included in the above)

Climate Change									
Landslides and flood	All	Moderat e	Grass plantation Plantation following natural succession Weather forecasts and use Avoid infrastructure in Sloopy land Avoid agriculture in steep land	Capacity building and trainings	PMU	i) number of soil erosion and landslides activities	Annual	MIS	USD 125,000 (Sustainable land management expert, Component 3)
Hailstorm	All	Moderat e	Encourage government department to support nets Select resilient crop and plan species		PMU	i) farms using nets	Annual	MIS	No additional costs (included in the above)

Drought	Land rehabilitation , Agriculture, Horticulture, livestock	Moderat e	1. Species diversification, drought tolerant species.2. Alternate crops, recycle water3. Household water harvesting.4. Micro irrigation.5. Weather forecasts.6. Multi and inter cropping		PMU	i) number of PO and farmers received CSA and GAP training, ii) Number of farmers received water management support, iii) ha under improved water supply	Annual	MIS	No additional costs (included in the above)
Pest and disease	Agriculture, Horticulture	Moderat e	1. Implement vector control measures to reduce the spread of pests and diseases. 2. Improve security measures (quarantine, isolation facilities, restricted animal movements etc) to prevent disease outbreaks in livestock. 3. Implement vaccination programs and regular health monitoring of livestock to reduce disease risks. 4. Promote GAP and IPM	Awareness and consultation	PMU	i) number of farmers applying IPM	Annual	MIS	No additional costs (included in the above)

i) decrease of milk production, ii) increase livestock mortality, iii) increase water scarcity to crops, iv) increase plantation mortality	Agriculture,	Low	1. Collaborate with livestock department for improved shed. 2. Facilitate to improve the nutritional requirements of livestock to account for increased heat stress and provide balanced diets. 3. Select and breed heat-tolerant livestock breeds adapted to local conditions. 4. Trained primary veterinary health care and emergency rescue operation person/SHG, Mobile Veterinary Clinics. 5. Select heat tolerant species 6. Improved rangeland management	and consultation	PMU	i) number of farmers supported with improved breed	Annual	MIS	USD 194,000 (Development of technical guidelines for SRM and ecosystem restoration; Implementation of communication and outreach plan on SLM; SSTC international workshops and cross-visits)
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Attachment 2: Archeological Chance Finds Procedure

INTRODUCTION

In the context of FIRAT implementation, the Chance Finds Procedure (CFP) is employed to manage unexpected discoveries of cultural heritage materials or objects of potential cultural significance during site work, particularly associated with archaeological and historic sites. These artifacts can include stone, bone, pottery, metalwork, iron slag, enclosures, graveyards, and individual burials. The objectives of these procedures are to identify, preserve, and record any archaeological material discovered, while also notifying relevant district-level authorities and the Ministry of Culture and Tourism of Turkiye to address any archaeological issues that may arise. All movable and immovable cultural and natural assets that are found are state property. The document delineates the steps to be taken when such discoveries occur, ensuring a structured and responsible approach to managing cultural heritage findings in compliance with legal requirements and best practices.

ARCHAEOLOGICAL CHANCE FINDS PROCEDURE

During the project induction meeting/training, all contractors/construction teams will be made aware of the need to be on the lookout for objects of archaeological interest as they carry out their earthmoving and excavation activities. Generally, the following chance find procedure is to be executed if archaeological material is discovered:

1. Immediate Action:

- All construction activity within a defined radius of the find/feature/site will cease immediately.
- If needed, erect barriers or delineate the discovered site or area around the site to prevent unauthorized access.
- Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be present until the responsible local authorities and Ministry take over.

2. <u>Site Supervisor Notification:</u>

• Inform the project responsible for the discovery without delay, providing as much detail as possible regarding the location and nature of the find.

3. Heritage Expert Consultation:

• Notify FIRAT's SECAP specialist and arrange for an on-site evaluation to assess the significance and nature of the find.

4. Local Authority Notification:

• Concurrently, local and national cultural heritage authorities should be notified as per the legal requirements, ensuring that all necessary permits and approvals are obtained for handling the find.

5. <u>Documentation:</u>

• The find should be documented meticulously using photographs, videos, and written descriptions. The exact location of the find should also be recorded using GPS

coordinates. This documentation will serve as a permanent record and will assist in any further analysis or study.

6. Evaluation and Mitigation:

• The specific expert, in coordination with local authorities, should evaluate the significance and relevance of the find. Based on this evaluation, a mitigation plan should be developed. This plan may include salvage excavation, preservation in situ (on-site preservation), or relocation of the find to a secure location.

7. Monitoring:

- The implementation of the mitigation plan should be monitored closely to ensure that all heritage preservation requirements are met and that the find is handled appropriately.
- An on-site office and finds storage area will be provided, allowing storage of any artefacts or other archaeological material recovered during the monitoring process.

8. Training:

• In light of the discovery, additional training sessions should be conducted for project personnel to raise awareness about the importance of the Chance Finds Procedure and to clarify the roles and responsibilities of different stakeholders in its implementation.

9. Resumption of Work:

 Work should only resume after clearance is obtained from both the cultural heritage authorities and the project's SECAP expert. This ensures that all necessary steps have been taken to protect the find.

10.Reporting:

• A comprehensive report detailing the discovery, the evaluation process, the mitigation measures taken, and the lessons learned should be prepared for future reference. This report can also serve as a learning tool for improving the Chance Finds Procedure in future projects.

11. Public Dissemination:

 As appropriate, and in coordination with local authorities and communities, findings and knowledge generated through the Chance Finds Procedure should be shared with local communities and stakeholders. This step can help foster a sense of ownership and appreciation for cultural heritage within the community and among project stakeholders.

Attachment 3: STAKEHOLDER ENGAGEMENT PLAN

1 Introduction

- 1. The Stakeholder Engagement Plan (SEP) sets out the principles, guidelines, and procedures to formulate stakeholder engagement strategy of the Euphrates River Watershed Rehabilitation Project (FIRAT). The SEP ensures that a sound engagement approach is set to increase active participation and involvement of all projects. The project's implementing agency (Ministry of Agriculture and Forestry General Directorate of Forestry, OGM) and relevant partners engaged in implementation (State Hydraulic Works [DSI], Special Provincial Administrations [SPA], Provincial Directorates of Agriculture and Forestry [PDAs], Regional Development Administrations and Development Agencies [RDAs/DAs], General Directorate of Combating Desertification and Erosion [ÇEM], governorates, mukhtars [village heads] etc.) are responsible for effectively engaging stakeholders through a range of activities and tools during the entire life of FIRAT.
- 2. A design mission took place in February 2024, to engage and consult stakeholders in preparing the FIRAT project. The design mission consultations provided an opportunity to present a more detailed design and implementation arrangements, as well as to collect stakeholders' views and perceptions about the proposed project. The project will continue to engage stakeholders in an in-depth manner throughout its implementation. The project duration is 7 years and through a phasing approach.

2. Objective of the SEP

- 3. The stakeholder engagement is a key strategic objective for the Project. This objective is achieved by using accountable and transparent processes for the engagement of stakeholders. The SEP sets out the principles guiding the engagement approaches and recognizes different levels of engagement required for different purposes of FIRAT across different actors.
- 4. The key objectives of the SEP are to:
- a) establish a systematic approach for stakeholder engagement that will help implementing agencies identify stakeholders, and to build and maintain a constructive relationship with all identified stakeholders;
- b) assess the level of stakeholder interest, influence and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance;
- c) promote and provide means for effective and inclusive engagement with Projects' participants throughout the Project life cycle on issues that could potentially create an impact/risk;
- d) ensure that technically and culturally appropriate project information on environmental and social risks and impacts are disclosed in a timely, understandable, accessible format;
- e) provide Project beneficiaries and targeted communities in general, with accessible and inclusive means to raise their concerns/suggestions/grievances and allow implementing agencies to respond to and manage such concerns/suggestions//grievances; and
- f) identify disadvantaged and vulnerable individuals/groups and establish tailored communication, outreach and engagement activities to include them.
- 5. A well-established stakeholder engagement process improves decision making as well as increasing project performance by managing costs and risks, avoiding conflict, providing continuous feedback to management on project implementation and impacts, and managing stakeholder expectations. This SEP provides tools for a transparent,

sensitive, inclusive and non-discriminatory stakeholder engagement process, helping to ensure a liveable development for all the parties who are part of the projects and develop a sense of belonging necessary for sustainability.

3. Regulations and requirements

3.1 National Legislation for Stakeholder Engagement

3.1.1. Constitution of Republic of Türkiye

In the regulations of the Republic of Türkiye stakeholder engagement is secured and guaranteed under the Constitution. The Constitution contains provisions ensuring that people can express their opinions freely. According to "Freedom of thought and opinion (Article 25 of the Turkish Constitution)", everyone has the freedom of thought and opinion. No one shall be compelled to reveal his/her thoughts and opinions for any reason or purpose; nor shall anyone be blamed or accused because of his/her thoughts and opinions. "Freedom of expression and dissemination of thought (Article 26 of the Turkish Constitution)" emphasizes that; everyone has the right to express and disseminate his/her thoughts and opinions by speech, in writing or in pictures or through other media, individually or collectively. This freedom includes the liberty of receiving or imparting information or ideas without interference by official authorities. Everyone also has "Right to petition (Article 74 of the Turkish Constitution)". According to this, citizens and foreigners resident in Türkiye, on the condition of observing the principle of reciprocity, have the right to apply in writing to the competent authorities and to the Grand National Assembly of Türkiye with regard to the requests and complaints concerning themselves or the public.

3.1.2. Law on the Right to Information (No. 4982)

7. The object of this law is to regulate the procedure and the basis of the right to information according to the principles of equality, impartiality and openness that are the necessities of a democratic and transparent government. According to the obligation to provide information (Article 5), the institutions and agencies are required to take necessary administrative and technical measures to provide every kind of information and document, with the exceptions set out in this law, to provide the information for applicants; and to review and decide on the applications for access to information promptly, effectively and correctly.

3.1.3. Law on Use of the Right to Petition (No. 4982)

8. Citizens of the Turkish Republic are entitled to apply to the Turkish Grand National Assembly and the public authorities by written petition, in respect to their requests and complaints, in accordance with the Article 3 of the Law on Use of the Right to Petition. On the condition of reciprocity and using Turkish language in their petitions, foreigners residing in Türkiye are entitled to enjoy this right.

3.1.4. Regulation on Environmental Impact Assessment

9. Regulation on Environmental Impact Assessment requires to conduct a public participation meeting. According to this Regulation, the primary objective of the public participation meeting is to inform and consult the public on the project. The regulation requires the meeting to be conducted close to the project site, accessible for the interested people; and the date and venue of the meeting need to be approved previously by the Governor and announced on a local and a national newspaper, at least 10 days prior to the meeting. Similar announcements will also be posted to the neighbouring quarters and counties, by the staff of the Governor.

4 Project stakeholders

10. Stakeholder identification/mapping is the first step of Stakeholder Engagement Plan. The objective of stakeholder mapping is to identify each stakeholder group, and the

nature of their interest and influence on the project. Stakeholder mapping is done as early as possible in the project cycle, and does not only list stakeholders, but also assess how they will be impacted by the project (direct or indirect impact) and assess their level of interest and potential influence on the project. The dynamics among the stakeholders, risks and opportunities of inclusion to the project are taken into consideration in the stakeholder mapping process.

11. The stakeholder analysis describes the roles of the internal stakeholders in the Project, institutional stakeholder participation, and their involvement. In the analysis of external stakeholders, the role of stakeholders, method, frequency, and subject of the relationships to be established with stakeholders during the Project.

4.1 Stakeholder identification

- 12. Understanding the stakeholders' needs and expectations for engagement, as well as their priorities and objectives in relation to the project, is crucial to developing an effective Strategic Engagement Plan. A stakeholder-specific engagement plan is then developed based on this information. During this process, it is important to identify individuals and groups that may be marginalized or vulnerable and may be less inclined to participate or will be negatively affected by the project.
- 13. By identifying those people and institutions that have a vested interest in this project's success, including special interest groups, stakeholders will be identified on a continuous basis in this project. These include:
- Development Partners (DPs)
- · Implementing agencies (executing agencies, partners)
- Interested parties (Service Providers, POs/FOs, Partner FIs, Private sector, NGOs)
- 14. The main target group will be small-scale producers living in upland forest villages and engaged in a mixed farming system as their main livelihood. They have few production assets and the majority of them have experienced loss or damage to these assets due to the earthquake. They are lacking access to improved climate resilient technologies and practices as well as technical assistance, advisory services and access to remunerative markets. Specific focus will be on vulnerable groups, specifically: (i) poor rural households practicing subsistence farming with selling of surplus and whose livelihood is negatively affected by environmental degradation, climatic shocks and disasters; (ii) women with a focus on women-headed households; and (iii) unemployed and underemployed rural youth.
- 15. These are persons and social categories who may be disproportionately impacted or further disadvantaged by the project as compared with any other groups due to their vulnerable status, and that may require special engagement efforts to ensure their equal representation in the consultation and participation in the program. The below list is not exhaustive. In the early phases of the project, FIRAT CPMUs will identify emerging stakeholders, their information needs, and processes and mechanisms for interacting with them. A thorough consultation process will ensure all stakeholders are consulted. Below is a preliminary list based on findings from the design mission:

Table 1: Preliminary stakeholder identification

Level	Stakeholder	Specific information	Role in the project
Global			
	IFAD	Country Office	Financing Agency
	GEF	Global	Co-Financing partner
	World Bank	Country Office	Information, Collaboration, technical expertise
	AFD	Country Office	Information, Collaboration, technical expertise

FAO	Country Office	Information, Collaboration, technical expertise
UNRC	UNRCO	Information, Collaboration, technical expertise
Government / public administration at	Central, Regional and p	rovincial levels
Ministry of Agriculture and Forestry (MoAF)-Directorate General for Forestry (OGM)	General Directorate affiliated with the line ministry	Lead Implementing Agency
Ministry of Treasury and Finance (MoTF)	Ministry	Borrower
Presidency of Strategy and Budget (PSB)	Public administration	Project Approval, Budget Allocation
State Hydraulic Works (DSI)	General Directorate affiliated with MoAF	Information, Collaboration, technical expertise
Ministry of Family and Social Services (provincial level)	Ministry	Collaboration within the gender awareness and social protection/poverty targeting activities
Ministry of Environment, Urbanization and Climate Change-ÇEM	Ministry	Collaboration on biophysical monitoring
Regional Development Administrations and Development Agencies (GAP, DAP RDAs and FIRAT, Ipekyolu, Karacadag DAs)	Regional entity	Information, Collaboration, technical expertise
Regional Directorates of DSI	Regional entity	Information, Collaboration, technical expertise
Special Provincial Administrations	Regional entity	Information, Collaboration, technical expertise
Regional Directorates of Forestry	Regional entity	Information, Collaboration, technical expertise
OGM's Departments, including Forestry and Village Relations Department (ORKOY), Afforestation Department	Regional entity	Information, Collaboration, technical expertise, especially in supporting C2 (grants)
Regional Departments of Agriculture and Rural Development Support Institution (TKDK)	Regional entity	Information, Collaboration, technical expertise
Governorates	Provincial entity	Coordination and collaboration
Provincial Directorates of Labour and Social Security	,	Collaboration within the gender awareness and social protection/poverty targeting activities especially during mobilisation of communities
Provincial Directorates of Agriculture and Forestry	Provincial entity	Information, collaboration, technical expertise
Municipalities of Provinces, Districts and mukhtars of targeted Villages	Local administration	Information and collaboration, technical expertise
Other public institutions (central and r		Partners
Ankara University	National University	Information, collaboration, technical expertise
Bingöl University	National University	Information, collaboration, technical expertise
İnönü Univ.	National University	Information, collaboration, technical expertise
Adıyaman Univ.	National University	Information, collaboration, technical expertise
Turgut Özal Univ.	National University	Information, collaboration, technical expertise
Harran Univ.	National University	Information, collaboration, technical expertise

Die	cle Univ.	National University	Information, collaboration, technical expertise	
	stitution of Job and Employee ovision (Işkur)	National institution under the Ministry of Labour and Social Security	Consultation and collaboration for youth related activities and vocational trainings	
an De	ovincial Departments of Small d Medium Enterprises evelopment Organization OSGEB)	Provincial entity	Information and collaboration, technical expertise	
Pri	ivate Sector	Sütaş Dairy Factory, Union of Chambers and Commodity Exchanges of Türkiye (TOBB)	Potential partnership/interest of collaboration	
	GOs	Village associations Local NGOs	Consultation during project implementation, Service provision	
Financial in				
	raat Bank	Financial institution	Collaboration, service provision	
	ect Beneficiaries			
Fo	rest Village communities	Forest Village residents Populations	Primary project beneficiaries	
or (PC Co	rest Cooperatives/ Producers Farmers Organizations Os/FOs)/ Agriculture opperatives and Unions/ oducers Associations	Private individuals, groups of individuals	primary project beneficiaries	
Po Ho	or and transitory Poor ouseholds	Private individuals, groups of individuals	primary project beneficiaries	
	omen and Youth, including cople with disabilities	Private individuals, groups of individuals	primary project beneficiaries	
ow	O/FO affiliated, or villager vned MSMEs	Private individuals, groups of individuals	primary project beneficiaries	
	oject beneficiaries			
Ag	ribusiness and processors	Private individuals groups of individuals, or companies	indirect beneficiaries; inputs suppliers, storage, packaging, processing units, renewable energy installations etc.	

4.2. Stakeholder analysis

16. Under this title, the **level of interest** in and **potential influence** over the project of the various stakeholder categories identified above are provided. Categories color-coded in yellow will require intensive and close communication in the implementation of FIRAT. Categories color-coded in green will require medium intensity and low distance communication.

Table 2: Stakeholder analysis overview

Levels	High ability or likelihood to influence or impact the project	Moderate ability or likelihood to influence or impact the project	Low ability or likelihood to influence or impact the project
High level of interest in the project	Communities living in the targeted MCs areas and forest villages; Village associations/committees Organizations of producers, farmers Forest Cooperatives All stakeholders directly involved through public administrations at National, Provincial and District Level (excl. Işkur and KOSGEB) Regional Development Administrations and Development Agencies (GAP, DAP RDAs and Regional DAs) Special Provincial Administrations (SPAs) Regional Directorates of DSI, Forestry, Related departments of OGM, ÇEM	Men and women living in the MC areas and targeted villages. Mukhtars Academic Institutions/Universities Local NGOs Private sector Financial institutions International FIs and agencies	Vulnerable and at risk of exclusion groups
Low level of interest in the project	Indirectly involved public administrations at National, Provincial and District Level and District Municipalities Işkur KOSGEB	Neighbouring communities not included in the project activities and outside the project target areas	

- 17. **Stakeholders with high interest and high influence:** the plan should be to fully engage this group. A database focusing on project achievements will need to be created for this group of stakeholders to assess progress throughout the project cycle as part of the communication strategy. It is therefore essential to involve them in project governance decision-making bodies, consult them regularly, and provide them with timely feedback. In the project work plan, the engagement plan targeting these stakeholders shall be included.
- 18. **Stakeholders with high interest and low influence**: Keeping high-interest stakeholders and low-influence stakeholders informed is essential to ensuring there are no major issues caused by the project. Through involvement in the implementation arrangements, tapping into their interest, and keeping them informed, the project will maintain this group's interest in the project. The objective of the engagement and consultation plan under FIRAT is to:
- Ensure that stakeholders understand how the project is likely to affect them;
- Encourage stakeholder feedback, particularly as a way of informing project design in the identification and mitigation of environmental and social risks and impacts;

- Support active and inclusive engagement with project-affected parties, that enable meaningful consultations in a culturally appropriate format, in the local language and that is understandable to stakeholders,
- Ensure that consultation(s) is/ are free of discrimination, and intimidation; and
- Ensure consultation (s) is/are documented and disclosed by the project.

5. Stakeholder engagement strategy and considerations

5.1 Principles of Participation

- 19. The principle of participation is an important criterion for the establishment of a democratic management approach for all developed and developing countries. In accordance with the principle of participation, citizens must be informed and participate in decision-making processes in the preparation stages of the policies produced, the services provided, and the investments planned for the provision of these services.
- 20. On the side of the governing institutions, need to put mechanisms and methods in place that will enable various segments of the society to participate in the decisions that concern them and rearrange their functioning processes accordingly. The basic principles of all practices that adopt a participatory approach should be considered:

Participation Principles

- Transparency
- Consistency
- Accountability
- Effectiveness
- Right to Information
- 21. Stakeholder Engagement should include:
- a. **Transparent participation:** It has a vital importance that all the information about the project is shared with the stakeholders in an open manner. In order to achieve this the preparation and dissemination of relevant information and organisation of meetings are also vital. The positive and negative impacts of the project need to be communicated openly with the stakeholders. Information disseminated should be in plain language, accurate and accessible.
- b. **Sensitive participation:** The stakeholder participation process should take into account the different and specific needs of various groups and communities. The possible communication barriers with these different groups and communities need to be eliminated. The training of the project field staff working with communities to achieve this end is important. The different needs of the stakeholders should be handled sensitively. These sensitivities may be based on cultural appropriateness, gender, language, remoteness among other factors.
- c. **Inclusive/ non-discriminatory participation:** There should be no hierarchical structure in the stakeholder engagement; all the different community members, groups and communities should participate in the stakeholder engagement on equal basis. Different engagement mediums need to be used in order to eliminate possible barriers in participation due to a specific nature of different communities. As well as engagement process being transparent, sensitive, inclusive and non-discriminatory, the participation method needs to be acceptable by the stakeholders. Therefore, there is a need to use multiple participation channels that are not complex but simple and understood by everyone. The attention needs to be paid to the below:
- a. Use of multiple participation channels;

- b. Use of participation mediums which are not complicated; and
- c. Use of widespread participation instruments;
- d. Use of multi-participation channels.
- 25. The main element of this process is to elimination of barriers in access and use of alternative engagement channels. The list of participation channels which are widely used is provided below and may not be exhaustive:
- · Participatory community meetings;
- · Information leaflets;
- Surveys, focus group discussions and in-depth interviews with stakeholders;
- · Disclosure of documents and an integration of feedback provided by the stakeholders;
- · Integration of village Mukhtars and local leaders in the engagement process;
- · Integration of marginalized groups (e.g. women and youth) in the engagement process;
- The establishment and implementation of grievance mechanism;
- Website;
- Media announcements;
- Display of posters in public places;
- · Disclosure of telephone numbers and e-mail addresses for frequently asked questions and feedback;
- Regular village visits;
- WhatsApp groups;
- 26. One of the main aims of the use of the multiple participation channels is to create access for the people with different interests and needs. For example, one community lacking access to media would get information about the stakeholder engagement mechanisms through village visits.
- 27. **User-friendly engagement tools:** In order to meet the transparency, sensitivity and inclusivity principles it is important that the engagement tools are accessible, understandable and not complicated. Otherwise, disadvantaged groups, like people lacking formal education experiences or members of marginalized groups would not be able to participate.
- 28. **Extent of engagement tools :** As well as accessible, diversified and understandable engagement tool also need to be well disseminated. Lack of wider dissemination would let some groups, communities or individuals who are affected by the project out of the process of engagement. Because of these visual and written announcements need to be complemented by face-to-face verbal communication.
- 29. **Gender sensitive language:** Negative attitudes and statements against women reflect itself not only through physical behaviours but also through our "language". Therefore, the main focus is to ensure gender sensitive language and target group for gender sensitive communication is women and men community members and stakeholders.
- 30. **Visibility of women**: Visual documentation and statements will put forward women and reflect women as strong, successful figures rather than vulnerable and weak persons.

- 31. **Use of sex-disaggregated data**: Sex-disaggregated data should be used in communication materials. Data will be collected through ESIAs and baseline surveys during the implementation phase.
- 32. **Sample success stories**: Success stories are one of the effective tools to increase gender awareness among communities. Women success stories will be used during the implementation phase.
- 33. **Grievance mechanism**: Women and men can express their opinions, grievances and recommendations on gender-based violence through grievance tools. The mechanism will provide a high level of accessibility, confidentiality and responsiveness, as well as assigning and training certain staff to handle such sensitive and serious grievances

6. Stakeholder engagement process

6.1 Design stage

- 34. During FIRAT design Mission (12-28 February 2024), stakeholders consultation meetings were undertaken (see mission agenda in appendix 1) including meetings with Ministries, Agencies, Governorates, Regional and Provincial Directorates, Special Provincial Administrations as well as with farmers representatives of associations and cooperatives, meetings with producers groups and focus discussion groups with women and youth. These meetings also helped to identify the key stakeholders in the country for engagement during implementation of the project.
- 35. Meetings with community members, potential beneficiaries and separate FGDs with women were organized in selected villages.
- Malatya Doğanşehir-Polat neighbourhood, 16 February. Out of 39 potential beneficiaries, 14 were women;
- Elazığ Province, Baskil District / Şahaplı village, 17 Feb 2024. out of 31 potential beneficiaries, 4 were women;
- Diyarbakır Province, Çüngüş District/ Aktaş, 20 February 2024. Out of 40 potential beneficiaries, 14 were women;
- Adıyaman Province, Gölbaşı District / Ozan Village 21 February 2024. Out of 83 potential beneficiaries, 6 were women (the picture shows a higher presence of women).
- 36. Out of 193 beneficiaries consulted, the attendance lists reported only names of 38 women (20% of the total) however the mission noticed that many women did not sign, and the number of women appears lower as compared to the consultation process. Based on anecdotal observations and in line with specific cultural context, the presence of women was ranging between 30 to 50%.
- 37. In addition, focus group discussions have been conducted at field level with representatives of municipalities, mukhtars (village heads), forest villagers, representatives from Cooperatives and Associations. Among them are women and youth who were consulted in larger focus groups as well as separately. Types of consultations conducted can be separated in:
- a. <u>Consultations of Government representatives</u>, to verify alignment to national and local priorities and assess environmental and social risks and compliance with national standards of proposed project activities;
- b. <u>Consultation of relevant technical experts and specific stakeholders</u> (UN agencies or bilateral donors) to verify the relevance, technical feasibility, environmental and social risks and compliance with national standards of proposed project activities;

- c. <u>Consultation with local stakeholders</u>, including village representatives (mukhtars) community members, women and youth to identify their specific needs and concerns, to ensure a full assessment of the potential environmental and social risks and impacts.
- d. The consultations aimed at the following:
- e. <u>Verifying alignment with national and regional priorities</u>: throughout the project preparation phase, and notably thanks to the active support of OGM who ensured the liaison with relevant stakeholders, IFAD worked with national focal points, directorates mandated to work on aspect touched by the project (i.e. agriculture, water, irrigation, forest, environment, social inclusion, gender etc.) and representatives and leaders (e.g. Mukhtars) as well as women and youth of forest villages.
- f. <u>Avoiding duplication with other projects and initiatives</u>: mapping for other relevant ongoing or past initiatives was conducted when meeting stakeholders, to ensure complementarity, synergies and relevance of project interventions.
- g. <u>Identifying specific needs and possible concerns of vulnerable groups</u>. In line with IFAD gender and targeting policies, consultations with local stakeholders, targeted communities and specific groups representatives (especially women, youth, and most vulnerable producers) took place to identify specific needs and possible concerns regarding the proposed project activities.
- h. <u>Identifying potential environmental and social risks and impacts</u>: consultations took place to identify potential risks and impacts of proposed project activities.
- 38. **Consultation techniques (including gender-balanced consultative process)**. Specific consultation techniques with local stakeholders included: (i) use of semi-structured interviews to ensure coverage of key themes (listed above); (ii) organization of focus groups, and subsequent division into sub-groups to ensure separate consultation with more vulnerable/marginalized individuals (women, youth) and give them the time and space to express their specific needs.
- 39. **Male** and female potential beneficiaries and stakeholders were consulted both separately and in mixed groups. Moreover, institutions dealing with gender and youth issues were consulted. These included, for example, the Ministry of Family and Social service (Şanlıurfa). Finally, the appropriateness of time and location of consultation meetings, especially for women, was systematically taken into account.

Table 3: Consultation techniques at design stage

Stakeholder	Consultation techniques				
Government and Municipality representatives, technical experts and development partners	 Semi-structured interviews (virtual and in- presence); correspondence; one-on-one meetings; formal meetings; 				
Local stakeholders (smallholder producers.)	Focus group discussionsPublic/community meetingsUse of local interpreter				
Women and youth	 Focus group discussions: o mixed, as well as women/youth-only o use of local interpreter Semi-structured interviews with women producers 				

Public meetings /Village meetings

- 40. **Concerns raised and consultation findings**. The main issues emerging from these consultations related to problems related to the earthquakes and recovery support; limited access to water, remoteness, limited economic opportunities, environmental degradation, erosion, limited access to finance. Women mentioned that given that they are often not registered in the register of agricultural holdings or hold land titles in their names, they are not able to request state support and EQ recovery schemes.
- 41. Women also expressed high interest in equipment or technologies that would reduce their workload. It was also mentioned that young people do not have a lot of attractive opportunities in rural areas, and they often migrate to cities or abroad. There were however also cases of young people moving back to the rural areas after the Earthquakes. The main concerns by type of local stakeholder and project responses are presented in the table below.

Table 4: Main concerns by type of local stakeholder

Typology	Poverty level and causes	Coping strategies	Priority needs
Poor smallholder farmers, landless or near landless, relying on subsistence agriculture and social assistance programmes. Highly vulnerable to economic, environmental and climate shocks.		Unable to cope with disaster such as earthquakes Limited access to national recovery schemes Relying on Social assistance programmes and family support Engaged in low paid labour to make an income and fulfil basic needs Use savings to address basic needs in situation of emergency	Livelihood recovery and support for those hardly hit by the Earthquake Increased resilience to economic and climatic shock livelihood diversification and income generation Access to better agriculture systems to improve production and productivity Strengthening of collective action and group formation Access to grants support for investments (e.g. time and energy saving technologies and recovery support).

Transitory poor smallholder farmers producing limited surplus, at risk of poverty and vulnerable to economic, environmental and climatic shocks.	Environmental degradation affecting their livelihood system Poor quality production and productivity due to lack of scale and appropriate services and technologies Experienced losses and damage of key agriculture assets due to the earthquakes Lack of collective action Some of them (to a lower extent as compared to poor HHs) may also experience Inability to access government recovery schemes as they lack right holding.	Livelihood diversification (agriculture and non- agricultural activities) Use of low-quality inputs and practices due to lack of finance to improve their production and productivity Work individually and with no prospect/interest to invest in collective action	Increased resilience to economic and climatic shock Technical assistance (production, marketing and processing) Access to more resilient and improved technologies and agriculture practises Access to better markets for their produce and aggregation Access to finance and grant support (including for assets recovery and on farm investment)
Women ranking among the poorest and most vulnerable as they are often unpaid family labour. They lack access to key productive assets and decision making.	No access to profitable economic opportunities and livelihoods Limited access to land titles and agriculture assets Unpaid family labour lacking control over income and decision making Low level of literacy and limited access to technical assistance Produce for self-consumption and selling small surplus at farm gate with very limited market orientation Inability to access government recovery schemes as they lack right holding. Women are often non-registered farmers	Production for consumption Rely on social assistance programmes and support from family members ow paid manual labour or unpaid family labour	Livelihood recovery and support for those hardly hit by the Earthquake Access to profitable income generating opportunities and livelihood options; Access to technologies, assets, financial and non-financial services Focus on energy and time saving technologies Access to grant financing Strengthen decision making at community and also at household level

Youth unemployed and underemployed ranking among the working poor with limited job opportunities/low paid jobs/seasonal workers. They are also migrants in search of opportunities and better living conditions.	Lack of assets Lack of skills and skills mismatch with labour market demand Limited access to financial services due to collateral constraints Lack financial	Engage in low paid labour Off-farm work Migration to urban areas and/or abroad	Skills creation Business and micro enterprise development Alternative and viable income generating activities
	resources to buy inputs and technologies		Access to grants financing

6.2 Engagement activities and information disclosure

42. Below is provided a list of activities and stakeholders to engage during implementation:

Table 5: Engagement activities

Stage	Objectives	Key activities	Stakeholders
Engagement	To meet key stakeholders and introduce them to the project, targeting criteria, as well as to the Grievance Redress Mechanism (GRM) Process and to disclose the GRM as well as other project documents in the public domain to all interested and affected stakeholders, To gather issues of concern (feedback) and through this identify a list of potential negative and positive impacts.	Meetings with key stakeholders to facilitate the broader stakeholder's engagement process through public consultation meetings Dissemination of engagement materials (background information documents, posters, media notices etc.), Consultations through focal points, and all other stakeholders Feedback from stakeholders.	Government Ministries and Departments at all levels including regional directorates All members of communities, Local authorities, Local Leadership Community representatives including all social groups: women, youth, persons with disability, elderly.
Disclosure of the Grievance Redress Mechanism (GRM) and other project specific Reports /documents as required (e.g. environmental and social impact) in line with nationally established GRM roles/procedures	To expose the stakeholders to the project-level GRM and other project specific Reports including providing reply to stakeholder feedback	Disseminate the GRM and other project specific reports to all stakeholders.	Government Ministries and Directorates Communities Local Authorities Local Leadership Community representatives including all social groups: women, youth, persons with disability, elderly. General Public

43. **Public Consultation Meetings**: Meetings can be organized for document

disclosure and information sharing and information verification. Meetings will be announced to the public and all other stakeholders at least one week in advance, through social media, on the web or announcing through mukhtars. Meetings are organized in places and conditions suitable for vulnerable groups. Participant lists including contact information will be kept in the meetings.

- 44. **Disclosure:** The website of the OGM should be used to disclose and validate the E&S documents in both Turkish and English and in line with similar procedures at national level. The hard copies of the FIRAT documents will be available at OGM central and local offices. It will be announced that the E&S documents are open to stakeholders for at least 15 days by:
- a. Websites of OGM and Governorates;
- b. Social media; and
- c. Notifications to be sent to Mukhtars of targeted Forest Villages to be displayed in a public location in communities.
- 45. **Call for Feedback:** Call for feedback will be made to stakeholders through abovementioned channels will have the following content by the OGM:
- a. Brief information about the project
- b. Disclose process and the importance of participation
- c. Information on stakeholder engagement and grievance mechanism
- d. Call for cooperation on participation of all stakeholders, including vulnerable groups
- e. Contact information
- 46. **Feedback Form:** A Feedback form will be prepared so that stakeholders can contribute to the documents to be disclosed. This form will be available online on the OGM website, for at least 15 days before the disclosure process starts, and the hardcopies of the form will be available in the OGM local offices. A copy of the form will be attached to the disclosure announcement letter sent to the mukhtars in the targeted areas.
- 47. **Information and Communication:** It is recommended that visual materials may accompany the information sharing and consultation activities during the project implementation phases. These materials can be brochures, posters, maps in which the information to be given is explained in a simple language. The materials are shared with stakeholder institutions/organizations and the mukhtars. In addition, information exchange will continue throughout the project with the e-mail and telephone number provided in the contact section of the project website. This contact information, which will also be used in the complaint mechanism, is also added to the contact information of CIMER and implementing institutions.
- 48. **Coordination with Local Communities:** The prominent communication channels for communicating with local stakeholders are mukhtars and local leaders. For this reason, it is aimed to include mukhtars in the project at every stage and to walk arm in arm with them both as project beneficiaries and as communication ambassadors. For this reason, written, verbal and WhatsApp communications will be established with the mukhtars of the affected settlements.
- 49. **Women and youth** should also be one of the focal points for communicating with the stakeholders in the MCs. In this respect, it is suggested that at least two woman and two youth representatives from each village will be identifies and invited to the meetings as representatives of the women living in that village. The woman representatives selected from each village should have access to all written and verbal communication tools via for instance a WhatsApp group established for them or similar applications for continuous and

effective communication so that they can be informed about the projects directly and their opinions can reach to the related parties without intervention.

- 50. **Proposed strategy to incorporate the view of vulnerable groups.** A process of informed consultation will be used to seek the views of vulnerable or disadvantaged groups. Project preparation will involve informing them about the project, identifying their views, obtaining their broad community support, and developing project design and safeguard instruments. The following may be included:
- a. Sharing project objectives and activities with vulnerable or disadvantaged communities;
- b. Assessing and avoiding potential adverse effects;
- Exploring and enhancing potential project benefits;
- d. Assessing (potential) conflicts with other communities and avoiding them;
- e. Obtaining broad community support for the project;
- f. Monitoring and evaluating vulnerable or disadvantaged groups' participation and consultation during project implementation.
- 51. Vulnerable or disadvantaged groups should receive project information in an appropriate format. Community members of all generations and socioeconomic backgrounds should be included, including women and members of different generations and social groups.
- 52. **Community mobilisation and consultation**. Field staff will be responsible for community mobilization and consultation. They will work in synergy at community level, including the involvement of community-based organizations and local/traditional institutions to mobilize and sensitize communities to get buy in to the Programme and enhance the demand driven nature of the intervention. OGM field staff will also work in coordination with social workers (Ministry of Family and social Affairs). This activity will be undertaken at the village level and will consist of public consultations with the community as a whole and separate interaction with special groups, such as women and youth. A four steps process can be followed:
- 53. <u>Initial Community Consultation at village level</u>. The first task for field level activities will be to conduct visits in the selected forest villages and work with community members and CBOs, including village elders, local leaders, to inform them about the project activities, and seek community concurrence about the relevance of the planned activities and ascertain their interest in participating in the different activities. During this initial phase it will be clarified that the community meetings shall include women and youth to the extent possible and not less than 50% women and 20% youth. This can be done through a start-up workshop or other similar format.
- 54. <u>Inclusion of Women, youth and groups at risk of exclusion. Inclusion and interaction with</u> specific groups, such as women and women head of households, youth, including marginal groups will also take place. The GESI Specialist and field officers will be directly responsible to facilitate inclusion of (or separate consultation if need be) with those groups and their consequent mobilization within the process. They can consist of Focus Groups Discussion (FGDs). They will be mobilized to participate in the broad community meetings, MCP meetings through their representatives, and express their view and interest about the planning process and for any package support to be developed by FIRAT in line with different interests and needs of the target groups.
- 55. <u>Women and youth representatives</u>: Representatives appointed to participate in planning exercise and MCP process (at least 30% women and 30% youth including from

vulnerable categories, namely very poor households and with representatives from PwD where present) should be selected to serve as an entry point on behalf of their respective groups to participate in the MC planning process. Dedicated project staff at field level will ensure women and youth representatives (as well as PwD) receive the necessary information and support to undertake the role.

56. Field Staff from OGM/ÖRKOY, PDAs and RDAs/DAs will be responsible to (i) inform on key criteria related to poverty and vulnerability set for pro-poor participation and prioritization for e.g. accessing grant financing for livelihood development as well as house improvements. (ii) raise awareness; (iii) mobilization and proper explanation of the project activities including the targeting and gender/social inclusion principles, the overall responsibility will stay with the gender and social inclusion (GESI) expert of RPMU (see ToRs in the PIM). The SI expert will also be responsible to form and train field staff (on a Training of Trainers – ToT basis) on how best to conduct the above-mentioned exercises using the most appropriate methodologies.

Table 6: Proposed consultation techniques

Vulnerable group	Technique for consultation
women head of	Community meetings will be held with specific groups of women (focus groups). Community's leaders are key to encouraging these groups. One-on-one meetings will be organized, according with the situation.
Disability (PwD)	To deal with people's physical limitations, the project shall provide transportation to consultation facilities and /or organize home visits. In addition, meeting locations will be selected to ensure universal access for people with disabilities. The Project team (or service providers) will ensure that PwD are well represented.
Youth	Focus Group Discussion and community meetings.

Table 7: Proposed way of engagement and dissemination techniques

Engagement technique	Type of information shared
Public meetings	 Present project information to a larger number and group of stakeholders, especially communities in general,
	 Present the principles for gender equality, social inclusion and pro-poor focus.
	 Present the project information including discussion on the targeting and eligibility criteria
	Share information especially on GBV related measures and GRM. Provide information on how to access the benefits of the project, how to make suggestions and submit questions and complaints about the implementation of the project and any feedback.

Focus group meetings		Focus Group meetings including addressing issues like GBV, which in larger meetings or with different groups would not be possible. Also, facilitate the active participation of participants suffering from self-exclusion such as PwD. it helps women and youth not confident to speak in public meetings to have a space and provide information on the best way orient project's activities responding to their needs.
		· Allow interested parties to provide their views on specific reference information;
		Provide information on how to access the benefits of the project, how to make suggestions and make complaints about project implementation.
Individual meetings		· Provide information on how to access the benefits of the project, explain the targeting criteria and how to make suggestions and make complaints about the implementation of the project and issues of exclusion.
		Give stakeholders a voice to speak freely on sensitive issues, including gender-based violence and other forms of violence and exclusion.

7 Resources and responsibilities

- 57. Resources will be devoted to manage and implement the Stakeholder Engagement Plan, in particular, in terms of people, budget and channels maintained to communicate by all parties to FIRAT and in particular the Project Implementation Agency, the CPMU and RPMUs. MoAF-OGM will be the leading agency and the Project Management Unit (CPMU) in OGM is in a position to regulate relations with the other implementing partners or stakeholders. CPMU establishes the communication of the project with IFAD. Regional Directorates of OGM and provincial units will be implementing sub-projects at the Micro Catchment level.
- 58. Additional points to be considered are:
- a. OGM is committed to the implementation of the project as well as the implementation of the SEP in keeping with requirements and good governance pillars, therefore making a commitment to commit some of the project funds towards the implementation of the SEP activities.
- b. The management, coordination and implementation of the SEP and its integral tasks will be the responsibility of dedicated team members within FIRAT CPMU and RPMUs; partner ministries, local partners and its contractors, sub-contractors, service providers and consultants.
- c. The Project Coordinator will work closely with the Social Inclusion and Gender Specialist to ensure that the SEP is implemented in a successful manner.
- d. The Social Inclusion and Gender Specialist will oversee all stakeholders' engagement activities regarding the implementation of the SEP and GRM as well as other project specific documents. Responsibilities of the Social Inclusion and Gender specialist include the following: (i) Develop, implement and monitor stakeholders engagement plan for the project, SEP, GRM and other project specific documents; (ii) liaise with the Project Coordinator to ensure that stakeholders engagement requirements are understood and strategy for vulnerable groups is applied in the consultation process.

Table 8: Overview of institution and responsibility including M&E

Level	Institutions	Responsibility		
National	OGM and CPMU	· Project implementation		
		· Disclose the SEP on the website		
		· Appoint specialists for the monitoring.		
		 Hold consultation meetings, and prepare ar distribute leaflets or other informative documents to infor communities, 		
		 Set up a multi-level GRM, monitor and address grievances related to the project under specified timelines. 		
		· Summarize the environmental and social issues related to project implementation in regular progress reports.		
		 Coordinate and liaise with IFAD supervision missions regarding social safeguard aspects of project implementation. 		
		 Prepare/design sensitization training and tools for OGMs (regional and/or provincial level) staff 		
		 Lead the preparation and coordination of annual planning meetings and ensuring that activities are integrated in the AWPBs 		
		· Coordinate M&E and KM activities		
		 Prepare Annual Environmental and Social Progress Reports 		
		· Prepare for and coordinate Project Steering Committee		
Micro Catchment	OGM Regional Directorates	· Prepare, implement, update and monitor the Stakeholder Engagement Plan of the sub-projects.		
Level	Gender specialists RPCU	Prepare all communication and visibility tools (i.e. brochures, leaflets, banners, posters, meeting announcements etc.) that will be used to inform local communities.		
		Oversee the process for printing and dissemination of the communication/visibility tools as well as planning and organization of public events and consultation meetings with Project beneficiaries.		
		Prepare periodic reports on all communication and visibility activities realized under the Project to the CPMU and RPMU to be submitted to IFAD as a part of the monitoring process.		
		· Communicate with local stakeholders including women and youth		

8 Grievance Redress Mechanism

- 59. IFAD-supported projects and programmes are designed in a participatory process thus taking into account the concerns of all stakeholders. IFAD works to ensure that all IFAD investments are implemented in accordance with the Fund's policies, standards and safeguards. IFAD considers it equally important that parties adversely or potentially adversely affected by IFAD-supported projects and programmes should be able to bring issues to the Fund's attention.
- 60. IFAD's Complaints Procedure aims to serve as an accountability mechanism with a clear entry point and transparent process for people and communities to raise concerns with IFAD-supported projects and to provide effective sustainable solutions. Its mandate is to: i) facilitate the resolution of complaints from people who may be affected by projects or subprojects in a manner that is fair, objective and constructive; ii) enhance the environmental and social outcomes of projects; and iii) foster public accountability and learning to enhance the environmental and social performance of IFAD and reduce the risk of harm to people and the environment. The Procedure is organized in two complementary functions:
 - <u>Problem solving function</u>: to help resolve issues raised about the environmental and/or social impacts of project through a neutral, collaborative, problem-solving approach and contribute to improved social and environmental outcomes of the project.
 - <u>Impartial review function</u>: to carry out reviews of IFAD's compliance with its SECAP and other related policies, assess harm done, and recommend remedial actions where appropriate.
- 61. FIRAT will establish an adequate Grievance Redress Mechanism (GRM) to ensure that project participants are enabled to voice/ report any aberrations in the project planning and implementation processes, or when they expect any potential or realised negative impacts. Such a system will facilitate timely resolution and would operate both at the local and central levels. To this end dedicated focal persons for GRM will be appointed at CPMU, RPMUs and MC levels and their names and locations will be widely publicised so that beneficiaries will know whom to contact with regard to their concerns. The assigned responsible staff will be trained about the rationale, implementation and monitoring of the GRM prior and during their assignment. Other stakeholder institutions and organisations will also be informed about this mechanism with an official letter. Project participants and Forest Village Communities will also be able to submit their feedbacks/grievances to Regional and Provincial Directorates of respective government institutions, District Governorships and Municipalities. Request, complaint and suggestions of Project beneficiaries will be communicated to CPMU through CIMER (Presidency Communication Center) and direct applications to OBMs. These applications will be communicated in both ways and are evaluated and answered by the CPMU.
- 62. The GRM will follow established practices, and will provide multiple access points (telephone, complaints box, website, email, postal address). Complaints received by the implementing agency shall be recorded and duly documented in a progress report, detailing the number and type of complaints, as well as the results of their resolution. Recognizing that some groups such as disabled individuals or women may experience difficulties to access the GRM, FIRAT will: (i) give access to complaint and suggestion boxes in in key locations; (ii) keep option of anonymous complaint operational; (iii) post announcement on GRM in public spaces in the settlements; and (iv) allow the communications in all languages that are in use in the project.

Project-level GRM

- 63. The project team will establish communication channels at field level to file complaints within 6 months after Start-up. Contact information (including contact postal code, phone number and/or email) and information on the process to file a complaint will be disclosed in all meetings, workshops and other related events throughout the life of the project. The project will include in the capacity building program information on the GRM and will organize consultations to determine the most suitable way for beneficiaries and stakeholders to communicate their concerns and ideas (i.e. assess existing national/local formal and informal grievance redress processes).
- 64. The project-level GRM and guidelines will be developed for FIRAT taking into account IFAD's corporate Complaints Procedure to receive and facilitate resolution of concerns and complaints with respect to alleged non-compliance of its environmental and social policies and the mandatory aspects of its SECAP. The project will also be responsible for documenting and reporting to IFAD as part of the safeguards performance monitoring on any grievances received and how they were addressed.
- 65. Complaints can be raised directly to the PMU representative at the district level at the concerned project area and the field team/ community facilitators hired by the project should help the complainant fill the complaint ensure the following information is included:
- Name and contact details of the person(s) (and/or their representative) or community affected by FIRAT;
- Clear statement of FIRAT adverse impact(s). This includes direct and material harm which can be actual present harm, or harm that is expected in the future;
- Whether the complainants wish to keep their identity confidential.
- 67. The complaint procedure at IFAD is stipulated in the sections below.
- 67. IFAD-funded projects and programmes are designed in a participatory manner, taking into account the concerns of all stakeholders. IFAD requires that projects are carried out in compliance with its policies, standards and safeguards. Moreover, IFAD's Strategic Framework calls for ensuring that projects and programmes promote the sustainable use of natural resources, build resilience to climate change and are based upon ownership by rural women and men themselves in order to achieve sustainability.
- 67. The objective of the IFAD Complaints Procedure is to ensure that appropriate mechanisms are in place to allow individuals and communities to contact IFAD directly and file a complaint if they believe they are or might be adversely affected by an IFAD-funded project/programme not complying with IFAD's Social and Environmental Policies and mandatory aspects of SECAP.
- 68. Complaints must concern environmental, social and climate issues only and should not be accusations of fraudulent or corrupt activities in relation to project implementation these are dealt with by IFAD's Office of Audit and Oversight.

Eligibility criteria

- 69. To file a complaint for alleged non-compliance with IFAD's social and environmental policies and mandatory aspects of its SECAP, IFAD will consider only complaints meeting the following criteria:
- The complainants claim that IFAD has failed to apply its social and environmental policies and/or the mandatory provisions set out in SECAP.
- The complainants claim that they have been or will be adversely affected by IFAD's failure to apply these policies.
- Complaints must be put forward by at least two people who are both nationals of the country concerned and/or living in the project area. Complaints from foreign locations or anonymous complaints will not be taken into account.
- Complaints must concern projects/programmes currently under design or implementation. Complaints concerning closed projects, or those that are more than 95 per cent disbursed, will not be considered.

The process

- 69. The complainants should first bring the matter to the attention of the government or non-governmental organisation responsible for planning or executing the project or programme (the Lead Agency), or to any governmental body with the responsibility for overseeing the Lead Agency. If the Lead Agency does not adequately respond, then the matter may be brought to the attention of IFAD. The issue may be brought straight to IFAD if the complainants feel they might be subject to retaliation if they went to the Lead Agency directly.
- 70. The Regional Division will examine the complaint and, if necessary, will contact the Lead Agency, or the governmental body with the responsibility for overseeing the Lead Agency, to decide if the complaints are justified. If the complainants request that their identities be protected, IFAD will not disclose this information to the Lead Agency or anyone else in government.
- 71. If the complaint is not justified, the Regional Division will inform the complainants in writing.
- 72. If the Regional Division finds the complaint is justified and there is proof of actual or likely harm through IFAD's failure to follow its policies and procedures, IFAD will take action. This may consist of making changes to the project/programme, or requiring that the government observes its obligations under the Financing Agreement. IFAD's response will focus bringing the project/programme into compliance and no monetary damages will be available or paid in response to such complaints. The complainants will be informed of the outcome of the issue by the Regional Division.
- 73. In all cases, if the complainants disagree with IFAD's response, they may submit a request to SECAPcomplaints@ifad.org and request that an impartial review be carried out by the Office of the Vice-President.
- 74. The Office of the Vice-President will decide on the steps to be taken to examine such complaints, including, if necessary, contracting external experts to review the matter. The complainants will be informed of the results of the review.
- 75. IFAD will include in its Annual Report a list of received complaints and a summary of actions taken to address them.

How to submit a complaint

76. A complaint relating to non-compliance with IFAD's Social and Environmental Policies and mandatory aspects of its SECAP can be submitted in any of the following ways:

- Download the complaints form (Word)
- Send an email to SECAPcomplaints@ifad.org
- If you email or mail your complaint, please include the following information:
- Name, address, telephone number and other contact information
- Whether the complainants wish to keep their identity confidential, and if so, why
- Name, location, and nature of the IFAD project/programme (if known)
- How the Complainants believe they have been, or are likely to be, adversely affected by the IFAD-supported project or programme

77. Complaints sent by mail should be addressed to:

IFAD SECAP Complaints (PMD) Via Paolo di Dono 44 00142 Rome, Italy

Draft Project Implementation Manual

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Appendix A: Key draft terms of references

Appendix A.1 - Terms of Reference (ToR) for Regional Civil Engineer:

Objectives of the assignment

The Regional Civil Engineer will be involved in the activities carried out by the FIRAT Regional PMU at OGM in Elazig/Sanliurfa and hold main responsibility for the technical and engineering aspects of infrastructure projects, including the review of designs and project documentation, verification of works volumes, preparation of technical specification tender documents and filing of technical documents. He/She will also actively participate in the planning phase of infrastructure investments in rangelands and villages assisting potential beneficiaries in formulating their requests for project supports, including but not limited to: i) concrete tanks for water storage; ii) boreholes fitted with soar pumps; iii) communal sheds with steel beams and roof structure; iv) livestock handling facilities (dips and vaccination alleys); v) communal buildings in villages; vi) barn rehabilitation; and vii)house insulation. He/She will report directly to the Project Director and work closely with the staff in the relevant PMU and the Irrigation Engineer operating in the same Regional office of FIRAT.

Scope of work

The Regional Civil Engineer will be based in Elazig/Sanliurfa and work for 3 project Provinces (Malatya, Elazig, Bingol/ Adyaman, Dyarbakir, Sanliurfa) and will be responsible for carrying out the following duties:

- a) Participate in and contribute to the Micro catchment Planning process whereby possible infrastructure investments in target villages are identified in consultation with beneficiaries and project partners, reviewing technical feasibility of proposed civil works and drawing preliminary cost estimates for these works,
- b) Prepare designs for simple structures based on existing typical drawings, ensuring the application of appropriate standards in load bearing structures both in light of snow and seismic loads.
- c) Review drawings, sample test results, calculations and other technical studies to be prepared by contractors, Service Providers (including designers and supervisors) or other project implementation partners such as SPAs, DSI, Municipalities or PDAs
- d) ,Monitor the work progress and quality of works according to the work program by carrying out regular site visits at construction sites
- e) Ensure that works are performed in accordance with the contracts and technical specifications,
- f) Prepare progress payment certificates according to the construction process,
- g) Evaluate and report the performance of the contractors in respect of the contract and specifications,
- h) Ensure the implementation of the planned activities in MCPs in accordance with the FIRAT project design document and project implementation manual (PIM),
- i) Facilitate communication between the citizens living in MC areas, PMU staff and OGM during construction activities,
- j) Work in cooperation with the technical staff of other institutions and organizations for preparing the projects with MC planning teams through providing technical and logistical support in preparing the projects for the investments in improving animal shelters, animal drinking basins, irrigation works etc.
- k) Identify potential solutions to infrastructure bottlenecks and investment opportunities for their upgrading in partnership with the local people,
- I) Identify training needs for infrastructure beneficiaries to for improved infrastructure O&M and sustainability.

- m) Design and facilitate the training programs related to infrastructure O&M (formal, informal and practical).
- n) Assist the project M&E staff in the collection of data for monitoring, evaluation and dissemination purposes.
- o) Perform other duties assigned by the Project Director including, if needed, specific assignments in other Provinces under FIRAT).

Performance evaluation

The Regional Civil Engineer's performance will be reviewed at the end of the trial period (three calendar months) as well as at the end of the contract concluded with the project.

Qualifications and experience:

The minimum eligibility criteria for the position of Regional Civil Engineer under the FIRAT project are as follows:

- a) To hold a bachelor's degree in civil engineering (Master's degree will be ad advantage)
- b) At least 5 years of relevant professional experience, in construction, design, supervision and construction works of small-scale infrastructure development including load bearing structures (small buildings and steel structures)
- c) Experience in international projects will be an advantage
- d) Experience working in rural areas will be an advantage
- e) Experience working with MS Word, MS Excel, Auto CAD 3D
- f) Experience in designing infrastructure to climate resilient standards will be an additional advantage.
- g) The candidates to the position should have the following skills and knowledge:
- h) Strong communication skills, especially written communication, teamwork skills;
- i) Knowledge of English (both written and spoken) will be an advantage;
- j) Creative and pragmatic approach to problem solving;
- k) Organized and detail-oriented;
- I) Ability to work in a multinational environment and with several external stakeholders:
- m) Similar experience in project management and in coordinating/monitoring infrastructure projects;
- n) Analytical skills, ability to communicate with project beneficiaries, partners for project implementation, to manage committee meetings. Skills to collect and interpret data and information and write constructive, informative reports;

Appendix A.2: Terms of Reference (ToR) for Regional Water and Irrigation Engineer:

Objectives of the assignment

The Regional Water and Irrigation Engineer will be involved in the activities carried out by the FIRAT Regional PMU at OGM in Elazig/Sanliurfa and hold main responsibility for the technical and engineering aspects of irrigation projects, including the review of designs and project documentation, verification of works volumes, preparation of technical specification tender documents and filing of technical documents. He/She will also actively participate in the planning phase of water infrastructure investments assisting potential beneficiaries in formulating their requests for project supports, including but not limited to village based irrigation systems (in which a single source is shared by maximum two villages, with an indicative command area of 75 to 100 ha per village) and livestock watering facilities. Eligible irrigation projects will consist exclusively of piped systems showing clear benefits in terms of reducing conveyance losses and use more flexible HDPE pipes instead of PVC pipes. Livestock watering projects will include but not be limited to upgrading or development of water infrastructure in the rangelands including for instance fitting existing boreholes with PV pumps and panels, concrete storage tanks, piped networks as well as the construction of rainwater harvesting ponds for livestock use. He/She will report directly to the Project Director and work closely with the staff in the relevant PMU and the Civil Engineer operating in the same Regional office of FIRAT.

Scope of work

The Regional Water/Irrigation Engineer will be based in Elazig/Sanliurfa and work for 3 project Provinces (Malatya, Elazig, Bingol/ Adyaman, Dyarbakir, Sanliurfa) and will be responsible for carrying out the following duties:

- a) Participate in and contribute to the Micro catchment Planning process whereby possible water infrastructure investments in target villages are identified in consultation with beneficiaries and project implementation partners, reviewing technical feasibility of proposed schemes and drawing preliminary cost estimates for the associated works,
- b) Prepare designs for simple irrigation distribution networks or livestock watering facilities making use of existing typical drawings for structures and ensuring the application of appropriate calculation methods for pressurized systems.
- c) Review drawings, sample test results, calculations and other technical studies to be prepared by contractors, Service Providers (including designers and supervisors) or other project implementation partners such as SPAs, DSI, Municipalities or PDAs
- d) ,Monitor the work progress and quality of works according to the work program by carrying out regular site visits at construction sites
- e) Ensure that works are performed in accordance with the contracts and technical specifications,
- f) Prepare progress payment certificates according to the construction process,
- g) Evaluate and report the performance of the contractors in respect of the contract and specifications,
- h) Ensure the implementation of the planned activities in MCPs in accordance with the FIRAT project design document and project implementation manual (PIM),
- i) Facilitate communication between the citizens living in MC areas, PMU staff and OGM during construction activities,
- j) Work in cooperation with the technical staff of other institutions and organizations for preparing the projects with MC planning teams through providing technical and logistical support in preparing the projects for the investments in small scale irrigation and livestock watering facilities.
- k) Identify potential solutions to water infrastructure bottlenecks and investment opportunities for their upgrading in partnership with the local people,

- Identify training needs for water infrastructure beneficiaries to for improved O&M and sustainability
- m) Design and facilitate the training programs related to water infrastructure O&M (formal, informal and practical)
- n) Assist the project M&E staff in the collection of data for monitoring, evaluation and dissemination purposes.
- o) Perform other duties assigned by the Project Director including, if needed, specific assignments in other Provinces under FIRAT)

Performance evaluation

The Regional Water/Irrigation Engineer's performance will be reviewed at the end of the trial period (three calendar months) as well as at the end of the contract concluded with the project.

Qualifications and experience:

The minimum eligibility criteria for the position of Regional Water/Irrigation Engineer under the FIRAT project are as follows:

- a) Holding a bachelor's degree in Water engineering (Master's degree will be ad advantage) or civil Engineering with specialization in Hydraulic structures and Irrigation
- b) At least 5 years of relevant professional experience, in construction, design, supervision and construction works of small-scale irrigation development and piped systems
- c) Experience in international projects will be an advantage
- d) Experience working in rural areas will be a requirement
- e) Experience working with MS Word, MS Excel, Auto CAD 3D and pressure pipes design software.
- f) Experience in working in multidisciplinary teams and designing water infrastructure to climate resilient standards will be an additional advantage.
- g) The candidates to the position should have the following skills and knowledge:
- h) Strong communication skills, especially written communication, teamwork skills;
- i) Knowledge of English (both written and spoken) will be an advantage;
- j) Creative and pragmatic approach to problem solving;
- k) Organized and detail-oriented;
- I) Ability to work in a multinational environment and with several external stakeholders;
- m) Similar experience in project management and in coordinating/monitoring infrastructure projects;
- n) Analytical skills, ability to communicate with project beneficiaries, partners for project implementation, to manage committee meetings. Skills to collect and interpret data and information and write constructive, informative reports;

Appendix A.3: Draft ToRs for the gender, social inclusion, targeting and youth expert at RPMU (regional level)

Scope of the assignment

Operationalization of gender mainstreaming, youth mainstreaming and social inclusion strategies lies with the gender and social inclusion expert at CPMU. The position is full time for all duration of the project. There will be two gender, social inclusion, targeting and youth expert at RPMU, one in each region as per main implementation arrangements. Regional Project Management Unit (RPMU) within OBMs in Elaziğ and Şanlıurfa will host the two experts respectively. The two RPMUs are responsible for delivering the programme services and interventions in their respective target provinces. The RPMUs, working collaboratively with the provincial support units will be responsible for delivering the programme services and interventions in all selected micro catchments spread over 38 districts in the 6 targeted provinces.

The gender, youth, targeting and social inclusion experts will also be responsible for the overall oversight of activities related to the implementation of gender and youth strategies and plans, including support for the recruitments of other consultants (e.g. GALS consultant) and support fine tuning of ToRs for Service providers (e.g. youth orientation) and studies (e.g. labour market assessment and opportunities for women and youth) as required.

The gender experts are also responsible to organized trainings (e.g. ToTs for field staff) as required and to coordinate operations with local partners working at village level with women, youth, vulnerable groups.

Specific duties:

- a) In line with gender, youth and social inclusion strategy prepared at design, the Gender expert should prepare action plan and Annual Work Plan and Budget for the implementation of specific activities (gender, social inclusion and youth) every year and submit to the coordinator;
- b) Ensure adequate integration of gender and youth in the M&E system, Annual Work Plan and Budget and Progress reports;
- Support and follow up on the recruitment of gender expert for GALS trainings (see ToRs for GALS) and conduct ToTs for community facilitators and project staff as required;
- d) Support Implementing entities in any follow up for the recruitment of the consultants to undertake gender and youth labour study for women and youth (See ToRs) and ensuring supervision of the work conducted;
- e) Support implementing entity with recruitment of national gender experts for the study above (including detailed ToRs).
- f) Support implementing entities to recruit service provider for the delivery of youth orientation, coaching and mentoring services;
- g) Support preparation of materials and take the lead in the organisation of trainings (all levels) and gender awareness activities (all levels);
- h) Provide overall guidance, training support to community facilitators to organize separate consultation with women and vulnerable categories as part of mobilisation/consultation activities as well as for validation of MC plans and (ii) participate in key field activities.
- i) As a follow up on GALS trainings, provide overall guidance and training to community facilitators/ field staff to run small groups and properly use of GALS methodologies to address some of the negative gender norms.
- j) Draft specific ToRs for gender focal points among community facilitators working at village level, including training if any capacity gap is assessed. This include Focus group discussion, management of group dynamics as required.

- k) Provide checklist to community facilitators to ensure that participatory planning process for MC plans comply with gender and social inclusion principles of the project;
- Conduct constant review of project implementation processes on how to achieve the best possible project outcomes with respect to targeting, gender equality, women's empowerment and social inclusion with key focus on youth and vulnerable categories;
- m) Coordinate capacity building and training sessions on gender-sensitive and youth sensitive interventions for project staff, implementers. The training should also include specific information on safeguard instruments for avoiding GBV, SEA and key information about GRM. The specialist is responsible to coordinate with any local committees working with women to ensure smooth collaboration for activity implementation.

Expected outputs:

- a) Delivery of AWPB, Progress reports, project documentation related to gender, youth and Social Inclusion issues and activities;
- b) Finalisation of ToRs and recruitment of Service Provider (SP) for gender and youth study on labour market and economic opportunities;
- c) Finalisation of ToRs and recruitment of Gender Expert to conduct GALS training on selected methodologies and follow up on trainings for community facilitators;
- d) Training materials (adjusted if existing) for community facilitators to properly address social inclusion during mobilisation and planning process for MC plans;
- e) Documented lessons on participatory planning process, gender mainstreaming and social inclusion and youth;
- f) Documented lessons on GALS
- g) Appropriated social safeguard instruments into operations are set with focus on GBV and SEA as required;

Relevant experience required

At least 5 years' experience in (i) conducting and coordinating gender and social inclusion activities; (ii) gender trainings; (iii) gender and M&E and reporting (iv) knowledge of methodologies to address gender stereotype and social norms at community level. Previous working experience with International Organizations in Gender and rural development/Gender and environment is an advantage.

Appendix A.4: Draft ToRs for the GALS Consultant

Background

The project gender strategy of FIRAT aims at equal involvement and benefits of women and men in the development of forest villages. Women and men of different ages and socioeconomic categories, including youth, will be given equal chances to participate in Project's activities and obtain equal returns.

The Project will bring an innovative feature by integrating the GALS to address the power relationships at the root of inequality to meet projects objectives on gender equity and women's empowerment (GEWE). This will lead to: (i) an equitable share of participation and benefits for women and men; (ii) improved decision-making capacities at household and community levels; and (iii) an equitable share of workloads in on-farm and domestic work. The GALS will also be used as an entry point to discuss key topics at group level during women's group trainings.

In addition to developing technical skills through trainings in improved agriculture practices and income generation as well as grant access, the project will support women beneficiaries to develop other life skills and confidence, mainly using GALS techniques at group level targeting 2,000 women. These sessions at group level will become the basis for a process of learning new words, gaining awareness of what causes underlying problems, and identifying action points and taking them forward. Trainers will be trained in using several tools for gender sensitization and awareness of women's groups.

Under the supervision of the Gender, youth and Social Inclusion specialist at RPMU, the GALS Consultant will provide FIRAT with all the necessary technical support in what relates to prepare for and implement GALS in the project areas, produce a Technical Brief at the end of the project and provide the project to roll out the methodology at group levels. The methodology will be delivered at group level using as entry point existing groups that will be formed under FIRAT.

Specific duties:

<u>Development of project specific GALS approach for group delivery and selection of GALS tools (e.g. production of technical manual and implementation plan to deliver at group level).</u> (20 days):

- a. Review FIRAT background documentation and engage with different stakeholders (e.g. OGM, ORKOY, DRA, and RPMU) to get a solid understanding of the project and best entry points to wave GALS methodology and type of tools to be selected for women's groups.
- b. Visit selected target areas to familiarize with the lives and gender norms guiding the lives of target beneficiaries and discuss possibilities on how to implement the methodology with implementing agency and partners involved, also in line with type of trainings that will be delivered to women's groups and at community level. The assessment should take into account different socio-cultural practices on a context specific base considering differences in the target areas.
- c. Assess capacity of field staff and the type of trainings to be delivered for enhancing their capacity;
- d. Develop, in close consultation with the project RPMU and CPMU and the gender specialists the training plan for field staff and any aspects the GALS manual for group trainings; an action plan that outlined the detailed activities to be implemented in the GALS pilot initiatives, timeline and the responsibilities of the field staff to roll it out in the field. The audience for the training will also be included in the proposal.

TRAINING: Training of project staff and GALS Facilitators (15 days):

- Produce all material necessary to the training;
- Train 20 people in each regional area (total 40) including project staff and GALS Facilitators, identified among field staff as well as other partners engaged in gender activities benefiting from the GALS training: e.g. Social Mobilisers (SM) working under the Ministry of Family and Social Services who are already engaged in gender awareness activities at village level and will benefit from up taking the methodology).
- Produce a succinct training report outlining activities carried out, type of participants and any other information of value to improve the process.

IMPLEMENTATION: Implementation of GALS pilots in FIRAT target communities (21 days):

a. Provide implementation support to those trained, in the form of virtual discussions, for three full days in the three quarters of the implementation of the GALS pilot. The implementation support seeks to provide supportive supervision, clarify doubts and help project staff and GALS Facilitators to improve their skills as they make progresses.

END OF PILOT: Evaluation, documentation and preparation for roll out (15 days):

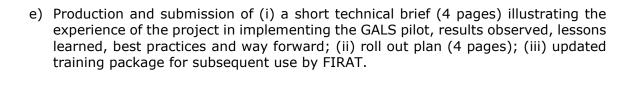
- b. Facilitate online discussions with the project team and selected GALS Facilitators/Trainers to reflect on the experience of the implementation of the GALS pilot, to identify the following both in relation to implementation modalities and technical application of GALS in the context of FIRAT:
 - Lessons learnt
 - Best practices
 - Plan for the roll out of GALS in the project
- c. Review, as needed, the GALS manual produced in the early stages of the pilot and integrate adjustments on the basis of lessons learnt and best practices so that the manual can be used in the roll out.
- d. Organize and handover training schedule and material for the project to use to replicate the training provided in step 2 above to train new people to support GALS outreach within the project, as needed, based on initial training conducted and any adaptations which may be need to be introduced.

Requirements:

- Master degree in social science, gender, rural sociology and related sector;
- Strong consolidated experience on the GALS;
- Sound technical experience on participatory methodologies, promotion of gender equality and women's empowerment;
- Previous experience of working with IFAD project will be an asset;
- Flexibility and ability to work in rural context;
- Demonstrated capacity of reporting in English. Turkish is an asset.

Deliverables:

- a) GALS Manual for FIRAT produced;
- b) Full training of 40 people on GALS execute;
- c) Provision of implementation support to FIRAT staff and GALS Facilitators and production of succinct training reports;
- d) Remote support during implementation of the pilot;



Appendix A.5: Draft ToRs for the Service Provide to deliver orientation, mentoring and coaching for youth

Background

The Euphrates River Watershed Rehabilitation Project (FIRAT) goal will be to reduce poverty in the upland communities in the targeted micro catchments of the Euphrates River watershed. With the General Directorate of Forestry (OGM) as Lead implementing agency, project development objectives will be to increase the income and resilience of small-scale producers, reduce soil erosion and land degradation while ensuring sustainable management of natural resources in the targeted micro catchments. The geographic scope of the project will include rural areas in approximately 40 MCs with 400 upland forest villages within a total of 38 districts in 6 provinces.

The project seeks to improve employment outcomes for the poor and vulnerable youth in the targeted villages with full consideration given to the main features of unemployment and underemployment.

The project will target young returning migrants as well as youth resident in forest villages interested in working in agriculture or interested in improving their skills and also support project related activities. Dedicated studies such as youth labour market and demand assessments including skills gaps analysis will be conducted to identify specific needs and actions required (both wage and self-employment focus).

The project will support training, business skills and vocational skills development for about 2,000 youth. FIRAT will support them in developing and implementing their business plans investing in productive assets and technical assistance through matching grants (1,000 youth). It is expected that youth (18-40 years) will be engaged in agriculture production; trained in enterprise development and service provision. Youth interested in receiving vocational trainings will be organized and linked to vocational training centers (about 1,000 youth). Prior to identify youth groups based on their interest, the project will provide required orientation, which will be followed by mentoring and coaching as required for about 4,800 participants of different age groups.

Scope of the work

The objective of the orientation, coaching and mentoring activities for Youth in FIRAT program is to support rural youth from forest villages to identify paths for employment and help them towards job placement (employment and self-employment) based on their aspirations and existing/potential opportunities which are identified by the youth and women labour assessment study.

The service provider is expected to provide orientation, coaching and mentoring for about 4,800 youth (50% young girls) age 14-40 and organized in different groups based on different interests/age and gender as required. It is expected that at least two cohort will be considered (e.g. 14-25/ 26-40). The objective of the activity is to improve their knowledge presenting opportunities for employment based on the study findings; organizing orientation events and connecting targeted youth with skill training providers, labour markets, and employers at the local level as well as providing coaching support during the process. Considering the aim of job placement the service provider shall work in close consultation with the Turkish Employment Agency (İŞKUR).

The **orientation** activities will include for example:

- a) Mobilisation of youth from targeted 400 forest village communities;
- b) Presentation of possible employment path in the areas of employment and selfemployment based on the study findings;

- c) Interactive sessions with youth to understand their aspirations;
- d) Link with skills training providers (private and public);
- e) **Mentoring and coaching**. The service provider will follow up and monitor:
- f) Youth are linked to service providers for specific trainings and continuous follow up is conducted;
- g) Support needed for enrolment in the training course (public or private);
- h) Support needed for the job placement;
- i) The service provider should also identify any additional trainings that may be required if absent from the existing offers and discuss with CPMU/RPMU and implementing agency for any additional support as required.

Specific tasks:

- a) Design the methodology and timeline for the program implementation and develop a program structure for orientation, coaching and mentoring for rural youth, including content and topics to be covered and timeline. The task shall be conducted in consultation with project staff and training service provider in the target areas, including private and public;
- b) The content and topics covered must be based on identified needs and requirements of youth target beneficiaries. This includes creating materials, presentations and other resources for delivering coaching and mentoring sessions as well as organization of workshop as required;
- c) Mobilize youth and based on age, aspirations and interest, organise youth in groups: 1) those interested in self-employment business and enterprise development and 2) those interested in vocational trainings and wage employment. Socio-cultural contextual elements need be taken into account as well as age cohort.
- d) Establish linkages with skill training providers, labour markets, and employers at the local level and facilitate proper mobilization and identification of unemployed youths for providing necessary training followed by meaningful job placement.
- e) Train field staff to be able to continuously monitor the progress of youth throughout the duration of the program and provide feedback and recommendations for improvement.

Deliverables:

- a) A detailed orientation for youth program and schedule, including methodology specific topics and activities that will be carried out in each orientation session;
- b) Identification of youth interested to participate in the orientation activities and organisation of smaller groups based on interests (as well as age and gender as required);
- c) Training for field staff to be able to properly follow up and monitor youth activities and progresses;
- d) Progress reports including challenges that need to be addressed and any follow up additional measured the project needs to take;

Applicants must submit the following:

- Company profile, CVs of coaches and mentors and previous experience in similar projects.
- Based on the Terms of Reference, present a detailed methodology and technical offer.
- Present the Financial offer (indication of specific costs in gross amount).
- A proposed timeline for the identification of youth, needs assessment, implementation of the activity and monitoring of the activity.

Criteria for selection of the service provider the implementing agency may consider:

• Proposed coaching methodologies (20 points)

- Proposed topics, tailored to the needs of youth (15 points)
- Financial offer (25 points)
- CVs of proposed experts/coaches (15 points)
- Proposed deliverables and timeframe (15 points)

Appendix A.6: Draft ToRs for the Labour Market Assessment and economic opportunities for youth and women

Background: The Euphrates River Watershed Rehabilitation Project (FIRAT) goal will be to reduce poverty in the upland communities in the targeted micro catchments of the Euphrates River watershed. With the General Directorate of Forestry (OGM) as Lead implementing agency, project development objectives will be to increase the income and resilience of small-scale producers, reduce soil erosion and land degradation while ensuring sustainable management of natural resources in the targeted micro catchments. The geographic scope of the project will include rural areas in approximately 40 MCs with 400 upland forest villages within a total of 38 districts in 6 provinces.

The project seeks to improve employment outcomes for the poor and vulnerable youth in the targeted villages with full consideration given to the main features of unemployment and underemployment.

The project will target young returning migrants as well as youth resident in forest villages interested in working in agriculture or interested in improving their skills and also support project related activities. Dedicated studies such as youth labour market and demand assessments including skills gaps analysis will be conducted to identify specific needs and actions required (both wage and self-employment focus).

Dedicated studies such as youth labour market and demand assessments including skills gaps analysis will be conducted to identify specific needs and actions required involving both wage- and self-employment opportunities. As a result, training courses will be prepared, including in collaboration with the Employment Agency (İŞKUR) and other private sector actors and delivered in partnership with or by the private sector alone. Studies will help to identify the best sectors for rural youth employment and self-employment in the target area.

The study will be conduct to also identify women specific needs to be integrated. Both findings will contribute to the study and will be used for specific target groups, namely youth (and young women) and women (adult women). The methodology to conduct the study will be the same as well as the final outcome will be one study divided in two sections, one for youth and one for women.

It is expected that two experts with complementary profiles: 1) Youth and labour market expert, also Team Leader and Lead Writer; 2) Gender expert, will work in partnership to properly investigate and develop two lines of research, one dedicated to youth and one dedicated to women, considering the differences between these two target groups. It is recommended that the two experts conduct field work in the same areas and in close coordination. The youth and labour market expert will be the team leader and lead writer for the study and will guide the work of the gender expert. She/he will work following the methodological approach as presented by the TL in the study and submit inputs as required. Profile and deliverables foe both experts are reported in the last part of the ToRs.

Scope of the study:

The labour market and economic opportunity study will focus on assessing the challenges and opportunities for youth and women focusing on the following categories:

Youth (young men and young women 14-40):

- Unemployed and underemployed youth living in rural areas;
- Youth already in agribusiness (i.e. as owners of enterprises or salaried workers);
- Previous graduates of TVETs that are engaged in different agribusinesses in various value chains;

 On and off farm businesses operating along the value chain and employing young people.

Women (40 +)

- Women including producers and processors;
- Women engaged in traditional livelihoods (different socio-economic levels);
- Women entrepreneurs.

The assessment will identify:

Youth

- Policies and programmes that favor youth employment opportunities;
- Occupation and educational/skills mismatch for youth;
- Relevant partners from public and private sectors.
- Main limiting factors for women's employment and self-employment

Women

- Policies and programmes that favor women employment and income generating opportunities,
- Traditional women occupations and gender related constraints;
- Women entrepreneurs (or aspiring entrepreneurs) and major challenges;
- Relevant partners from public and private sectors in areas where women are engaged;
- Main limiting factors for women's full economic empowerment with analysis of gender norms

Potential study participants:

- Rural young people (young men and women) potentially targeted by the project;
- Rural women (adult women)
- Capacity building institutions for youth (especially those providing vocational education);
- Providers of business development services such as finance, inputs and others;
- Relevant stakeholders from the broader farming community;
- Development agencies involved in youth employment projects;
- Development agency involved in women livelihood projects;
- ICT firms providing agribusiness related solutions;

Objectives of the study:

The objective of the assessment is twofold and to support two target groups: women and youth.

Youth focus: The study intends to map existing and potential labour and economic opportunities, determine in-demand technical and soft skills requirements and understand barriers to youth labour and income generation within selected agricultural value chains. Beyond skills, the study will also assess the challenges and opportunities in accessing services and assets relevant for young people to succeed in the selected sector.

Gender focus: A dedicate focus of the study will also explore women's challenges and potential solutions to enter labour market and economic opportunities. The study will also separate challenges pertaining specifically for youth and for women as the two social groups present different characteristics, needs and challenges. As such the assessment should also highlight how gender issues affect youth employment in agribusiness. Specifically, the assessment will help the project implementation team further understand:

- a) Rural youth employment and labour market situation in the country (gaps in statistics);
- b) Women employment and labour market situation in the country;
- c) Critical factors that influence youth labour markets and women's labour market in the country (including their perceptions);
- d) Labour market trends within the country agricultural and related sectors;
- e) Nodes of the identified value chains that are attractive and have the greatest potential to contribute to inclusive rural youth employment (Business Modelling) and women's employment and engagement.
- f) Existing and potential labour market demand, supply and training/skills gaps in agribusiness sector;
- g) Map major training and skills service providers (training institutions) and their capacity to respond to industry labour demands (trends and gaps);
- h) Common barriers/constraints and underlying factors that limit youth and women access and participation in the labour markets, including social barriers (e.g. access to resources like land, negative employer perceptions of young people, cultural norms that limit female youth participation, etc.) and physical or structural barriers;
- i) Identification of solutions to address and overcome these barriers (for women and for youth);
- j) Rules and policy frameworks that support youth engagement in labour markets and women's engagement in the same;

Key focus/recommendations for successful project delivery.

Based on the findings, the study should map out where most of the constraints are and how the project can implement activities based on specific sectors (e.g. on farm/off farm) and type of activities (e.g. trainings, business development, access to finance and grant support) to develop viable economic and business opportunities (both as individuals and as groups). Specifically the study should identify 4 - 5 strategic economic opportunities (including key agriculture VCs) that have the greatest potential to attract and provide meaningful/decent employment (self and wage) to youth in rural areas and other presenting valuable and potential for income generation for women. Information should be reported disaggregated by MC area to the extent possible and with clear definition on priorities and solution for youth and according to the age cohort and other relevant factors. The same analysis should be done for adult women.

Methodology

The study should adopt the following methodologies:

- a) Literature/desk review of secondary data including project documents, assessments, any statistical data available, labour market studies to have an idea of the main economic activities/livelihoods trends and labour market landscape for youth/ women in the target areas;
- b) Focus group discussions (FGDs) with youth (young men and women) and women using semi-structured questionnaires/interviews;
- c) A framework to insert data from interviews and FGDs organized around key characteristics of youth / women to determine correlation between their profile, needs and diversified actions required. The tool should be used to collect FGD information at MC level and duly attached to the final report.
- d) Key interviews and meetings with selected stakeholders operating in the market as well as in the youth employment sector (e.g. private sector enterprises, institutions and service providers). This will help to have additional information on the labour market landscape from the angle of the private sector and also to see which partnership can be forged; This should be done for youth and women.
- e) Final data analysis main findings and technical recommendations will be included in the final study to guide the Project Implementation and definition of training

packages and services for youth and for economic and livelihood activities for women.

Timeline

The expected duration for this assignment is five months. The actual consultancy days will not exceed 120 days. If the work is undertaken by two experts it is considered 70 days for the team leader also youth experts and 50 days for the gender expert.

Consultant's Profile: Skills, Experience and Qualifications, including deliverables. Profile 1: Team Leader and Youth and labour market expert (70 days)

- A minimum of a master's degree in Agricultural Economics, Agribusiness Management, processing statistics or any other related field;
- Minimum of 8 years' experience conducting similar or related studies in Agribusiness or related field;
- Good understanding of labour markets and value chain development work in the Republic of Türkiye;
- Good understanding of participatory methodologies such as FGDs;
- Good understanding of youth issues related to unemployment;
- Prior experience in integrating youth in agricultural value chains and/or job markets;
- Have working experience in the Republic of Türkiye.

Expected Deliverables

Key expected deliverables from the team leader will include:

- Inception report highlighting how the assignment will be conducted and deliverables;
- 1st draft report based on literature review, clearly highlighting gaps to be filled by primary data collection;
- Data should include youth aspects as well gender (integrated with inputs provided by gender expert)
- Data collection tools;
- Consultation with actors involved (youth, institutions, public and private sector as required)
- Final report which details findings on all aspect as highlighted in the scope of work (youth and women).

Profile 2: Gender Expert (40 days):

- University degree in socio-economic, community development, social science, or a related field.
- A minimum of 5 years practical experience in the field of gender equality and gender mainstreaming
- demonstrated expertise in mainstreaming gender in projects and programmes, especially in specific area of intervention;
- Thorough understanding of the gender context in Türkiye and experience working with community livelihood development programme supporting women;
- Familiarity with gender analysis tools and methodologies in the specific area of intervention;
- Strong communication skills, and ability to liaise with various stakeholders.

Expected Deliverables

Within the duration of the assignment, the Gender Expert for the assessment is expected to undertake a gender analysis with specific focus on livelihood and economic activities for

women. Specifically, under direct supervision and guidance of the Team Leader and in close collaboration with the RPMU Gender Experts, the incumbent is expected to deliver:

- Desk review on existing national strategies and policies on issues related to women's economic participation including key initiative in rural areas and targeting forest village communities,
- Data collection tools;
- Consultation with relevant institution as part of data collection and in line with key areas highlighted in the ToRs;
- Conducted consultation with women FGDs and relevant partners as required;
- Documented consultation;
- Findings are analyzed for the gender section of the report;
- Report submitted to the TL for consolidation in line with ToRs for the study.

Appendix A.7: Draft ToRs for Monitoring and Evaluation expert1

The M&E function will be coordinated by one person, the M&E expert. The project structure may vary, but the principle remains that the responsibility for M&E tasks must be shared among selected staff of the project's management unit and implementing institutions.

1. BACKGROUND

- **1.1. Brief presentation of the project.** This section briefly describes the project:
- Objectives
- Target group,
- Components
- **1.2. Objectives of the position.** This section describes the main objectives of the position:
- Plan and coordinate activities described in the M&E Plan
- Provide accurate, complete and up-to-date information about the project that will assist project management, government and donors in making informed decisions
- Provide timely and relevant information to project stakeholders in reports, presentations and through other means of communication
- **1.3. Organizational relationship.** This section specifies to whom the M&E expert reports and with whom to consult when making decisions. It also explains how the M&E expert relates and collaborates with other members of the CPMU.
- The M&E expert reports to the Project Coordinator.
- The M&E expert is in charge of the M&E Unit, which is composed of an M&E expert in each of the Regional Directorate, Assistant at central and provincial level.
- The M&E expert closely collaborates with the project's Financial Manager, Procurement Officer, Technical / Component Specialists and with the implementing partners.
- **2. RESPONSIBILITIES AND TASKS.** This section describes the responsibilities and tasks to be performed by the M&E expert. It is organized according to the different functions of the position.

2.1. Setting up system

- a) Clarify information needs from project stakeholders: management, government, IFAD, other donors, beneficiaries, etc.
- b) Review and validate logframe and ToC.
- c) Develop/Finalize M&E plan based on the project design, in particular the ToC and the Logical Framework, using a participatory approach.
- d) Design formats for data collection and progress reports.
- e) Distribute M&E roles and responsibilities among project staff and implementing institutions.
- f) Supervise and provide inputs in the design and set up of the Project MIS and ensure alignment with national systems and it responds to information needs from main stakeholders.
- g) Identify and proceed with the recruitment of other M&E, staff if any, in collaboration with Procurement Officer.

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¹ IFAD Guidance to strengthen project-level M&E

2.2. Planning

- Organize annual local planning meetings and project annual planning workshop.
- Lead and participate in the elaboration of AWPB in collaboration with fiduciary team and component managers.
- Prepare annual M&E work plan with the related budgets for integration in the AWPB.,

2.3 Data collection and recording in the MIS

- Ensure timely collection of relevant data based on information needs and according to M&E workplan.
- Ensure collection and availability of data for indicators and on total outreach, disaggregated to the extent possible.
- Check the quality of the data collected and ensure its timely entry in the Project MIS.

2.4. Monitoring

- Monitor implementation of activities in the AWPB.
- Monitor annual and end results for indicators against targets of the projects.
- Carry out field visits for monitoring and validation of data.
- Update the logframe and physical progress information based on the approved AWPB.
- Participate in supervision missions by preparing M&E required reports, facilitating access to M&E data and providing any other information required by the mission.

2.5. Evaluation

- Prepare TORs/MoU for baseline, mid-term and completion quantitative and qualitative surveys using IFAD COI measurement guidelines when required and participate to selection of service providers
- Supervise the execution of the baseline, mid-term and completion quantitative surveys.

2.6. Analysis and Reporting

- Analyze results, report any issues and propose adjustments/corrective measures and recommendations.
- Within set deadlines, prepare and submit required M&E reports (annual progress reports, AWPB, etc.)
- Organize project annual review workshop, with focus on annual performance reports, with lessons learned and recommendations (this may be combined with the annual planning workshop).
- Prepare and provide information in response to requests by key stakeholders that fall within the agreed results measurement framework of the project.

2.7. Training

- Identify M&E-related training needs and develop a plan for M&E and KM capacity building.
- Provide guidance and training (as needed) to PMU staff, implementing partners with M&E responsibilities, and stakeholders on M&E aspects related to their tasks.

2.8. Others

- Ensure planning, monitoring and evaluation activities are carried out in accordance with the project's guidelines and procedures, financial agreement and decisions of the project Steering committee (if any) and are aligned with and incorporate Donor's (IFAD) and Government requirements.
- Collaborate closely with technical / component specialists and implementing partners providing evidenced based.
- Perform any other tasks assigned by the Project Coordinator.
- **3. KEY OUTPUTS/DELIVERABLES.** Describe the main 'products' normally expected as a minimum from the M&E function during the life of a project.
- **3.1 M&E Plan.** Strategic document with key information on all aspects of the project's M&E/KM Function.
- **3.2 Management Information System (MIS).** Set up, with the help of other project/external specialists, a computerized system that facilitates keeping data on plans, progress, performance and results in one place, safely and easily accessible; and transforms large quantities of data into useful information.
- **3.3 Consolidated AWPB.** Annual work plan and budget including listing of planned activities and their costs, based on inputs from key stakeholders and implementing institutions.
- **3.4 Consolidated semi-annual and annual reports.** Overall progress reports based on M&E data, financial data and submission by implementing institutions, with analysis of progress and results, and recommendations for improvements.
- **3.5 M&E** presentations and recommendations for project management and key stakeholders. Logframe with updated indicator data for regular management meetings and supervision missions; processed M&E information with analysis of progress and performance as well as recommendations for regular management meetings.
- **3.6 Baseline survey report with logframe indicator data.** Manage the service provider or partner institution that conducts the focused baseline survey and ensure that a good quality report with indicator data is produced.
- **3.7 Mid-term survey report with logframe indicator data.** Manage the service provider or partner institution that conducts the focused mid-term survey and ensure that a good quality report with indicator data is produced.
- **3.8 Mid-term assessment report.** Coordinate self-evaluation prior to the MTR and produce a Mid-term Review Report, with information on progress and results; with performance analysis of the project and its implementing institutions; and with recommendations on how to improve the project strategy and implementation approaches during the remainder of the project period.
- **3.9 Completion survey report with logframe indicator data.** Manage the service provider or partner institution that conducts the focused completion survey and ensure that a good quality report with indicator data and impact assessment is produced.
- **3.10 Project completion report.** Manage/assist the team that carries out the project completion exercise and ensure complete, accurate and up-to-date M&E data is available and incorporated in the Project completion Report.

- **4. QUALIFICATIONS AND EXPERIENCE REQUIRED.** Describe the qualifications and experience required for the position of project M&E expert.
- **4.1. Education.** Master's Degree or equivalent experience in a field related to rural development and project management.

4.2. Work experience

- At least 5 years of direct relevant professional experience as an M&E specialist in rural development.
- Working experience with an international organization and/or government.
- Experience with IFAD projects would be an advantage.

4.3. Skills and competencies

- a) Proven skills in research and analysis, transforming data into useful information and conclusions.
- b) Expertise in M&E methods and approaches (logframe, theory of change, stakeholder analysis, quantitative and qualitative data collection, adaptation to local context, participatory approaches, etc.).
- c) A solid understanding of rural development, including aspects such as targeting of the rural poor, women and youth inclusion, environmental conservation and adaptation to climate-change.
- d) Willingness to carry out field work and engage with project beneficiaries and other stakeholders in remote rural areas.
- e) Good document drafting and writing abilities, including presentation of analysis or research.
- f) Good communication and interpersonal skills and ability to collaborate effectively with diverse stakeholders and implementing agencies.
- g) Ability to work both independently and collaboratively in a team.
- h) Organizational skills and the ability to concurrently handle multiple assignments.

4.4 Computer literacy

- Excellent knowledge of Microsoft Office (Word, Excel, Power Point, and other M&E related software), Internet knowledge.
- Proficiency in data analysis
- **4.5. Language.** High proficiency in English and national language

Appendix A.8: Draft TORs for M&E Assistant

Duties and responsibilities

The M&E Assistant will support the day-to-day implementation of M&E activities and ensure that the Regional M&E feeds the project M&E System with relevant information for progress assessment and decision-making.

Specific duties include:

- a) Preparation of weekly, monthly, quarterly and yearly Regional Monitoring and Evaluation reports.
- b) Ensure that the project M&E is carried out in unrolled and carried in the Provinces in accordance with the guidelines and procedures;
- c) Preparation of weekly, monthly, quarterly and yearly regional project implementation reports.
- d) Document, collect, and analyse information, lessons learned, and carry out case studies and special research as needed;
- e) Conduct provincial level trainings to stakeholders involved in data collection;
- f) Participate in the preparation of the province AWPBs;
- g) Support the Lead Specialist for the development of the Monitoring & Evaluation System with adequate indicators to monitor and report progress, performance and impact.
- h) Monitor, record, and report quarterly, on physical progress in the provinces of relevant region;
- i) Support the preparation of the project annual report with provincial inputs;
- Support targeting and gender activities in implementation, including providing technical assistance on gender issues, with respect to inclusion of women and youth, and ensure adequate awareness and activities in this respect, including during reporting.
- k) Support the design and execution in the region of the baseline surveys, outcome survey at midterm, and impact assessment at completion;

Expected outputs

- At least 85% of physical and financial delivery of the province Work Plan and Budgets in areas of responsibility;
- The Monitoring & Evaluation System in the province is set up and operational
- Weekly, monthly, quarterly and yearly Regional Monitoring and Evaluation reports.
- Quality AWPB, Quality progress reports prepared and timely submitted to the CPMU:
- Weekly, monthly, quarterly and yearly Regional project implementation reports.
- Core studies / surveys at start up, midterm and completion carried out in the province.
- Other related tasks assigned by CPMU.

Qualifications

- Degree in agriculture, natural resources management, agricultural economics, statistics, economics, management, rural development or a related field, and specific training in M&E;
- 5 years of work experience in implementation, planning, M&E and/or MIS in government/donor programmes with knowledge of logical framework programmes and participatory systems.
- Attendance to internationally funded projects M&E trainings and previous Certificate of M&E expertise certificates are an asset.

- Ability to implementation rigorously a monitoring system and capacity to carry out relevant field level verification with data validation tools;
- Excellent quantitative, qualitative, analytical, report writing and presentation skills. Fluent written and spoken English and Turkish languages. Excellent IT skills.

Appendix A.9: Draft Terms of Reference for Knowledge Management Expert

The overall purpose of the position is to improve project management processes and results by fully integrating KM into all aspects of project management, including M&E, financial management, supervision and reporting.

Specific responsibilities will include:

- Lead development and implementation of the project's KM, Communication and Learning Plan.
- Define the project's KM goals and strategic objectives, and the main areas of KM-related work with clear linkages to improving programme performance, promoting innovations, scaling up success, sharing lessons learned, and influencing policy.
- Ensure there is sufficient integration between programme learning systems (Progress Reports, Stakeholders meetings, Knowledge Products) and the project's AWPB to close the circle of participatory, demand-driven planning and implementation.
- Develop the annual KM work plan and budget, outlining KM activities, budget and timeline.
- Develop a range of Knowledge Products that document lessons learned, best practices and success stories.
- Manage the project online and social media presence.
- Identify knowledge partners from which to draw relevant knowledge or to develop and share knowledge generated by the project.
- Build the capacity of the project staff to enhance knowledge sharing within the project and support project management to create incentives for knowledge sharing.
- Identify indicators and monitoring methods, which should be reflected in the Program M&E system to track results and impact of KM activities.

Minimum qualification requirements:

- At least BS degree in Marketing, Public Relations, Business, Law or related fields;
- At least 3 years of specific experience in marketing/public relations;
- Specific working experience in agriculture and rural development field will be an asset;
- Excellent written and oral communication skills in English.

Appendix A.10: Draft Terms of Reference for Baseline, Mid-term and Completion Survey²

Indicative Table of Contents

- 1. Background and context
- 2. Description of the project
- 3. Purpose and objectives of the consultancy
- 4. Methodological requirements
- 5. Detailed list of activities and deliverables
- 6. Competencies required
- 7. Administrative and other aspects

Technical Annexes

- 1. Detailed targeting strategy
- 2. Logframe
- 3. ToC
- 4. Project area and numbers
- 5. Draft questionnaire
- **1. BACKGROUND AND CONTEXT.** This section includes general information about the project.

1.1. General presentation of the project:

- Short description
- Dates of approval, entry into force, start-up, etc.
- State of implementation, first results if any
- Budget: IFAD financing and others

1.2. Institutional framework:

- Ministry and Lead Programme agency
- Implementing agency/agencies
- Legal framework
- Other relevant aspects
- **2. DESCRIPTION OF THE PROJECT.** This section describes the project's main features.
- 2.1. Objectives
- 2.2. Duration of the project
- 2.3. Project Area
- **2.4. Target group.** This section describes the target group as validated by the project prior to the elaboration of the ToRs (see STEP 1 in COI measurement guidelines). This paragraph must be complemented with a detailed description of the targeting strategy in technical annex 1 of the ToRs.
- **2.5. Theory of change.** This section briefly describes the theory as validated by the project prior to the elaboration of the ToRs (see STEP 1 in COI measurement guidelines).

² IFAD COI Measurement Guidelines

This paragraph must be complemented with a detailed description of the theory of change and related logframe in technical annexes 2 and 3 of the ToRs.

2.6. Components and main activities

2.7. Budget

- **3. PURPOSE AND OBJECTIVES OF THE CONSULTANCY.** This section explains the purpose and the objectives of the survey. Please note that they might differ according to the stage of the project: baseline/mid-term/completion.
- **3.1. Purpose.** The planned study aims at carrying out a baseline / mid-term / completion survey which will consist of quantitative and qualitative information. It will examine the effects of the projects on Choose thematic areas addressed by the project: Agricultural /livestock production Employment Nutrition Financial services Producers Organizations Rural enterprises Climate resilience and any other impact or project specific thematic area included in the questionnaire and will compare the situation with and without the project. This study constitutes one of the stages of the project evaluation process and is part of a global evaluation plan.
- **3.2. Objectives.** The main objective of the study is to develop the sample design, conduct the data collection and analysis and report writing of the Baseline/Mid-term/Completion: choose according to stage of implementation survey to be used for the project evaluation process. survey. The information to be collected includes information related to project activities in order to derive data on Outcome and/or impact: adapt according to indicators included in the questionnaire (CIs, PSIs and Impact).

Specify for:

Baseline: The survey will measure the baseline values of project outcomes and impact if included indicators and individual/household characteristics at project start. The baseline survey will be conducted on a sample of Beneficiaries if identified or Potential beneficiaries from the eligible population. Baseline data provide information on beneficiaries and comparison groups before the programme is implemented and are important for measuring pre-intervention outcomes and establish benchmark information for selected indicators. The analysis of baseline data will also be used to assess targeting effectiveness, that is, whether or not the [name of project] is going to reach its intended beneficiaries.

Mid-Term: The survey will measure the mid-term values of project outcomes and impact if included indicators on the same indicators used for the baseline in order to compare midterm with baseline data. Mid-term data provide early evidence of progress towards objectives assessing whether or not the project is on right tracks. The mid-term survey will be conducted on the same sample of beneficiaries as for baseline if feasible.

Completion: The survey will measure the final values of project outcomes and impact if included indicators on the same indicators used for baseline and midterm surveys. The completion survey will be conducted on a sample of beneficiaries (treatment group) and non-beneficiaries (comparison group). If feasible on the same sample as for baseline and midterm. Completion data finalize the evaluation process and allow to measure **attributable** changes at outcomes and impact if included level due to project's intervention and the degree at which the programme reached its objectives.

4. METHODOLOGICAL REQUIREMENTS FOR QUALITATIVE SURVEY

This section presents the methodological requirements the firm is expected to take into account in its proposal. The Project Team, in collaboration with IFAD, should define and explicit these requirements based on the COI measurement guidelines.

The Programme intends to conduct a Baseline/Mid-term/Completion: choose according to stage of implementation survey to obtain quantitative data that will enable to monitor and evaluate the Programme's results. The scope of the services required under this Terms of Reference include the collection of data at the appropriate levels of analysis: Individual/ Household/ Producers Organization/ Rural Enterprises: choose according to programme. The set of indicators to be collected will be based on Programme's log-frame indicators The study will follow a quasi-experimental approach with both a treatment and control group: according to stage of implementation.

4.1. Questionnaire and variables

The survey questionnaire to be developed by the firm should include the list of questions identified by the project and presented in technical annex 5 of the ToRs (Draft COI questionnaire). The elaboration of the draft COI questionnaire is based on the COI questionnaire template presented in technical appendix 1 of the COI measurement guidelines: See STEP 2 of the COI measurement guidelines for further details.

The draft questionnaire presented in annex 5 of the TORs integrates the logframe outcomes and impact and any other if included indicators, it might be reorganized and complemented but the outcome related-questions from the draft questionnaire should remain the same when relevant to a particular group or stage of the project and should not be rephrased.

4.2. Sample frame

This paragraph provides information on the desired sample frame based on the stage of implementation (baseline, mid-term or completion) and the information available at that stage. To ensure the representativeness of the sample, many factors should be taken into account based on a good understanding of the targeting strategy. It should indeed clearly define who are the different groups targeted by each of the project's activities and how the beneficiaries might overlap. The project's targets in terms of specific groups' participation, such as women and youth for instance, also have to be taken into account. All these elements then have to be adequately reflected in the sample. See STEP 3.1 of the COI measurement guidelines for further details.

The sample frame is the list of all the units in the desired population, from which random samples of units are selected to build the survey samples.

Baseline. According to the project situation at baseline, depending whether or not beneficiaries have been identified and whether or not a preliminary listing of potential beneficiaries has been carried out, there are 3 options:

i. The Project Team will provide the firm with the sample frame including the list of projects beneficiaries

OR

ii. The Project Team will provide a listing of potential beneficiaries in order to facilitate the drawing of the sample within the eligible population.

OR

iii. The Project Team will provide project and secondary data (in technical annex 3) for the firm to conduct a listing of potential beneficiaries in order to facilitate the drawing of the sample within the eligible population.

Mid-term and Completion. The Project Team will provide the firm with the sample frame including the list of projects beneficiaries as well as the composition of the samples at baseline (and mid-term if completion).

- **4.3. Sampling method.** This paragraph provides basic information on the recommended sampling method to be used for the survey. The project defines here if the sampling method will follow a panel data structure. According to the stage of implementation, the project also describes here if the sample should include a comparison group (mandatory at completion). The baseline, midterm and completion should, as far as possible, use the same sample. It is necessary that the contracted party maintains an accurate register of households sampled in both the treatment and comparison groups for future reference. See STEP 3.2 of the COI measurement guidelines for further details.
- **4.4. Sample size.** This paragraph determines how the sample size should be calculated: using a statistical formula or the Rule of Thumb. If the sample size is to be calculated using the power formula from the world bank, it should be presented in this paragraph. See STEP 3.3 of the COI measurement guidelines for further details.
- **4.5. Probability sampling.** This paragraph presents the project 's characteristics in terms of potential clusters or strata: it describes the different administrative/geographical units and possible strata (value chains, different agroecological areas, etc.). The sample should those characteristics. See STEP 3.4 of the COI measurement guidelines for further details.

The probability sampling refers to the sampling method in which all the members of the population has an equal chance to be a part of the sample and it uses random selection to select the sample within the desired population.

Note that decisions on the final sampling strategy will be made upon IFAD's approval.

4.6. Data quality control. The process of ensuring data quality is vital to the accuracy and usefulness of the survey. Data quality control requires a significant effort. This paragraph describes the main elements to consider in order to ensure the data quality control. See STEP 5.1 of the COI measurement guidelines for further details.

As data is collected and entered into a storage mechanism, checking for errors and data quality is an important step and sufficient time should be allocated to review the data and assure its quality.

The following strategies should be used:

- Double data entry.
- Spot checking.
- Sort data to find missing data, outliers, high, or low values.
- Use automation, such as drop-down menus.
- Format a database to accept only numbers.
- Review data for anomalies.
- Discuss data discrepancies and/or findings with implementers.

Data-quality checks can be implemented while collecting the data rather than ex-post as in the case of paper -based surveys by using electronic devices for the data collection.

4.7. Computer entry. This paragraph explains the modalities of computer data entry recommended by the PROJECT TEAM if any. See STEP 5.3 of the COI measurement guidelines for further details. The use of electronic devices and georeferencing is recommended.

4.8. Analysis and report

Analysis. This paragraph presents the type of analysis expected from the firm. It depends on the stage of the project (baseline, mid-term and completion) and the level of analysis (complex or simplified) required. It also explains how the estimation, interpretation and presentation of the results should be done. See STEP 5.3 of the COI measurement guidelines for further details.

Report. This paragraph presents the main elements to be included in the final report. This paragraph might also include an indicative table of content for the report. See STEP 5.3 of the COI measurement guidelines for further details.

While writing the report, the firm will work in close collaboration with the Project Team and other implementing partners, to enable a learning process and to maximise transparency and accountability. Once the surveys have been conducted and their quality controlled, the analysis of the results should be presented in a report. The report summarizes the conclusions emerging from the analysis and includes the following elements:

- the description of the methodology used
- the questionnaire
- the list of villages/communities surveyed
- the results of the survey
- the updated logframe (at least CIs at outcome levels)
- the ToC and its description based on the results of the survey
- the analysis and interpretation of the results (detailed analysis with statistical significance and summarized tables for each indicator)

The survey database should also be provided to project staff and IFAD. The qualitative data will be presented in a separate chapter: if qualitative survey also included in the ToRs.

5. DETAILED LIST OF ACTIVITIES AND DELIVERABLES

This section presents the list of activities expected to be performed by the firm. It also describes the main deliverables to be provided.

The firm will work in close collaboration with the concerned general experts of the implementing agency and under the supervision of the Project Team and IFAD in the development and supervision of all phases of data collection and following analysis of the dataset.

5.1. List of activities

Phase 1 - Inception phase

- Initial situational analysis - review of project materials and data:

The identification of the beneficiaries (and non-beneficiaries) interviewed at previous stage will enable the firm to construct a panel survey. The technical annex 4 of the ToRs presents the main data regarding the characteristics of the project area and the population: list of considered administrative/geographical units (provinces, municipalities or communities, etc.) with respective population, incidence of poverty, farm 's productive orientation, etc.

The Project Team shall be responsible for providing key background documentation to the firm (financing agreements, Logframe, ToC, startup reports, supervision reports, etc). In particular, existing and previous data to be provided by the project:

For baseline: Logframe, ToC, List of beneficiaries if any or preliminary listing of potential beneficiaries, secondary data, etc.

For Mid-term: Logframe, ToC, List of beneficiaries, Baseline data and survey sample, secondary data, etc.

For Completion: Baseline and Mid-term data and survey samples, List of beneficiaries, etc.

- Collect and analyze secondary data (from multiple sources where available).
- Household Listing Survey if needed.

If the Project Team has not carried out a listing of potential beneficiaries (see Step 3.1 of COI Measurement guidelines), this listing should be carried out by the firm directly and it should be included in the list of activities.

To facilitate the drawing of the sample within the eligible population, a listing of potential beneficiaries can be conducted in the field. Enumerators will collect basic information from each household in the enumeration area, taking on average no more than 5 minutes per household to assess household eligibility, basic demographic and re-contact information. The household sample will then be constructed on the basis of this listing. An initial identification and selection of enumeration areas may also be required, for instance, the preliminary listing could be done only on the primary cluster (if clusters are defined in the sampling design).

Phase 2 -Sampling strategy and survey instrument development

See previous section IV on methodological requirement for details

- Development of the survey questionnaire based on the draft provided by the project.
- Development of the sampling design
- Clearance by Project Team and IFAD of pilot sampling design and the questionnaire.
- Develop interview manuals and instructions for field staff
- Training of interviewers for the pilot study.
- Pilot study fieldwork.
- Revision of the pilot study questionnaires.
- Analysis of pilot study results, introducing adjustments to the draft questionnaire.
- Development of the Final Questionnaire.
- Development of an appropriate data management system with adequate quality controls.
- Clearance of the final questionnaire and sampling design by Project Team and IFAD.

Phase 3 - Fieldwork Activities

See STEP 4 of the COI measurement guidelines for further details.

- Preparation for field work (recruitment of interviewers, printing of questionnaires and other fieldwork documents).
- Staffing and Enumerator training
- Administrative approval from necessary authorities
- Qualitative data collection at the appropriate level of analysis:

Individual/Household/Producers Organization/Rural Enterprises: choose according to programme.

Data quality control

 Quantitative data collection (focus group discussion/semi structured in-depth interviews, etc.): if qualitative survey also included in the ToRs

Phase 4 - Data Processing, Analysis and Final Report Preparation

See STEP 5 of the COI measurement guidelines for further details.

- Database formation.
- Data entry and cleaning.
- Statistical analysis of the data.
- Preparation of the final report.
- Translation of the final report.
- Clearance of the report.

5.2. Deliverables

Once selected, the firm will produce the following deliverables for this project:

- a) **Deliverable 1:** Updated working calendar and delivery schedule
- b) **Deliverable 2:** Survey design describing the sampling strategy, data collection instruments and data entry methodology
- c) **Deliverable 3:** Final questionnaire including electronic format (Stata, SPSS or SAS).
- d) **Deliverable 4:** List of households to be interviewed and list of communities/villages surveyed
- e) **Deliverable 5:** Training manual for field staff and enumerators
- f) **Deliverable 6:** Training of field staff and enumerators
- g) Deliverable 7: Final Survey Report Analysis and Reporting
- h) **Deliverable 8:** Clean dataset

The firm should deliver **all the material in electronic format.** The expected tasks for the firm should be performed in accordance with a mutually agreed schedule. Final deliverables should be submitted according to this schedule and within the limits of the contract duration.

Deliverables are subject to agreement by the Project Team and IFAD and preliminary versions should therefore be submitted by the firm in time allowing for comments to be shared and if required changes to be introduced by the firm.

6. COMPETENCIES REQUIRED

This section presents key competencies required for the firm and staff. I also lists the key professional and support staff positions required for the elaboration and implementation of the survey. The description below is indicative and might be adapted to Project and country's characteristics.

6.1. Firm expertise and required qualifications. The selected firm shall possess the following qualifications:

- · Previous experience in carrying out evaluation surveys is a compulsory requirement, including demonstrated experience in designing and conducting evaluations and of organizing surveys on the scale of this project (including survey and sampling design)
- · Strong capacity and experience in planning and organizing survey logistics
- Good network of experienced enumerators, supervisors and data entry clerks
- Strong capacity in data management and statistics
- · Strong capacity in survey analysis and reporting of results
- · Strong interpersonal skills and a team oriented spirit

- Experience doing household survey work and carrying out evaluations in [country].
- · Strong background in statistics and econometrics.

6.2. Key staff/ required staff

The proposed team should consist of reasonable number of qualified and experienced professionals having proven track record in designing and implementing socio-economic and baseline studies and/ or evaluation studies and having good depth of understanding of rural development as well as of and gender and social inclusion. The bidders are expected to propose a study coordinator/Team Leader and appropriate number of experts, field supervisors, enumerators and support staff.

Minimum **key professional staff positions** (recommended):

One study coordinator/team leader: Advanced degree in economics, statistics, agricultural economics or related field. At least five years relevant experiences in conducting impact evaluations, large quantitative survey implementation and analysis, experience in household and agricultural data collection and analysis required, ability to coordinate teams and ensure timely reporting.

The study coordinator/Team Leader will be in charge of coordinating the planning, implementation of the studies and ensuring that the work is conducted following the highest professional standards. The individual will be in charge of ensuring that the quality control and supervision mechanism in place for the survey is effective, manage the data collection team and ensure that each member performs their specific scope of work.

One expert in survey implementation and field supervision: Minimum five years' experience with large survey implementation, experience in implementing household and agricultural surveys required. Preferably with previous experiences in conducting surveys in [country].

One socio-economic researcher: Advanced degree in economics, agricultural economics or related fields, at least five years' experience in analysing survey data using STATA or equivalent software. Strong background and experience in statistics and econometrics is required. Ability to write clearly and concisely in English. Previous experience in impact evaluation is preferred.

One computer specialists in data entry and data bases: Minimum experience of three years with large survey data sets and data entry software required. The data specialist will develop appropriate data management system with adequate quality controls, and finalize the data management system before the data collection team moves to the field. The data management system would also be organized in such a way as to deliver partial datasets on a regular basis to the Project Team.

Minimum key support staff positions (recommended):

Field supervisors: Minimum of 2-3 field supervisors should be hired (best ratio would be 1 supervisor every 4 enumerators). They should be chosen based on the firm's best practices. Some degree of knowledge of local languages is expected at least from a sufficient number of the supervisors. At least two years' experience in conducting or managing household surveys is required.

Survey enumerators: Minimum of 8-10 enumerators should be hired. Minimum qualifications include knowledge of local language. Preference should be given to candidates with experience in quantitative data collection in rural [country], namely, on the themes of the questionnaire.

Data entry technicians: Minimum qualifications include knowledge of local language and advanced computer skills. Preference should be given to candidates with experience in quantitative data entry and/or previous experience in survey work.

7. ADMINISTRATIVE AND OTHER ASPECTS

This section presents administrative and other aspects concerning the bidding process. The elements presented below are only indicative and might be changed or adapted; the procurement process may vary based on country-specific procurement rules. Some elements might also be added.

7.1. Proposal content. Interested consulting companies should submit their applications consisting of the following documents/information to demonstrate their qualifications:

Technical Proposal will include: the profile of the company, relevant experience for the assignments, staffing (CV of each team member), proposed methodology to perform the assessment, the size of the sample to be analyzed, the work plan and schedule (activities) and resources (including number of person-day).

Financial proposal will obligatory include the consulting fee and operational expenditures related to the assignment. The survey company will provide a break-down of the budget by the activities mentioned in the Activities section above.

Indicative example of technical evaluation criteria³

Required criteria (Pass or Fail):

- Firm has at least 5 years of experience in conducting surveys
- Firm has conducted minimum 3 data collection surveys in the past 5 years

Evaluation criteria (Weighed Evaluation):

- Company's experience and expertise in evaluation surveys: The firm/consortium has robust expertise and previous experience evaluating rural development projects based on households surveys and data.
- **Understanding of the requirements and responsiveness of the proposal:** The firm understands the requirements of the exercise and fulfils expectations in terms of both the proposed methodology and the adequacy of the means proposed to deliver the expected services.
- Company has experience with data collection and management (using electronic)
- Local experience doing household survey work and carrying out evaluations in country.
- **7.2. Conditions for offer's submission.** To be considered interested companies should submit their proposal (technical and financial offer) in original and a copy in separate sealed envelopes. Each envelope will consist of the technical and financial offer sealed in separate envelopes as well (a total of 2 envelopes, each with 2 envelopes inside).
- **7.3. Selection Process.** The consulting company will be selected in accordance with **[country's procurement procedures in effect for the Project].**

The final score obtained by each firm being composed of **[X %]** of the score for the parameter "Quality" (evaluated based on technical bid) and **[(100-X) %]** - score obtained

³ The example provided here should not be included in the TORs but provides example of technical evaluation criteria for the assessment of the firms 'proposal resulting from the TORs procurement process

for the parameter "Cost" (established based on financial bid). The financial offer will be opened only if the provided technical offer will pass the minimum technical score of **[xx]** points.

7.4. Budget and mode of payment. Budget should cover all costs for remuneration of experts/staff including their travel and miscellaneous cost. If the applicant is a firm or a company, Value-added tax certificate is a must. Prevailing national rules will be applied for tax purpose.

According to the estimated timeframe and schedule of execution, payments for the services provided will be made, after the products/deliverables are submitted timely and cleared by the PROJECT TEAM and IFAD.

A table presenting the payment schedule and conditions according to the delivery of the products might be included.

7.5. Future Use of the Data

The clean dataset as well as the resulting reports will be property of the Project Team and IFAD.

ANNEXES of the TORs:

The ToRs should also include the following annexes:

1. Detailed targeting strategy. This technical annex details the project's eligibility/selection criteria of the eligible or target beneficiaries population. Eligibility and beneficiaries selection procedures should be described since they help determine the strategy for the selection of appropriate treatment and comparison groups. See STEP 2 of the COI measurement guidelines for further details.

2. Logframe

3. Theory of Change (ToC). The ToC highlights how project activities (inputs) lead to/are linked to results (outputs and outcomes) and impacts. It is necessary to make explicit the assumptions behind those links, and the possible impact pathways. The relationship between projects activities and results, will need to be described in detail and will help identifying intermediate indicators to be collected as part of the baseline survey. Intermediate outcomes are the direct changes that are generated by the project intervention, and that as shown in the theory of change, will lead to projects impacts. It is also important to single out the indirect changes or unexpected changes that the project will produce and that will ultimately have an impact on the projects results (impacts).

The logframe indicators will serve as a basis for the assessment by project component.

- **4. Project's data.** This technical annex presents the main data regarding the characteristics of the project area and the population: list of considered administrative/geographical units (provinces, municipalities or communities, etc.) with respective population, incidence of poverty, farm's productive orientation, etc. Electronic dataset should also be provided in addition to the tables presented in this annex.
- **5. Draft questionnaire.** This appendix presents the mandatory questions to be included in the final questionnaire based on the CIs (and PSIs/Impact if included) indicators identified in the logframe. See STEP 4 of the COI measurement quidelines for further

Appendix B: Finance related annexes

Appendix B.1: AWPB Structure and preparation checklist

PMU is responsible for the development of the Annual Work Plan and Budget (AWPB), generally covering a period of 12 months, which should include the following mandatory sections:

Section	Description
Introduction	 Provide a brief background Include narrative covering the strategic focus, target group, geographical focus (Project sites), outreach (with gender disaggregation), Project components, specific activities to be undertaken and the planned output for each activity. The planning process (steps, stakeholders, sources of information).
2. Implementation progress and performance2.1 Overall performance2.2 Progress by component	 A brief summary of where the project is in terms of its targets.
3.	•
Risks and mitigation	 Outline of major risks that could affect adversely the Project outcomes and mitigating actions taken.
Strategy, Budget and financing plan	 Description of any shift in focus or strategy, based on past experience or external changes, and. Also, a narrative description of the main activities under each component. Describe the necessary inputs and outputs for each activity, including the expenditures, financing source and expected completion date. The expenditures should be classified per activity and should also be linked to a component, expenditure category as per the financing agreement and a financing source. Each activity should be coupled with tangible outputs or physical targets to facilitate the measurement of Project progress.
Procurement plan	 Outline detailed plan outlining procurement activities, include expected cost for each item, procurement method and timeline. The first Procurement plan should cover the first 18 months of the Project lifecycle while the subsequent procurement plans should cover 12 months of the Project lifecycle.
Progress and past performance (include in 2nd AWPB onwards) Constraints, lessons learned and strategic focus	Outline the following with: Summary of the key achievements Problems encountered and how these were resolved Budget execution, comparing actual expenditure per category/component to prior AWPB with an indication of category overspend
Other	Training and technical assistance schedulePCU staff development plan

	 Project staff payroll (inclusion salaries and incentives) 	iding the nam	es, titles,	
Annex 1. Updated logical framework	The logical framework with i up-to-date results information		gets and	
Annex 2. Activity and budget details by component	Tabulated activity details (w quantities, cost)	hat, when, by	whom,	
Annex 3. Procurement plan	Details on procurement item	s and meth		
AWPB Check: The checks listed I improve the quality of the AWPE preparation stage.		Yes	No	
Is the AWPB complete and clearly pushficient information?	resented? Does it disclose			
Is the AWPB in line with the Project (schedule 1) as per the financing ag frame? Are all the activities relevant	reement and the Project log-			
Does it contain the necessary summand financier and by expenditure ca as the detailed tables by component	tegory and financier as well			
Does the implementation schedule s show appropriate targets and milest execution level realistic compared to	ones? Are the targets and			
Does it contain a separate annex dis Project payroll?	sclosing the details of the			
Does it contain a separate annex co planned trainings?	ntaining outlining the			
In the detailed tables are the expen and linked to a component, expendi source?				
Are the cost categories of the AWPB in line with the Schedule 2 of the IFAD financing agreements and are expenditures within the agreed allocations?				
Is any expenditure category going to be overdrawn during the year? Is a reallocation of IFAD funds needed?				
Does the total (and subtotal) costs add up? Are the inputs (unit cost) and outputs (physical targets) adequately quantified? Is there coherence between the inputs and outputs? And does these represent value for money (i.e. what is the unit cots for per output, e.g. cost per trained farmer)?				
Are the unit cost are realistic and do they reflect market prices? Is the AWPB accompanied by a procurement plan? Is the procurement plan consistent with the AWPB?				
Is the format of the AWPB compatib reports and the accounting software module and generation of actual vs	le with other financial to allow input in the budget budget reports and			
Project as well as winding up activit	module and generation of actual vs budget reports and If last audit, does it take into account completion date of the Project as well as winding up activities such as Project completion report, final audit as handover/disposal of Project assets (computers, vehicles etc.),			

A.1. Annual Work Plan and Budget

Project Name: Recipient: Reporting period: DD.MM.YYYY – DD.MM.YYYY

			Detailed Tab	les per Compon	ent, Exp	enditure	Category .	and Fina	Detailed Tables per Component, Expenditure Category and Financier - (Separate sheet for each component as applicable).	eet for each	nenodmoo ı	t as applica	ple).				
Description			Location	ion		Items (c	Items (cost in USD)					Timeline			Fina	Financing Source (USD)	(asp)
Budget item by Component, Subcomponent and Activity	Methods	Budget Category	Implementing entity	Country/site	Unit	Unit	Quantity	Total	Physical Outreach/target by activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Delivered by	IFAD Grant	Recipient	Co- financier
Component 1																	
Activity 1.1																	
Expenditure item																	
Expenditure item																	
Subtotal																	
Activity 1.2																	
Expenditure item																	
Expenditure item																	
Subtotal																	
Activity 1.3																	
Expenditure item																	
Expenditure item																	
Expenditure item																	
Expenditure item																	
Subtotal																	
Total (Component 1,2,3 etc)																	

Appendix B.2: Information checklist – preparing for IFAD missions

It is required that FIRAT PMU prepare the following in anticipation of IFAD missions:

	Information	Guidance
1.	Appendix 1	 Prepare <u>Appendix 1</u> in Excel Workbook and include formulae as appropriate.
2.	FMAQ	 Include comments in the Financial Management Assessment Questionnaire (with exception of the summary section).
3.	Withdrawal applications/ SOEs	 Files of all recent withdrawal applications/statement of expenditures available (at least covering 12 months prior to the missions). Upon request, provide supporting documentation for a selection of expenditures. Provide a summary of pending withdrawal applications / SOEs for review.
4.	Bank and petty cash reconciliations	 All files of most recent bank and petty cash reconciliations available. Include copies of relevant bank statements. Ensure that IFAD designated account reconciliations are prepared in the correct format as outlined in the IFAD Project Financial Management and Financial Control Handbook for Borrowers
5.	Financial reports	 Provide most recent financial reports (as at end of most recent completed month), which include summary information (including all sources and uses of funds). Provide most recent interim financial report (format illustrated in 22.9) Provide copy of most recent audited financial statement.
6.	Fixed asset register	 Provide updated fixed asset register in Excel Workbook format (export from accounting software).
7.	Manuals and procedures	 Provide most recent version of the Financial Manual (to which IFAD has provided a no objection). Provide a copy of the accounting software manual.
8.	Contract register and monitoring forms	 Make available the update Contract Register and Contract Monitoring Forms (export from Accounting software/OPEN).
9.	Action tracker	 Update the action tracker with progress to date.
10.	AWPB/Procurement Plan	 Make available electronic copies of the AWPB and Procurement Plan (provide in Excel Workbook format).
11.	Advances	 Make available a summary of outstanding advances with supporting documentation.

Appendix B.3: Terms of reference for Finance Manager

Post title:Finance ManagerOrganisation:OGM - FIRAT PMULocation:Ankara, Türkiye

Name of Project: FIRAT

1. Background

The General Directorate of Forestry (OGM) is responsible for the implementation and administration of forestry projects financed by the Republic of Türkiye Government and other international donors.

OGM has established a Central Project Management Unit (CPMU) to coordinate the management and implementation of IFAD funded project FIRAT. The CPMU is headed by a Project Director.

2. CPMU Financial Management Unit

FIRAT CPMU has a Financial Management Unit responsible for financial and accounting matters and a Procurement Unit responsible for the procurement of goods, works and services.

Financial and accounting matters are the responsibility of the Finance Manager, who heads the Financial Management Unit and who reports to the Project Director. The Finance Manager is assisted by an accountant.

3. Scope of Services and Responsibilities

The Finance Manager's tasks and responsibilities include, but are not necessarily limited to, the following:

- ensuring proper management of project funds and their disbursement in accordance with the accounting, budgeting, and financial control procedures established for the CPMU in the light of IFAD requirements;
- preparing, and securing approval of cash forecast and budgets based on the operating plans of the projects' subcomponents;
- periodically evaluating the financial reporting and internal control arrangements for the projects' subcomponents and preparing proposals for improvements;
- performing a monthly review of the projects' general ledgers with a view to identifying and clarifying any errors and anomalies, and particularly with reference to receivables and payables which have been overdue for more than one month;
- Validate and finalize Withdrawal Applications and Interim financial reports in accordance with the Disbursement Guidelines of IFAD;
- Validate all cash and advance payments on the project operation and other expenses;
 validate all daily accounting transactions into the accounting software; their correct classification and proportion of expenses according to their categories;
- scrutinizing financial reports submitted by implementing agencies or institutions implementing or managing project components to ensure that they follow established procedures, and to take corrective action where necessary;

- monitoring the status of budget utilization by project component and category of expenditure and reporting to the Director on any significant variances, together with recommendations for appropriate actions;
- liaising with officials of the Ministry of Treasury and Finance, the Ministry of Agriculture and Forestry and other Turkish concerned government bodies (as applicable) on financial issues pertaining to the PMU and the projects, for which it is responsible, and particularly on the timely payment of government counterpart funds;
- paying periodic visits to remote project locations to check the operation of the system of internal control and control of reports submitted by the components;
- ensuring the timely preparation of financial, activity and monitoring reports to the Turkish Republic Government, donors, and providing the projects' internal and external auditors with all information, documentation and explanations required for the purposes of audit;
- submitting requests for the replenishment of the projects' Designated Accounts in accordance with the IFAD disbursement guidelines and the signed financing agreement with the Republic of Türkiye.
- prepare and finalize various reports (monthly & quarterly), information materials for and at the request of the Ministry of Treasury and Finance, IFAD, other donors;
- approving and updating the project's Financial Manual and ensuring adherence to its provisions;
- preparing TORs for the external audits; technical and financial assessment of auditors' proposals; preparing annual financial statements and explanatory notes in accordance with IFAD and other donors' requirements and with ISA, to the extent applicable; agreeing with the auditors the form of their report;
- organizing and providing training workshops in accounting and financial management topics for finance staff of the PMU;
- supervising the operation of the projects' Designated Accounts and project accounts in accordance with IFAD and other donors' procedures;
- standing in for the Financial Unit specialist/s and performing their routine duties during periods when they are absent;
- perform such other duties as may be required by the Project Director.

4. Institutional Organization

The Financial Manager will work closely with CPMU, RPMU & Support units staff, all partners, implementing agencies of the project and its components, government agencies and other organizations that have a direct link to the project implementation.

5. Reporting and Approval

The Finance Manager will report to the Project Director who will evaluate performance of his/her responsibilities every year.

6. Client's Contribution

The client will provide the staff with relevant information on the Project, the basic documents of the Project, procurement plans and available technical materials on assignments described in the scope of work. The client will provide the staff with necessary working conditions in CPMU (room, furniture, office telephone, access to Internet, etc.).

7. Qualifications and Experience

The Finance Manager should satisfy the following qualifications and criteria:

- Higher education in accounting and finances;
- Broad experience of budgeting, accounting and reporting procedures of the World Bank Group/IFAD/other IFIs and other donors;

- Hands-on experience of setting up and running a project financial management and accounting information system in accordance with best international practice;
- Complete, practice-based command of double-entry bookkeeping;
- Ability to present financial information in a clear, concise manner and in formats suitable for non-specialists;
- Fluency in Turkish and English;
- Experience in training staff of local counterparts and subcontractors in disbursement procedures and in accounting theory and practice;
- Computer literate; familiarity with Windows-based programs such as Word and Excel, PowerPoint, Accounting software and other MIS.

8. Duration of Appointment

The period of assignment in the position will be initially 12 months and may be extended by mutual agreement, with probation period of three months.

Appendix B.4: Terms of reference: Accountant

Post title: Accountant

Organisation: OGM - FIRAT PMU Location: Ankara, Türkiye

Name of Project: FIRAT

1. Background

The General Directorate of Forestry (OGM) is responsible for the implementation and administration of forestry projects financed by the Republic of Türkiye Government and other international donors.

OGM has established a Central Project Management Unit (CPMU) to coordinate the management and implementation of IFAD funded project FIRAT. The CPMU is headed by a Project Director.

2. Central Financial Management Unit

CPMU has a Financial Management Unit responsible for financial and accounting matters and a Procurement Unit responsible for the procurement of goods, works and services. Financial and accounting matters are the responsibility of the Finance Manager, who heads the Financial Management Unit and who reports to the Project Director. The Finance Manager is assisted by an accountant.

3. Scope of services and duties

The Accountant must responsibly perform the activities detailed in the Terms of Reference and Scope of Services. The Accountant's tasks and responsibilities include, but are not necessarily limited to, the following:

- Prepare Withdrawal Applications and Interim financial reports in accordance with the Disbursement Guidelines of IFAD;
- Disbursements for advancing the project components' costs according to applications, payment of the PMU costs from the project designated accounts;
- Accounting, ensuring proper control over the project financial resources, flow of resources and disbursements following the adopted procedures and accounting standards of the Turkish Republic complying with the requirements of IFAD and other donors;
- Make cash and advance payments from the project bank accounts on the project operation and other expenses; enter all daily accounting transactions into the accounting software; their correct classification and proportion of expenses according to their categories;
- Preparation of monthly cash flow reports for all available project accounts;
- Processing the reports by project categories and components, keeping the entire entries and daily banking operations in the accounting software according to bank statements;
- Processing the advance reports of suppliers/implementing agencies/staff.
- Keeping the electronic cash book and control over bank statements;
- Control over the fuel consumption and keeping the Statement of Expenditure;
- Cash payments and advances from the project account for operating and other project costs;

- Preparation of all supporting documents on the project costs accompanying the withdrawal application;
- Preparation of monthly cash flow reports for all available project accounts;
- Assist the Financial Manager to prepare financial statements for auditors during Project(s) audit;
- Participation in preparation of various reports, information materials at the request of the Ministry of Treasury and Finance, IFAD, and other donors;
- Inventory of fixed assets, assets procured under the projects, monitoring and the like:
- Process accounting records for all temporary and permanent assets; participate in an annual inventory of the Project and its equipment;
- Act as Finance Manager, and perform specific duties during their absence;
- Perform other relevant duties at the request of the Finance Manager and/or the Project Director.

4. Reporting and approval

The accountant will report to the Project Director and the Finance Manager who will assess fulfilment of his/her duties regularly.

5. Institutional arrangement

The accountant will work closely with the CPMU, RPMU and support staff, with all partners, implementing agencies of the project, state institutions and other organizations relative to the project implementation.

6. Client's contribution

The Client will provide the Accountant with relevant information on the Project, the basic documents of the Project, work plans and available technical materials on assignments described in the scope of work.

The Client will provide the employee with working place in CPMU as well as all necessary materials and tools needed to carry out this assignment.

7. Assignment venue

The accountant shall perform main part of works at CPMU office. If necessary, the Accountant shall travel to regions/provinces of the project area in the country to perform certain tasks.

8. Qualification and Experience

The Accountant shall meet the following criteria and qualifications:

- Higher education in accounting and finance;
- At least 3-year experience in accounting;
- At least 3-year experience in international organizations for a similar position;
- Good knowledge of procedures for financial management, accounting of the Turkish Republic, tax policy and other legislative regulations on financial management;
- Knowledge of the procedures for financial management in international organizations such as IFAD, etc.;
- · Good knowledge of Turkish and English languages;
- Mandatory knowledge of the computer programs based on Microsoft Office and accounting software;

9. Duration of work

The period of this position assignment initially will be 12 (twelve) months and may be extended by agreement of the parties, with a trial period of 3 months.

Appendix B.5 Terms of reference: Internal Audit Services

Project FIRAT

Location Ankara, Türkiye

1. Background:

The International Fund for Agricultural Development (IFAD) aids the Borrower/Recipient in the form of Loans and Grants.

A Financing Agreement for each project has been signed between IFAD and the Borrower/Recipient.

The lending terms for each project are specified in the relevant financing agreements and Financial Management and Financial Control Arrangements Letters.

The Internal Audit Department within OGM will be the auditing the project operations in accordance to the country law and this TOR.

The reporting entity is the PMU within General Directorate of Forestry (OGM) under the Ministry of Agriculture and Forestry.

The auditor conducts its internal audit in terms of XXXXX Standards.

2. Reporting System:

The objective of the Internal Audit is to add value and improve the Project's operations and assist Project's Board of Directors and management by independently reviewing all activities, processes and systems with particular regard to risk and control aspects and bringing a systematic and disciplined approach to the effectiveness of risk management, control, and governance processes.

The internal audit team will possess a thorough knowledge of internal auditing procedures, accounting procedures and have sound judgment on risk identification and management.

The internal audit team shall monitor the appropriate follow-up on audit findings and recommendations. All significant findings will remain in an open issues file until cleared.

3. Independence:

In addition to the internal reporting channels, the internal audit teams report to the Project Steering Committee.

All internal audit activities shall remain free of influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in performing the function.

Internal Audit shall have no direct operational responsibility or authority over any of the activities it reviews. Accordingly, it shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be considered management or staff's responsibility.

4. Authority and confidentiality:

Authority is granted for full and unrestricted access to all THE PROJECT records, physical properties, and staff relevant to any area under review. All employees are requested to assist the internal audit in fulfilling its function.

Documents and information obtained by the internal audit firm will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

5. Duties and Responsibilities:

Within the framework, as described above, the internal auditors will carry out the following tasks:

- a) Conduct a post-audit procedures on the PMU (CPMU, RPMU & support offices) and the implementing agencies which report to it, with respect to their functions and activities within the project. Make recommendations on possible improvements of the procedures to enhance control mechanisms, financial performance and produce quality reports for senior management and Board of Directors, to enhance decision making, on monthly basis.
- b) Audit all contracts signed between PMU and/or implementing agencies with service providers, suppliers, and contractors to verify that (i) compliance with terms and conditions of grant / loan agreements and procurement regulations and donor guidelines; and (ii) the contract is in line with best practice with respect to compliance with terms of reference, request for proposal, tender documents etc.
- c) Develop professional and constructive working relationships with key managers and be able to challenge when necessary.
- d) Lead development of specific innovative ways of working and new ideas for reviewing risk and control issues.
- e) Assess risk and control related policies and procedures, provide input to updates in existing procedural documents with respect to controls as necessary
- f) Apply internal audit procedures to audit the financial statements, accounting records and other financial and non-financial registries applying accepted internal audit standards.
- g) Undertake special assignments and investigations and in particular undertake more complex and high-level audit investigations under advisement of the Project Steering Committee.
- h) Reviewing the means of safeguarding assets and, as appropriate, verifying their existence.
- i) Reviewing and appraising the economy and efficiency with which resources are employed.
- j) Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned, including verify the adherence of PMU/Implementing agencies staff to annual work plan and budgets (AWPBs), policies, plans, procedures, laws, and fund regulations that are influential on Fund works as well as donors accounting procedures.
- k) Asses the efficiency, effectiveness and economy of the usage of resources and reports of any deviations in case they are existed.
- I) Reviewing the adequacy, implementation and operation of donors' transparency and accountability policies and of other anti-corruption, fraud and related misuse policies and procedures.
- m) Confirming adherence to the Financial Manual (as approved by IFAD).

6. Audit Planning:

- Internal Auditors shall submit to the Project Steering Committee an up-to-date summary of the audit work schedule.
- The audit work schedule is developed based on a prioritisation of the audit universe using a risk-based methodology. Any significant deviation from the formally approved work schedule shall be communicated to the Project Steering Committee through periodic activity reports.
- The audit planning shall pay specific attention to the activities of the implementing agencies which report to PMU.

7. Qualification criteria:

- Internal auditors should be member of recognized audit body/ professional international Accountancy
- The firm shall govern themselves by adherence to The Institute of Senior Internal Auditors' Code of Ethics. The Institute's International Standards for the Professional Practice of Internal Auditing shall be adhered to by the firm. The Institute of Senior Internal Auditors' Practice Advisories will be adhered to as applicable.
- Assigned employees to have:
 - Proven relevant working experience in Internal Audit.
 - Proven experience of risk management frameworks and approaches.
 - Experience of operational auditing & risk based approach to review.
 - Excellent negotiating and high level influencing skills and the ability to challenge at a senior level when necessary.
 - Ability to work in challenging environments.
 - Ability to work and deliver to tight deadlines.
 - Logical and systematic in analytical thinking.
 - Facilitation and presentational skills.
 - Full Working knowledge of Turkish, including excellent drafting and presentation skills.
 - Ability to read and speak English.
 - Excellent computer skills, including full working knowledge of standard word processing, spreadsheets and presentation packages.

Appendix B.6: Supporting documentation for withdrawal applications

In case supporting documents were requested by IFAD during the WA quarterly submission, the following supporting documentation, at minimum, is required:

Type of payment	Supporting documentation
All types of payments	 The signed contract or confirmed purchase order (Showing the specified amount that is due paid). The bank guarantee for advance payment, as specified in the contract documents The bank guarantee for performance, as specified in the contract documents Copies of communications sent by the IFAD country Project manager to the lead Project agency (LPA) providing the IFAD's no objection (post or Prior) to the contract award, and Evidence of payment.
Payment of goods	 Supplier's invoice duly certified for payment by the Project director – specifying the goods, their quantities and prices Bills of lading or similar documents; and As appropriate, the certificate of delivery (to include condition of goods to delivery.
Payments for services (including consultants)	 The supplier or consultant claim, duly certified for payment by the Project director and showing sufficient detail. If such Services relate to the importation of goods (for example, freight and insurance payments), adequate reference should be given to enable IFAD to relate each of these items to specific goods whose cost has been or is to be financed by the financing closing date; and As appropriate, a certificate of delivery of satisfactory services
Progress and retention payments of civil works	 the claim if the contractor, including a financial progress report, stating the work performed and the amount due; A certificate-signed by the Project consultants or owner's representative, if any, or by the borrower's chief engineering officer or resident supervising engineer assigned to the Project, to the effect that the work performed is satisfactory and the payment claimed is due in accordance with the terms of the contract, and A copy of the contract payment monitoring form signed in original by the certifying officer.

Appendix B.7: Terms of reference: External Audit (Treasury Auditors)

Borrower: Government of Türkiye

Project: Euphrates River Watershed Rehabilitation Project (FIRAT)

IFAD: IFAD Loan 200000XXXX; GEF Grant 200000XXXX

1. Background

- The International Fund for Agricultural Development (IFAD) aids the Borrower/Recipient in the form of Loans and Grants.
- A Financing Agreement for each project has been signed between IFAD and the Borrower/Recipient.
- The lending terms for each project are specified in the relevant financing agreements and Financial Management and Financial Control Arrangements Letters.
- The Board of Treasury Controllers will be the auditors to audit the accounts related to the project in accordance with the IFAD Handbook on Financial Reporting and Auditing.
- The reporting entity is General Directorate of Forestry (OGM) within the Ministry of Agriculture and Forestry.
- The entity prepare its financial statements in accordance with IPSAS Cash basis.
- The auditor conducts its audit in terms of International Standards on Auditing.

2. Objective

The objective of this audit is to enable the auditor to express an opinion on whether the financial statements (including additional disclosures as outlined in section 5) present fairly, in all material respects, the financial position of the reporting entity as at [insert year-end date], and/or the results of its operations and its cash flows for the years then ended, in conformity with the [applicable accounting standards].

3. Responsibilities of the Borrower

3.1 General

- Provide financial statements for the activities financed by the loan/grant which is reconcilable to its records and accounts.
- Provide the auditor with access to all legal documents, correspondence with consultants, contractors and other persons or firms engaged by the project and any other information associated with the project that the auditor deems necessary.
- Ensure that the accounting policies are consistently applied and disclosed.
- Ensure that appropriate internal controls are implemented to prevent misstatements and susceptibility to fraud.
- Ensure compliance with all relevant laws and regulations that pertain to the entity as well as the financing agreement between the Borrower/Recipient and IFAD.
- Provide the financial statements to the auditor within a reasonable time and be available for any queries that the auditor may have.

3.2 Financial statements

The Borrower/Recipient shall:

 Prepare financial statements covering the reporting period [date] to [date], in accordance with IPSAS Financial Reporting under the Cash Basis of Accounting. In addition, the following IFAD specific disclosures will be included in the financial statements:

- Withdrawal application statement appendix 1 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects
- Sources and uses of funds statement (broken down by categories of expenditures and by project components) appendix 2 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects.
- Designated account statement and reconciliation appendix 3(a) and 3(b) to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects.
- Statement of cash receipts and payments
- Notes to the financial statements
- Budget to actual comparison for the period and cumulative
- Fixed asset schedule

(Refer to project Financial Manual for illustration)

(If applicable) Where the amount transferred to the Implementing Partners (IPs) is substantial, the IPs should transmit a copy of the audited financial statement to the PMU/PCU

4. Responsibilities of the auditor

4.1 Auditing standards

 The auditor is responsible for issuing an opinion on the financial statements in accordance with ISA;

4.2 General principles

By agreeing to these terms, the auditor confirms that:

- The Board of Treasury Controllers is independent from the project, its staff and activities, in accordance with international best practices;
- The Board of Treasury Controllers is not providing consultancy services to the project or preparing its project financial statements (nor has it done so in the previous two years);
- The Auditor is suitably qualified and a public audit body;
- The auditor can conduct the audit in accordance with auditing standards acceptable to IFAD as per 4.1;
- The Board of Treasury Controllers can assign an audit team to the audit which has the necessary competence and skills to the audit;
- The Board of Treasury Controllers has a proven track record in conducting audits of a similar nature and complexity;

4.3 Reporting

The Auditor is required to deliver an audit package in compliance with ISA 700 that includes:

- The audited financial statements, including additional specific disclosures as outlined in 3.2.
- An audit opinion on the financial statements, considering the scope as outlined in paragraph 5.
- A management letter, including information as outlined in paragraph 4.3.
- A report on factual findings, within the scope of agreed-upon procedures as outlined in paragraph 6. Any ineligible expenditure identified should be clearly mentioned.

4.4 Management letter

The management letter is an integral part of the audit package that documents accounting and internal control issues identified by the auditors. The format of the management letter should classify the findings by risk priority. The management letter should:

- Provide comments and observations on the accounting records, systems and internal controls examined during the course of the audit, identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement;
- Include project management's responses to the identified control issues and its proposal to address the issues identified within a specific time.
- Where applicable, follow up on the issues identified in the previous year's management letter.
- Provide comments on economy, efficiency, and effectiveness in project management's use of resources.
- Report on the degree of compliance with each financial covenant in the financing agreement and provide comments, if any, on internal and external matters affecting such compliance.
- Communicate matters that have come to the auditor's attention during the audit that might have a significant impact on the Implementation of the project.
- Review results and findings on IFR reliability for the reporting period.
- Any other matters that the auditors deem pertinent.
- [List additional procedures, if applicable].

The audit report should provide sufficient detail as to the nature and extent of the procedures performed by the auditor. The auditor is required to provide the audit package by no later than [insert date]. Reports are to be delivered in the official language of the financing agreement (English).

5. Scope of the financial audit

In performing the audit, at a minimum the auditor shall:

- a) Confirm whether the financial statements have been prepared following IPSAS, cash basis
- b) Confirm the auditing standards used for the audit.
- c) Obtain audit evidence that the financial statements are fairly presented and free of material misstatements, in accordance with the applicable accounting framework.
- d) Assess internal controls related to the financial reporting process, and identify any weakness that might result in misstatements, whether due to fraud or error.
- e) Verify the reliability of the IFRs used to support withdrawal applications and ensure that they are reliable and accurately reflect expenditures incurred and activities carried out during the reporting period.
- f) Verify whether expenditure incurred in the name of the project is consistent with the terms of the financing agreement(s) (appendix 1) and incurred for the purposes intended in this agreement. Both IFAD and third-party funding should be considered.
- g) Verify whether counterpart funds provided by the Government of Türkiye have been provided and used in accordance with the relevant financing agreement; verify that the amount of in-kind contribution is reported according to the agreed accounting principles and that the reported fair-market value for all in-kind contribution items is reasonable and fully and accurately disclosed in the financial statements.
- h) Verify that the inventory and fixed assets held by the entity exist, are complete, are properly accounted and are used for project purposes; at project closure, confirm that the project assets are transferred to the borrower/recipient or the entity identified in the financing agreement.
- Verify the project's recurrent costs (salaries and operating costs) claimed under WAs and ensure they are reasonable, congruent with the implementation needs of the project and within the acceptable threshold (FA schedule II and its revisions).
- j) The audit should cover selected project regional/provincial implementing units as per the audit plan agreed with the PMU.
- [List others]

6. Scope of the agreed-upon procedures

The auditor is required to perform the following specific procedures and report on factual findings as outlined in 4.3:

6.1 Withdrawal application summary

The auditor is requested to obtain the individual withdrawal applications (WAs) submitted to IFAD, as summarized in the withdrawal application statement, and develop test procedures to:

- Confirm that the withdrawal application statement is reconciled with the amounts disbursed by the Fund and deposited to the designated account (DA).
- Confirm that the withdrawal application statement is reconciled with the IFRs submitted to the Fund.
- Ascertain whether the designated account currency equivalent was determined using the historical exchange rate of transfers to the operating account or the accounting rules used.
- Determine whether the Interim Financial Reports (IFRs) were used to support Withdrawal Applications and disbursement of funds by IFAD are reliable and accurately reflect expenditures and activities during the reporting period;
- [List additional procedures if applicable]⁴

6.2 Designated account statement(s) and reconciliation

The auditor is requested to review the activities of the designated account(s) associated with the project, including the initial advance, replenishments, interest that may accrue on the outstanding and year-end balances. The Auditor is requested to develop testing procedures to:

- Check the accuracy of the designated account reconciliation(s)
- Confirm that the designated account(s) have been maintained in accordance with the provisions of the financing agreement and that transactions from the DA(s) are accurately and correctly recorded in the financial accounts and statements of the project;
- Check that expenditures as reported in the project's financial statements are reconciled with the amounts withdrawn from the DA and that the amounts deposited to the DA are reconciled with the amounts disbursed by the Fund.
- Reconciliation should also be made with the amounts paid from the pre-financing account and direct payments (if any).
- Recalculate any foreign exchange gain / loss as included in the designated account statement and agree to the amount disclosed in the Statement of Cash Receipts and Payments.
- If applicable, review and determine the reasonability of the explanation for variance as disclosed on the designated account reconciliation.
- [List additional procedures if applicable]

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Procedures may include inquiry/analysis/recomputation/comparison/observation/inspection/

6.3 Interim Financial Reports (IFRs)

The auditor is requested to obtain the certified SOEs or IFRs as submitted to IFAD and apply such tests and control as the auditor deems necessary under the circumstances, to:

- Ascertain that the financial management system is reliable to produce the IFRs and has met Fund requirement during the year.
- Determine whether the expenditures incurred are related to activities outlined in the AWPB and consistent with the grant agreement.
- Determine whether the funds have been utilized for the intended purposes, with due regard to economy, efficiency and social equity.
- Determine whether the expenditures claimed through IFRs were properly and appropriately authorized, classified and supported by adequate documentation.
- Identify any ineligible expenditures, including the nature of the ineligible expenditures, the date incurred, and the IFR period.
- [List additional procedures, if applicable]

6.4 Fixed asset register

- Select a sample of fixed assets from the fixed asset register and confirm the accuracy and completeness of the information included in the fixed asset register.
- Select a sample of project assets from the floor and confirm that the asset is accurately recorded in the fixed asset register.

6.5 Matching grants

- Select a sample of grants made to Community Groups/beneficiaries (10% of grants, selected from at least 50% of the provinces)
- Design and perform procedures to confirm whether expenditure were made in line with approved investment plans and for eligible expenditure as defined in the grant financing agreement.
- Verify beneficiary contributions (provide in cash and in-kind).

6.6 Other

• Confirm the degree of compliance with the Borrower's procurement policy and identify non-compliance.

7. Public disclosure

IFAD promotes public disclosure of Project financial information to enhance the level of transparency and accountability. IFAD will disclose Project audit reports, as appropriate, in line with the Fund's disclosure policy. Management Letters issued by auditors are not subject to public disclosure by IFAD. In agreeing to the terms of reference, the auditor explicitly acknowledges IFAD's right to publicly disclose audit reports (audited financial statements and audit opinion) and will issue reports without a limitation of use clause.

To facilitate the public disclosure process, the auditor is requested to submit two separate files as follows:

- Audited financial statements, audit opinion and report on factual findings (the latter where applicable); and
- Management Letter.

8. Appendices

Appendix 1: Financing/grant agreement(s)

Appendix 2: Financial Management and Financial Control Arrangements Letter(s)

Appendix 3: IFAD Handbook on Financial Reporting and Auditing

Appendix 4: IFAD General Conditions for Agricultural Develop Financing

Appendix B.8: Illustrative financial statements

Euphrates River Watershed Rehabilitation Project (FIRAT) ANNUAL FINANCIAL STATEMENTS FOR THE 12 MONTH PERIOD ENDING xxx

[THIS ILLUSTRATION IS BASED ON A NEW PROJECT. FOR EXISTING PROJECT, DISCLOSE PRIOR PERIOD COMPARATIVE INFORMATION AND CUMULATIVE INFORMATION ON S&U STATEMENT]

Table of content:

- 1. Background
- 2. Management Statement
- 3. Audit report
- 4. Statement of Cash Receipts and Payments
- 5. Withdrawal application summary
- 6. Statement of Sources & Uses of funds per categories
- 7. Statement of Sources & Uses of funds per components
- 8. Designated account statement
- 9. Designated account reconciliation
- 10. Budget to Actual Comparison
- 11. Accounting policies
- 12. Notes to the financial statements
- 13. Fixed asset register
- 14. Action tracker (supplementary)

Background

Insert Project background information

- Indicate Project start date
- Indicate reporting lines
- Provide overview of categories and components and indicate responsible IAs
- Provide description of Project activities
- Status update
- Indicate the relevant legislation governing the Project activities
- Overview of financing facilities see table below:

Source of funds	GEF Grant	IFAD Loan
Facility/agreement number		
Amount approved (indicate currency)		
Undrawn balance at period end		
If applicable, interest rates and repayment periods		
Restrictions on use of funds (e.g. designated account workings)		

Management Statement

Insert management responsibility statement

Audit report (illustrative only)

Independent Auditor's report (Provided on Auditor letterhead)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Euphrates River Watershed Rehabilitation Project (FIRAT) funded by the International Fund for Agricultural Development (loan xxx and grant xxx). The financial statements comprise of the Statement of Cash Receipts and Payments, Withdrawal Application Summary, Statements of Sources & Uses of Funds,

Designated Accounts Statements & Reconciliations, Budget to Actual Comparison, accounting policies and explanatory notes.

In our opinion, the accompanying financial statements of FIRAT give a true and fair view and presents fairly in all material respect the Financial performance and cash flows for the year then ended in accordance with *IPSAS Financial Reporting Under the Cash Basis of Accounting*.

Basis for Opinion (refer to ISA705 for modifications)

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Türkiye, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

[insert matters if applicable]

Other information

The Board of Directors is responsible for the other information. The other information comprises the xxxx. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Those charged with governance are responsible for overseeing the project's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and arc considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements. Whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions. Misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were or most significance in the audit or the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Public disclosure

This report has been prepared on request of the project, the International Fund for Agricultural Development, however, the report is a matter of public record and its distribution is not limited.

The engagement partner on the audit resulting in this independent auditors' report is xxx.

<< Independent Assurance Report prepared for IFAD (provided on auditor letterhead)>>

This report represents the results and conclusions of the independent assurance engagement undertaken on behalf of IFAD.

Background

[Summarise details of financiers, facilities and amounts of funding provided for the period under review and committed in total to the project]

Audit Objectives and Scope

An assurance engagement was undertaken in line *ISAE 3000 Assurance Engagements* other than audits or reviews of historical financial formation in order to provide a report to the International Fund of Agricultural Development on the following:

- 1. Whether the expenditures, reported by the project are in eligible in terms of the financing agreement with the International Fund of Agricultural Development.
- 2. Whether the project has adhered to other terms and conditions of the IFAD Financing agreement / FMFCL and other financial management related requirements related to maintenance of the designated account records.

3. Whether the IFAD specific disclosures are accurate and complete and agree to IFAD financial records (statements etc).

The financial information outlined in pages xxx to xxx was the subject of this assurance engagement.

Summary of work performed

The following specific work was performed in order to address the scope of work: Preparatory

- Review financing agreements and related amendments to determine key financing terms and conditions application to the project.
- Review the FMFCL and related amendments to determine key financing terms and conditions applicable to the project.
- Obtain IFAD financial information related to the project from the IFAD finance officer, as may be appropriate and required.

Designated account statement(s) (page xxx)

- Confirm/agree that opening and closing bank balances (in financing foreign currency and Turkish Lira) disclosed on the designated account statement(s) agree to the bank account statement and that such balances reconcile with disclosures in the notes the financial statements.
- Recalculate the closing balance of the designated account statement (in financing foreign currency and Turkish Lira).
- Confirm/agree that the dollar denominated amounts disclosed have been accounted for in financing foreign currency at the historical exchange rate, in line with the procedure as outlined in the IFAD Financial Administration Manual (available on IFAD website).
- Recalculate the foreign exchange gain / loss as included in the designated account statement and agree to the amount disclosed in the Statement of Cash Receipts and Payments.
- Agree advances / transfers and direct payments to the bank account statement and IFAD historical transaction information.
- Confirm amounts disclosed for withdrawal applications agree to the information disclosed on the withdrawal application summary.

Designated account reconciliation(s) (page xxx)

- Confirm the accuracy of the reconciliation.
- Confirm that the designated account has been managed in line with the provisions of the financing agreement / FMFCL.
- If applicable, review and determine the reasonability of the explanation for variance as disclosed on the designated account reconciliation.
- Agree disclosed amounts to supporting documentation (bank statements / IFAD historical financial information).

Withdrawal application summary

- Determine whether the expenditures claimed through IFRss were properly and appropriately authorized, classified and supported by audit documentation.
- Select a sample of withdrawal applications and confirm the accuracy of the disclosures to the underlying documentation submitted to IFAD.
- Test a sample of project expenditure transactions from the withdrawal applications and confirming eligibility of expenditure / adequacy of supporting documentation.
 Summarise all ineligible expenditures identified in the conclusions section.

Fixed asset register (page xxx)

- Select a sample of fixed assets from the fixed asset register and confirm the accuracy and completeness of the information included in the fixed asset register.
- Select a sample of project assets from the floor and confirm that the asset is accurately recorded in the fixed asset register.

Matching Grants

- Select a sample of grants/loans made to beneficiaries in line with investment plans.
- Design and perform procedures to confirm whether MG is made in line with approved investment plans and for eligible expenditure as defined in the financing agreement. (expenditure also included in the approved AWPB).
- Confirm beneficiary/government (ORKOY) contributions (both in cash and in-kind)

Other

• Confirm the degree of compliance with the recipient's procurement policy and identify non-compliance.

Conclusions on procedures performed

[Summarise findings of procedures]

Management letter

Other issues related to internal control weaknesses are included in the management letter issued on xxx.

[Signed by engagement partner]

Statement of Cash Receipts and Payments

Accountant

Annex 1 **Euphrates River Watershed Rehabilitation Project (FIRAT)** LOAN NO: 200000XXXX GRANT NO:200000XXXX STATEMENT OF CASH RECEIPTS AND PAYMENTS Period (DA Currency) **Current Year Previous Year Cumulative** NOTES **RECEIPTS** IFAD Loan GEF Grant Government Cash Tax Contribution **Government Contributions** Beneficiaries Contributions TOTAL RECEIPTS 0.00 0.00 0.00 PAYMENTS **OPERATIONS** Operating Costs TRANSFERS Grants & Subsidies (Matching Grants) INVESTMENTS Works Consultancies, Trainings & Workshops Equipment, Goods & Services OTHER PAYMENTS TOTAL PAYMENTS ---CASH BEGINNING OF YEAR 0.00 0.00 0.00 INCREASE/(DECREASE) CASH 0.00 0.00 0.00 CASH AT END OF YEAR 0.00 0.00 0.00 Controlled by Prepared by Approved by Name Name Name

Project Director

Finance Manager

Withdrawal application summary

Euphrates River Watershed Rehabilitation Project (FIRAT) Annex 2: Withdrawal application summary (LOAN)

For XX.XX.20XX - XX.XX.20XX

Withdrawal application number	Date	Category 1 Works	Category 2 Consultancies, Training & Workshops	Category 3 Equipment, Goods & Services	Category 4 Grants and Subsidies	Category 5 Operating Cost	Total	Designated account currency equivalent	Value date	Rejected by IFAD	Net reimbursed
				In local currency - TRY					In Designated Acc	ount currency - XX	х
Section A: Payment metho	d - Advances/Additi	onal Advances									
Approved withdrawals											
							0.00				
							0.00	<u>Prepara</u>	ation tips:		
Pending submission							0.00				
											fers to the
Sub-Total (A)		0.00	0.00	0.00	0.00	0.00	0.00	✓ Th			
Section B: Payment metho	d - Reimbursement										
Approved withdrawals											
							0.00				
							0.00				
Pending submission							0.00				
Sub-Total (B)		0.00	0.00	0.00	0.00	0.00	0.00				
Section C: Payment metho	d - Direct Payment										
Approved withdrawals											
							0.00				
							0.00				
Pending submission							0.00				
Sub-Total (c)		0.00	0.00	0.00	0.00	0.00	0.00				
TOTAL (A+B+C)		0.00	0.00	0.00	0.00	0.00	0.00				

Euphrates River Watershed Rehabilitation Project (FIRAT)

Annex 2: Withdrawal application summary (GRANT)

For XX.XX.20XX - XX.XX.20XX

Withdrawal application number	Date	Category 2 Consultancies, Training & Workshops	Category 5 Operating Cost	Total	Designated account currency equivalent	Value date	Rejected by IFAD	Net reimbursed
		In local currency - TRY			1	n Designated Acc	ount currency - XX	x
Section A: Payment metho	d - Advances/Addit	tional Advances						
Approved withdrawals								
				0.00				
				0.00				
Pending submission				0.00				
Sub-Total (A)		0.00	0.00	0.00				
Section B: Payment metho	d - Reimbursement							•
Approved withdrawals								
				0.00				
				0.00				
Pending submission				0.00				
Sub-Total (B)		0.00	0.00	0.00				
Section C: Payment metho	d - Direct Payment							
Approved withdrawals								
				0.00				
				0.00				
Pending submission				0.00				
Sub-Total (c)		0.00	0.00	0.00				
TOTAL (A+B+C)		0.00	0.00	0.00				

Sources and uses of funds statement (per category)

Euphrates River Watershed Rehabilitation Project (FIRAT) Annex 3: Sources and Uses of Funds Statement (by Category)

For the Period XX.XX.20XX - XX.XX.20XX	Notes	Current period XX.XX.20XX - XX.XX.20XX	Previous period XX.XX.20XX - XX.XX.20XX	Cumulative
DA currency		XXX	xxx	XXX
,				
SOURCES OF FUNDS				
IFAD				
- IFAD Loan: advances		0.00	0.00	0.00
- GEF Grant:advances		0.00	0.00	0.00
Government				
- Borrower's Contributions - Cash (Taxes) for IFAD Loan		0.00	0.00	0.00
- Borrower's Contributions - Cash (Gov. Budget) for IFAD Loan		0.00	0.00	0.00
- Borrower's Contributions - Cash (Taxes) for GEF Grant		0.00	0.00	0.00
Beneficiary				
- Beneficiary contributions - Cash		0.00	0.00	0.00
Total sources of funds		0.00	0.00	0.00
USES OF FUNDS (LOAN)				
BY CATEGORY				
IFAD				
- Category 1 - Works		0.00	0.00	0.00
IFAD Loan		0.00	0.00	0.00
Government - Cash		0.00	0.00	0.00
Government - Taxes		0.00	0.00	0.00
- Category 2 - Consultancies, Trainings & Workshops		0.00	0.00	0.00
IFAD Loan		0.00	0.00	0.00
GEF Grant		0.00	0.00	0.00
Government - Taxes		0.00	0.00	0.00
- Category 3 - Equipment, Goods & Services		0.00	0.00	0.00
IFAD Loan		0.00	0.00	0.00
Government - Taxes		0.00	0.00	0.00
- Category 4 - Grants & Subsidies		0.00	0.00	0.00
IFAD Loan		0.00	0.00	0.00
Beneficiaries		0.00	0.00	0.00
- Category 5 - Operating Costs		0.00	0.00	0.00
IFAD Loan		0.00	0.00	0.00
GEF Grant		0.00	0.00	0.00
Government - Cash		0.00	0.00	0.00
Government - Taxes		0.00	0.00	0.00
Total uses of funds		0.00	0.00	0.00
CUPPLUS (PETTOTT				
SURPLUS/DEFICIT		0.00	0.00	0.00

Notes:

- Present the cumulative period, covering the full project period Present uses of funds in terms of categories and components (as specified in the financing agreement) Present loans and grants separately Present sources from all financiers separately

Sources and uses of funds statement (per component)

Euphrates River Watershed Rehabilitation Project (FIRAT)

Annex 3: Sources and Uses of Funds Statement (by Component)

For the Period XX.XX.20XX - XX.XX.20XX	Note	Current period XX.XX.20XX - XX.XX.20XX	Previous period XX.XX.20XX - XX.XX.20XX	Cumulative
DA currency		XXX	XXX	XXX
SOURCES OF FUNDS				
IFAD				
- IFAD Loan: advances		0.00	0.00	0.00
- GEF Grant; advances		0.00	0.00	0.00
Government			0.00	0.00
- Borrower's Contributions - Cash (Taxes) for IFAD Loan		0.00	0.00	0.00
- Borrower's Contributions - Cash (Gov. Budget) for IFAD Loan		0.00	0.00	0.00
- Borrower's Contributions - Cash (Taxes) for GEF Grant		0.00	0.00	0.00
Beneficiary				
- Beneficiary contributions - Cash		0.00	0.00	0.00
Total sources of funds		0.00	0.00	0.00
USES OF FUNDS (LOAN)				
BY COMPONENT				
IFAD				
- Component 1 - Micro-catchment planning and natural resources management		0.00	0.00	0.00
IFAD Loan		0.00	0.00	0.00
GEF Grant		0.00	0.00	0.00
Government		0.00	0.00	0.00
Beneficiaries		0.00	0.00	0.00
- Component 2 - Investments in improved climate-resilient infrastructure,		0.00	0.00	0.00
livelihoods and access to markets IFAD Loan		0.00	0.00	0.00
GEF Grant		0.00	0.00	0.00
Government		0.00	0.00	0.00
Beneficiaries		0.00	0.00	0.00
- Component 3 - Institutional strengthening and project management		0.00	0.00	0.00
IFAD Loan		0.00	0.00	0.00
GEF Grant		0.00	0.00	0.00
Government		0.00	0.00	0.00
		0.00	0.00	0.00
Total uses of funds		0.00	0.00	0.00
SURPLUS/DEFICIT		0.00	0.00	0.00

Notes

Designated account statements

Euphrates River Watershed Rehabilitation Project (FIRAT)

Annex 4: Designated account statement

Designated Account Statement XXXXXXXX

			Notes	DA Currency	Local Currency Equivalent (optional)
	Opening Balance			А	Α
	Add:				
1	IFAD Advances:				
	Date	WA No.			
	Date	WA No.			
				В	В
2	Bank Interest			С	С
	<u>Deduct</u>	1			
1	Transfers to Operating Accounts:	•			
	Date	No			
	Date	No			
				E	E
2	Bank Charges			F	F
3	Exchange Rate Differences				G
	Closing balance			#VALUE!	#VALI

Notes

Designated Account Reconciliation

Annex 5: Designated account statement and reconciliation

Euphrates River Watershed Rehabilitation Project (FIRAT)

Designated account reconciliation statement

For the year ended: XXXX

IFAD Financing Agreement no:

	SECTION 1				DA Currency
1	Accumulated advanced by IFAD				0
2	Accumulated Justifications to IFAD				0
3	Outstanding amount advanced by IFAD				0
	SECTION 2				
4	Balance of designated account as per bank statement				
5	Plus: Balance of operating accounts (Opening Balance)				0
	Plus: Cash on Hand				0
	Total bank balances as at XXX				0.
	Amounts withdrawn not yet claimed/justified				0
6	WA XX				
	WA XX				
7	Amounts claimed in previous applications not yet credited at date of bank statement and claimed after date of bank statement				0.
	App nr	Date	USD	AMOUNT	
			USD		0
			USD		0
			USD		0
8	Less: interest earned				0.
9	Total advance accounted for (D+E+F+G+H-I)				0

10	Explanation of difference between outstanding advance (line 3) and advance accounted for (line 9)	0.00

Note:

Budget to Actual Comparison

(Note: This disclosure is not mandatory in terms of IPSAS Cash given that FIRAT budget is not publicly disclosed, however, IFAD requires this disclosure in terms of the IFAD Handbook on Financial Reporting and Auditing of IFAD-Financed Projects)

Annex 6: Budget to Actual Comparison -Statement of Expenditure
Name of the Recipient/Borrower:

Insturment No:

Project Name: Euphrates River Watershed Rehabilitation Project (FIRAT)

Reporting Period:

DA Currency:

		Current Year to Date			Cumulative-to Date				
Description	Actual	Planned	Variance %	Actual	Planned	Variance %	Actual	Planned	Variance %
	1	2	3=1/2	4	5	6=4/5	7	8	9=7/8
Sources of Funds									
IFAD Loan	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
GEF Grant	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Government	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Beneficiary	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Total Sources of Fund	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Uses of Funds									
1 By components									
Component 1 - Micro-catchment planning and natural resources management	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Component 2 - Investments in improved climate-resilient infrastructure, livelihoods and access to markets	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Component 3 - Institutional strengthening and project management	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Sub Total	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
2 By expenditure category									
- Category 1 - Works	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
- Category 2 - Consultancies, Trainings & Workshops	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
- Category 3 - Equipment, Goods & Services	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
- Category 4 - Grants & Subsidies	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
- Category 5 - Operating Costs	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Sub Total	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!
Non-IFAD									
Total Uses of Fund	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!

We hereby certify that the receipts from IFAD have been expended for Eligible Expenditures for the proper execution of the Project in accordance with the terms and conditions of the Agreement dated							
Name and Title:	Dated:						

Accounting policies

1. Definitions

- Designated account Ring-fenced, foreign denominated bank account which is maintained on behalf of the entity. The entity may receive advances from the direct account in line with the working as outlined in the IFAD FMFCL.
- IFAD International Fund for Agricultural Development
- Impress account An account which maintains a record of all cash advances made for staff or Project expenses which are either returned to the Project or justified by valid expenditure documentation.
- Borrower The Borrower is the Government of the Republic of Türkiye

2. Reporting entity

The financial statements are for FIRAT. The Project is managed centrally by CPMU and has operations in various provinces which are reported on as a single entity.

3. Reporting period

These financial statements include a 12-month reporting period for the current and prior year with additional cumulative disclosure (from Project inception) provided in the notes where appropriate.

4. Basis of preparation

The financial statements have been prepared in accordance with the Standard. The entity complies with all the requirements as outlined in Part 1 of the Standard and as described in the accounting policies. In addition, the entity has elected to adopt the following recommended disclosures in line with Part 2 of the Standard:

Payments of Third Parties on behalf of the entity (refer 16. Voluntary Disclosure)

5. <u>Authorisation date</u>

These financial statements have been authorised for issue by the Project Director on [xxx]. No events after this date are included in the financial statements.

6. Presentation currency and level of precision

The presentation currency is the DA currency. Where appropriate, the designated account balances are reported in XXX. The amounts are displayed in million ('000) unless otherwise specified in the notes. Additional note disclosures may quote Currency amounts if loans or grants from financiers are denominated in XXX.

7. Adoption of IPSAS Financial Reporting under the Cash Basis of Accounting

The Entity elected to adopt IPSAS Financial Reporting under the Cash Basis of Accounting ("the Standard") for the first time for the 6-month interim reporting period ending xxx, in line with recommended early adoption.

8. Comparative information

It must be noted that, due to the first-time adoption of the Standard, comparative results presented for the period ending xxx (and cumulative results where applicable) was not prepared in line with the Standard. Where practical and material, adjustments have been made to align prior period (and cumulative results) with the IPSAS Financial Reporting under the Cash Basis of Accounting

9. <u>Composition of the annual financial statement</u>

The financial statements comprise the Statement of Cash Receipts and Payments, the Budget to Actual Comparison and the notes. The notes include various other disclosures which are required by external financiers, including IFAD, which may enhance fair presentation and accountability. Additional, supplementary information is indicated as such.

10. Cash basis of accounting

In terms of IPSAS Financial Reporting under the Cash Basis, the entity measures transactions and events only when cash is received or paid by the entity. The measurement focus of the financial statements is balances of cash and changes therein. In terms of the Standard, cash may include cash on hand, demand deposits, impress accounts and cash equivalents. Cash equivalents are investments with a maturity of less than 3 months.

11. Control of cash

In line with the Standard, cash balances reported at the end of the reporting period include all cash which the entity can use or otherwise benefit from at the exclusion of other. Therefore, cash will include all IFAD designated account balances which are maintained in foreign currency (XXX) to which access is restricted in line with the financing agreement entered into between the Recipient and IFAD.

12. Materiality and disclosure

The Project discloses material information separately on the face of the financial statements or in the notes. The materiality is assessed in line with the nature and amount of the item. In all instances, payments of third parties on behalf of the Project is considered material and disclosed separately. This will include payments made on behalf of the Project to third parties or received "in-kind". – refer "16. Voluntary disclosure"

13. Classification of transactions

Uses of cash receipts are disclosed in line with categories as defined in the Project financing agreements. Additional useful disclosures in terms of components are provided in the notes to the financial statements. Receipts of funds are disclosure based on the source of finance.

14. Foreign currency

Cash receipts and payments arising from transactions in foreign currency are incorporated in the financial statements Statement of Cash Receipts and Payments in currency by applying to the foreign currency amount the spot exchange rate between the reporting currency and foreign currency at the date of the receipts/payments. The spot rate is defined as the rate of exchange for immediate delivery.

Closing cash balances held in foreign currency are translated to currency the spot rate on the last day of the reporting period. Resulting foreign gains / losses are reported as a reconciling item on the Statement of Cash Receipts and payments. Further information with regard to the gains/losses per financier is disclosed in the notes.

[COMMENT ON USE OF FIFO]

15. Additional note disclosures – accrual basis

The notes to the financial statements provide additional information about liabilities and assets which are not presented on the Statement of Cash Receipts and Payments or Budget to Actual Comparison. These may include contingent liabilities related to suppliers, advance payments from contractors, staff loan receivable and any other material items which will enhance the fair representation of the financial statements.

16. <u>Voluntary adoption of Part 2 of the Standard – Payments made to 3rd parties on behalf</u> of the Project

In line with Part 2 of the Standard, the Project shall disclose payments made on its behalf to 3rd parties. For the Project, this disclosure deals specifically with payments made by the Recipient/beneficiaries for items such as salaries and xxx. Additional note disclosure is provided which outlines the total of such amounts for the period, the nature of activities paid for and the manner in which management has arrived at a

value for such payments. In the event that management is of the opinion that the estimation or value may not be fully reflective of the total value received, this will be indicated in the notes.

Notes to the financial statements (Illustrative – an example)

For t Note	ncial statements for he period ending ss (thousands)	FIRAT 31 December 20XX			
1	<u>Cash and cash equivalents:</u> Cash included in the statement of Cash Re	eceipts and Payments con	nprise the following amo	unts:	
	Exchange rate Bank balances per financier IFAD Loan GEF Grant Beneficiaries Total in TRY ('000)	31 December 20XX TRY - 31 December 20XX	USD - 31 December 20XX	-	
	Bank balance per type of account IFAD Loan designated account GEF Grant designated account Transit account (IFAD loan) Cash on hand Total ('000)			-	should be zero
2	Proceeds from external financiers The following external source of finance w Loan Grant	31 December 20XX] -	od:	
3	Borrower contributions in kind The following is included in Recipient proc Government of Turkiye - in-kind	·	31 December 20XX		
	Uses of funds Works Consultancies, Trainings & Workshops Equipment, Goods & Services Grants & Subsidies Operating Costs		-		
	Explain basis for measuring value. Outline Indicate the uses of these funds by catego		on. Specify that in-kind is	required in terms o	f grant agreement.
4	Beneficiary contributions in kind The following in included in beneficiary co Beneficiaries - in - kind	ontributions:	31 December 20XX]	

Uses of funds Works Consultancies, Trainings & Workshops Equipment, Goods & Services Grants & Subsidies Operating Costs	-	
Explain basis for measuring value. Outline the nature of contribution indicate the uses of these funds by category	on. Specify that this is req	uired in terms of grant agreement.
Unrealised gains/(losses) IFAD Loan GEF Grant Total unrealised gains/(losses)	31 December 20XX	
The forex gains and losses related to designated accounts which a	are maintained in XXX	
Other - accrual based information		
Provide info on accrual related info not disclosed in cash receipts a	and payments. Eg. Staff lo	ans/advances.

Fixed asset register

Project Euphrates River Watershed Rehabilitation Project (FIRAT)

For the period

Fixed Asset Schedule

FIXED ASSET SCHEDULE

Asset ref	Description	Source	Category	Location	Assigned to	Tag nr	Supplier	Invoice nr/contract	Date of purchase	Date of reciept	Purchase price	Remarks
Asset code		Source of finance										Note on condition of asset

Action tracker (supplementary)

Financial statements for FIRAT
For the period ending 31 December 20XX
Action tracker

TABLE X: ACTION TRACKER

#	Audit or IFAD	Requirements/recommendations/actions	Responsible person	Responsible Implementing	Current status	Deadline
				Agency		

Appendix B.9: Interim Financial Reports (IFRs)- User Guide

INTERIM FINANCIAL REPORT USER GUIDE

Protection Password: 1234

Tips:

Provide information in cells highlighted with this color

Text in blue: Provide period for the reporting statement

The cells containing sums and analysis shall be updated automatically.

Cash Forecast:

Provide project information in the highlighted Cells of the Sheet. The "Descriptions" of Categories and Components in this sheet are linked with other sheets. Once provided in this statement will automatically update the "Descriptions in all other statements.

Provide funds forecast for the subsequent two quarters along with anticipated direct payments, in line with approved AWPB for current year. In case the Cash Forecast for subsequent two quarters include fourth quarter of the approved AWPB and the first quarter of the subsequent year (for which the approval of AWPB is awaited), provide forecast of the fourth quarter of approved AWPB in "Next Reporting Quarter" column and forecast of the first quarter as per the draft AWPB of subsequent financial year in "Following Reporting Quarter". Once the AWPB of the subsequent year is approved, the information is to be aligned as per the approved AWPB in subsequent WA.

Summary of Sources and Uses of Funds-DA Account:

Provide year to-date figures for any Direct Payments or Reimbursements in "Direct Payments/ Reimbursements" column which were made directly by IFAD to any other account during the year.

The Columns for actual data are linked with relevant columns for actual figures in "Summary of Sources and Uses of Funds" statement.

The Columns for Cash Forecast are linked with relevant columns of "Cash Forecast" statement.

The formulas for calculating "Balance", "Variance" and "Performance" are incorporated in relevant columns and the information shall be updated automatically.

Variance Analysis - Cumulative:

Provide information in cells highlighted with this color.

Provide overall project allocations as per Project Design/Revisions (if any) in the "Planned" column.

Provide cumulative since inception to-date figures for any Direct Payments or Reimbursements in "Direct Payments/ Reimbursements" column which were made directly by IFAD to any other account since the inception of the Project.

The Columns for actual data are linked with relevant columns for actual figures in "Summary of Sources and Uses of Funds" statement.

The formulas for calculating "Balance" and "Performance" are incorporated in relevant columns and the information shall be updated automatically.

automatically.

Variance Analysis - Financial Year:

Provide information in cells highlighted with this color.

Provide approved AWPB figures in the "Planned" column for the respective year.

Cash Forecast Statement

Euphrates River Watershed Rehabilitation Project - FIRAT IFAD Instrument number: 200000XXXX (IFAD Loan) - 200000XXXX (GEF Grant)

For the Period: Starting Date To End Date

				IFAD Loan			GEF Grant	
	Disbursement Category	Ref	Next Reporting Quarter	Following Reporting Quarter	Total for 2 Subsequent Quarters	Next Reporting Quarter	Following Reporting Quarter	Total for 2 Subsequent Quarters
			Α	В	С	D	E	F
Forec	ast by Category:			DA Currency			DA Currency	
1	Works		-	-	_	-	-	-
2	Consultancies, Training & Workshops		-	-	- 1	-	-	-
3	Equipment, Goods & Services		-	-	-	-	-	-
4	Grants & Subsidies		-	-	-	-	-	-
5	Operating cost							
Total		I	-	-	-	-	-	-
Forec	ast by Component:							
1	Micro-catchment planning and natural resources management		-	-	-	-	-	-
2	Investments in improved climate-resilient infrastructure, livelihoods and access to markets		-	-	-	-	-	-
3	Institutional strengthening and project management		-	-	-	-	-	-
Total	(must be equal to I)	<u>II</u>	-	-	-	-	-	-
Total	Cash Forecast Expenditure	III	-	-	-	-	-	
Less:	Planned Direct Payments/Reimbursements	IV	-	-	-	-	-	-
Net pr	rojected expenditure from DA	V=III-IV			-			

Summary of Sources & Uses of

Authorized Signatory

Name Designation Organization/Project

Funds (Designated Account)

Report II: Summary of Sources and Uses of Funds - DA Account

Euphrates River Watershed Rehabilitation Project - FIRAT IFAD Instrument number: 200000XXXX (IFAD Loan) - 200000XXXX (GEF Grant)

For the Period:							
			IFAD Loan			GEF Grant	
Description	REF	Quarter	Year To-Date	Inception To-Date	Quarter	Year To-Date	Inception To-Date
		Α	В	С	D	Е	F
			DA Currency			DA Currency	
Sources of Funds:							
DA Opening Balances		-	-	-	-	-	-
Operating account opening balance		-	-	-	-	-	-
Petty cash opening balance		-	-	-	-	-	-
Funds received		-	-	-	-	-	
Total Cash Available	1	-	-	-	-	-	-
Uses of Funds by Category:		Actual for Qtr	Actual for FY	Actual since inception	Actual for Qtr	Actual for FY	Actual since inception
Works		-	-	-	-	-	-
Consultancies, Training & Workshops		-	-	-	-	-	-
Equipment, Goods & Services		-	-	-	-	-	-
Grants & Subsidies		-	-	-	-	-	-
Operating cost		-	1		-	-	•
Total Funds Used by Categories	II	-	-	-	-	-	-
Uses of Funds by Component:							
Micro-catchment planning and natural resources management		-	-	-	-	-	-
Investments in improved climate-resilient infrastructure, livelihoods		_	_		_		
and access to markets		-	-	-	-	-	-
Institutional strengthening and project management		-	-	-	-	-	-
Total Funds Used by Component (must be equal to II)	III		-	-	-	-	-
Category not yet identified/adjustments/advance, if any (Note 1)	IV	-	-		-		
Closing Cash Balances:	V=I-II-IV	-	-	-	-	-	-
Represented by:							
DA Closing Balance		-			-		
Operating account Closing Balance		-			-		
Petty cash Closing Balance		-			-		
Total Closing Balance (must equal V):	VI						

- 2. Any expenditure which was declared ineligible by IFAD
- 3. Advance payments made from DA yet to be classified under any expenditure category/component
- 4. Any other adjustment effecting DA balance

Name Designation Organization/Project

Designated Account Activity Statement

Report III: Designated Account Activity Statement

Euphrates River Watershed Rehabilitation Project - FIRAT IFAD Instrument number: 200000XXXX (IFAD Loan) - 200000XXXX (GEF Grant)

For the Period: <u>Starting Date</u> <u>End Date</u>

roi tile i ellou.	Starting Date	Liid Date	
PART I			
I ANT I	IFAD Loan	GEF Grant	Remarks
	IFAD LOGII	GEF GIAIIL	Remarks
	DA Currency	DA Currency	
PART I (Advances and Expenditure)			i
Cumulative Advances into the DA by IFAD to the end of Reporting Quarter	-	-	1
•			
 Cumulative Expenditure justified by IFAD until the end of previous reporting Quarter 	-	-	This should match with IFAD records. In case of any differences between project figures and justified figures as per IFAD records, it has to be explained in Line 11 below.
3. Outstanding Advances to be accounted for (Line 1 minus Line 2)	-	-	This should match with IFAD records.
]
PART II (DA Activity)			
4. DA balance at beginning of Reporing Quarter	-	-	1
Advances by IFAD during the Quarter	-	-]
Add/Substract - Cumulative Adjustments (if any)	-	-	If not zero, please provide explanation
7. Sub total of Advances and Adjustments (Line 5 plus Line 6)	-	-	
8. Outstanding Advances to be accounted for (Line 4 plus Line 7)	-	-	1
			1
9. DA balance at end of Quarter			1
10. Expenditure incurred during the Reporting Quarter	_	-	1
11. Add/Less - Adjustments (if any)	_	-	If not zero, please provide explanation
12. Total expenditure reported (net of adjustments) (Line 10 plus Line 11)	-	-	
13. Total Advance accounted for: Add Line 9 and Line 12	-	_	1
10. Total Advance accounted for Add Elife of and Elife 12	<u> </u>		1
14. Difference if any (Line 8 minus Line 13)	-	_	If not zero, please provide explanation
14. Difference if any (Line o fillings Line 13)	 		in not zero, piedse provide explanation
PART III (CASH FORECASTS)			l
TAKT III (CASITI CKECASTS)			1
15. Total Forecasted amount for subsequent 2 Quarters	-	_	1
Total Polecasted amount to subsequent 2 Quarters Planned Direct Payments, Reimbursements, if any	-	-	1
17. Net Forecasted Expenditures from Designated Account (Line 15 less Line		-	1
16)	Ί.	_	
Closing DA balance at the end of reporting Quarter after adjustments	_		1
19. WA Submitted but not yet credited	-	-	1
20. WA received after the end of the quarter (for emergency advances only)		-	Only to be filled in case of emergency advances
21. Replenishment Requirement for Subsequent 2 Reporting Quarters (Line	-	-	Only to be filled in case of enlergency advances
17 minus Line 18 to 20)	-	-	
Trimindo Emo To to 20)	•		•
PART IV (SUMMARY OF WITHDRAWAL APPLICATION)]
			1
22. Amounto to be justified against the symanditure incomed during a symand	1		This amount is to be submitted as justification through
22. Amounts to be justified against the expenditure incurred during current	1		the "WA for justification"
quarter	-	-	*this line could be not considered for emergency advances applications
23. DA Additional Advance - Cash requirement for Subsequent 2 Reporting	_	l <u>-</u>	This amount is to be submitted through a separate "V
Quarters, if required.*			for advance" to request this additional advance
5 1 " 1 1 0 " 1 1)	T	ı	1
Explanation for Line 6 (if not zero):	FMR & AW Ref.		1
]
			_
Explanation for Line 11 (if not zero):	FMR & AW Ref.		
			1
	•	•	-
Explanation for item 14 (if not zero):	FMD & AW Dof	I	1
Explanation for item 17 (if not 2610).	FMR & AW Ref.		1
		<u> </u>	J
Evaluation for item 10 (if not zero):	544D Q 41115 5	I	1
Explanation for item 19 (if not zero):	FMR & AW Ref.		-
]

Variance Analysis of Use of Funds by Quarter

Report IV: Variance Analysis of Use of Funds by Quarter

Euphrates River Watershed Rehabilitation Project - FIRAT IFAD Instrument number: 200000XXXX (IFAD Loan) - 200000XXXX (GEF Grant)

For the Period: <u>Starting Date</u> TO <u>End Date</u>

	IFAD Loan GEF Grant													
				IFAD Loan					GEF Grant					
				Direct Payment/ Reimbursements		ince*	Planned	Actual Expenditure from DA	Direct Payment/ Reimbursements	Varian	ıce*			
		Α	В	С	D	E	F	G	Н	_	J			
		Ref: AWP/ Forecast	Actual for the Quarter	Actual for the Quarter	A-B-C	D/A	Ref: AWP/ Forecast	Actual for the Quarter	Actual for the Quarter	F-G-H	I/F			
			DA C	urrency		%age		DA C	Currency		%age			
Expenditure by Cat	tegories:													
Works	-	-	_	-	_		-	_	_					
Consultar	ncies, Training & Workshops	_	_	-	-		-	_	_					
Equipmer	nt, Goods & Services	-	-	-	-		-	-	-					
Grants &	Subsidies	-	-	-	-		-	-	-					
Operating	g cost	-	-	-	-		-	-	-					
TOTAL I		-	-	-			-	-	-					
Expenditure by Cor	mponents:													
Micro-cat	tchment planning and natural resources													
managem		-	-	-			-	-	-					
	ents in improved climate-resilient													
	cture, livelihoods and access to markets	-	-	-			-	-	-					
	nal strengthening and project management	-	-	-			-	-	-					
TOTAL II (mu	ust be equal to I)		-	-			-	-	-					

^{*} Note: Provide reasons if the quarterly variances are equal to or more than 10%

Authorized Signatory

Name Designation Organization/Project

Variance Analysis of Use of Funds - Financial Year

Report V: Variance Analysis of Use of Funds - FY

Euphrates River Watershed Rehabilitation Project - FIRAT

IFAD Instrument number: 200000XXXX (IFAD Loan) - 200000XXXX (GEF Grant)

For the Period: FY Start Date To End Date

		IFAD Loan								G	EF Grant			
	Planned	Actual Expenditure from DA	Direct Payment/ Reimbursements	Balance	Forecast	Varian	ce*	Planned	Actual Expenditure from DA	Direct Payment/ Reimbursements	Balance	Forecast	Variance*	
	Α	В	С	D=A-B-C	E	F=D-E	G=(B+C)/A	н	1	J	K=H-I-J	L	M=K-L	N=(I+J)/H
	Ref: AWP/ Forecast	Actual Cumulative year todate	Actual Cumulative year todate	AWPB Available Balance	Cash Forecast for next 2 quarters	Variance b/w AWPB Balance and Cash Forecast	Actual Progress against AWPB	Ref: AWP/ Forecast	Actual Cumulative year todate	Actual Cumulative year todate	AWPB Available Balance	Cash Forecast for next 2 quarters	Variance b/w AWPB Balance and Cash Forecast	Actual Progress against AWPB
			DA Curr	ency			%age			DA Curre	ency			%age
Expenditure by Categories:														
Works	-	_	-	_	_	_		-	_	-	_	_	_	
Consultancies, Training & Workshops	_	_	_	_	_	_		_		_	_	_	_	
Equipment, Goods & Services	_	-	-	_	_	_		-	_	-	_	_	-	
Grants & Subsidies	-	-	-	-	-	-		-	-	-	-	-	-	
Operating cost	-	-	-	-	-	-		-	-	-	-	-	-	
TOTAL	-	-	-	-	-	-		-	-	-	-	-	-	
Expenditure by Components:														
Micro-catchment planning and natural resources management	-	_	-	_	-	_		-	-	-	-	_	-	
Investments in improved climate-resilient infrastructure, livelihoods and access to markets	-	_	-	_	-	_		-	_	-	-	-	-	
Institutional strengthening and project management	-	-	-	-	-	-		-	-	-	-	-	-	
TOTAL II (must be equal to I)	-	-	-	-	-	-		-	-	-	-	-	-	

^{*} Note: Provide reasons if the Cash Forecast is over and above AWPB Balance (i.e. the Forecast includes the Quarter 1 of the Subsequent AWPB)

Authorized Signatory

Name Designation Organization/Project

Variance Analysis of Use of Funds - Cumulative

Report VI: Variance Analysis of Use of Funds - Cumulative

Euphrates River Watershed Rehabilitation Project - FIRAT

IFAD Instrument number: 200000XXXX (IFAD Loan) - 200000XXXX (GEF Grant)

For the Period: Since Inception TO End Date

	I		IFAD Loan					GEF Grant		
	Planned	Actual Expenditure from DA	Direct Payment/ Reimbursements	Progre	ss	Planned	Actual Expenditure from DA	Direct Payment/ Reimbursements	Progr	ess
	Α	В	С	D	E	F	G	Н	1	J
	As per Project Design	Actual Cumulative todate	Actual Cumulative todate	A-B-C	D/A	As per Project Design	Actual Cumulative todate	Actual Cumulative todate	F-G-H	I/F
		DA C	urrency		%age		DA C	urrency		%age
Expenditure by Categories:										
Works Consultancies, Training & Workshops	_	-	-			-	-	-		
Equipment, Goods & Services	-	-	-			-	-	-		
Grants & Subsidies	-	-	-			-	-	-		
Operating cost Unallocated		-	-			-	-	-		
TOTAL I	-	-	-			-	-	-		
Expenditure by Components:										
Micro-catchment planning and natural resources										
management Investments in improved climate-resilient infrastructure,	-	-	-			-	-	-		
livelihoods and access to markets	-	-	-			-	-	-		
Institutional strengthening and project management	-	-	-			-	-	-		
TOTAL II (must be equal to I)	-	-	-				-	-		

Authorized Signatory

Name Designation Organization/Project

Appendix B.10: Financial: actual financial performance by financier; by component and disbursements by category (as Appendix 1)

Table 1: Financial performance by financier (DA Currency '000)

Financier	Appraisal	Disbursements	Percent disbursed
IFAD Loan			
GEF Grant			
Government			
Beneficiaries			
Total			

Table 2: Financial performance by financier by component (DA Currency '000)

	IF#	IFAD Loan			IFAD Grant Beneficiaries			Government			Total				
Component	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1. Micro-catchment planning and natural resources management															
2. Investments in improved climate- resilient infrastructure, livelihoods and access to markets															
3. Institutional strengthening and project management															
Total															

Table 3: Financial performance by financier by category (DA Currency '000)

	IFA	D Loan		IFAD Grant			Bene	Beneficiaries			Government			Total		
Category	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	
1. Works																
2. Consultancies, Trainings & Workshops																
3. Equipment, Goods & Services																
4. Grants & Subsidies																
5.Operating Costs																
Total																

Table 4: \ IFAD Loan disbursements (DA Currency, as at)

Category	Category description	Original Allocation	Revised Allocation (if applicable)	Disbursement	Per cent disbursed	Balance	W/A pending
I							
II							
III							
IV							
	Initial deposit						
	Total						

Present separate table for each IFAD managed finance facility (IFAD Loan, IFAD Grant)

Appendix B.11: Petty Cash forms

	Petty c	ash reque	st form		
Date: Requested by: Signature of requester: Mode of payment: (tick set of the control of the con	lected):				
Description of purchases (goods/services)	Unit price	Quantity	Total cost**	Activity code	Explanation / Comments
TOTAL AMOUNT					
TOTAL AMOUNT					
Approved by Finance Manager/ Project Director ** Attach supporting docu	Processed Accountan	it		yment recei	ved by

Appendix B.12: Vehicle and fuel documents

Itinerary list for the period: Driver: Vehicle type: Starting Speedometer readingas at	Waybil An exar		posted h	nere as per	templates (used in T	ürkiye.								
From to post prior Passenger Driver	Itinerar Driver: Vehicle	ry list for the	·			_as at				_					
From to post prior Passenger Driver	Date	Tin	ne	Name	Trip pur	pose	Mi	leage, kı	m			Signatur	е		
Starting Speedometer readingas at		from	to		•	•				Pa	assenger	Ī		iver	
Vehicle History Record Vehicle registration number Assigned driver Date Repairs Service & maintenance Insurance Fitness tests Description of Garage Cost Description Garage Cost Type Period Cost Checked Cost															
Vehicle History Record Vehicle registration number Assigned driver Date Repairs Service & maintenance Insurance Fitness tests Description of Garage Cost Description Garage Cost Type Period Cost Checked Cost															
Vehicle History Record Vehicle registration number Assigned driver Date Repairs Service & maintenance Insurance Fitness tests Description of Garage Cost Description Garage Cost Type Period Cost Checked Cost															
Vehicle History Record Vehicle registration number Assigned driver Date Repairs Service & maintenance Insurance Fitness tests Description of Garage Cost Description Garage Cost Type Period Cost Checked Cost															
DateRepairsService & maintenanceInsuranceFitness testsDescription ofGarageCostDescriptionGarageCostTypePeriodCostChecked	Vehicle	e History I	Record	-		_as at									
Description of Garage Cost Description Garage Cost Type Period Cost Checked Cost			tion nun	nber		C i -	- 0	<u>.</u>		igned d				<u></u>	
Image: Control of the contro	Date	Descript	ion of	Garage	e Cost	Descri	ption			st		Period	Cost	Checked	

	Report accidents in the s	pace below, providing	g all relevant details for	r each occurrence:
--	---------------------------	-----------------------	----------------------------	--------------------

Date:

Place:

Name of driver:

Circumstances:

Damage to project vehicle:

Damage to project vehicles:

Injuries (indicate name of victims and describe injuries):

Insurance settlement:

Appendix B.13: Implementing agencies – MOU terms (project to consult these terms as needed)

In case the CPMU will enter into MOUs with other implementing agencies, the following recommended financial management roles and responsibilities are proposed to be included:

PMU shall:

- ✓ Provide financial management support to the implementing agency;
- ✓ Ensure that implementing agency performs its duties and enjoys rights indicated in the Memorandum.
- ✓ Provide financial management training at project start-up and annually thereafter in order to strengthen the financial management capacity of the implementing agency.

The implementing agency shall:

- a) Implement sound financial management practices and procedures to the satisfaction of the PMU.
- b) Ensure that all financial management staff responsible for dealing with the project attend financial management training (hosted by PMU) at project start-up and annually thereafter.
- c) Ensure that a qualified and experienced accountant is responsible for dealing with the financial management aspects of the project for the duration of the MOU.
- d) Inform the PMU Finance Manager of any finance staff vacancies.
- e) Perform an annual financial management self-assessment (questionnaire template to be provided) and submit the results to the PMU Finance Manager. Cooperate with the PMU Finance Manager to address identified shortcomings within a specified timeframe.
- f) Assist the PMU with the annual budgeting process by preparing a budget for the component/sub-component which it is required to implement. For this purpose, the PMU Finance Manager will provide a budget template which should be used. In addition, strictly adhere to deadlines for submission of inputs.
- g) Retain all project related document (invoices, bank statements, supporting documentation) for inspection. Documents should be retained in line with the terms and conditions as outlined in the IFAD General Conditions for Agricultural Development Financing.
- h) When required, submit written request for funds in line with the template included in 20.15. Written requests should be signed by the duly authorized representatives. Request letters should clearly indicate the related budget activity as included in the PMU approved AWPB (and related procurement plan).
- i) Prepare and submit a monthly report for IFAD in line with the template included in 20.14. Attach original bank statements and original supporting invoices/documents to the monthly report (documents to be returned after review by PMU).
- j) Use the monthly report to IFAD for the purposes of internal monitoring of budget to actual performance. Take corrective action as required.
- k) Respond to queries / resubmit information as requested by the PMU Accountant or Finance Manager in a timely manner.

Appendix B.14: Monthly reporting template – implementing agencies

MONTHLY F	REPORT - IMP	LEMEN.	TING AGENCIES							
Month										
Implementing	a agency.									
Contract date										
							FIR	AT.		
Project										
							Turkis	h Lira		
						IFAD	GEF	Beneficiaries	Gove	rnment
	Component/									
№ category		Nº	Items of expenses	Supporting document ref	amount	Loan	Grant	Loan	Grant	Loan
	Component	ı	Balance at the beginning		-	-	-			-
		1	Bank		-					
		2	Petty cash		-	-				
		II	Advance		•				-	-
		1	Transfer		-					
		2	By cash		-					
		III	Expenses		-	•			•	-
		1				-			•	-
		3								
		4								
		5								
		6								
		7								-
		8								
		9								
		IV	Balance at the end		•		-	-	•	-
		1	Bank		-					
		2	Petty cash		-					
			Accountant							
			stamp Date:							
			Finance Manager			Director				
			Date:	_		Date:				

Submit the report together with copies of bank statements, petty cash reconciliation, invoices, supporting documentation. Cross-reference supporting documentation to report.

Appendix C: Procurement related appendices

Appendix C.1: Responsibility Assignment Matrix (RAM - RACI) Template

This RAM clarifies the roles and responsibilities of units and staff in each phase/step of implementation of procurement and procurement-related activities within the IFAD project. It assigns for each step the person who is Responsible, Accountable, Consulted, or Informed. It facilitates internal workflow and inter-agency coordination, removes any ambiguity, and promotes accountability. In each cell against each activity, the letters "R", "A", "C", or "I" are entered for the respective function as is applicable. The meaning of each is as explained in the Legend below⁵:

Activity/Role ⁶	PMU Central Project Director	PMU regional Lead	Procure. Staff	Technical Staff	Finance Mgr.
AWPB – elaborating activities	R	R	С	R	С
AWPB – budgeting and other	R	R	С	R	R
Procurement Plan – packaging (lots)	С	С	R	С	I
Procurement Plan – scheduling (timing)	А	R	R	R	I
Procurement Plan – procurement methods	А	I	R	I	I
Procurement Plan – consolidation (final)	А	I	R	I	I
Procurement Plan - update or upgrade	А	I	R	I	I
All Requests for No Objections	А	С	R	С	
Initiation (request to start preparation)	R	R	С	С	
Market research	А	R	R	R	
Stakeholder consultation/coordination	А	R	С	R	
Cost and schedule estimation	А	R	С	R	С
TOR/Technical Specifications	Α	R	С	R	
Requisitioning (request to launch procurement)	R	С	I	I	

⁻

⁵ R: Responsible: Executes or approves or clears; the person(s) who is (are) entrusted with a task or process.

A: Accountable: Holds responsibility and is accountable; one person per RAM line; usually the senior authority of an organization or can be also middle management in case of empowerment and decentralized management.

C: Consulted: participates by reviewing/commenting on documents, deliverables, activities or processes; reviews and comments are documented but may or may not be taken into account depending on final decision of Responsible person or Accountable person.

I: Informed: copied on process/document "for information". Whether action needs to be taken or not by the "Informed" person depends on the person's role and organizational duties.

⁶ [Please amend the row with rows/titles to include all persons involved in the procurement activities listed. Include separate matrices for other procuring units and Implementing Partners.]

Activity/Role ⁶	PMU Central Project Director	PMU regional Lead	Procure. Staff	Technical Staff	Finance Mgr.
Qualification criteria	А	С	R	С	
Request for Expressions of Interest	Α	С	R	С	
Pre-qualifications documents	Α	С	R	С	
Bidding documents, Requests for Proposals, Requests for Quotations	Α	С	R	С	
Invitation letters (for direct invitation)	Α	I	R	I	
Publicity and dissemination	Α	I	R	I	
Formation of Committees	R	С	С	С	
Receipt and handling of clarifications	Α	С	R	С	
Pre-bid conferences	Α	R	R	R	
Receipt of bids	Α		R		
Safekeeping of bids	Α		R		
Receipt and management of appeals	Α	R	R	R	
Approval of Evaluation Recommendations	R		С		
Approval of Negotiation findings	R		С		
Contract signature up to $[\mathbf{X}]^7$	R		С		
Contract signature more than $[\mathbf{X}]^8$	R		С		
Contract monitoring Form	Α	С	R	С	
Commencement order	Α	R	С	С	
Access to site	Α	R	С	С	
Suspension of works/supply/services	Α	R	R	R	
Granting Extension of Time by less than or equal to 25% of original duration	R	С	C	С	
Granting Extension of Time by more than 25% of original duration	R	С	С	С	
Application of liquidated damages	Α	R	R	R	

⁷ Please insert Threshold for contract signature: authority for signing the contracts BELOW the threshold of "X".

⁸ Please insert Threshold for contract signature: authority for signing the contracts ABOVE the threshold of "X". Please add additional lines in case of more than two authority levels.

Activity/Role ⁶	PMU Central Project Director	PMU regional Lead	Procure. Staff	Technical Staff	Finance Mgr.
Changes in specifications/quality	Α	R	С	R	
Changes in sequencing of activities	А	R	С	R	
Increasing quantities resulting in increasing contract value by less than or equal to 10%	R	R	R	R	
Increasing quantities resulting in increasing contract value by more than 10%	R	R	R	R	
Adding new items not provisioned in the contract increasing contract value by less than or equal to 10%	R	R	R	R	
Adding new items not provisioned in the contract increasing contract value by more than 10%	R	R	R	R	
Payment validation	Α	R	R	С	R
Payment processing	R	С	С		R
Review of submitted guarantees	А		R		С
Forfeiture of a bank guarantee	R	С	С	С	С
Safekeeping of bank guarantees	Α		R		I
Validation of Insurance Policies	Α	О	R	С	
Receipt and processing of contract correspondence – day-to-day - technical	А	R	I	R	
Receipt and processing of contract correspondence – day-to-day - contractual	А	I	R	I	
Changes in contract terms and conditions (other than mentioned above)	А	С	R	С	
Amicable settlement proceeding	R	R	R	R	
Approving deliverables and outputs	А	R	С	R	
Certification of readiness for acceptance	А	R	R	R	
Formation of acceptance committees	R	С	С	С	
Approval of acceptance findings	R				
Vendor Assessment Form ⁹	Α	С	R	С	

_

 $^{^{9}}$ See Annex 5 for the template of the Vendor Assessment Form.

Appendix C.2: Procurement Records and Files

Docu	ment	Preferred Format
(i)	a copy of the published REOI advertisement or shortlist (if applicable) *	Hard copy
(ii)	a copy of the published pre-qualification and bidding documents and any amendments, extensions or clarifications requested and issued *	Hard copy
(iii)	a record of the tender opening, signed by all TEC members and the bidders present	Hard copy
(iv)	a full copy of each bid received and evaluated, plus clarifications requested and responses received	Hard copy
(v)	a copy of the evaluation report *	Hard copy
(vi)	signed minutes of all meetings related to the procurement, including pre-bid and negotiation meetings, when held	Hard or soft copy
(vii)	a contract award notice *	Hard copy
(viii)	any letter of tender acceptance to the supplier, contractor or consultant *	Hard copy
(ix)	the signed contract document and contract acceptance *	Hard copy
(x)	any contract amendments *	Hard copy
(xi)	all contractual correspondence between the procuring entity and a supplier, contractor or consultant	Hard or soft copy
(xii)	post-contract documents related to the fulfilment of contract obligations, especially photocopies of bank guarantees or payment guarantees	Hard copy
(xiii)	signed minutes of any meetings related to contract management, including contract progress or review meetings	Hard copy
(xiv)	signed delivery documents evidencing delivery of supplies, or signed completion certificates related to a contract for services or works under the contract, including any contract delivery records	Hard copy
(xv)	a copy of all invoices for works, services or supplies, including working papers verifying the accuracy of payments claimed and details of the actual payment authorized	Hard copy
(xvi)	a copy of cumulative payment worksheets/records evidencing management of all payments made	Soft copy
(xvii)	all decisions of the concerned borrower's approval authority related to the procurement, including the approval of the bidding documents, the approval of the evaluation report(s), the contract award, the approval of contract documents and contract amendments and any decision to suspend or cancel procurement proceedings	Hard copy
(xviii)	a copy of any claims made by the procuring entity with respect to any warranty, non-warranty, short supply, damage and other claims against the contracted vendor or the procuring entity	Hard or soft copy
(xix)	in the case of IFAD prior review, all submissions and correspondence related to the seeking of IFAD's no objection (NO) and a copy of the respective IFAD NO letter.	Hard or soft copy
(xx)	any other communications related to the procurement in question, including internal entity correspondence	Hard or soft copy

^{*} Ideally, previous drafts (before the final version is issued) of these published documents and reports should also be retained for completeness and to provide a full picture of how the published document evolved. It is accepted, however, that in the case of space limitations, this is not always feasible in practice.

Appendix C.3: Guidance on using the Procurement Plan

For the QUICKCARDS, please refer to the OPEN User Manual.

Appendix C.4: Guidance on using the Contract Monitoring Tool

For the QUICKCARDS, please refer to the "HELP" function in the Platform for the Contract Monitoring Tool.

Appendix C.5: Guidance on using OPEN

For the QUICKCARDS, please refer to the "HELP" function in the OPEN System.

Appendix C.6: Vendor Assessment Form

VENDOR ASSESSMENT FORM¹⁰ FOR WORKS/SUPPLIES/SERVICES CONTRACTS

Project Name:
Contract Name:
Location:

Contract Reference: Name of Contractor:

1 PLANNED IMPLEMENTATION PERIOD

From	Planned commencement	То	Completion Date:
	date of the contract		End of Warranty:

2 ACTUAL IMPLEMENTATION PERIOD

Actual Commencement	То	Completion Date:
date of the contract		End of Warranty:

3 CONTRACT VALUE (*Currency***)**

Original Updated

 $^{^{10}}$ Adopted with modifications from $\underline{\text{https://ec.europa.eu/europeaid/prag/annexes}}$

3 PERFORMANCE RATING OF VENDOR

Factor	Rating	Comments
Achievement of contract objectives (as per the technical specifications and drawings or terms of reference)		
Achievement of contract objectives (as per the required quantities)		
Achievement of contract objectives (as per the agreed time limits)		
Quality of work/supplies/services		
Good faith and cooperative attitude		
Risk management and mitigation measures		
Respect to contractual responsibilities and liabilities		
Litigation and claims-man-ship: the tendency to engage in claims and disputes		
Beneficiary feedback on the vendor (e.g. trainees in training, target groups in awareness, municipality benefiting from construction, etc.)		
Other criteria:		
TOTAL VENDOR SCORE (average) ¹¹		

Rating scheme						
1	Do not reengage					
2	Failure to perform					
3	Below					
	expectations					
4	Meet expectations					
5	Exceed					
	expectations					

¹¹ The Total Score gives an overview of the overall performance of the Vendor; a score of 1, 2 or 3 should raise a red flag and should be justified with the measures taken by the Implementation Unit or Agency during or upon completion if applicable.

4 PERFORMANCE RATING OF KEY PERSONNEL

Name ¹²	Client relations	Written communication	Verbal communication	Drive & determination	Job management	Personal effectiveness	Technical competence	Overall	1 2 3	Rating scheme Do not reengage Failure to perform Below expectations
									4	Meet expectations
									5	1
TOTAL PERSONNEL SCORE (Average) ¹³										

Name ¹⁴	Client relations	Written commun ication	Verbal communi cation	Drive & determi nation	Job management	Personal effective ness	Technical competence	Overall
TOTAL PERSONNEL SCORE (Average) ¹⁵								

5 REPRESENTATIVES (Technical and Contractual) 16

Name	
Signature	
Date	
Name	
Signature	
Date	
5 APPROVI	ED BY:

Name	
Signature	
Date	

¹² The Key personnel include: Vendor representative or project director; key experts nominated in the contract; other experts not specified in the contract, but were involved in implementation; and (for construction works) staff managing construction.

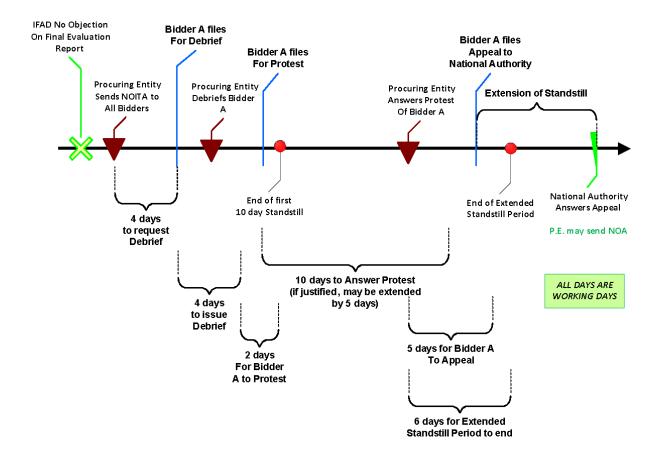
¹³ The Total Personnel Score gives an overview of the performance of the vendor staff on the project; a score of 1,2 or 3 should raise a red flag and should be appended with clarifications on what measures were taken during implementation or upon completion, if applicable.

¹⁴ The Key personnel include: Vendor representative or project director; key experts nominated in the contract; other experts not specified in the contract, but were involved in implementation; and (for construction works) staff managing construction.

¹⁵ The Total Personnel Score gives an overview of the performance of the vendor staff on the project; a score of 1,2 or 3 should raise a red flag and should be appended with clarifications on what measures were taken during implementation or upon completion, if applicable.

¹⁶ The staff supervising the contract during implementation and not the acceptance committee members.

Appendix C.7: Debrief, Protest and Appeal Timeline



Appendix C.8: Terms of Reference for Procurement Staff

Job Title	Procurement Officer			
Number of Persons	OGM Central: 1 person / OGM regional: 2 Persons / OGM provincial: 2 persons			
Reporting To	PIU Project Manager			
Subordinates	TBD			
Job Description	The Procurement Officer will manage the following tasks: Review and update (at least once annually) the procurement strategy Review and provide updates on the PIM as necessary Coordinate No objections on all procurement matters through IFAD OPEN portal Participate in AWPB preparation and provide relevant feedback relating to packaging, classification, cost estimation, scheduling, etc. Prepare the PPs based on approved AWPB; PPs will be prepared through OPEN Review specifications, requirements, terms of reference, schedules of requirements, etc. to ensure fitness-for-purpose, competitiveness, value-for-money, alignment with needs, alignment with expected quality, etc. Prepare announcements, prequalification/shortlisting documents and bidding documents using templates specified in the PIM Manage the advertising process including receipt and answering of clarifications, issuance of addenda and management of pre-bid meetings and site visits Sit in opening and evaluation committees and ensure compliance with evaluation criteria, bidding requirements, and PIM provisions Lead on communication with bidders (in writing) soliciting clarifications on their bids Lead on the preparation of shortlisting, prequalification, and evaluation reports Prepare draft contracts, minutes of discussion, minutes of negotiation, etc. Lead on the receipt and resolution of debrief requests and procurement complaints; prepare debrief and complaint resolution reports Oversee the contract signature process by competently authorized persons Oversee contract period implementation from a contractual perspective including commencement, completion, change management, payment, guarantees, insurances, warranty, etc. Review and clear change orders or amendments and prepare necessary documentation for signatures Ensure accurate and all-inclusive documentation archiving with indexing for ease of retrieval electronically Contribute to audits, support missions, supervision missions, MTRs, and completion missions and provide necessary documentation Partic			
Requirements	management, or a related field (5 points) b) Preference for engineering degree (3 points) c) Preference for a master's degree in procurement management, project management, contract management, or construction management (2 points)			
	 d) At least 10 years of general professional experience in one or more phases of project execution (10 points) e) Preference for experience in donor-funded projects (5 points) f) At least 5 years of experience in public or donor-funded procurement in Turkey (25 points) 			

	g) Preference for experience in IFAD, World Bank, or African Development Bank (5 points)
	h) Very good knowledge of the Turkish Laws and Regulations on procurement
	(10 points)
	i) Possess the following competencies:
	 Highest levels of ethical standards including a deep understanding of integrity requirements, corruption red-flags, etc. (10 points)
	 Analytical and problem-solving skills including creative thinking and strategic planning (10 points)
	 Perfect command of English and Arabic (5 points)
	 Efficient and effective communication skills in both languages (orally
	and in writing) including the use of computer-aided tools (10 points)
	ne selection will follow IFAD-sanctioned selection mechanism and will include
an	mong others:
	- CV evaluation (criteria a to h): passing score is 45 out of 65 points
	- Written Exam: passing score is 70% (exam to be cleared in advance by
	IFAD)
	- Interview: for candidates that pass the CV evaluation and written exam,
	interviews will be held using the criterion (i) above. Passing score is 24/35.
	- When the staff is recruited as a consultant (ICS), the top ranked applicant
	will be invited to submit a proposal which will be subject to evaluation and negotiation.
	- Selection of procurement staff is always subject to prior review.

Job Title	Procurement Assistant
Number of Persons	OGM Central: 1 person
Reporting To	PIU Project Manager
Subordinates	None
Job Description	The Procurement Assistant will support the following tasks: Filing and archiving (physical and electronic) of all procurement related documents as well as contract management documentation in line with IFAD requirements Receiving and registering all procurement-related submissions (applications, EOIs, bids, proposals, quotations, etc.) Receiving, recording and archiving bank guarantees Publishing all procurement-related notices (for pre-qualification, REOI, bidding, award, cancellation, etc.) Acting as rapporteur to procurement related meetings including, when nominated, bid opening, evaluation, discussion and negotiation sessions Handle simple procurement activities including but not limited to low-value, low-risk or secondary procurement in consultation with procurement officers Manage simple contracts in line with contract or Purchase Order requirements Ensure proper, accurate and timely data entry on IFAD systems such as the Contract Monitoring Tool Contribute to audits, support missions, supervision missions, MTRs, and completion missions and provide necessary documentation Participate in IFAD-sponsored and other training initiatives on procurement, contract management, etc.

Job	a) Bachelor's degree in engineering, business, public administration,
Requirements	management, or a related field (10 points)
	b) At least 7 years of general professional experience in one or more phases o
	project execution or organizational management/support (10 points)
	c) Preference for experience in donor-funded projects (5 points)
	d) At least 2 years of experience in public or donor-funded procurement in
	Turkey (20 points)
	e) At least 2 years of experience in providing support services to complex
	projects or operations (20 points)
	f) Possess the following competencies:
	 Highest levels of ethical standards including a deep understanding of
	integrity requirements, corruption red-flags, etc. (10 points)
	 Very good coordination and analytical skills including creative
	thinking (10 points)
	 Perfect command of English and Arabic (5 points)
	 Ability to work under pressure, prioritize tasks effectively, and
	collaborate with multiple teams with competing demands (10 points
Selection Process	g) The selection will follow IFAD-sanctioned selection mechanism and will
	include among others:
	h) CV evaluation (criteria a to e): passing score is 45 out of 65 points
	i) Written Exam: passing score is 70% (exam to be cleared in advance by
	IFAD)
	j) Interview: for candidates that pass the CV evaluation and written exam,
	interviews will be held using the criterion (f) above. Passing score is 24/35.
	k) When the staff is recruited as a consultant (ICS), the top ranked applicant
	will be invited to submit a proposal which will be subject to evaluation and
	negotiation.
	I) Selection of procurement staff is always subject to prior review.

Appendix C.9: Preference for bidders participating in the United Nations Global Compact (UNGC)

I. Background

IFAD's aim and mandate is to bring about sustainable development outcomes which is in line with the ambition of the United Nations Global Compact (UNGC). UNGC is a multi-stakeholder leadership initiative that seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anticorruption. Recently, IFAD has been using procurement strategically to expand the impact of its projects. In this context, the commitment to the UNGC offers a policy framework for organizing and developing corporate sustainability strategies while offering a platform to encourage innovative initiatives and partnerships with civil society, Governments and other stakeholders.¹⁷ The inclusion of the UNGC participation into the IFAD project procurement as a margin of preference in the selection in the bidding process enhances the sustainability of the IFAD- funded projects, in line with the commitment to underpin the challenges in achieving the Sustainable Development Goals (SDGs). Also, the bidder benefits from the membership participation as the UNGC provides with networking access with UNGC participants - representing nearly every industry sector and size throughout the globe and it gives access to partnerships with a range of stakeholders - to share best practices and emerging solutions. Moreover, it furnishes guidance, tools, resources and trainings supported by local networks and the United Nations.

II. What is the United Nations Global Compact (UNGC)

With more than 16,000 corporate signatories in over 145 countries, the UNGC 18 is the world's largest voluntary corporate responsibility initiative. It does not police or enforce the behaviour or actions of companies. Rather, the UNGC aims to accelerate and scale the global collective impact of business by upholding the Ten Principles 19 and delivering the SDGs 20 through accountable companies and ecosystems that enable change. To make this happen, the UNGC supports companies to:

- i) Do business responsibly by aligning their strategies and operations with the Ten Principles²¹ on human rights, labour, environment and anti-corruption; and
- ii) Take strategic actions to advance broader societal goals²², such as the UN SDGs, with an emphasis on collaboration and innovation.

As a voluntary initiative, the United Nations Global Compact seeks wide participation from a diverse group of businesses. As a participant at the UNGC, a business entity:

- Sets in motion changes to business operations so that the UNGC and its Ten Principles become part of strategy, culture and day-to-day operations;
- Is expected to publicly advocate the UN Global Compact and its ten principles via communications vehicles such as press releases, speeches, etc; and
- Is required to communicate with their stakeholders on an annual basis about

¹⁸ For further information, consult the UNGC official website: https://unglobalcompact.org/

¹⁷ For further information, consult the UNGC official website: https://unglobalcompact.org/about/faq

¹⁹ The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. More information is available on the UNGC official website at the following link: https://unglobalcompact.org/what-is-gc/mission/principles

For further information, consult the official UNGC website: https://unglobalcompact.org/sdgs/about

²¹ The Ten Principles of the UN Global Compact embrace human rights, labour, environment and anti- corruption. For further information, consult the UNGC official website: https://unglobalcompact.org/what-is-gc/mission/principles

²² For further information, consult the UNGC official website: https://unglobalcompact.org/what-is-gc/our-work/sustainable-development

progress in:

- a) Implementing the Ten Principles, and
- b) Efforts to support societal priorities.

III. Preference for the participation in the UNGC

The borrower/recipient may apply a margin of preference based on the bidder's UNGC participation when conducting national and international competitive bidding procurement for goods, works and consulting services. Such conditions of preference may be applied in the evaluation of bids as follows:

- For Goods and Works procured under National and International Competitive Bidding,
 - the preference is 5 per cent, added to the price offered by the bidder who is not a UNGC member, for evaluation purposes only.
- For Consulting Services procured under Quality and Cost Based Selection: Participation at the UNGC can be included as a technical criterion of no more than 5/100 points.

The bidder should demonstrate the Entity's Participation in the United Nations Global Compact (UNGC) using the Bid / Proposal Form provided at the end of this document. This form must include the bidders the Letter of Commitment to the UNGC signed by the company's Chief Executive Officer and the latest Communication on Progress (CoP) in case it is available. The evaluation committee can identify the bidder as a participant at the UNGC by verifying the list of UNGC participants, which is publicly available on the official website²³. In case the bidder applied shortly before the bidding period and the name of the entity does not appear in the list on the official website of the UNGC, the Letter of Commitment to the UNGC signed by the company's Chief Executive Office will be regarded as sufficient proof of participation.²⁴

During the evaluation process, the evaluation committee will request the UNGC to confirm the effective participation to the UNGC of each bidder eligible to benefit from the margin of preference and will apply said margin only upon receiving written confirmation from the UNGC itself. The evaluation committee will reflect the application of the margin of preference to each bidder in the signed evaluation report.

IV. Inserting the preference for UNGC participation in bidding documents

For Goods and Works procured under National and International Competitive Bidding, the Request for Bids should include a specific preference clause for the participation to the UNGC as follows:

• If the bidding document does not already allow the inclusion of merit-point scores, the following clause must be included in the Instructions to Bidders:

x. Preference for the participation of the UNGC

²³ For further information, consult the UNGC official website: https://unglobalcompact.org/what-is-gc/participants

²⁴ The website contains also the Online Application Guidelines - Business Applicants -, which provides with more details about the application procedure. For further information, consult the UNGC official website: https://unglobalcompact.org/participation/join/application/business

- If the bidding document allows the application of merit-point scoring, the following should be specified in the Bid Data Sheet:

 A preference of xx%²⁵ will be granted to participants in the UNGC. This will be implemented via a xx% increase on the evaluated price of all non-participants to the UNGC. The bidder will need to submit evidence of active UNGC participation as per the instructions on the bid form for UNGC participation. An individual firm is considered for purposes of the margin of UNGC participation preference if it is an active participant to the UN Global Compact (UNGC) or it has applied before the bidding period.
- If required in the bidding document, the application methodology of this preference shall be defined in the section on the evaluation and examination of bids. All the criteria that the purchaser shall use to examine and evaluate bids and select the winning bid should include clear clauses on the preference for participation in the UNGC.

For **Consulting Services** procured under Quality and Cost Based Selection (QCBS), the clause for preference for the participation in the United Nations Global Compact (UNGC) should be included among the rated criteria of the technical score, as shown below. No more than 5/100 points can be assigned for such criterion.

V. Application procedure to the UNGC for bidders who are not participants

X. Participation in the United Nations Global Compact (UNGC)

Total points for this criterion [insert points]

Business Applicants who are eligible to join the UN Global Compact fall under the following definitions:

- Company any legal entity engaging in business, such as a corporation or partnership, with at least 250 full-time direct employees and/or any state-owned companies
- SME (Small and Medium Enterprise) same as a Company but with less than 250 companies are required to have at least one direct employee and active operations.

The Business Application is presented on the official website of the UNGC.²⁶ The procedure follows the steps as presented below:

Step 1 Review the Application Guidelines²⁷ for a detailed step-by-step guide to the Business Application joining process. In addition to these guidelines, please refer to the UN Global

²⁵ Maximum 5%

²⁶ The procedure for business entities is available online and the UNGC offers support to provide information and support. For further information, consult the UNGC official website: https://unglobalcompact.org/participation/join/application/business

²⁷ For further information, consult the UNGC official website: https://www.unglobalcompact.org/docs/how_to_participate_doc/Online_Application_Guideline_Busine ss.pdf

Compact Joining Policy linked to the guidelines, which contains the eligibility admissions. To apply as a subsidiary or country-office of an existing UN Global Compact Participant, please also review Annex I of the Application guidelines.

Step 2 Prepare a Letter of Commitment addressed to the UN Secretary-General and signed by your company's highest-level executive (or equivalent) committing to implement the Ten Principles of the UN Global Compact, take action in support of the Sustainable Development Goals and submit an annual Communication on Progress (COP)²⁸.

Step 3 Complete the Online Application Form²⁹ and upload a digital copy of the Letter of Commitment signed by the highest-level executive. The name of the highest-level executive who signed the Letter of Commitment must correspond with the entry name in the online registration form.

VI. Commitment to the UNGC for bidders who are established UNGC participants

The commitment through the Letter of Commitment to the UNGC shall be undertaken by the chief executive for business entities (or equivalent, for non-business entities) – with support from the Board. This commits the organization to meet fundamental responsibilities in four areas: human rights, labour, environment and anti-corruption. A company's commitment applies not only to the headquarters, but also to all subsidiaries, local branches and country offices.³⁰

The UNGC requires all participants to produce an annual Communication on Progress that outlines the company's efforts to operate responsibly and support society. This could be part of the sustainability or annual report of the entity, or another public document. The UNGC posts the communications on the UNGC's website. The commitment to report on progress start the calendar year after joining the UN Global Compact, and annually thereafter according to the UN Global Compact CoP policy.

The Communication on Progress include:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing their ongoing commitment to the initiative and its principles. This is separated from the initial letter of commitment of the entity to join the UN Global Compact.³²
- The completion of the online questionnaire of the Communication on Progress through which the company will disclose their company's continuous efforts to integrate the Ten Principles into their business strategy, culture and daily operations, and contribute to United Nations goals, particularly the Sustainable Development Goals.³³

https://unglobalcompact.org/participation/join/application/step1/business

https://unglobalcompact.org/participation/join/commitment 16 Forms of the CEO Statement of Continued Support in multiple languages can be found on the official website

²⁸ The UNGC official website includes all the instructions, the forms in multiple languages and the support in case of need to carry out the Communication on Progress. For more details on the COP, https://unglobalcompact.org/participation/report/cop

²⁹ For further information, consult the UNGC official website:

³⁰ For further information, consult the UNGC official website and the Subsidiary Engagement Policy in the UNGC website. https://unglobalcompact.org/about/finances

³¹ For further information, consult the UNGC official website:

³² Forms of the CEO Statement of Continued Support in multiple languages can be found on the official website of the UNGC. For further information, consult the UNGC official website: https://unglobalcompact.org/library/6142

³³ Forms of the questionnaire in multiple languages can be found on the official website of the UNGC:

The instructions to prepare the Communication on Progress are described in detail on the official website of the UNGC.³⁴

Upon submission of the CoP, all companies will be able to view their completed CoP report on their participant profile on the UNGC website, where it will be accessible by any stakeholder and the public as an html web page and downloadable as a PDF. Companies will also be able to visualize their CoP answers, track and understand performance and benchmark against peers through their data visualization dashboard on the CoP digital platform. The UNGC will not score or rank of participating companies associated with the CoP questionnaire.

The participation requires also an annual financial contribution to the Foundation for the Global Compact,³⁵ which can be calculated through the Annual Contribution Calculator, which is available on the UNGC website.³⁶ Below is the required annual contribution (USD) according to the company revenue by annual gross sales/revenue (USD): ³⁷

Company revenue by annual gross sales/revenue (USD)	Required annual contribution (USD)
> 30 billion	30,000
10 - 30 billion	25,000
5 - 10 billion	20,000

1 - 5 billion	15,000
500 million - 1 billion	7,500
50 - 250 million	2,500
25 - 50 million	Local fee will apply
< 25 million	Local fee will apply
Subsidiaries	Local fee will apply (please, review the IMGCS subsidiary engagement policy

Annual financial contributions from business participants of the UN Global Compact are made to the Foundation for the Global Compact and used to deliver programmes and participant services in collaboration with Global Compact Local Networks. A small percentage is set aside for the Local Network Development Fund — a mechanism created to support new and developing Networks. All Global Compact operations, programmes and

http://www.globalcompactfoundation.org/ . The Foundation publishes regular financial disclosures. Established in 2006, the Foundation for the Global Compact is incorporated under the laws of New York State, U.S.A., as a not-for-profit corporation. The Foundation provides vital financial, operational and programmatic support to the UNGC Office and other UN Global Compact activities around the world. Whether contributions to the Foundation are tax deductible will depend on the tax laws of the entity's country. In many countries, contributions to charities, like the Foundation, are tax deductible as a business expense for companies.

https://unglobalcompact.org/participation/join/commitment

https://unglobalcompact.org/about/finances

https://unglobalcompact.org/library/6106

³⁴ For further information, consult the UNGC official website:

https://unglobalcompact.org/participation/report/cop

³⁵ For further information, consult the Global Compact Foundation official website:

³⁶ For further information, consult the UNGC official website:

³⁷ The following table (as of August 2023) is publicly available on the UNGC website:

activities are made possible by contributions from Governments to the UN Global Compact Trust Fund and from business to the Foundation³⁸.

x. Entity's Participation in the United Nations Global Compact (UNGC) Form

To: [name of the purchaser / employer / client]

We, [name of the entity] who are established and reputable providers of [name and/or description of the goods, work, service provided] do hereby demonstrate our participation in the United Nations Global Compact in the following way [choose one option below]:

□ We are an established participant of the United Nations Global Compact (UNGC) and our participation can be confirmed by the publicly available online list of the UNGC participants. We are attaching the Letter of Commitment signed by the company's Chief Executive Officer and our latest annual Communication of Progress to this form.
 □ We have recently applied to become participants in the United Nations Global Compact (UNGC) and we attach the Letter of Commitment to the UNGC signed by the company's Chief Executive Officer to this form.

We confirm the correctness of the information presented in this form and acknowledge that providing incorrect information might lead to the disqualification of the submitted bid or proposal. We also acknowledge that the form is only complete with the required attachments and that participation in the UNGC cannot be taken into account if the required documentation is missing.

[signature for and on behalf of entity]

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³⁸ For further information about the UNGC's finances, For further information, consult the UNGC official website: https://unglobalcompact.org/about/finances

Appendix C.10: SECAP Risks and Procurement Actions

This document provides indication on the SECAP risks to be incorporated into procurement plans. While the general The ES specialist has identified, through the SECAP environmental and social screening checklist, the issues in the table below that need to be mitigated through procurement to reach an agreement as to how these ES issues can be dealt with best through procurement mitigation measures that the PMU must be required to put in place with respect to procurement parameters like: 1. Technical Specifications, 2. Bidder Qualification, 3. Bid Evaluation Criteria and 4. Contract Clauses

	Environment	al and Social Safeguards	
Biodiversity conservation	Risk Rating	Consequence	Guidance for SPOs
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Moderate	Minor Poject may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	Technical Specification: Ecolabelled /certified products and legally sourced timber for construction and furniture (eg certified to be from sustainable forests). Bidding documents: Consider eco- label specification as "minimum specification" or Grant technical weight in bid evaluation for eco-labelled products. Bidder Qualifications: Previous work experience in similar environments with endangered fauna and flora; especially for High and Substantial Risk contracts. Supervision: Supplemental supervision as relevant.
Resource Efficiency and Pollution Prevention	Risk Rating	Consequence	Guidance for SPOs
2.3 Could the project involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation?	Moderate	Minor Only a small component of the project is focused on forestry, and this aspect is well regulated.	Consider Life Cycle Costing for energy intensive equipment purchases. Merit Point System to reward bids offering specifications exceeding the minimum requirements.
2.5 Could the project involve or lead to significant extraction, diversion or containment of surface or ground water (e.g. construction of dams, reservoirs, river basin developments, groundwater extraction)?	Moderate	Minor The project only needs a minimal amount of water. This can be obtained from existing sources, without the need for extension.	Upgrade of small-scale irrigation schemes in the 6 provinces shall be aligned with pre-set designs and strategies developed by OGM
2.9 Could the project involve livestock – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	Moderate	Minor The project involves livestock or fisheries, but not in extensive or intensive systems.	Use of eco- labelled products which minimize use/emissions of hazardous substances Certified energy- efficient appliances and structures Wastewater and solid waste disposal in accordance with national standards. Recycling water / waste as appropriate

Cultural Heritage	Risk Rating	Consequence	Guidance for SPOs
3.1 Could the project be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	Moderate	Minor The project is thought to be close to an area that is considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage. The site has been comprehensively surveyed, and all tanglible and intangible cultural heritage is well known.	Encourage use of local knowledge (intangible heritage) Previous work experience in similar projects in the vicinity or likelihood of presence of tangible heritage sites. Conditions of Contract: Incorporate safeguards to protect "chance finds" Supplemental supervision as relevant
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	Moderate	Minor The project is thought to be close to an area that is considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage. The site has been comprehensively surveyed, and all tanglible and intangible cultural heritage is well known.	Encourage use of local knowledge (intangible heritage) Previous work experience in similar projects in the vicinity or likelihood of presence of tangible heritage sites. Conditions of Contract: Incorporate safeguards to protect "chance finds" Supplemental supervision as relevant
Labour and Working Conditions	Risk Rating	Consequence	Guidance for SPOs
5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)	Moderate	Minor The project operates in a sector, area, or value chain where workers are occasionally exposed to significant OSH risks, and where regulation is known to be effective.	Quality of contractor's HSMP will be rewarded through technical Merit Points in bid evaluation.

Community Health, Safety and Security	Risk Rating	Consequence	Guidance for SPOs
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	Low	Minor The project has only moderate reliance on buildings or infrastructure. Risk of failure is unlikely to lead to loss of life or significant environmental damage. The structural integrity of the required infrastructure has been independently verified.	Upkeep & prevention of damage to Site access roads and earthquake areas Contractor's HSMP to incorporate emergency-preparedness against natural or human hazards
6.8 Could the project lead to increases in traffic or alteration in traffic flow?	Moderate	Minor The project will result in minor increases to traffic volume. Only minor increase in risk of injury or death.	Contractor's HSMP to include safe disposal of construction waste and workers' camps waste, mitigation of risks to the community resulting from the contractor's work, safety of deliveries and transportation and disposal of hazardous materials and wastes.

Appendix C.11: The Project Procurement Strategy (PPS)

Project Overview

Country:	The Republic of Türkiye
Project Full Name and Number:	Euphrates River Watershed Rehabilitation Project (FIRAT)
IFAD Loan / Grant amount (\$):	65.0 million
Loan/Grant Number:	TBA
List of Key Components:	1. Component 1: Micro catchment planning and natural resources management 2. Component 2: Investments in Improved Climate Resilient Livelihoods and Access to Markets 3. Component 3: Project management and Institutional Strengthening 4. The Project (FIRAT) has as goal to reduce poverty in the upland communities in targeted micro catchments of the Euphrates River watershed. The development objectives are to increase the income and resilience of small-scale producers, reduce soil erosion and land degradation while ensuring sustainable management of natural resources in targeted micro catchments. The total project financing is foreseen to be USD 100 million, implemented over a seven years period with the General Directorate of Forestry (OGM) as the Lead implementing agency

Project Overview

1. List of Major Procurements under the Project

Works	W.1 Upgrade of small-scale irrigation schemes	
	W.2 Livestock watering facilities	
	W.3 Pasture access roads	
	W.4 common livestock sheds in pastures	
	W.5 common facilities (village bakeries and community centres)	
Goods	G.1 Animal drinking troughs	
	G.2 Energy-saving and renewable technologies (procurement of PV units)	
Services	S.1 Hydrological studies and ad hoc studies	
	S.2 Design of irrigation schemes	
Grants	Gr.1House improvements	
	Gr.2Energy-saving and renewable technologies	
	Gr.3Window for poor and transitory poor producers	
	Gr.4Window for producer organisations and aggregators	

2. Overview of Country, Borrower and Marketplace

a. Operational Context

i. Governance aspects

Political	Being a transcontinental Eurasian country, Turkey is politically stable country, has a
Situation	diversified economy, its proximity to Europe, north Africa, and middle east, in addition to its
	dynamic and young workforce place Turley in a strategic position enabling to play a pivotal
	role in the economic development.
	The 2021 Human Development Index places this upper-middle-income country at position
	48 out of 191 countries ³⁹ .
	Over the past 20 years, the Republic of Turkey has experienced steady economic growth,
	and investments in social services, healthcare, education, and infrastructure that helped the
	government to take major steps toward achieving the Sustainable Development Goals.
	2023 was characterized by important events: the combined parliamentary and presidential
	election and the two most devastating earthquakes in its history. Within this context, to
	lower the ongoing current-account deficit, to draw foreign capital, and increase reserves, all
	of which will prevent the further lira depreciation and rebalance the economy, the new
	government initiated several actions, including monetary policy tightening, fiscal restraint,
	and a reduction in the central bank's ongoing interventions in the foreign exchange market.
Bureaucracy	A public administration reform resulted a centralized policy making system, however, the
	administration accountability and the human resources management system require
	additional improvement.
	Several public services can be accessed via e-government resources, the government
	increased access to e-government services which facilitated the user-focused administration
	at the local and federal levels.

³⁹ Human development report 2021/2022

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Law Enforcement	Law enforcement in Turkey is carried out by several departments and agencies, all acting under the Ministry of Internal Affairs except for military and armed forces. In the annual rule of law index, Turkey fell one spot from last year to be ranked 117th out
	of 142 countries ⁴⁰ .
Corruption	As a member of the UN Convention against corruption, the Turkish government strive to strengthen the legal framework to fight against corruption. The prohibition of cartel is regulated by the Competition law N°4054 which applies on both individual and companies. According to the 2023 Corruption Perception Index ⁴¹ , Turkey is ranked 115/180 with a score of 34/100 showing a decline of 2 points compared to 2022 explained by the limitation of the legal framework and the institutional capacity to investigate and prosecute the corruption
–	cases.
Fragility	The macro financial volatility has increased significantly, the Turkish Lira has declined significantly, bank loan growth has been very rapid, persistently high inflation has climbed to about 80 % in mid-2022, and international investors have withdrawn from local markets ⁴² .
	Due to the increase in inflation in 2000–02, the agricultural sector registered abnormally high duty-loss payments.
Relevant Legislation	Public procurement in Turkey is governed by the Public Procurement Law (PPL) No. 4734 and the Public Procurement Contracts Law (PPCL) No. 4735, both enacted in 2002, and since then amended several times. The PPL, which entered into force on January 1, 2003, sets out the principles and procedures for procurement of goods, works and services.
Procurement Law	Turkey is a WTO member since 1995 but the country didn't sing yet the WTO Government Procurement Agreement (GPA) and still maintaining the observer status. The public procurement in Turkey is governed by the Public Procurement Law N. 4734 and the Public Procurement Contracts Law N.4735 and other supplementary texts. The PPL has established the public procurement authority in 2002, which is an independent regulatory and supervisory institution. In 2010, the electronic public procurement platform EKAP became operational through which all procurement transactions are carried out and registered. A public procurement legislation amendment that mandates the use of e-procurement in all open and negotiated procedures is one of the subsequent amendments to the procurement laws that has further solidified the use of the Electronic Public Procurement Platform (EKAP). The Turkish Court of Accounts created in 1862 oversees the auditing of public institutions in order to evaluate the effectiveness, the efficiency and the legality of the public resources use.

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⁴⁰ World Justice Project (WJP) 2023

⁴¹ Transparency International: corruption perception index 2023.

 $^{42\} Republic\ of\ T\"{u}rkiye-financial\ system\ stability\ assessment,\ IMF\ Country\ Report\ No.\ 23/304,\ January\ 2023.$

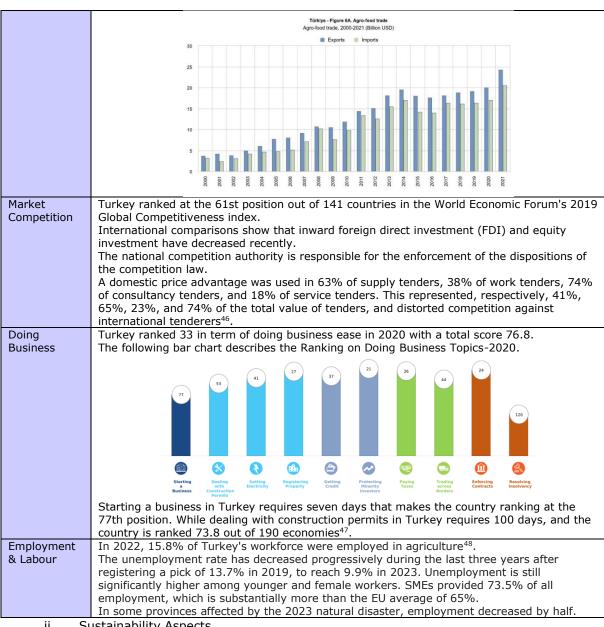
Economic Aspects

Economic Aspects		
Growth* Inflation	GDP growth: 5.5% (2022), 4.0% (2023) Türkiye made impressive economic gains over the past two decades. In the early 2000s, broad-based macroeconomic and structural reforms supported income catch-up towards advanced economies, poverty reduction, and marked disinflation. This moved Türkiye firmly into the upper middle-income bracket, while lifting nearly 30 percent of the population out of poverty. In recent years, however, as reforms waned, productivity gains slowed, and growth became increasingly dependent on externally funded credit and demand stimulus. The newly-adopted Türkiye Economic Model—comprising low interest rates as well as a complex set of regulatory measures to direct credit to selected sectors and promote greater use of the lira in the economy—has exacerbated vulnerabilities. Despite an estimated \$108 billion in indirect forex interventions by the central bank (CBRT), the value of the Turkish currency declined by 30% in 2022. The inflation level reached 47,8% in July 2023 ⁴³ .	
	On January 25, 2024, Turkey's central bank increased the key interest rate to 45%, although inflation continues to stagnate within 65% ⁴⁴ .	
	Key rate Annual Inflation ** ** ** ** ** ** ** ** **	
	70	
	60	
	50	
	20	
	10	
	May 2023 Jun 2023 Jul 2023 Aug 2023 Sep 2023 Oct 2023 Nov 2023 Dec 2023 Bone Life over Early Life of Sep 2023 Sep 2023 Oct 2023 Nov 2023 Dec 2023	
Exchange Rate	Inflation is projected to decrease from 69% at the end of 2023 to 46% at the end of 2024. Regarding developing nations, Turkey was among the firsts to set up and liberalize its financial markets. Since 2021, the value of the lira in relation to the dollar has decreased by more than half. Early in March 2023, the lira showed signs of stability after declining by 40% compared to the US dollar in the first three quarters of 2022. By October 2023, the lira has lost almost one-third of its value since the beginning of the year.	
	TL per\$	
	5	
	Jun 10	
	15	
	20	
	25	
	2019 2020 2021 2022 2023 2024	
Imports	The 12th development plan aims to protect the domestic products from the threat of imported products by continuing the use of price advantage on local products. The Lira depreciation added pressures on import prices. In 2022, more than 4% of all Turkish imports came from the United States, after China, Russia, Germany, and Switzerland. Turkey is a net exporter and has seen a steady increase in agricultural exports. Most exports are goods destined for consumption, while major part of imports are goods intended for additional processing ⁴⁵ .	

⁴³ International Monetary Fund.

⁴⁴ Turkey's Central Bank, Turksat

⁴⁵ Agricultural Policy Monitoring and Evaluation 2023: Adapting Agriculture to Climate Change



ii. Sustainability Aspects

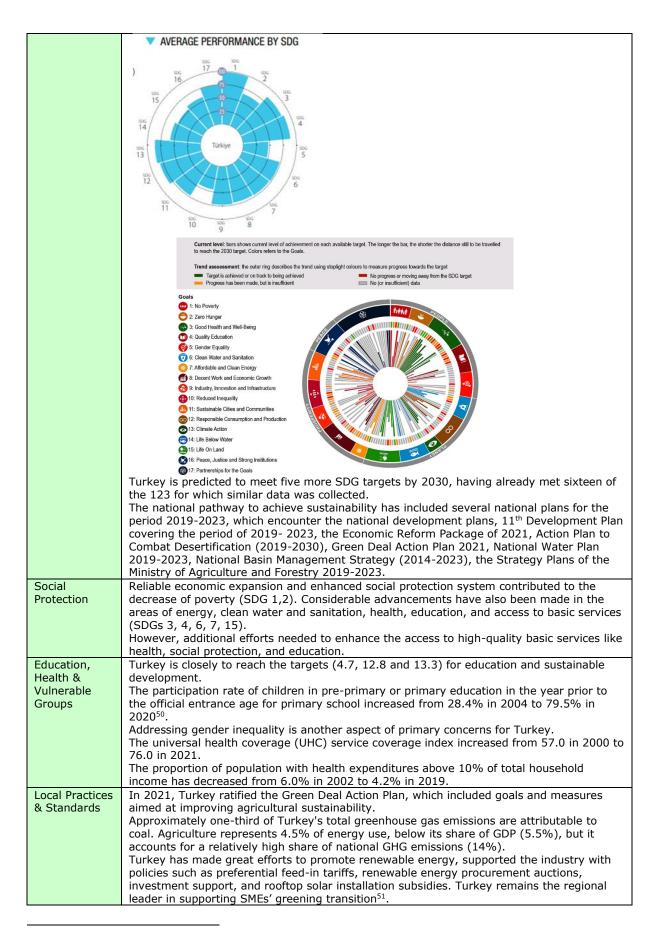
SDG Ratings	Turkey was the first nation in the MEWA to submit a voluntary national review. A roadmap
	outlining the intended steps to achieve the SDGs was established by Turkey's first
	Voluntary National Reviews.
	The following chart shows the average performance by SGD ⁴⁹ :

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⁴⁶ Commission Staff Working Document: Türkiye 2023 Report

⁴⁸ OECD calculations based on OECD Labour Force Statistics

⁴⁹ Sustainable Development Report 2023



⁵⁰ unstats.un.org/sdgs/dataportal/countryprofiles/TUR#goal 4

⁵¹ SME Policy Index: Western Balkans and Turkey 2022: Assessing the Implementation of the Small Business Act for Europe

	The possibility to use loans with an interest rate discount of up to 100% for solar energy investments has been extended to irrigation unions and agricultural producers. The maximum loan amount is TRY 7.5 million (USD 453,000). Ak bank, the largest bank in Turkey, has introduced Turkey's first sustainable deposit product, targeted at commercial clients, allowing them to actively participate in initiatives that support the Sustainable Development Goals (SDGs) of the UN.
Waste	Turkey is dealing with several environmental issues, such as waste management, air
Management	pollution, and water scarcity.
-	A development plan has been deployed includes the construction of 1,400 new wastewater
	treatment plants and 30,000 km of sewers, the total investment of 18 billion euros, the
	Turkish government is heavily investing in infrastructure for drinking water, wastewater,
	and solid waste .
	The proportion of safely treated domestic wastewater flows increased from 63.3% in 2020 to 64.7% in 2022 ⁵² .
	According to the National Action Plan for Waste Management 2023, 35% of waste must be
	disposed of through recycling and 65% must be stored regularly by 2023.
Relevant	Presidential Circular No. 2022/8 on the Ecosystem-Based Adaptation Strategy to Climate
Legislation	Change for Anatolian Steppe Ecosystems published on 7 July 2022.
	Municipality Law No. 5393
	Law No. 7261 on the establishment of National Environmental Agency.
	Environment Law No. 2872. on 11 Aug 1983

iii. Technological Aspects

Internet	86% of Turkish households can afford high-speed broadband, despite having lower household incomes compared to EU. As of early 2023, 83.4 % of people were internet users.
Technological Advancement	Türkiye invests in e-commerce applications for virtual marketing (DİTAP-Digital Agriculture Platform) and accelerates the digital transformation in agriculture, through the development of creative management models, the reinforcement of vertical and horizontal cooperation, and the development of R&D infrastructure.
	According to the Turkish Statistics Institute (2020): 3.9% of small, 9.4% of medium-sized and 19.6% of large businesses used robot technology.
Access to Information	According to freedom house report (2022): The protection of the right to information indicator has a high-risk score of 88%.
	Even though, Turkey has a law of information (Law No. 4982), there are no guidelines or safeguards for whistleblowers in Turkish law.
	In terms of statistical infrastructure, Turkey's statistics laws are based on the European Statistics Code of Practice.
R&D	Technology parks, private-sector R&D centres, and other public research organizations contribute to Turkey's R&D landscape. The Scientific and Technological Research Council of Turkey, or TÜBİTAK, is particularly important in determining and financing the national research agenda.
	An important road map for transforming Turkey into a nation that provides high-tech added value in a world going more and more digital is the 2023 Industry and Technology Strategy. In addition to the National Artificial Intelligence Strategy.
	One of the 60 specific commissions created as part of the preparations for the 12 th Development Plan is the Specialized Commission on Strengthening the R&D and Innovation Ecosystem.
	R&D spending as a part of the gross domestic product increased to 36.6 billion \$ in 2021 ⁵³ , up to 16% from the year before. Research and development spending has nearly doubled over the last ten years, but it is still low when compared to other countries.
Innovation	In 2023, Turkey held the 39 th position out of 132 in the Global Innovation Index ⁵⁴ , a significant rise from its 2011 ranking of 65 th .
	A significant legislative effort to improve the country's capacity for innovation is the Global Innovation Index Türkiye Action Plan and Strategy.

⁵² Agricultural Policy Monitoring and Evaluation 2023: Adapting Agriculture to Climate Change

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⁵³ Turkish Statistical Institute (TURKSTAT)

⁵⁴ Global Innovation Index 2023

iv. Key Conclusions of Operational Context analysis and IFAD-PRM Part A

	Impact of Operational Context on Project Procurement
Governance	Further improvements in the legal framework are required to simplify to procedures and reduce the administrative burden related to market regulation, and the inconsistencies in the procurement methods.
Economic	Inflation, currency devaluation/stability, corruption and the high risk of macroeconomic instability are key economic issues facing the project.
Sustainability	No major sustainability issues have been identified while Turkey is ranking relatively well on SDGs, however Project procurement shall ensure SECAP compliance provided not specific terms covered by the Public Procurement Law.
Technological	Despite the Public Procurement Law No. 4734 covers ICT procurement and the efficiency of EKAP system, The ICT Project Preparation Guide and procurement law are not entirely adequate to keep up with the changes.

Summary of Key PRM Issues (Part A)

Turkey has a well-functioning procurement system supported by a structured institutional and legal framework, the use of e-tenders, and the role of procurement, audit, and complaints bodies. The procurement risks relate mainly to:

- The inconsistencies in the procurement methods notably related to ICB, consulting and the Non consulting services.
- The Public procurement is not professionalized as no career path to public officials involved in managing and conducting procurement, there is No specific Law identify a specialized procurement function nor to clearly Define the responsibilities and competencies of a procuring entity.
- The absence of strategic planning and key role allocations internally and externally.
- The entire absence of SECAP requirements in the Public Procurement Law

b. IA Capability Assessment⁵⁵

The General Directorate of Forestry (OGM), within the Ministry of Agriculture and Forestry (MoAF), will be primarily responsible for implementation of project procurement, ensuring coordination with other implementing partners (SPAs and DSI) which are directly involved in designs and implementation as well as in supporting management of relevant contracts signed with service providers.

i. Experience

The PMUs in Turkey have no experience in preparation of PPS. Planning experience is limited
to AWPB and PP preparation.
The PMU is Qualified with the types of works planned for FIRAT, provided The Project is
predominantly repeating in nature (very similar to MURAT).
The majority of such procurement was based on local competition regardless of whether the
procurement method was international or national. Procurement adopted was predominantly
based on design-bid-build methodology with lowest price award method.
The PMU has had a passive approach to SECAP; experience in customizing SECAP into
qualification criteria, evaluation criteria, contract terms, and contract management is very
limited.
Previous projects relied on internal resources to specify the requirements of vehicles and
agricultural equipment. The PMU is expected to have the requisite experience in such
procurement.
The PMU is qualified with recruitment of design and supervision consultants, The use of QCBS.
For baseline/impact studies, the PMU also has experience of such activities.
The implementation of grants in previous projects in IFAD relied on targeting with less-
structured processes than anticipated. The targeting was based on extensive presence in the
field, meetings with potential beneficiaries, screening and evaluation. Sometimes, criteria was
not fully declared upfront.
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ii. Need for hands-on support

PPS	The PMU is receiving support in PPS preparation in line with the IFAD's Procurement Manual; the PMU may require support in updating the PPS based on evolving needs. Furthermore, the PMU requires support in packaging procurement activities that are of similar nature.
Works	The PMU will require support from IFAD in addressing rated-criteria evaluation and in procurement of extensively packaged procurement (large volume) and works delivered using design-build. The PMU needs hand-holding in the design of SECAP requirements in a customized and fit-for-purpose manner. For managing the risks of price fluctuation, currency devaluation, imports, etc. the PMU will require continued support.

⁵⁵ If I.A. staff have not yet been nominated, the analysis can be based on Borrower organization and a PMU within the Borrower that will likely manage the procurement.

Goods	The PMU has experience in preparing specifications for routine equipment and goods. Where complicated goods are required, support in drafting specifications may be needed. If rated criteria or Life Cycle Costing (LCC) will be used, support in elaborating the criteria is needed
	as well as support in evaluation.
Services	The PMU require assistance in packaging design and supervision consulting services awarded using QCBS (TOR and evaluation criteria). The same applies for TORs for feasibility, ESIA, baseline and impact studies and, to some extent, TOR for audit services.
Grants	The PMU will need support in the design of Calls for Proposals (CfP) for competitive award and
	evaluation of grants.

iii. Contract management capability and capacity

	contract management supusint, and supusit,
Works	Despite extensive experience in managing similar works contracts, CM challenges are persisting over the past few years; these include currency fluctuation; import restrictions; absence of Contact management manual etc. The PMU was able to manage these challenges so far in MURAT, but the newly formed PMU must have the necessary CM capacities especially in managing these and similar CM challenges. The PMU normally relies on competent ministries/Directorates for cost estimation, price indices, valuation of changes, etc. Especially with respect to the management of price adjustment, the PMU normally relies on consulting firms or competent ministries and need to enhance their capacities in handling such variations.
Goods	Management of goods procurement is pretty straight forward and the PMU has the requisite capacity; exceptions include handling complex issues such as handling adjustment, currency devaluation, on time payment, etc.
Services	Managing consulting services contract was acceptable when services are rendered by OGM. The PMU should plan better for managing time-based consulting contracts (management of timesheets, contract register, Reimbursable expense, payments, etc.).
Grants	Managing grant contracts require, firstly, to have a contract signed with beneficiaries assigning roles and responsibilities. This is needed regardless whether the grant is in-kind or monetary. It can be based on a very simple template for very low-value grants. Grant's management requires proper documentation including, but not limited to, delivery receipts to end-users, transmission of warranty benefits, etc.

iv. Complaints management and dispute resolution systems

Presence of Systems in Law	The PPL Article 54-55-56 stipulate the time limit for appeal is five (5) days for tenders that are procured (i) under extremely urgent and unforeseeable conditions (i.e. disaster, disease etc.) or (ii) with concern for national defense, security and intelligence matters. Other than these two types of tender, the limit for appeal is ten (10) days for all tenders,
	starting on the date the unlawful procedure or action of the contracting authority is realized or must have been realized by the applicant.
	Complaints regarding the procurement notice may be lodged from the date the notice is first published, while the period for applications regarding the other provisions of
	prequalification or tender documents that are not reflected in the procurement notice starts from the purchasing date of the related document.
	Complaints regarding the procurement notice, prequalification or tender documents must be submitted three (3) days before the date of the tender or application deadline at the
	latest provided that the deadline does not exceed the time limits stated above (in the first
	paragraph). The Objection: Upon completion of the complaint phase, the applicant may challenge the contracting authority's decision within five (5) days before the PPA.
Effectiveness of Systems	There are no statistics to evidence the efficacy of the system. However there are similarities with IFAD Complaints management and dispute resolution
Independence of Systems	In its capacity as the appeals review body, the PPA board (the Public Procurement Board) has the support of specialized staff who document cases and prepare decisions. Various measures have been introduced to ensure the integrity of the complaints review process. As an example, cases are randomly allocated to support staff, data access is restricted, the use of paperless review procedures allows automatic integrity controls to be used, while creating an audit trail of the process, and the handling of information requests and responses is highly formalized.
Statistics (if available)	There is no available statistical data at the national level; in the previous project MURAT, no award complaints were filed for appeal and no contract disputes were referred to court.

v. Key Conclusions of I.A. Analysis and IFAD-PRM Part B

Strengths	Weaknesses
 The PMU has previous experience in similar Project components. The PMUs have previous experience in managing widely spread project locations. 	 Limited capacity to manage heavily packaged works and complex services' procurement. Limited experience in integrating SECAP fully in procurement. Absence of strategic planning experience

	- Limited competence in advanced Contract Management Aspects
Opportunities	Threats
 Project is very similar in nature to MURAT which help to avoid procurement constraints. Strong government support to the project Extensive contractor-base interested in bidding. Learning from existing projects startup/implementation will inspire lessons for FIRAT procurement. Strong Engineering consulting services market 	 Newly recruited PMU might slow down the start up Currency fluctuation and price hedging Absence of procurement methods for Consultancy services

Summary of Key PRM Issues (Part B)

- Despite satisfactory performance of previous projects capacity, the Absence of procurement function, TOR, procurement certification, language skills and robust national training programs complying with international standards and the general reliance might expose FIRAT to Substantial risk in implementing the procurement activities.
- PMU staffing is a critical issue and IFAD or donor-funded experience is important.
 Ability to embrace strategic procurement planning and complex procurement is of critical importance.
- Absence of procurement certification and robust national training programs, and the general reliance on outsourced consultants pose the risk of limited organizational learning.
- Contract management and SECAP monitoring pose key challenges affecting project outcomes.

c. Market Analysis

i. Market sector dynamics⁵⁶

1. 1	Market Sector dynamics
Works	In 2022, the construction market in Turkey was valued at \$103.9 billion. It is
	anticipated that the market would grow at an annual rate of growth of 3% between
	2024 and 2027. Large investments in green hydrogen, transportation, housing,
	renewable energy, water, and sewage infrastructure projects are responsible for
	the rise.
	The key sectors in the construction market are, Commercial Construction, Industrial
	Construction, Infrastructure Construction, Energy and Utilities Construction,
	Institutional Construction, Residential Construction. Due to investments in
	reconstructing homes damaged by the February 2023 earthquake and in building
	new houses for displaced individuals, the residential construction industry is
	expected to rise over the coming period.
	Most projects in Turkey's construction market are being undertaken by domestic
	contractors. In 35%of projects where a contract has been given to a foreign
	contractor, Russian companies are the most common foreign contractors.
	When working on international projects, the International Federation of Consulting
	Engineers ("FIDIC") standard form construction contracts are most frequently
	utilised.
	Regarding the acquisition of construction works, Turkish public procurement
	regulation offers a standard form contract that included in tender documents for
	public projects. Construction contracts frequently contain clauses relating to force majeure. These
	clauses are important when discussing the impacts of a delay, such as time
	extensions, damages, etc.
	force majeure is not specifically defined in Turkish law. A force majeure event may
	be covered by Article 136 of the Turkish Code of Obligations (TCO), which specifies
	the penalties for non-performance.
Goods	In Turkey, the acquisition of technology goods and services by governmental or
	public sector organisations is governed by the Public Procurement Law.
	The market for agricultural equipment was valued at approximately \$171 billion in
	2016 and is expected to grow at a compound annual growth rate (CAGR) of 6.5%
	from 2017 to 2024, when it is expected to reach \$279.5 billion. The machinery
	used to support and bolster agricultural operations is referred to as agricultural

⁵⁶ Levels and types of Competition; levels of experience in market in executing proposed contracts; capacity to innovate; interest to partner and form JVs to enhance capacity; partnering with foreign firms; contract object can be met locally or externally; supplier preferences; supply positioning; etc.

	equipment, or simply farm equipment. Tractors, ploughs, cultivation tools,
	harvesters, and other machinery are examples of the diverse array of tools and
	machinery that make up agriculture equipment.
Services	Despite the large market for design and supervision consulting firms in Turkey, the
	procurement legislation misses methods related to consulting services.
	The required design and supervision services are basic in nature in a very mature
	market in Turkey; hence, enhancing competition will not be a problem once
	planned and targeted for FIRAT.
Grants	The infrastructure of the Revolving Fund Facility, which Ziraat currently runs for the ORKÖY, will be used to administer the interest-free loans with the matching grants, making it a vehicle for more investment in the agricultural sector. Matching grants will be given to strengthen household resilience and on-farm productivity, with a focus on vulnerable groups, particularly women and youth, who are among the poorest.
ii.	Financial ⁵⁷
Works	Civil works are typically priced based on pre-established bill of quantities developed

Works	Civil works are typically priced based on pre-established bill of quantities developed by consultants and with a confidential cost estimate prepared by a competent entity. Pricing for pumping systems and PV equipment is usually based on specification developed by the PMU.
Goods	Prices for goods depend a lot on the source of raw material and goods' origin. Local Suppliers have been witnessed to excessively price such goods (20-40% higher) to mitigate for time value of money and currency devaluation. On the contrary, goods that are predominantly based on local raw material and local origin may be more competitive.
Services	Consultancy pricing in Turkey is very competitive and, consequently, renders trade in consulting services outwards (export) mainly rather than the other way round. Very few, if at all, foreign consultants or consulting firms participate or win contracts in IFAD-funded projects in Turkey.
Grants	Grants' amounts (in-kind or cash) are predominantly decided at design based on prevailing market prices, ceiling caps and CosTAB allocations.

iii. Procurement trends⁵⁸

Works	NCB predominantly; one and two envelopes respectively; lowest price; post qualification. With this approach, the majority of similar contracts were awarded within the set budget and cost estimate. However, the currency devaluation and risks have severely affected competition, pricing, and the ability to meet initially-set
	targets.
Goods	Vehicles: NCB predominantly; one and two envelopes respectively; lowest price;
	pre/post qualification.
	Agricultural equipment: NCB, Shopping; lowest price; post qualification.
	With these approaches, the PMUs shall be able to attract a good level of
	competition and pricing shall align with the set budgets and cost estimates to avoid
	a reduction in scope and cancellations of bids.
Services	Design/Supervision: Priority to QCBS due to importance of featuring competition and comparison of various technical offers: otherwise CQS can be used. Feasibility and ESIA: CQS which may also be used if the budget and threshold allow; otherwise QCBS will be used.
	Baseline/Impact Surveys: CQS for each.
	Audit: LCS, QCBS and SSS: QCBS will be used for the first award. Subsequently,
	SSS may be used for an extension of one year.
	Staffing: ICS and SSS: ICS will be used for initial recruitment; SSS for seconded
	staff and renewal of contracts of staff.
Grants	PMU will need to adopt a more structured and transparent approach similar to the
	competitive single-stage CfP approach.

⁵⁷ Cost benchmarks; cost stability; pricing strategies; etc.

⁵⁸ How were similar procurements managed elsewhere or previously; key terms and conditions; how to maximize VfM; lessons learned from previous experiences in the country; etc.

iv. Key Conclusions of Market Analysis relevant to this contract

Supply Positioning:

The below plot shows the major contracts identified above classified into one of four categories based on their estimates cost and their associated risks (in each block, you can see the contract numbers that fit into that block):

RISK	Bottleneck S.1 Hydrological studies and ad hoc studies S.2 Design of irrigation schemes	Strategic W.1 Upgrade of small-scale irrigation schemes W.2 Livestock watering facilities W.3 Pasture access roads W.4 common livestock sheds in pastures W.5 common facilities (village bakeries and community centres)
RI	Non-Critical G.1 Animal drinking troughs G.2 Energy-saving and renewable technologies (procurement of PV units) Services	Leverage Gr.1 House improvements Gr.2 Energy-saving and renewable technologies Gr.3 Window for poor and transitory poor producers Gr.4 Window for producer organizations and aggregators
	CO	ST

<u>Supplier Preferencing:</u>
The below plot categorizes potential bidders in key contracts based on how attractive those key contracts are to them and the expected revenue they are expecting to generate (in each block, you can see the key vendors that fit into that block):

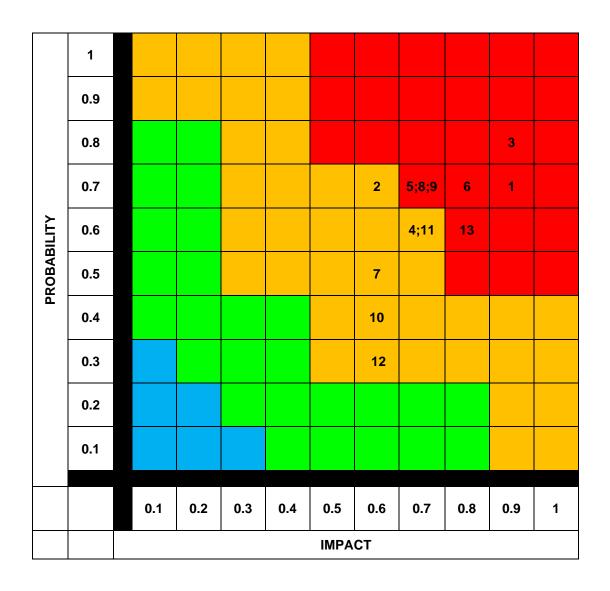
VENESS	DEVELOP Consulting Firms	CORE Construction, engineering and supervision
ATTRACTIVENESS	NUISANCE Construction	EXPLOITABLE Agri Equip. Sup.
	Reve	enue

3. Procurement Risk Analysis

	Α	В	Overall				Impact on
Risk Description	Likelihood Rating	Impact Rating	Kisk Score (A*B)	Description of proposed mitigation through the procurement process	RISK Owner	Procurement Process Stage	which Contract(s)
		PRE-	CONTRACT	PROCUREMENT RISKS			
Delays in staffing the PMU with critical positions	0.7	0.9	0.63	- Secondment contingency plan	Benef.	Planning	All Year 1 contracts
Limited experience of PMU staff in IFAD procurement	0.7	0.6	0.42	Build-Proc certificationExtended start-up training	Benef.	Planning	All Year 1 contracts
Lack of buy-in and acceptance of the PPS	0.8	0.9	0.72	Extended start-up discussions on PPSPPS adaptation on an annual basis	Benef.	Planning	All Year 1 contracts
4. Slow onboarding on OPEN /CMT	0.6	0.7	0.42	 Extended Start-up OPEN/ICP training 	IFAD	Planning	All Year 1 contracts
 Challenges in developing TORs for critical consulting services (D&S) 	0.7	0.7	0.7	 Collaborate with IFAD to develop model TOR Prior review of first D&S activity 	Benef.	Planning	D&S procurement

	CONTRACTUAL PROCUREMENT RISKS						
6. Currency Devaluation	0.7	0.8	0.56	- Prices quoted in TRL to be adjustable for fluctuation in all contracts	Benef.	Bidding, C.M.	All
7. Inability to justify inexcusable vendor delays	0.5	0.6	0.3	 - PMU to require schedule baseline and updates - PMU to monitor and record all delay events - Engineer to have on board a schedule analyst - PMU training on scheduling and delay analysis 	Benef.	C.M.	All
8. Excessive cost over-runs due to economic parameters currency, raw material, etc.)	0.7	0.7	0.7	 Cost estimation should account for inflation Cost estimate to be updated before launching bids to account for real inflation Bid Docs. To allow a high percentage for increase and decrease in quantities upon award (30-40%) Price adjustment to be scrutinized for any manipulation of mismanagement possibly through specialized consultants 	Benef.	Bidding, Evaluation, C.M.	All
Excessive cost over-runs due to variations	0.7	0.7	0.7	 -Works' Designs to be entrusted to reputable and qualified consultants (design review mandatory) - All variations in quantities to be double checked (Engineer, PMU and Acceptance committee) - Contractors to be required to maintain a comparative schedule and not exceed BOQ quantities without prior clearance 	Benef.	Consultant Selection Process Works Bidding and C.M.	All Works

	SECAP ISSUES						
Improper disposal of excavation and demolition material	0.4	0.6	0.24	 Works contract to specify exact location of disposal Engineer to monitor and record using pictures and documentation E&S performance guarantee to be required (3%) 	Contractor	Bidding; C.M.	All Works
11. Disruption of agricultural seasons	0.6	0.7	0.42	 Works to be scheduled off-season not to disrupt plantation/harvesting Commencement orders to be timed properly Contractors to compensate farmers for damage caused (fees preapproved by PMU) E&S performance guarantee to be required (3%) 	Contractor	C.M.	All Works
12. Structures posing accident risks	0.3	0.6	0.24	 Third Party Liability to be mandatory for all works (unlimited number of accidents) Engineer to scrutinize construction and shop drawings and be present on site 	Contractor	Bidding; C.M.	All Works
Disruption of natural habitat in irrigation sites	0.6	0.8	0.48	 Contractor to apply a strict ESMP Engineer to monitor and report E&S performance guarantee to be required (3%) 	Contractor	C.M.	All Works



- 4. Procurement Objectives (related to the 5 Rs)
 - i. Timely execution of annual plans on schedule and within budget with minimal but justified cost-overruns.
 - ii. Timely award of grant contracts that are suitably planned to maximize participation and buy-in.
 - iii. Sustainable provision of goods and works that are of a fit-for-purpose quality and supported by enforceable and effective warranty.
 - iv. Procurement contributes to the timely and effective attainment of project targets and output/outcome indicators.
 - v. PMU staff have requisite competencies to manage procurement with no mis-procurement, mismanagement, or breach.

5. UNGC Terms

FIRAT will adopt UNGC terms to improves project sustainability and joint effort to achieve the SDGs. The initiative encourages Turkish firms that commit themselves to the UNGC and regularly report on their progress on working towards the SDGs, Moreover, the firms participating in the UNGC will benefit from:

- Networking, sharing best practices;
- Access to partnerships with UNCG stakeholders
- Guidance, tools, training and other resources

Through the introduction of a new Annex to the Project Implementation Manual (PIM), allows the borrower/recipient to apply a margin of preference based on the bidder's UNGC participation when conducting national and international competitive bidding procurement for goods, works and consulting services.

Conditions of preference may be applied in the evaluation of bids as follows:

- ➤ For Goods and Works procured under National and International Competitive Bidding: Preference of 5 per cent, added to the price offered by the bidder who is not a UNGC member, for evaluation purposes only.
- ➤ For Consulting Services procured under Quality and Cost Based Selection: Membership in the UNGC can be included as a technical criterion up to 5/100 points.

The bidder should demonstrate the Entity's Participation in the United Nations Global Compact (UNGC) using the Bid / Proposal Form provided in the Annex.

To adopt the new Annex in the PIM of the project include discussion with:

- ➤ the UNGC local Network;
- ➤ the Country team;
- > the National Procurement authority.
 - 6. Recommended Procurement Approach for the Major Contracts in the Project

Contract (or category)	W1: Upgrade of small-scale irrigation schemes 10 units-Lot 1 SPA Adyaman, 3 units - Lot 2 SPA Bingol, 2 units- Lot 3 SPA Elazig					
Estimated Cost	This is estimated at about \$1.470.000					
Attribute	Selected arrangement	Justification Summary/Logic				
Specifications	Conformance	Conformance because the PMU is experienced with this type of well-established and mature works.				
Sustainability Requirements (SECAP compliance)	Yes	- Qualifications:				
Contract Type	A. <u>Traditional</u>	This sector is mature in Turkey with extensive bids designed and constructed using this methodology; the works do not require a high degree of innovation and there are no variances between approaches, material, or methods.				
Pricing and costing mechanism	A. Performance based contracts B. Schedule of Rates / Admeasurement	The contract will be based on a pre-set BoQ with re-measurable quantities; however, the PMU should consider attaching performance-based payments as follows: - Penalties for cracks and water leakage after the warranty period - Penalties for improper disposal and waste management - Penalties for accidents on site and conflicts with farmers				
Supplier Relationship	A. Collaborative	The degree of collaboration may vary depending on the legal nature of the contractor (private sector, SOEs or Cooperative Associations).				
Price Adjustments	A. Percentage	As construction period is anticipated to consume longer than 4 months, price adjustment (if applied) will likely cover concrete, steel, and fuel and will be based on standard formula with indices issued by SPA, DSA or the related statistics authority.				

		Committees will be required to scrutinize price components quoted by bidders to ensure reasonableness. Since contractors are required to quote local expenditure in TRL, the contract should also include adjustment for currency fluctuation.
Form of Contract (Terms and Conditions)	State any special conditions of contract	 Commencement: Note: to be off-season and not to interfere with farming activities Delivery: clearly stated in contract inclusive of provisional acceptance Warranty: 12 months at least (higher for critical equipment components: at least 3 years) Currency: US\$ for foreign contractors; TRL for local expenditure for local contractors Payment: 10% advance against bank guarantee; bi-monthly payments certified by engineer after deducting 10% advance and retention); 5% retention until end of warranty Price Adjustment: formula, inputs, minimum un-adjustable component, and source of indices to be specified in contract. Engineer: clear role in supervision, directing works on site, clearing submittals, reviewing changes, certifying payment, monitoring comparative schedules, decision on claims, etc. Clear role also for SECAP monitoring and reporting. Liquidated Damages: 1% per week of contract value up to 10% Performance Guarantee: 10% of contract amount E&S Guarantee: 3% of contract amount Dispute Resolution: amicable followed by PPA review then arbitration (local if local contractor, and international with foreign contractor)
Selection Method	A. Requests for Bids (RFB)	The PMU will use IFAD SPD for ICB and national NCB bid document after being reviewed and updated for IFAD requirements: - IFAD's funding - IFAD right to audit - Preservation of documents and details for 3 years after completion - Compliance with IFAD policies - Compliance with SECAP requirements - Others
Selection Arrangement	A. Framework Agreements (potentially)	The PMU has the possibility to engage over 6 years with several framework contractors for the execution of irrigation schemes. This modality will permit the PMU to standardize specification and scope of work (excluding actual quantities) and launch a competition to select a number of qualified, eligible and competitive contractors for the whole project.
Market Approach	A. Type of Competition 1. National B. Number of Envelopes/Stages 1. Two Envelopes B. Negotiations (No)	Competition will be Open; some such contracts will be launched as NCB the PMU will aggregate all budget for irrigation schemes for each region under one bid which will be NCB. NCB uses double envelope.

Pre / Post Qualification	A. Post-Qualification	No prequalification is expected to be launched.		
Evaluation of Costs	A. Adjusted Bid Price	Operation and maintenance of irrigation schemes is of relatively low value that does not		
		justify the use of LCC.		
Domestic Preference	No	Given the type, nature, size, and geographic spread of the works, it is highly unlikely		
		that foreign contractors be interested or participate.		
Contract (or category)	G2: Energy-saving and renewable tech	nologies (procurement of of PV units)		
Estimated Cost	\$ 221.000			
Attribute	Selected arrangement	Justification Summary/Logic		
Specifications	<u>Performance</u>	Performance because the major volume of design will be prepared by the contractor in line with PMU specified minimum requirements and design criteria. Although similar bids were procured using performance specifications but with lowest price award, the approach will be changed to shifting towards rated criteria.		
Sustainability Requirements (SECAP compliance)	Yes	- Qualifications:		
Contract Type	B. <u>Design and Build</u>	accidents) The scope of work require a moderate degree of innovation and there are potential variances between approaches, designs, technologies, material, methods, and performance.		
Pricing and costing mechanism	C. <u>Lump Sum</u> D. <u>Performance based contracts</u>	The contract will be based on a lumpsum price for design and installations; the PMU should use also performance-based payments as follows: - Penalties proportionate to the numbers of system malfunctioning during warranty - Penalties for not achieving design flow upon commissioning - Penalties for accidents on site and conflicts with farmers		

Supplier Relationship	B. Adversarial	The industry requires a lot of capital investment (equipment, panels, pumps, etc.) which limits the flexibility of bidders to adjust their prices; this makes the contractor very strict in performing the scope of work, more inclined to make claims, and less cooperative.
Price Adjustments	A. None, fixed price	As this contract is primarily supply and install and the duration is less than 12 months, it is recommended to be on a fixed price basis. If contractors are required to quote local expenditure in TRL, the contract should also include adjustment for currency fluctuation.
Form of Contract (Terms and Conditions)	B. State any special conditions of contract	 Commencement: upon contract signature to avoid delays which negatively impact pricing (currency devaluation) Delivery: clearly stated in contract inclusive of provisional acceptance Warranty: at least 3 years for pumps and 5 years for solar systems Currency: US\$ for foreign contractors; TRL for local expenditure for local contractors Payment: 10% advance against bank guarantee; 60% upon shipment; 20% upon commissioning and provisional acceptance; 10% retention until end of 3 years of warranty. Retention may be payable upon provisional acceptance against a retention guarantee) Price Adjustment: not applicable; only adjustment for currency fluctuation. Engineer: clear role in supervision, directing storage and installation on site, clearing submittals, reviewing changes, certifying payment, decision on claims, and SECAP monitoring, etc. Liquidated Damages: 1% per week of contract value up to 10% Performance Guarantee: 10% of contract amount Dispute Resolution: amicable followed by arbitration (local if local contractor, and international with foreign contractor)
Selection Method	B. Request for Proposals (RFP)	The PMU will use IFAD SPD for ICB and national NCB bid document after being reviewed and updated for IFAD requirements: - IFAD's funding - IFAD right to audit - Preservation of documents and details for 3 years after completion - Compliance with IFAD policies - Compliance with SECAP requirements - Others The ICB will be adjusted to reflect two-envelopes and merit-point evaluation.
Selection Arrangement	Not Applicable	
Market Approach	A. Type of Competition 1. Open 2. International	Competition will be Open internationally. Based on the threshold, most of contract will be NCB. Two envelopes will be used to account for merit-based evaluation.

Pre / Post Qualification Evaluation Selection	B. Number of Envelopes/Stages 1. Two Envelopes 2. Single Stage C. Negotiations (No) Pre-Qualification Not Applicable	Given the more complex nature of preparing bids for merit point evaluation for design, supply and install, prequalification will be used to limit the number of bids to only those from qualified firms.
Method		
Evaluation of Costs	Adjusted Bid Price	LCC evaluation for PV units is not warranted and will be replaced with price-related merit points.
Domestic Preference	<u>No</u>	To attract widest competition from both local and international producers and contractors, domestic preference will not be used.
Rated Criteria	List the type of criteria to be used (mandatory/desired)	Mandatory: - Minimum technical requirements (size, capacity, flow, area, etc.) - Minimum social and environmental requirements - Minimum schedule and milestones - Minimum staffing and key experts - Design code and standards - Minimum training requirements - Minimum spare parts Desired: - Additional coverage, flow, area - Innovative technologies and systems - Exceptional key staffing - Workplan and schedules - Employment and training of local labour - Additional training and knowledge transfer - Additional spare parts - Etc.

Contract (or category)	S1: Hydrological studies and ad hoc stu	udies (2025)
Estimated Cost	\$ 100,000	
Attribute	Selected arrangement	Justification Summary/Logic
Specifications	Performance	The TOR will elaborate the minimum requirements and permit consultants to propose their own methodologies for execution.
Sustainability Requirements (SECAP compliance)	Yes	- Qualifications:
Contract Type	Not Applicable	
Pricing and costing mechanism	A. <u>Lump Sum</u> B. <u>Schedule of Rates /</u> <u>Admeasurement</u>	 Preliminary design preparation will be on lump-sum basis. Design-review (prepared by design-builder) will also be on lumpsum basis. Supervision of the construction phase will be on time-basis based on a detailed allocation of days per expert. Pricing shall be validated during evaluation to ensure absence of frontloading.
Supplier Relationship	Collaborative	Given the maturity of this sector and the authoritative power of the relevant ministries, the relationship is anticipated to be collaborative in almost all phases of the contract. It is possible that during the construction supervision phase, the relationship turns to adversarial given the complexities related to delayed execution and the potential for claims of additional days/effort to complete the supervision services.
Price Adjustments	None, fixed price	If consultants are required to quote local expenditure in TRL, the contract should also include adjustment for currency fluctuation to ensue reasonable and uninflated pricing.

Form of Contract (Terms and Conditions)	State any special conditions of contract	 Commencement: upon contract signature on condition that the site(s) is selected Implementation period: clearly stated in contract inclusive of three main phases: preliminary design, DB supervision, and warranty period. Currency: US\$ for foreign consultants; TRL for local expenditure for local contractors Payment: 10% advance against bank guarantee; 80% of design-phase upon approval of preliminary design; 10% of contract price upon final acceptance of the works; Supervision will be payable at the rate of 80% of timesheets/reimbursables every 3 months.
		 Price Adjustment: not applicable; only adjustment for currency fluctuation. Dispute Resolution: amicable followed by arbitration (local if local contractor, and international with foreign contractor)
Selection Method	Request for Proposals (RFP)	The Standard IFAD RFP for Consulting Services adapted to fit the hybrid contract modality.
Selection Arrangement	Not Applicable	
Market Approach	A. Type of Competition 1. Limited 2. International B. Number of Envelopes/Stages 1. Two Envelopes 2. Single Stage D. Negotiations (Technical Only)	The Selection process will proceed as follows subject to IFAD N.O. on OPEN: - GPN advertising the overall plan - REOI - Shortlisting - RFP invitations - Technical Evaluation - Financial/Combined Evaluation - NOITA - Debriefing/complaint resolution and mandatory standstill - Award and mandatory Technical Negotiations of Contract before signature
Pre / Post Qualification	<u>Pre-Qualification</u>	Shortlisting is mandatory for this assignment. The criteria shall not be restrictive to foreign consultants.
Evaluation Selection Method	Quality Cost Based Selection (QCBS)	QCBS is ideal for this activity with a weight on Quality (80%) and Price (20%) to encourage qualitative proposals.
Evaluation of Costs	Adjusted Bid Price	In Time based contracts, if the level of effort in the technical proposal differs from that used in the financial proposal, the latter will be adjusted based in the former. If the lumpsum contract is used, the lumpsum price will be deemed to include all services descried in the technical proposal and no adjustment will be made. Hence, the methodology should clearly distinguish between the time-based services and the lump-sum services. The FIN forms will be used for both and should be filled accordingly. Hence, the price for the time-based services may be corrected to account for the above-mentioned variances. Apart from this correction, it is not expected to have any adjustment to pricing.

Domestic Preference	<u>No</u>	IFAD does not permit providing for domestic preference for consulting services; however, some points may be assigned in the evaluation grid for use of local experts.
Rated Criteria	List the type of criteria to be used (mandatory/desired)	 Extent of previous successful similar experiences: 10% Methodology, Staffing and Approach: 30% Approach to SECAP in design and supervision: 10% Time-plan and schedule: 10% Project Manager: 15% Lead Solar Power Specialist: 10% Lead Pumping and Irrigation Specialist: 10% Extent of national Experts in the team:5%

7. Preliminary Procurement Plan 18 Months

Procurement Pl	an SUMM	ARY		
Country:	Turkey			
Project Name:	Euphrates Rive	er Watershed Re	habilitation Pro	iect (FIRAT)
Project ID:				
Version	1.0			
Version Date	01-Apr-24			
Prepared by:	Nazih Azaiez			
Approved by:				
Procurement Category	PI	an	Act	ual
Currency	USD	LCU	USD	LCU
Goods	99 170.00	-	-	-
Works	1 955 000.00	-	-	-
Consulting Services	3 741 609.00	-	-	-
Non-Consulting Services	152 000.00	-	-	-
Grants	-	-	-	-
TOTAL	5 947 779.00	-	-	-

The threshold tables below are based on the new LTB Template 2020. Please fill in the fields that are applicable based on the provisions in the LTB for the project.

	Pri	or Review TI	hresholds		
Category	Goods and goods-related Non-Consulting Services	Works and works- related Non- Consulting Services	Consulting Services and related Non- Consulting Services and/or MoU/Agreements	Individual Consultants	Decisions concerning Abnormally Low Bids shall be subject to the No Objection of IFAD:
Threshold	>= US\$ 70.000	>= US\$ 150.000	>= US\$ 60.000	>= US\$ 30.000	Only for procurement activities subject to prior review <i>OR</i> For all procurement activities

All Direct Contracting and Single-Source Procurements are **Prior Review** (in alignment with IFAD Procurement Handbook), or based on the thresholds stipulated in the LTB

The exchange rate at time of submission will be used for reviews.

	Р	rocurement	Method Thr	esholds		
	cqs	QBS/LCS/FBS	QCBS	Shortlisting	SSS - Firms	SSS - Individuals
Consulting Services and related Non-Consulting Services	<= US\$ 70.000	< US\$ 150.000	>= US\$ 150.000	>= US\$ 120.000	<= US\$ 0.00 (subject to prior review. Justification required if above threshold)	<= US\$ 0.00 (or with a contract duration of 3 months or less; subject to prior review)

	Direct Contracting	Shopping	NCB	ICB	Other Procureme Arranger	
Goods and goods-related Non-Consulting Services	>= US\$ 1.000 (subject to prior review. Justification required if above threshold)	<= US\$ 100.000	< US\$ 200.000	>= US\$ 200.000	Force Account	Up to a maximum aggregate amount of: US\$ 0.00 (subject to prior review)
Works and works-related Non-Consulting Services	>= US\$ 2.000(subject to prior review. Justification required if above threshold)	<= US\$ 250.000	< US\$ 1.000.000	>= US\$ 1.000.000	Community Participation	Allowed OR Not Allowed

GOODS

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Appendix C.12: Project Procurement Arrangements

	Date
Project Procurement Arrangements	
Country (Full Name): The Republic of Türkiye IFAD Financing (Loan and/or Grant Number(s)): Project (Full Name of Project): Euphrates River Watershed Rehabilitati	ion Project

Excellency,

- 1. I refer to the Financing Agreement between The Republic of Türkiye ("Borrower/Recipient") and the International Fund for Agricultural Development (IFAD), dated [insert date of FA] ("Agreement"). The Agreement [entered into force as of that date]/[will enter into force when IFAD receives an instrument of ratification].
- 2. The instructions contained in these Project Procurement Arrangements govern the execution of project procurement operations with respect to the acquisition of goods, works and services under the Agreement. These arrangements replace and supersede any procurement guidance that has previously been issued to the project. In case these instructions conflict with those of the IFAD Project Procurement Handbook, the instruction of these Procurement Arrangements shall prevail.
- 3. Capitalised terms defined in the Financing Agreement and General Conditions shall have the same meaning in these Arrangements unless expressly defined otherwise in this document.
- 4. Section 7.05 of the General Conditions provides that the procurement of goods, works and services shall be carried out in accordance with the provisions of the borrower/recipient's procurement regulations, to the extent such are consistent with the IFAD Project Procurement Guidelines, as amended from time to time[21]. Each Annual Work Plan and Budget must contain a Procurement Plan, which shall identify the procedures that must be implemented by the borrower/recipient in order to ensure consistency with the IFAD Project Procurement Guidelines. The borrower/recipient shall adjust the application of the national procurement regulations in the implementation of this project to align with IFAD's Guidelines and Handbook as is elaborated in the Procurement Section of the Project Implementation Manual and any subsequent amendment to it.
- 5. The IFAD Simplified Project Procurement Procedures for Fragile and Conflict Affected Situations guidelines shall Not apply to this project.
- 6. Each Annual Work Plan and Budget must contain a Procurement Plan, which shall identify the procedures that must be implemented by the borrower/recipient in order to ensure consistency with the IFAD Project Procurement Guidelines. The following procurement methods[22] shall be used[23] for:

- a. Works and works-related Non-Consulting Services:
 - (i) International Competitive Bidding (ICB): This procurement method applies to contracts estimated to cost US\$ 1,000,000 or more. Under ICB, the borrower/recipient may apply a margin of domestic preference to local contractors of 7.5% excluding industrial plants;
 - (ii) National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than US\$ 1,000,000. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
 - (iii) Shopping: might be applied to contracts estimated to cost US\$ 250,000 or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification; and
 - (iv) Direct Contracting: applies to the indicated contracts in the Procurement Plan with due justification (as mentioned in the Handbook) subject to IFAD's NO under prior review[24] or alternatively without prior IFAD's NO for low-value unforeseen purchases with estimated cost per each purchase of US\$ 2.000 or less up to an aggregate amount of US\$ 10.000 per annum.
- b. Goods and Goods-related Non-Consulting Services
 - (i) International Competitive Bidding (ICB): This procurement method applies to contracts estimated to cost US\$ 200,000 or more. Under ICB, the borrower/recipient may apply a margin of domestic preference of 15%;
 - (ii) National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than US\$ 200,000. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
 - (iii) Shopping: might be applied to contracts estimated to cost US\$ 100.000 or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification; and
 - (iv) Direct Contracting: applies to the indicated contracts in the Procurement Plan with due justification (as mentioned in the Handbook) subject to IFAD NO under prior review[25] or alternatively without prior IFAD's NO for low-value unforeseen purchases with estimated cost of US\$ 1.000 or less per purchase up to an aggregate amount of US\$ 10.000 per annum.
- c. Consulting Services and related Non-Consulting Services
 - (i) Quality and Cost Based Selection (QCBS): This selection method is the default for contracts with firms estimated to cost US\$ 150.000 or more; International Advertisement is mandatory for consultancy contracts estimated to cost US\$ 100.000 or more, regardless of the selection method;
 - (ii) Quality Based Selection (QBS): might be applied to contracts of any value if a proper justification is provided;

- (iii) Fixed Budget Selection (FBS), or Least Cost Selection (LCS)[26]: might be applied to contracts with firms estimated to cost less than US\$ 150.000. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
- (iv) Consultants Qualification Selection (CQS): might be applied to contracts with firms estimated to cost US\$ 70.000 or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
- (v) Individual Consultants Selection (ICS): applies to contracts with individuals regardless of the value;
- (vi) Shortlisting following a Request for Expression of Interest is mandatory for all CQS and ICS procedures. In addition, Shortlisting is mandatory for all consulting services contracts estimated to cost US\$ 120.000 or more;
- (vii) Sole/Single Source Selection (SSS): applies to contracts with firms designated under SSS in the Procurement Plan with due justification (as mentioned in the Handbook) subject to prior review[27] and/or contracts estimated to cost US\$ 1.000 or less, up to an aggregate amount of US\$ 10.000 per annum; and
- (viii) Sole/Single Source Selection (SSS): applies to contracts with individuals designated under SSS in the Procurement Plan with due justification (as mentioned in the Handbook) subject to prior review[28] and/or estimated to cost US\$ 500 or less and with a contract duration of three months or less and up to an aggregate amount of US\$ 5.000 per annum;.
- d. Other Procurement Methods or Arrangements:
 - (i) The use of Force Account is allowed.
 - (ii) Extensions of contracts funded by IFAD for Goods, Works or related Non-Consulting Services to cover items of similar nature not listed in the original contract may not exceed 10% of the contract value and require IFAD's No Objection (such extension shall be considered as Direct Contracting). However, extensions of existing contracts, issued in order to increase/decrease items already listed in the original contract as a result of evolutionary changes during contract execution and subject to the contractual clauses governing such change may exceed 10%. In this case, the extension is subject to IFAD's No Objection.
 - (iii) Procurement with Community Participation is not allowed.
 - (iv) The award of Grants and Investment Agreements are subject to the prior review threshold for Consulting Services (firms). The packaging of Grants and Investment Agreements is encouraged, single awards to entities or individuals are discouraged.
 - (v) Procurement from United Nations Agencies is not foreseen.
 - (vi) Secondary Procurement (orders against existing Long-term Agreements, national e-catalogues etc.) follows the regulations and

applicable thresholds of the national legislation. The prior review threshold of the respective procurement category (goods, works, consulting services and related non-consulting services) applies.

(vii) The borrower/recipient shall adopt and use the Standard Procurement Documents issued by IFAD (for ICB and for consulting services) and the ones issued by National Authorities for other methods as long as the latter are supplemented/adapted to meet IFAD's SECAP standards and grievance mechanisms and the IFAD's Project Procurement Guidelines and IFAD Procurement Handbook. This includes the reference to IFAD's Policies (IFAD's Policies on Preventing Fraud and Corruption in its Activities and Operations, Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, and Anti-Money Laundering and Countering the Financing of Terrorism) and IFAD's right to audit, and adding the IFAD self-certification form at bidding and at contract stage and adjusting the procedures and national templates in light of comments highlighted in the Procurement Section of the Project Implementation Manual and any subsequent amendment to it. [29]

7. In accordance with paragraphs 49, 66 and 67 of the IFAD Project Procurement Guidelines and IFAD's Procurement Handbook, the following will be subject to prior review by IFAD and requires IFAD's No Objection:

1	Procurement Plans submitted as part of Annual Work Plans and
	Budget and any subsequent amendment of these plans;
2	General Procurement Notices
3	The first 3 post-review procurement activities for each of Goods,
	Works, Consulting Services (firms) and Consulting Services
	(Individuals).
4	The first 3 call for grants
5	Any use of Force Account
6	The TOR (Job Description), Advertisement and selection
	proceedings for the hiring of any staff responsible for carrying out
	or administering procurement processes as part of the project
7	Award of any Memorandum of Agreement irrespective of its value
8	Award of any contract for goods and goods-related non-consulting
	services estimated to cost US\$ 70,000 or more;
9	Award of any contract for works and works-related non-consulting
	services estimated to cost US\$ 150,000 or more;
10	Award of any contract for consulting services provided by firms
	estimated to cost US\$ 60,000 or more;
11	Award of any contract for individual consulting services estimated
	to cost US\$ 30,000 or more;
12	Award of any contract via Direct Contracting for Goods and related
	Non-Consulting Services above the low-value threshold specified
	in paragraph 6. b. (iv). Any contract below this low-value threshold
	does not need N.O. as long as the cumulative value of such low-
	value contracts does not exceed the cumulative threshold stated in
	the same paragraph;
13	Award of any contract via Direct Contracting for Works above the
	low-value threshold specified in paragraph 6. a. (iv). Any contract
	below this threshold does not need N.O. as long as the cumulative
	value of such low-value contracts does not exceed the cumulative
	threshold stated in the same paragraph;

14	Award of any contract via Single/Sole Source Selection of Consulting Services to firms above the threshold specified in paragraph 6. c. (vii). Any contract below this threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;			
15	Award of any contract via Single/Sole Source Selection to individuals above the threshold specified in paragraph 6. c. (viii). Any contract below this threshold does not need N.O. as long as the cumulative threshold stated in the same paragraph is not exceeded and the contract duration is three months or less.			
16	Call for grants estimated to cost US\$ 60.000 or more;			
17	Individual grant agreements above US\$ 6.000			

8. In addition, the following interim steps of the procurement process for Goods/Works/Services also require IFAD's No Objection for contracts designated for "prior review" in the project's procurement plan. For contracts designated for "post review" instead, IFAD reserves the right to request the review of any of the following interim steps on a sample basis and at any time. No downstream procurement action by the Borrower/Recipient can proceed until prior NO is issued by IFAD as to the propriety and compliance of the undermentioned steps with the IFAD PPF:

	Activity / Step of the procurement process for Prior Review Contracts	IFAD "NO" is required
1	Call/Request for Prequalification document and related advertisement	Yes
2	REOI (Request for Expression of Interest) document for consultancy services and related advertisement	Yes
3	Terms of Reference for consultancy services and related non-consulting services	Yes, usually as part of NO request for issue of the RFP (step 9 below)
4	Technical Specifications for Goods/Works/NCS	Yes, usually as part of NO request for issue of the bid docs (step 9 below)
5	Composition of evaluation committees	Yes, usually as part of steps 9, 13 or 15
6	Prequalification report for Goods/Works/NCS	Yes
7	Shortlisting report for consultants' selection	Yes
8	The use of "prior lists" for shortlisting consultants	Yes
9	Complete Bidding Documents and RFPs and CfPs and related advertisement if applicable	Yes
10	Use of a Performance Guarantee template if other than unconditional, irrevocable and ondemand guarantee	Yes
11	Amendments to the Bidding Documents and RFPs, CfPs	Yes
12	Opening bids/quotes/proposals that are less than 3 (excluding DC/SSS)	Yes, usually as part of step 13, 14 or 15

13	Technical evaluation report (in two envelope procedures)	Yes
14	The combined evaluation report (in two envelope procedures)	Yes
15	The single evaluation report (in one envelope procedures) for Goods/Works/NCS/Consulting Services (SSS)	Yes
16	Decisions concerning abnormally low bids	Yes
17	Draft contract	Yes
18	Minutes of negotiation at award for consultancy services (where applicable) or when using DC for Goods/Works/NCS	Yes
19	Rejection of all bids/proposals and cancellation of the procurement procedure	Yes
20	Failure of negotiations and proceeding to next ranked consultant	Yes
21	Proceeding to next ranked bidder if top ranked fails to sign the contract in Goods/Works/NCS	Yes
22	Determination to reject a bid/proposal because of cross-debarment	Yes, usually as part of steps 13, 14 or 15
23	Amendments to contracts exceeding 10% in value (increase/decrease in quantities as a result of evolutionary changes). Additional unforeseen new items exceeding 10% of the contract value is a new procurement subject to Single Source/DC conditions.	Yes
24	Extension of time to contracts exceeding 25% of the original contractual duration in Goods/Works/NC Services/Consulting Services	Yes
25	Termination of a contract in Goods/Works/NC Services/Consulting Services	Yes
26	The use of Force Account	Yes
27	Meeting minutes of the approval committee/evaluation report for Grants	Yes

- 9. Award-related Protests and Appeals: For prior-review procurements, all protests, submitted by bidders to the borrower/recipient as a result of a Notice of Intent to Award, must be communicated to IFAD before a decision on the complaint is issued. IFAD reserves the right to provide inputs or comments to the borrower/recipient to help it reach the decision. A copy of the decision must also be provided to IFAD. For post-review procurements, the borrower/recipient may at its discretion inform IFAD about the protest. The borrower/recipient shall inform IFAD of any related Appeal filed to competent national authorities immediately upon becoming aware of such an appeal.
- 10. IFAD must receive a duly completed Authorised User(s) Letter (see Annex 1), from [the designated representative specified in Section E of the Agreement or his/her delegate], designating the name(s) of official(s) authorised to undertake actions in the IFAD's client project procurement systems which includes client project submitting electronic documentation, entering and updating fiduciary data and to request IFAD's No Objection. The designated representative of the Borrower/Recipient may from time to time change the name/s of the Authorised User(s) or add new ones by written notice to IFAD.

- 11. The planning and implementation of all procurement activities should be routed through OPEN, IFAD's End-to-End Procurement system. OPEN enforces a step-by-step documentation of the workflow for the process for the entire procurement process (expression of interest, IFAD No-Objection if applicable, to contract signature) according to the type (e.g. national competitive bidding, international competitive bidding) and object of procurement (e.g. civil works, goods, services). OPEN also has a function as a tracking system for non-procurement workflow (e.g. Project Implementation Manual PIM, Annual Workplan and Budget).
- 12. All contracts, Memorandums of Agreements,[30] purchase orders and related payments must be recorded in the Contract Monitoring Tool of the IFAD Client Portal. The register of contracts contained within the Contract Monitoring Tool replaces the requirement to complete the Forms C-10 (Register of Contracts) and C-11 (Contract Payment Monitoring Form). Instead, an extract of the register of contracts must be downloaded from the Contract Monitoring Tool for submission together with Withdrawal Applications. The register of contracts must be kept up-to-date on a continuous basis.
- 13. All the above-outlined procurement terms and conditions shall also apply to project implementing partners and implementing agents approved by IFAD.
- 14. The aforementioned terms and conditions may be modified by IFAD during the course of Project implementation.

Anticorruption Measures

- 15. IFAD-financed and IFAD-managed activities and operations are governed under the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations; therefore, the Borrower/Recipient is required to familiarize itself with this Policy in order to comply with all applicable requirements therein.
- 16. Specifically, paragraphs 11 to 15 in Section II. D (iii) of the Policy states the actions that the Borrower/Recipient will take to prevent, mitigate and combat Prohibited Practices (i.e., fraud, corruption, collusion, obstruction and coercion, as defined by the Fund) in any IFAD-financed and/or IFAD-managed activity or operation. Borrowers/Recipients are instructed to, inter alia:
 - a. Prior to the implementation of an IFAD-financed and/or IFAD-managed operation or activity, inform the Fund of the arrangements made for receiving and taking action in response to allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed activities and operations, in particular:
 - appoint and inform the Fund of the independent and competent national or local authority (or authorities, if the activities that follow fall under the jurisdiction of more than one authority) to be responsible for receiving, reviewing and investigating allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed activities and operations; and;
 - ii. provide the name(s), position(s) and contact information of a focal point within that authority (or those authorities, as appropriate) and inform IFAD of any potential changes of that focal point.
 - b. Borrower/Recipients are also encouraged to have in place, in accordance with effective whistle-blower protection measures and confidential reporting

channels in order to appropriately receive and address allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed operations and activities.

Sexual Harassment, Sexual Exploitation and Abuse

- 17. IFAD has no tolerance for acts of sexual harassment, sexual exploitation and abuse in relation to its funded activities or operations. In April 2018, IFAD released its Policy to preventing and responding to Sexual Harassment, Sexual Exploitation and Abuse (the IFAD Policy[31]) to define obligations and responsibilities of all individuals who are holders of a contract with IFAD as well as third parties and recipients of IFAD funding.
- 18. According to Section 7.07 of the General Conditions, the Borrower/Recipient and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy as may be amended from time to time. The Fund may take appropriate measures in line with such Policy.
- 19. In line with Section 34 of the Policy, the Borrower/Recipient shall ensure that contracts with Project Parties include: (i) provisions prohibiting acts of sexual harassment, sexual exploitation and abuse, (ii) obligation to immediately report incidents of sexual harassment, sexual exploitation and abuse to IFAD or to the Borrower/Recipient and (iii) provisions allowing for the immediate termination of the contract based on proven acts of sexual harassment, sexual exploitation and abuse.
- 20. Pursuant to Section 8.06. of the General Conditions, the Borrower/Recipient and Project Parties shall promptly inform the Fund of any non-compliance with the IFAD Policy. In accordance with Section 12.01 (xxv) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts if, after consultation with the Borrower/Recipient, it determines that acts of sexual harassment, sexual exploitation and abuse were engaged in by representatives of the Borrower/Recipient or a Project Party or by any other recipients of the proceeds of the Financing without the Borrower/ Recipient having taken timely and appropriate action, satisfactory to the Fund, to address such acts when they occur.
- 21. Borrowers/Recipients are also encouraged to have in place, effective whistle-blower protection against retaliation measures, victim support and assistance mechanisms and confidential reporting channels in order to receive, address and respond to allegations of sexual harassment, sexual exploitation and abuse relating to IFAD-financed and/or IFAD-managed operations and activities.

Accept, Excellency, the assurances of my highest consideration[32].

Country Director

- [1] Human development report 2021/2022
- [2] World Justice Project (WJP) 2023
- [3] Transparency International: corruption perception index 2023.
- [4] Republic of Türkiye—financial system stability assessment, IMF Country Report No. 23/304, January 2023.
- [5] International Monetary Fund.
- [6] Turkey's Central Bank, Turksat
- [7] Agricultural Policy Monitoring and Evaluation 2023: Adapting Agriculture to Climate Change
- [8] Commission Staff Working Document: Türkiye 2023 Report
- [9] Doing Business 2020.
- [10] OECD calculations based on OECD Labour Force Statistics
- [11] Sustainable Development Report 2023
- [12] unstats.un.org/sdgs/dataportal/countryprofiles/TUR#goal 4
- [13] SME Policy Index: Western Balkans and Turkey 2022: Assessing the Implementation of the Small Business Act for Europe
- [14] Agricultural Policy Monitoring and Evaluation 2023: Adapting Agriculture to Climate Change
- [15] Turkish Statistical Institute (TURKSTAT)
- [16] Global Innovation Index 2023
- [17] If I.A. staff have not yet been nominated, the analysis can be based on Borrower organization and a PMU within the Borrower that will likely manage the procurement.
- [18] Levels and types of Competition; levels of experience in market in executing proposed contracts; capacity to innovate; interest to partner and form JVs to enhance capacity; partnering with foreign firms; contract object can be met locally or externally; supplier preferences; supply positioning; etc.
- [19] Cost benchmarks; cost stability; pricing strategies; etc.
- [20] How were similar procurements managed elsewhere or previously; key terms and conditions; how to maximize VfM; lessons learned from previous experiences in the country; etc.
- [21] Any reference to IFAD Project Procurement Guidelines also includes the IFAD Procurement Handbook. Ensuring that applicable procurement rules are consistent with IFAD's Project Procurement Guidelines is mandatory; the Handbook is used as a guidance document for the borrower/recipient. The regulations set out in these Procurement Arrangements supersede the Handbook in case of conflict. For both the Guidelines and the Handbook, the latest version shall always apply.
- [22] In case National Procurement Regulations apply and as far as these do not contradict with IFAD's Project Procurement Guidelines, the equivalent terminology for procurement methods may be used; for example, ICB is the method for a publicly advertised competition at the international level. The Project Implementation Manual (PIM) will map the procurement methods that should be applied in accordance with these Arrangements.
- [23] To know the applicable procurement method, the cost estimate shall be for the entire procurement activity whether it is divided into lots or not; in case of lots, the sum of the cost estimates of all lots shall be used for identifying the applicable procurement method for the procurement activity.
- [24] A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular contractor/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.
- [25] A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular supplier/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.
- [26] The choice among QBS, FBS and LCS shall be made by the borrower/recipient in the Procurement Plan based on the nature and circumstances of the relevant procurement activity following the guidance of the IFAD Procurement Handbook.
- [27] Any request for SSS by the borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's

NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 6, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

[28] Any request for SSS by a borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 7, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

[29] Further detail is available in Annex 4 to Volume 1 of IFAD's Social Environmental Climate Assessment Procedure (SECAP) 2021.

[30] IFAD distinguishes between a Memorandum of Understanding, Memorandum of Agreement and a service contract in the following way:

Memorandum of Understanding: equivalent to a letter of intent, it cannot involve payments of any kind.

Memorandum of Agreement: it can involve payments but is only applicable to the public sector. It needs IFAD NO regardless of the value.

Commercial (service) contract: should be used for all private sector entities including NGOs.

- [31] https://www.ifad.org/en/document-detail/asset/40738506
- [32] Correct opening and closing salutations can be found in the CIAO system.

Appendix D: Miscellaneous appendices

Appendix D.1: Example of application form for matching grants applicants (to be refined by project team as needed)

			Elimination	Advantage (additional point scoring system)
1.	Name and surname:			
2.	Gender			
a)	Male			
b)	Female			X
3.	Age:	years		Х
4.	Districts:			
5	Forest Village:			
6.	Farm registration:			
a)	registered			
b)	non registered			
7.	Type of farm registration:			
a)	commercial			
b)	non-commercial			

8.	Land ownership:		
a)	Agricultural land	decar	
b)	Forest		
c)	Building land		
9.	Predominant agricultural business:		
a)	Livestock production		
b)	Crop production		
c)	Vegetable production		
10.	Livelihood Assets		
a)	Number of animals (livestock)		
b)	Number of small ruminants		
c)	Registered/non registered		
11.	Number of family members:		
12.	Monthly family income:		X
a)	from agriculture production	TL	
b)	from non-agricultural services	TL	
c)	from permanent employment	TL	
d)	from temporary employment	TL	
e)	from pension	TL	

f)	from social aide		TL	×
g)	from gifts		TL	
h)	from non mentioned sources		TL	
13.	Are you member of cooperative?			
a)	No			
b)	Yes	Which?		
14.	Are you member of Producers Associations?			Yes
a)	No			
b)	Yes	Which?		
15	Losses experience during earthquake			
	House			
	Barns			
	Animals			
	Water system (wells, irrigation)			
	Other specify			
16	Residential conditions			
	Live in containers			
	Damaged house			
	House (no damage)			

Appendix D.2: Indicative Template for Knowledge Management Plan⁵⁹

Below is an indicative template for a basic KM plan. It can be adapted and used by project staff. This template could be used to develop project communications strategy.

This template could be ased to develop project communications strategy.				
1. Current situation / background	Before mapping, assess where the Project is: Is the project just starting? Or has it has been going for a number of years. If so, what has been accomplished so far from a KM point of view? How effective have previous efforts been?			
2. Overall project objectives	This KM Plan must support the Project objectives. In this section, list the goal, objectives, major expected outcomes and targets of the Project.			
3. Purpose, objectives and expected results	Define why KM is important, what to achieve as a result of your KM and sharing activities. In line with IFAD's corporate KM strategy, the overall objective could be to improve the project/country programme's ability to generate, use and share knowledge to: achieve high quality project performance and results; support policy engagement, scaling up and partnership building; build awareness of the project among stakeholders; raise visibility of results and impact. Specify the main expected outcomes and outputs Clear, specific, and measurable objectives are key to the success of the KM plan. Objectives should be: be realistic within the timeframe, budget and resources measurable			
4. Activities, approaches and tools	Cluster the main activities under broad action areas, and specify responsibilities for implementation, milestones, budget and timelines at least for Year 1, with an indicative plan covering the subsequent 2-3 years, to be updated annually. The planned activities should at a minimum support: capture, analysis, use and sharing of lessons learned and results during implementation; development of knowledge products; internal process for broad consultation with IFAD target groups; analytical work building on project M&E data; dissemination of knowledge products to increase visibility of project results and successes. Describe the main approaches and tools that may be used to facilitate implementation of the KM plan. Include a summary in the project AWPB.			
5. Knowledge sharing & knowledge products	Identify knowledge products to be developed and their purpose, including publications, studies, lessons learned, etc. Define target audiences – local, national, international, and communications and dissemination ⁶⁰ plans for knowledge products (see attachment) at the outset, before investing time and resources in developing products that may be unsuitable for the intended end users.			

⁵⁹ IFAD KM Resource Center

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⁶⁰ Dissemination channels include: (i) media – newspapers, radio, tv, podcasts, etc.; (ii) online – blogs, project websites, news websites, thematic websites, online communities of practice, networks; (iii) social media; (iv) events – international and national events including side events,

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	Knowledge products may not always be the most effective way to share results, lessons, evidence and so on generated by a project. It is important to consider what may be the best ways to reach and influence key stakeholders such project participants, government policy makers or partners. In these cases, events such as knowledge fairs, roundtable discussions, or easily accessible information materials could be other options to consider. Networks and communities are ideal vehicles for knowledge sharing, collaboration, learning and co-creation of knowledge.
6. KM in project management	Define clear roles and responsibilities for KM of project managers / directors and staff, and implementing partners. Describe how data and information from project M&E will be used for decision-making, to answer learning questions, and in developing knowledge products. Describe the project information management system: how documentation and data will be organized into easily accessible repositories.
7. Work plan and budget	In addition to section 3, activities, responsibilities, milestones, timelines in table format may be presented. A results framework is also optional. At a minimum, the budget for the KM plan should be presented clearly and in a standard format recognized by project managers / directors.
8. Evaluating success	It's important to assess the plan regularly so that any changes, if necessary, can be made as needed, or at least annually. In this section, describe indicators and monitoring methods, ideally for inclusion in the project M&E system, in order to track results and impact of KM activities.

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workshops, seminars, fairs, field and exchange visits, study tours, conferences, launching of knowledge products, etc. $\frac{1}{2} \left(\frac{1}{2} \right) = \frac{1}{2} \left(\frac{1}{2} \right) \left($

Attachment: Types of knowledge products⁶¹

Types of knowledge products	Purpose			
 Stories from the field Lessons learned Project briefs Policy briefs 	 Good for sharing information on project activities, results and lessons learned with a wide variety of audiences from beneficiaries to high level decision makers. Typically short (a few pages) and not too technical, but with enough detail to be useful or to encourage audience to seek out more information. 			
 Reports and studies Technical guidelines Working papers How-to-do-notes Research publications 	 Addressing topics in significant detail, normally longer and more analytical, and targeted towards audiences with specialist knowledge or interest in the topic. Require considerable investment of time and resources to produce 			
 Inputs to government policies and strategies 	 Opportunities to put knowledge generated by projects into action. Requires in-depth analytical work supported by evidence in order to support policy engagement efforts. 			
 Articles (newspaper/magazine) Blog posts Newsletters Press releases 	 Useful for communicating information about project activities and results achieved and reaching a wide general audience. 			
VideosPhotosInterviewsInfographics	 These make great content for dissemination through social media – but be sure to get permission before publishing videos and photos of project activities, beneficiaries, field visits etc. online. Interviews often provide good soundbites for sharing through social media, perhaps together with links to longer articles or publications. 			

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⁶¹ IFAD KM Resource Center

Appendix D.3: Indicative Template for Monitoring and Evaluation Plan

Indicative M&E Plan Template⁶²

Indicative table of contents	M&E plan	Source and guidance		
	must-haves	D .: II : DDD M :		
Introduction		Partially in PDR: Main text and draft PIM in annex 8		
1. PROJECT BACKGROUND				
1.1. Project summary		PDR		
1.2. Targeting strategy	X	PDR: Main text		
1.2.1. Project area		Requires validation at start-up		
1.2.2. Target groups				
1.2.3. Outreach		DDD W :		
1.3. ToC and logframe	X	PDR: Main text and annexes 1 and 2		
1.3.1. ToC		Requires validation at start-up		
1.3.2. Logframe				
1.3.3. Use of ToC and logframe				
2. PURPOSE AND SCOPE OF THE	E M&E SYSTEM			
2.1. Guiding principles		PDR: Main text and draft PIM in annex 8		
2.2. M&E steps				
3. ROLES AND RESPONSIBILITY	IES			
3.1 Roles of stakeholders	Х	Partially in PDR: Main text and draft PIM in annex 8		
involved in M&E		Requires detailed definition at start-up		
3.2. Flow of information				
4. M&E BUDGET AND ACTIVITI	S			
4.1 Budget and resources	X	Partially in PDR: Cost tables in annex 3		
		+ Confirmation at start-up		
4.2. M&E activities and	X	Partially in PDR: First AWPB in annex 6		
calendar		Confirmation at start-up		
5. TOOLS				
5.1. MIS	X	Partially in PDR: Main text and draft PIM in annex 8		
31111113	IF NO separate			
	MIS manual			
5.2. Data collection formats	X	Partially in PDR: Main text and draft PIM in annex 8		
		Requires detailed definition at start-pp and		
		update after MIS set-up		
6. PROJECT REPORTS AND	X	Partially in PDR: First AWPB in annex 6 and draft		
DELIVERABLES		PIM in annex 8		
		Requires detailed definition at start-up		
APPENDICES	T ==			
1. M&E matrix	X	To be developed at start-up		
2. Logframes	X	To be validated at start-up		
3. Data collection templates	X	To be developed at start-up as part of MIS set- up		
4. Reporting templates	x	Partially in PDR: First AWPB in annex 6 and draft		
		PIM in annex 8		
		Requires detailed definition at start-up		
5. Tasks and qualifications of M&E	officer	PDR		

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 $^{^{\}rm 62}$ IFAD Operations manual: Annex IV.C - M&E Plan guidance and template

Indicative Table of Contents

Introduction

- Explain what an M&E plan is and describe its purpose:

1. PROJECT BACKGROUND

1.1. Project summary

- Briefly describe the project's main characteristics (ideally not more than two pages).
- This part may not be needed if the M&E plan is included in the PIM and these elements are already described there.

1.1.1. Project goal, objectives and expected outcomes

1.1.2. Project components and main activities

1.1.3. Implementation period/duration

1.1.4. Project financing

1.2. Targeting strategy

The targeting strategy is determined at the project design stage and should be validated at start-up. However, it may evolve during implementation (for instance, because of a reduction in geographical scope, abandoning of selected value chains, etc.). If this is the case, this paragraph, as well as the M&E system and plan, should be revised accordingly.

The subsequent sections dealing with project area, target groups and outreach should indicate their link with and involvement in M&E activities and processes.

1.2.1. Project area

- Indicate the different areas or regions covered by the project and describe their particular social and agroecological characteristics.
- Identify the selection criteria and implementation approach (phasing, for example) for selected project areas.

1.2.2. Target group(s)

- Clearly define the different subgroups targeted for each project activity and whether the beneficiaries of various activities overlap.
- Identify and describe the selection criteria. This is important, as this aspect is at the core of the surveys' sampling methodology.
- Detail each subgroup of beneficiaries (a chart can be prepared to visualize the overlaps; see example below).

1.2.3. Outreach

- Based on the description of the project area, target group(s) and the chart below, explain who the people corresponding to the three outreach core indicators (CIs) are and how their targets were set. This information is also presented in the M&E matrix (see appendix 1: M&E matrix).
- Explain how the calculations for CI 1a and 1b will be made and describe how overlap/double-counting will be handled (estimation or MIS data form).

1.3. ToC and logframe

The ToC and logframe are prepared during design and validated at start-up in an interactive and participatory manner involving government representatives and mission members. They may evolve during implementation, however, in which case the related sections should be revised accordingly.

1.3.1. ToC

The ToC section explains how and why the project is expected to effect change. It is a visual, structured way of outlining the steps needed to achieve project outcomes.

- Include the ToC diagram and related explanatory narrative (see ToC and logframe guidance for details)

1.3. ToC and logframe

The ToC and logframe are prepared during design and validated at start-up in an interactive and participatory manner involving government representatives and mission members. They may evolve during implementation, however, in which case the related sections should be revised accordingly.

1.3.1. ToC

The ToC section explains how and why the project is expected to effect change. It is a visual, structured way of outlining the steps needed to achieve project outcomes.

- Include the ToC diagram and related explanatory narrative (see ToC and logframe guidance for details)

1.3.2. Logframe

The latest version of the logframe matrix and the original logframe from the PDR are included in appendix 2 of the M&E plan. This section discusses the following aspects:

□ Preparation and validation process

Explain how the logframe was prepared and validated based on the theory of change and how it reflects the ToC. The logframe (as well as the ToC) is prepared during design and validated at start-up in an interactive and participatory manner involving government representatives and mission members.

□ Modifications

- Present and justify modifications to the original logframe, if any. Some aspects of the project may change during implementation (the indicators and targets originally set in the logframe may be revised and adjusted to ensure that they remain relevant and useful), and the M&E plan should be adjusted accordingly. Note that justification for logframe modifications must be provided and IFAD clearance obtained.

Alignment with IFAD requirements and systems

- Explain the link with and functioning in the Operational Results Management System (ORMS) (IFAD system) and briefly describe the IFAD CI framework and corporate requirements (gender- or nutrition-sensitive, etc.), if any.

☐ Integration in the MIS

- Explain how the logframe is integrated in the project MIS: measurement of logframe indicators, automatic reporting, logframe reports generated, etc.

☐ Logframe results reporting

- Explain how and when the logframe is updated:

1.3.3. Use of ToC and logframe

The logframe and ToC are the key references for developing the project M&E system, processes and tools. This section describes how the ToC and logframe are used in the preparation and execution of the M&E plan (see ToC and logframe guidance).

☐ Project's visualization and communication

The ToC diagram is a visual representation of the project. It can be used as a communication tool and shared with project implementers and other stakeholders to explicitly show how the project works and create a shared understanding of it.

□ Planning

The ToC and logframe serve as the basis for the preparation of the AWPB. In fact, as schematized in the ToC, activities (planned for in the AWPB) are converted to results (outputs and outcomes). This link should be made clear, and targets, in terms of activities, outputs and outcomes, must be consistent.

☐ Progress monitoring and presentation.

The logframe represents a roadmap for project implementation, determining what to monitor and how and enabling progress of the indicators toward set targets at all levels to be monitored by visualizing them on an annual basis and throughout the course of the project.

☐ Data collection tools and templates

The logframe serves as the basis for the development of data collection tools and templates, which should include all the information required for measuring the logframe indicators.

☐ Effectiveness and achievement of the objectives.

The ToC and logframe are the basis for evaluation. They show the progress toward achievement of the results and indicate whether changes have occurred as expected, making it possible to assess the project's effectiveness.

2. PURPOSE AND SCOPE OF THE M&E SYSTEM

2.1. Guiding principles

This section presents the main conceptual underpinnings of the project M&E system (the list below is neither mandatory nor exhaustive and can be modified).

2.1.1. Results-based management (RBM)

Explain briefly how RBM is applied in the project

2.1.2. Participatory approach

Explain how the project incentivizes and implements a participatory approach

2.1.3. Geographic information system

- Describe GIS, if used, and which data are collected and how. Explain how GIS data are used, as well as their value added and implications – for example for data management.

2.1.4. M&E for decision-making

- Describe how the project M&E system informs decision-making at different levels

2.1.5. Alignment with the national system

Explain whether/how the project M&E system:

- Is designed in close collaboration with government;
- Is aligned and compliant with national and local systems, if any;
- Integrates government milestones and data needs;
- Facilitates logframe reporting;
- Assists project management

2.2. M&E steps 2.2.1. Planning

Process

- Describe the (annual) planning process, which culminates with government clearance and IFAD approval of the AWPB, by describing participants, indicating the main implementing partners, describing the steps in the consultative process and noting deadlines.

In particular, provide a detailed description of the planning workshop and its purpose, since it is the key step in the planning process.

2.2.2. Monitoring

This section provides a general description of the monitoring process and its characteristics. Details are provided in the following sections: 3. Roles and responsibilities; 5. Tools; and 6. Project reports and deliverables.

Describe the main tasks: assess rates of physical execution of yearly planned activities against targets; verify compliance with agreed calendar and deadlines; and assess rate of financial execution against planned targets.

- Present what is measured: activities, inputs and outputs, and to some extent outcomes, in the AWPB and logframe against physical targets
- Briefly explain how and when the data collection is carried out: monitoring sheet and/or annual surveys, COI surveys3 for outcomes.
- Explain how the data collected is analysed and presented (logframe as key reference).

2.2.3. Evaluation

- Describe the evaluation's scope, strategy and objectives. Provide information on the evaluation criteria or performance standards (relevance, effectiveness, efficiency, sustainability, impact) used and the rationale behind it. Specify the questions that the evaluation would address and the indicators against which it would be assessed.
- Describe the evaluation method: quantitative surveys and compliance with IFAD requirements (COI baseline, midterm and completion surveys, if applicable) and use of a comparison group.
- Describe qualitative study/survey for aspects/performance questions that may require investigation.
- Explain who conducts and analyses the evaluation:

2.2.4. Knowledge management

This section explains the importance of the information gathered by the M&E system for knowledge management (KM) purposes, the planned methods that will be employed to process it and the tools that will be used for its dissemination, provided that a separate KM plan/manual is created.

- Specify the link with M&E activities and how evidence-based information generated by M&E system is used for KM purposes.
- Explain which and how data/knowledge/lessons are gathered and shared with different stakeholders: methods, type of product (website, print, video, platform, etc.). how KM supports capacity building among beneficiaries and within government and IFAD.
- Explain how KM contributes to greater effectiveness and efficiency and promotes scaling up.
- Describe the main KM activities (especially those to be implemented during the initial years of project execution).

3. ROLES AND RESPONSIBILITIES

3.1. Roles of stakeholders involved in M&E

- List the main M&E actors and other stakeholders involved in planning and M&E activities.
- Describe the roles and responsibilities of the main M&E actors and other stakeholders involved in planning and M&E activities.

3.2. Flow of information

3.2.1. Flow of information approach

- Explain how the monitoring data flows from the place where it is collected to the management team and on to other stakeholders, including the government and donor(s) (bottom-up approach).
- Describe how the information is entered in the M&E system.

3.2.2. Flowchart

- Insert a flowchart showing the flow of information

4. M&E budget and activities

4.1. Budget and resources

- Provide the overall budget for PM&E activities.
- Describe how M&E activities are integrated into the AWPB and procurement plan.
- Present M&E line items and budget amounts.

4.2. M&E activities and workplan

- Present main planning, monitoring and evaluation activities, distinguishing between annual and recurrent activities and ad hoc ones occurring at specific point during the life of the project.
- Include M&E workplan including ad hoc activities from start-up to completion and recurrent activities with deadlines.

5. Tools

5.1. Management information system (MIS)

This section presents the main characteristics of the project MIS (the data collection tools are presented in the next section).

Note that the MIS may be set up after preparation of the M&E plan; in that case, this section will need to be updated once the MIS is effectively defined and set up.

5.2. Data collection formats

This section describes the formats and tools used for collecting and recording data. It provides an overview with consolidated basic information. It is supplemented with the templates of the main data collection formats presented in appendix 3 of the M&E plan.

6. Project reports and deliverables

This section describes the formats of project reports and deliverables. It provides an overview with consolidated basic information and is supplemented with the templates of the main reports and deliverables presented in appendix 4 of the M&E plan.

- Describe the contents, format, and frequency of internal and external reports. Indicate who the reports are intended for (the users of information produced by the PM&E function) and who is responsible for preparing each type of report.

7. APPENDICES

Appendix 1: M&E matrix:

Appendix 2: Original and revised logframes Appendix 3: Data collection templates Appendix 4: Reporting templates/format

Appendix D.4: Analysis of Turkiye Agricultural Market

Introduction Türkiye's agricultural economy is among the top ten in the world, with half of the country consisting of agricultural land and nearly a quarter of the population employed in agriculture. Türkiye's young and growing population provides opportunities for market growth and new product introductions. Urban population makes 77% of total (65.5 million) and it is expected to continue with growth (+1.5%). With 5.5% average annual GDP growth between 2002 and 2022, Türkiye progressed much faster than Poland (3.9%), Romania (3.6%), Bulgaria (2.9%), Czech Republic (2.5%) or Hungary (2.3%).

Increasing income per capita, paired with growing domestic population and strong macroeconomic growth over previous period, creates plenty of opportunities for the agriculture and food industry of Türkiye at the local market. In addition, a well developed network of preferential trade agreements and proximity of regional markets (in Europe, Middle East and ex-Soviet Union) offer vast market opportunities for Turkish agricultural products abroad.

Preferential trade agreements through the Customs Union with the European Union and its 446 million population market, bilateral free trade agreements with 29 countries with a total population of 477 million, and the domestic market of 85 million people, add up to a total market population of 1 billion for agriculture produce originating from Türkiye.

The domestic market of Türkiye has very strong local demand for agricultural products, which is predicted to grow even further. The import value in the agriculture market is projected to amount to US\$17,860 million in 2024. An annual growth rate of 19.34% is expected (CAGR 2024–2028).

Turkey is also a significant agricultural exporter of nuts, dried fruits, and some fresh vegetables; main export destinations include the European Union, Iraq, the Russian Federation, and the United States. Türkiye is a major producer of wheat, sugar beets, milk, poultry, cotton, tomatoes and other fruits and vegetables, and is the top producer in the world for apricots and hazelnuts as well as the largest global exporter of quinces and raisins. Agricultural trade has been steadily increasing and Türkiye is a net exporter. Most imports are products destined for further processing, while most exports are products for consumption. Türkiye is leading global producer and exporter of apricots, hazelnuts and figs, while being the global second largest producer of honey, apples, cucumbers and sheep milk, and global third exporter of yoghurts.

EU's Green Deal, Türkiye's response, and FIRAT's relevance. Looking from a macro perspective, The European Union is Türkiye's biggest agri-food trade partner. As such, it is promoting climate action through its recently launched Green Deal, which highlights the EU's commitment to tackling climate and environmental challenges and achieving carbon neutrality by 2050. Within the framework of the Green Deal, the EU has adopted a Farm-to-Fork strategy, a Biodiversity strategy, a proposal for a Climate Law, as well as a new action plan for the Circular Economy, all of which address issues relevant to agri-food systems. Agriculture and rural areas are central to the European Green Deal. In August 2021, the Government of Turkey (GoT) released the "Green Deal Action Plan" aimed at contributing to Turkey's transition to a sustainable and resource efficient economy and to respond to the comprehensive changes envisaged by the EU Green Deal. The Plan identifies 81 actions and 32 targets around nine pillars. These actions represent a timely

opportunity for Turkey to further modernise the agri-food system, enhance its competitiveness, and strengthen public-private partnerships and multi-stakeholder alliances as vehicles to pilot approaches and promote innovations. Moving toward a sustainable transformation might increase costs in the short term, in the long term, climate-smart policies and practices will ensure the commercial viability of Türkiye's agrifood sector. The overall design framework of FIRAT responds very well with these new developments in terms of enhancing overall market prospects of the agricultural outputs produced under FIRAT.

From a prospective policy perspective, the **COVID-19** pandemic has generated a profound awareness of the links between climate change, fragile ecosystems, economic growth, and human health. It has also highlighted potential for food security issues due to interruption to agri-food sector value chains, supply chains, trade resulting in increasing food prices. As pressures intensify to support post-pandemic economic growth, recovery, and jobs, Turkiye has an opportunity to build back better, relying on strategies that can reduce its vulnerability to climate disasters, and avoid depletion of its natural resources that weaken economic growth prospects. By incentivizing a green recovery and initiating a green transformation, Türkiye can retain a competitive advantage as global markets—including the EU, Türkiye's main trading partner—move to decarbonize. The agri-food sector will have a pivotal role in a green recovery strategy fostering a climate-smart, competitive, and resilient growth. Considering that FIRAT will promote climate resilient farming practices and provide support for water management and improving use-efficiency to enable farmers to cope with drought and unpredictable precipitation, the project is expected to contribute significantly in implementing key national policies and thereby be relevant to a level that will enhance its visibility and improve market prospects for its produces.

Despite being a net-exporter of agricultural products, **Türkiye imports** oilseeds, including soybean and meal, as well as grain products, as animal feed inputs for its meat and rapidly growing poultry sectors. Türkiye also imports inputs for its food processing and bakery sector and additional cotton as an input for its advanced textile industry.

Türkiye has a robust agriculture and food industry that employed almost 18 percent of the country's working population and that accounted for 6.5 percent of the country's GDP in 2022. The sector's financial contribution to the overall GDP was USD 58.5 billion in 2022. The agribusiness sector of the country is very strong, driving the national agricultural imports (52%) by importing raw materials and inputs used for further processing and industry. Still, agricultural imports for direct consumption are still significant and make for one third of total agricultural imports in 2020. Both these figures are signalling very strong domestic food demand which is expected to grow in the future.

Türkiye's food and beverage sector depends on domestic and imported ingredients, a large portion of which are sourced from Europe. European ingredients enjoy zero or low import duties under preferential trade agreements, as well as lower freight costs. The sector, which boasts nearly 58,000 businesses, continues to grow in response to steady consumer demand for processed food products. The southeastern region of Türkiye is recovering from the impact of devastating earthquakes that occurred on February 6, 2023. Although economic activity slowed sharply in the immediate aftermath of the disaster, there was not expected to be a major effect on the real GDP growth forecast or the food processing ingredients sector for 2023 (FAS, 2023).

The retail sector of the country is very strong, with both national (BIM, SOK, Migros) and international retailers (Carrefour, Metro). Total sales of grocery retailers in 2022 were estimated at USD 69 billion (Modern grocery retailers: US\$ 43bn versus Traditional grocery retailers: US\$ 27bn) with estimated further growth.

Despite positive trends overall in the agriculture sector and strong growth across various value chains, Turkish **production still doesn't meet domestic needs in essential grains** such as wheat and maize. Therefore, the Government's strong response in the agriculture sector during Covid 19 crisis, aimed at securing supplies for local population, doesn't come as a surprise.

Trade policy responses to the COVID-19 pandemic To ensure domestic supplies meet the needs of its growing population, the Government of Türkiye reduced import tariffs and in-quota import amounts increased for several commodities. As of 8 September 2021, customs duty rates on certain agricultural commodities were removed until 1 January 2022. These duty rates had been 45% for wheat, 35% for barley, 25% for maize, 130% for oat, rye and sorghum and 19.3% for chickpeas and lentil. The 27% tax rate for sunflower seed for oil and the 36% tax rate for unrefined sunflower oil were also removed until 1 January 2022. The export of pasta, bulgur and wheat semolina is subjected to registration as of June 2021 and export of chickpeas as of October 2021. (OECD, 2024).

Conclusions

The analyses provide clear evidence of strong market demand for agricultural products in Türkiye, driven by population growth, changing diets, and the country's internal and external trade dynamics. Moreover, Türkiye's agriculture market is projected to grow steadily, driven by consumer preferences, local advantages, and supportive policies. Agricultural export of the country is also likely to continue growing, leveraging on competitive price and quality of agricultural produce, driven by the country's comparative advantages in certain sub-sectors of agriculture (particularly horticulture) and affordable labour. Free of tariffs access to a regional market of 1 billion people presents strong impetus for the development of the sector and will incentivize additional investments in domestic production in order to meet growing demand for Turkish agricultural produce and export markets.

Findings of the IFAD missions (November 2023 and February 2024)

Demand for agricultural produce in the FIRAT project region is very strong, as confirmed during both the Concept note and Design missions. Namely, the project team interviewed a number of aggregators/off takers of agricultural products from the project area, both of horticulture (almonds, apricots, pistachio, tomatoes etc.) and livestock products (milk, meat, cheese). In all cases, the need for better quality, locally produced agricultural products to meet growing demand from the market was stressed by the aggregators. The existence of local market opportunities was also confirmed during focus group meetings with small-scale producers of the project area, and in interviews with representatives of local authorities.

Market access addressed in the FIRAT design

To complement this market analysis a further detailed analysis of local market demands across the FIRAT project area can be undertaken in the period between entry into force of

the project and the launch of the first call for proposals for matching grants under the FIRAT SC 2.2. Based on the findings of the analysis, technical support for the development of business plan proposals in response to the call can be better focused on specific crops (apricots, honey etc.) and/or type of production (e.g. organic).

In addition, FIRAT envisages a number of other activities to support small-scale producers' access to markets in SC 2.2 and SC 2.1 including strengthening producers' associations and cooperatives and the promotion of business networking through participation in specialised agricultural and trade events at local and international level. Matching grants will cover additional targeted training to each business as well as cost of specialist experts on marketing of agricultural products etc.



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 9: Integrated Project Risk Matrix (IPRM)

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	Substantial	Substantial
Fragility and Security	Substantial	Substantial
Macroeconomic	Substantial	Substantial
Governance	Substantial	Substantial
Political Commitment	Substantial	Substantial
Sector Strategies and Policies	Substantial	Substantial
Policy Development and Implementation	Substantial	Substantial
Policy alignment	Substantial	Substantial
Environment and Climate Context	Moderate	Moderate
Project vulnerability to climate change impacts	Moderate	Moderate
Project vulnerability to environmental conditions	Moderate	Moderate
Project Scope	Low	Low
Technical Soundness	Low	Low
Project Relevance	Low	Low
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
Monitoring and Evaluation Arrangements	Moderate	Moderate
Implementation Arrangements	Moderate	Moderate
Project Financial Management	Substantial	Substantial
Project External Audit	Moderate	Moderate
Project Accounting and Financial Reporting	Substantial	Substantial
Project Internal Controls	Substantial	Substantial
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial
Project Budgeting	Substantial	Substantial
Project Organization and Staffing	Substantial	Moderate
Project Procurement	Moderate	Moderate
A.1 Legal, Regulatory and Policy Framework	Moderate	Moderate
A.2 Institutional Framework and Management Capacity	Moderate	Moderate
A.3 Accountability, Integrity and Transparency of the Public Procurement System	Moderate	Moderate
A.4 Public Procurement Operations and Market Practices.	Substantial	Substantial
B.1 Assessment of Project Complexity	Moderate	Moderate
B.2 Assesment of Implementing Agency Capacity	Not applicable	No risk envisaged - not applicable
Project Procurement Overall	Moderate	Moderate
Environment, Social and Climate Impact	Moderate	Moderate
Vulnerability of target populations and ecosystems to climate variability and hazards	Moderate	Moderate
Greenhouse Gas Emissions		
	Low	Low
Physical and Economic Resettlement	Low Low	Low Low

Risk Category / Subcategory	Inherent risk	Residual risk
Indigenous People	Low	Low
Cultural Heritage	Moderate	Moderate
Resource Efficiency and Pollution Prevention	Moderate	Moderate
Biodiversity Conservation	Moderate	Moderate
Stakeholders	Moderate	Moderate
Stakeholder Grievances	Moderate	Moderate
Stakeholder Engagement/Coordination	Moderate	Moderate
Overall	Moderate	Moderate

Country Context	Substantial	Substantial
Fragility and Security	Substantial	Substantial
Risk:	Substantial	Substantial
Regional dynamics, especially the impact of the neighbouring Syrian conflict and influx of Afghan refugees have brought about significant challenges to Türkiye. It has even led to a significant demographic shift in the country. At the same time, the geopolitical turmoil in the Middle East region has adversely affected the East and South-east parts of Turkey in the form of adverse impact on the local economies in some provinces, reduced tourism, increased unemployment, and increased security concerns. It may eventually impact trade relations and trade flow within the region.		
Mitigations: Successful implementation of the new IFAD project will establish the foundations for a positive impact on targeted populations by reducing rural poverty. It is important that the success is captured early on and disseminated widely in a way that will create hope, enhance optimism and demonstrate the value of IFAD's partnership with GoT.		
Macroeconomic	Substantial	Substantial

Risk:	Substantial	Substantial
Türkiye achieved impressive economic gains over the past two decades which enabled it to become an upper middle-income country with a GDP of USD 1.12 trillion and per capita income of USD 13,110 in 2023. In the recent past as Türkiye's reforms waned, productivity gains slowed, and growth became increasingly dependent on externally funded credit and demand stimulus. In this backdrop, Türkiye adopted a new economic model consisting of low interest rates as well as a complex set of regulatory measures to direct credit to selected sectors (notably exporters) and to promote greater use of the lira in the economy. The newly adopted policies instead led to significant market pressure on the Turkish Lira. This was followed by the war in Ukraine, which added to pre-existing vulnerabilities. More recently policy redirections have been sought which enabled achieving GDP growth of 11 percent in 2021 and 5.5% in 2022 and 4.5 percent in 2023 and it is projected to grow at 3.1 percent in 2024. In contrast, at 65% inflation remains very high- explained mainly by Türkiye's excessively loose monetary policy and the resulting exchange rate depreciation.		
Türkiye has large external financing needs, and its private sector is heavily indebted in foreign currency, raising risks to financial stability; weakening external demand is expected to constrain real GDP growth (foreseen growth is forecast at 4.3% in 2024), which will remain relatively firm in 2025-2028. Consequently agricultural incomes diminish, poverty increases in rural and urban areas.		
Following the May 2023 elections, the government has taken further positive steps to normalise Türkiye's macroeconomic policies. This has helped improve external balance, but vulnerabilities remain with risks skewed to the downside.		
The combined effect of the economic challenges may negatively impact implementation owing to the risk in cancellations of bidding processes or reluctance of vendors to engage in IFAD projects.		
Mitigations:		
In designing FIRAT the fiscal challenges that GoT has been facing and is likely to face in foreseeable future have been factored-in and the impact on FIRAT that is likely has been kept at a manageable level. The real value of an IFAD loan will be protected by charging project expenses directly to the USD account instead of using a local currency account. Secondly, the reimbursement of the expenditure incurred by the beneficiaries, suppliers and service providers will be made at the earliest so that the loss in value is minimised.		
Governance	Substantial	Substantial
Risk:	Substantial	Substantial
With a score of 36 in 2023 and a somewhat declining trend since 2020, Türkiye is the 101 least corrupt nation out of 180 countries for which Transparency International reports Corruption Perceptions Index. According to the World Bank, more recently the country has shown major transformation in the public sector management as a result of the reform initiatives. However, implementation challenges remain and there are still areas where improvement is required. Institutional changes or frequent changes in the management of institutions may occur at the central, regional and provincial levels with effects on implementation arrangements and the timeliness for achieving project development objectives.		
The loss of human lives and economic activities as a result of earthquakes in February 2023 also did affect the ability of relevant stakeholders to discharge their tasks as well as the infrastructure of rural and urban areas. FIRAT's target area is close to the epicentre and its investments will need to focus on the priorities of the population in the affected areas.		

Policy Development and Implementation	Substantial	Substantial
Sector Strategies and Policies	Substantial	Substantial
Communication and KM strategy to give visibility to IFAD effectiveness, results and impact in addressing rural poverty in Türkiye and recovery for the earthquake victims.		
It is also important that the supervision and implementation support missions that are to be fielded during implementation review the status of funds allocation/ release and flag it to the higher authorities when these are found to be constraining the disbursement. In addition, high level dialogue with the central Government and local authorities will be undertaken asking for adequate budget allocations by IFAD's Country Director and Country Programme Coordinator		
During the in-country phase of the design mission, this issue was flagged with OGM and Treasury at Ankara and regional and provincial levels. OGM assured the DM that given that OGM's annual budget envelope is much larger than annual needs of FIRAT and the urgency of providing livelihoods related support to the households in the earthquake-hit areas neither the allocation nor the release of the resources would be a problem to FIRAT.		
Mitigations:		
The risk identified, however, reflects more an operational issue that is related to a very high rate of inflation and consequent challenge to the government to manage budgetary resources. Türkiye is projected to achieve a much reduced inflation, current account balance, and fiscal balance by 2025 and this should ease the pressure to cut allocations for development activities including IFAD projects. In the case of FIRAT, given its focus on earthquake-affected regions, and high priority given for generating livelihood opportunities and checking youth migration, chances are that the project will be provided with adequate resources to pursue its objectives, including the execution of grant programmes.		
As some gaps may be observed between policy pronouncement and translating them into actions, in recent years IFAD projects have faced issues related to inadequate allocation of funds at the beginning of the year. So far this has been tackled by requesting additional allocations during mid-year review and thereby limiting potentially detrimental consequences in terms of implementation and disbursement performance. There is clearly a potential risk that FIRAT may suffer from similar issues related to allocation and release of the funds by GoT.		
Since FIRAT's design parameters are fully aligned with Türkiye's Vision for 2053, the objectives and policies propagated in the 12th National Development Plan (2024-28), the Medium Term Programme (2024-26) and sector strategies and plans such as the Strategic Plan of MoAF (2024—2028), National Climate Change Adaptation Strategy and Action Plan (2011-2023), and the Water Efficiency Strategy and Action Plan (2023-2033), political commitment for FIRAT in terms of policy pronouncement is high. There is therefore a buy-in for the project concept by a wide spectrum of stakeholders in the country and therefore the risk associated is low.		
Political Commitment Risk:	Substantial Substantial	Substantial Substantial
As designed FIRAT would invest significantly in capturing lessons learnt and evidence of the project's impact on the lives of the intended target group which then can be used to communicate to relevant authorities for appropriate decision making related to the project interventions, including the recovery from earthquake.		
The design of FIRAT proposes to constitute a project steering committee that apart from ensuring proper coordination among project implementing partners will also actively engage in ensuring that adequate resources, including that form the GoT, as agreed in the design document is being made available on a timely basis and project-funded activities are implemented as scheduled.		
Mitigations:		

Risk:	Substantial	Substantial
In a context of centralised governance, where strong political leadership has a clear vision on the development of relevant policies which development partners in the country are often times unable to influence, and where farmers' organisations and other grassroots institutions are weakened as a result of loss to human lives and infrastructure as a result of the earthquake which affected part of the project area, the development and implementation of policies may not be effective or participatory enough to account for the views of the most vulnerable rural people and their organisations.		
Mitigations:		
In line with the IFAD guidance for policy engagement, the IFAD country team will enhance the participation of smallholders and other value chain stakeholders in the policy processes, by creating a space for dialogue (e.g. the project steering committee) and by strengthening the institutional and organisational capacity of stakeholders to set their agenda and influence policy processes. The grassroots institutions will be supported more during project implementation to upgrade the productive capacity, marketing services, and production infrastructure.		
institutions development in a way that would enable participatory need identification and planning of activities within the micro catchments. This should help strengthen the voice of demand structure vis-à-vis the supply structure and ensure a more stable policy implementation regime.		
Policy alignment	Substantial	Substantial
Risk:	Substantial	Substantial
The National Basin Management Strategy ended in 2023. The new "National Watershed Rehabilitation (Restoration) Strategy" (NWRS) prepared in 2023 is currently pending approval by the Turkish Presidency of the Republic and may be updated during the implementation of the project, as may be the case for the 12th National Development Plan (NDP) that will also end during the project implementation period. There is therefore a challenge in keeping the project's alignment with these two important policy instruments over the course of the implementation of the project.		
A potential risk could also arise from the change in the matching grant policy of the GoT on which the FIRAT intervention instruments lean on heavily. This could happen if GOT's fiscal imbalance increases substantially and GoT's ability to support poverty alleviation programmes erodes drastically. Yet another risk could arise from the shift in policy and GOT's refusal to invest IFAD loan for meeting ongranting to FIRAT beneficiaries.		
Mitigations:		
The project will support gathering evidence on the success or otherwise of pro-poor approaches and their effectiveness in engaging upland communities in the conservation and development of catchment areas. These could then be used for updating the Basin Management Strategy.		
IFAD will encourage the project to facilitate dialogue between decision-makers and stakeholders, to mainstream pro-poor approaches in the new NDP and related sector policies concerning upland development using the proposed steering committee as an important platform.		
IFAD's country as well as multi country office will also engage in providing support to further policy development as well as in setting country priorities for assisting the upland communities utilising the experiences from the ongoing projects funded by IFAD.		
The risk of changes in the poverty alleviation financing of GoT has been factored-in in the FIRAT design and necessary resources have been allocated for financing the key project activities. Multiple instruments will be used to reach the intended FIRAT clientele and thereby reduce the risks involved.		
Environment and Climate Context	Moderate	Moderate

Project vulnerability to climate change impacts	Moderate	Moderate
Risk:	Moderate	Moderate
The climate risk assessment for FIRAT is moderate. According to the Think Hazard Tool, the project intervention area is susceptible to River Flood, Urban Flood, Landslide, Water Scarcity, Extreme Heat, and Wildfires.		
Recent decades have witnessed a notable acceleration in the trend of rising temperatures, with Turkey experiencing a nearly 2°C increase between 1991 and 2020. Additionally, the long-term precipitation pattern in Turkey has shown a decreasing trend, although there has been some improvement in recent years, including in the project's targeted areas. Projections indicate a heightened intensity and frequency of extreme climate events in the years to come. This poses a significant threat to both crop and livestock productivity, as well as impacting the forest productivity and biodiversity in the project area. Recognizing these climate challenges, the project aims to address and mitigate the potential adverse impacts, contributing to the overall resilience of the region in the face of changing climate conditions.		
Mitigations:		
The project strategically focuses on promoting sustainable and resilient practices to address climate risks, including afforestation, forest rehabilitation, erosion control, and water-saving technologies. It emphasises awareness and knowledge management about climate change adaptation and mitigation in target areas, employing participatory Micro Catchment Plans (MCPs) to assess impacts and compile implementable measures. By engaging local communities in identifying challenges and prioritising high-impact strategies, the project tailors responses to unique community needs, fostering sustainable practices and building resilience. Additionally, the project empowers small-scale producers with targeted knowledge and tools for enhanced adaptability, ensuring climate change adaptation strategies are effective and promote overall ecosystem well-being.		
Project vulnerability to environmental conditions	Moderate	Moderate
Risk:	Moderate	Moderate
Stemming from a combination of geomorphological, climatic, and anthropogenic factors, land degradation, desertification, and drought pose significant risks to the targeted project areas, a substantial portion of the country's land faces erosion challenges. Some 59% of croplands, 64% of grasslands, and 54% of forestlands are experiencing varying degrees of degradation. The consequences of this degradation manifest in diminished land productivity and heightened siltation levels in the Euphrates watershed and downstream dams. The lack of sufficient vegetation cover in the area exacerbates the issue of soil erosion.		
Mitigations:		
In line with the above considerations, the project will actively address challenges and work towards positive environmental outcomes. Specifically, FIRAT aims to reduce land degradation and desertification, contributing to the restoration and long-term sustainability of natural resources in the Euphrates micro catchments.		
The project will enhance agricultural practices, restore forests, and improve water and rangeland management in fragile upland ecosystems. It will also promote sustainable natural resource use through technical support and capacity building. The MCP under subcomponent 1.1 will assess environmental risks and implement measures for restoration and sustainable management of natural resources, including forests, rangelands, and croplands. Implementation will involve raising awareness among project beneficiaries about restoration and sustainable natural resource management practices.		
and rangeland management in fragile upland ecosystems. It will also promote sustainable natural resource use through technical support and capacity building. The MCP under subcomponent 1.1 will assess environmental risks and implement measures for restoration and sustainable management of natural resources, including forests, rangelands, and croplands. Implementation will involve raising awareness among project beneficiaries about restoration and sustainable natural	Low	Low

Risk:	Low	Low
The project design builds on lessons learned from the Murat project and among other things it intends to enhance technical support to participating small-scale producers and the business viability of their matching grant project proposals. Outsourcing the management of MG schemes to financial institutions might pose challenges.		
Mitigations:		
The FIRAT design team met with Ziraat Bank and held in-depth discussion with OGM's ORKOY programme managers keeping in view the need to effectively manage MG scheme with revised terms and complement this with highly concessional credit scheme. The discussion having been concluded successfully; implementation arrangement has been agreed upon satisfactorily. The MG manual has been drafted accordingly which has laid out beneficiary eligibility criteria, grant sizes and matching grant requirements disaggregated by different target groups and investment types.		
Project Relevance	Low	Low
Risk:	Low	Low
The project objectives are in direct alignment with the 11th and draft 12th National Development Plan and priorities set in the Plan for the Agriculture and Rural development sectors. The interventions continue to support government and IFAD policy on poverty alleviation and remain relevant to the needs of the beneficiaries.		
The MG programme as it exists today may however be less relevant to the poorest landless households who rely on social assistance and cannot afford the 30% beneficiaries' contribution plus the 18 % VAT. The MG programme may be attractive to a category of the priority target group made up of registered productive smallholders. The increasing costs are likely to worsen the appetite of the potential beneficiaries. These interventions are planned to be more attractive for the earthquake victims with lower contribution and more to sustain producers' agricultural businesses. The interventions under NRM activities are planned to support the development and conservation of natural resources to prevent land and forest degradation.		
Mitigations:		
Recognizing that the MG scheme currently being implemented may not reach to the poorest and most vulnerable, the terms have been revised. In addition, additional funding has been provided to give access of the poorest and most vulnerable target group to the interest free loans which can be used to meet the equity investment requirement. FIRAT's overall design approach lays heavy emphasis on inclusion, including women and youth. Project relevance would therefore be high if equal care be taken during implementation.		
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
Monitoring and Evaluation Arrangements	Moderate	Moderate
Risk: The M&E function presents moderate risk in terms of coordination and good understanding of the roles and responsibilities by thematic specialists. The project will have M&E assistants in the regional offices to accelerate data collection and conduct analysis for results reporting. At the central level, OGM has proposed to engage CEM for biophysical monitoring.	Moderate	Moderate

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Mitigations:		
Development of a robust M&E system in the provinces, including procurement and		
customization of the M&E system, and ensuring sufficient staffing for M&E functions		
at the central and regional levels by OGM . Training of relevant M&E staff on improving implementation performance and		
evidence-based reporting.		
To the maximum extent possible, M&E system should make geo-referencing		
compulsory for system robustness and for transparency. purposes.		
Implementation Arrangements	Moderate	Moderate
Risk:	Moderate	Moderate
Good coordination within OGM and two regional directorates, adequate staffing and compliance with IFAD procedures are critical for good performance. Special Provincial Administrations (SPAs) are to increase the pace of procurements in Adıyaman, Elazığ and Bingöl provinces and reduce the risk of delays in the project procurement process on irrigation schemes or road construction. The increasing costs and economic downturn can put pressure on vendors and create instability in the procurements resulting in cancellation of bidding processes or reluctance of vendors to bid, as noted in other IFAD-funded projects in Türkiye.		
Mitigations:		
Close follow up and continuous implementation support by the IFAD-MCO to		
provide timely induction and coaching to incoming staff.		
Establishment of the PSC is likely to help implementation coordination Continued partnership with the Zirget Bank and bringing in of private sector.		
Continued partnership with the Ziraat Bank and bringing-in of private sector service providers is likely to enhance implementation capacity and improve		
transparency.		
• Increased MG ratio and provision of interest free loans will loosen bottlenecks		
Increased MG ratio and provision of interest free loans will loosen bottlenecks	Substantial	Substantial
Increased MG ratio and provision of interest free loans will loosen bottlenecks that may be created otherwise in serving the poorest and most vulnerable.	Substantial <i>Moderat</i> e	Substantial <i>Moderat</i> e
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Mitigations:		
 Training to the finance staff on the IFRs preparation at project start-up. Automation of the IFRs templates in the accounting software at the time of purchase. 		
Project to follow accounting standards acceptable to IFAD.		
Agree on the accounting software specifications with IFAD.		
• Finalisation of accounting software set-up at project start-up. This shall be one of the conditions precedent to first withdrawal.		
Include in the agreement with the bank (Protocol) IFAD reporting requirements		
Project Internal Controls	Substantial	Substantial
Risk:	Substantial	Substantial
 Risks of weak internal control measures identified for matching grants scheme; noting that the project will be implemented in 6 provinces. This risk could result from untimely or incomplete reporting from ORKOY to CPMU or from not following the criteria and arrangements identified in the matching grants manual. Risk of incomplete supporting documents for project expenditures due to lack of knowledge of required supporting documents by finance staff. Risk of inappropriate filing system if not identified at early stages of the project. Risk of lack of contribution and update of the PIM by PMU. 		
Mitigations:		
Finalise the finance manual section of the PIM at design.		
PMU to draft and add to the internal control section so it is tailored to provide more details on the PMU internal control measures to control payments including		
the matching grants.		
Ensure proper segregation of duties and authorization processes in place especially.		
Supporting documents for project expenditures to be as per IFAD requirements.		
Field visits to be planned to ensure that funds are used for the intended purposes. • Establish a filing system that allows for easiness and availability of all project		
documents at project start-up.		
Matching grant manual to be finalized before project start-up.		
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial
Risk:	Substantial	Substantial
Delays in opening separate DAs for IFAD loan and GEF grant at the central bank		
which could affect project liquidity. This could be due to delays in preparedness for		
project at OGM level.Risk of Treasury Limited allocation to the project which would restrict balances		
withdrawn from DA. These allocations are set for all internationally funded projects		
in Türkiye on annual basis. Project will be disbursing using the report based disbursement mechanism,		
hence there is a risk of inadequate cash forecast due to lack of cash forecast skills.		
Mitigations:		
Opening of separate DAs for IFAD loan and GEF grant at the central bank. This		
will be a condition precedent to first withdrawal.		
• Provide training to finance staff on the report based disbursement mechanism at project start-up.		
Analyse cash forecasts versus actual cash outflow for each quarter to enhance		
cash management skills. • PMU to work as a team to prepare the cash forecasts each quarter (procurement,		
project coordinator and finance)		
Project Budgeting	Substantial	Substantial
,	Jubotuntian	Jazotantiai

The Project will rely on Public Procurement Law and Regulations to the extent not conflicting with IFAD Rules Elaborate the PIM to mitigate for the absence of national PP manual and inconsistencies between national and IFADs procedures. For consultancies IFADs procurement procedures should be used.		
Prescriptive and standardized rules, methods, documentation, and systems following National Legislation. Turkey has a well-functioning procurement framework despite absence of methods dedicated to consulting services. The National PPL have some variances from minimum IFAD requirements notably related to procurement expectations. Mitigations:		
Risk:	Moderate	Moderate
A.1 Legal, Regulatory and Policy Framework	Moderate	Moderate
Project Procurement	Moderate	Moderate
 Finance staff to receive training on IFAD financial management requirements at start-up. Finance staff to complete IFAD's e-learning on FM course. 		
 OGM to set up the PMU considering the agreed structure at design. Assign or recruit qualified & dedicated finance staff to work on the project finances at central level. Recruitment of key staff to be a condition precedent to first withdrawal. 		
Mitigations:		
 Risk that PMU is not established before start-up as per project design because of delays in planning and recruiting at institutional level within OGM. Insufficient finance unit structure that does not meet the project needs. Seconding or recruiting staff who do not have experience working on international/IFAD funded projects or are unqualified. Government reforms and changes that might affect the key staff such as the project director. 		
Risk:	Substantial	Moderate
Project Organization and Staffing	Substantial	Moderate
 Ensure more accurate and reasonable budget estimates. Monitor budget versus actual performance on a monthly basis. Upload the budget in the accounting software for timely and efficient monitoring. Analyse budget planning on annual basis to avoid committing same shortcomings for next year planning. Start the planning process in the third quarter of each year drafting an initial budget for the project, then aligning the budget with the allocated Strategic Budget. 		
Mitigations:		
 Delays in the preparation and submission of the annual work plan and budget (AWPB) until the Strategic budget is issued (normally in the last quarter of the year) Risk of irregular monitoring of the AWPB and untimely decisions on budget variances due to irregular of preparation and submission of the variances reports to project management. Risk of overstated budgets that do not reflect reasonable/realistic plans due to over-ambitious planning that does not consider updates and changes at country and project level. 		
	Substantial	Substantial

Risk:	Moderate	Moderate
The country has a solid institutional framework, however public procurement is not professionalized, there is No specific Law identify a specialized procurement function nor to clearly Define the responsibilities and competencies of a procuring entity.		
Mitigations:		
Responsibilities and competencies of procuring entities shall be clearly defined. Promote empowerment of project staff and decentralization of decision making based on thresholds.		
A.3 Accountability, Integrity and Transparency of the Public Procurement System	Moderate	Moderate
Risk:	Moderate	Moderate
The procurement market is functioning well, but with absence of strategic planning and key role allocations internally and externally.		
Mitigations:		
Project capacities in strategic planning and strategic market engagement should be strengthened coupled with extensive GPN dissemination and robust staffing practices. Online mandatory publication, adoption of AWPB, PP in the project; continuous training and certification as well as the PIM preparation.		
A.4 Public Procurement Operations and Market Practices.	Substantial	Substantial
Risk:	Substantial	Substantial
Overall, institutional setup for enhancing integrity is weak. The administrative regulations do not include clauses or provisions prohibiting practices of fraud, corruption, and other prohibited practices		
Mitigations:		
IFAD policies, reporting hotlines, and self-certification shall be complied with IFAD Handbook and guidelines shall be adopted and applied. Audit shall be secured through an independent entity.		
B.1 Assessment of Project Complexity	Moderate	Moderate
Risk:	Moderate	Moderate
Project assessed as moderately complex provided that area is geographically spread in different locations, Substantial SECAP risks, and substantial interdependent procurement contracts that require advanced sequencing and coordination skills.		
Mitigations:		
The PIM should clearly elaborate interfaces, roles and responsibilities of each PMU operate in different areas along with SECAP recommendations. AWPB to include clear distinction of budget for each PMU (disaggregated and aggregate).		
B.2 Assesment of Implementing Agency Capacity	Not applicable	No risk envisaged - not applicable
·		
Project Procurement Overall	Moderate	

Risk:	Moderate	Moderate
Overall Inherent risk is "M" provided Turkey has a well-functioning procurement system supported by a structured institutional and legal framework, the use of etenders, and the Law of procurement, audit, complaints bodies, in additional to the successful performance of MURAT project.	sus.uto	535.416
The procurement risks relate mainly to: -The inconsistencies in the procurement methods notably related to consulting and the Non consulting servicesThe absence of strategic planning and key role allocations internally and externallyThe entire absence of SECAP requirements in the Public Procurement Law, and -The start up risk relate on the new procurement staff who might not be familiar with similar projects		
Mitigations:		
Mitigation measures for shortcomings found on the national Procurement system vs. IFAD's procurement framework include IFAD policies, reporting hotlines, and self-certification shall be complied with IFAD Handbook and guidelines shall be adopted and applied; Projects will strictly adhere to AWPB and PP preparation according to IFAD templates and requirements. The procurement plan as well as No Objection requests will be submitted electronically via the OPEN Startup capacity building is important to align understanding of the PPS; continuous training (BUILDPROC and other) is needed. The multiple-eye principle will be adopted in CM and SECAP compliance. All risk mitigation measures shall be incorporated to the Procurement Implementation Manual (PIM) to secure compliance with IFAD procurement regulations.		
1		
Environment, Social and Climate Impact	Moderate	Moderate
Environment, Social and Climate Impact Vulnerability of target populations and ecosystems to climate variability and hazards	Moderate Moderate	Moderate Moderate
Vulnerability of target populations and ecosystems to climate variability and		
Vulnerability of target populations and ecosystems to climate variability and hazards	Moderate	Moderate
Vulnerability of target populations and ecosystems to climate variability and hazards Risk: Turkey is one of the countries most susceptible to the adverse effects of climate change, including intense rainfalls, floods, storms, landslides, heatwaves, and forest fires. The provinces and communities targeted by the project confront the consequences of droughts, erratic rainfall, heatwaves, soil degradation, and forest fires. Agriculture is one of the sectors most affected by adverse effects of climate change. It is foreseen that the main impact of climate change on Turkey will be drought, desertification, decline in agricultural productivity, loss of biological diversity and ecosystem services, increase in forest fires, epidemics and pests. There are signs that climate change has already affected crop productivity and also the livestock productivity indirectly through low yields of forage crops and cereals (straw), livestock drinking water availability and rangeland productivity. However, the project supports interventions for improved resilience of the target communities and ecosystems to climate variability and hazards. The project introduces and promotes climate change adaptation and risk mitigation measures in the target areas. Introduction and promotion of integrated pest management, water harvesting and water saving technologies, cultivation of dry-tolerant non-timber forest products, sustainable pasture management and use of renewable sources of	Moderate	Moderate
Vulnerability of target populations and ecosystems to climate variability and hazards Risk: Turkey is one of the countries most susceptible to the adverse effects of climate change, including intense rainfalls, floods, storms, landslides, heatwaves, and forest fires. The provinces and communities targeted by the project confront the consequences of droughts, erratic rainfall, heatwaves, soil degradation, and forest fires. Agriculture is one of the sectors most affected by adverse effects of climate change. It is foreseen that the main impact of climate change on Turkey will be drought, desertification, decline in agricultural productivity, loss of biological diversity and ecosystem services, increase in forest fires, epidemics and pests. There are signs that climate change has already affected crop productivity and also the livestock productivity indirectly through low yields of forage crops and cereals (straw), livestock drinking water availability and rangeland productivity. However, the project supports interventions for improved resilience of the target communities and ecosystems to climate variability and hazards. The project introduces and promotes climate change adaptation and risk mitigation measures in the target areas. Introduction and promotion of integrated pest management, water harvesting and water saving technologies, cultivation of dry-tolerant non-timber forest products, sustainable pasture management and use of renewable sources of energy are some of these interventions.	Moderate Moderate	Moderate

Risk:	Low	Low
FIRAT aims to contribute to carbon sequestration. Land rehabilitation activities will enhance greenery and biodiversity, leading to an increase in carbon sequestration capacity.		
Mitigations:		
Land rehabilitation activities within FIRAT will have a positive impact on reducing greenhouse gas emissions, and the promotion of good agricultural practices will contribute to lower carbon emissions from both the agricultural and livestock sectors. It's crucial to emphasise that FIRAT will not partake in large-scale commercial agriculture and livestock activities.		
Physical and Economic Resettlement	Low	Low
Risk:	Low	Low
FIRAT activities will be limited to government-owned barren and degraded land for land rehabilitation, and to farmers' land for agricultural and livestock support activities. There will be no physical resettlement involved.		
Mitigations:		
No mitigation measure required.		
Community health, safety and security	Moderate	Moderate
Risk:	Moderate	Moderate
The plantation activities supported by FIRAT will not require an influx of labour as it is expected that the vast majority of workers will be sourced from local communities, especially women and youth as was observed in the field during project design. The work is managed by the Village Forest Cooperatives present in the areas.		
It is expected that for the plantation activities that will be carried out in partnership with the Forest Cooperatives, the hiring local unemployed youth will be promoted which in turn will offer them seasonal employment and wage income. These activities are undertaken on a limited scale and therefore would not have adverse impacts on community health and safety. In fact, FIRAT is likely to bring about several positive impacts through the promotion of good agricultural practices and the enhancement of biodiversity.		
Mitigations:		
In the event of external workers being hired, which is unlikely, OGM and Forest Cooperatives will closely monitor plantation workers' behaviour. A code of conduct for workers to respect community culture, tradition, and safety will be developed, adopted and enforced.		
Labour and Working Conditions	Moderate	Moderate
Risk:	Moderate	Moderate
The project activities will comply with national labour laws and international commitments regarding working conditions. During the field visits it was confirmed that there were accommitment or gender inequality observed		
that there were no instances of labour discrimination or gender inequality observed. There is no possibility of child or forced labour. The works considered in the project could potentially pose Occupational Health and Safety (OSH) risks.		

Mitigations:		
Although the risk is low, the procurement plan and policy will explicitly state a zero-tolerance approach toward labour discrimination and inequality. Any activities involving child or forced labour, or exacerbating gender-based violence, will not be supported or promoted.		
The works considered in the project could potentially pose OSH risks. The project as mitigation measure will consider:		
Workers OHS Training Plans Worker contracts inclusive of adequate labour conditions Labour Management Plans		
Indigenous People	Low	Low
Risk:	Low	Low
The project will not include IPs since targeted areas and activities are not related to IPs.		
Mitigations:		
No mitigative action required.		
Cultural Heritage	Moderate	Moderate
Risk:	Moderate	Moderate
FIRAT is not expected to have any significant impact on cultural heritage. Soil erosion control measures and plantation activities will be conducted in barren and degraded lands. Agriculture and livestock support activities will be limited to the lands currently under practice.		
Mitigations:		
Considering the chance finding of cultural heritage during the land rehabilitation activities, the project will follow the national chance finding procedure.		
Resource Efficiency and Pollution Prevention	Moderate	Moderate
Risk:	Moderate	Moderate
The use of chemical fertilisers, pesticides, veterinary medicines, and inadequate waste management in agriculture and livestock pose inherent pollution risks. While the project does not endorse these practices, it acknowledges their ongoing use by farmers and provides support in areas where such practices persist. Livestock management, known to create pollution and resource consumption, will also receive attention. However, transitioning farmers entirely to organic production presents a significant challenge due to their reliance on chemical inputs for commercial farming, driven by the belief that these inputs yield quick results and are readily available in the market.		
Mitigations:		
FIRAT will refrain from supporting or promoting the purchase of chemical inputs, instead focusing on capacitating farmers for bio inputs production and usage. Efforts will be made to reduce agricultural waste through the provision of tools, technologies, and support for aggregation, processing, and marketing facilities. Project activities are designed to prevent pollution of water resources, and regulations will be implemented for livestock medicines. The project will not promote the excessive use of medicines and antibiotics for livestock. Plantation efforts will prioritise multiple-purpose species, with an emphasis on grass and fodder, to alleviate pressure on natural resources.		
Biodiversity Conservation	Moderate	Moderate
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Risk:	Moderate	Moderate
The project will not pose any risks or threats to biodiversity. Drawing lessons from the MURAT project, FIRAT will prioritise biodiversity enhancement in both production and conservation-related activities. The risk is assessed as moderate since FIRAT will be involved in plantation activities, which may involve production and potentially the purchase of seedlings.		
Mitigations:		
Enhancing biodiversity stands as a key priority for the FIRAT project, an aspect that was somewhat lacking in the MURAT initiative. For land rehabilitation, the following strategies will be implemented: • Species selection will carefully consider microclimates and soil types. • Natural succession processes will be followed. • Priority will be given to species serving multiple purposes. • Promotion of mixed plantation methods, alongside grass plantation, will be encouraged. In terms of agricultural support, FIRAT aims to: • Advocate for good agricultural practices such as integrated pest management		
 Advocate for good agricultural practices such as integrated pest management and the use of bio inputs. Encourage mixed and intercropping techniques. Prioritise the selection of multipurpose crops. Promote the cultivation of local and indigenous crop varieties. 		
Regarding the acquisition of seedlings for plantation, OGM possesses extensive experience in nursery management and seedling production. FIRAT intends to support OGM and the private sector, particularly young individuals, in producing high-quality seedlings that meet the project's requirements.		
Stakeholders	Moderate	Moderate
Stakeholder Grievances	Moderate	Moderate
Risk: Although stakeholder's grievances are not common, implementation of the matching grants or infrastructure may lead to complaints by people who feel they have been excluded from the benefits, or negatively affected by project-related activities. Grievances registered by target beneficiaries and stakeholders may not be effectively addressed or corrective measures taken by the project due to lack of information or misinformation about the systems in place.	Moderate	Moderate
Mitigations:		
- Setting up a complaints and grievance mechanism or use the current ones by the implementing agency. Periodic supervision missions will review the grievance log Third-party evaluation to periodically collect feedback from stakeholders and guide adjustments in implementation FIRAT will provide capacity building for project staff and senior government representatives from lead project executing agencies so that they can effectively engage stakeholders and provide feedback on IFAD investments. For the project, a Grievance Redress Mechanism (GRM) will be developed to provide a channel for complaints. A dedicated person (Focal Point for GRM) in the CPMU should be		
appointed and will be responsible to ensure recorded grievances are addressed. Stakeholders will be informed about the GRM during project sensitization sessions.		

Risk:	Moderate	Moderate
Other investments in the Ministry of Agriculture and Forestry may overlap or compete with the activities of the Project as a result of lacking coordination, and with effects on the overall implementation performance.		
Elite capture may limit participation from the most vulnerable households and those groups at risk of exclusion may not be properly informed and consulted about the project and relevant activities (e.g. MCs planning process; training, grant financing).		
Mitigations:		
Setting up a complaints and grievance mechanism or use the current ones by the implementing agency. Periodic supervision missions will review the grievance log. Third-party evaluation to periodically collect feedback from stakeholders and guide adjustments in implementation. Clarity on eligibility criteria will also result in limited elite capture.		
FIRAT will provide capacity building for project staff and senior government representatives from lead project executing agencies so that they can effectively engage stakeholders and provide feedback on IFAD investments. For the project, a Grievance Redress Mechanism (GRM) will be developed to provide a channel for complaints. A dedicated person (Focal Point for GRM) in the CPMU should be appointed and will be responsible to ensure recorded grievances are addressed. Stakeholders will be informed about the GRM during project sensitization sessions.		



Türkiye

Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 10: Exit Strategy

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Near East, North Africa and Europe Division Programme Management Department

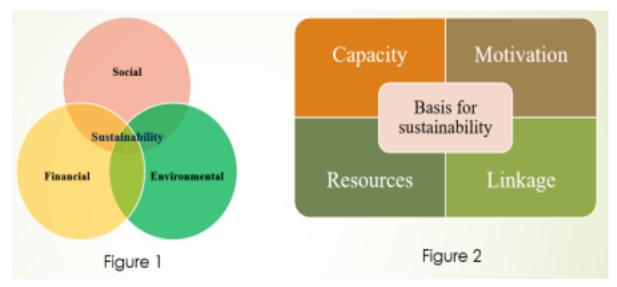
Annex 10: Draft Exit Strategy

1. Introduction

- 1. The Euphrates River Watershed Rehabilitation Project (FIRAT) has been designed as a *project* and therefore it is time bound, will complete its activities by 31 December 2031 and disengage and exit from the project area after that. Considering this, it is critical that the FIRAT management team strategizes and takes action to ensure smooth withdrawal and exit of the project as per the project design and any successive modifications, while ensuring the sustainability of project approaches, interventions and results/impacts even after the completion of the project.
- 2. Against the above backdrop, this draft exit strategy aims at assisting the FIRAT management team to prepare key project stakeholders to: (i) gradually takeover ownership of the project activities; (ii) commit to continue and/or replicate/ scale up/out of good practice and learning; and (iii) undertake regular operation and maintenance of the assets created under the project. To this end FIRAT will ensure that by the end of the project, the following are achieved:
 - a) The smallholder producers have adequate technical skills and the ability to maintain and develop their farm and off-farm income generating activities in a way that these activities remain remunerative and generate income to them on a sustained basis;
 - b) The smallholder producers have access to agricultural advice, quality inputs and support services, and they are linked with the key actors such as agricultural produce collectors and processors operating at the downstream of the value chain;
 - c)Grassroots institutions that have been promoted and strengthened in the microcatchments (MCs) have developed adequate capacity so that the natural resources such as the rangelands remain productive and are managed sustainably in postproject situation;
 - d) The producer organisations and aggregators are strong enough to better capture emerging market opportunities in local, domestic and/or export markets;
 - e) The OGM-operated ORKÖY programme, in collaboration with the Ziraat Bank, have the capacity to pursue and develop the provision of financial services to the beneficiaries in the project target area and bankable clients have the opportunity to graduate from the ORKÖY programme and get access to the Ziraat Bank's financial services;
 - f) The project implementing partners, and the grassroots organisations, have the technical capacities to maintain or scale-up technical support to the project beneficiaries in the project areas a per their mandate; and
 - g) Innovations whether technical, organizational, or functional, are validated and developed within the framework of the Project are well documented and continued to be adopted and disseminated in the Project area and beyond, including the emphasis laid by the project on being gender- and youth-inclusive.
- 3. Above all, at the exit point of 31 December 2031 FIRAT will ensure that the investments made in improved climate resilient infrastructure created under the project continue reducing the risks of landslides and floods, ensure resilient and sustainable livelihoods, and prolong the life of the Atatürk and Karakaya Dams on the Euphrates River.

2. Approaches of Sustainability and Exit Strategy

4. Exit strategy involves driving project interventions to a logical end or level which can be continued even without the project support. Simply put, FIRAT will have to ensure continued benefit flow in its project area even after its closure. In order to reach that level, FIRAT interventions will ensure sustainability from all aspects, particularly, from the social and institutional, environmental/ecological, and financial perspectives.



5. Secondly, project beneficiaries and stakeholders will require *capacity*, *resources* – both local or external, *motivation* and *linkages* so that a level that has been achieved can be maintained even without the project support¹.

3. Principles of the exit strategy

- 6. Obviously, an effective exit strategy requires care and attention throughout the project cycle. Considering this, and to ensure that FIRAT is owned by all key stakeholders, and thereby will have the *motivation* to ensure sustainability in the post-project phase, close alignment has been sought at the design stage, with the following²:
 - a) SDG-1 (no poverty), especially those who have lost productive assets due to earthquake and contributes directly to SDG-2 (zero hunger);
 - b) Türkiye's Vision for 2053 which aims at making Türkiye an eco-friendly, disaster-resilient, technologically forward, and prosperous nation;
 - c) Türkiye's 12th National Development Plan (NDP) which pursues *inter alia* green and digital transformation, disaster-resilient habitats and a sustainable environment;
 - d) important sectoral objectives of the Government of Türkiye (GoT), including the Strategic Plan of Ministry of Agriculture and Forestry (MoAF) pursuing the efficient use and protection of the sector's natural capital (soil, land, and water) and promotion of climate-smart production practices, and the Water Efficiency Strategy and Action Plan; and
 - e) IFAD COSOP's objective of mainstreaming sustainable natural resource management into all aspects of upland agricultural production and increasing upland climate change resilience.
- 7. FIRAT design also harmonises its interventions with on-going and pipeline projects supported by other development partners.
- 8. Importantly, FIRAT design has laid emphasis on the followings:
 - a) Supporting beneficiaries' transition from a semi subsistence agriculture to a more commercialised agriculture which treats farming as a business and thus make these businesses financially sustainable;

² Details have been presented in the Project Design Report, Main text, Para 130-140.

¹ https://www.fantaproject.org/research/exit-strategies-ffp

- b) The financing mechanism as proposed links the beneficiaries with Ziraat Bank and over time offers them opportunities to access commercial loan products of the bank;
- c) Most parts of FIRAT will be implemented using existing organisational structure and management systems of OGM and OBM as well as Ziraat Bank and recruitment of additional staff have been kept to the minimum, thus preventing drastic withdrawal of follow-up support at the exit point; and
- d) The supported irrigation systems will be relatively simple to operate and maintain by the beneficiaries and could be undertaken by informal Water Users Association (WUAs) of groups in coordination with the village *mu khtar*, as is the current practice.
- 9. Other institutional measures that would contribute and enhance sustainability prospect to a satisfactory level incorporated in the FIRAT design include:
 - a) The project design has ensured active participation of project beneficiaries including women and youth which will ensure full alignment between the beneficiary needs on the one hand and development plans and regulations for MC and forest villages on the other;
 - b) Learning from the MURAT, early development of partnerships with other agencies (e.g. DSI, DSA and GAP) and their involvement at the outset has been built-in;
 - c) FIRAT will strengthen the participating producers' access to high quality and continued technical assistance and inputs and step-up support for aggregation and marketing working with private sector partners;
 - d) A community driven process and screening of economic, social and environmental viability of promoted activities that have been proposed is expected to ensure that the main investment activities continue to remain economically viable and environmentally sustainable after project completion; and
 - e) Enhanced participation of the private sector micro- and small and medium enterprises (MSME) under FIRAT implies continuity of their business activities and partnerships with farmer groups beyond programme completion.
- 10. Finally, through monitoring and evaluation, evidence will be documented to ensure that proven good practices and lessons learned from FIRAT investments are institutionalised in technical guidelines, regulations and eventual policy recommendations for sustainability and scaling up. The knowledge management processes incorporated in the design will facilitate continuity and scaling of relevant methodologies and approaches.

4. Finalization and adoption of the exit strategy

- 11. As a preparation for and in exiting, FIRAT will adopt following broad strategies:
 - a) **Phase down,** involving gradual reduction of support hitherto provided to the grassroots institutions and the government departments;
 - b) **Phase over,** by gradually handing over of project's responsibility to the beneficiaries, government and concerned stakeholders, who increase involvement, accept, own and express commitments to continue project's interventions and results; and
 - c) **Phasing out** with project's withdrawal/exit of involvement (support and liability) by closing administrative, financial and programmatic liability to the project such as closure/ expiry of any offices, staffs, contracts or payments.
- 12. The draft strategy presented in this annex will be further developed by the Central Project Management Unit (CPMU) working closely with key implementing agencies and the

project beneficiaries to ensure that it is owned, and following IFAD's no objection, is rigorously implemented. In order to create enabling environment for its effective implementation, the project would prioritize serious engagement of all key stakeholders including beneficiaries, government departments and their key staff, private sector agencies and the producers' groups. Discussions on the exit strategy will begin early phase of the project implementation and **the exit strategy and action plan** will be prepared immediately following the Mid-term review.

- 13. The exit action plan will include a schedule of actions to be carried out to validate the achievements of all entities that have benefited from Project support and identify the consolidation measures necessary to guarantee their empowerment. This action plan, *interalia*, will include for each Project activity:
 - a) A description of the exit strategy as a clear plan with a realistic timeline and key milestones, as well as the related costs and necessary resources and institutional arrangements for effective implementation;
 - b) Expected approach for the exit strategy, e.g. programmatic approach, phasing down/out, scaling up, etc.
 - c) Pre-identification of partners and services to be involved in the post-project phase.
 - d) Identification of the activities for the official handover of the Project's infrastructures and assets, which must recall the commitments of each stakeholder with a view to the
 - e) proper operation and maintenance of the investments.
 - f) Key assumptions vis-à-vis the sustainability of project benefits to the target group;
 - g) Challenges and risks to the implementation of the exit strategy
- 14. An example of the exit action plan format has been presented in Attachment 1.
- 15. Exit workshops could be organized with the project implementing partners by associating the pre-identified partners. The purpose of these workshops would be to:
 - a) actively involve all partners in the final exit measures implemented before the end of the Project;
 - b) verify, analyze and document the level of achievements and the degree of maturity of the entities carrying the achievements;
 - c) analyze and agree on the additional reinforcement measures to be carried out and the collaborations or partnerships to be set up with the support of the Project before its completion.
 - agree on the necessary support measures after the completion of the Project, specifying the partners who will be involved and the necessary means/ budgetary support;
 - e) draw up with the participants in the workshop a "matrix of disengagement" and sustainability actions to be implemented (Para 14 above); and
 - f) consolidate the action plans of the entities in a work program for disengagement and sustainability of the Project at the level of the Province/Region, which will support with all the stakeholders the implementation of the actions at the level of each listed entity.

5. Guide and checklist for organizing disengagement activities

16. The following tables could initially serve as a guide and checklist for the organization of disengagement and sustainability activities, then, once validated with all the stakeholders, as tables for monitoring the implementation of the selected activities. These tables are to be completed and updated as the disengagement process progresses

and will serve as final documentation of the execution of the exit process and the sustainability of the Project benefits in the areas of intervention.

Project achievements to be sustained	Indicative factors of sustainability
Farmers groups, associations, cooperatives, stakeholder platform	 a) Governance b) Management capabilities c) Funding d) Maintenance of project infrastructure and equipment after project completion
Agribusinesses/ rural enterprises	 a) Viable business plan b) Partnerships / contractual agreements formalized and endorsed, protecting all parties c) Reliable and stable market linkages d) Capacity for technical and managerial management of the activity e) Access to finance f) Maintenance of project infrastructure and equipment after project completion
Other implementing partners	a) Technical capacities to maintain or scale-up technical support to the project beneficiariesb) Financing
Innovations	 a) Suitability to local conditions b) Accessible and affordable for users c) Profitability and climate change resilience documented (ease of technical implementation, benefits/costs) d) Wider dissemination, using multiple media and channels

6. Implementation of the Exit Strategy

17. Implementation of the exit strategy will formally be initiated after getting consent of OGM/MOAF and IFAD. Strategies and action plans prepared above will be implemented by orientation and mobilizing project staffs at different level. Discussion will be initiated immediately afterwards on the sustainability and exit strategy in each of the plan/activities/ meeting/ workshops- for setting the stage to understand role of respective stakeholders and community after the phase out of the FIRAT.

7. Monitoring and evaluation of the Exit Strategy

- 18. The implementation status of the Exit Strategy adopted by FIRAT will be closely monitored by the CPMU and the and supervision missions and corrective action, if any will be undertaken promptly. In the final year of implementation, the project M&E team will conduct a mapping of the status of interventions before hand-over.
- 19. The final disengagement will be accompanied by a series of administrative tasks and formalization of the withdrawal from the Project, in alignment with the Financing agreement, MoUs and contracts signed with implementing partners during the project implementation. All documentation (studies, operation manuals, database, capitalization documents, etc.) on the achievements of the Project will be transferred to the OGM and other respective departments.

Attachment Table 1: Details on strategies, operational strategies, responsibility, timeline and budgetary arrangements for their implementation.

SN	Sustainability outcome/indicators	Operational Strategy/Action */		Responsibility	PY 3		PY n		Budget, source and amount
	cum Exit Strategy		Stakeholders		Semester 1	Semester 2	Semester 1	Semester 2	

^{*/} in relation to the capacity, resources, motivation and linkages.



Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 11: Mainstreaming themes – Eligibility criteria checklist

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Mainstream	Mainstreaming themes – Eligibility criteria checklist								
	Be gender transformative	✓ Be youth sensitive	Be nutrition sensitive	Prioritize persons with disabilities	Prioritize indigenous peoples		imate finance ptive capacity		
Situation analysis	☐ National gender policies, strategies and actors ☐ Gender roles and exclusion/discrimination ☐ Key livelihood problems and opportunities, by gender	National youth policies, strategies and actors Main youth groups Challenges and opportunities by youth group	National nutrition policies, strategies and actors Key nutrition problems and underlying causes, by group Nutritionally vulnerable beneficiaries, by group	 National policies, strategies and actors Main groupings among PwDs Context-based barriers and opportunities for PwDs 	☐ International standards, national policies, strategies and key IPs' organizations ☐ Main IPs communities, demographic, social, cultural and political characteristics ☐ Important livelihoods constraints and opportunities for IPs and their cultural heritage				
Theory of change	Gender policy objectives (empowerment, voice, workload) Gender transformative pathways Policy engagement on GEWE	Pathways to youth socioeconomic empowerment Youth employment included in project objectives/activities	Nutrition pathways Causal linkage between problems, outcomes and impacts	Pathways to PwDs' socioeconomic empowerment using a twin-track approach	Pathways to IPs' socioeconomic empowerment				
Logframe indicators	Outreach disaggregated by sex, youth and IPs (if appropriate) Women are > 40% of outreach beneficiaries IFAD empowerment index (IE.2.1)	Outreach disaggregated by sex, youth and IPs (if appropriate) Persons with new jobs/employment opportunities (CI 2.2.1)	Outreach disaggregated by sex, youth and IPs (if appropriate) Targeted support to improve nutrition (CI 1.1.8) Outcome level CIs CI 1.2.8 MDDW CI 1.2.9 KAP	Outreach disaggregated by sex, youth, disability and IPs (if appropriate)	Outreach indicator disaggregated by sex, youth and IPs IPs are > 30% of target beneficiaries				
Human and financial resources	Staff with gender TORs Funds for gender activities Funds for IFAD empowerment index in M&E	Staff with youth TORs Funds for youth activities	Staff or partner with nutrition TORs Funds for nutrition activities	Staff with disability inclusion-specific TORs Funds for disability inclusion-related activities (including accessibility)	Staff with IPs-specific TORs Funds for IPs related activities, including FPIC	IFAD Adaptation Finance	\$54,687,000		
	budget	,		,,,,		IFAD Mitigation Finance	\$8,028,000		
						Total IFAD Climate- focused Finance	\$62,715,000		

ECG Remarks	Gender
	Nutrition
	Youth
	Persons with Disabilities
	Indigenous Peoples
	□ No social inclusion themes



Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex 12: List of eligible activities to be financed by FIPS

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Annex 12: List of eligible activities to be financed by FIPS – not applicable



Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex: Annex Financial Management Assessment

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR



Annex: Detailed FM arrangements in the Project Design Report (PDR)

I. Summary of Financial Management arrangements

The PMU will include two finance positions as a start - Finance Manager and an Accountant. Both positions would be filled with qualified and experienced staff. A training on IFAD FM arrangements and requirements will be delivered to the finance staff at project start-up.

An accounting software that meets the project needs would be fully functional at start-up. This would facilitate the preparation and submission of reliable auto-generated financial reports. The budget would be integrated in the accounting software to allow for timely and proper monitoring. Two designated accounts will be opened at the central bank for IFAD Loan and GEF grant. The project will be withdrawing advances on quarterly basis based on the cash forecasts prepared for six months. In addition, the project will be justifying actual expenditures on quarterly basis.

FIRAT will be included in the Internal Audit Department within OGM audit plan at least every other year which shall allow for proper checks on the project operations and finances. The external audit will be conducted in accordance with the International Standards of Auditing by the Treasury Controllers from the Ministry of Treasury and Finance as per normal practice in the country for international funded projects.

II. Project financial profile

Total project budget is US\$ 98 million, which includes an IFAD loan of US\$ 65 million, a GEF grant of US\$ 1.4 million, beneficiary contributions of US\$ 12.2 million, and government contribution of US\$19.4 million. IFAD loan will be approved using Borrowed Resources Access Mechanism (BRAM) resources. Under the investment cost, main project categories are works, consultancies, equipment & materials, goods & services, training & workshops and grants & subsidies. The investment cost to recurrent cost ratio is 89:11.

Retroactive Financing. In order to ensure timely implementation of the project, the government may opt to benefit from retroactive financing not exceeding US\$ 0.5 million to pre-finance some activities from its own resources such as preliminary studies and the set-up of the project's management unit as shown in the table below. These expenditures will be reimbursed by IFAD as and when the project enters into force and the conditions precedent to withdrawal are fulfilled, as included in the Financing Agreement.

1

Expenditures under "retroactive financing" would be presented in a work plan and budget and in a procurement plan that provide a detailed description of planned activities, related methods of procurement, quantities, estimated costs and the expected dates of finalization of the procurement activities. Both documents shall be submitted to IFAD for prior review and clearance.

Proposed Retroactive Financing Expenditures	Туре
Recruitment of PMU key staff	Recurrent cost
Outreach Officer for definition of initial micro-catchment plans	Investment cost
Study for Youth and Women Socio-Economic (in one or more project provinces)	Investment cost
Baseline study	Investment cost
Purchasing of MIS and an accounting software	Investment cost
IT & office equipment for key staff	Investment cost

Beneficiaries' contributions will be in the form of loan portion repayments within the matching grants scheme, this will fall under the category Grants & Subsidies. In addition to that beneficiaries will be paying the taxes for the purchases under the matching grants scheme. On the other hand, the government contribution will be to cover taxes and to contribute in cash to part of the afforestation, rehabilitation of existing forest, soil erosion control, study tours, PSC meetings and all transaction costs of the revolving fund. There will be in-kind contribution from the government in the form of seconded staff, office space, IT equipment. While not included in the COSTAB GoT will be bearing significant costs associated with the loss in value of the interest-free loans due to high rate of inflation Türkiye is experiencing and likely to experience in foreseeable future.

III. <u>Implementation Arrangements</u>

The General Directorate of Forestry (OGM), which manages the forests, has its own systems for managing finances and also has experience of working on IFAD projects. Nevertheless, a project management units (PMU) that meets projects needs and IFAD requirements will be established before the project start up at the central and regional levels to ensure proper management, implementation and monitoring of project funds and activities.

OGM is a public institution that is affiliated with the Ministry of Agriculture and Forestry. It has 22 departments at the central level and 30 regional directorates. FIRAT will be managed by OGM Ankara and two Regional Project Management Units (RPMUs) within the regional directorates in Şanlıurfa & Elâzığ. Şanlıurfa Regional Project Management Unit will manage the activities in Şanlıurfa, Diyarbakır and Adıyaman, while Elâzığ Regional Project Management Unit will manage activities in Elâzığ, Malatya and Bingöl. There will be four support units in Diyarbakır, Adıyaman, Malatya and Bingöl. Among OGM departments, the Department of Strategy Development and the Internal Audit Department will be part of the financial management arrangements and the PMU set-up. The figure below includes the Project Implementation arrangements. Further description of the roles and functions will be included in the PIM.

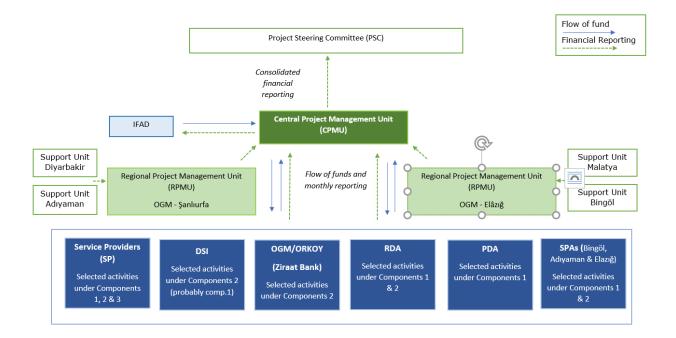


Figure 1. Project Implementation Arrangements

IV. Financial Management Risk Assessment

A. Inherent risks assessment pillars

1) **Country level** Türkiye's risk rating as a country is **"Substantial"** as per the Corruption Perception Index (CPI) for 2023 with a score of 34¹ and a rank of 115 out of 180 countries.

¹ The average score for Eastern Europe & Central Asia is 35.

Its rank has deteriorated 14 points compared to last year reaching the lowest score for Türkiye to date.

The inflation rate in Türkiye has been fluctuating in the last couple of years reaching all-time high rate of 85.5% in October 2022 (highest rate in the last 25 years). In 2023, the rate started decreasing gradually reaching 38.2% in June 2023, then it has started increasing again in the second half of the year until it reached 61.4% in October 2023. The increase in the inflation rates was mainly due to the continuous unusual decrease in the interest rates which resulted in a severe devaluation in Turkish Lira. Local currency devaluation has been substantial resulting in loss of the Lira value by 80% over the last 5 years.

2) Entity level.

The project will be implemented by OGM. Within OGM, there will be a CPMU in Ankara and two RPMUs in Şanlıurfa & Elâzığ and four support units in the remaining provinces. OGM has previous experience working with IFAD through MRWRP (MURAT) project which closed in December 2022. A CPMU should be established for this project before implementation starts.

3) Project level.

The Project financial management risk rating is "Substantial" but could be reduced to "Moderate" by implementing: (i) the conditions precedent to disbursement that will form part of the Financing Agreement; and (ii) the mitigation actions that are included in this PDR. The project will include Matching Grants scheme that will include hybrid financing of loans and grants which could result in higher risks and slower implementation if not managed properly. Residual FM risk will be reduced once and if mitigation actions are implemented.

B. Project Control Risks

Table 1. Summary of FM Risks and mitigating actions:

Sum	nmary	Brief description of issues	Risk at	precedent to disbursement	Risk	Agreed Mitigation Measures
A.	Inherent risk	assessment pillars				
i.	Country level	Türkiye ranked 115/180 with a rating of 34/100 as per 2023 Transparency International Index.	S		N/A	
ii.	Entity level	OGM within MOAF will be managing the project, they	М		N/A	

		have previous experience working with IFAD				
iii.	Project level	Set up of PMU as per design is key for mitigating project risk	S		N/A	
В.	Control risk a	ssessment pillars				
1.	Organization and Staffing	-Risk that PMU is not established before start-up as per project design because of delays in planning and recruiting at institutional level within OGM. -Insufficient finance unit structure that does not meet the project needs. -Seconding or recruiting staff who do not have experience working on international/IFAD funded projects or are unqualified. -Government reforms and changes that might affect the key staff such as the project director.	S	-Recruitment of key staff (including the finance staff)		-OGM to set up the PMU considering the agreed structure at designAssign or recruit qualified & dedicated finance staff to work on the project finances at central levelFinance staff to receive training on IFAD financial management requirements at start-upFinance staff to complete IFAD e-learning FM course.
2.	Budgeting	-Delays in the preparation and submission of the annual work plan and budget (AWPB) until the Strategic budget is issued (normally in the last quarter of the year) -Risk of irregular monitoring of the AWPB and untimely decisions on budget variances due to irregular of preparation and submission of the variances reports to project management. -Risk of overstated budgets that do not include reasonable plan due to over-ambitious planning that does not consider updates and changes at country and project level.		N/A	S	-Ensure more accurate and reasonable budget estimates. -Monitor budget versus actual performance on monthly basis. -Upload the budget in the accounting software for timely and efficient monitoring. -Analyse budget planning on annual basis to avoid committing same shortcomings for next year planning. - Start the planning process in the third quarter of each year drafting an initial budget for the project, then aligning the budget with

						the allocated Strategic Budget.
3.	Funds flow and Disbursement Arrangements	-Delays in opening separate DAs for IFAD loan and GEF grant at the central bank which could affect project liquidity. This could be due to delays in preparedness for project at OGM level. -Risk of Treasury Limited allocation to the project which would restrict balances withdrawn from DA. These allocations are set for all internationally funded projects in Türkiye on annual basis. -Project will be disbursing using the report based disbursement mechanism, hence there is a risk of inadequate cash forecast due to lack of cash forecast skills.	S	Opening of separate DAs for IFAD loan and GEF grant at the central bank	S	-Provide training to finance staff on the report based disbursement mechanism at project start-up -Analyse cash forecasts versus actual cash outflow for each quarter to enhance cash management skills. -PMU to work as a team to prepare the cash forecasts each quarter (procurement, project coordinator and finance)
4.	Internal Controls	-Risks of weak internal control measures identified for matching grants scheme; noting that project will be implemented in 6 provinces. This risk could result from untimely or incomplete reporting from ORKOY to CPMU or from not following the criteria and arrangements identified in the matching grants manual. -Risk of incomplete supporting documents for project expenditures due to lack of knowledge of required supporting		Finalization of the PIM	S	-Draft finalize the finance manual section of the PIM at design. -PMU to draft and add to the internal control section so it is tailored to provide more details on the PMU internal control measures to control payments including the matching grants. -Ensure proper Segregation of duties and authorization processes in place especially. -Supporting documents for project expenditures to be as per IFAD

	-Risk of inappropriate filing system if not identified at early stages of the project -Risk of lack of contribution and update of the PIM by PMU.	1			requirements. Field visits to be planned to ensure that funds are used for the intended purposesEstablish a filing system that allow for easiness and availably of all project document at project start-upMatching grant manual to be finalized before project start-up.
5. Accounti and Fina Reportin	ncial procurement of an		installation of an accounting software	S	-Training to the finance staff on the IFRs preparation at project start-up -Automation of the IFRs templates in the accounting software at the time of purchaseProject to follow accounting standards acceptable to IFADAgree on the accounting software specifications with IFADFinalize accounting software set-up at project start-upInclude in the agreement with the bank (Protocol) IFAD reporting requirements
6. External	Audit IFAD funded projects are audited by the Board of Treasury Controllers within the Ministry of Treasury and Finance. Normally, the audit reports are submitted on time (within 6 months of the year-end). However there is always a risk of a delayed submission due to procedural delays at the Ministry of Treasury and Finance.	1		M	Clear the audit TOR at project start-up to ensure understating of audit scope and requirements.

Overall FM Risk	Overall, main risks would	S	S
@ design ²	result from delayed set up		J
w design	of the PMU or an		
	incomplete set-up of PMU		
	by design; delays in		
	recruiting finance staff;		
	delays in setting up the		
	accounting software; late		
	issuance of Strategic		

recruiting finance staff; delays in setting up the accounting software; late issuance of Strategic Budget by the Ministry of Finance which would lead to delays in preparation and submission of the (AWPB); risk that FIRAT is not included in OGM internal audit plan and risk of budget limits enforced by the Ministry of Treasury

& Finance that could affect

disbursement pace.

In order to mitigate the risk, government may opt to benefit from the retroactive financing to ensure that arrangements start earlier for the project (recruiting staff, set up of the accounting software, etc.). This would allow for early submission of the AWPB once the Financing Agreement is signed. The internal audit department at OGM should coordinate with the Strategy development department to include FIRAT in the audit plan. In addition to that it is important to maintain the dialogue with the Ministry of Treasury & Finance to ensure that there are no budget allocation limit on the project.

V. Financial Management and Disbursement Arrangements

1) Financial management organization and staffing

In order to ensure proper management of the project funds, the PMU will include at least one Financial Manager and an Accountant who shall be dedicated to work on the project finances. These positions would be seconded or recruited and shall be subject to the No Objection from IFAD. All new staff shall be recruited through a competitive process on terms and conditions acceptable to IFAD. The TORs for the finance staff positions are included in the PIM. Given that all financial aspects will be managed at the CPMU, it is advised to review and reassess adequacy of the project finance staffing during implementation and to coordinate with IFAD in case an additional staff is deemed necessary such as a Disbursement Specialist or a Finance Assistant.

2) Budgeting

² The Final Risk at design should reflect a combined consideration of inherent and control risks for the project.

The project budget will be included in the government budget as it will be part of the Ministry of Agriculture and Forestry budget. The PMU shall prepare Annual Work Plan & Budgets (AWPBs) following a bottom up approach by engaging line departments, regional offices, implementing agencies and target beneficiaries as applicable. AWPBs should be generally in line with the PDR and would be in accordance with the Financing Agreement. The AWPB format and guidelines shall be defined and included in the finance manual within the PIM. The CPMU at OGM would have the responsibility to prepare the final version of the AWPB which will incorporate the individual budgets prepared for each province. The CPMU shall obtain IFAD's No Objection to the AWPBs 60 days before the beginning of each financial year. The AWPB shall reflect separate allocations for each financier; IFAD loan, GEF grant, government and beneficiaries' contributions. The Finance Manager shall upload the budget in the accounting software to allow for automatic budget vs actual expenditure reports that will be used in monthly meetings with the senior management to discuss the financial performance and the variances.

3) Disbursement Arrangements and Flow of Funds

The funds will flow from IFAD to OGM project designated accounts (DA) that will be opened at the Central Bank; one DA for IFAD Loan in the loan borrowing currency and one DA for GEF Grant in the grant currency. In addition to that, the project will open a bank account in local currency to receive government contribution. The project includes an IFAD loan for an amount of US\$ 65 million and a GEF grant for an amount of US\$ 1.41 million. Beneficiary contributions are estimated at US\$ 12.2 million which will be in the form of the repayment of loans they have taken from ORKOY to meet their part of the investments. In addition, beneficiaries will be paying taxes within the Matching Grants scheme which is estimated at around an amount of US\$9.6 million. On the other hand, government contribution is estimated at US\$19.4 million (41% in form of taxes and 59% cash and in-kind contributions).

A separate operating bank in local currency account will be opened at Ziraat Bank to channel the matching grants funds to ORKÖY (Department of Forestry and Village Relations) and to receive beneficiaries' loan repayments. Project payments will processed from the designated account directly using the prevailing exchange rate at the payment date. The PMU within OGM will be responsible for verifying, approving and releasing projects payments at central level.

Previous projects within the Türkiye portfolio have experienced some instances of insufficient liquidity due to limitations in the annual Treasury budget allocation per project. These annual allocations are determined by the Ministry of Treasury and Finance and as such can restrict the amount the PMU can withdraw from the project's Designated Accounts which have a risk on the project implementation pace and fulfilment of its objectives. It is essential therefore to maintain the dialogue with the Ministry of Treasury & Finance in relation to projects liquidity needs to avoid strict budget limits on FIRAT which could affect its implementation progress.

The Project will be withdrawing funds from IFAD using the Report based Disbursement mechanism. Advances will be withdrawn based on cash forecasts that will be submitted for 6-month period. Withdrawal applications will include the Quarterly Interim Financial Reports (IFRs) and other reports as will be included in the Financial Management and Financial Control Arrangements Letter (FMFCL). The Report based Disbursement mechanism will serve as an analytical tool for project periodic and overall performance. Furthermore, it would require adequate cash forecasts on quarterly basis that reflects the cash needed for the next reporting periods which should be in harmonization with the AWPB.

4) Internal Controls and Internal audit arrangements

In order to ensure proper internal control measures in place, the PMU shall implement following actions during project implementation:

- Segregation of duties over payment and payment authorization process and access to the accounting system.
- Monthly bank reconciliation must be performed and record thereof maintained;
- Budgetary controls must be ensured for each transaction at the PMUs. Further on monthly basis, budget v/s actual report must be prepared by the FMs and shared with the PD and Project Steering Committee for continuous project oversight;
- Fixed Asset Register shall be maintained. These assets shall be tagged and physically verified periodically by the admin section of the PMUs. Accuracy and completeness of the fixed assets register shall be verified independently periodically;
- FM team shall maintain complete documentation for each category of expenditure and it shall also conduct periodic/random inspection of partner organizations' project record to ensure that project activities/expenditure are properly documented and factually reported. Specific documentation requirements/guidance for different partner organizations are provided in the PIM.
- Internal Audit department within OGM shall review project transactions, processes, procedures, and performance at least every other year to provide assurance regarding the fiduciary controls, risk management and monitoring mechanisms in place.

The project will include several implementing partners, hence implementation arrangements and flow of funds should be carefully studied and followed as included in the project design document and the project implementation manual.

Internal Audit. Using a risk based approach, the Internal Audit Department within OGM normally evaluates the management and the control structures of public administrations, conducts investigations, checks the effectiveness and efficiency of the used resources, conducts legal compliance checks, audits and evaluates the compliance of the administration's expenditures. Internal audit reports are usually submitted to the Director General and the relevant department in the Ministry of Treasury and Finance.

Upon start-up of FIRAT, the Internal Audit Department and the Department of Strategy Development within OGM shall work together to include the project in the internal audit plan at least every other year and shall arrange to share the final reports with IFAD upon

completion of the audit. Inclusion of FIRAT in the internal audit plan will add value and improve FIRAT operations and will assist the Project's Steering Committee and management by independently reviewing all activities, processes and systems.

5) Accounting Systems and Financial Reporting mechanisms

The Project transactions shall be recorded based on acceptable accounting standards such as IPSAS Cash Basis. The accounting system shall permit allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds. The PMU shall: (a) maintain full set of accounts in accordance with the IFAD's requirements; (b) conduct monthly reconciliation of accounts so project accounts are reliable; (c) maintain updated Fixed Asset Register on prescribed format and conduct periodic physical inspection of assets; and (d) take appropriate mitigation actions against fraud risk in its work subject to IFAD's Anti-corruption policy. Contractual agreements with implementing partners shall establish responsibility for proper accounting, documentation, financial reporting, and anti-corruption actions in line with IFAD policies, as if applicable.

The CPMU shall ensure that they are using a reliable accounting software that meets the project needs. The accounting system should reflect all sources and uses of funds separately, project categories expenditures, components and sub-components.

As for the financial reports, the project shall submit (1) Interim Financial Reports (IFRs) on quarterly basis within 45 days of the period end; (2) unaudited financial statements within 4 months of the financial year-end; and (3) audited financial statements within 6 months of the financial year-end. The financial statements shall be prepared in full alignment with the accounting standards and as per the prevalent accounting system and would fulfill IFAD's financial reporting and auditing requirements. The finance unit at the CPMU would prepare monthly management reports in order to monitor the physical and the financial performance of the project. The CPMU will be responsible for the preparation and finalization of the financial reports and for the submission of the reports on quarterly and annual basis to IFAD. The format and content of the reports will be outlined in the FMFCL and the Financial Manual.

All financial reports shall be automatically generated from the accounting software. To this end, the CPMU would work with the accounting software service provider on customizing the reports at start up. Customization of financial reports should be included in the list of the accounting software specifications at procurement stage. It is important to have flexibility in adding and modifying reports templates in order to ensure that reliable and useful reports are being produced automatically during the project implementation period considering any changes or needs of reporting requirements.

The project cost tables and the Financial Manual shall reflect breakdown of the government and beneficiaries' cash and in kind contribution, which will be the base for monitoring actual contribution in the financial reporting during implementation.

6) External Audit

In Türkiye, international funded projects are subject to external audit on an annual basis by the Board of Treasury Controllers under the Ministry of Treasury and Finance. Audit should be conducted in line with International Auditing Standards and IFAD financial reporting and auditing requirements as outlined in IFAD Handbook for financial reporting and Auditing and the Audit term of reference that will be cleared by IFAD.

PMU shall prepare and submit to the auditors the draft Annual Financial Statements (AFS) within two (2) months after the end of the financial year. An audit report along with a Management Letter shall be submitted to IFAD within six months of the close of financial year (by 30th of June).

Management of Matching Grants scheme:

The beneficiaries will be receiving funds within the matching grants scheme as 50% grant and 50% interest free loan. The associated interest cost will be subsidized by the government as is the current practice for ORKOY funds. The subsidized interest will be calculated and included as in-kind contribution from the government to the project.

The grant portion will be financed 100% from IFAD funds while the loan portion will be financed from both IFAD and the government funds. Total amount available for on-farm investment and for livelihood support to the beneficiary households and MSMEs is estimated at about US\$ 42 million; US\$ 39 million will be disbursed within Component 2 while US\$ 3 million will be disbursed within Component 1. Of this, US\$ 39 million which will be invested for livelihood support under Window 1, the associated cost of which will be met by IFAD financing for: (i) matching grant (US\$ 22.494 million), and (ii) interest free loans (US\$ 7.239 million) and rest or US\$ 9.267 will be met using ORKOY loan funds.

Of the loans, 37% or US\$ 7.2 million would be from IFAD and 63%, or US\$ 12.2 million from the government budget to ORKOY (beneficiaries' loan repayments).

Financing of the loan portion within the matching grants scheme shall be in parallel from both the government & IFAD. While the ratio of such financing would be about 50:50 over the life of the project, such ratio to be shared by the government may be lower in the initial years considering the loan grace period and low amount of loan used in the first years of the project. Consequently, IFAD will reimburse its share of the gross disbursement of the eligible loan, GoT will finance the remaining amount, net of repayments until IFAD disburses its limit of US\$ 7.24 million. Thereafter the entire loan requirement of FIRAT will be met by the GoT.

In order to ensure proper use of funds, both the beneficiaries' selection criteria and the intended purpose of the investment shall be followed as included in the Matching Grants Operational Manual and the matching grants plans.

ORKÖY department (Department of Forestry and Village Relations) within OGM will be managing the matching grants scheme under FIRAT as well, which would include planning, budgeting, approval; and payment of transactions of the matching grants as agreed for FIRAT. Normally ORKÖY approves the work programs, beneficiary determination records & documents and completion & acceptance related documents. These checks and approvals are carried out by ORKÖY field organizations and ORKÖY officials.

A bank account in local currency will be open at Ziraat bank for grants and loan financed within FIRAT. ORKÖY will be managing & monitoring matching grants payments through MOTF Integrated Finance Information System (MBYS); the matching grants payments are processed in Forest Information System (ORBİS). Payments and collections can be monitored daily through the Forest Information System (ORBİS) as the system retrieves collection information from Ziraat Bank's banking applications and transmits daily debt information. Based on this, there are no reports submitted by the Bank to ORKÖY as an automatic debt file is created overnight by ORBİS for the beneficiaries. ORKÖY can take the reports directly from this system.

ORKÖY Branch Directorate and Forest Enterprise Directorate at the Regional Directorates follows up on beneficiaries' loans repayments through the ORBİS system. It is followed up by the Monitoring and Evaluation Branch Directorate at the ORKÖY Department. ORKÖY uses two modules for payment transactions and reporting; (1) the Expenditure Management System for creation of expenditure instruction, approval of documents and payment order; and (2) the Integrated Public Financial Management Information System for accounting recording and reporting transactions.

The Matching grants transactions should be properly recorded in FIRAT accounting software based on the financial reports that will be submitted by ORKÖY to CPMU on monthly basis. The CPMU will be transferring funds from the DA directly to the opened bank account at Ziraat bank based on the ORKÖY-submitted requests.

The beneficiaries will be procuring & paying for the equipment (product/service) by themselves within the framework of the technical specification included in the type of the investment project prepared by ORKÖY. Once goods/service is completed/received, controls and acceptances are made by ORKÖY officials at the Enterprise Directorates. Reports/letters of completion of service/proof of recipients "realization reports" are approved by the Enterprise Directors at ORKÖY.

If the beneficiary does not make the payment as per the repayment schedule fixed, it is collected from the Guarantors. If it cannot be collected from the Guarantors, the state bears the loss. It is important to note that according to ORKÖY such a situation has not been encountered by them - debt repayment is followed until it is collected and in the case of death, the heirs are required to repay the loan.

Matching grants implemented by ORKÖY are audited by: (i) the General Directorate of EU and External Relations; (ii) the internal audit department of OGM; and (iii) the Treasury auditors (external). All requested documents are provided by ORKÖY.

VI. Implementation Readiness

Table 3: FM Actions Summary: The actions needed to mitigate FM risks are summarised below:

Action	Responsible	Target Date /
	Party /	Covenants
	Person	

1	Recruit key project staff after getting clearances from IFAD where needed	OGM	Before project start-up
2	Purchase an accounting software that meets the project needs and that is acceptable to IFAD	OGM	Before project start-up
3	Coordinate with IFAD for on-boarding (training) plan for new staff	OGM	At project start-up
4	Finalize and submit to IFAD the first AWPB for clearance	OGM	Once FA is signed
5	Open the Designated Accounts for the each finance source	OGM	Once FA is signed

FM Supervision plan

The IFAD's FMD will be following up and monitoring the financial progress of the project on quarterly basis. In addition to this, FMD will be conducting an assessment on the financial management arrangements during the project implementation. A follow up on the mitigation actions identified at design and on the mitigation actions that will be identified during implementation will be done on quarterly basis.

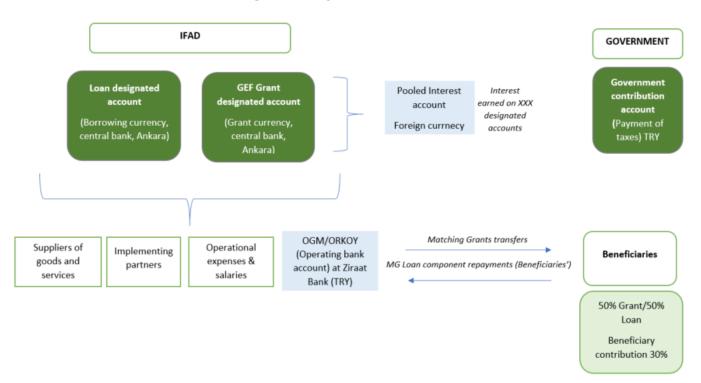


Figure 1. Project Flow of Funds



Euphrates River Watershed Rehabilitation Project

Project Design Report

Annex: Annex 7 Procurement Plan 18 Months Firat Turkey

Mission Dates: 11/02/2024 - 20/03/2024

 Document Date:
 24/07/2024

 Project No.
 2000004004

 Report No.
 6819-TR

Procurem	nent Plan S	UMMARY						
Country:	Turkey							
Project Name:	Euphrates River V	Vatershed Rehabi	litation Project (FI	RAT)				
Project ID:								
Version	1.0							
Version Date	01-Apr-24							
Prepared by:	Nazih Azaiez							
Approved by:								
Procurement Category	PI	an	Act	tual				
Currency	USD	LCU	USD	LCU				
Goods	99 170.00	-	-	-				
Works	1 955 000.00	-	-	-				
Consulting Services	3 741 609.00	-	-	-				
Non-Consulting Services	152 000.00	-	-	-				
Grants	-	-	-	-				
TOTAL	5 947 779.00	-	-	-				

The threshold tables below are based on the new LTB Template 2020.

Please fill in the fields that are applicable based on the provisions in the LTB for the project.

		Prior Revie	ew Threshold	S	
Category	Goods and goods- related Non- Consulting Services	Works and works- related Non- Consulting Services	Consulting Services and related Non- Consulting Services and/or MoU/Agreements	Individual Consultants	Decisions concerning Abnormally Low Bids shall be subject to the No Objection of IFAD:
Threshold	>= US\$ 70.000	>= US\$ 150.000	>= US\$ 60.000	>= US\$ 30.000	Only for procurement activities subject to prior review OR For all procurement activities

All Direct Contracting and Single-Source Procurements are **Prior Review** (in alignment with IFAD Procurement Handbook), or based on the thresholds stipulated in the LTB

The exchange rate at time of submission will be used for reviews.

		Procuren	nent Method	Thresholds		
	CQS	QBS/LCS/FBS	QCBS	Shortlisting	SSS - Firms	SSS - Individuals
Consulting Services and related Non- Consulting Services	<= US\$ 70.000	< US\$ 150.000	>= US\$ 150.000	>= US\$ 120.000	<= US\$ 0.00 (subject to prior review. Justification required if above threshold)	<= US\$ 0.00 (or with a contract duration of 3 months or less; subject to prior review)
	Direct Contracting	Shopping	NCB	ICB	Other Procuremen Arrangen	
Goods and goods- related Non- Consulting Services	>= US\$ 1.000 (subject to prior review. Justification required if above threshold)	<= US\$ 100.000	< US\$ 200.000	>= US\$ 200.000	Force Account	Up to a maximum aggregate amount of: US\$ 0.00 (subject to prior review)

>= US\$ 2.000 Works and works-(subject to prior Allowed related Non-Community review. Justification < US\$ 1.000.000 >= US\$ 1.000.000 OR <= US\$ 250.000 Participation Consulting required if above Not Allowed Services threshold)

Procurement Plan - Goods

Turkey

Approved by:

Euphrates River Watershed Rehabilitation Project (FIRAT)

Project ID:Prepared by: Nazih Azaiez

Procurement
Methods
NS: National
Shopping
IS: International
Shopping
NCB: National
Competitive
Bidding
ICB: International
Competitive
Bidding
LIB: Limited

										0.	0.0	0 Actual	_																							
Version	1.0	1-Apr-24					Basic Data								Pre-Qual	ification				Biddir	g Process			Bid E	Evaluation						Со	ntract Award & Signa	ure			
AWPB/Cont F	pone Nº	Description	Non Consulting Funding	Lot №/Description	Project Area or Procuring Entity	Plan vs. Actual	Pre-or Post Qualification	Prior or Post Review	Procurement Method	Envelopes Amount (USD)	Amount (LCU)	Plan vs. Actual	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Date Contract Award	Submission of Draft Contract	No-Objection Date	Date Contract Signature	Contract No. Vendor	Name/ID Amount (USD)	Amount (LCU)	Date Contract Completion
2.1.2	1	Tableta for MO C	IFAD		OGM	Plan	Post-Qual	Post Review	NS	1 4 100.	00	Plan	15-Jan-25	N/A	N/A	N/A	N/A	N/A	15-Jan-25	N/A	16-Jan-25	30-Jan-25	N/A	N/A	6-Feb-25	N/A	Plan	N/A	12-Feb-25	17-Feb-25	N/A	21-Feb-25		4 100.0	00	-
3.1.2		Tablets for M&E	IFAD			Actual				-	-	Actual															Actual									
2.4.2		A constitution of the cons	IFAD		OGM	Plan	Post-Qual	Post Review	NS	1 44 000.	00	Plan	1-Feb-25	N/A	N/A	N/A	N/A	N/A	1-Feb-25	N/A	2-Feb-25	16-Feb-25	N/A	N/A	23-Feb-25	N/A	Plan	N/A	1-Mar-25	6-Mar-25	N/A	10-Mar-25		44 000.0	00	-
3.1.2	2	Accounting software	IFAD			Actual				-	-	Actual															Actual									
2.4.2		NAIC a of two are	IFAD		OGM	Plan	Post-Qual	Post Review	NS	1 44 000.	00	Plan	1-Feb-24	N/A	N/A	N/A	N/A	N/A	1-Feb-25	N/A	2-Feb-25	16-Feb-25	N/A	N/A	23-Feb-25	N/A	Plan	N/A	1-Mar-25	6-Mar-25	N/A	10-Mar-25		44 000.0	00	-
3.1.2	3	MIS software	IFAD			Actual				-	-	Actual															Actual									
					OGM	Plan	Post-Qual	Post Review	NS	1 7 070.	00	Plan	1-Jan-26	N/A	N/A	N/A	N/A	N/A	Enter Date	N/A			N/A	N/A		N/A	Plan	N/A			N/A			7 070.0	00	-
1.1.2		Animal drinking troughs	IFAD			Actual				-	-	Actual															Actual									

Procurement Plan - WORKS

Turkey

Euphrates River Watershed Rehabilitation Project (FIRAT)

Project ID:Prepared by: Nazih Azaiez

Prepared by: Nazih Azaiez

Approved by:

Procurement
Methods
NS: National
Shopping
IS: International
Shopping
NCB: National
Competitive Bidding
ICB: International
Competitive Bidding
LIB: Limited
(International)

Version	1.0	1-Apr-24					Basic Da	ta							Pre-Qı	ıalification				Bidding	Process			Bid Eva	luation							Contract Award	& Signature			
AWPB/Compo	ne Nº	Description	Non Consulting Funding	Lot №/Description	Project Area or Procuring Entity	Plan vs. Actual	Pre-or Post Qualification	Prior or Post Revi	Procurement W Method	t Envelopes	Amount (USD) Amount (LCU)	Plan vs. Actual	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Date Contract Award	Submission of Draft Contract	No-objection Date	Date Contract Signature	Contract No. Vendor Name/	D Amount (USD)		Date ontract mpletion
4.4.2.2.1		Daniel adiation to the first	JEAD.	6	OGM/6 provinces	Plan	Pre-Qual	Prior Review	NCB	2	278 000.00	Plan	1-Feb-26	8-Feb-26	10-Feb-26	12-Mar-26	26-Mar-26	2-Apr-26	12-Apr-26	19-Apr-26	21-Apr-26	21-May-26	4-Jun-26	11-Jun-26	25-Jun-26	2-Jul-26	Plan	5-Jul-26	20-Jul-26	25-Jul-26	1-Aug-26	5-Aug-26		278 000.00	-	
1.1.2.2.b	1	Rangeland infrastructure /g	IFAD			Actual						Actual															Actual									
1122h	2	Livestock handling facilities /h	IFAD	1	OGM/Bingol	Plan	Pre-Qual	Post Review	NS	2	30 000.00	Plan	20-Jan-26	N/A	N/A	N/A	N/A	N/A	Enter Date	N/A			N/A	N/A		N/A	Plan	N/A			N/A			30 000.00	-	
1.1.2.2.b	2	Livestock Handling Facilities / II	IPAD			Actual						Actual															Actual									
1.1.2.2.d	2	Pastura assess reads	IFAD	1		Plan	Pre-Qual	Prior Review	NS	2	175 000.00	Plan	10-Jan-26	N/A	N/A	N/A	N/A	N/A	Enter Date				N/A	N/A			Plan	N/A						175 000.00	-	
1.1.2.2.u	3	Pasture access roads	IPAD			Actual					-	Actual															Actual									
2.1.3.1.c	4	Upgrade of small-scale irrigation	IFAD	4	4 by SPA Bingol 4 by SPA Adyaman	Plan	Pre-Qual	Prior Review	NCB	2	1 472 000.00	Plan	1-Jan-26	8-Jan-26	10-Jan-26	9-Feb-26	23-Feb-26	2-Mar-26	12-Mar-26	19-Mar-26	21-Mar-26	20-Apr-26	4-May-26	11-May-26	25-May-26	1-Jun-26	Plan	4-Jun-26	19-Jun-26	24-Jun-26	1-Jul-26	5-Jul-26		1 472 000.00	-	
2.1.3.1.0	4	schemes /f	IPAD			Actual						Actual															Actual									

Procurement Plan - Consulting Turkey

Euphrates River Watershed Rehabilitation Project (FIRAT)

Project ID:

Prepared by: Nazih Azaiez
Approved by:

Selection Methods

QCBS: Quality and Cost-Based Selection

QBS: Quality-Based Selection

CQS: Selection by Consultants' Qualifications (shortlist is required for this method)

LCS: Least-Cost Selection

FBS Fixed Budget Selection

ICS: Individual Consultants Selection (shortlist is required for this method)

SSS: Sole Source Selection

Selection (Design/PIM): Single Sourcing established in the project design or implementation

manual

							Grants:	0.00	0.00 Plan 0.00 Actual																		
Version 1.0 1-Apr-24					Basic Data							EOI Shortlist Procedure				oposal Process	Proposal	Evaluat						Contract Award &			Date
Component Nº Descript Ref		ant Non Fun Consulting	Project Area or Procuring Entity OGM	Plan vs. Actual	Shortlist (Yes No) Yes	Prior or Post Review Prior Review	Procurement Method QCBS	Amount (USD) Am 1 819 000.00	Plan vs. Actual	Submission of REOI 1-Feb-25		Ol Launch Date	line Shortlist Repor	No Objection Date 17-Mar-25	Submission of RFP/RCQ No-objection Date 21-Mar-25 28-Mar-2	Date	submission deadline Submission of TI 14-May-25 28-May-25	No-objection Date 4-Jun-25	No-objection Date 18-Jun-25 25-Jun-25	Plan vs. Issue of NOITA&Standstill	Date Contract Award 13-Jul-25		No-objection of No-objection No-objection of No-objection of No-objection No-object	on Date Contract Signature	Contract No. Vendor Name/ID Amount (USD) 1 819 000	Amount (LCU)	Contract Completion
1.1.1 1 Participatory develop catchment plans (MCF	opment of micro- ACP)	IF	FAD Som	Actual	, , , ,			-	- Actual	2 1 3 3 2 2	3.00 20						2, 20			Plan 28-Jun-25 Actual	20 00 20		3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	20 7.00 20			
1.1.2 2 Hydrological studies a studies identified du	es and ad hoc	IF	OGM	Plan	Yes	Prior Review	QCBS	101 000.00	Plan	10-Feb-25	17-Feb-25	19-Feb-25 5-Mar	r-25 19-Mar-25	26-Mar-25	30-Mar-25 6-Apr-25	8-Apr-25	23-Ma y-25 6-Jun-25	13-Jun-25	27-Jun-25 4-Jul-25	Plan 7-Jul-25	22-Jul-25	6-Aug-25 11-	Aug-25 18-Aug	g-25 22-Aug-25	101 000	00 -	
staares raentinea aa				Actual				-	- Actual											Actual							
1.1.3 Youth and women soostudies	socio-economic	IF	-AD OGM	Plan Actual	Yes	Post Review	CQS	40 400.00	Plan - Actual	20-Feb-25	N/A	22-Feb-25 15-Ma	r-25 29-Mar-25	N/A	2-Apr-25 N/A	4-Apr-25	25-Apr-25 N/A	N/A	9-Ma y-25 N/A	Plan N/A Actual	15-May-25	29-May-25 3	Jun-25 N/A	A 7-Jun-25	40 400	-	
			OGM	Plan	Yes	Post Review	CQS	23 300.00	Plan	20-Jan-25	N/A	22-Jan-25 12-Feb	b-25 26-Feb-25	N/A	2-Mar-25 N/A	4-Mar-25	25-Mar-25 N/A	N/A	8-Apr-25 N/A	Plan N/A	14-Apr-25	28-Apr-25 3-1	Ma y-25 N/ <i>A</i>	7-May-25	23 300	00 -	-
1.1.4 4 Climate risk analysis assessments	is and vulnerability	G	GEF	Actual				-	- Actual											Actual							
1.1.5 5 Capacity building in S	n SLM and NbS	G	OGM	Plan	Yes	Post Review	CQS	11 200.00	Plan	25-Jan-25	N/A	27-Jan-25 17-Feb	b-25 3-Mar-25	N/A	7-Mar-25 N/A	9-Mar-25	30-Mar-25 N/A	N/A	13-Apr-25 N/A	Plan N/A	19-Apr-25	3-May-25 8-N	Ma y-25 N/ <i>A</i>	A 12-Ma y-25	11 200	00 -	
				Actual				-	- Actual											Actual							
1.2.1.g 6 Design of 1 pilot for reecosystem services		G	GEF	Plan Actual	Yes	Post Review	QCBS	25 300.00	Plan - Actual	1-Mar-25	N/A	3-Mar-25 17-Ma	r-25 31-Mar-25	N/A	4-Apr-25 N/A	6-Apr-25	21-Ma y-25 4-Jun-25	N/A	18-Jun-25 N/A	Plan 21-Jun-25 Actual	6-Jul-25	21-Jul-25 26	-Jul-25 N/ <i>F</i>	A 30-Jul-25	25 300	-	
Community mobilisat	ration and		OGM	Plan	Yes	Prior Review	QCBS	61 000.00	Plan	10-Mar-25	17-Mar-25	19-Mar-25 2-Apr	r-25 16-Apr-25	23-Apr-25	27-Apr-25 4-May-25	6-May-25	20-Jun-25 4-Jul-25	11-Jul-25	25-Jul-25 1-Aug-25	4.4	19-Aug-25	3-Sep-25 8-9	Sep-25 15-Sep	p-25 19-Sep-25	61 000	00 -	
1.2.2.a 7 development of 9 sus rangeland management	ustainable	GEF 6	31.25% 68.75%	Actual	, , , ,			-	- Actual	20	27 77 20		20 20 10 10 10 10 10 10 10 10 10 10 10 10 10	25 1 46 1 25				22.00. 20	27.00	Plan 4-Aug-25 Actual	25 7 10 2 2			20 33 P 20			
1.2.4 8 Biophysical monitoring	oring	IFAD	OGM - 5.6%	Plan	Yes	Post Review	cqs	31 000.00	Plan	1-Apr-25	N/A	3-Apr-25 24-Ap	r-25 8-May-25	N/A	12-Ma y-25 N/A	14-May-25	4-Jun-25 N/A	N/A	18-Jun-25 N/A	Plan N/A	24-Jun-25	8-Jul-25 13-	-Jul-25 N/ <i>A</i>	A 17-Jul-25	31 000	00 -	
		GEF	- 3.0%	Actual				-	- Actual											Actual							
1.2.A 9 Contracting of expert sending agricultural assistant	ck expert, 1	IF	-AD OGM	Plan Actual	Yes	Prior Review	ICS	39 000.00	Plan - Actual	1-Apr-25	8-Apr-25	10-Apr-25 1-May	y-25 15-Ma y-25	22-Ma y-25	26-Ma y-25 2-Jun-25	4-Jun-25	25-Jun-25 N/A	N/A	9-Jul-25 16-Jul-25	Plan N/A Actual	22-Jul-25	5-Aug-25 10-	Aug-25 17-Aug	g-25 21-Aug-25	39 000	-	
			OGM	Plan	No	Prior Review	SSS	251 000.00	Plan	10-Jan-25	N/A	N/A N/A	A N/A	N/A	Enter Date		N/A	N/A		N/A					251 000	00 -	
1.2.B 10 Field technical suppose seconded by the Gove	port staff (Staff overnment)	G	GOV OGW	Actual		. J. NOVIEW			- Actual	Juii 2J	,	. 11//	IV/ A	14/7			IN/ A	,//		Plan IN/A Actual					251 000		
1.2.C 11 Operating costs		Yes	OGM FAD	Plan	Yes	Post Review	CQS	37 000.00	Plan	1-Feb-25	N/A	3-Feb-25 24-Feb	b-25 10-Mar-25	N/A	14-Mar-25 N/A	16-Mar-25	6-Apr-25 N/A	N/A	20-Apr-25 N/A	Plan N/A	26-Apr-25	10-May-25 15-	Ma y-25 N/ <i>A</i>	19-May-25	37 000	00 -	
		Yes		Actual				-	- Actual											Actual							
2.1.2 Business developmen	nent services for	IF	OGM OGM	Plan Actual	Yes	Prior Review	cqs	116 000.00	Plan - Actual	1-Jun-25	8-Jun-25	10-Jun-25 1-Jul-	-25 15-Jul-25	22-Jul-25	26-Jul-25 2-Aug-25	4-Aug-25	25-Aug-25 N/A	N/A	8-Sep-25 15-Sep-25	Plan N/A Actual	21-Sep-25	5-Oct-25 10-	-Oct-25 17-Oct	t-25 21-Oct-25	116 000	-	
			OGM	Plan	Yes	Post Review	cqs	27 000.00	Plan	15-Jun-25	N/A	17-Jun-25 8-Jul-	-25 22-Jul-25	N/A	26-Jul-25 N/A	28-Jul-25	18-Aug-25 N/A	N/A	1-Sep-25 N/A	N/A	7-Sep-25	21-Sep-25 26-	Sep-25 N/ <i>A</i>	A 30-Sep-25	27 000	00	
2.1.3 13 Youth mentoring and	nd coaching	IF	FAD OGWI	Actual	103	330 NO VIEW			- Actual	Juii-2J	,	o-Jul-		14/ 🗅	IV/A		U IN/A	14/15	IN/A	Plan N/A Actual	. Jup 23	20-	, - IN/F	30 3εμ-23	27 000		
2.1.4.a Viability assessment agroecologic practices	ent for on-farm	G	OGM GEF	Plan	Yes	Post Review	cqs	29 000.00	Plan	1-Ma y-25	N/A	3-Ma y-25 24-Ma	y-25 7-Jun-25	N/A	11-Jun-25 N/A	13-Jun-25	4-Jul-25 N/A	N/A	18-Jul-25 N/A	Plan N/A	24-Jul-25	7-Aug-25 12-	Aug-25 N/ <i>A</i>	A 16-Aug-25	29 000	00 -	
agroecologic practices	ces /c			Actual				-	- Actual											Actual							
2.1.3.1.a 15 Design of irrigation so	n schemes	IF	OGM FAD	Plan Actual	Yes	Post Review	QCBS	29 000.00	Plan - Actual	1-Jul-25	N/A	3-Jul-25 17-Jul	l-25 31-Jul-25	N/A	4-Aug-25 N/A	6-Aug-25	20-Sep-25 4-Oct-25	N/A	18-Oct-25 N/A	Plan 21-Oct-25 Actual	5-Nov-25	20-Nov-25 25-	Nov-25 N/A	A 29-Nov-25	29 000	-	
Contracting of expert			OGM	Plan	Vac	Prior Review	ICS	71 000.00	Plan	1 Apr 25	9 Apr 25	10 Apr 25 1 May	y-25 15-May-25	22-May-25	26-May-25 2-Jun-25	4 Jun 25	25-Jun-25 N/A	N/A	0 Jul 25 16 Jul 25	21/0	22-Jul-25	E Aug 25 10	Aug 25 17 Aug	7. 25 21 Aug 25	71 000	00	
2.2.A 16 assistant, 1 civil enging specialists, 1 liveliho development expert).	ngineer, 2 irrigation hood and business	IF	FAD OGW	Actual	Yes	PHOTREVIEW	103	-	- Actual	1-Apr-25	8-Apr-25	10-Apr-25 1-May	y-25 13-IVId y-23	22-1VId y-23	26-Ma y-25 2-Jun-25	4-Jun-25	25-Juli-25 N/A	N/A	9-Jul-25 16-Jul-25	Plan N/A Actual	22-Ju1-25	5-Aug-25 10-	Aug-25 17-Aug	g-25 21-Aug-25	71000	-	
2.2.B 17 Field technical suppo	port staff (Staff	G	OGM	Plan	No	Prior Review	SSS	251 000.00	Plan	10-Jan-25	N/A	N/A N/A	A N/A	N/A	Enter Date		N/A	N/A		Plan N/A					251 000	00 -	
seconded by the Gove	overnment)			Actual				-	- Actual											Actual							
2.2.C 18 Operating costs		Yes IF Yes	OGM	Plan Actual	Yes	Prior Review	CQS	99 000.00	Plan - Actual	1-Feb-25	8-Feb-25	10-Feb-25 3-Mar	r-25 17-Mar-25	24-Mar-25	28-Mar-25 4-Apr-25	6-Apr-25	27-Apr-25 N/A	N/A	11-Ma y-25 18-Ma y-25	Plan N/A Actual	24-May-25	7-Jun-25 12-	-Jun-25 19-Jun	n-25 23-Jun-25	99 000	-	
			OGM	Diam	Yes	De et Devieur	COS	10,000,00	Plan	1 Fab 25	N/A	2 Fab 2F 24 Fab	h 25 10 May 25	N/A	14-Mar-25 N/A	16 May 25	6-Apr-25 N/A	N/A	20 Apr 25 N/A		26 Apr. 25	10 May 25 15	May 25	10 May 25	10.000	00	
3.1.1.1.a 19 Induction training of	of field project staff	IF	-AD	Actual	Yes	Post Review	CQS	10 000.00	- Actual	1-Feb-25	N/A	3-Feb-25 24-Feb	b-25 10-Mar-25	N/A	14-Mar-25 N/A	16-Mar-25	6-Apr-25 N/A	N/A	20-Apr-25 N/A	Plan N/A Actual	26-Apr-25	10-May-25 15-	Ma y-25 N/ <i>A</i>	A 19-Ma y-25	10 000	-	
3.1.1.1.b 20 Training in M&E and R	d KM	IF	OGM	Plan	Yes	Post Review	cqs	3 000.00	Plan	1-May-25	N/A	3-Ma y-25 24-Ma	y-25 7-Jun-25	N/A	11-Jun-25 N/A	13-Jun-25	4-Jul-25 N/A	N/A	18-Jul-25 N/A	Plan N/A	24-Jul-25	7-Aug-25 12-	Aug-25 N/ <i>F</i>	A 16-Aug-25	3 000	00 -	
				Actual				-	- Actual											Actual							
3.1.1.1.c 21 Training in GALS		IF	OGM	Plan Actual	Yes	Post Review	cqs	25 000.00	Plan - Actual	20-Feb-25	N/A	22-Feb-25 15-Ma	r-25 29-Mar-25	N/A	2-Apr-25 N/A	4-Apr-25	25-Apr-25 N/A	N/A	9-Ma y-25 N/A	Plan N/A	15-May-25	29-May-25 3	Jun-25 N/ <i>A</i>	7-Jun-25	25 000	-	
			2011				606	10.000.00		4 1 1 25	21/2	24.4.25		21/2	11.0 25	42.4 25	2.5 25	21/2	47.6 25	Actual	22.6 25	7.0.1.25	0.1.25	15.0.1.25	10.000		
3.1.1.1.d 22 Exchange visits		IF	FAD	Plan Actual	Yes	Post Review	CQS	10 000.00	- Actual	1-Jul-25	N/A	3-Jul-25 24-Jul	I-25 7-Aug-25	N/A	11-Aug-25 N/A	13-Aug-25	3-Sep-25 N/A	N/A	17-Sep-25 N/A	Plan N/A Actual	23-Sep-25	7-Oct-25 12-	-Oct-25 N/ <i>A</i>	A 16-Oct-25	10 000	-	
Project Management - meetings 3.1.2.1.b 23	-	Yes	OGM	Plan	No	Post Review	ICS	7 000.00	Plan	1-Jan-25	N/A	3-Jan-25 24-Jar	n-25 7-Feb-25	N/A	11-Feb-25 N/A	13-Feb-25	6-Mar-25 N/A	N/A	20-Mar-25 N/A	Plan N/A	26-Mar-25	9-Apr-25 14-	-Apr-25 N/ <i>A</i>	A 18-Apr-25	7 000	00 -	
3.1.2.1.b 23 meetings Project start-up and p workshops	a pianning	Yes		Actual				-	- Actual											Actual							
Project Management - meetings Project steering comm		Yes G Yes	OGM GOV	Plan Actual	No	Post Review	ICS	3 000.00	Plan - Actual	1-Jan-25	N/A	3-Jan-25 24-Jar	n-25 7-Feb-25	N/A	11-Feb-25 N/A	13-Feb-25	6-Mar-25 N/A	N/A	20-Mar-25 N/A	Plan N/A Actual	26-Mar-25	9-Apr-25 14-	-Apr-25 N/ <i>A</i>	A 18-Apr-25	3 000	-	
			200	DI	A.L.	Drice Dr.	ODC	145,000,00	Plan	4 F - L O -	NI/A	NI/A	Δ	N1/2	Enter Data				NI/A							00	
3.1.2.2.a 25 Project Management - Baseline survey	nt - M&E and KM	IF	-AD OGM	Plan Actual	No	Prior Review	QBS	115 000.00	- Actual	1-Feb-25	N/A	N/A N/A	A N/A	N/A	Enter Date				N/A N/A	Plan Actual					115 000	-	
Project Management - 3.1.2.3.a 26 Development of KM a	nt - M&E and KM 1 and	IE	OGM	Plan	No	Post Review	CQS	2 600.00	Plan	10-Jul-25	N/A	12-Jul-25 2-Aug	g-25 16-Aug-25	N/A	20-Aug-25 N/A	22-Aug-25	12-Sep-25 N/A	N/A	26-Sep-25 N/A	Plan N/A	2-Oct-25	16-Oct-25 21-	-Oct-25 N/A	A 25-Oct-25	2 600	00 -	
communication produ	oducts			Actual				-	- Actual											Actual							
3.2.1.1 27 a. Project coordinator b. M&E and communic	tor	IF	OGM OGM	Plan Actual	No	Prior Review	ICS	144 000.00	Plan - Actual	1-Jan-25	8-Jan-25	10-Jan-25 31-Jar	n-25 14-Feb-25	21-Feb-25	25-Feb-25 4-Mar-25	6-Mar-25	27-Mar-25 N/A	N/A	10-Apr-25 17-Apr-25	Plan N/A Actual	23-Apr-25	7-Ma y-25 12-	Ma y-25 19-Ma	y-25 23-Ma y-25	144 000	-	
c. M&F assistant Project Management - staff			0000	DI c	A1 a	Drion Book	ICC	227 000 00		1 10 - 25	9-lan 35	10-lan-25	1-25	21 525 25	25-Fah-25	6 NAC - 25	27-Mar-25	NI/A	10-Δης-25	N/A	72 Apr 25	7-May-25	May-25	v-25		00	
3.2.1.2 28 a. Regional project co b. Regional project as c. Gender targeting ar	assistant (2) /d	IF	-AD OGM	Plan Actual	INO	Prior Review	ICS	227 000.00	Plan - Actual	1-Jan-25	8-Jan-25	10-Jan-25 31-Jar	1-25 14-Feb-25	21-Feb-25	25-Feb-25 4-Mar-25	6-Mar-25	27-Mar-25 N/A	N/A	10-Apr-25 17-Apr-25	Plan N/A Actual	23-Apr-25	7-Ma y-25 12-	Ma y-25 19-Ma	y-25 23-Ma y-25	227 000	-	
3.2.1.3 29 Project Management - Seconded PMU staff	nt - operation costs		OGM	Plan	No	Prior Review	SSS	59.00	Plan	10-Jan-25	N/A	N/A N/A	A N/A	N/A	Enter Date		N/A	N/A		Plan N/A					59	00 -	
Seconded PMU staff	TT Control of the con	G		Actual				-	- Actual											Actual							
3.2.2 30 Project Management - Operating costs	nt - operation costs	Yes IF Yes	OGM	Plan Actual	No	Post Review	CQS	6 000.00	Plan - Actual	10-Jan-25	N/A	12-Jan-25 2-Feb	0-25 16-Feb-25	N/A	20-Feb-25 N/A	22-Feb-25	15-Mar-25 N/A	N/A	29-Mar-25 N/A	Plan N/A Actual	4-Apr-25	18-Apr-25 23-	-Apr-25 N/ <i>A</i>	27-Apr-25	6 000	-	
						n		401.51		40 :	47.1	10 15 - 20	26	00 = 1	27.5% 20		22 4 = 26	40.55	27 May 25	Actual 6 Jun 26	24 :	C Interes	Jul 25	26		00	
1.1.1.2 31 Hydrological studies studies identified du	es and ad hoc during MCP	IF	-AD OGM	Plan Actual	Yes	Prior Review	QCBS	101 000.00	Plan Actual	10-Jan-26	17-Jan-26	19-Jan-26 2-Feb	o-26 16-Feb-26	23-Feb-26	27-Feb-26 6-Mar-26	8-Mar-26	22-Apr-26 6-May-26	13-Ma y-26	27-Ma y-26 3-Jun-26	Plan 6-Jun-26 Actual	21-Jun-26	o-Jui-26 11	-Jul-26 18-Jul	-26 22-Jul-26	101 000	-	
1.1.2.2.a 32 Livestock watering factors and the second sec	facilities tied to		SPA SPA	Plan	Yes	Post Review	QCBS	75 750.00	Plan	10-Jan-26	N/A	12-Jan-26 26-Jar	n-26 9-Feb-26	N/A	13-Feb-26 N/A	15-Feb-26	1-Apr-26 15-Apr-26	N/A	29-Apr-26 N/A	Plan 2-May-26	17-May-26	1-Jun-26 6	Jun-26 N/A	A 10-Jun-26	75 750	00 -	
SRM pilots /f		I F		Actual					Actual											Actual							
2.1.3.1.a 33 Design of irrigation so	n schemes	IF	OGM	Plan Actual	Yes	Prior Review	QCBS	72 000.00	Plan	1-Feb-26	8-Feb-26	10-Feb-26 24-Feb	b-26 10-Mar-26	17-Mar-26	21-Mar-26 28-Mar-2	5 30-Mar-26	14-Ma y-26 28-Ma y-26	4-Jun-26	18-Jun-26 25-Jun-26	Plan 28-Jun-26	13-Jul-26	28-Jul-26 2- <i>i</i>	Aug-26 9-Aug	-26 13-Aug-26	72 000	-	
				. ictual		_							26						40.11	Actual							
2.1.3.1.b 34 Supervision of irrigati	ation schemes	IF	-AD OGM	Plan Actual	Yes	Post Review	CQS	14 000.00	Plan Actual	1-Ma r-26	N/A	3-Mar-26 24-Ma	r-26 7-Apr-26	N/A	11-Apr-26 N/A	13-Apr-26	4-May-26 N/A	N/A	18-Ma y-26 N/A	Plan N/A Actual	24-Ma y-26	7-Jun-26 12-	-Jun-26 N/ <i>A</i>	A 16-Jun-26	14 000	-	
			OGM	Plan	Yes	Post Review	CQS	17 000.00	Plan		N/A	2-Jan-00 23-Jan	n-00 6-Feb-00	N/A	10-Feb-00 N/A	12-Feb-00	4-Mar-00 N/A	N/A	18-Mar-00 N/A	Plan N/A	24-Mar-00	7-Apr-00 12-	-Apr-00 N/A	A 16-Apr-00	17 000	00 -	
2.1.3.2 35 Training in water use			-AD	Actual					Actual											Actual							