

# United Nations Development Programme

Country: TURKEY

## Project Document

Project Title	Ardahan, Kars, Artvin Development Project (AKADP)
UNDAF Outcome(s):	By 2010, social and economic policies for poverty and disparity reduction implemented effectively and quality basic services reaching vulnerable groups ensured
Expected CP Outcome(s):	Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all
Expected Output(s):	Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced.
Implementing Partner	Ministry of Agriculture and Rural Affairs
Responsible Parties	Ministry of Agriculture and Rural Affairs and UNDP

### Brief Description

In line with 2006 National Rural Development Strategy, Ardahan-Kars-Artvin Development Project (AKADP) aims to reduce rural poverty in the Provinces of Ardahan, Kars and Artvin. The principal consideration for the selection of Project Provinces is their status as less developed according to socio-economic development index. The objectives of the Project are: (i) to increase the assets and incomes of poor women and men smallholders and of small rural entrepreneurs, who have the practical potential and personal willingness to move towards more commercial agriculture and other income-generating activities; (ii) to improve poor rural people's access to rural infrastructure that gives direct and indirect support to primary producers and small enterprises; and (iii) to strengthen institutional advisory services and increase Project management capacity.

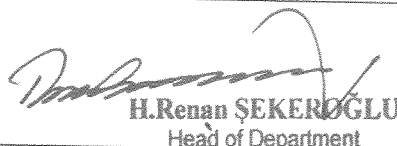
The project has been designed upon a thorough analysis of the potential regions that can benefit from the Project. The outcomes of the analyses have been consulted with the SPO (State Planning Organization) by the MARA and the IFAD. The participatory consultation and analyses process culminated in a project design report (feasibility study), which forms the basis for this project document.

Ministry of Agriculture and Rural Affairs (MARA) has the overall responsibility for the management and implementation of AKADP. UNDP's role is to support the Project in dealing with flow of funds arrangements, recruitment of PMU staff and contracting of technical assistance, accounting, auditing and assistance in procurement of goods civil works and services. The Project will be supervised by IFAD (Financier).

UNDP Programme Period	2006-2010	Total resources required:	US\$ 22.671.200
Key Result Area	Poverty Reduction	Total allocated resources:	US\$ 22.671.200
ATLAS Award ID		Gov't (thru IFAD Loan, MARA)	US\$19.200.000
Start Date	2010	Gov't (Central Budget, MARA)	US\$3.221.200
End Date	2015	UNDP	US\$250.000
LPAC Date		GMS (%)	3%
Management Arrangement	NIM	GMS (USD)	US\$680.136

Agreed by the Ministry of Foreign Affairs of the  
Republic of Turkey

**AH KARACA**  
Genel Müdür

  
H. Renan ŞEKERDOĞLU  
Head of Department

10.01.2011

Multilateral Economic Affairs

Agreed by (NIM)

  
Shahid Najam  
Resident Coordinator

Agreed by (UNDP)

# I. ANNUAL WORK PLAN

Year: 2010

Expected Outputs	Planned Activities (& Actions)	Timeframe				Responsible Parties	Planned Budget	
		Q1	Q2	Q3	Q4		Funding Source	Budget Description
<b>OUTPUT</b> Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced. <b>Baseline</b> SEDI values. <b>Output Indicators:</b> <ul style="list-style-type: none"> <li>- Daily per capita of the rural livelihoods in target provinces.</li> <li>- Level of household asset ownership.</li> <li>- Level of chronic malnutrition among children under 5</li> </ul> <b>Target:</b> <ul style="list-style-type: none"> <li>- Project management and administration structure established and strengthened</li> </ul> <b>Related CP Outcome:</b> <ul style="list-style-type: none"> <li>- Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all</li> </ul>	<b>Activity 1: Smallholder and Non-Farm Enterprise Investments</b> <ul style="list-style-type: none"> <li>- Improvement of animal husbandry and feed base</li> <li>- Improvement of horticulture production</li> <li>- Support to non-farm employment</li> </ul> <b>Activity 2: Village Infrastructure Investments</b> <ul style="list-style-type: none"> <li>- Needs assessment and local consultations</li> <li>- Design of infrastructure investments</li> <li>- Implementation of village infrastructure investments</li> </ul> <b>Activity 3: Institutional Strengthening and Project Management</b> <ul style="list-style-type: none"> <li>- Institutional Strengthening and awareness raising</li> <li>- Project Management and administration</li> </ul>					GOVT	71000	0.0
						MARA	72000	0.0
						MARA	73000	0.0
						MARA	74000	0.0
						MARA	75000	0.0
						MARA	76000	0.0
						MARA	71000	0.0
						MARA, UNDP, IFAD	72000*	32.7
						MARA, UNDP, IFAD	72000**	125.9
						MARA, UNDP, IFAD	73000	25.0
						MARA, UNDP, IFAD	74000	0.0
						MARA, UNDP, IFAD	75000	4.1
						MARA, UNDP, IFAD	76000	0.0
<b>Total (including ISS/GMS)</b>								<b>187.7</b>

\* The remuneration of Project Staff is jointly determined by MARA and UNDP. Project Staff is to be paid a travel allowance according to the UN rules and regulations but based on 60% reduced UN per diem rates.  
 \*\* The payment of the vehicles that are purchased with foreign loan resources will be processed via UNDP.  
 \*\*\* The allocations to the specific budget lines are indicative.

**Year: 2011**

Expected Outputs	Planned Activities (& Actions)	Timeframe				Responsible Parties	Planned Budget			
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (\$ 000)	
<p><b>OUTPUT</b> Rural poverty in the Provinces of Ardahan, Kats and Artvin reduced.</p> <p><b>Baseline</b> SEDI values.</p> <p><b>Output Indicators:</b></p> <ul style="list-style-type: none"> <li>- Daily per capita of the rural livelihoods in target provinces.</li> <li>- Level of household asset ownership.</li> <li>- Level of chronic malnutrition among children under 5</li> </ul> <p><b>Targets:</b></p> <p>.....</p> <p><b>Related CP Outcome:</b></p> <p>Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all</p>	<p><b>Activity 1:</b> Smallholder and Non-Farm Enterprise Investments</p> <ul style="list-style-type: none"> <li>- Improvement of animal husbandry and feed base</li> <li>- Improvement of horticulture production</li> <li>- Support to non-farm employment</li> </ul>	x	x	x	x	MARA	GOVT	71000*	0.0	
								GOVT	72000	1 334.0
								GOVT	73000	0.0
								GOVT	74000	0.0
								GOVT	75000	41.3
								GOVT	76000	0.0
								GOVT	71000	0.0
								GOVT	72000	950.7
								GOVT	73000	0.0
								GOVT	74000	0.0
								GOVT	75000	29.4
								GOVT	76000	0.0
								GOVT	71000*	312.8
								GOVT + UNDP	72000**	1 062.3
								GOVT	73000	100.0
							GOVT	74000	0.0	
							GOVT	75000	44.1	
							GOVT	76000	0.0	
<b>Total (including GMS/ISS)</b>										<b>3 874.6</b>

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 \*\*\* The allocations to the specific budget lines are indicative.

**Year: 2012**

Expected Outputs	Planned Activities (& Actions)		Timeframe				Responsible Parties	Planned Budget		
			Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (\$'000)
<p><b>OUTPUT</b> Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced.</p> <p><b>Baseline</b> SEDI values.</p> <p><b>Output Indicators:</b></p> <ul style="list-style-type: none"> <li>- Daily per capita of the rural livelihoods in target provinces.</li> <li>- Level of household asset ownership.</li> <li>- Level of chronic malnutrition among children under 5</li> </ul> <p><b>Targets:</b></p> <p><b>Related CP Outcome:</b></p> <p>Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all</p>	<p><b>Activity 1: Smallholder and Non-Farm Enterprise Investments</b></p> <ul style="list-style-type: none"> <li>- Improvement of animal husbandry and feed base</li> <li>- Improvement of horticulture production</li> <li>- Support to non-farm employment</li> </ul> <p><b>Activity 2: Village Infrastructure Investments</b></p> <ul style="list-style-type: none"> <li>- Needs assessment and local consultations</li> <li>- Design of infrastructure investments</li> <li>- Implementation of village infrastructure investments</li> </ul> <p><b>Activity 3: Institutional Strengthening and Project Management</b></p> <ul style="list-style-type: none"> <li>- Institutional Strengthening and awareness raising</li> <li>- Project Management and administration</li> </ul>	x	x	x	x	MARA	GOVT	71000	0.0	
		x	x	x	x	MARA	GOVT	72000	2 027.9	
							GOVT	73000	0.0	
							GOVT	74000	0.0	
							GOVT	75000	62.7	
							GOVT	76000	0.0	
		x	x	x	x	MARA	GOVT	71000	0.0	
							GOVT	72000	2 647.1	
							GOVT	73000	0.0	
							GOVT	74000	0.0	
							GOVT	75000	81.9	
							GOVT	76000	0.0	
		x	x	x	x	MARA, UNDP, IFAD	GOVT	71000*	314.4	
							GOVT + UNDP	72000**	810.1	
							GOVT	73000	100.0	
							GOVT	74000	0.0	
							GOVT	75000	36.3	
							GOVT	76000	0.0	
<b>Total (including GMS/ISS)</b>									<b>6 080.4</b>	

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 \*\*\* The allocations to the specific budget lines are indicative.

Year: 2013

Expected Outputs	Planned Activities (& Actions)		Timeframe				Responsible Parties	Planned Budget		
			Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (\$'000)
<p><b>OUTPUT</b> Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced</p> <p><b>Baseline</b> SEDI values</p> <p><b>Output indicators:</b></p> <ul style="list-style-type: none"> <li>- Daily per capita of the rural livelihoods in target provinces,</li> <li>- Level of household asset ownership,</li> <li>- Level of chronic malnutrition among children under 5</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>- ...</li> </ul> <p><b>Related CP Outcome:</b></p> <p>Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all</p>	<p><b>Activity 1: Smallholder and Non-Farm Enterprise Investments</b></p> <ul style="list-style-type: none"> <li>- Improvement of animal husbandry and feed base</li> <li>- Improvement of horticulture production</li> <li>- Support to non-farm employment</li> </ul>	<p><b>Activity 2: Village Infrastructure Investments</b></p> <ul style="list-style-type: none"> <li>- Needs assessment and local consultations</li> <li>- Design of infrastructure investments</li> <li>- Implementation of village infrastructure investments</li> </ul>	<p><b>Activity 3: Institutional Strengthening and Project Management</b></p> <ul style="list-style-type: none"> <li>- Institutional Strengthening and awareness raising</li> <li>- Project Management and administration</li> </ul>	<p>x</p>	<p>x</p>	<p>x</p>	<p>x</p>	<p>GOVT</p>	<p>71000</p>	<p>0,0</p>
								GOVT	72000	2 222,6
								GOVT	73000	0,0
								GOVT	74000	0,0
								GOVT	75000	68,7
								GOVT	76000	0,0
								GOVT	71000	0,0
								GOVT	72000	2 231,0
								GOVT	73000	0,0
								GOVT	74000	0,0
								GOVT	75000	69,0
								GOVT	76000	0,0
								GOVT	71000*	315,9
								GOVT + UNDP	72000**	390,7
								GOVT	73000	100,0
								GOVT	74000	0,0
								GOVT	75000	23,4
								GOVT	76000	0,0
<b>Total (including GMS/ISS)</b>										<b>5.421,3</b>

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 \*\*\* The allocations to the specific budget lines are indicative.

## Year: 2014

Expected Outputs	Planned Activities (& Actions)	Timeframe				Responsible Parties	Planned Budget		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	
								Amount (\$'000)	
<p><b>OUTPUT</b> Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced.</p> <p><b>Baseline</b> SEDI values:</p> <p><b>Output Indicators:</b></p> <ul style="list-style-type: none"> <li>- Daily per capita of the rural livelihoods in target provinces,</li> <li>- Level of household asset ownership,</li> <li>- Level of chronic malnutrition among children under 5</li> </ul> <p><b>Targets:</b></p> <p><b>Related CP Outcome:</b> Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all</p>	<p><b>Activity 1:</b> Smallholder and Non-Farm Enterprise Investments</p> <ul style="list-style-type: none"> <li>- Improvement of animal husbandry and feed base</li> <li>- Improvement of horticulture production</li> <li>- Support to non-farm employment</li> </ul>	x	x	x	x	MARA	GOVT	71000	0.0
	<p><b>Activity 2:</b> Village Infrastructure Investments</p> <ul style="list-style-type: none"> <li>- Needs assessment and local consultations</li> <li>- Design of infrastructure investments</li> <li>- Implementation of village infrastructure investments</li> </ul>	x	x	x	x	MARA	GOVT	71000	0.0
	<p><b>Activity 3:</b> Institutional Strengthening and Project Management</p> <ul style="list-style-type: none"> <li>- Institutional Strengthening and awareness raising</li> <li>- Project Management and administration</li> </ul>	x	x	x	x	MARA, UNDP, IFAD	GOVT	71000*	317.5
							GOVT + UNDP	72000**	307.5
							GOVT	73000	100.0
							GOVT	74000	0.0
							GOVT	75000	21.6
							GOVT	76000	0.0
							GOVT	74000	0.0
							GOVT	75000	72.5
							GOVT	76000	0.0
							GOVT	76000	0.0
	<b>Total (including GMS/ISS)</b>								

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\*\* The payment of the vehicles that are purchased with foreign loan resources will be processed via UNDP.

\*\*\* The allocations to the specific budget lines are indicative.

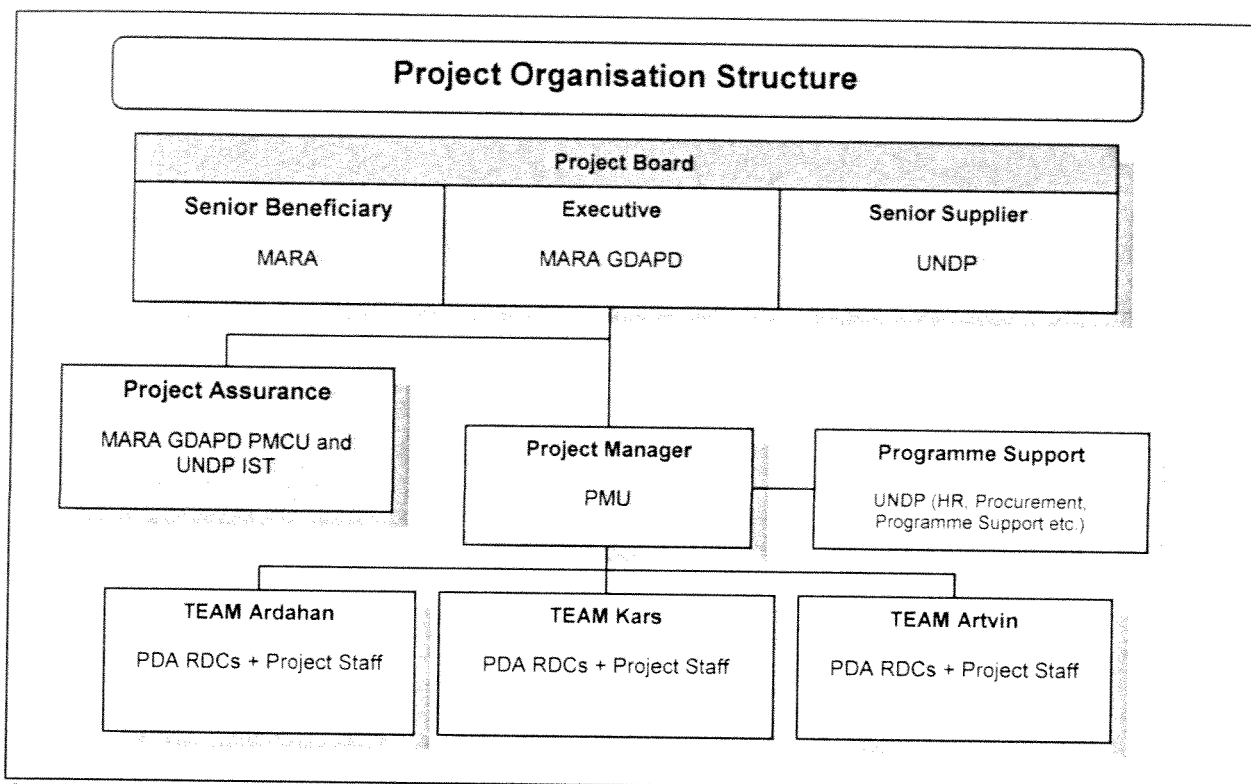
## Year: 2015

Expected Outputs	Planned Activities (& Actions)	Timeframe				Responsible Parties	Planned Budget		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	
								Amount (\$'000)	
<p><b>OUTPUT</b> Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced</p> <p><b>Baseline</b> SEDI values</p> <p><b>Output Indicators:</b></p> <ul style="list-style-type: none"> <li>- Daily per capita of the rural livelihoods in target provinces,</li> <li>- Level of household asset ownership,</li> <li>- Level of chronic malnutrition among children under 5</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>- ...</li> </ul> <p><b>Related CP Outcome:</b></p> <p>Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all</p>	<p><b>Activity 1:</b> Smallholder and Non-Farm Enterprise Investments</p> <ul style="list-style-type: none"> <li>- Improvement of animal husbandry and feed base</li> <li>- Improvement of horticulture production</li> <li>- Support to non-farm employment</li> </ul>	x	x	x	x	MARA	GOVT	71000	0.0
	<p><b>Activity 2:</b> Village Infrastructure Investments</p> <ul style="list-style-type: none"> <li>- Needs assessment and local consultations</li> <li>- Design of infrastructure investments</li> <li>- Implementation of village infrastructure investments</li> </ul>	x	x	x	x	MARA	GOVT	71000	0.0
	<p><b>Activity 3:</b> Institutional Strengthening and Project Management</p> <ul style="list-style-type: none"> <li>- Institutional Strengthening and awareness raising</li> <li>- Project Management and administration</li> </ul>	x	x	x	x	MARA, UNDP, IFAD	GOVT	71000*	181.8
							GOVT + UNDP	72000**	218.6
							GOVT	73000	100.0
							GOVT	74000	0.0
							GOVT	75000	45.6
							GOVT	76000	0.0
							GOVT	73000	0.0
							GOVT	74000	0.0
							GOVT	75000	14.7
							GOVT	76000	0.0
	<b>Total (including GMS/ISS)</b>								<b>2.533,4</b>

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 \*\*\* The allocations to the specific budget lines are indicative.

## II. MANAGEMENT ARRANGEMENTS

The following chart depicts the project organization structure.



### Acronyms:

MARA: Ministry of Agriculture and Rural Affairs

GDAPD: General Directorate of Agricultural Productivity and Development

PMU: Project Management Unit

PCMU: Project Management and Coordination Unit

RDC: Rural Development Coordinator

UNDP IST: UNDP Implementation Support Team

The Project will be implemented under the National Implementation (NIM) arrangement. As the NIM, MARA (GDAPD) will carry ultimate responsibility for (a) management of the overall conduct of the Project, (b) initiation of Project activities by facilitating mobilization of goods and services, (c) checking on progress and watching for plan deviations, (d) ensuring that changes are controlled regularly and problems are addressed timely; (e) monitoring risks; and reporting on progress. Under MARA's leadership a decentralized management structure will be established. A Project Management Unit (PMU), covering all three provinces, will be established in or near the Provincial Directorate of Agriculture (PDA) in the Kars; and the Unit will be charged with overall and day-to-day administration and implementation of the Project activities. As a result of this decentralized project management approach, most of the responsibilities and functions, named above, will be performed locally by the PMU, whereas the MARA GDAPD will ensure that all such functions and responsibilities are fulfilled properly through deployment of appropriate technical backstopping and monitoring mechanisms.

UNDP will contribute to proper functioning of the decentralized management structure, described above, in matters related to the financial planning, management and control, human resources management and procurement. In doing so UNDP will

- Monitor the Project's progress towards intended outputs,
- Monitor that resources entrusted to UNDP are utilized appropriately,
- Ensure national ownership, ongoing stakeholder engagement and sustainability
- Ensure that the Project's outputs contributes to intended country programme outcomes
- Participate in the project management board
- Provide implementation support services
- Report on progress to donors and UNDP corporate reporting mechanisms

Roles and responsibilities of the MARA, the PMU and the UNDP, in terms of (1) Financial Planning, Management and Control, (2) Human Resources Management and (3) Procurement, are presented in Annex III.

- **Financial Planning, Management and Control:** As the NIM, MARA GDAPD is ultimately responsible for matters related to financial planning, management and control. MARA's responsibility in these areas is planned to be fulfilled through a decentralized management structure, which empowers the local PMU to take the lead in especially financial planning through preparation of Annual Work Plan and Budget (AWPB) for project activities, whereas MARA GDAPD will provide continuous backstopping for proper planning. The financial management



of the Project will be MARA's responsibility with substantive inputs and continuous collaboration with UNDP.

- **Human Resources Management:** As the NIM, MARA GDAPD is ultimately responsible for ensuring that the Project is provided with appropriate human resources, corresponding to and addressing Project's needs and priorities. Monitoring efficiency and effectiveness of the human resources at the local level will be devolved to the PMU, which will regularly report to the MARA GDAPD, ensuring that MARA GDAPD possesses sufficient means of maintaining overall control on monitoring of HR. UNDP will contribute to the efficiency and effectiveness of the HR processes by provision of training, when necessary, supporting formulation of specific job descriptions and qualifications, deploying relevant UNDP rules, regulations and policies with a view to ensure transparency, accountability, efficiency and effectiveness. MARA GDAPD and UNDP will be in continuous cooperation and collaboration to ensure that HR structure of the Project remains valid and responsive to the needs of the Project.
- **Procurement:** Procurement is considered a function of the financial planning, management and control. As the NIM, MARA GDAPD will be ultimately responsible for ensuring that the Project's needs are addressed. The PMU will be mainly responsible for identification and formulation of procurement needs, with the technical backstopping of the MARA GDAPD. UNDP will take an active role in ensuring efficiency and effectiveness of all procurement efforts to be executed within the scope of the Project. This includes provision of planned training programmes and *ad hoc* technical support. The procurement processes within the Project are subject to relevant rules, regulations and policies of the IFAD and the UNDP, whichever is more stringent.

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### III. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

#### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

#### Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager/Administrator and shared with the Project Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

#### **Audit**

The project will be subject to NIM Audit on annual basis. For the purposes of NIM audit UNDP and MARA will co-sign the statements required by the NIM Audit, including combined delivery reports, asset lists, cash position etc.

## Quality Management for Project Activity Results<sup>1</sup>

<b>Output</b>	Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced		
<b>Activity Result 1</b>	Smallholder and Non-Farm Enterprise Investments	<b>Start:</b> 2011	<b>End:</b> 2015
<b>Purpose</b>	The purpose of Activity 1 is to improve animal husbandry and feed base, and horticulture production in the project provinces.		
<b>Description</b>	<p>Activity 1 would seek to increase poor smallholder assets and incomes in the participating provinces through the delivery of comprehensive and complementary 'hardware'<sup>2</sup> and 'software'<sup>3</sup> packages directed to improving animal husbandry and horticulture production, reflecting the two key commodities for smallholder livelihoods in the Project area.</p> <p>Design considerations shaping the component include: (i) maintaining a clear focus on productivity, profitability and livelihood improvement; (ii) ensuring clear agro-ecological target; (iii) providing intellectual and technical means to smallholders to survive in increasingly competitive markets; (iv) empowering women particularly in sectors where they are active partners such as in livestock and horticulture production; (v) providing assistance to smallholders in already engaging into the markets with some degree of commercialization; (vi) mobilizing modest smallholder resources by leveraging with Project funds; (vii) creating an enabling environment for participation of rural society in decision making, implementation and monitoring and evaluation; (viii) setting good examples of environmentally friendly practices (reducing and treating waste, maintaining and improving natural resource base); (ix) setting examples of good livestock and horticulture practices that can be replicated elsewhere in the region; (x) setting examples of productivity and profitability to younger generations who aspire to out-migrate; and (xi) providing opportunities to enhance professionalism and motivation of staff working in relatively isolated regions.</p> <p>Three sub-activities compose Activity 1: Sub-activity 1.1 Improvement of Livestock Husbandry Practices; Sub-activity 1.2 Improvement of Horticultural Production; and Sub-activity 1.3 Support to non-farm enterprise investments.</p> <p>The Activity will offer an initial menu of investments and corresponding beneficiary training within the respective sub-activities to poor smallholders, aimed at improving practices in livestock husbandry and crop production including horticultural crops. The initial menu of investments has been developed based on guidance provided by the P/DDAs of the respective provinces and detailed discussions with various technical stakeholders and producers of all scales. They reflect agro-ecological characteristics, dominant production types and patterns, market conditions, specific needs of the smallholders, availability of non-monetary resources such as human capital and issues related to seasonal access in different parts of the Project area. The initial menu is flexible and would be amended in the light of Project experience, particularly with respect to feedback from beneficiary and non-beneficiary members of the AKADP target group.</p> <p>The Project's overall approach to delivery of benefits under both sub-activities 1 and 2 is that of co-financing by the Project and its beneficiaries. The ratio of AKADP support to beneficiary contribution varies according to component elements. In the case of capital assets and on-farm equipment and materials, the co-financing ratio has been provisionally set at 60% Project and 40% beneficiary contribution. This ratio may be subsequently adjusted in the light of experience with a view to optimizing the balance between maximizing the overall numbers of beneficiaries and Project outreach to the poorest clients with the potential to take advantage of improved access to assets and opportunities for agricultural production and rural income-generating activities. During implementation two or three different levels of co-financing may possibly be introduced. These levels of co-financing will be directly linked to the expected returns from the different activities</p>		
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>	
<ul style="list-style-type: none"> <li>• Milk yields</li> <li>• Weight of livestock</li> <li>• Incidences of preventable livestock disease</li> <li>• # of households using milking machines</li> <li>• Volume of straw and grain harvested by farmers</li> <li>• # of farmers producing silage</li> <li>• # of farmers producing forage seed for trade</li> <li>• # of farmers producing quality hay</li> </ul>	<ul style="list-style-type: none"> <li>• PMU Reports,</li> <li>• PDA/DDA data,</li> <li>• M&amp;E Reports</li> </ul>	<ul style="list-style-type: none"> <li>• End of 2012</li> <li>• End of 2013</li> <li>• End of 2014</li> <li>• End of 2015</li> </ul>	

<sup>1</sup> The information in the following tables has been derived from the Final Project Design Report and the amendments thereto, and has been tailored to fit into UNDP's Corporate Systems (e.g. POPP, ATLAS).

<sup>2</sup> The 'hardware' aspects include provision for equipment and materials (e.g. tunnel/glass greenhouses, drip irrigation equipment, knapsack sprayers, etc.) and inputs (seed/seedlings).

<sup>3</sup> The 'software' aspects of the sub-component include provision for: a programme of on-farm demonstrations (e.g. best practices for cereal and forage production and silage making); farmers training courses (e.g. animal husbandry and management, farm business development, barn/livestock hygiene, animal nutrition); and farmers exchange visits for animal husbandry.

<ul style="list-style-type: none"> <li>• # of farmers using newly constructed hay shelters</li> <li>• Volume of greenhouse vegetables production</li> <li>• # of producers shifting to market-oriented F&amp;V varieties</li> <li>• Volume of horticulture produced by targeted villages</li> <li>• Value of horticulture sold from targeted villages</li> <li>• Amount of non-farm employment</li> </ul>		
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<b>Output</b>	Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced		
<b>Activity Result 2</b>	Village Infrastructure Investments	<b>Start:</b> 2011	<b>End:</b> 2015
<b>Purpose</b>	To improve rural physical infrastructure for an increased quality of life in the project provinces		
<b>Description</b>	<p>The 2006 National Rural Development Strategy (NRDS), especially Strategic Objective 3: "Improving Rural Physical Infrastructure Services for Quality of Life", supports the priority given to developing rural infrastructure. Since 2005 substantial Government funding (and partly World Bank loan funds) has been allocated to the improvement of roads and water supply systems in rural Turkey. Tangible results of these efforts are apparent in the Project area, where the Special Provincial Administrations (SPAs) have nearly completed the task of providing domestic drinking water and road access to all villages. However, despite these recent improvements, the lack or poor status of village infrastructure is still widely recognized as one of the key factors that are negatively affecting agricultural production as well as the sustainability of natural resource use and of village livelihoods in the Project area.</p> <p>Design considerations for the component include: (i) consistency and complementarity with smallholder investments under Activity 1; (ii) providing direct and indirect support to smallholders and to a broader group of beneficiaries where appropriate; (iii) introducing technical and financial feasibility criteria as a determinant of for village infrastructure investments; (iv) complementing other village infrastructure rehabilitation programmes; (v) promoting the introduction of improved technologies and materials and quality assurance systems for design and construction; (vi) supporting demand-driven village infrastructure investments with clearly defined criteria and a transparent system of ranking and selecting these investments; and (vii) acceptance of the principles of cost sharing involving beneficiary contributions for all village infrastructure investments.</p> <p>Accordingly, the Village Infrastructure Investments would support investments in economic and social infrastructure where at least one and preferably more smallholder investments have been identified and approved under Activity 1. Possible investments in economic infrastructure would provide direct support to smallholders and could include, for instance: livestock watering facilities both in villages and on pastures and range lands, such as ponds and piped distribution networks for troughs; off-farm piped distribution networks for irrigation; and access roads and access road ancillaries such as retaining walls and culverts. Provision has also been made for the establishment of two municipally-owned but self-financing livestock marketing facilities, one each at appropriate locations in Ardahan and Artvin provinces. Investments in social infrastructure would provide indirect support to smallholders and would include, for instance, village sanitation networks and treatment facilities and access roads to pasture and range lands. Technical assistance would be provided by the Project to assist in the selection and preparation of infrastructure investments. The construction costs of the investments, expected to range widely between USD1.000 and USD300.000, will be borne by the Project with an in-kind contribution such as land and labor to be made by beneficiaries at or above a minimum threshold equivalent to 5% of the cost of the works.</p> <p>Smaller works such as retaining walls, culverts and cattle troughs are expected to be in the USD1.000 to USD40.000 range with the larger works such as watering ponds, small-scale off-farm irrigation networks and sewers being in the USD40.000 to USD300.000 range.</p> <p>Sub-components of this activity are as follows: 2.1: Needs assessment and local consultations (in line with Activity 1); 2.2: Design of infrastructure investments; and 2.3: Implementation of village infrastructure investments.</p>		
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>	
<ul style="list-style-type: none"> <li>• # of smallholders w/ access to improved livestock water facilities,</li> <li>• # of smallholders w/ access to piped irrigation,</li> <li>• # of villages w/ access to improved pastures and range lands,</li> <li>• # of farmers in participating villages with access to improved livestock marketing facilities,</li> <li>• # of shepherds with access to adequate shelters in pastures/rangelands,</li> <li>• # of households in targeted village with sustainable access to sanitation facilities,</li> <li>• # of villages with plans for O&amp;M of upgraded/established infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• PMU Reports,</li> <li>• PDA/DDA data,</li> <li>• M&amp;E Reports</li> <li>• Reports of sanitary control</li> </ul>	<ul style="list-style-type: none"> <li>• End of 2012</li> <li>• End of 2013</li> <li>• End of 2014</li> <li>• End of 2015</li> </ul>	

<b>Output</b>	Rural poverty in the Provinces of Ardahan, Kars and Artvin reduced		
<b>Activity Result 3</b>	Institutional strengthening and project management	<b>Start:</b> 2011	<b>End:</b> 2015
<b>Purpose</b>	To complement and improve the effectiveness of the investments undertaken under the AKADP.		
<b>Description</b>	<p>This activity will complement and improve the effectiveness of the investments undertaken under Activities 1 and 2 by developing the capacities and capabilities at the smallholder, village, and PDA and DDA levels. It would support the development of skills to identify and implement and sustain the investments undertaken under Activity 1 and 2 assisted by short-term and long-term technical assistance.</p> <p>Accordingly, provision has been made under the institutional strengthening aspect of the component for training of PDA staff in three main areas: Improvement of Service Delivery Capacity (communication skills, principles of adult training, planning and design of training programmes for farmers, effective training delivery, monitoring and evaluation, team building); Development of Farming Business Skills; and Development of Awareness about New Technologies (crop production, livestock production and market-oriented new technologies). Corresponding national Technical Assistance for the training has been provided for in the areas of: Improvement of Service Delivery Capacity, Monitoring and Evaluation, Development of Market Awareness and Development of Awareness of New Technologies (crop, livestock, market-oriented). This national Technical Assistance will also contribute to the farmer training to be provided through PDAs/DDAs under Component 1 above by both providing training to P/DDA staff and by assisting them in the initial delivery of the training to the stakeholders as "on-the-job training".</p> <p>This activity will also cover all other relevant provisions to support project management and administration at all levels. Sub-components of this activity are as follows: Sub-activity 3.1: Institutional Strengthening and awareness raising; and Sub-activity 3.2: Project Management and administration.</p>		
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>	
<ul style="list-style-type: none"> <li>• # of annual village visits by P/DDAs</li> <li>• # of field days conducted by DDAs</li> <li>• # of training seminars delivered to collaborating villages</li> <li>• # of participants of training seminars that are delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Project progress reports,</li> <li>• M&amp;E reports</li> <li>• Supervision mission reports</li> </ul>	<ul style="list-style-type: none"> <li>• End of 2011</li> <li>• End of 2012</li> <li>• End of 2013</li> <li>• End of 2014</li> <li>• End of 2015</li> </ul>	

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## IV. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto.

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

### ANNEXES

- 1.) Risk Log
- 2.) Distribution of Tasks and Responsibilities
- 3.) Finances
- 4.) Schedule of Payments

## Annex 1: Initial Risk Log (offline)

Project Title: ARDAHAN KARS ARTVIN DEVELOPMENT PROJECT						
#	Description	Date Identified	Type	Impact (I) & Probability (P), on a scale of 1 (lowest) to 5 (highest).	Award ID: Countermeasures / mgmt response	Date: Last Update / Status
1	Macro-economic environment and policy does not remain conducive to investment, private sector development and trade	01.03.2010	Economic	Private sector investments, connecting rural value chains to markets will not be established, reducing the impact of the Project on reducing rural poverty in target provinces: Impact: 4; Probability: 2	Change in the project's design may be called for. MARA	01.03.2010 IFAD
2	Deterioration in existing markets for livestock and crops.	01.03.2010	Economic	Private sector investments, connecting rural value chains to markets will not be established, reducing the impact of the Project on reducing rural poverty in target provinces: Impact: 4; Probability: 2	Change in the project's design may be called for. MARA	01.03.2010 IFAD
3	Major changes to agro-climatic conditions	01.03.2010	Environmental	Targets (indicators) for Activity 1 and Activity 2 will be adversely affected. Impact: 5; Probability: 1	Change in the project's design may be called for. MARA	01.03.2010 IFAD
4	Untreatable outbreaks of infectious disease in livestock.	01.03.2010	Environmental	Targets (indicators) for Activity 1 and Activity 2 will be adversely affected. Impact: 5; Probability: 1	Change in the project's design may be called for. MARA	01.03.2010 IFAD
5	Outreach of Project's benefits to the poorest possible smallholders in the Project area compatible with the need to achieve among them a sufficient asset base and connection to markets necessary for self-sustaining incremental growth, not assured	01.03.2010	Strategic	Project's output will not be achieved. Project resources will be wasted and/or utilized unfeasibly, producing sub-optimal results. Impact: 5; Probability: 2	Maintain and reinforce Project's overall approach towards offering investments which are focused on rural poverty reduction and development and technically and financially feasible in principle, but also by using a demand-driven, participatory approach to assure ongoing relevance of Project-supported investments to poor smallholder livelihoods MARA	01.03.2010 IFAD
6	Required change towards responsiveness to clients supported by ministerial, district leaders not achieved.	01.03.2010	Strategic	Targets (indicators) for Activity 3 will be directly and adversely affected. Impact: 5; Probability: 1	Ensure MARA HQ's strong leadership advocating for change especially at the local level towards client-oriented thinking, support such efforts with training programmes, and other means of institution building. MARA	01.03.2010 IFAD

Project Title: ARDAHAN KARS ARTVIN DEVELOPMENT PROJECT							
#	Description	Date Identified	Type	Impact (I) & Probability (P), on a scale of 1 (lowest) to 5 (highest).	Award ID: Countermeasures / mgmt response	Date Last Update	Status
7	Frequent changes in the staff assigned to the Project by MARA HQ and PDAs and/or locally recruited project staff.	01.03.2010	Operational	The impact of the institution building activities will decrease, operational effectiveness will be hampered. Impact: 4; Probability: 2	Communicate importance of continuity at the outset of the Project, and ensure execution of proper hand-over mechanisms.	01.03.2010	

Risks #1 through #6, identified in the offline risk log above, have been derived from the Project Design Report.



## Annex 2: Roles and Responsibilities in Project Execution (Role and Responsibility Matrix – RRM)

Due to the size and complex nature of the Project, some roles and responsibilities are to be fulfilled simultaneously by the MARA, PMU and UNDP. This has been introduced as a mechanism of quality assurance.

		MARA		PMU		UNDP	
<b>Financial Planning, Management and Control</b>							
Task	MARA	PMU	UNDP	MARA	PMU	UNDP	UNDP
1. Preparation of Annual Work Plan and Budget (AWPB)	<ul style="list-style-type: none"> <li>- Reviews AWPB's to be prepared by PMU, provides feedback, and endorses submission to IFAD for approval.</li> <li>- Ensures coherence with Loan Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>- Prepares AWPB for MARA's review and endorsement, in accordance with the predetermined deadlines.</li> <li>- Improves AWPB as per MARA's feedback (if any) and secures MARA's endorsement.</li> <li>- Submits the AWPB to IFAD for review and approval.</li> <li>- Improves AWPB as per IFAD's feedback, and secures IFAD's approval.</li> </ul>	<ul style="list-style-type: none"> <li>- Provides operational backstopping and technical support (if needed)</li> <li>- Identifies complementarities with projects of other UN Agencies (chiefly UNDP), and ensures exploitation of synergies, when and if possible.</li> <li>- Informs UN Thematic Group on Regional Development on AWPB's of AKADP</li> </ul>	<ul style="list-style-type: none"> <li>- Prepares AWPB for MARA's review and endorsement, in accordance with the predetermined deadlines.</li> <li>- Improves AWPB as per MARA's feedback (if any) and secures MARA's endorsement.</li> <li>- Submits the AWPB to IFAD for review and approval.</li> <li>- Improves AWPB as per IFAD's feedback, and secures IFAD's approval.</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU</li> </ul>	<ul style="list-style-type: none"> <li>- Provides inputs to the preparation of the Withdrawal Application(s), by submitting MARA financial data and supporting documentation, if and when required</li> <li>- Receives proceeds of loan withdrawals and informs parties accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>- Provides operational backstopping and technical support (if needed)</li> <li>- Identifies complementarities with projects of other UN Agencies (chiefly UNDP), and ensures exploitation of synergies, when and if possible.</li> <li>- Informs UN Thematic Group on Regional Development on AWPB's of AKADP</li> </ul>
2. Preparation and issuance of withdrawal applications for IFAD's review and action, and transfer of funds	<ul style="list-style-type: none"> <li>- Prepares the Withdrawal Application(s), with inputs from UNDP.</li> <li>- Submits withdrawal applications to IFAD, and follows up on IFAD's possible inquiries.</li> <li>- Transfers proceeds of loan withdrawals to UNDP account</li> </ul>	<ul style="list-style-type: none"> <li>- Prepares the Withdrawal Application(s), with inputs from UNDP.</li> <li>- Submits withdrawal applications to IFAD, and follows up on IFAD's possible inquiries.</li> <li>- Transfers proceeds of loan withdrawals to UNDP account</li> </ul>	<ul style="list-style-type: none"> <li>- Provides inputs to the preparation of the Withdrawal Application(s), by submitting MARA financial data and supporting documentation, if and when required</li> <li>- Receives proceeds of loan withdrawals and informs parties accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>- Prepares the Withdrawal Application(s), with inputs from UNDP.</li> <li>- Submits withdrawal applications to IFAD, and follows up on IFAD's possible inquiries.</li> <li>- Transfers proceeds of loan withdrawals to UNDP account</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU</li> </ul>	<ul style="list-style-type: none"> <li>- Provides inputs to the preparation of the Withdrawal Application(s), by submitting MARA financial data and supporting documentation, if and when required</li> <li>- Receives proceeds of loan withdrawals and informs parties accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>- Provides inputs to the preparation of the Withdrawal Application(s), by submitting MARA financial data and supporting documentation, if and when required</li> <li>- Receives proceeds of loan withdrawals and informs parties accordingly.</li> </ul>
3. Maintenance of project account	<ul style="list-style-type: none"> <li>- Maintains accounts for all project income and expenditure.</li> <li>- Synchronizes project accounts with UNDP on a weekly basis</li> <li>- Ensures proper archiving of all supporting documents</li> </ul>	<ul style="list-style-type: none"> <li>- Maintains accounts for all project income and expenditure, at local level.</li> <li>- Ensures proper archiving of all supporting documents.</li> </ul>	<ul style="list-style-type: none"> <li>- Maintains accounts for all project income and expenditure.</li> <li>- Synchronizes project accounts with MARA on a weekly basis</li> <li>- Ensures proper archiving of all supporting documents</li> </ul>	<ul style="list-style-type: none"> <li>- Maintains accounts for all project income and expenditure, at local level.</li> <li>- Ensures proper archiving of all supporting documents.</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU</li> </ul>	<ul style="list-style-type: none"> <li>- Maintains accounts for all project income and expenditure.</li> <li>- Synchronizes project accounts with MARA on a weekly basis</li> <li>- Ensures proper archiving of all supporting documents</li> </ul>	<ul style="list-style-type: none"> <li>- Maintains accounts for all project income and expenditure.</li> <li>- Synchronizes project accounts with MARA on a weekly basis</li> <li>- Ensures proper archiving of all supporting documents</li> </ul>
4. Audit (MARA by Treasury)	<ul style="list-style-type: none"> <li>- Facilitates Treasury audit.</li> <li>- Shares formally/informally audit findings with IFAD and UNDP.</li> <li>- Ensures proper follow up on the audit findings</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU, with the exception of providing inputs, when and if required.</li> </ul>	<ul style="list-style-type: none"> <li>- Supports MARA by providing inputs and documentation, when and if needed.</li> <li>- Support MARA for following up on and/or addressing Treasury audits</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU, with the exception of providing inputs, when and if required.</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU, with the exception of providing inputs, when and if required.</li> </ul>	<ul style="list-style-type: none"> <li>- Supports MARA by providing inputs and documentation, when and if needed.</li> <li>- Support MARA for following up on and/or addressing Treasury audits</li> </ul>	<ul style="list-style-type: none"> <li>- Supports MARA by providing inputs and documentation, when and if needed.</li> <li>- Support MARA for following up on and/or addressing Treasury audits</li> </ul>
5. Audit (UNDP by Independent Auditors)	<ul style="list-style-type: none"> <li>- Reviews and signs relevant reports (e.g. combined delivery reports, cash position statements, asset lists) to facilitate UNDP audit.</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU, with the exception of providing inputs, when and if required.</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitates UNDP audit</li> <li>- Shares audit findings with MARA</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU, with the exception of providing inputs, when and if required.</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU, with the exception of providing inputs, when and if required.</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitates UNDP audit</li> <li>- Shares audit findings with MARA</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitates UNDP audit</li> <li>- Shares audit findings with MARA</li> </ul>

Task		MARA	PMU	UNDP
<b>Human Resources Management – for HR contracts to be signed by UNDP</b>				
6	Preparation of the Terms of Reference	<ul style="list-style-type: none"> <li>- Provides inputs for preparation of the Terms of Reference (tasks, duties, required qualifications, duration of assignment).</li> <li>- Reviews and clears the ToRs to be produced by UNDP, and obtains IFAD's 'no objection'.</li> </ul>	<ul style="list-style-type: none"> <li>- Provides inputs for preparation of the Terms of Reference (tasks, duties, required qualifications, duration of assignment).</li> </ul>	<ul style="list-style-type: none"> <li>- Reviews the inputs to be provided by MARA and PMU and prepares the Terms of Reference.</li> <li>- Submits the ToRs to the MARA for review and clearance.</li> </ul>
7	Advertisement	<ul style="list-style-type: none"> <li>- Reviews the advertisements to be placed on national media (newspapers etc.) and provides clearance</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU, other than facilitating advertisement of the ToR locally, when and if needed.</li> </ul>	<ul style="list-style-type: none"> <li>- Upon IFAD's 'no objection' is obtained by MARA and communicated to UNDP, advertizes the ToR's, locally, nationally and/or internationally depending on the scope and requirements of the ToR</li> </ul>
8	Selection and contracting	<ul style="list-style-type: none"> <li>- Provides inputs and/or participates to short-listing committees and interview panels,</li> <li>- Submits the proposed candidates to IFAD for no objection,</li> <li>- Obtains IFAD 'no objection' and communicates to objection to UNDP,</li> </ul>	<ul style="list-style-type: none"> <li>- Provides inputs and/or participates to short-listing committees and interview panels, when/if required.</li> </ul>	<ul style="list-style-type: none"> <li>- Collects the applications and files all applications securely,</li> <li>- Identifies short-listing committee members,</li> <li>- Facilitates short-listing with inputs from and participation of MARA/PMU,</li> <li>- Assures development of short-listing committee report,</li> <li>- Facilitates interviews with inputs from and participation of MARA/PMU,</li> <li>- Assures development of interview panel report,</li> <li>- Upon obtaining IFAD's 'no objection' through MARA, submits the 'case' to CAP (Contracts, Assets and Procurement) Committee and, when needed, to Regional ACP (Advisory Committee on Procurement) for approval,</li> <li>- Prepares and ensures signature of contracts, provides a copy of the contract to MARA for records.</li> </ul>

Task	MARA	PMU	UNDP
9 Contract Management and Administration	<ul style="list-style-type: none"> <li>- Monitors performance of the project staff, reviews monthly activity reports and endorses monthly activity reports.</li> <li>- Clears annual leaves, travel authorization forms etc.</li> <li>- Facilitates contract extensions and/or terminations in accordance with the joint performance evaluations with UNDP.</li> </ul>	<ul style="list-style-type: none"> <li>- Monitors performance, attendance etc. of the project staff.</li> <li>- Facilitate smooth contract management by providing prior clearance on annual leaves, travels etc.</li> <li>- Ensures timely submission of monthly activity reports.</li> </ul>	<ul style="list-style-type: none"> <li>- Administers the contract by following UNDP rules and regulations applicable to the contracts in question.</li> <li>- Approves annual leaves of project staff upon MARA's clearance, keeps records.</li> <li>- Approves travel authorization of project staff upon MARA's clearance.</li> <li>- Applies UNDP's safety and security measures and provides training to project staff accordingly, ensures all project staff obtains a certificate on security in the field.</li> <li>- Extends and/or terminates the contracts in accordance with the joint performance evaluations with MARA.</li> <li>- Makes payments upon endorsement of MARA of relevant reports and forms.</li> </ul>
10 Payments	<ul style="list-style-type: none"> <li>- Endorses monthly activity reports, travel claim forms etc. of the project staff with a view to facilitate corresponding payments.</li> </ul>	<ul style="list-style-type: none"> <li>- No role/responsibility assigned to the PMU.</li> </ul>	
<b>Procurement (General)</b>			
11. Capacity Improvement	<ul style="list-style-type: none"> <li>- Facilitates participation of local staff to procurement training to be delivered by UNDP</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitates participation of local staff to procurement training to be delivered by UNDP</li> </ul>	<ul style="list-style-type: none"> <li>- Trains the local staff including those of the PDAs, on procurement planning, procurement, contract management, and contract closure</li> <li>- Transfers lessons learned from DBSDP and SEDP to the project staff and PDAs</li> </ul>
12 Planning	<ul style="list-style-type: none"> <li>- Reviews the procurement plans and ensures coherence and compliance with the provisions of the loan agreement, advises PMU accordingly, and endorses annual procurement plans,</li> </ul>	<ul style="list-style-type: none"> <li>- Develops procurement plans in accordance with the approved AWPBs,</li> <li>- Flags the possible deviations from procurement plans, and provides justifications</li> </ul>	<ul style="list-style-type: none"> <li>- Reviews procurement plans of the PMU, ensures conformity, conducts reality checks and provides feedback, flags inconsistencies etc.</li> <li>- Incorporates project-level procurement plans to the UNDP Country Office's annual procurement plan</li> </ul>
<b>Procurement (Local) – for contracts to be signed by UNDP</b>			
13 Development of the bidding documents	<ul style="list-style-type: none"> <li>- Reviews all solicitation documents, including technical specifications etc.</li> <li>- Controls and confirms coherence with AWPB, loan covenants etc.</li> <li>- Informs PMU and UNDP, accordingly</li> </ul>	<ul style="list-style-type: none"> <li>- Conducts market research,</li> <li>- Develops technical specifications for all procurements</li> <li>- Develops solicitation (bidding) documents</li> <li>- Submits such documents to MARA and UNDP for review, feedback and clearance</li> </ul>	<ul style="list-style-type: none"> <li>- Reviews all solicitation documents within the predetermined time limits, provides feedback, and ensures compliance with procurement rules and regulations,</li> <li>- Clears related documents for advertisement and/or invitation etc.</li> </ul>

Task		MARA	PMU	UNDP
14	Obtain 'no objection'	<ul style="list-style-type: none"> <li>- Ensures IFAD's 'no objection' is secured, when and if required.</li> <li>- Closely monitors the advertisement process, and makes interventions with a view to increase transparency and accountability.</li> <li>- Reviews and endorses announcements.</li> </ul>	<ul style="list-style-type: none"> <li>- Obtains 'no objection' from IFAD, when and if needed.</li> <li>- Revises/improves the solicitation documents as per IFAD's requests and/or provides clarification.</li> <li>- Advertises the procurement announcement at PDAs at a location visible to visitors.</li> <li>- Advertises the procurement announcement at national/local media, when and if required (to be determined in accordance with the estimated size of consequent contracts)</li> <li>- Invites all competent prospective bidders, keeps records of invitations, and proactively seeks for ensuring highest level of administrative and technically compliant responses to the bids.</li> </ul>	<ul style="list-style-type: none"> <li>- Rechecks the solicitation documents in line with IFAD's comments, if any</li> <li>- Advises the PMU on mode of local advertisement, and invitations.</li> <li>- Advertises the procurement announcement at UNDP website, when and if required (to be determined in accordance with the estimated size of consequent contracts).</li> </ul>
15	Advertisement and/or invitations		<ul style="list-style-type: none"> <li>- Collects the bids, records time of receipt of bids, keeps bids in a secure location.</li> <li>- Establishes bid evaluation committee.</li> <li>- Evaluates the bids, develops the bid opening, and evaluation report, and submits recommendation to the MARA</li> <li>- Secures IFAD's 'no objection', when and if required.</li> </ul>	<ul style="list-style-type: none"> <li>- Reviews the documents to be submitted by MARA.</li> <li>- Completes internal control processes (e.g. CAP, ACP when needed).</li> </ul>
16	Collection and evaluation of bids.	<ul style="list-style-type: none"> <li>- Participates to the bid opening and evaluation committees, when and if needed, as an observer or voting member.</li> <li>- Reviews the recommendations to be submitted by the PMU, clears the submission and officially send all documents to UNDP for contracting.</li> </ul>		
17	Contracting	<ul style="list-style-type: none"> <li>- May participate to the contract meetings.</li> <li>- Keeps a copy of the contract for contract management purposes.</li> </ul>	<ul style="list-style-type: none"> <li>- Holds the contract meeting, if advised by UNDP, and develops the minutes of the contract meeting and submits them to UNDP for review and attachment to the contract, if needed.</li> <li>- Keeps a copy of the contract for contract management purposes.</li> </ul>	<ul style="list-style-type: none"> <li>- If applicable, returns the bid bonds, to the unsuccessful bidders.</li> <li>- If applicable, exchanges the bid bond of the successful bidder with performance security, and keeps the performance security in a safe deposit until the contract is closed</li> <li>- Prepares the contract.</li> <li>- May advise for holding a contract meeting.</li> <li>- Signs the contract and get it signed by the successful bidder, provide the MARA and PMU with a copy</li> </ul>

Task	MARA	PMU	UNDP
18 Contract Management	<ul style="list-style-type: none"> <li>- Clears the requests to be made by the PMU regarding modifications to the contracts and payments, and submits such requests to UNDP for further processing and finalization.</li> </ul>	<ul style="list-style-type: none"> <li>- Monitors the performance of the contractors.</li> <li>- Facilitate temporary and final acceptance of goods, services and works, as per the covenants of the corresponding solicitation documents, and reports accordingly.</li> <li>- Informs UNDP and MARA instantly regarding risks, and any deviations from the contract.</li> <li>- Monitors contract duration and other considerations, and informs MARA and UNDP immediately that call for any modification to the contracts.</li> <li>- Keeps records of all correspondences with the contractors.</li> <li>- Prepares and submits payment request dossiers (including acceptance reports, invoices, correspondences with the contractors etc.) to the MARA for review and clearance.</li> </ul>	<ul style="list-style-type: none"> <li>- Manages the contract in accordance with the information to be provided by the PMU through the MARA.</li> <li>- Makes payments based on the clearance to be provided by the MARA and informs the MARA and PMU accordingly</li> </ul>

Task		MARA	PMU	UNDP
<b>Procurement (Large-scale) – for contracts to be signed by UNDP</b>				
19 Development of the bidding documents	<ul style="list-style-type: none"> <li>- Reviews all solicitation documents, including technical specifications etc.</li> <li>- Controls and confirms coherence with AWPB, loan covenants etc.</li> <li>- Informs PMU and UNDP, accordingly</li> </ul>	<ul style="list-style-type: none"> <li>- Conducts market research,</li> <li>- Develops technical specifications for all procurements,</li> <li>- Develops solicitation (bidding) documents,</li> <li>- Submits such documents to MARA and UNDP for review, feedback and clearance</li> </ul>	<ul style="list-style-type: none"> <li>- Reviews all solicitation documents within the predetermined time limits, provides feedback, and ensures compliance with procurement rules and regulations.</li> <li>- Clears related documents for advertisement etc</li> </ul>	
20. Obtain 'no objection'	<ul style="list-style-type: none"> <li>- Ensures IFAD's 'no objection' is secured, when and if required,</li> </ul>	<ul style="list-style-type: none"> <li>- Obtains 'no objection' from IFAD, when and if needed,</li> <li>- Revises/improves the solicitation documents as per IFAD's requests and/or provides clarification</li> </ul>	<ul style="list-style-type: none"> <li>- Rechecks the solicitation documents in line with IFAD's comments, if any</li> </ul>	
21 Advertisement	<ul style="list-style-type: none"> <li>- Closely monitors the advertisement process, and makes interventions with a view to increase transparency and accountability,</li> <li>- Reviews and endorses announcements.</li> </ul>	<ul style="list-style-type: none"> <li>- No role or responsibility assigned to the PMU</li> </ul>	<ul style="list-style-type: none"> <li>- Advertises the procurement announcement at UNDP website (UNDEV) and/or the national media, when and if required (to be determined in accordance with the estimated size of consequent contracts).</li> </ul>	
22 Collection and evaluation of bids	<ul style="list-style-type: none"> <li>- Participates to the bid opening and evaluation committees, when and if needed, as an observer or voting member,</li> <li>- Secures IFAD's 'no objection', when and if required</li> </ul>	<ul style="list-style-type: none"> <li>- Participates to the bid opening and evaluation committees,</li> </ul>	<ul style="list-style-type: none"> <li>- Collects the bids, records time of receipt of bids, keeps bids in a secure location,</li> <li>- Establishes bid evaluation committee, with members participation from UNDP, MARA and/or PMU,</li> <li>- Facilitates evaluation of the bids, development of the bid opening, and evaluation reports,</li> <li>- Completes internal control processes (e.g. CAP, ACP when needed),</li> </ul>	

Task	MARA	PMU	UNDP
23 Contracting	<ul style="list-style-type: none"> <li>- May participate to the contract meetings,</li> <li>- Keeps a copy of the contract for contract management purposes,</li> </ul>	<ul style="list-style-type: none"> <li>- Keeps a copy of the contract for contract management purposes,</li> </ul>	<ul style="list-style-type: none"> <li>- If applicable, returns the bid bonds, to the unsuccessful bidders,</li> <li>- If applicable, exchanges the bid bond of the successful bidder with performance security and keeps the performance security in a safe deposit until the contract is closed.</li> <li>- Holds the contract meeting, if deemed necessary, and develops the minutes of the contract meetings (attach to the contract if needed)</li> <li>- Prepares the contract,</li> <li>- Signs the contract and get it signed by the successful bidder, provide the MARA and PMU with a copy</li> </ul>
24 Contract Management	<ul style="list-style-type: none"> <li>- Clears the requests to be made by the PMU regarding modifications to the contracts and payments, and submits such requests to UNDP for further processing and finalization.</li> </ul>	<ul style="list-style-type: none"> <li>- Monitors the performance of the contractors,</li> <li>- Facilitate temporary and final acceptance of goods, services and works, as per the covenants of the corresponding solicitation documents, and reports accordingly,</li> <li>- Informs UNDP and MARA instantly regarding risks, and any deviations from the contract,</li> <li>- Monitors contract duration and other considerations, and informs MARA and UNDP immediately that call for any modification to the contracts,</li> <li>- Keeps records of all correspondences with the contractors,</li> <li>- Prepares and submits payment request dossiers (including acceptance reports, invoices, correspondences with the contractors etc.) to the MARA for review and clearance.</li> </ul>	<ul style="list-style-type: none"> <li>- Manages the contract in accordance with the information to be provided by the PMU through the MARA,</li> <li>- Makes payments, based on the clearance to be provided by the MARA and informs the MARA and PMU accordingly</li> </ul>

## Annex 3: Finances

**Special Account:** A 'Special Account' shall be established by the Government in the Central Bank and denominated in United States Dollars (USD). After the Special Account has been opened, upon the borrower's request, IFAD shall make one or more withdrawals of up to USD 2.5 million in aggregate from a 'Loan Account'. The Special Account would be for the exclusive purposes of: (a) receiving advance liquidity in support of Project implementation from the Loan Account; and (b) transfer of funds to a 'Project Account' (i.e. a UNDP corporate account) under the Terms and Conditions of a UNDP Service Agreement for the Project. The Special Account will be administered in accordance with Section 4.08 of the General Conditions (Special Account) and will be replenished from time to time upon request, in such minimum amounts as IFAD may specify by notice to the Borrower.

**Project Account:** The Borrower, through the Lead Project Agency (MARA/GDAPD), would authorize UNDP to hold and disburse Loan Funds on its behalf as set out in the Loan Agreement and the UNDP Service Agreement. To this end, UNDP would use the Project Account in USD to receive funds from the Special Account for Project operations. UNDP would make direct payments from the Project Account for activities implemented at the national level and for those expenditures at the provincial level in accordance with the AWPB and the UNDP Service agreement.

### The Government and UNDP Cost-sharing

The Government cost-sharing to the project will be transferred to UNDP accounts via the budget of the Ministry of Agriculture and Rural Affairs, General Directorate of Agricultural Production and Development from the IFAD loan. UNDP will contribute cost-sharing from its own resources in the total amount of USD250.000.

In principle, the UNDP cost-sharing will be utilized for activities to strengthen the capacity of MARA and the PMUs for successful achievement of Project objectives. Eligible activities to be financed include those that will reinforce the organizational capacity and knowledge-base on topics relevant to effective AKADP implementation, such as project management; strategic planning; and sharing of cross-country best practices on innovative approaches to rural development and policy tools to support rural economic growth. UNDP will provide national and international technical assistance to commission studies and surveys, and will coordinate and finance strategic capacity-building activities that are designed to support a "learning by doing" approach, such as study tours, national and international seminars, workshops, and training events.

Cost of UNDP Implementation Support Services (US\$100.000/year) and UNDP General Management (3% of delivery) will be charged against the project budget.



## Annex 4: Budget Transfer Programme

Project Title: Ardahan, Kars, Artvin development project (AKADP)  
 Source of Funds: MARA  
 Implementing Agency: MARA  
 Responsible Parties: MARA and UNDP

Donor	Year	Date (Estimated) <sup>[1]</sup>	Budgeted Amount	Amount to be Deposited <sup>[2], [3]</sup>	Balance <sup>[4], [4]</sup>
MARA	2010	2010	22.421,2	137,7	22.283,5
		2011	22.283,5	3.824,6	18.458,9
		2012	18.458,9	6.030,4	12.428,5
		2013	12.428,5	5.371,4	7.057,1
		2014	7.057,1	4.548,6	2.508,5
		2015	2.508,5	2.508,5	0,0
UNDP	2010	2010	250,0	50,0	200,0
		2011	200,0	50,0	150,0
		2012	150,0	50,0	100,0
		2013	100,0	50,0	50,0
		2014	50,0	25,0	25,0
		2015	25,0	25,0	0,0
Grand Total			22.671,2	22.671,2	0,0

**Note 1:** Project activities are aligned with the Payment Schedule.

**Note 2:** Payment in US\$ is to be made to the UNDP Account (indicating project number and title):

Bank Name: Bank of America  
 Address: 1401 Elm St., Dallas TX 75202  
 Account Number: 3752207404  
 Account Title: UNDP Representative in Turkey (USD) Account  
 ACH Routing Number: 111000012 [to be used only by US-based banks using ACH payment type]  
 Wire Routing Number: 026009593  
 SWIFT Code: BOFAUS3N

**Note 3:** The value of a contribution-payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment and reflected into the Project Budget accordingly.

Payment in TRL is to be deposited to the UNDP Account:  
 Garanti Bankası  
 Ankara Ticari Branch,  
 Branch Code: 170,  
 Account No: 1201038,  
 IBAN: TR53 (0006 2000 1700 0001 2010 38, SWIFT Code: TGBATRIS indicating project number and title).