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PROJECT DOCUMENT

[Turkey CO]

Project Title: Göksu-Taşeli Watershed Development Project (GTWDP)

Project Number: 96623 Proposal ID

Implementing Partner: Ministry of Food, Agriculture and Livestock

Start Date: April 2017 **End Date:** December 2023 **PAC Meeting date:** February 17, 2017

Brief Description

The overall objective of GTWDP, as phase one of a two-Project Program, is to reduce rural poverty by supporting economic diversification through value chain development and sustainable natural resource management. The Project targets to increase farmers' income from improved agricultural production and marketing activities in the targeted area with strengthened resilience to climate shocks. The Project would also contribute to improving the standards of living of the nomadic Yörük tribes in the highlands of the Taurus Mountains, through capacity building that would assist them to organize for improved management of the common natural resources. The project outcomes would include:

- i) sustainably increased farm productivity;
- ii) higher product prices received by smallholder producers.

The GTWDP would be implemented in selected villages of 11 districts of Konya and Karaman provinces of Central Anatolia. These districts are located in the Göksu sub-catchment, one of the four in the East Mediterranean Watershed. The Project area includes 212 villages that are situated in the mountainous parts of the 11 districts where the elevation varies between 600 m and 1800 m. Each component would focus on elements of the identified value chains (VCs).

The GTWDP would include three components namely:

- i) Agricultural Productivity and Natural Resource Management;
- ii) Market Access Enhancement; and
- iii) Project Management

MFAL has the overall responsibility for the management and the implementation of GTWDP. UNDP's role is to support the project in dealing with flow of funds arrangement, recruitment of project staff, contracting of technical assistance, accounting, auditing and assistance in procurement of goods, civil works and services. The Project will be supervised by IFAD (Financier).

Contributing Outcome (UNDAF/CPD, RPD or GPD):

By 2020, relevant government institutions operate in an improved legal and policy framework, and institutional capacity and accountability mechanisms assure a more enabling (competitive, inclusive and innovative) environment for sustainable, job-rich growth and development for all women and men.

Indicative Output(s): 1.1 Systems and institutions enabled to achieve structural transformation towards sustainable, equitable employment and productivity growth.

	USD ¹	EUR
Total resources required w/ in kind UNDP (A+B+C+D) :	\$21,797,054	€ 20,423,840
Total resources allocated (A)+(B)+(C) :	\$20,477,054	€ 19,187,000
(A) Donor (IFAD) :	\$17,022,412	€ 15,950,000
(B) Government :	\$3,081,110	€ 2,887,000
(C) Grant (IFAD)	\$373,532	€ 350,000
GMS² amount	\$596,419	€ 558,845
(D) In-Kind Cont (UNDP)	\$1,320,000	€ 1,236,840

Agreed by (signatures):

Government	UNDP	Implementing Partner
In behalf of The Ministry of Foreign Affairs Print Name: Mustafa Osman TURAN Eliç Çok Taraflı Ekonomik İşler Genel Müdür Yardımcısı	In behalf of UNDP Print Name:	In behalf of MoFAL Print Name: Abdullah Burak KESER Genel Müdür V.
Date: 08/07/2017	Date:	Date:

¹ UN Operational Exchange Rate for February 2017. USD/EUR 0.937

² GMS will not be taken from in-kind contribution amount

I. DEVELOPMENT CHALLENGE

1. The Project area, Upper Göksu Watershed and the Taşeli Plateau, was selected by Government based on: i) poor socio-economic conditions and continuing rural outmigration; ii) its agro-ecological diversity that enables capitalizing on off-season (both early and late) crop production, particularly fruit production; and iii) its target group, which consists of productive poor that managed to move towards semi-commercial production and resist migration.
2. The Government of Turkey made a request to the UN International Fund for Agricultural Development (IFAD) to initiate the design of the Göksu Taşeli Watershed Development Project (GTWDP). It is expected that GTWDP will contribute to the reduction of rural poverty and regional income disparity in Turkey. This Project Design Report is a result of several missions and close contacts with the relevant agencies in the capital, Ankara, as well as contacts in the field, in the provinces of Konya and Karaman.
3. The Project is underpinned by a phased approach in order to foster deeper interaction and the predictability of a long-term partnership with the Government. The GTWDP would be the Phase I of a "Programmatic Approach" that would cover two consecutive PBAS cycles. The Programme would cover 9 years, with two overlapping projects of 7 years each.
4. The Project is consistent with the objectives of IFAD's strategic framework, the study conducted by IFAD on Upper Middle Income Countries (UMICs) with Turkey as case study and the objectives of the various strategies and action plans of the Government. These include: the Long-term Strategy 2001-2023 aimed at eliminating disparities between rural-urban areas and across regions; the Tenth Development Plan 2014-2018 comprised of regional development policies for a more balanced distribution of welfare over the country and maximum contribution from all regions, National Rural Development Strategy (2014-2020) highlighting the improvement need on capacity building, processing/marketing potential of agricultural products, rural tourism, pasture and irrigation capacity; and the Strategic Plan for Agriculture for 2013-2017. Some cross-cutting strategic goals are: i) to develop agricultural and social infrastructure services and increase the appeal of rural areas through rural development and improved welfare; ii) to provide food security and accessibility to quality agricultural products while protecting the agricultural resource base; iii) to enhance food reliability in accordance with international standards from production to consumption ('farm-to-fork'); and iv) to increase crop production by ensuring quality through environmentally-friendly and effective production systems. The National Climate Change Strategy and Action Plan 2010-2020 (NCCSAP) identifies the strategies for the agriculture and forestry sectors for climate change adaptation (and greenhouse gasses) in vulnerable areas, such as the project area.
5. Turkey, an upper-middle-income country with a population of 77.7 million and a GDP of US\$820 billion is a European Union accession candidate. It is also a member of the OECD and the G20, and an increasingly important donor to bilateral Official Development Assistance (ODA). Turkey has a functioning market economy. In 2012, it had a GDP of EUR 613 billion and a GDP per capita of EUR 8,208.3¹The country has already adopted sound macroeconomic policies with structural reforms to reduce the role of the state and improve the business environment for private investments.
6. **Agriculture** is no longer Turkey's main driver of economic growth, contributing only 6.1% to the country's GDP in 2016. It is still important for rural development, employment (particularly for women), export and manufacturing. Turkey is a regional hub for the production, processing and export of foodstuffs to large European and Middle Eastern markets. Its agricultural diversity and amenable climate allow it to produce a sustainable supply chain of raw inputs for its processing industry, facilitating its status as a large net exporter of food and beverages. However, the sector still has serious shortcomings. Turkish agriculture has a dual face, with farmers who are: i) commercialized, use the latest technologies, have links to a wide range of domestic and international information sources, acutely aware of global trends and consumer preferences, interested in innovations and fully integrated into national and international markets; and ii) resource poor, engaged in subsistent or semi-subsistent farming, conservative, and do not consider farming as a business.
7. **Poverty** has declined in Turkey. In the last decade alone, the poverty rate was halved, from 44% in 2002 to 21% in 2011 according to income based poverty statistics. However, regional income disparities still remain. Imbalances persist in socio-economic structure and income levels across both rural and urban settlements and across regions in the country. Turkey's nominal 2013 Human Development Index (HDI) of 0.759 exceeds the average of 0.738 for other countries in Europe and Central Asia. Turkey's performance is

¹ European Commission, August 2014. Instrument for Pre-accession Assistance (IPA II).

also above the average of 0.735 for countries in the high human development category, and it ranks 69 out of 187 countries and territories. The country's Inequality-adjusted Human Development Index (IHDI) is about 15.8% lower than its nominal 2013 HDI. This underlines the inequality in the distribution of achievements across the society including regional disparities. Moreover, according to the Gender Inequality Index 2013 (GI), Turkey has a value of 0.36, and ranks 69 out of 149 countries. On the other hand, according to the Global Gender Gap Index 2013, the country ranks last among the European Union countries. When these two indicators are considered, it is evident that Turkish women still experience inequalities. This is less than half the OECD average of 65% and below many OECD members and developing countries worldwide. The rural population is decreasing, from 23.3% in 2011 to 8.25% in 2014⁴. 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 in some regions, 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. The rural labour force is predominantly employed in the agriculture sector with a share of around 61%.

8. Women have always played a vital role in Turkish agriculture, which is the largest employer of women in rural areas. The 2014 statistics indicate that women's labor force participation rate (aged 15 years and over) is an estimated 30%. Women make up 44% of the agricultural labor force.

II. STRATEGY

9. The overall objective of the GTWDP, as phase one of a two-Project Program, is to reduce rural poverty by supporting economic diversification through value chain development and sustainable natural resource management. The Project Development Objective is to increase farmers' income from improved agricultural production and marketing activities in the targeted area with strengthened resilience to climate shocks. The Project would also contribute to improving the standards of living of the nomadic Yörük tribes in the highlands of the Taurus Mountains, through capacity building that would assist them to organize for improved management of the common natural resources.

10. The project outcomes would include: i) sustainably increased farm productivity; ii) higher product prices received by smallholder producer. (See Results Resource Framework for more details).

11. The GTWDP would be implemented in selected villages of 11 districts of Konya and Karaman provinces of Central Anatolia. These districts are located in the Göksu sub-catchment, one of the four in the East Mediterranean Watershed. The Project area includes 212 villages that are situated in the mountainous parts of the 11 districts where the elevation varies between 600 m and 1 800 m.

12. Each component would focus on elements of the identified value chains (VCs). However, the components and their subcomponents are intricately woven with intrinsic complementarities so as to maximize the impact of each. Thus, no specific balance is contemplated as regards the available resources for any single one, but rather all individual interventions have been designed to multiply impact when used in any combination. Within this framework, the GTWDP would include three components namely: i) Agricultural Productivity and Natural Resource Management; ii) Market Access Enhancement; and iii) Project Management.

13. The components, respectively, have been designed to: i) improve access to effective technical advisory services, new knowledge and skills - particularly in farming as a business, modern inputs, and matching grants to improve adoption of new technologies, including solar energy; ii) build capacity for accessing early warning data through investments and training, while prompting the wider adoption of climate-smart technologies through investments in efficient irrigation and water harvesting, as well as improving land management in the rangelands and marginal agricultural land through investments in terracing; and iii) enhance the producers capacity to voluntarily organize to better interpret and respond to market signals.

⁴ <http://www.nufusu.com>

III. RESULTS AND PARTNERSHIPS

Expected Results

14. The project's contribution to economic welfare is derived from: increased quantity and quality of market-oriented production, better market access, and higher prices due to branding and employment resulting from the investments along the value chains. While the project design foresaw difficulties quantify and estimate the net benefits from reduced water use through drip irrigation, climate change resilience, natural resource rehabilitation, intensification and diversification of farming systems, and employment generation attempts will be made to capture this information to the extent possible through adequate monitoring and evaluation systems.

15. The overall project analysis suggests an EIRR of 17% over twenty years. The gross value of production forecast shows an increase of approximately 50% from the 'without the project' situation, while outflows are mere 30% or so, including labour. In addition to the quantified benefits described above, the GTWDP is expected to generate a number of benefits that would be difficult to evaluate in monetary terms.

Resources Required to Achieve the Expected Results

16. The Project funded by IFAD and contributed by Turkish Government is forecast to total 22.27 million Euro including beneficiary contribution according to financing agreement between IFAD and Treasury. Beneficiary contribution (Euro 2.6 million) is not reflected into current Project Document since these expenditures will be realized through individual accounts and not through UNDP accounts. 73% will go to finance Component 1: Improved Agricultural Productivity and Natural Resource Management, 19% of the total to finance Component 2: Market Access Enhancement & Value Chain Development and 8% for Component 3: Project Management Unit.

17. The Government will forego on taxes and duties related to any programme-related inputs that involve external sources of financing associated with IFAD financing. Any future changes in the rates and/or structure of taxes and duties would have to apply to the Project.

18. IFAD financing would comprise a loan amounting to 15.95 million Euro, as well as 350,000 Euro in grant funding from IFAD, contributions from the Government in the form of 2,887,000 Euro from its budget and 483,000 Euro from foregone taxes. A beneficiary contribution of 2.6 million Euro is envisaged. Beneficiary funding will cover counterpart contributions towards grant funding from Component 1 and 2.

19. **The current project document between MFAL and UNDP, takes into account only IFAD loan, IFAD grant and Government contribution of Euro 2,887,000 and made the budget allocation into multi-annual work plan in line with the final design report. This total does not include Euro 2.6 million beneficiary contribution.**

20. UNDP will contribute additional in kind contribution from direct project costs which are presented in Annex 5. Therefore, total budget for the current project between MFAL and UNDP is estimated around USD 21.80 million (EUR 20.42 million).

Partnerships

21. The Implementing Agency of the project would be the Ministry of Food Agriculture and Livestock (MFAL) located in Ankara. The overall management responsibility would rest with the General Directorate of Agrarian Reform (GDAR of MFAL) in Ankara where a Central Project Management Unit (CPMU) would be established. The responsibility for field implementation would lie with the Provincial Directorates of Konya and Karaman for the respective implementations in these provinces.

22. Several government agencies are active in the project area. UNDP will seek to establish close collaboration and coordination with the following that are directly related to the objectives of the project and would complement its rural poverty reduction and marketing enhancement initiatives: i) the Konya Regional Development Administration (KOP); ii) the Regional Directorate of Forestry of the MFWA; iii) the Greater Metropolitan Municipality of Konya; iv) the Governors' Offices of Konya and Karaman as Turkish Employment Agency (IŞKUR) and Ministry of National Education (MONE); v) the Mevlana Development Agency (MEVKA); vi) Agency for Small and Medium-scale Enterprises (KOSGEB), vii) DGRV viii) IPARD Local Offices in Konya and Karaman; and ix) the provincial Chambers of Agriculture and of Trade and Industry. In addition, this collaboration will be extended to other service providers, both private and public, who may be contracted by the project during implementation, as the need may arise.

Risks and Assumptions

- Detailed risk log is provided in Annex 3

Stakeholder Engagement

23. Women have always played a vital role in Turkish agriculture, which is the largest employer of women in rural areas. The 2014 statistics indicate that women's labor force participation rate (aged 15 years and over) is an estimated 30%. Women make up 44% of the agricultural labor force.

24. **Project Beneficiaries** are 32,098 households living in 212 villages with a total population of 118,800. The majority is engaged in fruit and field crop production on 166,536 hectares (of which only 15% is irrigated), and in keeping small flocks of small ruminants. In addition, the project would benefit around 120 nomadic households living on rangelands in the project area. Their main livelihood is small ruminant production and small scale milk processing for household needs and sale of surplus.

25. The GTWDP's target group is made of productive poor households (women and men) with a potentially adequate asset base that enables them to be engaged in mixed farming, with a focus on crop production. Average household size is 3.7. These households are semi-commercial; some have established links with the markets, while others' engagement with the market is "hit or miss" in nature. They cultivate an average of 3.5 hectares of cropland that are fragmented, and keep mostly goats (30-50 heads). The cultivated land is either: i) totally rainfed (most prevalent); or ii) mostly rainfed with some irrigated patches according to water availability and individual investment capacity. The target group suffers from production fragmentation and poor organizational capabilities. This results in a failure to combine forces to provide products of sufficient volume and consistent quality to satisfy the large-scale buyers' expectations. Furthermore, other main constraints are the lack of training on modern techniques for upstream production and post-harvest handling, and insufficient marketing towards downstream systems and consumers.

South-South and Triangular Cooperation (SSTC)

26. The Project has important potential to draw on valuable lessons and generate success stories which could be replicated in other countries where MFAL and other relevant actors experience could be shared, UNDP's contribution in this sense will be important to bridge the experience and best practice across the Region through UNDP's and IFAD's regional and global networks. UNDP has been working with Turkish Corporation and Coordination Agency and this collaboration provides opportunities to reflect best practice cases from Turkey to other developing countries. Together with the experience from IFAD funded programs MFAL could promote strong field experience and replicate success stories to other countries where replication is possible.

Knowledge

27. The Project will publish best practices, success stories and lessons learned reports throughout its entire duration so that replicable stories could be disseminated through publications as well as blogs, podcasts, media coverage etc.

Sustainability and Scaling Up

28. The project is designed to ensure that the producers sustainably access markets by integrating into existing and new value chains while maintaining focus on good agricultural practices and NRM. These include enhancing the quantity and quality of the crops in the area as well as providing assistance for modern marketing (including branding) and market information services. The introduction of farming as a business for the producers would result in optimization of the land, water and labour resources available in the project area, both individually and collectively. Strengthening farmer organizations through training and capacity building would enable longer-term and more stable contractual relationships with collectors, processors, exporters, etc. These factors are expected to last beyond the 7-year project period. The partnership between the producer groups and the private sector would be strengthened also as a result of improved knowledge management.

29. In addition, the project, through the provision of business advisory services, would expand the farmer outreach to a variety of support and investment programs that are in place, financed from the national budget, EU grants, and other sources. For instance, grant scheme program of IPARD II and national support schemes from MFAL could be future attractions for beneficiaries. Currently target groups does not have necessary tools

to benefit from these programs but Project activities will also target to improve their capacities to benefit from these programs.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

30. The proposed strategy is expected to deliver maximum results with available resources, with benefits from similar actions in relevant activities of MFAL and UNDP.

(a) Partnership strategy will be explored and complementary actions will be formulated to achieve maximum results. UNDP's ongoing initiatives in a complementary manner will be benefited within local economic development, clustering, renewable energy and energy efficiency projects. For instance UNDP will be working closely with General Directorate of Forestry in a GEF funded climate change project which will support forest villages to benefit from solar systems. One of the implementation areas will be in Karaman. Direct involvement from provincial directorates of MoFAL and General Directorate of Forestry will be ensured to increase impact.

(b) Portfolio management approach will improve cost effectiveness by leveraging activities and partnerships with other initiatives/projects

31. The joint operations (e.g., monitoring or procurement) within UNDP led other initiatives and partners will support cost efficiency and cost effectiveness. To the extent possible long term agreements will be mobilized in order to increase cost and time efficiency and to standardize the quality of the services. UNDP benefits from ongoing different programs in terms of procurement to achieve operational efficiency.

Project Management

32. The Implementing Agency of the project would be the Ministry of Food Agriculture and Livestock (MFAL) located in Ankara. The overall management responsibility would rest with the General Directorate of Agrarian Reform (GDAR of MFAL) in Ankara where a Central Project Management Unit (CPMU) would be established. UNDP will provide human resources support and will work in close collaboration with CPMU of MFAL. The responsibility for field implementation would lie with the Provincial Directorates of Konya and Karaman for the respective implementations in these provinces.

33. Two Provincial Project Management Units (PPMUs) would be embedded in the Provincial Directorates of MFAL (PDA) in Konya and Karaman, and would be charged with the day-to-day field management and implementation of the Project. It is expected that staff of the CPMU and the two PPMUs would be seconded from the cadres of MFAL. Eight multi-disciplinary Farmer Support Teams (FSTs), each one comprising specialists for field crop production, horticultural production and agricultural economics, where one would be female and would be assigned by the PDA to the PPMUs to carry out extension services and maintain frequent contact with the beneficiaries as required by the GTWDP design. Each team will be responsible for one or more districts identified based on their number of villages and the proximity of those to each other and the district centers. This composition is envisaged in the design report, however within the scope of the collaboration between MFAL and UNDP, contracted staff could be mobilized in order to strengthen the implementation capacity.

34. Apart from the Provincial Directorate's seconded staff, additional contracted staff will be needed in each province to coordinate and support project activities. Also, additional short term experts on technical fields as detailed in paragraph 33 will be mobilized in line with the activity requirements. Details for the team with respective roles of MFAL and UNDP is shared in Section VIII.

Several government agencies are active in the project area. Close collaboration and coordination will be sought with the following that are directly related to the objectives of the project and would complement its rural poverty reduction and marketing enhancement initiatives: i) the Konya Regional Development Administration (KOP); ii) the Regional Directorate of Forestry of the MFWA; iii) the Greater Metropolitan Municipality of Konya; iv) the Governors' Offices of Konya and Karaman as Turkish Employment Agency (IŞKUR) and Ministry of National Education (MONE); v) the Mevlana Development Agency (MEVKA); vi) Agency for Small and Medium-scale Enterprises (KOSGEB), vii)

DGRV viii) IPARD Local Offices in Konya and Karaman; and ix) the provincial Chambers of Agriculture and of Trade and Industry

35. Grant programs will be run within the second Component. Individual investments will be supported 70% and corporate investments for cooperatives and/or associations will be supported 80% from the Project. Grant programs are designed and will be managed through call for proposals, evaluation and award processes to be followed by implementation phases. Finally, all grant projects will be closely monitored and evaluated through IFAD and UNDP teams as well as MoFAL provincial teams.

V. RESULTS FRAMEWORK⁵

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:

1.1. By 2020, relevant government institutions operate in an improved legal and policy framework, and institutional capacity and accountability mechanisms assure a more enabling (competitive, inclusive and innovative) environment for sustainable, job-rich growth and development for all women and men.

Indicator 1.1.1: Ratio of budgetary incomes to expenditures for the three NUTS 2* regions with the lowest socio-economic development

Baseline: 0.1, 0.2 and 0.2 for TRB2, TRA2 and TRC3 ** respectively (2013, Source: 2015 annual programme)

Target: Convergence in all these ratios towards 1.

Applicable Output(s) from the UNDP Strategic Plan: 1

Project title and Atlas Project Number:

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE	TARGETS (by frequency of data collection)	DATA COLLECTION METHODS & RISKS
Output 1 Reduced rural poverty by supporting economic diversification	Outcome 1: Farm productivity sustainably increased	Ministry of Food Agriculture and Livestock Data Base TARBIL	Baseline Survey ⁶ . The LF indicators combined with a relevant selection of RIMs indicators as well as indicators to be derived from the Project Start-up Workshop will form the basis of a Baseline Survey to be conducted in the first year of implementation. The Survey will be designed to capture the present situation in the Project area with a emphasis on defining the socio-economic status of the primary target group and the structure and performance of the rural economy.	<ul style="list-style-type: none"> 8,000 small producers in targeted areas report improved productivity by 20% of (gender disag.) 1000 ha in targeted areas receive improved productive infrastructure (RIMS) 60,000 of men and women trained in improved agricultural practices and technologies (RIMS level 1) 7,000 ha in targeted areas under modern production techniques (including production under cover (ha) 2,000 hns in targeted areas adopting water conservation techniques (drip, sprinkler, ponds) (#, %) 1,100 ha in targeted areas irrigated with water efficient methods 	
	Output 1.1 Means of improvement of agricultural productivity implemented	IFAD RIMS Data Base TURKSTAT			

⁵ Project's performance monitoring will focus on financial and physical outputs and outcomes of Project activities. Performance indicators, detailed in the LF will be monitored annually for outcomes and quarterly for outputs and include IFAD Results and Impact Management System (RIMS) 1st and 2nd level indicators. The RIMS first-level indicators correspond to the project outputs with quantitative indicators planned and implemented on annual basis. The second-level indicators refer to the project outcomes and will measure the qualitative change resulting from the project in terms of effectiveness and sustainability. The third level results correspond to the project impact. For the RIMS, two anchor indicators are identified for assessing the impact of the Project: household asset ownership and child malnutrition. Given that Turkey is a MICS country, the Baseline Survey will be used to determine whether the child malnutrition indicator is relevant for the project area or can be dropped and replaced by another indicator such as food security level.

⁶ Key elements of the Survey are expected to include: (i) socio-economic characteristics of the Project primary target group; and (ii) status of social and economic infrastructure. It is anticipated that the Survey will combine a formal household sample survey with a more qualitative and in-depth study. The Survey will also compare the socio-economic situation of beneficiaries and non-beneficiaries. The survey will determine the situation of reference (baseline) that will be used to measure the project impact on poverty, livelihood and nutrition of direct and indirect beneficiaries at the time of project completion. Poverty characteristics will be assessed based on proxy indicators such as household assets and expenditure. Nutritional characteristics will be assessed using the dietary diversity and child malnutrition indicators. Based on the results of the Survey, it will be decided whether the child malnutrition indicator is relevant for the project area or can be dropped for the impact survey and replaced by another indicator such as food security level. The LF indicators will serve as a basis for the assessment by project component.

<p>Output 2 Increased farmers' income from improved agricultural production and marketing activities in targeted areas with strengthened resilience to climate shocks</p>	<p>Outcome 2: Smallholder producers receive higher product prices</p>		<ul style="list-style-type: none"> • 10,000 men and women trained in technical production, marketing and quality standards (#) (RIMS) • Producers accessing support from complimentary Government programs (#) • 10 existing FOs re-activated (RIMS) • 30% FO membership comprise women • 20 business plans prepared and approved for financing
	<p>Output 2.1 Improved value chain processes are functioning</p>		<ul style="list-style-type: none"> • 10,000 men and women trained in business and entrepreneurship (RIMS) • 4 processing facilities rehabilitated/constructed (cold storage, processing, etc.) (RIMS) • 20 newly established businesses operating profitably (FOs & SMEs, including rural tourism) (gender disag.) • 10 products branded or registered with geographic markers • 200 fully registered jobs generated for men and women at commercial FOs & SMEs • 6 Strategic Investment Plans (SIPs) developed
	<p>Output 2.2 Investments in value chains investments are operating</p>	<p>Ministry of Food Agriculture and Livestock Data Base TARBIL IFAD RIMS Data Base TURKSTAT</p>	<p>Baseline Survey⁷. The LF indicators combined with a relevant selection of RIMS indicators as well as indicators to be derived from the Project Start-up Workshop will form the basis of a Baseline Survey to be conducted in the first year of implementation. The Survey will be designed to capture the present situation in the Project area with a particular emphasis on defining the socio-economic status of the primary target group and the structure and performance of the rural economy.</p>
	<p>Outcome 3: Sustainable increase of soil water moisture</p>		<p>Smallholders report 25% increase of soil moisture.</p>
	<p>Output 3.1: Climate - resilient NRM practices adopted</p>		<ul style="list-style-type: none"> • 30,000 men and women trained in NRM (RIMS) • 3,250 ha of marginal lands in production with conservation measures such as terraces (ha) (RIMS) • 5,000 men and women farmers utilizing renewable energy sources (#) • 10,000 ha of rangelands in targeted areas used based on grazing plans (#) or 80% (RIMS)
	<p>Outreach</p>		<p>32,000 households receiving project services 120 nomadic Yortik families in the highlands of the Project area receiving project services</p>

⁷ Key elements of the Survey are expected to include: (i) socio-economic characteristics of the Project primary target group; and (ii) status of social and economic infrastructure. It is anticipated that the Survey will combine a formal household sample survey with a more qualitative and in-depth study. The Survey will also compare the socio-economic situation of beneficiaries and non-beneficiaries. The survey will determine the situation of reference (baseline) that will be used to measure the project impact on poverty, livelihood and nutrition of direct and indirect beneficiaries at the time of project completion. Poverty characteristics will be assessed based on proxy indicators such as household assets and expenditure. Nutritional characteristics will be assessed using the dietary diversity and child malnutrition indicators. Based on the results of the Survey, it will be decided whether the child malnutrition indicator is relevant for the project area or can be dropped for the impact survey and replaced by another indicator such as food security level. The LF indicators will serve as a basis for the assessment by project component.

VI. MONITORING AND EVALUATION

Monitoring Plan⁸

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. UNDP provides progress for MFAL review and acceptance.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management. UNDP will take proactive measures to draw attention of MFAL and be resourceful with corrective proposals within the scope of the agreement	MFAL, UNDP	
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. Both shall be compliant with IFAD policies and standards	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. UNDP will take proactive measures to draw attention of MFAL and be resourceful with corrective proposals within the scope of the agreement	MFAL, UNDP	
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions. UNDP will use its regional initiatives and networks to disseminate the useful lessons	MFAL, UNDP	
Annual Project Quality Assurance	The quality of the project will be assessed against IFAD's quality standards and in line with UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. UNDP will take proactive measures to draw attention of MFAL and be resourceful with corrective proposals within the scope of the agreement	MFAL, UNDP	
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	MFAL, UNDP	

⁸ Monitoring Plan is prepared by UNDP and overviewed by MFAL for final remarks. IFAD's monitoring and supervision missions and reports will be designed and implemented in line with the design report according to AWPB. MFAL will be the main responsible party to present regular updates to IFAD in line with the planning, M&E, learning and knowledge management principles as set in design report.

Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	MFAL, UNDP	
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annually-	MFAL, UNDP	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. UNDP will take proactive measures to draw attention of MFAL and be resourceful with corrective proposals within the scope of the agreement

Evaluation Plan⁹

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
e.g., Mid-Term Evaluation	MFAL, IFAD	Output 1.1.	Outcome 1.1	2019	Provincial Directorates, related stakeholders	Project Resources

⁹ Project Design Report also envisages the Mid-Term evaluation programs and evaluation will be realized in line with MFAL and IFAD requirements.

VII. MULTI-YEAR WORK PLAN ^{10/11 12}

Budget Code and Description	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)	Year 6 (USD)	TOTAL
Output 1: Agr. Productivity and Natural Resource Management							
71300 Short Term Consultants	45,000	90,000	90,000	105,000	95,000	75,000	500,000
71600 Travel (Per Diems)	5,365	7,500	7,500	7,500	6,000	10,000	43,865
71600 Travel	4,500	9,000	9,000	10,500	9,500	7,500	50,000
72200 Equipment and Furniture	630,000	1,750,000	1,600,000	1,500,000	1,700,000	1,418,144	8,598,144
72600 Grant	60,000	100,000	100,000	115,000	102,210	80,000	557,210
74525 Sundries (Consum & Utility Services)	20,412	40,824	40,824	47,628	43,092	34,020	226,800
72100 Contractual Services-Companies	348,298	750,000	750,000	750,000	750,000	600,000	3,948,298
74200 Publications	6,750	13,500	13,500	15,750	14,250	11,250	75,000
Sub Total - Component 1	1,120,325	2,760,824	2,610,824	2,551,378	2,720,052	2,235,914	13,999,317
71300 Short Term Consultants	33,480	100,440	50,220	53,568	50,220	46,872	334,800
71600 Travel (Per Diems)	5,000	7,500	7,500	7,500	7,500	12,500	47,500
71600 Travel	5,000	15,000	7,500	8,000	7,500	7,000	50,000
72200 Equipment and Furniture	7,500	25,000	12,500	12,500	12,500	12,000	82,000
72600 Grant	350,000	1,000,000	500,000	500,000	480,000	500,000	3,330,000
74525 Sundries (Consum & Utility Services)	4,320	12,960	6,480	6,912	6,480	6,048	43,200
72100 Contractual Services-Companies	25,000	56,953	40,000	40,000	40,000	30,000	231,953
74200 Publications	7,500	22,500	11,250	12,000	11,250	10,500	75,000
Sub-total Component 2	437,800	1,240,353	635,450	640,480	615,450	624,920	4,194,453
71400 Contractual Services	120,000	120,000	120,000	120,000	120,000	120,000	720,000
71600 Travel (Per Diems)	15,000	15,000	15,000	15,000	15,000	30,000	105,000
71600 Travel	10,000	10,000	10,000	10,000	10,000	20,000	70,000
72100 Contractual Services-Companies	100,000	100,000	100,000	100,000	100,000	200,000	700,000
72200 Equipment and Furniture	5,000	5,000	5,000	5,000	5,000	10,000	35,000
74100 Audit	3,000	3,000	3,000	3,000	3,367	6,498	21,865
74525 Sundries (Consum & Utility Services)	5,000	5,000	5,000	5,000	5,000	10,000	35,000
Admin and Financial Costs (3%)	54,484	127,775	105,128	103,496	107,816	97,720	596,419
Sub-total Component 3	312,484	385,775	363,128	361,496	366,183	494,218	2,283,284
Grand Total	\$ 1,870,609	\$ 4,386,952	\$ 3,609,402	\$ 3,553,354	\$ 3,701,685	\$ 3,356,052	\$ 20,477,054

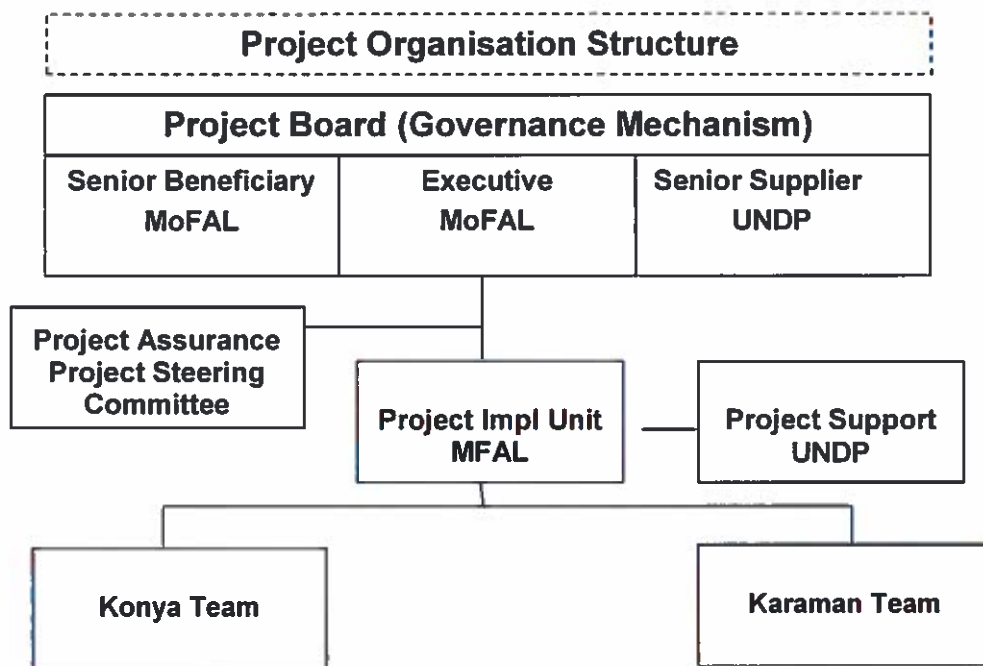
¹⁰ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

¹¹ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

¹² This budget covers IFAD Loan, IFAD Grant and Government Contribution amounts in line with the financing agreement. In-kind contribution of UNDP is not included in these tables

Budget Code and Description	Year 1 (EUR)	Year 2 (EUR)	Year 3 (EUR)	Year 4 (EUR)	Year 5 (EUR)	Year 6 (EUR)	TOTAL	
Output 1: Agr. Productivity and Natural Resource Management	71300 Short Term Consultants	84,330	84,330	84,330	98,385	89,015	468,500	
	71600 Travel (Per Diems)	5,027	7,028	7,028	7,028	5,622	41,102	
	71600 Travel	4,217	8,433	8,433	9,839	8,902	46,850	
	72200 Equipment and Furniture	590,310	1,639,750	1,499,200	1,405,500	1,592,900	8,056,461	
	72600 Grant	56,220	93,700	93,700	107,755	95,771	522,106	
	74525 Sundries (Consum & Utility Services)	19,126	38,252	38,252	44,627	40,377	212,512	
	72100 Contractual Services-Companies	326,355	702,750	702,750	702,750	702,750	3,699,555	
	74200 Publications	6,325	12,650	12,650	14,758	13,352	70,275	
	Sub Total - Component 1	1,049,745	2,586,892	2,446,342	2,390,641	2,548,669	2,095,051	13,117,360
	71300 Short Term Consultants	31,371	94,112	47,056	50,193	47,056	43,919	313,708
71600 Travel (Per Diems)	4,685	7,028	7,028	7,028	7,028	11,713	44,508	
71600 Travel	4,685	14,055	7,028	7,496	7,028	6,559	46,850	
72200 Equipment and Furniture	7,028	23,425	11,713	11,713	11,713	11,244	76,834	
72600 Grant	327,950	937,000	468,500	468,500	449,760	468,500	3,120,210	
74525 Sundries (Consum & Utility Services)	4,048	12,144	6,072	6,477	6,072	5,667	40,478	
72100 Contractual Services-Companies	23,425	53,365	37,480	37,480	37,480	28,110	217,340	
74200 Publications	7,028	21,083	10,541	11,244	10,541	9,839	70,275	
Sub-total Component 2	410,219	1,162,211	595,417	600,130	576,677	585,550	3,930,202	
71400 Contractual Services	112,440	112,440	112,440	112,440	112,440	112,440	674,640	
71600 Travel (Per Diems)	14,055	14,055	14,055	14,055	14,055	28,110	98,385	
71600 Travel	9,370	9,370	9,370	9,370	9,370	18,740	65,590	
72100 Contractual Services-Companies	93,700	93,700	93,700	93,700	93,700	187,400	655,900	
72200 Equipment and Furniture	4,685	4,685	4,685	4,685	4,685	9,370	32,795	
74100 Audit	2,811	2,811	2,811	2,811	3,155	6,089	20,488	
74525 Sundries (Consum & Utility Services)	4,685	4,685	4,685	4,685	4,685	9,370	32,795	
Admin and Financial Costs (3%)	51,051	119,725	98,505	96,976	101,024	91,564	558,845	
Sub-total Component 3	292,797	361,471	340,251	338,722	343,114	463,082	2,139,437	
Grand Total	€ 1,752,760	€ 4,110,574	€ 3,382,010	€ 3,329,492	€ 3,468,479	€ 3,143,684	€ 19,187,000	

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



The project will be nationally implemented (NIM¹³) and the implementing agency of the project will be Ministry of Food Agriculture and Livestock (MFAL) with UNDP's technical and administrative support.

MFAL:

- Will be responsible and accountable for the identified results on behalf of the Government of Turkey;
- Will establish close working relationship with local partners including local authorities, Chambers, provincial directorates of relevant line ministries throughout relevant activities. Such relationship will be established through agreements/MoU's, grant agreements if needed;
- Will facilitate the dialogue with the national and local partners
- Will provide timely inputs and comments to the prepared studies,

UNDP

- Will provide technical support for implementation of the project. This support includes provision of human resources including recruitment of project staff and consultancies, and related for implementation support services such as contract management. UNDP's Corporate Cost Recovery Policy shall be applicable for reimbursement of UNDP's direct costs for implementation support services.
- Will support preparation of relevant work plans and facilitate implementation of these work plans through project management and consultancies.
- As may be required, support the project to bring in relevant international experience on required topics like rural development, resource management, renewable energy, community development, resilience etc. with significant focus on local partners.
- Will conduct procurement of selected goods, works and services planned and approved in AWPBs as per its own rules and regulations for the procurement. The cases where procurement can be made by local partners will be agreed jointly with MFAL, UNDP shall monitor and ensure effectiveness in line with its regulations.

¹³ National Implementation Model of UNDP define implementing Partner as the entity responsible and accountable for managing a project, including the monitoring and evaluation of project interventions, achieving project outputs, and for the effective use of Project Resources.

Will ensure that the project is managed in line with national implementation model where UNDP's Programme and Operations Policies and Procedures (POPP) are in place. The implementation will entail participation of relevant local actors such as chambers, development agencies, municipalities, governorates whereas MFAL will play a coordination role for the local interventions, bringing in various actors and promote replication and scale up of the proposed action in the future.

A Project Board (PB) is going to be established, in line with the above diagram. PB will be responsible for the overall direction and management of the project. The PB will approve all major plans and authorize any major deviation from agreed plans. PB will ensure that required resources are committed, will arbitrate on conflicts (if any) within the project, and will negotiate a solution to any problems between the project and external bodies. PB will approve plans and project documents provided by UNDP that meets the requirements, will approve allocated staff which are adequate and efficient.

During the implementation of the project specific roles of the PB will include:

- provision of overall guidance and direction to the project, ensuring it remains within any specified constraints
- review of each supported stage and approval of progress to the next
- review and approval of plans and any exception plans
- At the end of the project, the PB will:
- assure that all products have been delivered satisfactorily
- approve the End Project Report
- approve the Lessons Learned Report

The PB will be composed of the MFAL, Ministry of Development, and UNDP. The Project Board will meet annually throughout project period.

Project's day-to-day implementation will be carried out by the Project team (composed of Ankara and field based project staff) as well as UNDP staff providing direct project support. Provincial Directorates of MFAL will be also actively involved and will be directly guiding the contracted staff. The harmony of the team will be ensured through transparent HR processes as well as strengthened team and project management activities. The indicative/tentative staffing arrangements for the Project along w/ the duty stations are demonstrated below. In line with the implementation plan to be prepared staffing requirements will be finalised. All staffing arrangements will be completed in agreement with MFAL.

Project personnel	Duty Station(s)	Contract Fund Type
Project Coordinator	Ankara	Seconded by MFAL
Provincial Directors	Konya-Karaman	Seconded by MFAL
Provincial Technical Experts (at least 6) (3 per Province)	Konya-Karaman	Seconded by MFAL
Consultants as per needs of activities	Ankara-Konya-Karaman-Other	Project budget
Field Coordinator (2)	Konya/Karaman	Project budget
Farmers Support Team (8)	Konya/Karaman	Seconded by MFAL
M&E Expert*	Ankara*	Project budget
Administrative and Procurement Associate (2)	Konya/Karaman	Project budget
UNDP CO Staff costs who will take part in the implementation of the Project in the areas of program management oversight, procurement, finance, human resources etc.	Ankara	UNDP's budget

*With frequent visits to the project sites

MFAL will identify from its own cadres a project focal point who will be the main contact point with the responsible staff assigned by UNDP.

UNDP will also provide direct project implementation support for procurement, contract management and budget/financial management as well as content. UNDP's direct costs will be charged in line with its rules and regulations, as outlined in the project document and budget. Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Regulations and Rules of UNDP and acceptable to MFAL and IFAD.

Details of roles and responsibilities is attached in Annex 7

IX. LEGAL CONTEXT AND RISK MANAGEMENT

Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Turkey and UNDP, signed on 1965. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

RISK MANAGEMENT STANDARD CLAUSES

Option a. Government Entity (NIM)

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner 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 Implementing Partner's security, and the full implementation of the security plan.
2. 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 the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no 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/sc/committees/1267/ag_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.
4. Consistent with UNDP's Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

X. ANNEXES

- 1. Project Quality Assurance Report – *To be generated from UNDP ERP system***
- 2. Social and Environmental Screening Template – *To be generated from UNDP ERP system***
- 3. Risk Analysis.**
- 4. Capacity Assessment: Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)**
- 5. Finances**
- 6. Budget Transfer Programme**
- 7. Roles and Responsibility Matrix**

Annex 3: Risk Analysis

Project Title: GÖKSU TAŞELİ WATERSHED DEVELOPMENT PROJECT									
#	Description	Date Identified	Type	Impact (I) & Probability (P), on a scale of 1 (lowest) to 5 (highest)	Award ID: TBD			Date	
					Countermeasures / mgmt response	Owner	Submitted, updated by	Last Update	Status
1	Macro-economic environment and policy does not remain conducive to investment, private sector development and trade.	01.09.2016	Economic	Public and 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: 3	Change in the project's design may be called for.	MFAL	IFAD	01.09.2016	
2	Deterioration in existing investment plans from Government due to political instability	01.09.2016	Economic	Private sector investments, connecting rural value chains to markets will not be established, reducing the impact of the Project Impact: 4; Probability: 2	Change in the project's design may be called for.	MFAL	IFAD	01.09.2016	
3	Low commitment to market advisory services by implementing partners	01.09.2016	Strategic	Market Access and Value Chain Development Activities will be adversely affected. Impact: 5; Probability: 2	Alternative ways for capacity development will be explored	MFAL	IFAD	01.09.2016	
4	Low commitment to climate change resilience by implementing partners and stakeholders	01.09.2016	Strategic	Natural Resource Management and Agricultural Productivity activities under output 1 will be adversely affected. Impact: 5; Probability: 2	Alternative methods and supportive tools will be promoted and advocated	MFAL	IFAD	01.09.2016	
5	Political instability and changes in MFAL's central and regional restructures	01.09.2016	Strategic and Operational	Restructuring in MFAL due to unexpected political situations will result Project's output will be delayed and/or postponed. Project resources may be utilized unfeasibly, producing sub-optimal results. Impact: 3; 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.	MFAL	UNDP	01.09.2016	
6	Frequent changes in the staff assigned to the Project by MFAL HQ and PDAs and/or locally recruited project staff.	01.09.2016	Operational	The impact of the institution building activities will decrease, operational effectiveness will be hampered. Impact: 4; Probability: 1	Communicate importance of continuity at the outset of the Project, and ensure execution of proper hand-over mechanisms together with comprehensive clear guidelines.	MFAL, UNDP	UNDP	01.09.2016	

Annex 5: Finances

- **Special Account:** A 'Special Account' shall be established by the Government in the Central Bank and denominated in EURO. 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.
- **Project Account:** The Lead Project Agency (MFAL/GDAR), would authorize UNDP to hold and disburse Loan Funds on its behalf as set out in the UNDP Service Agreement. To this end, UNDP would use the Project Account in 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 (approved by the Government/IFAD) 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 Food, Agriculture and Livestock, General Directorate of Agricultural Production and Development from the IFAD loan.
 - In principle, the UNDP will be supporting activities to strengthen the capacity of MFAL and the PMUs for successful achievement of Project objectives. UNDP will benefit other ongoing initiatives in a complementary manner and provide supportive activities to reinforce the organizational capacity and knowledge-base on topics relevant to effective GTWDP implementation, such as project management; strategic planning; and sharing of cross-country best practices on innovative approaches to rural development, policy tools to support rural economic growth, tools to enhance natural resource management as well as relevant tools developed through environment and climate change portfolio. UNDP may also provide national and international technical assistance to commission studies and surveys, and may 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, as may be requested by the project.
 - Direct project costs (DPC) for UNDP are organizational costs incurred in the implementation of a development activity or service that can be directly traced and attributed to that development activity (projects & programmes) or service. Therefore, these costs are included in the project budget and charged directly to the project budget for the development activity and/or service. DPC are driven by programme implementation and implementation support activities and development effectiveness. In consultation with MFAL UNDP worked on the calculation of DPC benefiting from previous implementation experience. Following table provides allocation of the costs in line with the related services.

Cost Item	Detailed description	Cost/per year (USD)
Programme Implementation and implementation support activities	UNDP to support project implementation by Operations units, including services related to finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services and information and communications technology	275,000
Development Effectiveness	Activities and costs that support programme quality, coherence and alignment and relate to results in country and at regional levels. These are activities of a policy-advisory, technical and implementation nature essential to deliver development results	65,000
Total Direct Project Cost per year		340,000
<i>In-Kind Contribution from UNDP</i>		220,000
<i>Total Direct Project Costs to be incurred to Project Budget</i>		120,000

- Cost of UNDP Direct Project Costing (a.k.a Implementation Support Services) is (US\$120 000/year) and UNDP General Management (3% of delivery) will be charged against the project budget. UNDP in consultation with MFAL agreed to contribute (US\$220.000/year) in kind contribution and will not ask recovery for this portion of the direct project costs incurred.

Annex 6: Tentative Budget Transfer Programme (TBD with MFAL)

- **Project Title** : Göksu Taşeli Watershed Development Project (GTWDP)
- **Source of Funds** : MFAL
- **Implementing Agency** : MFAL
- **Responsible Parties** : MFAL and UNDP

Donor	Year	Date (Estimated) ^[1]	Budgeted Amount (€)	Budgeted Amount (\$)	Amount to be Deposited ^{[2], [3]}	Balance ^{[3], [4]}
MFAL		2017	€ 1,752,760	\$1,870,609		
		2018	€ 4,110,574	\$4,386,952		
		2019	€ 3,382,010	\$3,609,402		
		2020	€ 3,329,492	\$3,553,354		
		2021	€ 3,468,479	\$3,701,685		
		2022	€ 3,143,684	\$3,355,052		
Grand Total			€ 19,187,000	\$20,477,054		

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

Note 2: Payment in USD 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 () 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).

Annex 7: 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 MFAL, PMU and UNDP. This has been introduced as a mechanism of quality assurance.

Task	MFAL	Project Management Unit (As described in Section VIII)	UNDP
Financial Planning, Management and Control			
1. Preparation of Annual Work Plan and Budget (AWPB)	Reviews AWPB's to be prepared by PMU, provides feedback, and endorses submission to IFAD for approval, and secures IFAD's approval. Ensures coherence with Loan Agreement.	Prepares AWPB for MFAL's review and endorsement, in accordance with the predetermined deadlines. Improves AWPB as per MFAL's feedback (if any), and secures MFAL's endorsement. Submits the AWPB to MFAL for review and approval. Improves AWPB as per IFAD's feedback.	Provides operational backstopping and technical support (if needed). Identifies complementarities with projects of other UN Agencies (chiefly UNDP) and ensures exploitation of synergies, when and if possible. Informs UN Thematic Group on Regional Development on AWPB's of GTWDP
2. Preparation and issuance of withdrawal applications for IFAD's review and action, and transfer of funds	Prepares the Withdrawal Application(s), with inputs from UNDP. Submits withdrawal applications to IFAD, and follows up on IFAD's possible inquiries. Transfers proceeds of loan withdrawals to UNDP account	No role/responsibility assigned to the PMU	Provides inputs to the preparation of the Withdrawal Application(s), by submitting MFAL financial data and supporting documentation, if and when required. Receives proceeds of loan withdrawals and informs parties accordingly.
3. Maintenance of project account	Maintains accounts for all project income and expenditure, Synchronizes project accounts with UNDP on a weekly basis. Ensures proper archiving of all supporting documents	Maintains accounts for all project income and expenditure, at local level. Ensures proper archiving of all supporting documents.	Maintains accounts for all project income and expenditure. Synchronizes project accounts with MFAL on a weekly basis. Ensures proper archiving of all supporting documents
4. Audit (MFAL by Treasury)	Facilitates Treasury audit. Shares formally/informally audit findings with IFAD and UNDP. Ensures proper follow up on the audit findings	No role/responsibility assigned to the PMU, with the exception of providing inputs, when and if required.	Supports MFAL by providing inputs and documentation, when and if needed. Support MFAL for following up on and/or addressing Treasury audits
5. Audit (UNDP by Independent Auditors)	Reviews and signs relevant reports (e.g. combined delivery reports, cash position statements, asset lists) to facilitate UNDP audit.	No role/responsibility assigned to the PMU, with the exception of providing inputs, when and if required.	Facilitates UNDP audit. Shares audit findings with MFAL

Task	MFAL	PMU	UNDP
Human Resources Management – for HR contracts to be signed by UNDP			
6. Preparation of the Terms of Reference	Provides inputs for preparation of the Terms of Reference (tasks, duties, required qualifications, duration of assignment). Reviews and clears the ToRs to be produced by UNDP, and obtains IFAD's 'no objection'.	Provides inputs for preparation of the Terms of Reference (tasks, duties, required qualifications, duration of assignment).	Reviews the inputs to be provided by MFAL and PMU and prepares the Terms of Reference. Submits the ToRs to the MFAL for review and clearance.
7. Advertisement	Reviews the advertisements to be placed on national media (newspapers etc.) and provides clearance	No role/responsibility assigned to the PMU, other than facilitating advertisement of the ToR locally, when and if needed.	Upon IFAD's 'no objection' is obtained by MFAL and communicated to UNDP, advertizes the ToR's, locally, nationally and/or internationally depending on the scope and requirements of the ToR
8. Selection and contracting	Provides inputs and/or participates to short-listing committees and interview panels. Submits the proposed candidates to IFAD for no objection. Obtains IFAD 'no objection' and communicates to objection to UNDP.	Provides inputs and/or participates to short-listing committees and interview panels, when/if required.	Collects the applications and files all applications securely. Identifies short-listing committee members. Facilitates short-listing with inputs from and participation of MFAL/PMU. Assures development of short-listing committee report. Facilitates interviews with inputs from and participation of MFAL/PMU. Assures development of interview panel report. Upon obtaining IFAD's 'no objection' through MFAL, submits the case to CAP (Contracts, Assets and Procurement) Committee and, when needed, to Regional ACP (Advisory Committee on Procurement) for approval. Prepares and ensures signature of contracts, provides a copy of the contract to MFAL for records
9. Contract Management and Administration	Monitors performance of the project staff, reviews monthly activity reports and endorses monthly activity reports. Clears annual leaves, travel authorization forms etc. Facilitates contract extensions and/or terminations in accordance with the joint performance evaluations with UNDP.	Monitors performance, attendance etc. of the project staff, Facilitate smooth contract management by providing prior clearance on annual leaves, travels etc. Ensures timely submission of monthly activity reports.	Administers the contract by following UNDP rules and regulations applicable to the contracts in question. Approves annual leaves of project staff upon MFAL's clearance, keeps records, Approves travel authorization of project staff upon MFAL's clearance, 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. Extends and/or terminates the contracts in accordance with the joint performance evaluations with MFAL.

Task	MFAL	PMU	UNDP
10. Payments	Endorses monthly activity reports, travel claim forms etc. of the project staff with a view to facilitate corresponding payments,	No role/responsibility assigned to the PMU,	Makes payments upon endorsement of MFAL of relevant reports and forms,
Procurement (General)			
11. Capacity Improvement	Facilitates participation of local staff to procurement training to be delivered by UNDP	Facilitates participation of local staff to procurement training to be delivered by UNDP	Trains the local staff including those of the PDAs, on procurement planning, procurement, contract management, and contract closure Transfers lessons learned from DBSDP and SEDP to the project staff and PDAs
12. Planning	Reviews the procurement plans and ensures coherence and compliance with the provisions of the loan agreement, advises PMU accordingly, and endorses annual procurement plans.	Develops procurement plans in accordance with the approved AWPBs, Flags the possible deviations from procurement plans, and provides justifications	Reviews procurement plans of the PMU, ensures conformity, conducts reality checks and provides feedback, flags inconsistencies etc. Incorporates project-level procurement plans to the UNDP Country Office's annual procurement plan
Procurement (Local) – for contracts to be signed by UNDP			
13. Development of the bidding documents	Reviews all solicitation documents, including technical specifications etc. Controls and confirms coherence with AWPB, loan covenants etc. Informs PMU and UNDP, accordingly	Conducts market research, Develops technical specifications for all procurements Develops solicitation (bidding) documents Submits such documents to MFAL and UNDP for review, feedback and clearance	Reviews all solicitation documents within the predetermined time limits, provides feedback, and ensures compliance with procurement rules and regulations, Clears related documents for advertisement and/or invitation etc.
14. Obtain 'no objection'	Ensures IFAD's 'no objection' is secured, when and if required,	Obtains 'no objection' from MFAL and/or IFAD, when and if needed, Revises/improves the solicitation documents as per IFAD's requests and/or provides clarification.	Rechecks the solicitation documents in line with IFAD's comments, if any
15. Advertisement and/or invitations	Closely monitors the advertisement process, and makes interventions with a view to increase transparency and accountability. Reviews and endorses announcements.	Advertises the procurement announcement at PDAs at a location visible to visitors, Advertises the procurement announcement at national/local media, when and if required (to be determined in accordance with the estimated size of consequent contracts) 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.	Advises the PMU on mode of local advertisement, and invitations, Advertises the procurement announcement at UNDP website, when and if required (to be determined in accordance with the estimated size of consequent contracts).
16. Collection and evaluation of bids,	Participates to the bid opening and evaluation committees, when and if needed, as an observer or voting member, Reviews the recommendations to be submitted by the PMU, clears the submission and officially send all documents to UNDP for contracting,	Collects the bids, records time of receipt of bids, keeps bids in a secure location, Establishes bid evaluation committee, Evaluates the bids, develops the bid opening, and evaluation report, and submits recommendation to the MFAL Secures IFAD's 'no objection', when and if required,	Reviews the documents to be submitted by MFAL, Completes internal control processes (e.g. CAP, ACP when needed),

Task	MFAL	PMU	UNDP
17. Contracting	<p>May participate to the contract meetings, Keeps a copy of the contract for contract management purposes,</p>	<p>Holds the contract meeting, if advised by UNDP, and develops the minutes of the contract meetings and submits them to UNDP for review and attachment to the contract, if needed, Keeps a copy of the contract for contract management purposes,</p>	<p>If applicable, returns the bid bonds, to the unsuccessful bidders, 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. Prepares the contract, May advise for holding a contract meeting , Signs the contract and get it signed by the successful bidder, provide the MFAL and PMU with a copy .</p>
18. Contract Management	<p>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.</p>	<p>Monitors the performance of the contractors, Facilitate temporary and final acceptance of goods, services and works, as per the covenants of the corresponding solicitation documents, and reports accordingly, Informs UNDP and MFAL instantly regarding risks, and any deviations from the contract, Monitors contract duration and other considerations, and informs MFAL and UNDP immediately that call for any modification to the contracts, Keeps records of all correspondences with the contractors, Prepares and submits payment request dossiers (including acceptance reports, invoices, correspondences with the contractors etc.) to the MFAL for review and clearance.</p>	<p>Manages the contract in accordance with the information to be provided by the PMU through the MFAL, Makes payments, based on the clearance to be provided by the MFAL and informs the MFAL and PMU accordingly</p>