

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

The first PSC meeting of the Food Security and Agriculture Productivity Project (FSAPP) was held on 21st September 2017, at 2 pm in the Ministry of Agriculture and Forests Conference Hall.

PSC Members present:

1. Ms. Kinlay Tshering, Director, DoA, Chair
2. Mr. Karma Galay, Dzongdag, Dzongkhag Administration, Sarpang
3. Ms. Phintsho Choeden, Dzongdag, Dzongkhag Administration, Dagana
4. Mr. Sonam Wangyel, Dzongkhag Administration, Samtse
5. Mr. Minjur Dorji, Dzongdag, Dzongkhag Administration, Chukha
6. Mr. Tenzin Dorji, Sr. Planning Officer, DMEA, MoF
7. Mr. Dawa Tshering, Chief Marketing Officer, DAMC
8. Mr. Kencho Thinley, Chief Planning Officer, PPD, MoAF
9. Mr. Pema Chofil, Program Director, ARDC Bajo
10. Ms. Kesang Tshomo, Program Director, ARDC Yusipang
11. Mr. C M Dhimal, Offtg. Program Director, ARDC Samtenling
12. Mr. Jigme Dorji, Project Director, FSAPP, Member Secretary to PSC

PSC Member(s) Absent:

1. Mr. Kinzang Dorji, Dzongdag, Dzongkhag Administration, Haa
2. Representative, GNHC, Thimphu
3. 5 beneficiary farmer representatives of project Dzongkhags

Participants from Project Management Unit (PMU) / DoA/ARDCs

1. Mr. Kiran Subedi, Dy, Chief Agriculture Officer, ARED, DoA
2. Ms. Dechen Choden, Sr. Accounts Officer, Directorate Services, MoAF
3. Mr. Karma Tenzin, Monitoring & Evaluations Officer, FSAPP
4. Mr. Sherab Tenzin, Accountant, ARDC Samtenling

After welcoming and thanking the members present attending the 1st PSC by the Chair, full time staffs of the PMU were introduced to the house. Then, the Project Director presented the composition of the PSC members, terms of reference for the members and the norms of the PSC meeting. The Focal Accounts Officer for FSAPP also presented the procedure of fund flow that will be followed in the project for the benefit of all members. This was followed by the presentation of Annual Work Plans and Budget for 2017-18 fiscal year by the Project Director. The floor endorsed the proposed budget of Nu. 123.337 m for the first year and it is 24% of the overall total budget of the Project of Nu. 516.800 million (USD 8 million) allocated for 5 years. The summary of the endorsed budget by the PSC is given below. The agency wise AWPB is annexed herein for details. The issues raised by the members were discussed and resolved as under.

Summary of budget

<i>Chhukha</i>	<i>2.789m</i>
<i>Dagana</i>	<i>2.462m</i>
<i>Samtse</i>	<i>2.089m</i>

<i>Sarpang</i>	<i>1.895m</i>
<i>Chukha</i>	<i>1.822m</i>
<i>ARDC Yusipang</i>	<i>7.019m</i>
<i>ARDC Bajo</i>	<i>2.274m</i>
<i>ARDC Samtenling</i>	<i>1.786m</i>
<i>Irrigation program</i>	<i>46.392m</i>
<i>Potato program</i>	<i>1.070m</i>
<i>Vegetable program</i>	<i>16.094m</i>
<i>Rice program</i>	<i>2.675m</i>
<i>MAPS program</i>	<i>0.969m</i>
<i>NPHC</i>	<i>0.810m</i>
<i>AMC</i>	<i>1.500m</i>
<i>DAMC</i>	<i>2.581m</i>
<i>PMU</i>	<i><u>29.110m</u></i>
<i>Total</i>	<i>123.337m</i>

I. Dzongdag's Representative in PSC Meetings

On the enquiry of Dagana Dasho Dzongdag that if Dzongdags can send their representatives for the PSC meetings just in case when they can't make it due to other important engagement in the Dzongkhag; the Chair shared that it could be made flexible for such cases as the Project Appraisal Document do not strictly prohibit it.

II. Representation of beneficiary Farmer in the PSC Meetings

In the composition of PSC, unlike other Projects, it has membership for five beneficiary farmer representatives from the five project Dzongkhags. It was resolved that the Dzongkhags will select the most progressive farmer from its Project areas, who could represent the other beneficiaries as well. As for whether to use the same farmer representative for all future PSC meetings, it was left open at the Dzongkhag's discretion. However, it was also agreed that a farmer representative should be given the opportunity to at least attend two consecutive PSC meetings (one year) by the Dzongkhags to encourage participation from farmer representative in the decision-making process of the project.

III. Sharing information on redundant Project Letter of Credit (PLC)

The PMU is in the process of requesting separate PLCs for this project with the MoF, which is expected to separate the project budget from the normal Dzongkhag's LC, thereby enabling easier accounting and reporting of the progress. In this regard, Dasho Dzongdags were requested if they could share any existing redundant PLCs in their Dzongkhags, which the PMU could request MoF to allocate for this project. The dateline agreed for sharing this information by Dasho Dzongdags is by 27th September 2017.

IV. Progress Report Sharing & Auditing

On the request of the MoF Representative to share soft copies of progress reports and Interim Unaudited Financial Reports (IUFR), the PMU will share the bi-annual progress report of the Project with the Debt Management Division-MoF. With regard

to auditing of the Project accounts, the Project is required to be audited on an annual basis, therefore, the PMU will request Royal Audit Authority (RAA) of Bhutan for annual auditing as per the requirements of the World Bank.

V. Central Execution of Works vis-à-vis Inclusion in Dzongkhag Annual Plan

Concerns on assured fund and timely execution of centrally executed activities such as the construction/rehabilitation of irrigation schemes once it is incorporated as a component of Dzongkhag's Annual Performance agreement was expressed by Samtse Dasho Dzongdag. On this, the Chair re-affirmed the Project's commitment and assurance of the funding.

VI. Flexibility of fund re-adjustment/re-appropriations within Components and or between Components

On the query shared by Dagana Dasho Dzongdag regarding the flexibility of budget readjustment/re-appropriations within and among the components, the Chair shared that flexibility of re-appropriation of any left over funds to other activities within a component could be allowed. However, re-appropriation of budget from a planned and approved activity without even starting/completing it to other activities, within or to different component cannot be allowed. The floor also agreed that PSC must have clear financial powers on the types and budgetary thresholds with regard to readjustment/re-appropriations. Therefore, the Chair agreed to take up with the World Bank as soon as possible.

VII. Power tiller Allotment from Project

The project in the first year 2017-2018 has plans to procure about twenty power tillers (10 nos. Mini Power tiller & 10 nos. Power tiller) for the project areas. On how it will be distributed to the project areas, the floor decided that PMU will set appropriate criteria, which will be in addition to DAMC's (Department of Agriculture Marketing and Cooperatives) criteria set for registration of a farmers groups/cooperatives. The chair informed the floor that preference for allotment of Power tillers will be given to Producer/farmers groups/cooperatives on cost-sharing basis.

VIII. Support of Computers/cameras to Project Dzongkhags/ARDCs

On the request made by Program Director, ARDC Yusipang for the support of Computers to the project Dzongkhags or ARDCs, the Chair shared that PMU could explore such support, but only to the needy ones. However, supporting cameras may not be wise since everyone is using smart phones.

IX. Next PSC Meeting Venue & Date

The floor agreed to the suggestion made by Sarpang Dzongdag to host the next PSC meeting in Sarpang Dzongkhag.

The floor resolved to convene the next PSC meeting in between the period (after Gyalsey's birthday) and the week preceding His Majesty's birthday in February 2018 or the last week of January 2018 should the Election Commission prohibit it holding in February 2018.

Finally, the chair adjourned the meeting reiterating that the project's focus is on enhancing the productivity of the 5 commodities of Rice, Vegetable, Citrus, Potato and Cardamom to 20% by the end of the project. The chair also solicited continuous support and guidance of Dasho Dzongdags to the Dzongkhag Agriculture Officers and the Gewog Extension Agents for the development of Agriculture sector. Similar support is also anticipated from the Project Support Team of the Agriculture Research and Development Centres in the implementation of project activities. The chair emphasized on the development of dynamic, functional and self sustaining farmer and producer groups in the project Dzongkhags that will eventually develop into business enterprises. With this few concluding notes, the chair thanked all the participants for their active participation in the discussion and wished them safe journey to their respective places.