

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

The fourth PSC meeting of the Food Security and Agriculture Productivity Project (FSAPP) was held from 8<sup>th</sup> to 9<sup>th</sup> February 2019 in Phuentsholing under Chhukha Dzongkhag.

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

1. Ms. Kinlay Tshering, Director, DoA, Chair
2. Ms. Phintsho Choeden, Dzongdag, Dzongkhag Administration, Dagana
3. Mr. Sonam Wangyel, Dzongdag, Dzongkhag Administration, Samtse
4. Mr. Minjur Dorji, Dzongdag, Dzongkhag Administration, Chhukha
5. Mr. Kinzang Dorji, Dzongdag, Dzongkhag Administration, Haa
6. Mr. Kencho Thinley, Chief PO, PPD, MoAF
7. Mr. Dawa Tshering, Chief MO, MIRD, DAMC-MoAF
8. Ms. Kesang Tshomo, Specialist/PD, ARDC-OA Yusipang
9. Mr. Jigme Dorji, Project Director, FSAPP
10. Mr. Tshering Yangki, Sr. Program Officer, DMEA, MoF
11. Mr. Gyeltshen, Sr. Planning Officer, GNHC
12. Ms. Tanka Maya Pulami, Sr. AO, ARDC Bajo
13. Mr. Ratu Kinley, Agriculture Supervisor II, ARDC Samtenling
14. Mr. Bishnu Lal Chettri, Beneficiary Representative, Sarpang
15. Mr. Jewan Rai, Beneficiary Representative, Samtse
16. Mr. Tanka Bdr Chhetri, Beneficiary Representative, Dagana
17. Ms. Karma Tamang, Beneficiary Representative, Chhukha
18. Ms. Sonam Dema, Beneficiary Representative, Haa

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

1. Mr. Karma Galay, Dzongdag, Dzongkhag Administration, Sarpang
2. Mr. Rabgye Tobden, Director, Directorate of Services, MoAF

### **Other invitees**

1. Dr. Mani Ram Moktan, Gender & Safeguard Specialist, FAO TA Consultant
2. Mr. Jigme Wangdi, Behaviour Change & Communication Expert, FAO TA Consultant
3. Mr. Chogyal Norbu, Sr. DAO, Dzongkhag Administration, Samtse
4. Mr. Saha Bir Rai, Dy. Chief DAO, Dzongkhag Administration, Chhukha
5. Mr. Passang Tshering, Dy. Chief DAO, Dzongkhag Administration, Dagana
6. Ms. Deki Lhamo, DAO, Dzongkhag Administration, Sarpang
7. Mr. Tshering Penjor, Marketing Officer, DAMC
8. Mr. Kelzang Tenzin, Project Engineer, DoA
9. Mr. Karma Tenzin, Monitoring & Evaluations Officer, FSAPP

The Chair welcomed members and the member-representatives for their participation, especially the representatives from GNHC and DMEA-MoF, who are attending for the first time. The Chair also shared highlights of progresses since the last PSC meeting, and applauded all project implementing units including PMU for the financial and audit reports with just minor observations.

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

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

#### **i. Printing & distribution of revised Project Operations Manual, Project targets and results matrix to all PIUs**

The Project Director (PD) reported that Project Management Unit (PMU) printed and distributed the project result matrix and the targets to all project-implementing units in the last

project support team meeting held in December 2018 and January 2019. The project targets divided to all PIUs were formally endorsed in the 3<sup>rd</sup> PSC.

**ii. Input supply guideline: cost sharing**

After consultations with the Dzongkhags, ARDCs and DAMC in the project support team meetings held in December 2018 and January 2019, the following changes in the clause of input support guideline is proposed:

**BEFORE:** *“No groups/cooperatives/individuals shall be eligible for more than one time support from the project worth more than Nu. 30,000/- (Thirty thousand) as Government contribution to the total cost of the item.”*

**PROPOSED CHANGES:** *“No individuals shall be eligible for more than one time support from the project worth more than Nu. 100,000/- (Ngultrum hundred thousand) as Government contribution to the total cost of the item.”*

The PSC endorsed the proposed changes and directed PMU and PIUs to ensure creation of awareness of such limitations/provisions of project support.

**iii. Operationalization of Project Support Team (PST) Meetings**

The Project Director informed the committee that with the directive of 3<sup>rd</sup> PSC meeting, PST meetings have been operationalized.

**iv. Supplementary Budget support for RNR Census**

The Project Director informed that as per the approval of the 3<sup>rd</sup> PSC meeting, supplementary budget of Nu. 0.960 million have been processed with Ministry of Finance (MoF). However, the release/approval is awaited from the new government. This is because all 50% of the proposed capital budget was withheld by MoF for approval by the new government.

**v. Establishment of Integrated nursery for Cardamom and Citrus at Gakidling, Haa**

As per the directive of 3<sup>rd</sup> PSC, ARDC-OA Yusipang submitted an estimate of Nu. 0.943 million for just land development and fencing works. It was processed for supplementary incorporation with MoF and approval awaited. Meanwhile, PMU was recently informed that ARDC-OA Yusipang eventually decided to drop the activity since the technical report strongly advised against the proposal for nursery establishment at that location.

To this, Haa Dzongdag requested if some time could be given to Dzongkhag administration to find another suitable location (which also benefit upper Samtse). Thus, PSC directed Haa Dzongkhag to submit a suitable location (within March 2019) to ARDC-OA Yusipang, and the latter will share basic requirement/criteria for sub-centre (nursery) site.

## **2. Quarterly Progress Report for FY 2018-2019**

The Monitoring and Evaluations Officer updated the committee on the progress made till 31<sup>st</sup> December 2018.

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

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

Following are the directives by the PSC during the course of discussions:

- i. Budget allocation to implementing units should be as per the absorption capacity/budget utilization trend of the past years. The budget utilization of Dzongkhags should be reviewed quarterly in the project support team meeting.

- ii. The Agencies with very low budget utilization were directed by PSC to expedite the work execution (refer annex 2 for details).

### 3. Farm Shop Proposal by the Dzongkhags

After the presentations and discussions on the farm shop proposals from the Dzongkhags. The PSC directed the following:

- i. The Farm Shops are now to be uniformly called “ *Farmers’ Sales Outlet* ” in all the project areas. However, Dzongkhags can also use their own tag line under the Farmers’ Sales Outlet name such as the one used in Chhukha “ Natural Chhukha.”
- ii. Following budget ceiling were approved by PSC for Farmers’ Sales Outlet in the five Dzongkhags based on the concept and locations:
  - a. Chhukha: Nu.5.5 million
  - b. Haa, Sarpang, Samtse & Dagana: Nu. 2.5 million
- iii. Based on the directive of the PSC, the four DAOs also framed a general standard operating procedure (SOP), which will guide as a framework in developing SOP of the respective Farmers’ Sales outlet of the Dzongkhags. The general SOP is attached as annex 4 for reference.
- iv. The conventional models of farm shops have three functions viz. buy-back of farm produce, sale of agricultural inputs and sale of essential food items. The farmers’ sales outlet proposed through FSAPP will also cover all these functions through sale of farm produces (buy back), local oils (essential commodity) and farm inputs. Therefore, it was deemed that Farmers’ Sales Outlet need not be forced to have all the three functions like the conventional one.
- v. With regard to Farmers’ Sales outlet in Chhukha Dzongkhag, a provision of separate male and female toilets is to be kept, while for other farmers’ outlet, a simple unisexual toilet would be fine. The toilet however has to be within the main farmers’ outlet, not as a separate structure to cut cost.
- vi. With regard to operation of Farmers’ Sales Outlet, preference is first to be given to registered cooperative, then farmers groups and eventually to the individuals.
- vii. The five Dzongkhags to submit the technical estimate and design to PMU latest by 28<sup>th</sup> February 2019.
- viii. On the topic of cold stores to be part of farm shops, the Chair shared that cold stores are completely different activity, and it demands separate space and budget. Therefore, it should not be mixed with the current farm shops. Department of Agriculture shall guide and advise on it if Dzongkhags have plan.
- ix. The Farmers’ Sales Outlet operation contract period to be kept at 3 years subject to renewal, based on performance. Dzongkhag administration must also have a clause in the contract reserving the right to terminate in case of any violations. The contract must also state that the Operator would do all minor maintenance of the farmers’ outlet.

### 4. Annual Work Plan and Budget for FY 2019-2020

The Project M&E Officer presented the annual work plan and budget for fiscal year 2019-2020. The PSC was apprised on how the work plans were prepared at Gewog level, compiled at Dzongkhag and ARDC level, and then reviewed at the PST level including the PMU. The approved budget of all implementing units is given as annex 5.

Following directives were given with regard to the annual work plan and budget;

- i. The project support team meeting should not be held in the grand hotels/venues to cut the cost.
- ii. Cardamom seedling should not be given for free as it is a cash crop. The project's focus should be to develop strategy for cardamom production, and to ensure availability of clean cardamom planting material.
- iii. Land development: Due to its huge potential to impact the livelihood of farmers, and also to achieve the national goal of food self-sufficiency, Dzongkhags are advised to focus on this important activity besides the electric fencing.
- iv. The chair directed that the project must compliment the Royal kidu intervention works in Metakha Gewog especially in terms of a marketing structure.
- v. Cold storage construction: to start a new one in Sarpang Dzongkhag, because of the need and potential. Based on the performance/viability of the structure, and also the available budget, the project may plan on up-scaling. PMU was directed to calculate/forecast how many cold stores could be supported by project and also to acquire the technical specs of cold stores from the Chief Post Production Officer, NPHC and share with Dzongkhags.
- vi. All implementing units must take up procurement activities as per the World Bank regulations. However, PMU was directed to see if common procurement could be done centrally and the capacity of the procurement focal built adequately.

#### **5. FAO-TA Work Plan FY 2019-2020**

The FAO Consultant for Gender & Safeguards, Dr. Mani Ram Moktan presented the FAO technical assistance work plan for fiscal year 2019-2020.

The PSC advised the following:

- i. The PSC directed that FAO TA work plan should be more impactful and different than the other implementing units.
- ii. FAO TA consultants to train their RGoB counter parts like MoAF's Gender Focal and the ones in ARDCs adequately enough, so that, gender sensitivity planning and budgeting becomes a habit/mainstreamed.

#### **6. Behaviour Change and Communication (BCC) Strategy for Food & Nutrition**

- Mr. Jigme Wangdi, BCC Consultant presented the strategy that was developed recently. The PSC applauded and noted that, it is a very important and useful document, however, for its effective implementation, three Ministries viz. Health, Education and Agriculture must collaboratively work on it. It was also discussed that the new government with similar pledges on health and nutrition may also support it.

Therefore, it was decided that DoA through the Ministry of Agriculture and Forests (MoAF) would try to present it to the Committee of Secretaries (CoS)/new cabinet for possible endorsement and directives to all three sister ministries. If the effort pays off, it is hoped that the strategy will be put to good use.

- The PSC also directed that Community Resource Person (CRP) selection criteria be open for both male and female candidates.

#### **7. Annual Financial Audit Report FY 2017-2018**

The Project Director briefly shared some of the observations by Royal Audit Authority (RAA) on the project activities in the 10 implementing units.

Even though Dagana and Samtse Dzongkhag have shared their Action Taken Report (ATR) of the issues to RAA, it was requested that respective Dzongkhags follow up with RAA and share the final RAA stand/report on the issues.

#### **8. Presentation on RNR Marketing Policy & Guideline for Establishment of RNR Market infrastructure**

DAMC on the request of PMU presented key and important aspect of the policy and guideline to the PSC meeting. Since it was just for awareness purposes, the Chair thanked DAMC for the presentation.

#### **9. Any Other Business**

##### **i. Fund support for gender integrated planning workshop**

The PMU had received a fund request of Nu. 0.336 million from MoAF's gender focal officer to conduct a two days workshop on integrating gender into plans and programs of the ministry. To this, on the request of PSC, the AFAOR Mr. Chadho Tenzin agreed to financially support the workshop.

The Gender & Safeguard consultant under PMU shall assist the MoAF's focal for the workshop and it was directed that FSAPP implementers be also included for this important workshop.

##### **ii. Venue for 5<sup>th</sup> PSC meeting**

The committee agreed that the next PSC meeting venue would be in Thimphu on 15<sup>th</sup> and 16th August 2019. The second day, as usual would be a field visit.

#### **10. Closing Remarks**

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

## Annex 1

Food Security & Agriculture Productivity Project  
Department of Agriculture  
Ministry of Agriculture and Forests  
Fiscal Year 2018-2019

Financial Expenditure Component wise (Second Quarter update - December 31, 2018)

Nu. In million

S/N	Project Implementing Units	Component 1		Component 2		Component 3		Component 4		Total approved	Total Expenditure
		Approved	Expenditure	Approved	Expenditure	Approved	Expenditure	Approved	Expenditure		
1	DAMC	3,000,000.00	121,034.00	-	-	11,500,000.00	752,497.00	-	-	14,500,000.00	873,531.00
2	PMU	1,000,000.00		124,452,000.00	11,275,516.22	5,000,000.00	-	29,559,000.00	24,709,113.06	160,011,000.00	35,984,629.28
3	ARDC, Bajo	600,000.00	87,681.00	1,850,000.00	66,870.00	-		200,000.00	49,570.00	2,650,000.00	204,121.00
4	ARDC, Samtenling	920,000.00	49,140.00	1,330,000.00	14,296.00	-		196,000.00	-	2,446,000.00	63,436.00
5	ARDC, Yusipang	1,520,000.00	-	1,200,000.00	149,970.00	-		196,000.00	-	2,916,000.00	149,970.00
	<b>Sub total</b>	<b>7,040,000.00</b>	<b>257,855.00</b>	<b>128,832,000.00</b>	<b>11,506,652.22</b>	<b>16,500,000.00</b>	<b>752,497.00</b>	<b>30,151,000.00</b>	<b>24,758,683.06</b>	<b>182,523,000.00</b>	<b>37,275,687.28</b>
6	Chhukha	44,625.00	45,000.00	5,032,425.00	400,883.00	-	-	120,000.00	67,264.00	5,197,050.00	513,147.00
7	Dagana	300,000.00	-	4,700,000.00	59,210.00	-	-	120,000.00	55,316.00	5,120,000.00	114,526.00
8	Haa	426,000.00	74,300.00	3,121,140.00	-	361,000.00	70,744.35	100,000.00	10,564.00	4,008,140.00	155,608.35
9	Samtse	600,000.00	-	3,420,000.00	208,000.00	-		120,000.00	68,874.00	4,140,000.00	276,874.00
10	Sarpang	1,045,000.00	227,050.00	4,819,000.00	1,074,850.00	-		120,000.00	-	5,984,000.00	1,301,900.00
	<b>Sub total</b>	<b>2,415,625.00</b>	<b>346,350.00</b>	<b>21,092,565.00</b>	<b>1,742,943.00</b>	<b>361,000.00</b>	<b>70,744.35</b>	<b>580,000.00</b>	<b>202,018.00</b>	<b>24,449,190.00</b>	<b>2,362,055.35</b>
	<b>Total</b>	<b>9,455,625.00</b>	<b>604,205.00</b>	<b>149,924,565.00</b>	<b>13,249,595.22</b>	<b>16,861,000.00</b>	<b>823,241.35</b>	<b>30,731,000.00</b>	<b>24,960,701.06</b>	<b>206,972,190.00</b>	<b>39,637,742.63</b>
	<b>Budget utilization against total approved</b>		<b>6%</b>		<b>9%</b>		<b>5%</b>		<b>81%</b>		<b>19%</b>
	<b>Budget utilization against total disbursed</b>										<b>21%</b>

**Annex 2**

**Food Security & Agriculture Productivity Project**  
**Department of Agriculture**  
**Ministry of Agriculture and Forests**  
**Fiscal Year 2018-2019**

**Financial Expenditure Agency wise**

S/N	Project Implementing Unit	Total approved	Total Expenditure	Budget Utilization %
1	DAMC	14,500,000.00	873,531.00	<b>6%</b>
2	PMU	160,011,000.00	35,984,629.28	22%
3	ARDC, Bajo	2,650,000.00	204,121.00	<b>8%</b>
4	ARDC, Samtenling	2,446,000.00	63,436.00	<b>3%</b>
5	ARDC, Yusipang	2,916,000.00	149,970.00	<b>5%</b>
	<b>Sub total</b>	<b>182,523,000.00</b>	<b>37,275,687.28</b>	
6	Chhukha	5,197,050.00	513,147.00	<b>10%</b>
7	Dagana	5,120,000.00	114,526.00	<b>2%</b>
8	Haa	4,008,140.00	155,608.35	<b>4%</b>
9	Samtse	4,140,000.00	276,874.00	<b>7%</b>
10	Sarpang	5,984,000.00	1,301,900.00	22%
	<b>Sub total</b>	<b>24,449,190.00</b>	<b>2,362,055.35</b>	
	<b>Total</b>	<b>206,972,190.00</b>	<b>39,637,742.63</b>	<b>19%</b>
	<b>Budget utilization %</b>		<b>19%</b>	

**Annex 3**

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

**Monitoring System for Project Outcome/Results indicators (as of December 31, 2018)**

Project Development Objective	Project Outcome Indicator	Unit	Baseline (2016)	Target	Fiscal Year 2017-2018		Fiscal Year 2018-2019	
					Q3 till Jan.31, 2018	Q4 <sup>1</sup>	Q1	Q2
To increase agricultural productivity and enhance access to markets for farmers in selected gewogs in south-west Bhutan	Productivity of targeted crops increased by at least 20 percent in project areas	Percent	n/a	20				
	Increase in volume of produce marketed by at least 20 percent.	Percent	n/a	20				
	Increase in value of produce marketed by at least 20 percent.	Percent	n/a	20				
	Number of direct project beneficiaries, of whom 30 percent are women.	Numbers	0*	1. People: 52000/HH-10400, 2. Female Nos: 15600	1. 3447, 2. Female-1784 (52%)	1. 5681, 2. Female-2985 (53%)	1. 5741, 2. Female-3033 (53%)	1. 7084, 2. Female-3571 (50%)
<b>Intermediate Results Indicators</b>								
Component Objective	Project Output/Results Indicators	Unit			Year 2017		Fiscal Year 2018-2019	
					Q3 till Jan.31, 2018	Q4 <sup>1</sup>	Q1	Q2
<b>Component 1: Strengthening Farmers and Producer Groups</b>								
To strengthen farmers' groups (including in nutrition), so they are better able to implement and sustain project interventions.	1.1 Number of beneficiaries receiving technical trainings and other capacity building support	Numbers	0	300 FG/PGs/WUAs/Coop	17	33	33	40
	1.2 Numbers of Farmers who are members of an association including producer groups , cooperatives etc. (disaggregated by gender) – GAFSP Core Indicator # 14	Numbers	0	10400	525 (Female-305)	1187 (Female-661)	1187 (Female-661)	1454 (Female-790)



	1.3 Number of people receiving improved nutrition services and products through the project - GAFSP Core Indicator # 11 (new GAFSP indicators)	Number s	0	6000	55 (Female-26)	55 (Female-26)	55 (Female-26)	55 (Female-26)
<b>Component 2: Enhancing Farmer Productivity</b>								
To improve agricultural productivity vital for improving food security and nutrition.	2.1 Targeted crop area provided with irrigation – GAFSP Core Indicator # 6	Acres						
	Area covered by Flood Irrigation		0	1346		0	0	0
	Area covered by Micro irrigation		0	250		0	0	0
	2.2 Number of water users with new/improved irrigation services – GAFSP Core Indicator # 8	Number s	0	4065		0	0	0
	2.3 Number of farmers who have adopted an improved agricultural technology promoted by the project in targeted project areas, (gender disaggregated) – GAFSP Core Indicator # 4	Number s	0	10400	620	2294	2753	3401
	2.4 Total land area under cultivation for citrus and cardamom increased by 5 percent	Percent	n/a	5				
<b>Component 3: Enhancing Access to Markets</b>								
To promote nutrition sensitive value chain development for high value (economically and nutrient-rich) crops in order to enhance market linkages for farmers.	3.1 Number of beneficiaries of project supported market infrastructure	Number	0	30 PGs		5	21	21
	3.2 Number of producer groups receiving market information	Number	n/a	30 PGs		0	0	0
	3.3 Number of farmer groups linked to schools	Number s	0	10 FGs/PGs		6	6	6
	3.4 Number of children receiving the recommended 5 servings of fruits/vegetables per day	Number s	0	2100		0	0	0
<b>Component 4: Project Management</b>								
	4.1 At least 2 Learning Notes and 3 Case studies published and disseminated	Number s	0	2 Learning notes & 3 Case studies				
	4.2 Progress reports are prepared and submitted on biannual basis and are of satisfactory quality.			Accurate & timely reports		done		done

	4.3 Procurement of goods and works under this project is completed according to schedule.			Contracts awarded & completed on schedule				
	4.4 Percentage of beneficiaries satisfied with services provided by the project.	Percent	0	50				

<sup>1</sup>: Cumulative report

## Annex 4

### Standard Operating procedure (SOP) for Farmers' Outlet under FSAPP

#### 1. Nomenclature: Farmers' Outlet (as Prefix/suffix)

#### 2. Standard Structural Provision

The outlet will have following standard provisions

- i. Counter and display area
- ii. Store
- iii. Office
- iv. Operator's room
- v. Kitchen
- vi. Toilet (Inside for the Operator & Outside attached for customers)

#### 3. Operation and Management

- Coop/FG/Individual from Project Beneficiary Gewog will be given priority. If none then opportunity to be given to non Project Gewogs)
- No subletting of the Shop

#### 4. Operation and Management

- Nominal fee collected shall be used only for maintenance of the outlet & to pay the land lease rent
- Major Maintenance shall done by DzonGkhag Administration with support from dAMC/ relevant agency (ies)
- Minor maintenance shall be done by the operator
- Utility bills shall be borne by the operator
- Book of account shall be maintained by the operating party which shall be subject to annual auditing
- Regular monitoring to be conducted by Dzongkhag Administration in collaboration with relevant agency when necessary
- Conflict resolutions
  - The operation of the Farmers Outlet shall abide by the existing cooperative act/ Rules and Regulation/ by-laws/ and any other relevant laws of the RGoB

#### 5. Scope

- Only Local produces & Products
- Farm inputs ( Seeds and Basic Tools)
- Sale of imported produces/products shall be prohibited

#### 6. Ownership

- Dzongkhag Administration will have ownership of the structure

#### 7. Farmers' Outlet selection criteria

- Priority to be given to the project Gewogs (If none, then to select the site in non Project Gewogs)
- Road accessibility
- Centrally located

#### 8. Operator

- Operator from the Project Gewogs will be given the Priority.
- Sequence of priority is as follow
  - Registered cooperatives
  - Farmers Group
  - Youth
  - Individual

## **9. Operator Selection criteria**

- The operator's application shall be assessed based on the following criteria:
  - a) Priority to be given to the Operator with more composition of the Female members
  - b) Progressive performer (savings)
  - c) Human resource capability (education/skills)
  - d) Registered and active Coop/ FGs/ Youth Groups

**Annex 5**

**Approved Budget for Project Implementing Units (PIUs) FY 2019-2020**

(Nu. In millions)

S/N	Project Implementing Units (PIUs)	Budget
1	ARDC Bajo	2.275
2	ARDC Samtenling	2.000
3	ARDC Yusipang	2.240
4	Chhukha Dzongkhag	11.798
5	Dagana Dzongkhag	8.100
6	Haa Dzongkhag	7.177
7	Samtse Dzongkhag	8.300
8	Sarpang Dzongkhag	7.965
9	DAMC	6.700
10	PMU	34.208
<b>Total</b>		<b>90.763</b>

