

## **Angola**

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### **Smallholder Agriculture Development and Commercialization Project in Cuanza Sul & Huila Provinces**

#### **Supervision Report**

#### **Main report and appendices**

Mission Dates: 08/10/2018 - 19/10/2018

Document Date: 03/12/2018

Project No. 2000001142

Report No. 4898-AO

East and Southern Africa Division  
Programme Management Department

## Abbreviations and Acronyms

## A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Not at risk
Country:	Angola	Environmental and Social Category:	B
Project Name:	Smallholder Agriculture Development and Commercialization Project in Cuanza Sul & Huila Provinces	Climate Risk Classification:	2
Project Id:	2000001142	Executing Institution:	Ministère de l'Agriculture
Project Type:	Rural Development	Implementing Institutions:	Ministère de l'Agriculture
CPM:	Robson Mutandi		
Project Director:	Augusto Pedro Guimbi		
Project Area:	Cuanza Sul and Huila Provinces		

Approval Date	10/04/2017	Last audit receipt	not available yet
Signing Date	09/08/2017	Date of Last SIS Mission	19/10/2018
Entry into Force Date	09/08/2017	Number of SIS Missions	2
Available for Disbursement Date	09/01/2018	Number of extensions	0
First Disbursement Date	09/01/2018	Effectiveness lag	4 months
MTR Date	not available yet		
Original Completion Date	30/09/2024		
Current Completion Date	30/09/2024		
Financial Closure	not available yet		

## Project total financing

<b>IFAD Financing breakdown</b>	IFAD	\$28,800,000
<b>Domestic Financing breakdown</b>	Beneficiaries	\$1,100,000
	National Government	\$8,200,000
<b>Co-financing breakdown,</b>		
<b>Project total financing</b>		<b>\$38,100,000</b>

## Current Mission

Mission Dates: 08/10/2018 - 19/10/2018

Days in the field:

Mission composition: The Mission was led by Ms Abila Benhammouche, IFAD Country Director, with the participation of Mr Mohamed Tounessi (Agricultural Economist/Deputy Mission Leader), Mr Alaudio Chingotuane, (Financial Management Specialist) and Mr Martin Mulomba, (Procurement Specialist).

Field sites visited:

## B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

<b>Effectiveness and Developmental Focus</b>	<b>4</b>	<b>Project Management</b>	<b>4</b>
Effectiveness	3	Quality of Project Management	3
Targeting and Outreach	4	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	N/A	Coherence between AWPB and Implementation	3
Nutrition	N/A	Performance of M&E System	4
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	4

<b>Sustainability and Scaling-up</b>	<b>4</b>	<b>Financial Management and Execution</b>	<b>3</b>
Institutions and Policy Engagement	N/A	Acceptable Disbursement Rate	1
Partnership-building	4	Quality of Financial Management	3
Human and Social Capital and Empowerment	4	Quality and Timeliness of Audit	4
Quality of Beneficiary Participation	4	Counterparts Funds	5
Responsiveness of Service Providers	4	Compliance with Loan Covenants	4
Environment and Natural Resource Management		Procurement	3
Exit Strategy			
Potential for Scaling-up			

<b>Relevance</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

The International Fund for Agricultural Development (IFAD) fielded a Supervision and Implementation Support Mission (SIS) from 08 to 20 October 2018, for the Smallholder Agriculture Development and Commercialization Project in Cuanza Sul and Huila Provinces (**SADCP-C&H-SAMAP**). The objectives of the Mission were the following: a) undertake a detailed review of the SAMAP 2018 Annual Work Plan and Budget (AWPB) and Procurement Plan implementation; specifically changes since the last support Mission of February 2018, and provide guidance to the Project Implementation Unit (PIU), to manage activities towards achieving the project objectives, (b) review the fiduciary aspects of the project to ensure they comply with Financing Agreement covenants and government regulations; (c) review the appropriateness of project implementation modalities (staffing, audit, procurement, financial management etc.) and (d) propose solutions, corrective measures or improvements to be undertaken.

The project Finance Agreement was signed in August 2017 and became effective in September 2017. The total cost of the project is US\$38.2 million, including a US\$28.8 million loan from IFAD. The project is co-financed by the Government of Angola (\$8.2 million) and by the beneficiaries themselves (\$1.1 million). The IFAD-funded SADCP-C&H/SAMAP design has been harmonised with the WB-funded (SADCP-WB). The project includes the same components as the SADCP-WB: (i) Capacity Building and Institutional Development; (ii) Support for Increased production and Commercialisation; and (iii) Project Management. The Project Development Objective (PDO), common to the SADCP-WB Results Framework and the SADCP-C&H Logical Framework, is "to increase smallholder agriculture productivity, production and marketing for selected crops in the Project areas". Two separate PIUs have been established in Luanda to coordinate implementation in the agreed two regions. SADCP will be implemented in five provinces, broken up in two regions namely: a) SADCP-WB (Bie, Huambo and Malanje), and b) IFAD- funding SADCP - Cuanza Sul & Huila. IDA is the Lead Agency for both SADCP projects. Both projects are sharing the same governance and oversight structures, national and provincial.

Discussions with Government officials, IDA, WB, UNDP, SREP design team. PIU and PPIUs staff, were held in order to review progress, share ideas for improvement of operations and chart ways to fast track project implementation. The mission reviewed and discussed the 2019 AWPB, the M&E system, TORs for the baseline study and Mapping study. They were revised accordingly for submission to IFAD for "No Objection". Based on the joint review of the project with the PIU, key issues were identified and recommendations were agreed upon.

A pre-wrap up meeting was held with the PIU to discuss the draft Aide Memoire, and the PIU's comments were incorporated in the final Aide Memoire. The Aide Memoire was discussed and agreed in a wrap-up meeting held on 18 October 2018 chaired by Mr Tunga, Director General of IDA and attended by representatives of key stakeholders.

### Key Mission Agreements and Conclusions

It is now critical that the project management closely follows the following key actions that need to be undertaken and are detailed further throughout the Aide-memoire.

These include:

- SAMAP should further elaborate on the concept of SCU which should include important aspects such as: relevance, organisation, staffing, costs, effectiveness, efficiency and operational linkages of the 4 projects.
- A road map should be finalized with milestones in the set up of the SCU.
- Initiate, the recruitment of a senior technical assistance to assist SAMAP in the set up of the SCU. The TORs should include inter-alia, the work load analysis of the SCU.
- SAMAP with the assistance of the TA, should initiate the comprehensive support that should bring the specialized consulting firms on board for capacity building and prepare accordingly the procurement process.
- SAMAP should start initiating the internship programme.
- While driving the SCU to be operational, the project should complete the staffing of the PIU and PPIUs, enhance the procurement function, set up the management system which includes financial management, M&E and Knowledge management.
- SAMAP should explore the finding of a new place to house SAMAP, ARP and SREP as the current accommodations will not match the needs of the SCU in terms of working space.

The PIU of SAMAP with the support of the TA to be recruited, should take the lead in the detailed design of the SCU as well as the road map that will ensure planning and responsibility clearly defined in the new SCU implementation manual that needs to be prepared. The PIMs for SAMAP, ARP and AFAP should be revised accordingly.

## D. Overview and Project Progress

The Implementation Support for the project start up took place in February 2018 and the current mission is the first SIS mission carried out in 2018. The project has made some headway in undertaking the preliminary activities that would ensure a smooth start up of the project. The following preparatory activities have been carried out, since project effectiveness: The PIU is established within IDA. The Project Coordination Committee (PCC) has been set up (under-secretary of state) and the Project implementation sub-committee has been set up at the provincial level). The Financial Management Software (Primavera) has been installed by the Finance Manager of MOSAP-II. Designated Account (DA) has been opened including the operational account in local currency. The PIU received the special advance of USD 400,000.00. The 2018 AWPB and the 18 months procurement plan were approved by the Government and IFAD. The process of staff recruitment was initiated by end of November 2017 however; the process is still on going and remains a challenge for the full staffing of the PIU and PPIUs at provincial level.

SADCP-C&H called SAMAP has completed its first year of implementation since entering into force in August 2017 and its disbursement rate as of October 2018 is 1.46%, thus very low as compared to the typical disbursement profile of an IFAD project of the same type after completion of the first year of implementation. Expenditure incurred, up to 31 August 2018, mainly supported the initial phase of the project under component 3, project management, with about 99% and only 1% in component 1 (institutional capacity building and IDA support).

The low implementation performance of the 2018 AWPB is attributed mainly to a long delays and uncertain process in recruiting the PIU and PPIUs staff who should be the driving force for implementation and investments in the field. The project is still missing two major positions financial specialist and procurement specialist. Due to lack of a Procurement Officer most of the project procurement processes have not been started, delayed or declared unfruitful. The Procurement Officer has been hired, and should start his functions by mid November 2018.

The recruitment of the finance specialist could be further delayed, due to acute competition between the public and private sector for qualified staff in project management, financial management, procurement and M&E. The delays in the staffing of the PIU and the set up of project management system remain a challenge that would continue, to contribute to implementation delays, as well as the initiation of key project activities and management functions such as, planning, knowledge management and M&E.

Discussions were held with IFAD and the World Bank projects (MOSAP II, SAMAP and ARP). They highlighted their concerns regarding the weak absorptive capacity of government to implement projects in agriculture sector. On-going and previous IFAD-funded projects have faced serious difficulties in recruiting and retaining specialists in the areas of financial management, procurement, monitoring and evaluation, not to mention national and provincial coordinators.

These difficulties stem, mainly, from the scarcity of qualified national staff available to work on agricultural projects. The delay in hiring specialists postponed and disturbed SAMAP implementation and raises doubts about the national capacity to absorb SAMAP, ARP and the future SREP project. Furthermore, The CSPE report highlighted the management and fiduciary capacity to be a constraint to the effective implementation of projects in agriculture. Therefore, the challenge should be addressed comprehensively for IFAD's portfolio.

In order to improve the effectiveness and timeliness of implementation and ensure improved performance of SAMAP, the mission discussed, the implementation capacity that needs to be enhanced. Based on lessons and experience of other projects in the portfolio of IFAD on addressing implementation capacity, the mission further discussed and held consultations with the final design mission of SREP and the PIU, for the set up of a Single Coordination Unit (SCU).

As designed in SREP, the SCU will be established to ensure ease of coordination and oversight, ensuring cost efficiencies through shared functions, and developing capacity of IFAD project management staff in financial management, procurement and M&E, for more effective implementation. The SCU would be responsible for the overall coordination of the IFAD programme portfolio implemented through MINAGRI, including SAMAP, ARP and the future project under design called SREP. It was agreed between IFAD and the Government, that the SCU will be led by the current SAMAP and ARP Coordinator.

The unit will be responsible for fiduciary management, procurement, planning, monitoring, evaluation and knowledge management. Technical support will be provided to strengthen the management and fiduciary capacity of IFAD's programme, as recommended by IFAD's Country Strategy and Programme Evaluation (CSPE). Similarly, technical assistance in key subject areas will be available within the SCU to support the technical capacity of project staff, service providers and beneficiaries. These will include amongst others, experts in civil engineering, agribusiness and marketing, sustainable land management, water resources and irrigation and capacity development.

In the proposed management structure, SAMAP and ARP will not have a PIU of its own but will be managed through the SCU, which covers other IFAD projects in Angola including SREP and partially AFAP. This new proposed set up raises obviously some questions particularly on the capacity of the current Coordinator already managing two projects to take up a new programme of the scale of SREP (USD 142 million programme) which will be implemented in four municipalities spread in seven provinces across two widely separated regions. A work load analysis of the SCU Coordinator may help to understand more clearly the management challenges that may be posed by the new institutional set up. It is recommended by the mission to conduct a workload analysis of the SCU.

SAMAP should further elaborate on the concept of SCU, which should include important aspects such as: relevance, organisation, staffing, costs, effectiveness, efficiency and operational linkages of the 3 projects. In addition, a road map

should be finalized with milestones in the set up of the SCU.

The mission recommends the recruitment of a senior technical assistance to assist SAMAP in the set up of the SCU. The TORs should include inter-alia, the workload analysis of the SCU. Capacity will be built for fiduciary, financial management, procurement and M&E in the SCU by outsourcing capacity building to external service providers. It was agreed to allocate 1% of project costs of SAMAP, ARP and SREP, to hire consulting firms. In addition, it was agreed that AFAP implemented under the Ministry of Fisheries and Marine Resources, will be linked to SCU to benefit from capacity building under the SCU. The mission recommends SAMAP with the TA, to initiate the comprehensive support that should bring the specialized consulting firms and prepare accordingly the procurement process.

In view of strengthening further the implementation capacity, once set up, the SCU will design an internship programme to provide in-service training to graduates for a one year duration. This is intended to establish a pool of well-trained procurement, financial management and M&E specialists, to ensure the availability of requisite management and fiduciary skills over the duration of the programme and beyond. Internships will be offered in three technical areas: project management, M&E, knowledge management, financial management and procurement.

It was further agreed with GoA that nine of the best performing interns with graduate qualifications will be competitively selected annually, three from each of the technical areas, to participate in an international training programme on project and financial management and procurement, designed and organised by ILO or IFAD. This will be an on-going process initially for a period of three years with the potential for longer period, depending on its success. The mission recommends that SAMAP should start initiating the internship programme

While driving the SCU to be operational, the project will endeavour to complete the staffing of the PIU and PPIUs, enhance the procurement and ensure a smooth transition to the new set up of the SCU. In addition, to normal duties of SAMAP, it was agreed to find a new place to house SAMAP, ARP and SREP as the current accommodations will not match the needs of the SCU in terms of working space. In addition, the PIU of SAMAP will take the lead in the detailed design of the SCU as well as the road map that will ensure planning and responsibility clearly defined in the new SCU implementation manual that needs to be prepared. The PIMs for SAMAP, ARP and AFAP will be revised accordingly. The mission recommends the recruitment of a senior technical assistance to drive the process in the set up of the SCU.

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

##### Effectiveness

Rating: 3

##### Justification of rating

Full text is available in the off-line Report in ODC.

##### Log-Frame Analysis & Main Issues of Effectiveness

The mission reviewed the Logical Framework and noted that it is generally within IFAD Guidelines of the new Operational Results Management System (ORMS).

#### Development Focus

##### Targeting and Outreach

Rating: 4

##### Justification of rating

Given that no activities on the ground have been carried out yet, it is early to assess effectively of the targeting strategy.

##### Main issues

The core target group of the SAMAP in the Cuanza Sul and Huila provinces consists of 60,000 rural households, representing about 300,000 people, including 50,000 farmers who will benefit through FFS and 10,000 farmers who will benefit from FFS combined with investment support (of which 1,000 farmers who will also benefit from irrigation support).

This core target group will consist of: (i) small subsistence farmers with access to less than 2 hectares of land with a potential for production and productivity increases; (ii) small and stable family farms with some level of organisation, mainly through associations, with access to up to 2-5 hectares of land producing at subsistence level with the potential to graduate into a market-oriented level with focused direct support; and (iii) groups of women, youth who will be involved in processing, marketing and service provision activities. Women, in particular heads of household, widows and young women, will account for at least 50% and youth, between 18 and 35 years old, for 30% of the core target group.

The SAMAP will use three targeting mechanisms to ensure the participation of poor households, while not being exclusive of other households. The FFS approach will ensure self-targeting. The Project will monitor targeting effectiveness by collecting and analysing gender disaggregated data and results between men and women headed households and incorporate necessary adjustments.

#### Gender equality & women's participation

Rating: 4

##### Justification of rating

This is rated Moderately Satisfactory (4), because the scope of the Base Line survey includes explicit social and gender data and analysis. The project will equip its personnel and other community facilitators to conduct qualitative and quantitative analysis of results and determine if there are any observed changes in gender roles or new emerging livelihood trends among the different social groups as a result of project interventions. Women are specifically targeted to account for at least 50% of the FFS facilitators and 50% of women beneficiaries-from which women-headed households will account for 30% of members of FFS; and one target group comprises young women. Women heading households and women in male-headed households will be empowered to effectively engage in farming related activities. Their participation in FFS will be used to encourage their membership and leadership in farmers' organisations, apex organisations and policy engagement activities.

Once the Base Line Survey is validated by all stakeholders, the project will develop in 2019 the gender strategy that would ensure that women are targeted equally within target groups. The Project will monitor targeting effectiveness by collecting and analysing gender disaggregated data and results between men and women headed households and incorporate necessary adjustments.

#### Agricultural Productivity

Rating: N/A



<b>Nutrition</b>	<b>Rating: N/A</b>
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<b>Adaptation to Climate Change</b>	<b>Rating: 4</b>
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#### **Justification of rating**

The SAMAP design is compliant with IFAD's climate change strategy and the subject is given due attention in the PDR. Given the late start of activities there is not sufficient data on which to draw definite judgement.

## **b. Sustainability and Scaling up**

<b>Institutions and Policy Engagement</b>	<b>Rating: N/A</b>
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<b>Partnership-building</b>	<b>Rating: 4</b>
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#### **Justification of rating**

Partnership building is rated moderately satisfactory, because SAMAP has prepared the MOU with WB MOSAP II and is waiting for "No Objection" from IFAD and the WB. The MOU is expected to be effective by the end of 2018.

<b>Human and Social Capital and Empowerment</b>	<b>Rating: 4</b>
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#### **Justification of rating**

See main issues below

#### **Main issues**

SAMAP is implemented through government structures and may not always have its on way to affect the pace at which beneficiaries are empowered or developed. Therefore, closer monitoring and better reporting systems including documenting lessons; success stories and best practices can increase the Programme's influence to equip its beneficiaries with skills for bargaining for better services to improve their livelihoods.

<b>Quality of Beneficiary Participation</b>	<b>Rating: 4</b>
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#### **Justification of rating**

The project work field activities are yet to start in 2019.

<b>Responsiveness of Service Providers</b>	<b>Rating: 4</b>
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#### **Justification of rating**

See main issues below

#### **Main issues**

SAMAP's main service provider to its beneficiaries is IDA. However, this is not without challenges faced by the Ministry especially in terms of budgetary constraints such as mobility of its field officers. The introduction of the private sector in service provision will be an added benefit to smallholders in terms of access to timely service delivery, which of course will be at a cost.

<b>Environment and Natural Resource Management</b>	<b>Rating:</b>
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#### **Main issues**

The environmental and social category for SAMAP is B as most of the identified potential negative impacts, relate to the sub-projects under Component 2, which are site-specific and mostly reversible, where mitigation measures can be articulated as part of the ESMPs. All the irrigation schemes to be rehabilitated are also small scale. An Environmental and

Social Management Framework (ESMF) has been developed for the three provinces to be covered by the World Bank funds, which will be extended to the two provinces for IFAD financing. Following IFAD review, the ESMF will be strengthened in areas such as biodiversity, domestic energy sources, water management, labour and community health and safety, as necessary.

## Exit Strategy

Rating:

### Main issues

Sustainability is built-into the project through: (i) the FFSs which will give rise to large numbers of trained farmer facilitators who will continue to provide technical assistance to their peers long after the project has ended; (ii) with investment support, smallholder farmers and their organisations will generate higher incomes, be better linked with traders, input suppliers, agro-processors and financial institutions, be more creditworthy and bankable, accumulate capital, increase their social and market thrust and thereby become less dependent on external support for realising their investment projects and more credible actors in the value chains; and (iii) enhanced institutional capacity of public services. The support provided to the Government institutions will greatly enhance policy, research, extension and implementation capacity and will ensure a greater project sustainability. The project exit strategy will rely on: building capacity at different levels, at farmers/FOs but also at public services and value chain actors level, linking smallholders/FOs to value chains actors (buyer/traders, input suppliers) and raising their assets, business profile, and credit worthiness, and supporting smallholders to progressively move into commercial agricultural production.

It is important that in phasing out the PIU, all capacity building issues need to be adequately addressed to ensure not only organizational effectiveness at Ministry and IDA levels but also sustainability of the project outcomes. Hence, there will be a need for a comprehensive strategy for capacity building, that should be the major output for the formulation of the exit strategy, that would provide the best value from the work that has been funded as well as assessing which project outputs should be sustained after the project ends, how and by whom.

## Potential for Scaling-up

Rating:

### Main issues

Some of the interventions especially under Component 2 are new and will need to be tested over time to ensure replicability. At this stage, there is not adequate reported information from which to draw conclusion or form an opinion. However, it is the view of the Mission that with systematic monitoring, data can be generated from sub-projects to come up with informed decisions for scaling up and replication.

## c. Project Management

## Quality of Project Management

Rating: 3

### Justification of rating

This is rated Moderately Unsatisfactory (3), because the delays in the staffing of the PIU, PPIUs, the weak performance of procurement and the set up of project management system remain a challenge that would continue, to contribute to implementation delays, as well as the initiation of key project activities and management functions such as, planning, knowledge management and M&E. Acceleration in the recruitment of the additional PIU and PPIUs staff is key to mitigate delays in project implementation and the set up of management system and tools. Therefore, there is an urgent need to complete the PIU and PPIU's staffing which should drive the Project to improved efficiency and effectiveness. This may require the Ministry of Agriculture and IDA to be pro-active in addressing this critical issue.

### Main issues

Currently, the project coordinator, the M&E and Knowledge Management Officer, the Project Accountant and two provincial coordinators have been recruited. The remaining positions to be filled are Finance Specialist, accountants for the two provinces, Procurement Specialist and support staff.

Once the team is fully completed the project will elaborate and prepare implementation strategies with implementing partners as well as the private sector, in view of defining also an exit project strategy that would put the project in the path of sustainability after project completion.

On the positive side, SAMAP is working closely with the MOSAP II. The fact that they are in the same building, it facilitates communication and interactions. The MOU with MOSAP II has been cleared by IFAD and is waiting also the "No objection" from the WB. On the other hand, the MOU with FAO for the implementation of FFS raises serious concerns as consultations with FAO did not materialize with the signing of the MOU between IDA and FAO.

The project primary focus in 2019 will be realistically targeting the set up of the implementation modalities, the recruitment

of service providers, organization of beneficiaries, training of trainers on FFS. This would be the enabling framework for launching investment activities in the two targeted provinces.

#### **Knowledge Management**

**Rating: 4**

##### **Justification of rating**

KM is meant to enable SAMAP to systematically gather process and package information to inform future designs of projects/programmes. In the absence of a KM Manager and late start up, SAMAP is yet to develop a functional KM System. Like in the case of M&E, every core staff member, within their areas of responsibilities, is responsible to document relevant lessons for knowledge sharing.

#### **Value for Money**

**Rating: 4**

##### **Justification of rating**

Efficiency is rated moderately satisfactory (4), because of process delays, low achievements of targets and benefits; The efficiency of the project needs to be improved.

#### **Coherence between AWPB and Implementation**

**Rating: 3**

##### **Justification of rating**

Coherence between AWPB and implementation is rated moderately unsatisfactory (3), because the low usage of the budget compromised the coherence between the AWPB and implementation of planned activities as the project has encountered challenges in adhering to the 2018 AWPB both in terms of timeliness and budgeting of activities. The Mission reviewed the progress reports and budget usage and generally found them to be inconsistent in terms of budgeted amounts, planned activities and actual especially at output level.

#### **Performance of M&E System**

**Rating: 4**

##### **Justification of rating**

See review below

##### **M&E System Review**

The Project's Monitoring and Evaluation (M&E) system will constitute the main project management tool for tracking project implementation progress and results.

The SAMAP M&E team started designing forms and EXCEL worksheets to collect, store and analyze data related to the implementation of the Project following its target indicators described in the Logical Framework, among other recommended in the IFAD RIMS.

The specific work focused on designing the M&E system has produced the following results:

- Designed forms and EXCEL database sheets for the registration of beneficiaries, organizational assessment of farmer associations and cooperatives;
- Drafted a model of cooperative agreement between IDA/SAMAP and local communities including the field intervention methodology;
- Adapted a conceptual manual on M&E based on templates from IFAD documents and from MOSAP II, as well as forms and corresponding databases for monitoring of farmer field schools (FFS) and agricultural production subprojects.
- Prepared the first field manual for training of PPIUs and IDA extension technicians.

The same system is used by MOSAP II and the M&E teams of these two sister projects have been sharing information and experience on this regard. However, a proper web-based software platform would make the system automated and save time in filling and analyzing information to generate the required progress and impact reports. An Angolan software company made a presentation to the SAMAP PIU of its capacity to design software to meet clients' needs. The mission agreed with the set up of the web-based software platform, to facilitate the process and improve the quality of information. The project should submit the No objection to IFAD no later than end of November 2018.

#### **Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)**

**Rating: 4**

## Justification of rating

See issues below

## SECAP Review

The anticipated positive impacts of the SAMAP include: improved incomes, food security and nutrition at household level as a result of increased production and productivity; adoption of improved agronomic practices and technologies that will enhance climate resilience and; improved environmental standards and conditions including food safety as a result of the field schools and the investment opportunities being provided by the project. The environmental conditions are expected to improve as a result of better land use and availability of infrastructures. In addition to the improved environmental conditions and hygiene, the diversification of crops and diet of the communities will contribute to improved nutrition.

Under the SADCP, quarterly monitoring of the mitigation measures will be undertaken by the relevant authorities (environment officers, agriculture extension officers and water officers) working closely with the PIU and PPIUs. This monitoring arrangement will be extended to all SAMAP areas of intervention. In addition, as part of the Project's overall monitoring program, the Environmental Authorities and PIU will provide annual reports on the performance of the investment sub-projects with regards to environment and natural resource management. Under SAMAP, an independently commissioned environmental and social audit will be carried out on an annual basis. The audit will ensure that any required corrective measures are taken and that mitigation measures are being implemented effectively.

## d. Financial Management & Execution

### Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$1,100,000		
	National Government	\$8,200,000		

### Acceptable Disbursement Rate

Rating: 1

## Justification of rating

SADCP-C&H (SAMAP) has completed its first year of implementation since entering into force in August 2017 and its disbursement rate as at 12 October 2018 is 1.46%, thus highly unsatisfactory as compared to the typical disbursement profile of an IFAD project of the same type after completion of the first year of implementation.

## Main issues

The disbursement of the project is sub-optimal due to a combination of several factors: 1) staffing – SAMAP is finalizing the recruitment of some of the key project staff, including the Finance Manager, who shall be responsible for driving implementation and investments in the field; 2) procurement – with the lack of a Procurement Officer most of the project procurement processes have not been started, or are delayed. Both AFAP, and the World Bank project SADCP-WB have been providing regular support to the project on the project procurement. The Procurement Officer has been hired, and should start his functions by end of October 2018, and it is envisioned that this shall jumpstart the procurement processes that are stalled. While not directly affecting the disbursement rate, the current authorized allocation is set to USD 400,000 until the post of Financial Manager is filled, a tendering process that has not been completed yet. The Mission supported the project in the preparation of the first Withdrawal Application (WA) for reimbursement, noting that the project must ensure that the loan categories presented in the financing agreement must be properly reflected in the WA summary sheets and SOEs. Furthermore, the mission supported the project in the proper translation of the expenditure accounts as presented in the project cost tables into the loan categories of the financing agreement. The threshold for direct payment for SAMAP is currently set at USD 20,000 as a measure to tackle the near impossibility of paying contractors, consultants or staff with accounts outside of Angola. The Mission had meetings with the Ministry of Finance (MINFIN) to explore the possibility of the project opening an off-shore bank account to process low-value payments. MINFIN has showed its willingness to support the IFAD projects in opening off-shore bank accounts, and it was agreed that SAMAP would entertain further discussions with MINFIN on this subject. Once the off-shore bank accounts are opened, the threshold for direct payment may be set back to USD 100,000, as per IFAD's loan disbursement handbook. Lastly, during the meetings with MINFIN it was agreed that the list of signatories of project WAs shall be revised to include as a mandatory signatory one senior staff of MINFIN. Regarding ARP, the project entered into force on 15 May 2018. The disbursement of the start-up costs and initial advance has not been performed yet due to delays in the opening of the Designated Account. It was agreed that IDA shall quickly finalize the opening of the Designated Account, submit the list of signatories and the first WA for the start-up costs to be disbursed.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Submit WA 004</b>	Project Accountant	10/2018
<b>Request opening of off-shore bank account for SAMAP</b> By contacting Ministry of Finance as per meetings held during IFAD's Finance Officer visit to Angola	Project Coordinator	10/2018
<b>Revise list of signatories of WAs to include a senior staff member of Ministry of Finance as a mandatory signatory</b>	IDA/MINFIN	11/2018
<b>Send list of Designated Account signatories and Submit WA 001 for ARP</b>	PCU/IDA	11/2018

## **Fiduciary Aspects**

### **Quality of Financial Management**

**Rating: 3**

#### **Justification of rating**

The Mission rates the quality of financial management (FM) as moderately unsatisfactory. The FM team of SAMAP is currently staffed only by a Project Accountant, and the project still lacks a dedicated Finance Manager, as the procurement process of the post has not been finalized yet. The lack of this figure in the PCU has had a negative impact on several areas of financial management including: segregation of duties, internal control, financial reporting and proper maintenance of records.

#### **Main issues**

As SAMAP is still in its early stages of implementation, this Supervision and Implementation Support Mission shall present measures to increase the overall quality of project FM: 1) **staffing** – the hiring process of the Finance Manager must be completed urgently. It was agreed that SAMAP would request support from MINFIN in identifying qualified candidates for the post, who shall be invited to participate in the next recruitment round. SAMAP will seek to advertise the post by directly contacting financial institutions in Angola, including Banks and auditing firms. In the meantime, SAMAP shall hire the services of a reputable accounting and auditing firm to provide on the job training to the project FM staff. This support shall be extended to the Single Coordination Unit to be created to manage all IFAD projects implemented by Ministry of Agriculture. Furthermore, it was agreed that SAMAP shall employ recently graduated finance and accounting students as interns, which shall form a potential pool of trained and qualified workforce for IFAD projects. 2) **budgeting** – the Mission reviewed the 18-month AWPB covering the period August 2017 – 31 December 2018. Total amount of the AWPB was USD 12 million and total execution as at 30 September 2018 is USD 260,068 (2.2% of the AWPB). The Mission noted that the budget was over-optimistic. As total project allocation is USD 38.1 million, the current AWPB corresponds to 32% of the total allocation of the 7 year project. For the preparation of the 2019 AWPB, SAMAP should use the project disbursement profile from the cost tables as a reference for the budget. Furthermore, the AWPB does not show the breakdown of costs by categories, nor the allocation of costs for all financiers. It was agreed that SAMAP shall revise the AWPB to include these breakdown of costs and submit it for IFAD No Objection. It was agreed that the project shall insert the 2019 budget in the accounting software.; 3) **flow of funds** – at the current stage of implementation there are no bottlenecks for the proper flow of funds from all financing sources. Transactions related to the designated account are properly recorded, and bank (as well as petty cash) reconciliations are performed on a monthly basis, including physical count of cash. 4) **internal control** - a full SOE check was not conducted as the project has not yet submitted the first WA for reimbursement. However, the Mission noted that proper segregation of duties cannot be established before the FM team is complete. Furthermore, the project's PIM must still be submitted for IFAD No Objection. A full SOE check shall be conducted in the next Supervision Mission. 6) **accounting** – the accounting software PRIMAVERA is in use by SAMAP, owing to the fact that the World Bank project SADCP-WB (also housed in IDA) uses the software. Review of the chart of accounts showed that it should be revised to be aligned with the loan categories in the financing agreement; 7) **financial reporting** – it was agreed that the project shall submit quarterly reports to both IFAD and the Ministry of Finance. The Mission shared with the project templates of financial reports showing minimum required information to be included in the reports. The frequency of reports may be adjusted based on the project risk rating; 8) **internal audit** – internal audit arrangements have not been set up yet. A first contact was established during the mission with the Government of Angola *Tribunal de Contas*, the country's Supreme Audit Institution on the subject of internal audits. While further discussions shall take place in the future to explore the possibility of having the *Tribunal de Contas* to audit the project, it was agreed that SAMAP shall hire the services of an internal audit consultant/firm.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Revise 18-month AWPB to include allocation of budget by categories and by financiers</b>	Project Coordinator	10/2018
<b>Revise chart of accounts to align it with financing agreement loan categories</b>	Project Accountant	11/2018
<b>Finalize hiring process of Finance Manager</b> Re-advertise the position ensuring the widest coverage possible of the adverts, including sharing the ads directly with: Ministry of Finance, Ministry of Economy, Universities and Private Financial Institutions, including Banks and audit firms.	Project Coordinator	12/2018
<b>Initiate hiring process of accounting and auditing firm to provide on the job training to project FM staff</b> Process should initiate in parallel to hiring of project FM staff	PCU	12/2018
<b>Insert 2019 AWPB in PRIMAVERA accounting software</b>	Project Accountant	12/2018
<b>Submit PIM for IFAD No Objection</b>	Project Coordinator	12/2018
<b>Hire internal auditor</b>	PCU	03/2019
<b>Submit quarterly financial reports to both IFAD and MINFIN</b>	Project Coordinator	

#### Quality and Timeliness of Audit

**Rating: 4**

#### Justification of rating

The first audit of SAMAP shall be conducted in 2019 to cover the financial years 2017 and 2018. It was agreed that the hiring process of the audit firm shall initiate immediately, to allow sufficient time to finalize the tender, and to allow the auditing firm to familiarise with project accounting and financial management arrangements.

#### Main issues

While SAMAP does not have a fully staffed procurement unit, it was agreed that the project shall seek support from both the IFAD project AFAP and the World Bank project SADCP-WB to recruit the external auditor. Furthermore, and in case of significant delays in the hiring process of the project Finance Manager SAMAP may hire the services of a professional and chartered accountant familiar with IPSAS cash basis to support the project in the preparation of the Financial Statements. A template of a Financial Statement was shared with the project, as well as few examples of full audit reports as presented by IFAD projects in FM training sessions organized by IFAD. These instruments shall serve as examples to be followed by the project in the audit exercise. The Mission reiterated that the deadline for submission of the audited Financial Statements is 30 June of each year.



<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Initiate hiring process of external auditor</b> By requesting support to Procurement Officers of AFAP and SADCP-WB	PCU	11/2018
<b>Hire chartered accountant to support preparation of Financial Statements</b> In case of further delays in recruitment of Finance Manager	PCU	02/2019

#### Counterparts Funds

**Rating: 5**

#### Justification of rating

The Mission rates the provision of counterpart funds as satisfactory. As at October 2018 total contribution of GoA to the project is AOA 20 million, corresponding to approximately USD 90,000 (1.1% of USD 8.2 million of GoA allocation at appraisal for project costs). It must be noted that total IFAD disbursement thus far is USD 421,000 (1.5% disbursement rate of IFAD loan of USD 28.8 million). As such, GoA contribution is substantially in line with IFAD contribution thus far. This contribution has been made in cash and deposited in the project accounts

#### Main issues

Government has also contributed with the provision of vehicles during this early stages of project implementation, until the project vehicles are purchased. Furthermore, Government is contributing with the provision of office space. To properly account and record this contributions SAMAP should quantify the foregone revenue from the office space provided free of charge. This may be evaluated by a real estate professional based on applicable renting rates in the area where the project office is located. To account for the contribution of vehicles, the proper use of a logbook is fundamental. The Mission shared with the project IFAD's Domestic Co-financing Technical Note, to serve as a guideline on the proper evaluation and recording of Government contribution. It was also agreed during discussions with the project team that the 8% of contribution to Social Security paid by all employers in Angola is to be charged to Government and not to IFAD.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Evaluate Government in-kind contribution</b> To include provision of office space and vehicles	Project Coordinator/Project Accountant	12/2018
<b>Charge project contribution to project staff's social security to Government of Angola</b>	PCU	

#### Compliance with Loan Covenants

**Rating: 4**

#### Justification of rating

Government is currently not compliant with the following provisions of the financing agreement: 1) Schedule 3.3 (Special Covenants – internal audit) – as discussed above, SAMAP should stage discussions with Tribunal de Contas and Inspectorate of Finance to secure internal audit services. While these discussions are ongoing, SAMAP may hire the services of an internal auditing firm/consultant; schedule 3.3 (Key project staff) – the hiring process of the Finance Manager is still ongoing and IDA should endeavour to complete it with utmost urgency.

#### Procurement

#### Procurement

**Rating: 3**

#### Justification of rating

Procurement is rated as moderately unsatisfactory. See review below.

#### Procurement Review

The Mission carried out a review of the procurement processes and noted that the processes were not fully compliant with

IFAD procurement guidelines. The Mission reviewed the 18-month Procurement Plan 2017-19 and noted it is in line with the IFAD requirements. Absence of Procurement Specialist has adversely affected the progress of procurements at SAMAP.

The Mission noted that a number of procurements were initiated and a minimal procurement system was in place with the support received from the Procurement Specialist from AFAP. The following notable procurements were triggered namely, a) Supply of 14 Double Cabin Pick-up 1 SUV Station Wagon Vehicle and 40 Motorcycles for the PIU and PPIUs in Luanda, Kwanza Sul and Huila, b) Supply and Installation of eight 8 Laptop and eleven 11 Desktop Computers and other Office Equipment for the PIU and PPIUs in Luanda, Kwanza Sul and Huila, and c) Supply and Installation of Office Furniture and Equipment for the PIU and PPIUs in Luanda, Kwanza Sul and Huila.

The Mission noted that the procurement of motor vehicles and cycles had reached an advanced stage with a request sent to IFAD for No objection to proceed with the recommended supplier. The Mission inspected the procurement documentation for motor vehicles and cycles, and established that the purchasing process was followed for IFAD to grant a "No Objection". SAMAP conducted a bidding process for IT equipment and furniture, however, only 1 responsive bid was received for each Lot, rendering the process null and void. The Mission recommends that a request for No objection be made to IFAD for a Selective Tender (ST) for the IT equipment and furniture instead of National Competitive Bidding (NCB) process. Therefore, to score successes in procurement of goods, services, and works, there is need to speed up the process of engaging a Procurement Specialist.

Once the Procurement Specialist is recruited, he/she will put a procurement system for goods, services and works. The Mission recommends that the Procurement Specialist from AFAP assist the Procurement Specialist to establish a procurement system and procurement of outstanding activities needing urgent attention.

## **F. Agreed Actions**



<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Submit WA 004</b>	Project Accountant	10/2018
<b>Request opening of off-shore bank account for SAMAP</b> By contacting Ministry of Finance as per meetings held during IFAD's Finance Officer visit to Angola	Project Coordinator	10/2018
<b>Revise 18-month AWPB to include allocation of budget by categories and by financiers</b>	Project Coordinator	10/2018
<b>Revise list of signatories of WAs to include a senior staff member of Ministry of Finance as a mandatory signatory</b>	IDA/MINFIN	11/2018
<b>Send list of Designated Account signatories and Submit WA 001 for ARP</b>	PCU/IDA	11/2018
<b>Revise chart of accounts to align it with financing agreement loan categories</b>	Project Accountant	11/2018
<b>Initiate hiring process of external auditor</b> By requesting support to Procurement Officers of AFAP and SADCP-WB	PCU	11/2018
<b>Evaluate Government in-kind contribution</b> To include provision of office space and vehicles	Project Coordinator/Project Accountant	12/2018
<b>Finalize hiring process of Finance Manager</b> Re-advertise the position ensuring the widest coverage possible of the adverts, including sharing the ads directly with: Ministry of Finance, Ministry of Economy, Universities and Private Financial Institutions, including Banks and audit firms.	Project Coordinator	12/2018
<b>Initiate hiring process of accounting and auditing firm to provide on the job training to project FM staff</b> Process should initiate in parallel to hiring of project FM staff	PCU	12/2018
<b>Insert 2019 AWPB in PRIMAVERA accounting software</b>	Project Accountant	12/2018
<b>Submit PIM for IFAD No Objection</b>	Project Coordinator	12/2018
<b>Hire chartered accountant to support preparation of Financial Statements</b> In case of further delays in recruitment of Finance Manager	PCU	02/2019
<b>Hire internal auditor</b>	PCU	03/2019
<b>Charge project contribution to project staff's social security to Government of Angola</b>	PCU	
<b>Submit quarterly financial reports to both IFAD and MINFIN</b>	Project Coordinator	

# Smallholder Agriculture Development and Commercialization Project in Cuanza Sul & Huila Provinces

## Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members										
	Household members			300 000							
	1.a Corresponding number of households reached										
	Households		20 000	60 000							
	Non-women-headed households										
	Women-headed households										
	1 Persons receiving services promoted or supported by the project										
	Males		10 000	30 000							
	Total number of persons receiving services		20 000	60 000							
	Young		6 000	18 000							
	Females		10 000	30 000							
	Goal To diversify the economy, generate revenue and improve livelihoods and food security of poorer households	1. Increased asset index for 60,000 households (from baseline data as starting point)							Baseline, mid-term and end of project surveys	Yr1, Yr4, Yr7	
increase asset index compared to baseline data			10	25							
2. Decrease in chronic malnutrition among children under 5 years (from baseline data as starting point)							Baseline survey, nutritional assessments	Yr1, Yr4, Yr7	Service Provider		
reduction in Huila (33.7%)		33.7	2.5	5							
Reduction in Cuanza sul (34.3%)		34.3	2.5	5							

<b>Objective</b> To increase smallholder agriculture productivity, production and marketing for selected crops in the Project areas.	3. Number of beneficiaries reached						Reports of implementing entities and IDA records	6-monthly	PIU, PPIU, IDA, service providers	Substantial policy, governance and macroeconomic risks (R) Weak institutional capacity of project implementation (R)	
	Youth	0	30	30							
	Beneficiaries	0	20 000	60 000							
	Women	0	50	50							
	FFS beneficiaries receiving nutrition education	0	30	60							
	4. Average crop yields						Surveys of the FFS/FBS participants and subproject beneficiaries	Yr1, Yr4, Yr7	PIU IDA, service provider		
	Irish potato (MT/ha) average	9	10	12							
	Maize (MT/ha) average	0.5	1	2.1							
	Cassava (MT/ha) average	7	9	13							
	Beans (MT/ha) average	0.3	0.55	0.9							
	Onion (MT/ha) average	8	12	14							
	5. Proportion of targeted smallholder production marketed (%)						Surveys of the FFS/FBS participants and subproject beneficiaries	Yr1, Yr4, Yr7	PIU IDA, service provider		
	marketed production	15	20	25							
<b>Outcome</b> Outcome 1: Smallholder farmers' technical, organisational and managerial competence improved :	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities									Delays in setting up PIU and PPIUs and signing ofcontracts with service providers	
	Number of POs - fisheries										
	Women in leadership position										
	Number of POs - livestock										
	Percentage of POs										
	Number of POs - forestry										

	Number of POs - crop										
	Number of POs										
	Percentage of indigenous POs										
	2.2.4 Supported rural producers' organizations members reporting new or improved services provided by their organization										
	Males										
	Percentage of POs members										
	Females										
	Total size of POs										
	Women in leadership position										
	Number of POs										
<b>Output</b> Output 1.1 Smallholder farmers' technical, organisational and managerial competence improved	6. Number of farmers having completed FFS training (of which 50% women/ 30% youth)							IDA records	6-monthly	IDA, service provider	Delays in setting up PIU and PPIUs and signing of contracts with service providers
	Males		10 000	30 000							
	Young		6 000	18 000							
	people attended training	0	20 000	60 000							
	Females		10 000	30 000							
<b>Output</b> Output 1.2 Supported smallholder farmers' organisations and cooperatives (FOs) functioning	7. Percentage of FOs operational							Reporting service provider	6-monthly	PIU, IDA	Delays in setting up PIU and PPIUs and signing of contracts with service providers
	Farmer Organizations operational	0	30	60							
	2.1.3 Rural producers' organizations supported										
	Young										
	Not Young										
	Total size of POs										
	Males										

	Women in leadership position											
	Females											
	Rural POs supported											
<b>Outcome</b> Outcome 2: More conducive policy and enabling environment for smallholder agriculture	8. Appropriate smallholder agricultural policies included in national & sectoral development plans							National Development Plans/sector Strategy Reports/ Surveys of theFFS/FBS participants	Yr1, Yr4, Yr7	PIU, IDA, service provider	Slow start-up of activities (R) Weak capacity of public service@ (R)	
	Policies included in Development Plans	0	1	3								
	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment											
	Number		1	3								
<b>Output</b> Output 2.1 MINAGRI staff that benefitted from training	9. Number of MINAGRI/IDA/ICA staff having completed training course							Reporting service provider	6-monthly	PIU, IDA	Slow start-up of activities (R) Weak capacity of public service@ (R)	
	trained staff	0	100	150								
<b>Output</b> Output 2.2 Registration of farmers' associations and cooperatives (including Water User Associations) streamlined and supported	10. Number of registered entities (with membership data disaggregated by gender)							Registrar	Annual	MINAGRI	Slow start-up of activities (R) Weak capacity of public service@ (R)	
	registered entities (by gender)	0	50	165								
	2.1.4 Supported rural producers that are members of a rural producers' organization											
	Women in leadership position											
	Young											
	Females											
	Males											
	Not Young											
<b>Outcome</b> Outcome 3: Government capacity to support climate resilient smallholder agricultural production and commercialization enhanced	11. Percentage of beneficiaries of FFS that adopted at least 2 new technologies							Ex-post evaluation	Yr7	PIU	Weak capacity of public services (R)	
	Farmer Field Schools adopted new technologies	0	80	80								
	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices											

	Males												
	Young												
	Females												
	Households		80	80									
	Total number of household members												
	Women-headed households												
	Not Young												
	Households												
	Non-women-headed households												
<b>Output</b> Output 3.1 Institutional capacity of national and provincial-level agricultural research system strengthened	12. Number of recommended technology packages for project crops and target groups developed							IIA & IDA	Annual				Sufficient capacity of IIA& IDA to prepare technology kits (A)
	technologies developed	0	5	10									
	1.1.3 Rural producers accessing production inputs and/or technological packages												
	Rural producers accessing..... (total)												
	Females												
	Young												
	Males												
	Not Young												
	1.1.4 Persons trained in production practices and/or technologies												
	Total persons trained in crop - FSS Members												
	Males												
	Men trained in crop												
	Young people trained in crop												

	Women trained in crop										
	Females										
	Not young people trained in livestock										
	Total persons trained in livestock										
	Men trained in livestock										
	Total persons trained in crop - Lead Farmers										
	Young people trained in livestock										
	Not young people trained in crop										
	Women trained in livestock										
	Total persons trained in crop										
<b>Output</b> Output 3.2 Number of climate resilience technologies demonstrated in project area	13. Number of adapted climate resilience technologies applied							Reporting IDA	6-monthly	IDA	
	climate technologies applied	0	8	20							
	3.1.2 Persons provided with climate information services										
	Not Young										
	Males										
	Persons provided with climate info services										
	Young										
	Females										

<b>Outcome</b> Outcome 4: Investments in agricultural production and postharvest management increased	1.2.5 Households reporting using rural financial services									Slow start-up of activities (R)				
	Households													
	Females													
	Non-Indigenous people													
	Young													
	Total number of household members													
	Not Young													
	Males													
	Women-headed households													
	Households													
	Non-women-headed households													
	Indigenous people													
	<b>Output</b> Output 4.1 Sub-projects (SP)/Business plans (BP)' technical, economic, financial, social, environmental and climate resilience feasibility proven	14.1 Number of SPs/BPs approved for financing and implemented, of which:									IDA Reporting	Annual	PPIUs	Slow start-up of activities (R)
SP approved		0	50	150										
14.2 SP for production enhancement						IDA Reporting	Annual	PPIUs	Slow start-up of activities (R)					
SP for production		0	40	120										
14.3 SP for value addition and commercialization						IDA Reporting	Annual	PPIUs		Slow start-up of activities (R)				
SP for commercialization		0	3	30										
1.2.5 Households reporting using rural financial services											Slow start-up of activities (R)			
Households														
Females														
Young														
Total number of household members														
Not Young														



	Males											
	Women-headed households											
	Households											
	Non-women-headed households											
<b>Output</b> Output. 4.2 Financial products for farmers organisations and rural businesses introduced	15a. Number of farmers accessing project financial services							PFI & IDA reporting	Annual	PIU		
	Farmers	0	1 000	5 000								
	15b. Amount of PFI credit mobilized (USD million)							PFI reporting	Annual	PIU		
	USD million	0	300 000	1 200 000								
	1.1.5 Persons in rural areas accessing financial services											
	Total persons accessing financial services - credit											
	Not young people in rural areas accessing financial services - savings											
	Not young people in rural areas accessing financial services - credit											
	Women in rural areas accessing financial services - credit											
	Enterprices											
	Men in rural areas accessing financial services - savings											
	Active Borrowers (Enterprises)											
	Men in rural areas accessing financial services - credit											

	Women in rural areas accessing financial services - savings											
	Young people in rural areas accessing financial services - savings											
	Young people in rural areas accessing financial services - credit											
	Total persons accessing financial services - savings											

## **Angola**

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### **Smallholder Agriculture Development and Commercialization Project in Cuanza Sul & Huila Provinces**

#### **Supervision Report**

#### **Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category**

Mission Dates: 08/10/2018 - 19/10/2018  
Document Date: 03/12/2018  
Project No. 2000001142  
Report No. 4898-AO



## Appendix 1: Financial: actual financial performance by financier; by component and disbursements by category

**Table 2A-1: Financial performance by financier (SADCP-C&H)**

<b>Financier</b>	<b>Appraisal (USD '000)</b>	<b>Disbursements (USD '000)</b>	<b>Per cent disbursed</b>
IFAD loan	28 800	421	1.5%
GoA	8 20	90	1.1%
Beneficiaries	1 100	0	0.0%
<b>Total</b>	<b>38 100</b>	<b>511</b>	<b>1.3%</b>

**Table 2A-2: Financial performance by financier (ARP)**

<b>Financier</b>	<b>Appraisal (USD '000)</b>	<b>Disbursements (USD '000)</b>	<b>Per cent disbursed</b>
IFAD loan	5 000	0	0
IFAD Grant	1 000	0	0
FAO	491	0	0
GoA	726	0	0
Beneficiaries	390	0	0
<b>Total</b>	<b>6 726</b>	<b>0</b>	<b>0</b>

**Table 2B: Financial performance by financier by component – SADCP-C&H (USD '000)**

Financiers	IFAD			GOA			Beneficiaries			Total		
Components	Budget (Appraisal)	Actual	%	Budget (Appraisal)	Actual	%	Budget (Appraisal)	Actual	%	Budget (Appraisal)	Actual	%
1. Capacity building and Institutional Development	7 700 000	4 317	0.06%	7 800 000	-	0.00%	-	-	0.00%	15 500 000	4 317	0.06%
2. Support for Increased Production and Commercialization	13 550 000	-	0.00%	-	-	0.00%	1 100 000	-	0.00%	14 650 000	-	0.00%
3. Project Management, Monitoring and Evaluation	7 550 000	255 750	3.39%	400 000	16 746	4.19%			0.00%	7 950 000	272 496	3.61%
<b>Total</b>	<b>28 800 000</b>	<b>260 068</b>	<b>0.90%</b>	<b>8 200 000</b>	<b>16 746</b>	<b>0.20%</b>	<b>1 100 000</b>	<b>-</b>	<b>0.00%</b>	<b>38 100 000</b>	<b>276 814</b>	<b>0.96%</b>

**Table 2C: IFAD loan disbursements (SDR, as at 30-09-2018)**

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Goods, Services and Inputs	17 400 000	17 400 000	21 000	NA	17 379 000	0.12%
II	Grants and Subsidies	3 900 000	3 900 000	0.0	NA	3 900 000	0.0
III	Credit, Guarantee Funds	1 200 000	1 200 000	0.0	NA	1 200 000	0.0
IV	Operating Costs	1 100 000	1 100 000	0.0	NA	1 100 000	0.0
V	Salaries and Allowances	5 200 000	5 200 000	0.0	NA	5 200 000	0.0
	Authorized Allocation 1			100 000	NA	-100 000	0.0
	Authorized Allocation 2			300 000	NA	-300 000	0.0
	<b>Total</b>	<b>28 800 000</b>	<b>28 800 000</b>	<b>421 000</b>		<b>28 379 000</b>	<b>1.5</b>

## **Angola**

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### **Smallholder Agriculture Development and Commercialization Project in Cuanza Sul & Huila Provinces**

#### **Supervision Report**

#### **Appendix 2: Physical progress measured against AWP&B**

Mission Dates: 08/10/2018 - 19/10/2018

Document Date: 03/12/2018

Project No. 2000001142

Report No. 4898-AO

East and Southern Africa Division  
Programme Management Department

## Appendix 2: Physical progress measured against AWP&B

	Status/Comments	(Physical) Targets					
		2017 - 2018 AWP&B (planned) <i>Planned annual</i>	2018 Actual (achieved)	%	Revised (Global)	Cumulative, as project target (so far)	%
Component 1. Capacity Building and Institutional Development							
Output 1: Baseline Survey	The procurement process was initiated but canceled due to misprocurement. ToRs will be revised to include the nutritional surgery and new tender will be launched in the last quarter of 2018	1	0	0	0	0	0
Output 2: Training of Master Trainers	Negotiation with FAO to start FFS started in October 2018. Therefore this activity is postponed for 2019	1	0	0	0	0	0
Component 2 – Support for increased production and commercialization							
Output 3 – Identification and support to sub-projects /	Postponed to 2019	1	0	0	0	0	0



<b>business plan preparation</b>							
<b>Output 4 – Road improvement and agricultural market infrastructures</b>	Road improvement under revision market infrastructure planned for 2019 (multipurpose	1	0	0	0	0	0
<b>Output 5 – Capacity building of the PFI staff in matter related to Financial development services</b>	Postponed to 2019	1	0	0	0	0	0
<b>Output 6 - Support of R&amp;D</b>	Postponed to 2019						
<b>Output 7 – Support the establishment of a market information system</b>	Postponed to 2019	1	0	0	0	0	0

<b>Output 8 – KAP survey</b>	This activity will be merged with the baseline survey to be conducted in 2019	1	0	0	0	0	0
<b>Output 9 – Mapping and characterizing value chain actors</b>	This activity will be merged with the mapping and charactering of value chain actors to be realized in 2019	1	0	0	0	0	0
<b>Component 3 – Program Management</b>							
<b>Output 10 – SAMAP National launching workshop</b>	Done on April 5, 2018	1	1	100	0	1	100
<b>Output 11 launching workshop in Cuanza Sul and Huila</b>	Done on April 30 in Huila and in June 1 in Cuanza Sul (2018)	1	1	100	0	1	100

## **Angola**

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### **Smallholder Agriculture Development and Commercialization Project in Cuanza Sul & Huila Provinces**

#### **Supervision Report**

#### **Appendix 3: Compliance with legal covenants: status of implementation**

Mission Dates: 08/10/2018 - 19/10/2018

Document Date: 03/12/2018

Project No. 2000001142

Report No. 4898-AO

East and Southern Africa Division  
Programme Management Department

### Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section B, para 6</b>	There shall be one Designated Account denominated in USD and two Operational Accounts, one denominated in USD and the other in AOA, for the benefit of the Lead Agency	-	Partially compliant	All project accounts have been regularly opened. IDA still in the process of opening the Designated Account for ARP.
<b>Section 4.02</b>	GOA to replenish Project Account quarterly in advance	Immediate	Compliant	Government has replenished the Project Accounts with AOA 20 million (equivalent to approximately USD 90,000) to cover taxes, duties and some project operational costs.
<b>Section 4.03</b>	Procurement of goods, works and services carried out in accordance with the procedures laid down in Schedule 3	Immediate	NA	Major project procurement processes have not been carried out yet.
<b>Section 4.04</b>	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.	December 2018	Ongoing	
<b>Section 4.05, section 11.10(b)</b>	Audit report submitted to IFAD.	30 June 2019	Ongoing	
<b>Section 4.06</b>	Progress reports to be submitted to IFAD on a quarterly basis.	End of each quarter	Not compliant	Project reports have not been submitted with the required

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
				frequency. Pending the appointment of Project Finance Manager
<b>Schedule 4, para 7</b>	AWPB to be submitted to the Fund, for its review and comments	December of each year	compliant	
<b>Schedule 4, para 8(a)</b>	A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD.	NA	NA	
<b>Schedule 4, para 16</b>	Project to be exempted from all import duties, excise taxes and value added tax (VAT) on investment expenditures	Immediate	Compliant	