

Mozambique

Rural Markets Promotion Programme

Supervision Report

Mission Dates: 16th – 27th November 2020

Document Date: 13/01/2021

Project No. 1100001423

Report No. 5626-MZ

East and Southern Africa Division
Programme Management Department

Abbreviations and Acronyms

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| | |
|----------------|---|
| AGRA | Alliance for the Green Revolution in Africa |
| ANE | Agência Nacional de Estradas – National Roads Authority |
| ASCA | Accumulative Savings and Credit Association |
| AWPB | Annual Workplan and Budget |
| CCSA | Agrarian Sector Coordination Committee |
| DNDR | Nacional de Desenvolvimento Rural – National Directorate of Rural Development |
| DPASA | Direcção Provincial de Agricultura e Segurança Alimentar – Provincial Directorate of Agriculture and Food Security |
| DPCI | National Directorate of Planning and Cooperation |
| DNIC | National Directorate of Civil Identification |
| DUAT | Direito de Uso e Aproveitamento da Terra – Right of Use and Benefit from the land |
| DU | District Unions |
| ICS | Social Communication Institute |
| EU | European Union |
| FA | Farmers' Association |
| FARE | Fundo de Apoio à Reabilitação Económica – Support Fund for Economic Rehabilitation |
| FE | Roads Fund |
| FNDS | Fundo Nacional de Desenvolvimento Sustentável |
| FO | Farmers' Organisation |
| GAPI | Gabinete de Apoio à Pequena Indústria – Office of Support to Small Scale Industry |
| GoM | Government of Mozambique |
| KM | Knowledge Management |
| M&E | Monitoring and Evaluation |
| MDG | Millennium Development Goals |
| MIC | Ministério de Indústria e Comércio – Ministry of Industry and Commerce |
| MoU | Memorandum of Understanding |
| MTR | Mid Term Review |
| NRM | Natural Resources Management |
| PMC | Programme Management Cell |
| PMT | Programme Management Team |
| PDSA | Agrarian Sector Development Strategy |
| PNISA | Agrarian Sector Investment Plan |
| PROMER | Programa de Promoção de Mercados Rurais – Rural Markets Support Programme |
| PRONEA | Programa Nacional de Extensão Rural – National Programme of Agricultural Extension |
| SDAE | Serviço Distrital de Actividades Económicas – District Office of Economic Activities |
| SIP | Strategic Investment Plan |
| SECAP | Social, Environment and Adaptation Procedures |
| SIMA | Market Information System |
| SP | Service Provider |

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|-------------|---|
| RT | Rural Traders |
| REFP | Rural Enterprise Financing Project |
| VC | Value Chain |
| WA | Withdrawal Application |
| WB | World Bank |

A. Project Overview

| | | | |
|-------------------|-----------------------------------|------------------------------------|--------------------------------------|
| Region: | East and Southern Africa Division | Project at Risk Status: | Not at risk |
| Country: | Mozambique | Environmental and Social Category: | B |
| Project Name: | Rural Markets Promotion Programme | Climate Risk Classification: | not available yet |
| Project ID: | 1100001423 | Executing Institution: | Ministry of Planning and Development |
| Project Type: | Rural Development | Implementing Institutions: | not available yet |
| CPM: | Robson Mutandi | | |
| Project Director: | not available yet | | |
| Project Area: | | | |

| | | | |
|----------------------------------|-------------------|---------------------------|------------|
| Approval Date: | 11/09/2008 | Last audit receipt: | 24/06/2020 |
| Signing Date: | 17/09/2008 | Date of Last SIS Mission: | 27/11/2020 |
| Entry into Force Date: | 26/04/2009 | Number of SIS Missions: | 18 |
| Available for Disbursement Date: | 26/04/2009 | Number of extensions: | 2 |
| First Disbursement Date: | 20/07/2009 | Effectiveness lag: | 7 months |
| MTR Date: | 19/05/2014 | | |
| Original Completion Date: | 30/06/2018 | | |
| Current Completion Date: | 30/06/2021 | | |
| Financial Closure: | not available yet | | |

Project total financing

| | | |
|------------------------------|---|--------------|
| IFAD Financing breakdown | Debt Sustainability Framework | \$12,500,000 |
| | IFAD | \$12,500,000 |
| | IFAD | \$31,134,613 |
| Domestic Financing breakdown | National Government | \$2,861,003 |
| | Beneficiaries | \$3,050,000 |
| Co-financing breakdown, | European Union | \$10,970,000 |
| | Alliance for a Green Revolution In Africa | \$3,517,000 |
| Project total financing: | | \$76,532,616 |

Current Mission

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|----------------------|--|
| Mission Dates: | 16th – 27th November 2020 |
| Days in the field: | n/a |
| Mission composition: | Robson Mutandi/ Custódio Mucavel, Mission Leader, Narciso Manhenje, Project Management and Lead Writer; Palani Muleya, Market Intermediaries and Value Chain Expert; Guy Kemtsop, Rural Infrastructure Specialist; Grace Nakanjako, M&E and KM Expert; Christian Dietz, Data Analyst; Yvonne Agoya, Gender, Youth, Target, CC and Nutrition; Marieclaire Colaiacomo, Procurement Expert; James Muturi, Financial Management Consultant |
| Field sites visited: | n/a |

B. Overall Assessment

| Key SIS Indicator #1 | Ø | Rating | Key SIS Indicator #2 | Ø | Rating |
|---|---|--------|--|---|--------|
| Likelihood of Achieving the Development Objective | | 4.73 | Assessment of the Overall Implementation Performance | | 4.58 |

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|--|----------|---|----------|
| Effectiveness and Developmental Focus | 5 | Project Management | 4 |
| Effectiveness | 4 | Quality of Project Management | 5 |
| Targeting and Outreach | 5 | Knowledge Management | 5 |
| Gender equality & women's participation | 5 | Value for Money | 4 |
| Agricultural Productivity | 5 | Coherence between AWPB and Implementation | 4 |
| Nutrition | 5 | Performance of M&E System | 4 |
| Adaptation to Climate Change | 4 | Social, Environment, and Climate Standards requirements | 4 |

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|---|----------|---|----------|
| Sustainability and Scaling-up | 5 | Financial Management and Execution | 5 |
| Institutions and Policy Engagement | 5 | Acceptable Disbursement Rate | 3 |
| Partnership-building | 5 | Quality of Financial Management | 5 |
| Human and Social Capital and Empowerment | 5 | Quality and Timeliness of Audit | 6 |
| Quality of Project Target Group Engagement and Feedback | 5 | Counterparts Funds | 6 |
| Responsiveness of Service Providers | 5 | Compliance with Loan Covenants | 5 |
| Environment and Natural Resource Management | 4 | Procurement | 4 |
| Exit Strategy | 5 | | |
| Potential for Scaling-up | 5 | | |

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|------------------|----------|
| Relevance | 5 |
|------------------|----------|

C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

IFAD and GoM fielded a Remote Supervision Mission to the country during the period 16th to 27th November 2020. The aim of this mission is to follow up on the agreed actions and recommendations since the last implementation support mission in April 2020, particularly in the areas of Rural Infrastructure, Financial Management and M&E taking into account that the project is approaching its closure. The mission will be supporting the project to: a) accelerate the project progress and performance towards closure; b) work with the Programme Management Team (PMT) to identify any existent constraints and jointly agree on rapid solutions for effective implementation; c) agree on key actions to accelerate performance taking into account that June 2021 is the implementation closing date.

The Mission interacted with different stakeholders that included the National Director of DNDEL, DNCM, DNPP and SETSAN in the Ministry of Agriculture and Rural Development, as well as with the National Directors of DNTCF and DNDP in the Ministry of Economy and Finance. The mission had meetings also with other relevant stakeholders which included the Director and representatives of the National Roads Authority (ANE) and the Road Fund (FE), private sector representatives, service providers, staff of the PMT and selected beneficiaries. Due to COVID-19 pandemic, no field visit occurred, but remote interactions with regional offices as well service providers were undertaken.

A pre-wrap up meeting was held on 26th November 2020 with the PMT staff to discuss the Mission's observations, conclusions and recommendations and to agree on the key actions and the associated timeframe. A wrap-up meeting, chaired by National Director of Local Economic Development, Mrs. Inês Cuambe, was held on 27th November 2020 in Maputo. The Mission would like to express its appreciation to GoM for the hospitalities and courtesies extended and to the PMT staff for their contributions to the Mission's outputs.

Key Mission Agreements and Conclusions

Despite the effects of the pandemic, the mission confirmed that significant progress had been made in implementation of the project activities in all components. Through innovative approaches, resilience and adaptation, the project was able to accomplish some of the main targets with an outstanding financial performance taking into account the 2020 challenges due to COVID. The financial performance was not greater due to liquidity constraints faced by the project in line with the IFAD corporate disbursement and liquidity policy which affected the implementation of many activities, particularly on roads. In order to accelerate the implementation the following key agreements were reached:

6 months no-cost extension of PROMER. To allow the finalization of the specific activities such delayed roads, ensure that the small-scale value addition business plans are implemented and strength district unions action plans, due to COVID-19 and liquidity issues. The Government should submit a request for amendment of the Financial Agreement to reflect this change.

Extension/amendment of Service Providers Contracts. Allocating additional 3 months (from February to May) no-cost extension for the conclusion of the pending activities, not completed mainly due to COVID-19 related restrictions.

Liability period for road rehabilitated/spot improved. Set up required conditions to allow ANE/Provincial authorities to lead the management of liability period for all rehabilitated/spot improved roads.

Organize GALS ToT for other interested Civil Society and Rural Development organizations in response to the high demand for this training since the PROMER presentation during the 2020 International Rural Women's day celebrations.

D. Overview and Project Progress

Component 1: Development of More Dynamic Market Intermediaries

Subcomponent 1.1: Support for Rural Traders Development. Significant progress has been registered in this subcomponent despite some targets being compromised by the outbreak of Covid-19. In 2020 the project continued supporting the 225 rural traders (100% of the revised target) in the 15 implementing districts. The major activities of support in 2020 focused in capacity building and coaching in market linkages, promoting signing of marketing contracts between RTs and FOs, promoting inputs trading, business licencing and asset registration, to enhance sustainability and access to credit from formal financial institutions, establishment of district traders associations and promoting increased productivity through demonstration plots.

As a result of the above activities, the volume of agricultural produce purchased by RTs under contract up to September 2020 was 10 830 tons (11% of which under contract), with an associated revenue of \$ 3,192,219 (22% from contracts). In addition, 68 RTs were involved in agricultural inputs marketing through facilitation of the project resulting in USD 277 889 revenue being realised. Businesses legalised were 21 (cumulative 198 which is 115% of target) and assets registered

were for 14 RTs (cumulative 128, which is 75% of target). Two more RTs associations were formed bringing the total to 7 formed to date. . The formation of RTs associations will ensure that the interest of the members is taken care of even post project. This activity needs to be accelerated so that RTs may continue to receive representation on a sustainable manner from their associations. During the period under review the project, through SPs, facilitated the linking of 51 RTs with different agricultural inputs suppliers to the use of inputs to increase productivity. As a result 34 demonstration plots were established (6 are managed in collaboration with RTs and the rest with FOs) for soya, sesame, beans, peanut and maize.

In the period under review the project signed an MoU with UEM to revise the classification system of RTs in use and develop a training manual for RTs. The classification system will be used as a tool to evaluate the results of training and coaching as well as assessing further training needs of RTs.

Subcomponent 1.2: Support to Farmers' Organisations Development The project continues supporting a total of 500 Farmers' Organisations (100% of target) with a total membership of 14 085 smallholder farmers beneficiaries; 51% of which are women and 31 % Youth. The main support activities undertaken in 2020 for this group consisted capacity building and coaching in production, marketing planning and business management; market linkages (promoting the signing of marketing contracts with RTs and other agribusiness firms), to ensure sustainability of the interventions after the project closure; legalisation and asset registration, which are prerequisites for access to credit from formal financial institutions; reinforcing the capacity of District Unions, to support their members in market linkages and promoting increased productivity through demonstration plots. On average the three implementation Blocks had a significant increase in productivity compared with the baseline as follows: 250kg/ha to 500kg/ha for sesame, 450kg/ha to 1,500kg/ha for pigeon pea, 400kg/ha to 1,800kg/ha for soya bean, 250kg/ha to 600kg/ha for groundnuts and 800kg/ha to 1,500kg/ha for maize.

From the above activities the total volume sold (through contracts and direct selling) was 5 018 tons and the associated revenue is USD 1 434 617, the volume sold through contracts where 219 marketing contracts were signed corresponding to 2 817 tons of agricultural produce sold resulting in total revenue of USD 1 273 587 being realised. One FO had its assets registered, in the period under review, giving a cumulative figure of 38 FOs with registered assets and 37 additional FOs were legalised in 2020 and the cumulative figure is 496 legalised FOs. The consultant who was engaged in the 4th quarter of 2019 has completed the elaboration of the Action Plans for the 15 District Unions and Fora (who were previously selected on the basis that they have solid links with FA and internal capacity to operate as rural enterprises). On the basis of the action plans, investment plans were developed, with the support of SPs, and investment to be done by PROMER during the remaining time of implementation was identified and includes extension support tools/equipment, means of transport and office equipment.

Support to Small Scale Value Addition A concept note requesting a special package of 10% own contribution for women and youth against the required 20-30% to the MGF of component 1 was submitted to IFAD after 2019 supervision mission and granted No Objection. Despite the disruption caused by COVID-19, the process of assisting FOs and RTs to put together business plans for small scale value addition projects was concluded, 13 business plans have since been elaborated and submitted to PROMER and are currently under review.

The mission was presented with a number of planned phase out activities. While most of them were on going during the implementation of the project activities like RTs association, FOs association, DU action plans, assets registration and legalisation should receive more attention during the closure period.

Component 2: Enterprise-Led Value Chain Initiative

The project continued supporting the multi commodity value chains per SIP which were identified previously. The multi commodity value chains which are being supported per SIP are as follows: ALIMI-out-grower scheme for the development of sesame, beans, groundnuts and soya bean, SAN JFS-out-grower scheme to develop sesame, beans and maize and in addition establishment of 15 agro-dealer shops, under franchising, for inputs selling, Cornelio Comercial-out-grower scheme for the development of sesame, beans, groundnuts and maize, AgroFATAR VANO-out-grower scheme for the development of sesame, beans and maize, IKURU-out-grower scheme for seed multiplication of sesame, beans and maize. The multi commodity value chains strategy which is being implemented hedges against cyclic seasonal failure of a single particular crop.

Five SIPs are currently being implemented and activities carried out up to June 2020 include i) Value Chain leaders received technical assistance from the PROMER consultant for the development of value chains ii) PROMER PMU officer carried out a monitoring and technical support visit to the 5 SIPs while the PROMER Cells together with SPs, value chain leaders, producers and the SDAE carried out monthly monitoring visits iii) SPs continued capacity building activities for producers and traders in the areas of production, postharvest management, and business management, also integrating cross cutting issues.

The volume of agricultural produce traded up to June 2020 per SIP is as follows: ALIMI 52 tons (cumulative 665 tons), JFS 468 tons (cumulative 762 tons), Cornelio Comercial 407 tons (cumulative 3867 tons), Agro Fatar Vano 323 tons (cumulative 573 tons), IKURU 38 tons, which include 8 tons of seed (cumulative 130 tons), giving a total of cumulative produce traded of 5 997 tons and associated revenue of about USD3 000 000 benefiting 9 152 producers.

The mission was presented with a number of planned phase out activities for this component. Taking into consideration that the implementation of this component was delayed (for example 2 SIPs were in operation for one agricultural season, another 2 SIPs for 2 seasons and 1 SIP for 3 seasons). Activities which enhance sustainability like improving the capacity of value chain actors, training of the 4P actors should be allocated more time and resources. The project is currently carrying out an Assessment of Component 2, which will help in improving the implementation of the planned phase out activities. The Assessment will be incorporated into the Project's Final Impact Study

Matching Investments Grant Facility. Significant progress had been made in implementation of the matching grant facility. The PMT had developed an implementation manual which provided modalities of accessing the matching grant including target group, conditions for the matching grant and application and evaluation process.

In 2020 matching grant was utilised as follows (i) Construction work for warehouses in Niassa Province by San FS and Alimi while the tender for the IKURU warehouse, in Nampula, was finalized in the third quarter with the construction work starting in the last quarter (ii) Inputs financing for Cornelio Commercial, AgroFatar Vano and IKURU SIPs; (iii) Financing of motorbikes for IKURU extension officers (iv) Procurement process for the agricultural equipment for AgroFatar Vano.

The project also made progress in securing beneficiary contribution towards the investments. The former CAL met its target of beneficiary contribution of USD 252,273. JFS exceeded its contribution of USD 300,016 by USD 15,097, IKURU only contributed 59,304 out of its target of 121,550, ALIMI exceeded its target of 147,715 by USD32,526.90, Cornélio Comercial exceeded its target of 207,200 by 169,593.60 while Agro Fatar Vano only contributed USD 44,593 out of its target beneficiary contribution of USD 110,634. The pending beneficiary investments are related to agricultural inputs and extension services operational costs, which will be accounted for during the current agricultural season.

The mission noted that the project has also made progress towards achievement of the outcomes for the subcomponent. The facility had served a total of 9,146 beneficiaries thus exceeding its target of 9,053 beneficiaries. The producers marketed 1,287.35 tons of produce and earned consolidated incomes of USD 574,080.56. The mission noted that implementation of the matching grants facility has faced significant challenges including restrictions and mitigation measures that were put during the state of emergency which affected production and marketing processes including access to finance for the purchase of produce from the farmers. The mission commends the PMT for the progress made in implementing the facility despite these challenges. The mission urges the PMT to ensure disbursement of the balance of the matching grants as well as follow up on the balance of the beneficiary contributions before project closure.

In line with the COVID repurposing activities, a total of USD 1.0 million was available to support the sector to cope with the effects of the pandemic. So far around 50% of the funds were utilized to finance 3 out grower schemes enterprises who work with Poultry, Soya, sesame and sunflower.

Component 3: Improve the Market Environment

Subcomponent 3.1: Market Infrastructure

Road development. Under Phase I, 729 km of unclassified roads were spot improved^[1] (96% of target). For phase II, 678 km are targeted for full rehabilitation^[2] with equipment. For 2019 roads, 213.9 km are being rehabilitated in Niassa (6 roads) and Cabo Delgado (5 roads). All completed roads (5 in Cabo Delgado and 3 in Niassa) are handed over to local authorities. On-going works are between 60 and 75% execution. Works are on-going for all 2020 roads, including "Kenneth" affected ones. Two project roads are completed (in Nampula and Zambézia), 7 are above 30% and 12 below 30% executed. Two "Kenneth" roads are completed (in Niassa), one is 75% and another is 10% completed. ANE (National Road Authority) and FE (Road Funds) partner with the project in road activities for technical assurance (joint survey/design and full supervision) and payment respectively. Works are carried out by competitive contractors.

Based on discussions with PMT and partners: i) COVID 19 Emergency Implementation Plan was executed; ii) ANE staffs were efficiently involved for survey/design of 2020 roads; iii) due to limited funds, target for 2020 roads was revised (328.4 km to 315.7 km), spot improvement was adopted in Cabo Delgado (4 roads, 44.7 km) and, 4 "Kenneth" roads (123.5 km) out of 8 targeted (302.8 km) are being spot improved; iv) a trial phase to set up a community-based feeder road routine maintenance system is on-going in Métarica District with ANE's support; v) since October 2020, works lack^[3] regular supervision however, but quality of work is assured by a constant assistance of Provincial ANE staffs; vi) the road impact assessment planned will be coupled to the project overall impact assessment study; vii) all outstanding works will be executed before project completion date (if liquidity issues are addressed on time), but liability period will not be covered by the project.

"Claycrete" technology. The first experimental took place on Mirate – Mahepe road in Montepuez. Based on description of the process, the mission noted some areas to be improved and lessons learnt by the team, all to be considered during the second experimental on the Cruzamento R657 – Komane in Cuamba. The process is supported by ANE whose laboratory started collecting data for further analysis and monitoring. Final result will support the national rural road sector.

Market development. The project has rehabilitated/constructed 13 markets. Two premises are under rehabilitation, works are estimated 98% physical execution. The construction process of a wholesale market^[4] for vegetables/fruits in Pemba is on-going, based on Economic, technical and socio environmental guidelines of the studies. A contractor and a supervisor are soon to be recruited. Works to start before the end of year, for completion before project ends.

Subcomponent 3.2: Facilitating Access to Finance

The Implementation of this component was closed in 2018 with the conclusion of the contracts with PCR's service providers and preparation of the endline assessments. However, during this period the mission confirmed that the project continues to i) Monitor the performance of the 2 GAPI branches. From January to October, 59 traders and 9 producers requested and were funded by the two branches in a total amount of 7,700,000.00Mts; ii) Facilitate access to credit for project beneficiaries. The SPs have been exploring opportunities to link project beneficiaries to financial products suitable for agribusiness such as credit lines specifically developed by financial institution and partners for agribusiness; and iii) Reinforcing the capacity of Savings and Credit Groups. Service providers have been working with District Union ASCAS animators who in turn have been assisting the group animators. In other hand they have been monitoring regularly the progress in the implementation of ASCAS. The mission noted that most of the activities were under the short-term Institutional Support to Development Finance Institutions window. The Project has contributed to the bankability of Value Chain Participants by facilitating the registration of assets, and acquisition of Land certificates, as well as through training and business development. However, there is a need to reinforce the technical Assistance to Improve Bankability of Value Chain Participants and Rural Finance Training to Farmers Associations and Traders. The mission urges the PMT to ensure that the service providers focus on implementation of the two activities in order to ensure the target outcomes are achieved. As an exit strategy, PROMER is liaising with REFP so that this subcomponent beneficiaries continue to access financial services beyond project closure.

Subcomponent 3.3: Improving the Market Transparency

PROMER continued the dissemination of relevant agricultural market information, using mainly the existing 13 local community radios in Portuguese and local languages. During 2020 a new radio was included (Radio Namuno). A total of 248 bulletins, from which, 218 bulletins have included cross cutting issues were broadcasted through the community radios reaching thousands of direct beneficiaries and non-beneficiaries. Cumulatively more than 2.748 bulletins were broadcasted. It is important to note that apart from the dissemination of agricultural market information and the cross cutting issues, such as climate change, extension; etc. PROMER is working with community radios to disseminate other type of messages to mitigate the effects of the COVID 19 pandemic.

The mission learnt that MADER is reviewing the SIMA (Market Information System) engaging private sector operators through a Public-Private-Sector intervention. A new IT and mobile based system will be developed and used by the farmers. The detailed project for the new SIMA model is being developed and it is expected that this system will be more efficient and sustainable compared with the current in use.

| Agreed Action | Responsibility | Agreed Date |
|---|-----------------------|--------------------|
| Liability period for road rehabilitated/spot improved Set up required conditions to allow ANE/Provincial authorities to lead the management of liability period for all rehabilitated/spot improved roads | PMT | 04/2021 |
| Prepare an exit strategy linking project subcomponent activities to REFP Prepare an exit strategy linking project subcomponent activities to REFP | PMT | 06/2021 |
| Enforce beneficiary contributions by the grantees Enforce beneficiary contributions by the grantees | DNDEL/MADER | 06/2021 |
| Community-based maintenance system Involve central level of ANE as a pre-requisite for increased expected ownership of the outcome | PMT | 06/2021 |
| Supervision of road works Efficiently involve ANE staffs at provincial level to ensure good and timely supervision of on-going works while waiting for the supervisor to be present on the field | PMT | 07/2021 |
| Claycrete technology Take into consideration remarks made and lessons learnt from the first experiment to improve the second phase to be carried out | PMT | 12/2021 |

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

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|----------------------|------------------|---------------------------|
| Effectiveness | Rating: 4 | Previous rating: 4 |
|----------------------|------------------|---------------------------|

Justification of rating

PROMER has cumulatively reached 103,462 Households HHs against an AF appraisal target of 94,350 HHs, exceeding the target set by 110%. From this, the project has reached a total of 21,085 beneficiaries against a target of 21,000 surpassing the target through FO capacity building activities. PROMER beneficiaries include rural traders and members of Farmer organisations or associations. An outcome survey on component two activities is currently ongoing to assess the extent of attainment of outcomes related to enterprise led value chain initiatives. The project plans to carry out an end line survey that will make a final assessment of the extent to which PROMER has reached the development objective including an assessment of the impact of the enabling market access infrastructure constructed and or rehabilitated by the programme.

Log-Frame Analysis & Main Issues of Effectiveness

The overall project outreach is currently estimated at 103,462 direct beneficiaries of rural road infrastructures, farmers' organisations development interventions as well as enterprise led value chain development initiatives. The project needs to verify and accurately record the outreach of all interventions taking into account the beneficiary participation in more than one activity and ensure that the updates are incorporated into the project log frame.

An outcome survey on Component 2 activities is currently ongoing to assess the extent to which development outcomes related to enterprise led value chain initiatives have been reached. The survey is expected to be finalized by the end of November 2020. In addition, the project has commenced preparations for carrying out the End-line survey through which

the overall project development objective will be assessed, in addition to assessing the impact of the rural roads rehabilitation and market access infrastructure on the beneficiary communities. ToR for the End-line survey have been developed and the tendering process is expected to commence soon.

PROMER reports show that progress has been made in development and capacity building of rural traders, farmers organizations and victims of cyclone Kenneth. More progress has also been achieved in value chain initiatives. However slow progress has been achieved in the rehabilitation of market access infrastructure including roads and rural markets.

As recommended under the knowledge management section, the project is encouraged to further analyse and document case studies of successful interventions under component 1 and component 2. Further, the component 2 outcome survey should be expedited and completed and information from there used to refine the End line survey methodology as well as feed into the project completion processes.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Finalise the Component Two Outcome Survey Report Expedite the component 2 Outcome Survey and ensure that lessons learnt are extracted and used to inform the overall Endline survey and completion process. | M&E Specialist | 12/2020 |
| Verify overall project outreach and update logframe before project completion Verify and accurately record the overall project outreach taking into account any double entries that may result from beneficiaries participation in more than one activity, update the project logframe accordingly. | M&E Specialist | 02/2021 |
| Carry out the end line survey Carry out the final project evaluation prior to preparation of the project completion report and ensure that the results feed into the completion report. Ensure that assessment on the impact of rural roads rehabilitation is assessed as part of the end line survey. | M&E Specialist | 06/2021 |

Development Focus

Targeting and Outreach

Rating: 5

Previous rating: 4

Justification of rating

PROMER has cumulatively reached 103,462 Households HHs against an AF appraisal target of 94,350 HHs, exceeding the target set by 110%. From this, the project has reached a total of 21,085 beneficiaries against a target of 21,000 surpassing the target through FO capacity building activities. PROMER beneficiaries include rural traders and members of Farmer organisations or associations. The project is currently supporting 225 rural traders of which 5% are women traders, 26% youth on capacity building and coaching activities. The 14,085 beneficiaries belong to the 500 Farmer organizations supported by PROMER in which 51% are women, 31% youth. This also includes 7,000 beneficiaries support by unions (46% women, 56% youth). So far, 21,085 beneficiaries have access to technical advisory services against a target of 21,000. Around 417 Farmer Organisations have women in leadership positions achieving a target of 83%.

The Enterprise Led Value Chain Initiative has supported 9,053 beneficiaries in each of the target provinces. In Niassa, ALIM Enterprise has supported 1,076 beneficiaries (43% women, 46% youth) and the SAN JFS has supported 3,600 beneficiaries (16% women, 16% youth). In Cabo Delgado, Cornelio Comercial Enterprise has supported 2,239 beneficiaries (18% women, 44% youth) and the AgroFATAR VANO has supported 1,368 beneficiaries (30% women, 40% youth). In Nampula, the IKURU enterprise is supporting 770 beneficiaries (17% women, 3% youth).

It is evident the project has ensured it has collected gender-age disaggregated data on beneficiaries participation in project activities. The project has also addressed the recommendation from the last supervision mission on outcome level reporting of the different target groups.

Main issues

PROMER's interventions are in the intended geographical areas of Niassa, Cabo Delgado, Nampula and Zambezia provinces. Direct and self-targeting approaches are evident as per the participation of beneficiaries in PROMER activities. Rural traders, beneficiaries in farmer organizations and associations inclusive of women and youth have adequately participated in capacity building activities such as trainings on business, production and marketing, nutrition, hygiene and

climate smart techniques.

Participation of the intended target beneficiaries is adequate and PROMER interventions have contributed to their improved economic and social wellbeing. Beneficiary participation has also been attributed to their empowerment through the GALS methodology. The extent of the impact of the methodology will be assessed in the upcoming monitoring visit in December.

Gender equality & women's participation

Rating: 5

Previous rating: 5

Justification of rating

Implementation of gender related aspects have been affected by the ongoing Covid-19 pandemic. Due to the restrictions imposed, the 3rd GALS training was postponed to December. The DNDEL Gender Unit including National Directors were virtually trained on the methodology to enable them familiarize with the methodology and to follow up on the project work so far. Outcomes from the implementation of GALS methodology have been noted and a monitoring visit has been scheduled.

Main issues

It is estimated 146 families are applying the methodology following the training replication conducted by the trained champions in the 1st semester. A monitoring visit has been scheduled for the 1st week of December to ascertain the number of families trained and practising the GALS methodology. GALS tools are set to be integrated in the literacy trainings, Rural Traders and Farmers Organization manuals currently being revised by the consultant supporting PROMER on the implementation of GALS. The methodology has been elaborated in 15 District Union Action plans to enable the participation of those who cannot read and write, however this activity has also been affected by the Covid-19 restrictions.

There has been adequate participation of women and youth in the capacity building activities conducted by the project. 67% of women participated in the literacy training activities in the 1st semester of 2020. 562 women out of a total of 1,460 beneficiaries participated in the 237 sensitization activities in the 3 implementation blocks. The training focused on balanced food diets, hygiene and sanitation and cooking demonstrations.

It has been noted that in the 1st semester, 28 rural traders are now working with their wives and children, resulting in 97 rural traders involving their families in business. Additionally, they are participating in trainings together. Participation of women in the interventions has led to a better workload balance as the burden is now shared.

PROMER beneficiaries participated in the International Rural Women's day in Maputo, at which they were able to actively participate and share their experiences and how the project has brought transformative changes to their lives. Regular requests are being made to MADER to train other Rural Organizations nationwide on the GALS methodology following the event, therefore it was agreed that PROMER will organize GALS training packages and ensure that more organizations are trained on GALS.

The project has made efforts to track and monitor participation by collecting age-sex disaggregated data in project activities as seen in the reporting of beneficiary participation. The youth have also actively engaged in PROMER activities as evidenced in their participation. Their participation in farmer organizations and taking part in capacity building activities has also been attributed to GALS.

In view of project closure, the training DNDEL staff including National Directors received on GALS will ensure the sustainability of the intervention.

As the monitoring visit is scheduled for next month, the mission recommends the following indicators can be used to assess the impact and provide evidence on the success of the methodology and PROMER interventions. They include:

- Changes in household dynamics such as gender relations in the household, joint decision making
- The extent to which project interventions have changed women's status
- Workload balance and or reduction
- Women in leadership positions
- Improvement and access to resources such as increase in income and savings, joint decision making on household income and assets/investments

Agricultural Productivity

Rating: 5

Justification of rating

Although PROMER is not an agricultural productivity enhancing Programme it has teamed up with the agro-dealers in the focus districts and the relevant district extension staff through which information on GAP gets disseminated to the FOs, including employing demonstration plot techniques and availing agricultural inputs close to the FOs. This has resulted in

more than doubling yields of sesame, soyabean, pigeon pea, groundnuts and maize in the 3 implementing blocks.

Main issues

Productivity is measured in yields per ha compared to baseline yields. On average the 3 implementing Blocks had a significant increase in productivity compared with the baseline as follows: 250kg/ha to 500kg/ha for sesame, 450kg/ha to 1 500kg/ha for pigeon pea, 400kg/ha to 1 800kg/ha for soyabean, 250kg/ha to 600kg/ha for groundnuts and 800kg/ha to 1 500kg/ha for maize. Partnering with agricultural research institutions in availing seeds which are early maturing, drought tolerant and disease resistant can further increase yields of various crops.

| | | |
|------------------|------------------|---------------------------|
| Nutrition | Rating: 5 | Previous rating: 5 |
|------------------|------------------|---------------------------|

Justification of rating

Nutrition sensitive interventions have been adequately integrated in component 1 and 2 of PROMER. The findings of the baseline survey on nutrition sensitive indicators were finalized and disseminated and nutrition aspects incorporated in the 2020/2021 work plans and budgets. Various capacity building activities were held in the target areas and active participation from the intended target groups/beneficiaries.

Main issues

Following the baseline survey on nutrition sensitive indicators carried out in October 2019, the findings were disseminated among PMT and the Service Providers staff in March 2020. Various nutrition aspects were incorporated in relation to increase in production, supply and consumption of nutrient-diverse foods and the promotion of conservation agriculture.

237 sensitization activities were conducted focusing on balanced food diets, hygiene and sanitation and cooking demonstrations. A total of 1,460 beneficiaries, 898 men, 562 women, benefitted from these activities, which were implemented in the 3 implementation Blocks throughout the semester.

The Nutrition sensitizations and cooking demonstration sessions were provided to the following beneficiaries in farmer organizations; in Block A, 54 beneficiaries (7 men, 47 women) in Block B, 828 beneficiaries (460 men, 368 women) in Block C Zambezia, 331 beneficiaries (242 men, 89 women) and in Block C Nampula, 247 beneficiaries (189 men, 58 women).

Community multiplication fields for orange fleshed sweet potato were established by service providers in blocs A and B on a 20,000m² area, benefitting 38 beneficiaries- 25men and 13 women. 52 rural traders have so far benefitted from awareness raising sessions conducted by the project. PROMER has assisted the traders in the promotion of the sale of seeds of dark green leafy vegetables and seeds of other vegetables rich in vitamins A and Zinc. So far, 45 traders have sold nutritious crop seeds to a total of 214 farmers (122 men, 92 women).

35 sensitization sessions have been conducted in Implementation Block C on the production of sesame snacks to 35 farmer organizations consisting of 578 people- 431 men, 147 women. The project intends to start the discussion with implementation blocks A and B, on the harvest and commercialization of sesame at the beginning of the second semester. 42 training sessions on conservation farming techniques were conducted to 42 Farmer Organizations benefitting 203 women and 503 men who are members.

PROMER conducted a remote GALS training to DNDEL staff including the National Directors. This will ensure and enhance the implementation and sustainability of the nutrition interventions especially during the current pandemic situation and at project closure.

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| Adaptation to Climate Change | Rating: 4 | Previous rating: 5 |
|-------------------------------------|------------------|---------------------------|

Justification of rating

Results from the baseline survey has led to the promotion of climate change sensitive activities and integration in project activities.

3,863 people (2,239 men, 1,624 women) including 342 producers have been reached through the 195 awareness raising sessions held to sensitize and transmit climate change adaptation messages and technologies. 29 producers have benefited from bio-fortified orange-fleshed sweet potato which will serve to protect sweet potato and cassava roots planting material in drought conditions. Mulching has also been introduced and 67 producer families are being supported in its adoption.

The introduction of clay-Crete technology to road rehabilitation will ensure the roads are resistant to climate risk and sustainable while requiring minimum maintenance. The technology is currently being tested and 1Km has been applied in Cabo Delgado and another 1km has been planned for testing in Niassa.

b. Sustainability and Scaling up

| | | |
|---|------------------|---------------------------|
| Institutions and Policy Engagement | Rating: 5 | Previous rating: 5 |
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Justification of rating

The project implementation environment has changed with the inauguration of the new Government cycle (2020-2024) and changes in the Ministries and Directorates. A new Ministry of Agriculture and Rural Development (MADER) and National Directorate of Local Economic Development (DNDEL) was created, and PROMER PMT is integrated in the new Ministry and Directorate. Despite the fact that this is the 4th time that PROMER line Ministry changes during its 11 years implementation period, the ownership of the project by the new directorate is commendable and is contributing to improve efficiency and delivery, as well as reinforcing the synergies with other institutions at MADER and other Ministries or sectors.

Due to this strengthened capacity, IFAD role is more recognized and its support to the agrarian sector reported and acknowledged at different levels in the MADER and Government.

Main issues

Policy engagement with MADER: The project migrated to the new MADER after the extinction of MASA and the MoU for policy engagement signed with the former DPCI was cancelled. Instead, the policy interventions were incorporated in the project AWPB and implemented normally with direct payments being made by the project.

a. Policy formulation: New PEDSA (Strategic Plan for Development of Agrarian Sector) and PNISA (National Investment Plan for Agrarian Sector). PROMER funds previous available for this policy document were relocated to other policy initiatives due to the delay in the start-up of this process. The new PROCABA will support MADER with resources for this important exercise.

b. National Integrated Agrarian Survey(IAI). The project is supporting the National Directorate of Planning and Policies at MADER. This survey was officially launched by the head of state and will be supported by different partners. So far, only IFAD through PROMER was able to make the resources available to the Ministry to start with the some preparatory activities such ToT for enumerators and supervisors, pre-testing, in all provinces. The second phase is delayed and additional funds are expected from other partners for data collection and other logistic aspects. It is expected that the results of the study would be used for 2021 planning purposes and policy making.

c. Food Security and Nutrition Baseline Survey. The project has made available funds to support the III Food Security and Nutrition Baseline Survey, as key document to guide with updated evidence our interventions. The last study was conducted in 2013. A technical group recommended a revision of the methodology with INE (National Statistics Institute) to become a more reliable and official study. With this change the sample size increased and consequently the overall planned budgeted. SETSAN is mobilizing the funds from partners to finance the study. It was agreed that as soon the funding gap is committed PROMER will finance the acquisition of tablets and other enumerators equipment before project closure.

d. Strengthening the agriculture and market information systems. MADER is reviewing the SIMA (Market Information System) engaging private sector operators through a Public-Private-Sector intervention. A new IT and mobile based system will be developed and used by the farmers. The detailed project for the new SIMA model is being developed and it is expected that this system will be more efficient and sustainable compared with the current in use.

e. Rural Development Strategy. The project is supporting the assessment of the previous Rural Development Strategy and the proposal for the new strategy is ongoing. The consulting company carried out regional public consultations which recommended to include Gender as one of the pillars and not has a crosscutting issue. It is expected that the council of Ministries will submit the document for approval during 2021 first semester.

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| Partnership-building | Rating: 5 | Previous rating: 4 |
|-----------------------------|------------------|---------------------------|

Justification of rating

PROMER has successfully established partnerships with public, private and international organisations. With public institutions the project has been able to strength the institutional capacity of various directorates within MADER, including DNCM, DNPP, FNDS, and SETSAN. In addition, the project signed MoUs and work closely with ANE/FE, MIC, DNAT, SDAEs and SDPIs. The project is also linked since the beginning with different national and international service providers such OIKOS, OLIPA, GAPI and others. Through market intermediaries and value chain interventions, the private sector was engaged with PROMER beneficiaries mainly in cash crops to export. International companies like OLAM, ECG, JFS and other local Rural Traders like Cornélio Comercial, IKURO, Alimi and Agro Fatar Vano have sustainable market partnerships with farmers.

Main issues

MoU with Eduardo Mondlane University - UEM. PROMER has a long partnership with UEM which contributed with the elaboration of the FO and RT graduation manuals and other important studies and assessment. The PROMER experience

and knowledge and its graduation model is being used as teaching material at the University. The project intends to update the graduation manual and is planning to sign an MoU with UEM. The mission commends this initiative and recommends further engagement with universities for further studies and assessments.

Former EU-MDG1c: PROMER interventions in the field were strongly connected to the RBAs (FAO and WFP) interventions and components under the EU-MDG1c programme. For example, some rural traders supported by the programme were selected to be part of the FAO e-Voucher scheme and some cooperatives and associations supported by PROMER also received inputs and machinery support from WFP. Apart of that, WFP and IFAD (block C unit) were sharing the office in Alto Molocué. The impact of this collaboration would be more visible if all interventions were concentrated in the same areas.

SNV: PROMER has received support from SNV under component 2- Value Chain where different models for private sector engagement were tested and used including the 4Ps. This support has contributed significantly for the positive results that are currently emerging under this component, particularly with the involvement of the local rural traders into the out grower schemes.

Cabo Delgado Multi-Stakeholder Platform: A new dialogue platform is being established under the leadership of Government with support of AfDB and Dutch Embassy. The aim of the is to facilitate the creation of value & sustainable development in Pemba-Lichinga Corridor. The challenge is to work towards a more inclusive and sustainable growth in the region, and take opportunity of the shift in paradigms, to start thinking about collaboration through synergies that can be used through different groups. The mission is in view that PROMER should be engaged actively with this platform through its Cells and contribute to improve the coordination of different partners at local level. Key partners that will be also involved under this platform will include: Royal Haskoning DHV, Millennium Bim, ENI, UNFPA, UN Habitat, World Bank, IOM, SNV, Technoserve and the World Wildlife Fund for Nature (WWF).

Human and Social Capital and Empowerment

Rating: 5

Previous rating: 4

Justification of rating

PROMER activities are satisfactorily contributing to the increase in economic and social empowerment of its beneficiaries. Rural traders and farmer organizations have been supported on market linkages, business licensing, asset registration and input trading resulting in profits and increased productivity. Beneficiaries especially women have benefited from the Nutrition and literacy activities. The literacy trainings have enabled women become more literate hence bridging gap in literacy rates between men and women. The nutrition activities have equipped PROMER beneficiaries with techniques and awareness on diverse and nutrient rich foods, conservation agriculture and climate smart practices.

Quality of Project Target Group Engagement and Feedback

Rating: 5

Previous rating: 5

Justification of rating

14,085 PROMER beneficiaries, 102.7% of the target, are actively participating in project activities. 225 rural traders (5% women, 26% youth), 500 Farmer organizations/associations (51% women, 31% youth) and 7,000 unions (46% women, 56% youth) have been supported on trainings such as nutrition, literacy and technical trainings. The implementation of the GALS methodology has encouraged women participation and empowerment. It has been noted 97 rural traders are now working with their wives and children. The extent of the implementation and impact of the methodology will be assessed upon the monitoring visit scheduled for December.

Responsiveness of Service Providers

Rating: 5

Previous rating: 5

Justification of rating

The project has reduced the number of Service Providers to 3 in component 1 and 2. Each SP is responsible for all activities in each Block. These SPs were selected after competitive bidding and they have been working with PROMER in the previous funding and PROMER has developed their capacity over the years. Generally they respond to the demands of beneficiaries. On timely submission of plans and reports PROMER has introduced penalties in the contracts of 3 SPs for late submission and this has improved this aspect.

The project relied on private service providers recruited on a competitive basis to survey/design, construct/rehabilitate and supervise (except for roads for which ANE did the supervision) all works of targeted infrastructure to be developed. Despite few cases of delays noted (mostly due to late payments), no major issues were reported by the project regarding the quality and timeliness outputs of the service providers, and the overall appreciation is satisfactory. However, it should be noted that, for 2019 roads the mission was informed about the poor performance of few contractors involved in the rehabilitation of three roads, their contracts was terminated. The recruitment of new contractors is on-going to expect end of works before project completion.

Main issues

The project relies on SPs engaged on competitive bidding to implement activities in component 1 and 2. Their performance has been up to required standards basing on results achieved so far. Streamlining the SPs to 3, that each SP is responsible for all activities in the respective block, has improved coordination and reduced the budget for SPs.

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| Environment and Natural Resource Management | Rating: 4 | Previous rating: 5 |
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Justification of rating

PROMER has various capacity building activities it intends to implement. The project intends to train Government staff on Environmental Social Management Plans (ESMP). The project has agreed on the establishment and training of road committees in the management and maintenance of roads, practices and their monitoring. The training program for the Metarica district in Niassa has been submitted. The proposed training includes the following topics: (i) Types of maintenance for the district staff (ii) Activities involved in road maintenance for road gangs and district staff (iii) Prioritization of maintenance activities (iv) Road Gangs' management (v) Quality control of road maintenance. Due to the change in SDPI management, the training in Cabo Delgado had to be postponed till further notice.

On road rehabilitation, the project through the support of ANE, is testing the Clay Crete technology, which is believed to be climate risk resistant and requires minimal maintenance. 1km of the Clay Crete has been tested in Cabo Delgado and 1Km has been planned for testing in Niassa.

Due to the Covid-19 pandemic, activities focused on sustainable land management and community based natural resource management had to be cancelled till further notice. These activities seek to ensure the impact of land degradation are lessened and the natural resource base remains sustainable for the community.

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| Exit Strategy | Rating: 5 | Previous rating: 5 |
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Justification of rating

PROMER developed an exit strategy for each component in order to ensure the sustainability and replicability of the interventions. For the FOs and RTs, some of the interventions include: i) Strengthen the capacity of District Producers Unions to provide marketing services to their members so that they can continue to support associations on a continuous basis; ii) Facilitating the establishment of District RT Associations at district level. The RTs are currently able to better organize the marketing process in the districts and better negotiate the prices with large export buyers. iii) Assets registration and business legalisation so that RTs and FOs can access credit from formal financial institutions on a sustainable basis. iv) Literacy training that enables RTs and FOs to plan and negotiate better.

Main issues

To ensure viability and good management of the targeted infrastructures, the project has relied on final beneficiaries (management committees) and perennial/state institutions (ANE and FE) involved in the overall management of the assets. This was done throughout the whole process from identification to construction/rehabilitation. However, it should be noted that sustainability of these assets remains a key concern. The mission was informed that DNDEL is responsible for organising beneficiaries around the management of construct/rehabilitated markets (this wasn't verified by the mission), and for feeder roads, the maintenance is the responsibility of District authorities. As pointed out by previous missions, District capacities are very limited with regards to road maintenance. It should be noted that some efforts were carried out at different levels with regard to road maintenance (after phase I, spot improvement) in Niassa (2 roads maintained by ANE and 3 by local government), Cabo Delgado (6 roads maintained by ANE) and in Nampula (one road under routine maintenance). In fine, sustainability of feeder roads continue to be of a great challenge, despite the project has launched the pilot phase to set up a Community-based routine maintenance system.

As part of its exit strategy, DNDEL staff are more involved in PROMER activities supporting the PMT. Focal points for each programme components were assigned at national level and at provincial level the capacity of provincial and district technicians has been strengthened.

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| Potential for Scaling-up | Rating: 5 | Previous rating: 5 |
|---------------------------------|------------------|---------------------------|

Justification of rating

Rural traders and Farmer organisations improved their volumes of traded produce and incomes hence their living conditions improved and they were able to acquire assets such as improved homes, transport (bicycles and motor cycles) and farm implements as well as send their children to school as a result of project interventions. Through the use of demonstration plots productivity of crops improved, more than doubling the baseline yields. Adult literacy was able to improve ability of RTs and FOs to plan and negotiate. All these interventions are sustainable and can be replicated in other projects. The successful implementation of component 2, by using the 4P model, can be used in other projects internationally.

Main issues

In order to ensure rehabilitated roads are sustained through routine maintenance activities, the process of setting up a pilot phase to establish a well-functioning Community-based routine maintenance system in the country is on-going in Métafrica District. This process benefits from technical support of ANE and District authorities. It is expected that the implementation of this trial phase should help drawing lessons and key features based on which further replication of the system in the country will be developed. Based on experience in other similar context, it is agreed that without a well-functioning routine maintenance set up, the life cycle of any earth road is highly compromised

Promotion of local rural traders value chain development model: As part of the value chain component development, PROMER tested with success the use of local RT as value chain leaders at district level. Emerging results of this approach has positive results and the mission commend the initiative. This model should be systematized, properly documented and replicated by other projects in the country including the upcoming PROCAVA

Claycrete surfacing: Following the testing phase of this technology and based on the results, the Road Sector should consider using and replicate this methodology as part of the Government strategy for non-classified rural roads. Other IFAD projects and partners could replicate in further investments.

GALS approach: The impact of implementation of GALS methodology is contributing for the success of PROMER interventions. DNDR is currently expanding the GALS approach for other projects in the Ministry and could be further scaled up for other projects in the country. The project is preparing a draft concept note for a new GALS oriented intervention for women and youth economic empowerment and their integration in market.

c. Project Management

| Quality of Project Management | Rating: 5 | Previous rating: 5 |
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|-------------------------------|-----------|--------------------|

Justification of rating

The project is well managed and all project staff have the requisite qualifications, competencies and experience relevant to the project. After the challenges faced with the project database developed in 2010, PROMER recruited a consultancy firm, which is assisting in the revision of the database. The new system is to be simple, user friendly and designed in a way to allow for the production of relevant reports and analysis, particularly for the final studies and PCR. The PMT capacity has been reinforced, as needed by technical assistance as required, as well as by technicians from the DNDEL. The close relationship and support from the new DNDEL to the project has been instrumental for the progress registered, the communication channels have been strengthened and PROMER has the Ministry support.

Main issues

The Mission commends MADER management for allowing PROMER to keep the offices. This will allow for normal project operation during the current critical stage of project completion.

The VC specialist has submitted a letter to discontinue his contract with the project. The mission discussed with the PMT and DNDEL the options for replacement of this position with minimal disruption of project activities during the critical phasing out period. It was agreed that a consultant will be hired to support the PMT VC activities and coordinate the assessment of the component 2.

COVID-19 Response. As part of the Government efforts to mitigate the effects of the COVID-19 in the country and in the rural poor in particular, the Government of Mozambique has formally requested support from IFAD. USD 1.0 million was made available to MADER, which in partnership with FNDS has financed 3 Outgrower scheme companies who were suffering from effects of the pandemic. Without project intervention thousands of smallholder farmers would be affected due the lack of liquidity of the companies to buy the farmers produce and provide credit inputs. Due to PROMER liquidity issues, only 50% of the funds will be used under this line and it was agreed that detailed reports about this process will be prepared and shared with PMT.

Reporting Government in-kind contribution. DNDR has developed a model to assess the Government in-kind contribution to the project. Following the last implementation support mission, an in-country workshop was organized to present the results of this model for various stakeholders from Government institutions, projects, etc. The mission commends DNDEL/PROMER for this initiative.

| Agreed Action | Responsibility | Agreed Date |
|---|----------------|-------------|
| Prepare and submit a detailed report of the COVID-19 funds utilization | FNDS | 12/2020 |
| Prepare and submit a detailed report of the COVID-19 funds utilization | | |

Knowledge Management**Rating: 5****Previous rating: 4****Justification of rating**

Knowledge management within PROMER is confirmed as satisfactory. The project continued to document success stories, publish articles and produced publications on very successful intervention on the use of the GALS methodology in the project activities. Other knowledge management materials have included a documentation of beneficiary contributions and preparation of the identity and visibility manual. KM in PROMER could benefit from more case studies being undertaken and systematic documentation of lessons learnt as part of the completion process.

Main issues

Since the last mission, PROMER has documented success stories and compiled them into a booklet. The project plans to package some of the stories into videos to be shared with beneficiaries, government and other stakeholders. The project has also published articles onto the webpage and in the local media on ongoing and completed PROMER activities. A report was produced on the GALS methodology that demonstrates the immense benefits of the approach in ensuring inclusive participation of all genders in rural development. The GALS approach has also been taken up as a mainstreaming tool by the Ministry of Agriculture as well as other development partners such as the World Bank, which have gone on to finance activities in the same project area. During the period, a workshop to share the documentation of beneficiary contributions was held and attended by several stakeholders. In addition, an identity and visibility manual has been produced as a guide on how to accurately brand and represent project interventions. The manual is being used by service providers and will be used by DNDEL as a reference tool for future projects.

The mission commends PROMER on the positive KM intervention carried out and further recommends that more case studies, systematic analysis and documentation of project results and lessons learnt be carried out to support the completion process of the project, and for sustainability and scaling up of the interventions.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Carry out case studies Carry out case studies to systematically collect, analyse and extract knowledge on all interventions to support the project completion process and to draw lessons that would inform future designs and scaling up. | KM & C Officer | 06/2021 |

Value for Money**Rating: 4****Previous rating: 4****Justification of rating**

The Value for Money is rated as being moderately satisfactory. Overall, the comparison between physical and financial performance of the programme under the additional financing (AF) does not have material shortfalls. The programme utilises competitive procurement procedures as recommended by IFAD to ensure there is economy on acquisition of goods and services. The expenditures analysis also suggests that funds are generally spent with due regards to economy and efficiency. There were delays in execution of programme activities due to Covid-19 for which the programme has proposed a six months extension. Currently the programme is having cash flow issues which are affecting ability to make payments for expenditure as they fall due. It is recommended to increase allocation to enhance the cash flow management.

Value for Money Review

While a detailed value for money analysis has not been carried out, the comparison between physical and financial performance of the programme under the additional financing (AF) does not have material shortfalls. The programme has applied approaches which ensures the best value for money in regards to economy and efficiency is achieved. During the review period, there were delays in execution of programme activities due to Covid-19 for which the programme has proposed a six months extension. Currently the programme is having cash flow issues due to many activities being carried out together which are affecting ability to make payments for expenditure as they fall due. It is recommended to increase allocation to enhance the cash flow management. As noted in the last mission, the actual cost for road rehabilitation (USD 20,000 per km) is higher than originally estimated during the design stage (USD 15,000 per km) which was acceptable considering the changes in the economic environment of the Country and the additional costs can be reasonably absorbed by contingencies, savings and reallocation from other components. The costs for salaries and allowances for initial IFAD loan is noted to be higher than the estimation during the design. However, overall the salaries and operating costs are expected to be maintained at below the IFAD threshold.

Coherence between AWPB and Implementation**Rating: 4****Previous rating: 4**

Justification of rating

Coherence between AWPB and Implementation remains moderately satisfactory. The project continues to have an increased focus on output based planning and budgeting. Mechanisms were instituted to ensure implementation and attainment of set targets in spite of the negative effects of the COVID-19 pandemic. In view of the remnant effects of the pandemic, project management needs to carry out a thorough review of the current levels of project implementation to ensure realistic targeting for the remaining period of implementation up to and until project completion.

AWPB Inputs and Outputs Review and Implementation Progress

The 2020 AWPB was developed with the full participation of all implementing departments which ensured coherence in defined activities and allocated budgets. Delivery of set targets was affected by the outbreak of COVID 19 pandemic which resulted into lock down of activities across the country. Consequently, activities that required convening of groups of people such as implementation review meetings, and training workshops were mostly affected.

Project Management is commended in instituting mitigation measures that ensured continuity in implementation in view of the pandemic. This ensured delivery of some project targets.

AWPB Review

Activities related to rural roads have significantly delayed affecting the overall performance of the 2020 AWPB. This was also affected by the COVID-19 pandemic which hampered the smooth implementation of activities. It is worth to note that the liquidity challenges faced by the project during the year also contributed for the modest achievement of the targets.

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|--------------------------------------|------------------|---------------------------|
| Performance of M&E System | Rating: 4 | Previous rating: 3 |
|--------------------------------------|------------------|---------------------------|

Justification of rating

The performance of the M & E system continues to be moderately satisfactory. Outcome and other M & E studies have been carried out by the project to particularly assess progress in attainment of component development outcomes. Progress has also been made in developing a user friendly M & E database to improve data management in the project, albeit delayed and with reduced scope than previously envisaged. The finalisation of the database is expected to improve data analysis and utilisation of M & E information to support the completion process. The M & E system could benefit from faster upload of historical data into the database and detailed analysis and utilisation to support the completion process.

M&E System Review

PROMER M & E system is by and large performing moderately satisfactory. M & E studies have been carried out to assess development outcomes of the components as they emerge and these have been used to demonstrate the extent to which outcomes are achieved as well as support knowledge management processes. The M & E system was in the past supported by an electronic data base for day to day monitoring, but which was constrained in use and flexibility. As reported previously, the project engaged the services of an external IT consultant to design a more user friendly database that would have the flexibility and ability for adhoc adjustments and would also allow for direct field data collection at service provider level. The progress on the database design was however affected by the outbreak of Covid-19 that resulted into strict lock-down measure impacting field movements to support collection of information needed for incorporation of a module on direct data collection and input by service providers among others. The scope of the database has hence forth been reduced. The new database now relies on data uploads by the project team and has no direct link to service providers. The project team is expected to upload all historic data, currently kept in excel format, into the new database before the consultant carries out user training for relevant staff.

The project is urged to expedite the upload process, facilitate training as well as facilitate scaling up of the database to the wider DNDEL activities.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Ensure inclusion of DNDEL staff in further M&E database development and training Ensure inclusion of DNDEL staff in further M&E database development and training | PROMER, DNDEL | 12/2020 |
| Ensure database is fully functional Ensure database is fully functional with all data fully migrated from the current manual system | M & E Specialist | 02/2021 |
| Outline detailed cost plan for development Outline detailed cost plan for development, maintenance and upscaling of M&E database in collaboration with LABSOFT | PROMER, DNDEL | 03/2021 |
| Identify financing sources/budget lines Identify financing sources/budget lines within PROMER to scale up M&E database | PROMER, DNDEL | 03/2021 |
| Ensure commitment of DNDEL to take up the database after PROMER completion Ensure commitment of DNDEL to take up the database after PROMER completion and absorbing PROMER data for their use as well. | PROMER, DNDEL | 03/2021 |

Social, Environment, and Climate Standards requirements

Rating: 4

Previous rating: 4

Justification of rating

PROMER is adhering to the SECAP standards. The project has incorporated SECAP standards and procedures in the road rehabilitation process. A manual is currently being developed on best practices as projects are being identified, designed and implemented. Project intends to carry out training on SECAP and Environmental Social Management Plans (ESMP). This activity was delayed as the team needed the baseline survey data to proceed. Due to the current Covid-19 situation, the training may have to take place early 2021 and carried out digitally.

d. Financial Management & Execution

Acceptable Disbursement Rate

Rating: 3.0

Previous rating: 3

Justification of rating

The current disbursement rate is moderately unsatisfactory (3) standing at 66.3% of the total IFAD financing of SDR 36.9 million. The disbursement rate would be SDR 67.6% if the amount of the WA#5 (currently being processed in IFAD) is considered.

Main issues

PROMER is financed through three financial instruments:

1. Initial IFAD Loan (L-I—754) of SDR 19.1 million (of which 99.14% has been disbursed, leaving an outstanding balance of SDR 355,552);
2. IFAD additional Loan and Grant of SDR 17.88 of which 32.2% has been disbursed;
3. MDG/EU grant of EU 8.34 million which completion date was 30th June 2019.

MDG/EU: The EU grant disbursed of EUR 8,190,580 (98.2%), leaving an unspent balance of EUR 149,420. The outstanding amount advanced to the DA and to be recovered is EUR 142,765 of which EUR 107,155 is the unspent balance of the programme's accounts; EUR 35,610 is the total VAT to be refunded to the EU. In August 2019, MITADER issued a letter informing that the ineligible amount would have been repaid in September 2019. The project submitted the

last WA of the amount of EUR 439,955 on 28th September 2019.

The disbursement's historical trend shows that the Programme was in line with the disbursement profile until June 2018 when the disbursement performance was affected by several factors including: the late approval of the additional financing in November 2017; delay in opening a new SA and in receiving the authorized allocation (May 2018).

The delay in starting-off AF activities risks to affect the Programme's possibility to fully absorb the available AF funds (USD 19.7 million) in the next 18 months. However, the high amount of funds committed (USD 17.8 million) suggests that the possibility to fully disburse the AF will mostly depend on the Programme's capacity to constantly monitor and assess the implementation of work-plans and key contracts for road constructions and service providers.

| Actions | Responsibility | Deadline | Status |
|---|-----------------|----------|--------|
| Closing the EU account MITADER is recommended to refund the amount of EUR 35,610 to EU and the PMT the outstanding SA balance of EUR 107,534. | MITADER and PMT | 11/ 2019 | |

Fiduciary aspects

Quality of Financial Management

Rating: 5

Previous rating: 5

Justification of rating

Overall, the organization of FM functions has been adequate to the needs of the Programme both at central and provincial/district levels and the FM risk has been constantly rated as low. The assessment also revealed that the Programme has adopted good practices with regards to internal controls of recurrent costs (vehicles and monitoring activities) by using simple but effective monitoring forms and by setting-up of a comprehensive system for capturing and reporting their-kind contribution. However, the Mission considers that the current system requires some improvements to mitigate the increased risks attributed to the management of high amounts (USD 20 million approximately) that will be disbursed during the next 18 months, before project closure

Main issues

Organization of FM functions. Under the current organizational set up, most of the FM and procurement functions are centralized at the PMT level. The FM team, composed of the finance Manager and two accountants, holds the responsibility to oversee the implementation of programme activities undertaken by provincial cells and service providers. Considering the high budget and number of transactions needed, the workload in the coming year is expected to be much higher. However, the recruitment of a procurement TA will release some of the responsibilities from PMT, who will also be supported by a finance TA who will have the specific responsibilities of liaising with SPs.

Internal auditing. Under the current arrangements, PMT is responsible for reviewing and validating the expenditures claimed by districts, the provincial cells and the service providers, whilst the internal audit is not being regularly carried out for PROMER. The implementation of a more substantial work-plan in 2020 and 2021 will pose additional risks to the financial management of the project, which therefore requires to strengthen its internal control arrangements.

Action: As a major mitigating action, the Mission recommends that regular internal auditing activities should be carried out by MITADER to review programme activities carried out by the Programme's implementation units and service providers.

Liquidity management. Most of the factors that affected the disbursement performance in the last two years have been addressed. The ICP (IFAD Client Portal) launch will also be ensuring that disbursement process are improved and time lapses reduced. The implementation of a huge work-plan of 20 million USD in the coming 18 months will require an accurate management of funds, to ensure that WAs are timely submitted and adequate reserves are always available at the Programme's accounts.

To this extend, it is paramount that: *i.* detailed cash-flow plans are prepared in order to forecast the cash inflows and outflows over several periods as well as for catering the need for reallocation of funds; *ii.* WAs are prepared at regular intervals of 2 to 3 months maximum; *iii.* reports from Service Providers are timely prepared and submitted to PMT. It is also recommended that the Authorized Allocation should be increased to USD 5 million.

Use of accounting software. The use of the TOMPRO accounting software is not optimal and PMT reported several shortcomings in the use of its upgraded version, including the difficulty in embedding the FIFO (First In First Out) calculation for the exchange rates and preparing the SA reconciliation (the previous TOMPRO version was able to perform the reconciliation because USD was the originator currency). Issues with the preparation of the SMART SoE have also been highlighted.

Expenditures review. The expenditures review revealed that payment vouchers are generally well prepared and supported by adequate documentation. The Mission is pleased to notice that PMT and provincial cells have adopted effective monitoring forms to justify fuel and trip costs incurred during monitoring activities. Similar forms were provided to the SPs but they have not been used yet. The Mission recommends that SPs shall adopt these forms without delay as a condition for the reimbursement of fuel and travel costs.

Financial Reporting. PMT is recommended to prepare Interim Financial Reports at 6 months interval.

Follow-up on last year's findings. The following recommendations from the 2018 supervision mission are reiterated: *i.* follow up with the national social security to ensure that the contribution positions of staff is clarified; *ii.* the project should open an account for the with-holding of the Social Security contribution from the project staff; *iii.* the project needs to finalize the electronic archiving of the financial and procurement documents.

| Actions | Responsibility | Deadline | Status |
|--|-------------------|--------------------------------|--------|
| Internal audit MITADER will organize regular semi-annual internal auditing exercise for PROMER, covering PMT, provincial cells, districts and Service Providers. | PMT | June/2019 | |
| Liquidity management PMT will submit WAs at regular intervals of maximum 90 days. | PMT | Continuous | |
| Reports from Service Providers (SPs) The SPs are recommended to submit the expenditures report on monthly basis, by 15 th of each month. The report must include summary sheets of vehicles logbooks to support the reimbursement of fuel and trip costs. | Service Providers | Continuous | |
| Preparation of Interim Financial Reports PMT is recommended to prepare IFRs on semi-annual basis. | Finance Manager | 15 th February 2020 | |

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Reports from Service Providers (SPs) The SPs are recommended to submit the expenditures report on monthly basis, by 15th of each month. The report must include summary sheets of vehicles logbooks to support the reimbursement of fuel and trip costs. | Service Providers | 08/2020 |
| Preparation of Interim Financial Reports PMT is recommended to prepare IFRs on semi-annual basis. | Finance Manager | 09/2020 |
| Payment of social security to staff The payment schedule prepared by the project be validated by INSS or external auditors, in order to expedite the processing of payments in IFAD. | PMT | 09/2020 |
| Direct Payment. PMT to use the Direct Payment procedure for payments of more than USD 100,000 equivalent, including payments to the "Fundo de Estradas". | PMT | 12/2020 |
| Refund of outstanding amount for MDG/EU The repayment of the outstanding balance of the MDG/EU financing which was recommended as a condition for the AA increase should be made. | PMT/MADER | 12/2020 |
| Request IFAD for increased of Authorized Allocation as recommended in previous mission. Request increasing of authorised allocation with a revised recovery schedule so as to cater for payments during this period of increased activities. | PMT | 12/2020 |
| Direct payments from IFAD Use direct payments methods for all significant payments of more than USD 100,000. | PMT | |
| Cash flow management Prioritise and promptly process withdrawal application from the project to enable the payments during this period of increased activities. | PMT | |

Quality and Timeliness of Audit

Rating: 6

Previous rating: 6

Justification of rating

The audit was conducted in accordance with the International Standards of Audit and were received timely

Main issues

The audit report was timely received and the audit was performed in accordance to the terms of reference and the International Standards of audit. The audit received unqualified opinion for all the financings for the Financial Statements; Statement of designated accounts as well as the Statements of SOEs.

Counterparts Funds

Rating: 6

Previous rating: 6

Justification of rating

The counterpart funds are rated as being highly satisfactory. Following the request of the last Supervision and in order to comply with the requirements of the additional financing, MITADER developed a comprehensive system to capture and

report the domestic contribution. The estimated contribution for 2019 amounts to USD 432,538, of which: USD 4,267 are taxes reimbursed by GoM under IFAD-I; and MZN 26.9 million (USD 428,276 approximately) are provided as in-kind contribution. While the figures shall be confirmed by reviewing and scrutinizing the supporting documentation, the results of the exercise suggest that the Programme has surpassed the 2019 budgeted amount of USD 123,140.

Main issues

MITADER has established a solid and comprehensive system for capturing and reporting the counterpart contribution. Information was collected through ad-hoc visits to districts and provinces covered by PROMER. The computation of the domestic contribution was done in respect of the various sub-programmes implemented under PROMER, i.e. alphabetization, nutrition, road construction, agricultural production and extension, and land title deeds. The total cumulative contribution since 2012 is estimated to be MZN 185.6 million (approximately USD 3 million) and it mostly comprises Ministry staff salary time, office space, supervision and oversight costs.

PMT and MITADER have been debriefed on the requirements of IFAD guidelines on domestic contribution (government and beneficiaries) more specifically on the need to prepare adequate supporting documentation and to include the in-kind contribution in the AWPB and notes to the Financial Statements (cash basis of accounts).

| Actions | Responsibility | Deadline | Status |
|--|-----------------|----------|--------|
| Reporting of Government in-kind contribution MITADAR and PMT should produce a short report to inform on the results of the domestic contribution analysis. The report shall explain the procedures, evaluation methods and assumptions used in the calculation of the domestic contribution. The PIM shall be updated accordingly. | PMT | 12/2019 | |
| Reporting of domestic contribution in the Financial Statement The GoM contribution shall be reported in the notes to the FS (cash basis of accounting) and in the next IFR. | Finance Manager | 12/2019 | |
| Reporting of beneficiary contribution PMT should establish a consistent procedure for capturing and reporting beneficiary contribution starting from the year 2020. The beneficiary contribution shall be reported in the notes to the FS 2020 (cash basis of accounting) and in the next IFR. | PMT | 12/ 2019 | |
| Domestic contribution in the AWPB The domestic contribution (Government and beneficiaries) shall be disclosed in the AWPB 2019 (revision) and 2020. | PMT | 12/ 2019 | |

| Agreed Action | Responsibility | Agreed Date |
|---|-----------------|-------------|
| Reporting of domestic contribution in the Financial Statement The GoM contribution shall be reported in the next IFR. | Finance Manager | 09/2020 |
| In-Kind contribution Ensure the in-kind contribution from both the Government and beneficiaries are analysed, regularly recorded in the accounting system through journal vouchers as in-kind contribution so as to have updated and complete date. It should ensure it is both verifiable and auditable to ease any third party verifications of the in-kind contribution. | PMT | |

Compliance with Loan Covenants

Rating: 5

Previous rating: 5

Justification of rating

The compliance with loan covenants is rated as being satisfactory. The Programme is complaint with all the loan covenants, although the covenants related to the tax exemption of the EU grant and GoM contribution are partially met.

Procurement

Procurement

Rating: 4

Previous rating: 3

Justification of rating

The project has shown considerable improvement in the completion of planned procurement activities against the Procurement Plan. The project has also employed the services of a procurement consultant as advised in the 2019 mission and said TA has been supporting the procurement function to date.

Needless to say however, that an important number of activities, specifically works, have been delayed due to the state of emergency declared in the country in 2020 due to the COVID-19 pandemic. Government emergency measures and IFAD's fast tracking procedures were deployed to fast-track activities.

Procurement Review

Procurement Plan

The PP submitted to the mission prior to mission start up was not complete and did not reflect actuals as necessary. The Project was invited to submit a revised PP that adequately captures all actual dates for completed and ongoing procurement activities so as to get a sense of the volume of commitments that need to be met prior to Programme closure. This final updated PP needs to be submitted in NOTUS.

The PP complies with IFAD's recommended template although the latter was not used. All activities listed are referenced against the AWPB and consistent with the latter. The mission also requested an updated contract register as the one submitted prior to the mission start up did not reflect all activities carried out under the plan.

All activities for goods (3) totalling 181k USD, and services (10) totalling 704k USD, have been completed. Activities for Works (3) are to be completed and progress can be viewed in Appendix 2 attached hereto. A total amount of 3.7M USD was planned, including works carried over from 2019, for which approximately 711K USD has been paid.

The PP and programme progress report clearly show that the level of execution of ongoing rehabilitation is at 92% for roads planned in 2019 and 15% for execution of those planned for 2020. In addition nearly 1/3 of road rehabilitation for 2020 is in areas affected by cyclone Kenneth, resulting in important delays in delivery. Appendix 2 shows planned completion dates for ongoing works. These range from February to June 2021 subject to all ideal conditions being met.

IFAD's fast tracking COVID measures and government's emergency flexible procurement instruments were used to fast track the implementation of procurement activities that suffered delays due to COVID.

The current implementation plan is no longer realistic and considering the outstanding civil works activities required prior to completion, it is highly recommended that the programme be extended.

Severe liquidity problems have also had a large effect on the advancement of works. Delays in payment of WAs and allocation of funds to support policy development and COVID response measures to the Ministry of Agriculture and Rural Development have reduced available liquidity for procurement activities to be completed.

Procurement processes

Since the November 2019 mission, the Government (through an MoU between PROMER and ANE -the road authority) launched procurement for all remaining civil works. All tender processes were run by ANE and documents retrieved were requested from the road authority.

The mission reviewed the full tender process for the construction of roads in Cabo Delgado. Specific details are contained in the checklist below. The files were found to be in order and compliant with national legislation.

Contract administration and management

The mission reviewed the contracts for 2 consultancy services and 2 civil works which constitute 25% of activities since the 2019 mission. All civil works contracts are executed by ANE under the MoU PROMER has with the road authority. However, PROMER facilitated retrieval of relevant documents in a prompt manner.

The register was updated for the mission. Some information was inaccurate and was corrected during the course of the mission.

Contract management and monitoring for consultancy contracts is adequate and carried out centrally by PROMER.

Recordkeeping and filing

The present mission was undertaken remotely. It was therefore not entirely possible to confirm the appropriateness of the physical recordkeeping and filing. Retrieval of documentation was sometimes slow but eventually all requested documents were provided. The project has provided the procurement filing checklist self assessment attached as Appendix 3 hereto.

Issues from the previous mission

A number of actions were recommended to the project in the November 2019 mission. The table below provides an update on each.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Respect the procurement thresholds listed in the LtB Respect the procurement thresholds listed in the LtB and improve speed of procurement activity by using shopping (Concurso por Cotações) whenever allowed. | PMT | 11/2019 |
| Insert a reference to the Revised IFAD Policy Insert a reference to the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations in bidding documents and contracts, using the language provided by the Mission. | PMT | 11/2019 |
| Pursuant to the IFAD Project Procurement Guidelines Pursuant to the IFAD Project Procurement Guidelines, open procurement processes to national and foreign bidders. | PMT | 11/2019 |
| Improve the quality of evaluation Improve the quality of evaluation by respecting the evaluation criteria provided in the national procurement regulations and listed in the bidding documents. Give account of preliminary evaluation in the evaluation reports. | PMT | 11/2019 |
| Upgrade the contract register by including a reference to the IFAD No-Objection no. and date of contract completion. Upgrade the contract register by including a reference to the IFAD No-Objection no. and date of contract completion. | PMT | 11/2019 |
| Prepare a comprehensive plan for both the AWPBs and procurement plan Prepare a comprehensive plan for both the AWPBs and procurement plan with the total cost estimates harmonized with the available funds and timelines for procurement consistent with completion before PCD. | PMT | 11/2019 |
| Procurement Planning An updated PP should be uploaded immediately on NOTUS showing actuals for all completed works and updated timelines for the delayed works activities that are postponed to 2021. | PMU | 11/2020 |
| Contract Management Together with ANE, Carefully monitor full compliance by contractors to deliver all works by mid-2021. | PMU+ ANE | 11/2020 |

e. Key SIS Indicators

| | | |
|---|---------------------|-----------------------------|
| Likelihood of Achieving the Development Objective | Rating: 4.73 | Previous rating: 5.0 |
| Assessment of the Overall Implementation Performance | Rating: 4.58 | Previous rating: 4.0 |

F. Relevance

| | | |
|------------------|------------------|---------------------------|
| Relevance | Rating: 5 | Previous rating: 5 |
|------------------|------------------|---------------------------|

Justification of rating

The Programme, as designed and implemented, is still very consistent with the needs of the target groups and reflects and responds to government's strategies for the sector, as presented in the ongoing and forthcoming Agrarian Strategy (PEDSA) and Investment Plan (PNISA). It is also consistent with IFAD's Country Strategic Opportunities Programme (COSOP) and IFAD Strategic Framework (2016-2025). It builds on the experience of the previous IFAD project (PAMA). Following the cyclone Kenneth, and COVID 19 Pandemic, the programme was able to rapidly respond to the emergency allocating agricultural inputs and reinforcing the resilience of the roads.

G. Agreed Actions

| Agreed Action | Responsibility | Agreed Date |
|---|-----------------------|--------------------|
| Overview and Project Progress | | |
| Liability period for road rehabilitated/spot improved Set up required conditions to allow ANE/Provincial authorities to lead the management of liability period for all rehabilitated/spot improved roads | PMT | 04/2021 |
| Prepare an exit strategy linking project subcomponent activities to REFP Prepare an exit strategy linking project subcomponent activities to REFP | PMT | 06/2021 |
| Enforce beneficiary contributions by the grantees Enforce beneficiary contributions by the grantees | DNDEL/MADER | 06/2021 |
| Community-based maintenance system Involve central level of ANE as a pre-requisite for increased expected ownership of the outcome | PMT | 06/2021 |
| Supervision of road works Efficiently involve ANE staffs at provincial level to ensure good and timely supervision of on-going works while waiting for the supervisor to be present on the field | PMT | 07/2021 |
| Claycrete technology Take into consideration remarks made and lessons learnt from the first experiment to improve the second phase to be carried out | PMT | 12/2021 |
| Development Effectiveness | | |

| | | |
|--|------------------|---------|
| Finalise the Component Two Outcome Survey Report Expedite the component 2 Outcome Survey and ensure that lessons learnt are extracted and used to inform the overall Endline survey and completion process. | M&E Specialist | 12/2020 |
| Verify overall project outreach and update logframe before project completion Verify and accurately record the overall project outreach taking into account any double entries that may result from beneficiaries participation in more than one activity, update the project logframe accordingly. | M&E Specialist | 02/2021 |
| Carry out the end line survey Carry out the final project evaluation prior to preparation of the project completion report and ensure that the results feed into the completion report. Ensure that assessment on the impact of rural roads rehabilitation is assessed as part of the end line survey. | M&E Specialist | 06/2021 |
| Project Management | | |
| Prepare and submit a detailed report of the COVID-19 funds utilization Prepare and submit a detailed report of the COVID-19 funds utilization | FNDS | 12/2020 |
| Ensure inclusion of DNDEL staff in further M&E database development and training Ensure inclusion of DNDEL staff in further M&E database development and training | PROMER, DNDEL | 12/2020 |
| Ensure database is fully functional Ensure database is fully functional with all data fully migrated from the current manual system | M & E Specialist | 02/2021 |
| Outline detailed cost plan for development Outline detailed cost plan for development, maintenance and upscaling of M&E database in collaboration with LABSOFT | PROMER, DNDEL | 03/2021 |
| Identify financing sources/budget lines Identify financing sources/budget lines within PROMER to scale up M&E database | PROMER, DNDEL | 03/2021 |
| Ensure commitment of DNDEL to take up the database after PROMER completion Ensure commitment of DNDEL to take up the database after PROMER completion and absorbing PROMER data for their use as well. | PROMER, DNDEL | 03/2021 |
| Carry out case studies Carry out case studies to systematically collect, analyse and extract knowledge on all interventions to support the project completion process and to draw lessons that would inform future designs and scaling up. | KM & C Officer | 06/2021 |

| Financial Management & Execution | | |
|--|-------------------|---------|
| Respect the procurement thresholds listed in the LtB Respect the procurement thresholds listed in the LtB and improve speed of procurement activity by using shopping (Concurso por Cotações) whenever allowed. | PMT | 11/2019 |
| Insert a reference to the Revised IFAD Policy Insert a reference to the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations in bidding documents and contracts, using the language provided by the Mission. | PMT | 11/2019 |
| Pursuant to the IFAD Project Procurement Guidelines Pursuant to the IFAD Project Procurement Guidelines, open procurement processes to national and foreign bidders. | PMT | 11/2019 |
| Improve the quality of evaluation Improve the quality of evaluation by respecting the evaluation criteria provided in the national procurement regulations and listed in the bidding documents. Give account of preliminary evaluation in the evaluation reports. | PMT | 11/2019 |
| Upgrade the contract register by including a reference to the IFAD No-Objection no. and date of contract completion. Upgrade the contract register by including a reference to the IFAD No-Objection no. and date of contract completion. | PMT | 11/2019 |
| Prepare a comprehensive plan for both the AWPBs and procurement plan Prepare a comprehensive plan for both the AWPBs and procurement plan with the total cost estimates harmonized with the available funds and timelines for procurement consistent with completion before PCD. | PMT | 11/2019 |
| Reports from Service Providers (SPs) The SPs are recommended to submit the expenditures report on monthly basis, by 15th of each month. The report must include summary sheets of vehicles logbooks to support the reimbursement of fuel and trip costs. | Service Providers | 08/2020 |
| Reporting of domestic contribution in the Financial Statement The GoM contribution shall be reported in the next IFR. | Finance Manager | 09/2020 |
| Preparation of Interim Financial Reports PMT is recommended to prepare IFRs on semi-annual basis. | Finance Manager | 09/2020 |
| Payment of social security to staff The payment schedule prepared by the project be validated by INSS or external auditors, in order to expedite the processing of payments in IFAD. | PMT | 09/2020 |

| | | |
|---|-----------|---------|
| Procurement Planning An updated PP should be uploaded immediately on NOTUS showing actuals for all completed works and updated timelines for the delayed works activities that are postponed to 2021. | PMU | 11/2020 |
| Contract Management Together with ANE, Carefully monitor full compliance by contractors to deliver all works by mid-2021. | PMU+ ANE | 11/2020 |
| Direct Payment. PMT to use the Direct Payment procedure for payments of more than USD 100,000 equivalent, including payments to the "Fundo de Estradas". | PMT | 12/2020 |
| Refund of outstanding amount for MDG/EU The repayment of the outstanding balance of the MDG/EU financing which was recommended as a condition for the AA increase should be made. | PMT/MADER | 12/2020 |
| Request IFAD for increased of Authorized Allocation as recommended in previous mission. Request increasing of authorised allocation with a revised recovery schedule so as to cater for payments during this period of increased activities. | PMT | 12/2020 |
| In-Kind contribution Ensure the in-kind contribution from both the Government and beneficiaries are analysed, regularly recorded in the accounting system through journal vouchers as in-kind contribution so as to have updated and complete date. It should ensure it is both verifiable and auditable to ease any third party verifications of the in-kind contribution. | PMT | |
| Direct payments from IFAD Use direct payments methods for all significant payments of more than USD 100,000. | PMT | |
| Cash flow management Prioritise and promptly process withdrawal application from the project to enable the payments during this period of increased activities. | PMT | |

Mozambique

Rural Markets Promotion Programme

Supervision Report

Logical Framework

Mission Dates: 16th – 27th November 2020

Document Date: 13/01/2021

Project No. 1100001423

Report No. 5626-MZ

East and Southern Africa Division
Programme Management Department

Rural Markets Promotion Programme

Logical Framework

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|---|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|-----------|----------------|-------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| Outreach Farmer Association members directly supported | 1.b Estimated corresponding total number of households members | | | | | | | RIMS | | | |
| | Household members | 0 | | 471 750 | 35 310 | 512 195 | 108.6 | | | | |
| | 1.a Corresponding number of households reached | | | | | | | RIMS | Annual | | |
| | Women-headed households | 0 | | | | 0 | | | | | |
| | Non-women-headed households | 0 | | | | 0 | | | | | |
| | Households | 0 | | 94 350 | 7 062 | 102 439 | 108.6 | | | | |
| | 1 Persons receiving services promoted or supported by the project | | | | | | | RIMS Baseline, Midterm and Completion Reports | | | |
| | Females | 0 | | | | 0 | | | | | |
| | Males | 0 | | | | 0 | | | | | |
| | Total number of persons receiving services | 0 | | 21 000 | 7 062 | 21 085 | 100.4 | | | | |
| | Households receiving project services | | | | | | | RIMS Baseline, Midterm and Completion Reports | | | |
| | Total Households | 0 | | | | | | | | | |
| | Communities receiving project services | | | | | | | | | | |
| | Communities | 0 | | | | | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|--|--|----------|----------|------------|----------------------|--------------------------|----------------------------|---|-----------|----------------|---|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| Project Goal To improve the livelihoods of poor rural households | Increased income of rural household | | | | | | | National Impact Household income and expenditure surveys, Programme baseline and Impact surveys | | | Political and military stability allow for economic development in the rural areas. No major natural disasters distort economic development in rural areas; Macroeconomic Stability. No major natural disasters affect asset accumulation; Rural electrification expansion stimulates asset accumulation. Beneficiaries adopt practices for good nutrition; Increased income allows for more parents to enroll their children in primary education" |
| | Change in Average Income | 0 | | | | | | | | | |
| | Improvement in asset ownership index of rural households | | | | | | | National Impact Household income and expenditure surveys Programme baseline and Impact surveys National Nutrition survey National and Programme baseline and impact nutrition Surveys National education statistics National statistics | | | |
| | Households | 0 | | 30 | | | | | | | |
| | Literacy rate | | | | | | | | | | |
| | Males | | | | | | | | | | |
| | Females | | | | | | | | | | |
| | Reduction of incidence in child malnutrition | | | | | | | National Impact Household income and expenditure surveys Programme baseline and Impact surveys National Nutrition survey National and Programme baseline and impact nutrition Surveys National education statistics National statistics | | | |
| | Enrollment Rate - Boys | | | | | | | | | | |
| | Chronic Child Malnutrition | 44 | | 30 | | | | | | | |
| | Enrollment Rate - Girls | | | | | | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|---|--|----------|----------|------------|----------------------|--------------------------|----------------------------|---|-----------|----------------|--|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| Development Objective To enable smallholders to increase their agricultural income by marketing surpluses more profitably | 1.2.4 Households reporting an increase in production | | | | | | | | | | Mozambique continues to pursue sound economic policies and poverty alleviation strategies; The terms of trade for smallholders remain favourable and increases their returns for the crops and other agricultural products; Mining activities do not attract away Programme beneficiaries from the Programme activities (agricultural production). |
| | Households | 0 | | 86 | | | | | | | |
| | Increase in smallholder farmers' production levels and revenue from sales of their produce | | | | | | | | | | |
| | Members of FOs (21,000 HHs) increase in kg | 0 | 1 100 | 2 044 | | | | | | | |
| | Increase in smallholder farmers' net income from sales of their produce | | | | | | | | | | |
| | Members of FOs (21,000 HHs) - increase in USD | 41 | | 131 | | | | | | | |
| | Beneficiaries of road network (76,600 HHs) increase in USD | 41 | | 81 | | | | | | | |
| Outcome 1. Improved smallholder access to and participation in value chain and agricultural markets | 1.0.1 Change in % of volume of cash crop production by participating farmers in programme area | | | | | | | Programme baseline and impact surveys Programme progress reports | | | The terms of trade for smallholders remain favorable and increases their returns for the crops and other agricultural products. No major natural disasters distort economic development in rural areas Market demand and prices remain favourable for major crops in selected value chains to stimulate production. Existence and interest of Value Chain leaders to engage in partnerships. |
| | Volume of cash crop | | | | | | | | | | |
| | Farmers signing marketing contracts with traders, through FOs | | | | | | | Farmer Organizations | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|-------------------|------------|----------|----------|------------|----------------------|--------------------------|----------------------------|-----------------------|-----------|----------------|---|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| | Households | 3 650 | | 6 300 | 7 788 | 48 011 | 762.1 | | | | <p>Will find enough Farmers' Unions which meet the PROMER selection criteria for them to be Programme beneficiaries. The Programme will find enough traders who fit the PROMER eligibility criteria to be supported by the Programme. Beneficiaries are interested in participating in attending literacy classes. Farmer Organizations keep the same membership numbers.</p> |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|--|---|----------|----------|------------|---------------|-------------------|---------------------|---|-----------|----------------|---|
| Output | Name | Baseline | Mid-Term | End Target | Annual Result | Cumulative Result | Cumulative Result % | Source | Frequency | Responsibility | |
| | | | | | | | | | | | |
| 1.1 Increased capacity of farmers' associations and traders to effectively market surplus production | 1.1.1 Number of higher level farmer organizations at district level supported by the programme supporting their members in marketing activities | 0 | 84 | | (2020) | (2020) | (2020) | Programme progress reports Programme baseline and progress reports Programme progress reports | | | The terms of trade for smallholders remain favorable and increases their returns for the crops and other agricultural products. No major natural disasters distort economic development in rural areas Market demand and prices remain favourable for major crops in selected value chains to stimulate production. Existence and interest of Value Chain leaders to engage in partnerships. Willingness of farmers in participating in value chain partnerships. PROMER will find enough Farmers' Unions which meet the PROMER selection criteria for them to be Programme beneficiaries. The Programme will find enough traders who fit the PROMER eligibility criteria to be supported by the Programme. Beneficiaries are interested in attending literacy classes. Farmer Organizations keep |
| | Households | | | | | | | progress reports | | | |
| | 1.1.2 Number of traders active in outputs marketing | | | | | | | Programme progress reports Programme baseline and progress reports Programme progress reports | | | |
| | Active traders | | | | | | | | | | |
| | 1.1.3 Number of agro-dealers active in input supply | | | | | | | Programme progress reports Programme baseline and progress reports Programme progress reports | | | |
| | Active Agro-dealers | | | | | | | | | | |
| | 1.1.4 Number of people attending literacy classes | | | | | | | | | | |
| | Males | | | | | | | | | | |
| | Females | | | | | | | | | | |
| | 2.1.1 Rural enterprises accessing business development services | | | | | | | Programme progress reports Programme baseline and progress reports Programme progress reports | | | |
| | Rural enterprises | 0 | | 225 | 0 | 225 | 100 | | | | |
| | 2.1.3 Rural producers' organizations supported | | | | | | | Programme progress reports Programme baseline and progress reports | | | |
| | Rural POs supported | | 465 | 500 | 0 | 500 | 100 | | | | |
| | 1.2.2 Number of FO with women in leadership positions | | | | | | | Programme progress reports Programme baseline and progress reports | | | |
| | FOs with women in leadership positions | 143 | 284 | 450 | 0 | 417 | 92.7 | | | | |
| | 1.2.3 Number of members of FO trained / coached in organizational development and market linkages | | | | | | | Programme progress reports Programme baseline and progress reports | | | |
| | Males | 0 | 6 262 | 9 660 | 3 777 | 11 039 | 114.3 | | | | |
| | Females | 0 | 5 334 | 11 340 | 3 285 | 10 046 | 88.6 | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions the same membership numbers. |
|--|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|-----------|----------------|---|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| | Total | | 11 596 | 21 000 | 7 062 | 21 085 | 100.4 | | | | |
| | Partnerships between smallholders and agri-business enterprises established | | | | | | | | | | |
| | Partnerships | 0 | 1 | 6 | 0 | 6 | 100 | | | | |
| Output 1.2 Stronger institutions effectively representing farmers' interests at national and local level | 1.2.4 Farmers accessing technical advisory services facilitated by Programme | | | | | | | Programme progress reports Programme baseline and progress reports Programme progress reports | | | The terms of trade for smallholders remain favorable and increases their returns for the crops and other agricultural products. No major natural disasters distort economic development in rural areas Market demand and prices remain favourable for major crops in selected value chains to stimulate production. Existence and interest of Value Chain leaders to engage in partnerships. Willingness of farmers in participating in value chain partnerships. PROMER will find enough Farmers' Unions which meet the PROMER selection criteria for them to be Programme beneficiaries. The Programme will find enough traders who |
| | Males | 0 | 6 262 | 10 166 | | | | | | | |
| | Females | 0 | 5 334 | 11 934 | | | | | | | |
| | 1.2.5 Apex organizations formed/strengthened | | | | | | | Programme progress reports Programme baseline and progress reports Programme progress reports | | | |
| | Organizations formed | 0 | 1 | 16 | 15 | 16 | 100 | | | | |
| | Farmers participating in agribusiness partnership – 50% women by PY10 | | | | | | | | | | |
| | Males | 0 | | 2 500 | 53 | 6 980 | 279.2 | | | | |
| | Females | | | 2 500 | 476 | 2 741 | 109.6 | | | | |
| | Total | | | 5 000 | 529 | 9 721 | 194.4 | | | | |
| | 1.1.1 Persons whose ownership or user rights over natural resources have been registered in national cadasters and/or geographic information management systems | | | | | | | | | | |
| | Total persons | | | 24 130 | 0 | 27 068 | 112.2 | | | | |
| | Females | | | | 0 | 13 787 | | | | | |
| | Males | | | | 0 | 12 650 | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|-------------------|------------|----------|----------|------------|----------------------|--------------------------|----------------------------|-----------------------|-----------|----------------|---|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| | Young | | | | 0 | 7 957 | | | | | fit the PROMER eligibility criteria to be supported by the Programme. Beneficiaries are interested in |
| | | | | | | | | | | | participating in attending literacy classes. Farmer Organizations keep the same membership numbers. |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|--|---|----------|----------|------------|----------------------|--------------------------|----------------------------|-----------------------|-----------|----------------|--|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| Outcome 2. A more conducive environment of agricultural market operations | 2.0.1 Change in number of licensed small and medium traders | | | | | | | | | | Availability of inputs, extension services and appropriate technology Farmers are willing to adopt improved techniques and technologies. The terms of trade for smallholders remain favourable and increases their returns for the crops and other agricultural products Programme beneficiaries have the technical capacity to manage investments made. Marketing and value addition activities through farmer organizations result in higher farm gate prices for smallholders and/or shared profits for members |
| | Small traders | 43 | 59 | 225 | | | | | | | |
| | Medium traders | | | | | | | | | | |
| | 2.0.2 Traders and agro dealers serving smallholder clients in the 15 districts of PROMER | | | | | | | | | | |
| | Traders | 113 | 225 | 225 | | | | | | | |
| | Agro-dealers | | | | | | | | | | |
| | 2.0.3 Change in volume of trade of agricultural inputs and produce of small and medium traders | | | | | | | | | | |
| | Volume of trade - agricultural inputs and produce | 190 | 15 461 | | | | | | | | |
| | 1.2.4 Households reporting an increase in production | | | | | | | | | | |
| | Males | | | | | | | | | | |
| | Females | | | | | | | | | | |
| | 2.0.5 Farmers associations and traders “graduate” or # achieving level A and B status | | | | | | | | | | |
| | Farmers associations and traders “graduate” | | | | | | | | | | |
| | Farmers associations and traders achieving level A and B status | | | | | | | | | | |
| | 2.0.6 Change in the number of small scale value addition Programmes undertaken by farmer organizations and/or small traders | | | | | | | | | | |
| | Small scale value addition programmes | | | | | | | | | | |
| | FOs, FO members and traders accessing and effectively using financial products | | | | | | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|---|--|----------|----------|------------|----------------------|--------------------------|----------------------------|--|-----------|----------------|---|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| | Participating FOs and traders | | | | | | | | | | |
| | % increase in participating FOs accessing credit for marketing activities | 0 | | 30 | | | | | | | |
| | % increase in traders accessing credit for marketing activities | 0 | | 30 | | | | | | | |
| Output 2.1 Profitable partnerships between smallholders and agri-business enterprises | Partnerships developed between smallholders and agri-business enterprises | | | | | | | Contracts for development of Value Chain through matching grants Contracts for development of Value Chain through matching grants, Programme progress reports | | | Agribusiness enterprises have interest to participate and capacity to enter into partnerships with the smallholder farmers. Smallholder farmers have the interest and the capacity to enter into partnerships with agribusiness firms. Contracts are fulfilled by the farmers and the agribusiness firms. |
| | Partnerships | | | | | | | | | | |
| | 2.1.2 Farmers and farmer organizations participating in agri-business partnerships | | | | | | | Contracts for development of Value Chain through matching grants Contracts for development of Value Chain through matching grants, Programme progress reports | | | |
| | Farmers | | | | | | | | | | |
| | Farmers' organizations | | | | | | | | | | |
| | 2.1.5 Roads constructed, rehabilitated or upgraded | | | | | | | Programme progress reports, Roads completion certificate, Radio bulletins | | | |
| | Length of roads | 0 | 438 | 678 | 0 | 729 | 107.5 | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|--|---|----------|----------|------------|----------------------|--------------------------|----------------------------|--|-----------|----------------|--|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| | 2.1.1 Rural enterprises accessing business development services | | | | | | | Contracts for development of Value Chain through matching grants Contracts for development of Value Chain through matching grants, Programme progress reports | | | |
| | Rural enterprises | 0 | 1 | 6 | 0 | 6 | 100 | | | | |
| | 2.1.6 Market, processing or storage facilities constructed or rehabilitated | | | | | | | Contracts for development of Value Chain through matching grants Contracts for development of Value Chain through matching grants, Programme progress reports | | | |
| | Total number of facilities | | | | 0 | 14 | | | | | |
| | Market facilities constructed/rehabilitated | 0 | 0 | 15 | 0 | 14 | 93.3 | | | | |
| | 1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas | | | | | | | | | | |
| | Service providers | 2 | 6 | 6 | 0 | 6 | 100 | | | | |
| Output 2.2 Improved access to finance | 3.2.1 Number of PCR/ASCAs groups formed, membership | | | | | | | SP and programme progress reports; PCR records | | | Larger Policy and institutional environment remains favourable. Availability of complementary investments in market infrastructure and service (particularly production related advisory services and financial services) Beneficiaries are able |
| | Savings/credit groups formed/strengthened | 0 | 209 | 275 | 0 | 449 | 163.3 | | | | |
| | 3.2.2 PCR/ASCAs members | | | | | | | SP and programme progress reports; PCR records | | | |
| | Males | 0 | 2 794 | 2 560 | 0 | 3 404 | 133 | | | | |
| | Females | 0 | 3 367 | 3 840 | 0 | 4 744 | 123.5 | | | | |
| | Total | | 6 161 | 6 161 | 0 | 8 148 | 132.3 | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|-------------------|---|----------|----------|------------|----------------------|--------------------------|----------------------------|--|-----------|----------------|--|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| | 3.2.3 Volume of savings “at the end of the cycle” | | | | | | | SP and programme progress reports; PCR records | | | and have the resources to manage and maintain market facilities. Small-scale traders and farmers associations' parallel and sometimes competitive roles in output marketing do not negatively affect their development. The overlapping roles of small traders and large buyers do not negatively affect their development. Favourable market demand and prices of agricultural inputs and products stimulate the participation of FOs and traders. FIs are interested to invest in agriculture. Low wholesale interest rates will translate into affordable interest rates applied by FIs. Local government partners carry out infrastructure/facilities maintenance. The Road Sector is willing to carry out a joint capacity building programme with PROMER Contractors, road supervisors and government staff interested in participating in the training programme. Radios do not go bankrupt and their |
| | Value of gross loan portfolio | 0 | 0 | 0 | | | | | | | |
| | 1.1.5 Persons in rural areas accessing financial services | | | | | | | SP and programme progress reports; PCR records | | | |
| | Total number of accesses to financial services | | | | 0 | 16 296 | | | | | |
| | Women in rural areas accessing financial services - savings | | | | 0 | 4 744 | | | | | |
| | Men in rural areas accessing financial services - savings | | | | 0 | 3 404 | | | | | |
| | Men in rural areas accessing financial services - credit | | | | 0 | 3 404 | | | | | |
| | Women in rural areas accessing financial services - credit | | | | 0 | 4 744 | | | | | |
| | Total persons accessing financial services - savings | | | | 0 | 8 148 | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|--|--|----------|----------|------------|----------------------|--------------------------|----------------------------|-----------------------|-----------|----------------|---|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| | Total persons accessing financial services - credit | | | | 0 | 8 148 | | | | | equipment does not breakdown. Financial service institutions will comply with the contracts signed with PROMER. People are interested in joining PCR groups The PCR savings are not robbed or destroyed by fires and other disasters. Financial Institutions are interested in lending money to the PCRs. |
| Outcome 3. Improve nutritional status of vulnerable groups | 4.0.1 Number of people adopting improved food habits and recommended vegetable garden management practices | | | | | | | | | | |
| | Total people | 0 | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|---|--|----------|----------|------------|----------------------|--------------------------|----------------------------|---|-----------|----------------|---|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2020) | Cumulative Result (2020) | Cumulative Result % (2020) | Source | Frequency | Responsibility | |
| | | | | | | | | | | | |
| Output 3.1 Women and children with improved knowledge in basic nutrition hygiene and health | 4.2.1 Number of nutrition classes held in school | | | | | | | Programme progress reports, radio bulletins | | | Beneficiaries are willing to adopt the new nutritional habits. People are interested in participating in nutrition classes. People listen to the radio broadcasts on nutrition. |
| | Nutrition classes | | | | | | | | | | |
| | 4.2.2 Government officials and staff trained | | | | | | | Programme progress reports | | | |
| | Males | 0 | | | | | | | | | |
| | Females | 0 | | | | | | | | | |
| | 1.1.8 Households provided with targeted support to improve their nutrition | | | | | | | | | | |
| | Households | | | 10 000 | 1 460 | 7 309 | 73.1 | | | | |
| | 3.1.1 Groups supported to sustainably manage natural resources and climate-related risks | | | | | | | | | | |
| | Groups supported | 0 | | 300 | 218 | 218 | 72.7 | | | | |

Mozambique

Rural Markets Promotion Programme

Supervision Report

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

Mission Dates: 16th – 27th November 2020
Document Date: 13/01/2021
Project No. 1100001423
Report No. 5626-MZ

East and Southern Africa Division
Programme Management Department

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

Table 2A: Financial performance by financier

| Financier | Appraisal (USD '000) | Disbursements (USD '000) | Per cent disbursed |
|---------------|-------------------------|-----------------------------|-----------------------|
| IFAD loan | 31,135,000.0 | 28,015,518.49 | 90.0 |
| IFAD II-AF | 25,000,000.0 | 14,657,362.17 | 58.6 |
| AGRA | 3,517,000.0 | 0 | 0 |
| EU/MDG | 10,524,000.0 | 9,766,762.2 | 92.8 |
| Government | 4,285,000.0 | 1,192,917.59 | 27.8 |
| Beneficiaries | 3,050,000.0 | 707,529.00 | 23.2 |
| Total | 77,511,000.0 | 54,340,089.4 | 70.1 |

Table 2B: Financial performance by financier by component (USD '000)

| Component | IFAD loan | | | IFAD AF | | | EU | | | Government - IFAD | | | Government - EU | | | Total | | |
|-----------|-------------------|-------------------|-----------|-------------------|-------------------|-----------|-------------------|-------------------|------------|-------------------|----------------|-----------|------------------|----------------|-----------|------------------|----------------|-----------|
| | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % |
| Comp 1 | 7,711,500 | 8,139,919 | 106 | 4,674,000 | 3,705,234 | 79 | 1,942,000 | 2,114,933 | 109 | 1,026,000 | 0 | | 398,000 | 0 | | 16,551,500 | 13,989,355 | 85 |
| Comp 2 | 4,723,500 | 459,336 | 10 | 1,032,000 | 365,240 | 35 | 0 | 0 | | 278,500 | 0 | | - | 0 | | 8,284,000 | 1,502,837 | 18 |
| Comp 3 | 9,817,000 | 8,417,445 | 86 | 11,582,000 | 3,929,435 | 34 | 6,449,000 | 4,897,986 | 76 | 1,191,500 | 0 | | 437,000 | 0 | | 29,476,500 | 17,244,865 | 59 |
| Comp 4 | 8,883,000 | 11,439,970 | 129 | 6,744,000 | 4,570,153 | 68 | 1,267,000 | 2,542,243 | 201 | 365,000 | 0 | | 541,000 | 0 | | 17,800,000 | 18,552,366 | 104 |
| Comp 5 | - | 26,919 | - | 968,000 | 65,854 | 7 | 232,000 | 767,696 | 331 | 0 | 0 | | 48,000 | 0 | | 1,248,000 | 860,469 | 69 |
| Comp 6 | - | - | | - | 0 | | 634,000 | 622,234 | 98 | 0 | 0 | | 223,000 | 0 | | 857,000 | 622,234 | 73 |
| | 31,135,000 | 28,483,589 | 91 | 25,000,000 | 12,635,917 | 51 | 10,524,000 | 10,945,091 | 104 | 2,861,000 | 952,277 | 33 | 1,647,000 | 240,640 | 15 | 3,050,000 | 707,529 | 23 |

N.B- The expenses and the contribution of the Government on VAT is posted in the accounts jointly and not per component or category.

Table 2C – I : IFAD loan disbursements (SDR, as at 30 September 2020)

| Category | Category description | Original Allocation | Disbursement | W/A pending | Balance | Per cent disbursed |
|----------|--|----------------------|----------------------|-------------|-------------------|--------------------|
| I | Civil Works | 4,730,000.00 | 4,466,092.09 | - | 263,907.91 | 5.6% |
| II | Vehicles Equipment & Material | 400,000.00 | 325,309.78 | - | 74,690.22 | 18.7% |
| III | Technical Assistance, Studies, Training & Workshop | 3,260,000.00 | 1,823,962.98 | - | 1,436,037.02 | 44.1% |
| IV | Service Provider Contracts | 4,580,000.00 | 4,965,358.70 | - | -385,358.70 | -8.4% |
| V | Matching Grants | 1,350,000.00 | 173,154.12 | - | 1,176,845.88 | 87.2% |
| VI | Outreach Grants for Financial Institutions | 720,000.00 | 303,474.05 | - | 416,525.95 | 57.9% |
| VII | Salaries & Allowances | 2,950,000.00 | 3,525,544.12 | - | -575,544.12 | -19.5% |
| VIII | Other Operating Costs | 1,110,000.00 | 928,887.69 | - | 181,112.31 | 16.3% |
| IX | Credit Lines & Credit Guarantee | 0.00 | 0.00 | - | 0.00 | 0.0% |
| | Unallocated | 0.00 | 0.00 | - | 0.00 | 0.0% |
| | Authorized Allocation- Special Account | 0.00 | 2,232,663.93 | | -2,232,663.93 | |
| | Total in SDR | 19,100,000.00 | 18,744,447.46 | | 355,552.54 | 1.9% |

Table 2C – II : IFAD Additional loan disbursements (SDR, as at 30 September 2020)

| Category | Category description | Original Allocation | Disbursement | W/A pending | Balance | Per cent disbursed |
|----------|--|----------------------|----------------------|-------------|---------------------|--------------------|
| I | Civil Works | 6,660,000.00 | 1,882,447.42 | - | 4,777,552.58 | 28.3% |
| II | Vehicles Equipment & Material | 260,000.00 | 362,653.60 | - | -102,653.60 | 139.5% |
| III | Technical Assistance, Studies, Training & Workshop | 1,900,000.00 | 988,364.66 | - | 911,635.34 | 52.0% |
| IV | Service Provider Contracts | 3,500,000.00 | 2,496,822.36 | - | 1,003,177.64 | 71.3% |
| V | Matching Grants | 540,000.00 | 215,701.02 | - | 324,298.98 | 39.9% |
| VI | Outreach Grants for Financial Institutions | 0.00 | 0.00 | - | 0.00 | 0.0% |
| VII | Salaries & Allowances | 2,600,000.00 | 1,425,387.42 | - | 1,174,612.58 | 54.8% |
| VIII | Other Operating Costs | 640,000.00 | 322,407.04 | - | 317,592.96 | 50.4% |
| IX | Credit Lines & Credit Guarantee | 0.00 | 0.00 | - | 0.00 | 0.0% |
| 99 | Unallocated | 1,780,000.00 | 0.00 | - | 1,780,000.00 | 0.0% |
| 99Z | Authorized Allocation- Special Account | 0.00 | SDR 2,819,721.12 | - | -2,819,721.12 | 0.0% |
| | Total in SDR | 17,880,000.00 | 10,513,504.64 | - | 7,366,495.36 | 29.5% |

Table 2C – III : IFAD Additional loan disbursements (EURO, as at 30 June 2019)

| Category | Category description | Original Allocation | Disbursement | W/A pending | Balance | Per cent disbursed |
|----------|---|---------------------|------------------|-------------|----------------|--------------------|
| I | Civil Works | 3,410,000 | 2,987,912 | | 422,088 | 88% |
| II | Vehicles Equipment & Material | 60,000 | 80,519 | | -20,519 | 134% |
| III | Technical Assistance, Studies, Training & Workshops | 0 | 0 | | 0 | |
| IV | Service Provider Contracts | 1,820,000 | 2,588,473 | | -768,473 | 142% |
| V | Matching Grants | 0 | 0 | | 0 | |
| VI | Outreach Grants for Financial Institutions | 0 | 0 | | 0 | |
| VII | Salaries & Allowances | 890,000 | 1,485,333 | | -595,333 | 167% |
| VIII | Other Operating Costs | 410,000 | 465,622 | | -55,622 | 114% |
| IX | Credit Line & Credit Guarantee | 920,000 | 0 | | 920,000 | 0% |
| | Unallocated | 830,000 | 0 | | 830,000 | 0% |
| | First Initial Amount Allocated in the S.A | 0 | 582,721 | | -582,721 | |
| | TOTAL | 8,340,000 | 8,190,580 | | 149,420 | 98% |

Mozambique

Rural Markets Promotion Programme

Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 16th – 27th November 2020
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Report No. 5626-MZ

East and Southern Africa Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

| FIRST LEVEL RESULTS | | | 2020 AWPB | | | | | | | |
|---|---|---|---|--------|------------|-----------------------------|---------|-------------------|------------------|------|
| | | | Results | Unit | Total AWPB | Actual as of September 2020 | % | Cumulative Actual | Appraisal Target | % |
| Total Outreach | | | | | | | | | | |
| Staff of service providers and other support institutions trained | Farmer Association members directly supported | | People receiving project services | Number | 35 000 | 35 310 | 101% | 517 310 | 471 750 | 110% |
| Households receiving project services | | | Number | 7 000 | 7 062 | 101% | 103 462 | 94 350 | 110% | |
| Component | | Output Component | | | | | | | | |
| Component Name | | Output Name | | | | | | | | |
| 1. Developing More Dynamic Market Intermediaries | Component 1 | 1.1 Increased capacity of traders to effectively market surplus production and deliver improved inputs | Enterprises accessing non-financial services facilitated by the project | Number | 225 | 225 | 100% | 225 | 225 | 100% |
| 1. Developing More Dynamic Market Intermediaries | | 1.2 Increased capacity of farmers’ organizations and their members to effectively market surplus production and conduct profitable transactions | Marketing groups formed/strengthened | Number | 500 | 500 | 100% | 500 | 500 | 100% |
| 1. Developing More Dynamic Market Intermediaries | | 1.2 Increased capacity of farmers’ organizations and their members to effectively market surplus production and conduct profitable transactions | People in marketing groups formed/strengthened | Female | 3 220 | 3 285 | 102% | 10 046 | 10 290 | 98% |
| 1. Developing More Dynamic Market Intermediaries | | 1.2 Increased capacity of farmers’ organizations and their members to effectively market surplus production and conduct profitable transactions | People in marketing groups formed/strengthened | Male | 3 780 | 3 777 | 100% | 11 039 | 10 710 | 103% |
| 1. Developing More Dynamic Market Intermediaries | | 1.3 Institutions that can more effectively represent farmers’ interests and deliver relevant support services | Apex organisations formed/strengthened | Number | 15 | 15 | 100% | 16 | 15 | 107% |

| FIRST LEVEL RESULTS | | | 2020 AWPB | | | | | | | |
|--|-------------|---|---|--------|------------|-----------------------------|------|-------------------|------------------|------|
| | | | Results | Unit | Total AWPB | Actual as of September 2020 | % | Cumulative Actual | Appraisal Target | % |
| 2. Enterprise-led Value Chain Initiative | Component 2 | 2.1 Improved value chain operations and partnerships between smallholders and agri-business enterprises | Enterprises accessing financial services facilitated by the project | Number | 5 | 5 | 100% | 6 | 6 | 100% |
| 2. Enterprise-led Value Chain Initiative | | 2.1 Improved value chain operations and partnerships between smallholders and agri-business enterprises | Enterprises accessing non-financial services facilitated by the project | Number | 9 053 | 9 152 | 101% | 9 152 | 5 000 | 183% |
| 3. Improving the Market Environment | Component 3 | 3.1 Improvements in the quantity and quality of market related infrastructure and services | Financial institutions participating in the project | Number | 2 | 2 | 100% | 6 | 6 | 100% |
| 3. Improving the Market Environment | | 3.1 Improvements in the quantity and quality of market related infrastructure and services | People trained in business and entrepreneurship skills | Female | 70 | 54 | 77% | 384 | 260 | 148% |
| 3. Improving the Market Environment | | 3.1 Improvements in the quantity and quality of market related infrastructure and services | People trained in business and entrepreneurship skills | Male | 106 | 82 | 77% | 918 | 740 | 124% |
| 3. Improving the Market Environment | | 3.1 Improvements in the quantity and quality of market related infrastructure and services | Marketing facilities constructed/rehabilitated | Number | 4 | 0 | 0% | 14 | 15 | 93% |
| 3. Improving the Market Environment | | 3.1 Improvements in the quantity and quality of market related infrastructure and services | Roads constructed | Km | 338 | 166 | 49% | 729 | 678 | 108% |

Mozambique

Rural Markets Promotion Programme

Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 16th – 27th November 2020
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Project No. 1100001423
Report No. 5626-MZ

East and Southern Africa Division
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Appendix 3: Compliance with legal covenants: Status of implementation

| Section | Covenant | Target/Action Due Date | Compliance Status/Date | Remarks |
|---------------------|---|------------------------|------------------------|---------|
| Section B.8 | Designated Accounts. There shall be one Designated Account denominated in USD for the purpose of receiving funds in advance from the Loan and one DA denominated in USD for the purposes of receiving funds in advance from the Additional Loan and Additional Grant opened by the Borrower/Recipient. The Borrower/Recipient shall inform the Fund of the officials authorized to operate the DAs. | | Fulfilled | |
| Section B.9 | Grant account in EUR. There shall be a Grant account denominated in EUR for the purpose of receiving proceeds of the Grant to finance the Programme. The Grant Account shall be operated by the Programme Coordinator and the Director of the DNPDR as ordinary authorized signatories for the Grant Account, and the Finance Manager and the Director of the Administrative and Financial Department of the DNPDR, as alternative authorized signatories. | | Fulfilled | |
| Section B.10 | Programme accounts in USD. There shall be Programme Accounts denominated in USD opened by the Lead Programme Agency for the Programme operations in Commercial Banks: (a) an account for the Loan-funded programme operations at central level; (b) an account for the Additional Loan and Additional Grant funded operations at central level. | | Fulfilled | |
| Section B.11 | Programme accounts in local currency. There shall be Programme Accounts in local currency opened by the LPA for Programme operations, in commercial banks: in each of the three management cells for local Programme operations. | | Fulfilled | |
| Section B.12 | The Borrower shall designate the Programme Coordinator and the Director of the DNDR as ordinary authorized signatories for the Programme Accounts, and the Finance Manager and Director of the Administrative and Financial Department of the DNPDR, as alternative authorized signatories. The Borrower shall designate the Senior Expert with market/value chain and management experience and the Office Manager of the Programme Management cells as ordinary authorized signatures for the Cell programme Accounts, and either the District Administrator or the Provincial Director for Planning and Finance as alternative authorized signatories. | | Fulfilled | |

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Remote Supervision Mission Report; Mission Dates: 16th – 27th November 2020

| Section | Covenant | Target/Action Due Date | Compliance Status/Date | Remarks |
|---------------------|--|------------------------|------------------------|---|
| Section B.15 | The Borrower/Recipient shall provide counterpart financing for the Programme amounting to USD 6.8 million in total. This will be through direct contribution to cover taxes and duties on eligible expenditures incurred before 16 February 2016 and in the form of in-kind contribution thereafter. | | Partially | |
| Section 4.03 | Procurement of goods, works and services carried out in accordance with the procedures laid down in Schedule 3 | | Partially | Some deviations from IFAD guidelines were noted |
| Section 4.04 | Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice. | | | Highly depreciable assets (computers and furniture). No objection from IFAD received. |
| Section 4.05 | Audit report submitted to IFAD. | | Fulfilled | All 2019 audit reports timely submitted were not insured and this is acceptable. |
| Section 4.06 | Progress reports to be submitted to IFAD on a quarterly basis. | | Fulfilled | |
| Schedule 4 | AWPB to be submitted to the Fund, for its review and comments | | Fulfilled | |
| Schedule 2 | Proceeds of the EU Grant are tax exempted | Continuous | Partially | Government to reimburse EUR 35,610 of taxes paid from EU grant proceeds. |

Mozambique

Rural Markets Promotion Programme

Supervision Report

Appendix 4: Technical background analysis

Mission Dates: 16th – 27th November 2020
Document Date: 13/01/2021
Project No. 1100001423
Report No. 5626-MZ

East and Southern Africa Division
Programme Management Department

Appendix 4: Technical Background Analysis

Procurement Technical Annex

I. Introduction

The final mission prior to completion was conducted during the period of November 16-25, 2020. The main objectives were to assess overall implementation and progress towards an exit strategy having completed all procurement activities by project completion date. Specifically, the mission reviewed all ongoing procurement activities to make a determination on whether these will be fully delivered or performed by closure; review all contracts to verify they are fully paid or resolved by closure; verify to the extent possible, whether goods, works and consulting services contracted were supplied/completed according to the required specifications and technical standards and assess if contracts were effectively managed by the technical units in charge and if contracts were executed as per the original schedule.

II. Procurement Review

A. Procurement Unit

1. The November 2019 mission recommended to strengthen the unit with a senior procurement officer (consultant). A process was launched and in 2019 and 2020 a procurement consultant assisted the project in their activities. The recruitment process was subject to post review during this mission and details can be found in the checklist at the end of the report.

B. Procurement Plan

2. The PP submitted to the mission prior to mission start up was not complete and did not reflect actuals as necessary. The Project was invited to submit a revised PP that adequately captures all actual dates for completed and ongoing procurement activities so as to get a sense of the volume of commitments that need to be met prior to Programme closure. This final PP needs to be submitted in NOTUS.
3. The PP complies with IFAD's recommended template although the latter was not used. All activities listed are referenced against the AWPB and consistent with the latter. The mission also requested an updated contract register as the one submitted prior to the mission start up did not reflect all activities carried out under the plan.
4. All activities for goods (3) totalling 181 000USD were carried out. Activities for Works (3) are to be completed and progress can be viewed in Appendix 3 attached hereto. A total amount of 3.7M USD was planned, including works carried over from 2019, for which approximately 711K has been paid. All activities for services (10) have been completed for a total of 704 000USD.
5. The PP and programme progress report clearly show that the level of execution of ongoing rehabilitation is at 92% for roads planned in 2019 and 15% for execution of those planned for 2020. In addition nearly 1/3 of road rehabilitation for 2020 is in areas affected by cyclone Kenneth,

resulting in important delays in delivery. Appendix 3 shows planned completion dates for works. These range from February to June 2021 subject to all ideal conditions being met.

6. IFAD's fast tracking COVID measures and government's emergency flexible procurement instruments were used to fast track the implementation of procurement activities that suffered delays due to COVID.
7. The current implementation plan is no longer realistic and considering all outstanding activities required prior to completion, it is highly recommended that the programme be extended.
8. Severe liquidity problems have also had a large effect on the advancement of works. Delays in payment of WAs and allocation of funds to support policy development and COVID response measures to the Ministry of Agriculture and Rural Development have reduced available liquidity for procurement activities to be completed.

C. Review of Procurement processes

9. Since the November 2019 mission, the Government (through an MoU between PROMER and ANE -the road authority) launched procurement for all remaining civil works. All tender processes were run by ANE and documents retrieved were requested from the road authority.
10. The mission reviewed the full tender process for the construction of roads in Cabo Delgado. Specific details are contained in the checklist below. The files were found to be in order and compliant with national legislation.
11. *Proposed recommendation:* It is recommended that an extension be granted to bring the completion date of PROMER to 31 December 2021 to ensure all ongoing construction works are completed and all contractors are fully paid for the work executed.

D. Contract administration and management

12. The mission reviewed the contracts for 2 consultancy services and 2 civil works which constitute 25% of on-going contracts. All civil works contracts are executed by ANE under the MoU PROMER has with the road authority. However, retrieval of relevant documents was facilitated by PROMER in a prompt manner.
13. **Contract register.** The register was updated for the mission. Some information was inaccurate and was corrected during the course of the mission.
14. **Contract management and monitoring.**
Contract management and monitoring for consultancy contracts is adequate and carried out centrally by PROMER. However, the management and monitoring of contracts for works is handled exclusively by ANE.

E. Project's Procurement recordkeeping and filing

15. The present mission was undertaken remotely. It was therefore not entirely possible to confirm the appropriateness of the physical recordkeeping and filing. Nevertheless, the mission is generally satisfied with the prompt retrieval of documents whenever requested. Attached, as Appendix 4 hereto, is the filing checklist self assessment the mission requested.

F. Issues from the previous mission

16. A number of actions were recommended to the project in the November 2019 mission. The table below provides an update on each.

| Actions | Responsibility | Deadline | Status |
|---|----------------|-----------|--|
| Respect the procurement thresholds listed in the LtB and improve speed of procurement activities by using shopping (Concurso por Cotações) whenever | PMT | Immediate | Procurement activities reviewed showed adherence to procedures. In |

| | | | |
|---|-----|-----------|---|
| allowed. | | | addition, all activities reviewed for services were SSS and civil works followed government emergency procedures for COVID-19 so that activities could be initiated promptly given the country's state of emergency |
| Insert a reference to the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations in bidding documents and contracts, using the language provided by the Mission | PMT | Immediate | Done |
| Pursuant to the IFAD Project Procurement Guidelines, open procurement processes to national and foreign bidders. | | | Given the nature of the processes – this was not implemented |
| Improve the quality of evaluation by respecting the evaluation criteria provided in the national procurement regulations and listed in the bidding documents. Give account of preliminary evaluation in the evaluation reports. | | | Done |
| Ensure that signed contracts are consistent with the form distributed as part of the bidding documents and that general and special conditions of contract are included. | | | Done |
| For prior review, submit documents for IFAD No-Objection at each procurement stage. | | | Done |
| Upgrade the contract register by including a reference to the IFAD No-Objection no. and date of contract completion. | | | The new Contract Monitoring Tool was used and still needs some fine-tuning. Specific TA has been deployed to support the project in this endeavour. |
| Prepare a comprehensive plan for both the AWPBs and procurement plan with the total cost estimates harmonized with the available funds and timelines for procurement consistent with completion before PCD. | | | A detailed schedule of ongoing works still to be completed was prepared which shows forecasted disbursement until completion. See Appendix 3 |

III. Procurement Performance Indicator Rating and Justification

| No. | Performance Indicator | Rating | Justification for Rating |
|-----|---|--------|---|
| 1 | Procurement Planning Process | 4 | All goods and services were completed. The delays related to works were justified by the inability for contractors to reach sites during the COVID-19 Pandemic. The last PP was submitted in NOTUS on 29 October 2019 and should be updated immediately with actuals. |
| 2 | Processes and Procedures from Prequalification to Bidding | 4 | |
| 3 | Process and Procedures for Evaluation and Contract Award | 4 | The processes reviewed were satisfactory. Where works are concerned the processes handled by ANE were also found to be satisfactory. |
| 4 | Contract Management and Administration | 4 | |
| 5 | Record Retention and monitoring | 3 | Retrieval of documents and feedback to requests for clarification was equally slow. Provision of incomplete documentation was also noted and was presented upon request from the mission. |

IV. Agreed actions

| Recommendations | Responsibility | Deadline |
|---|----------------|-------------|
| Procurement Planning An updated PP should be uploaded immediately on NOTUS showing actuals for all completed works and updated timelines for the delayed works activities that are postponed to 2021. | PMU | Immediately |
| Contract Management Together with ANE, Carefully monitor full compliance by contractors to deliver all works by mid-2021. | PMU+ ANE | Immediately |

Appendix I
Post Review Checklist

| #1 | Description | Check | Remarks |
|----------|--|-------|--|
| A | Procurement Planning (for entire PP) | | |
| 1 | Are there planned dates for all procurements? | yes | Dates for all procurement stages stated. |
| 2 | Are the planned dates consistent with the procurement process and methods? | yes | All activities were planned as SSS or DC under government emergency planning for procurement during the COVID-19 pandemic. |
| 3 | Are the procurement methods consistent with the estimated budget for each procurement? | Yes | |
| 4 | Is the reviewed Procurement Plan an updated one? | No | The mission requested an updated PP with actual dates but this was not forthcoming. |
| 5 | How many updates of the current Procurement Plan were submitted for the year? | 0 | |
| 6 | How many upgrades of the current Procurement Plan were submitted for the year? | 0 | |

Appendix II

Post Review Checklist

Procurement of works - budget line C3-12-14 – PP Line 2 – Rehabilitation of roads in the Cabo Delgado Province: contract reference 47C000941/AD/No22/ML-TERRA/PROMER/314/2020 and contract reference 47C000941/CP/No8/REAB-TPL/ANE-CD/PROMER/313/2019

Between ANE and Lina Amade Construcões in the first instance and ANE and IAC , Lda in the second.

| #1 | Description | Check | Remarks |
|----------|--|-------|---|
| | | | |
| A | Bidding Process (for each procurement) | | |
| 1 | Is the item in the Procurement Plan? | Yes | Compliant with the PP |
| 2 | Is there a formal Procurement Requisition that initiates the process? | yes | yes |
| 3 | Is the Method proposed in the PP used? | yes | yes |
| 4 | Is enough done to demonstrate that competition was achieved? | yes | Yes. Although emergency procedures were followed under the COVID-19 government fast-tracking methodology, the process was still a competitive one with an open request for bids used. |
| 5 | Is there time provided for bidders to request and receive clarifications, before the submission deadline? | yes | |
| 6 | Is there enough time allotted for bidders to prepare bids? | yes | Yes, 30 calendar days. |
| 7 | Ensure that no late bids were accepted | yes | No late bids were submitted |
| B | Evaluation Process (for each procurement) | | |
| 1 | Was Preliminary Examination done? | yes | Yes. |
| 2 | Are there objective and justifiable reasons for rejections at Preliminary Examination? | | None noted |
| 3 | Was Technical Evaluation done? | | Yes |
| 4 | Are there objective and justifiable reasons for rejections at Technical Evaluation? | n/a | |
| 5 | For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened? | n/a | |
| 6 | For all advertised procurement, were bidders informed of the (technical) evaluation outcome? | n/a | |
| 7 | Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information? | n/a | |
| 8 | Were bidders given enough time to submit a challenge/protest? | yes | National procedures were followed. |
| 9 | For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals? | n/a | |
| 10 | Was Financial evaluation done and properly? | n/a | |
| 11 | Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction? | n/a | |
| 12 | Are there objective and justifiable reasons for rejections at Financial Evaluation? | n/a | |

| | | | |
|----------|--|-----|--|
| 13 | For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest? | n/a | |
| 14 | Were challenges/protests received? Were they handled properly? | n/a | No challenges/ protests were received |
| C | Award and Negotiations (for each procurement) | | |
| 1 | Was award done after all challenges/protests were received? | n/a | No challenges/ protests were received. |
| 2 | Ensure that negotiations were not held for Goods and Works | No | Not held |
| 3 | Ensure that negotiations were held for consulting services? | n/a | This is a procurement for civil works. |
| 4 | Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices? | n/a | This is a procurement for civil works. |
| D | Contract, Contract Administration and Management Process (for each procurement) | | |
| 1 | Was the Contract signed by both parties? (A copy must be evident in file) | Yes | Physically verified. |
| 2 | Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method? | Yes | The correct form was used. |
| 3 | Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome? | Yes | Consistent with tender requirements. |
| 4 | Was a Contract amendment made to extend time/add funds | n/a | |
| | If the answer to the above is YES, is there an IFAD No-Objection for each amendment that exceeds the contract percentage thresholds (for prior review procurements)? | | |
| 5 | Were payments done on time as consistent with contract provisions? | Yes | |

Procurement of services - budget line C4-L61 – PP Line 4 – Retainer consultancy for a value chain expert: contract reference 59/PROMER/SP/19/F.A. Contract between PROMER and Bessela Consultoria e Servicos.

| #2 | Description | Check | Remarks |
|----------|---|-------|---|
| A | Bidding Process (for each procurement) | | |
| 1 | Is the item in the Procurement Plan? | yes | This service was contained in the 2019 PP |
| 2 | Is there a formal Procurement Requisition that initiates the process? | yes | |
| 3 | Is the Method proposed in the PP used? | yes | |
| 4 | Is enough done to demonstrate that competition was achieved? | yes | |

| | | | |
|----------|--|------|--|
| 5 | Is there time provided for bidders to request and receive clarifications, before the submission deadline? | yes | An EOI was issued and RFP sent to only one bidder. No period was defined in the RFP to request clarifications. |
| 6 | Is there enough time allotted for bidders to prepare bids? | yes | |
| 7 | Ensure that no late bids were accepted | yes | No late bids were submitted |
| B | Evaluation Process (for each procurement) | | |
| 1 | Was Preliminary Examination done? | yes | |
| 2 | Are there objective and justifiable reasons for rejections at Preliminary Examination? | yes | |
| 3 | Was Technical Evaluation done? | yes | |
| 4 | Are there objective and justifiable reasons for rejections at Technical Evaluation? | n/a | |
| 5 | For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened? | yes | |
| 6 | For all advertised procurement, were bidders informed of the (technical) evaluation outcome? | no | There was only one bidder at RFP stage. |
| 7 | Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information? | n.a | for debriefing expressed by any unsuccessful bidder. |
| 8 | Were bidders given enough time to submit a challenge/protest? | n.a | |
| 9 | For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals? | yes | |
| 10 | Was Financial evaluation done and properly? | n.a | There was only one bidder at RFP stage. |
| 11 | Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction? | n.a | None were reported |
| 12 | Are there objective and justifiable reasons for rejections at Financial Evaluation? | n.a. | None were reported |
| 13 | For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest? | n.a | There was only one bidder at RFP stage. |
| 14 | Were challenges/protests received? Were they handled properly? | n.a. | No challenges/ protests received |
| C | Award and Negotiations (for each procurement) | | |
| 1 | Was award done after all challenges/protests were received? | n.a. | There was only one bidder at RFP stage. |
| 2 | Ensure that negotiations were not held for Goods and Works | n.a. | It is consultancy services |
| 3 | Ensure that negotiations were held for consulting services? | yes | |
| 4 | Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices? | no | |
| D | Contract, Contract Administration and Management Process (for each | | |

| | | | |
|---|--|-----|--|
| | procurement) | | |
| 1 | Was the Contract signed by both parties? (A copy must be evident in file) | yes | Physically verified. |
| 2 | Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method? | yes | The correct form was used. |
| 3 | Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome? | yes | Consistent with the tender's requirements. |
| | | | |
| 4 | Was a Contract amendment made to extend time/add funds | n/a | |
| | If the answer to the above is YES, is there an IFAD No-Objection for each amendment that exceeds the contract percentage thresholds (for prior review procurements)? | | |
| 5 | Were payments done on time as consistent with contract provisions? | Yes | |

Procurement of services - budget line C4-L61 – PP Line 4 – Retainer consultancy for a procurement officer: contract reference: 23/PROMER/SP/20/F.A. Contract between PROMER and PROMER and Afonso Pereira

| #3 | Description | Check | Remarks |
|----------|--|-------|---|
| | | | |
| A | Bidding Process (for each procurement) | | |
| 1 | Is the item in the Procurement Plan? | yes | This service was contained in the 2019 PP |
| 2 | Is there a formal Procurement Requisition that initiates the process? | yes | |
| 3 | Is the Method proposed in the PP used? | yes | |
| 4 | Is enough done to demonstrate that competition was achieved? | yes | Process advertised on the local newspaper with wide audience |
| 5 | Is there time provided for bidders to request and receive clarifications, before the submission deadline? | yes | Yes, bid advertised for 30 days, bidders were allowed to request clarification up to 7 days prior to the closure day. |
| 6 | Is there enough time allotted for bidders to prepare bids? | yes | Yes, 30 calendar days. |
| 7 | Ensure that no late bids were accepted | yes | No late bids were submitted |
| B | Evaluation Process (for each procurement) | | |
| 1 | Was Preliminary Examination done? | yes | |
| 2 | Are there objective and justifiable reasons for rejections at Preliminary Examination? | no | |
| 3 | Was Technical Evaluation done? | yes | |
| 4 | Are there objective and justifiable reasons for rejections at Technical Evaluation? | yes | Two submissions did not meet min. marks at technical evaluation to proceed. |
| 5 | For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened? | no | Not applicable as this was post review |
| 6 | For all advertised procurement, were bidders | no | Bidders are only informed of the |

| | | | |
|----------|--|-----|---|
| | informed of the (technical) evaluation outcome? | | award outcomes. |
| 7 | Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information? | n/a | There was no request for debriefing expressed by any unsuccessful bidder. |
| 8 | Were bidders given enough time to submit a challenge/protest? | yes | |
| 9 | For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals? | yes | |
| 10 | Was Financial evaluation done and properly? | yes | |
| 11 | Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction? | n/a | |
| 12 | Are there objective and justifiable reasons for rejections at Financial Evaluation? | n/a | |
| 13 | For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest? | yes | |
| 14 | Were challenges/protests received? Were they handled properly? | n/a | |
| | | | |
| C | Award and Negotiations (for each procurement) | | |
| 1 | Was award done after all challenges/protests were received? | n/a | No challenges/ protests were received. |
| 2 | Ensure that negotiations were not held for Goods and Works | n/a | |
| 3 | Ensure that negotiations were held for consulting services? | yes | |
| 4 | Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices? | no | |
| | | | |
| D | Contract, Contract Administration and Management Process (for each procurement) | | |
| 1 | Was the Contract signed by both parties? (A copy must be evident in file) | Yes | Physically verified. |
| 2 | Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method? | Yes | The correct form was used. |
| 3 | Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome? | Yes | Consistent with the tender's requirements. |
| 4 | Was a Contract amendment made to extend time/add funds | n/a | |
| | If the answer to the above is YES, is there an IFAD No-Objection for each amendment that exceeds the contract percentage thresholds (for prior review procurements)? | | |
| 5 | Were payments done on time as consistent with contract provisions? | Yes | |

Procurement filing checklist

- 1. Review of project's procurement filing system and the ease of document retrieval.** Best practice requires that each procurement case/activity should have its own separate folder where records are kept properly and coded in chronological order.

| | YES | NO | Comments |
|--|-----|----|---|
| Each procurement activity has its own separate file, folder or dossier | X | | |
| Procurement records are kept in chronological order for each procurement activity | X | | |
| A copy of the published advertisement or shortlist (if applicable) is on file | X | | |
| A copy of the published pre-qualification and bidding documents and any amendments, extensions or clarifications that were requested and issued are on file | X | | copies of the published pre-qualification and bidding documents, amendments , extensions on file, clarifications not always on file |
| a record of tender opening signed by all present is on file | X | | |
| a full copy of each bid received and evaluated, plus clarifications requested and responses received are on file | X | | Copies of the bids received and evaluated are on the file. Request for clarifications and responses not always kept on file |
| A copy of the evaluation report is on file | X | | |
| signed minutes of all meetings relating to the procurement, including pre-bid and negotiation meetings where these were held are on file | X | | |
| A contract award notice is on file | X | | |
| Any letter of tender acceptance to the supplier, contractor or consultant is on file | X | | |
| The signed contract document and contract acceptance are on file | X | | |
| Any contract amendment is on file | X | | |
| All contractual correspondence between the Procuring Entity and a supplier, contractor or consultant is on file | X | | On a separate file (#) |
| Post-contract documents relating to the fulfilment of contract obligations, in particular <u>photocopies</u> of bank guarantees or payment guarantees are on file | X | | |
| Signed minutes of any meetings related to contract management, including contract progress or review meetings are on file | X | | On a separate file (#) |
| Signed delivery documents evidencing delivery of supplies or signed completion certificates in relation to a contract for services or works under the contract including any contract delivery records are on file | X | | |

| | | | |
|---|---|--|---------------------------------|
| Copies of all invoices for works, services or supplies including work-papers verifying the accuracy of payments claimed and details of the actual payment authorised are on file | X | | On a separate file (#) |
| Copies of cumulative payment worksheets/records evidencing management of all payments made are on file | X | | On a separate file (#) |
| Copies of all submissions to and all decisions of the appropriate approval authority related to the procurement including the approval of the bidding documents, approval of the evaluation report(s), contract award, approval of contract documents and contract amendments and any decision to suspend or cancel procurement proceedings are on file | X | | |
| Copies of any claims made by the Procuring Entity in respect of any warranty, non-warranty, short supply, damage and other claims upon the Contracted Vendor or upon the Procuring Entity are on file | | | Never had a situation like this |
| In the case of IFAD prior review, all copies of IFAD's 'no objections' are on file | X | | |
| Any other communications relating to the procurement in questions including internal entity correspondence is on file | X | | On a separate file (#) |

X – Documents kept in the bidding file

X – Currently only part of the documents are kept on file

X- Documents Kept on a separate file

(#) Note: For each procurement process our filing system has 2 folders:

- 1 that includes all the documents related to the procurement process . The last document is the signed contract and any possible addendums to the contracts.
- 1 that is related to the contract management, including payments, receipts, supporting documents, reports, minutes of meetings, etc.

Technical Annex 1- Market Intermediaries

Component 1: Development of More Dynamic Market Intermediaries

This component aims at promoting the development of farmers' organisations and small and medium rural traders; it is co-funded by IFAD and the ended EU Fund.

Subcomponent 1.1: Support for Rural Traders Development.

1. Significant progress has been registered in this subcomponent despite some targets being compromised by the outbreak of Covid-19. In 2020 the project continued supporting the 225 rural traders (100% of the revised target) in the 15 implementing districts (3 Blocks). The major activities of support in 2020 focused in capacity building and coaching in market linkages, promoting signing of marketing contracts between RTs and FOs, promoting inputs trading, business licencing and asset registration, to enhance sustainability and access to credit from formal financial institutions, establishment of district traders associations and promoting increased productivity through demonstration plots.

2. As a result of the above activities, the volume of agricultural produce purchased by RTs up to September 2020 was 10 830 tons (11% of which was under contract) with an associated revenue of USD 3 192 219 (22% from contracts). In addition 68 RTs were involved in agricultural inputs marketing through contracts facilitated by the project resulting in USD 277 889 revenue being realised. Businesses legalised were 21 (cumulative 198 which is 115% of target) and assets registered were for 14 RTs (cumulative 128, which is 75% of target). Two more RTs associations were formed bringing the total to 7 formed to date. The formation of RTs associations will ensure that the interest of the members is taken care of even post the project. This activity needs to be accelerated so that RTs may continue to receive representation on a sustainable manner from their associations. During the period under review the project, through SPs, facilitated the linking of 51 RTs with different agricultural inputs suppliers to the use of inputs to increase productivity. As a result 34 demonstration plots were established (6 are managed in collaboration with RTs and the rest with FOs) for soya, sesame, beans, peanuts and maize.

3. In the period under review the project signed an MoU with UEM to revise the classification system of RTs in use and develop a training manual for RTs. The classification system will be used as a tool to evaluate the results of training and coaching as well as assessing further training needs of RTs and is an on-going process.

Subcomponent 1.2: Support to Farmers' Organisations Development

4. The project is currently reaching out a total of 21 085 farmers. This includes a total of 14 085 members of the 500 FOs (100% of target) and additional 7 000 farmers from District Unions. The main support activities undertaken in 2020 for this group consisted in capacity building and coaching in production, marketing planning and business management; market linkages (promoting the signing of marketing contracts with RTs and other agribusiness firms), to ensure sustainability of the interventions after the project closure; legalisation and asset registration, which are prerequisites for access to credit from formal financial institutions; reinforcing the capacity of District Unions, to support their members in market linkages and promoting increased productivity through demonstration plots. On average the three implementation Blocks had a significant increase in productivity compared with the baseline as follows: 250kg/ha to 500kg/ha for sesame, 450kg/ha to 1,500kg/ha for pigeon pea, 400kg/ha to 1,800kg/ha for soyabean, 250kg/ha to 600kg/ha for groundnuts and 800kg/ha to 1,500kg/ha for maize.

5. From the above activities the total volume sold (through contracts and direct selling) was 5 018 tons (56% under contracts) and the associated revenue realised USD 1 434 617 (88% from contracts). One FO had its assets registered, in the period under review, giving a cumulative figure of 38 FOs with registered assets and 37 additional FOs were legalised in 2020 and the cumulative figure is 496 legalised FOs. The consultant who was engaged in the 4th quarter of 2019 has completed the

elaboration of the Action Plans for the 15 District Unions and Fora (who were previously selected on the basis that they have solid links with FA and internal capacity to operate as rural enterprises). On the basis of the action plans, investment plans were developed, with the support of SPs, and investment to be done by PROMER during the remaining time of implementation was identified and includes extension support tools/equipment, means of transport and office equipment.

6. Support to Small Scale Value Addition. A concept note requesting a special package of 10% own contribution for women and youth against the required 20-30% to the MGF of component 1 was submitted to IFAD after 2019 supervision mission and granted No Objection. Despite the disruption caused by COVID-19, the process of assisting FOs and RTs to put together business plans for small scale value addition projects was concluded, 13 business plans have since been elaborated and submitted to PROMER and are currently under review.

7. The mission was presented with a number of planned phase out activities. These are: i) Support to business legalisation and asset registration. These activities will guarantee that the traders have access to credit to develop their businesses. ii) Facilitation of linkages between traders and input suppliers. PROMER facilitated linkages with input supplier companies and establishment of demonstration plots in the programme area, under direct supervision of the public extension services at district level. iii) Facilitating the establishment of traders' association in the project area. This will guarantee that the rural traders have continued support after the programme closure. iv) Contribute some investments to the operationalization District Union Action Plans and the Farmers Union Action Plans for possible partnership with other projects under MADER, v) Editing and publishing of training manuals for share/delivery to Government relevant Institutions vi) Organization of relevant information from the database to hand over Government and Financial Institutions vii) Final training of SDAE, DPIC, DPAE, Farmers' Unions and Associations for handover (graduation, market mapping etc.) viii) Programme closure meeting with Farmers' Organisations, Rural Traders and Associations ix) Training DNDEL for handover on the main operational instruments for support to Farmer Organisations(graduation, market mapping etc.)

While most of these activities were on going during the implementation of the project, activities like RTs association, FOs association, DU action plans, assets registration and legalisation should receive more attention.

8. PROMER is implemented through SPs. In the new financing, from 2018, the project introduced some changes in the implementation approach by using 3 SPs for Component I and II, one SP for each Block, and they also cover cross cutting issues. In 2017, all SPs accounted for 47% of the financial budget. The streamlining of SPs in the new financing resulted in a reduction on SPs expenditure to below 30% of project expenditure and has led to improved coordination of SPs and improved their delivery.

Technical Annex 2 - Enterprise led value chain initiative: Matching Investment Grant Facility.

A: Background.

1. The matching grant facility was designed to facilitate smooth value chain operations and to strengthen the longer-term commitment of agri-businesses to these activities. The matching grants are a risk-reducing mechanism to meet part of the financing needs of agribusiness partners. Each project has a combination of investments, as follows: (i) in assets or activities that do not have a direct link with producers such as warehouses, where the project finances up to 50% of the total investment (ii) in assets and activities related to out-grower scheme, with a direct

link to producers, such as motorbikes and inputs, the project would finance up to 75% of the total investment in out-grower scheme

The maximum grant for each of the selected six value chains was limited to USD 250 000 per project.

2. The original funding for the matching facility was USD 1.5 million. From this amount USD 292,280.59 was disbursed to two firms ((i) USD 216,193.00 that was disbursed CAL (ii) USD76,087.59 was disbursed to SAN JFS Project. The balance from the original allocation is USD.1, 207,719.41. The additional financing allocated USD 1,209,870 to the matching grant facility. Out of this additional financing USD 756,980.23 was disbursed to 5 intermediaries. The balance of USD 395,657.22 is expected to be disbursed in the year 2020/2021 agricultural season with most being for the warehouses that were affected by the COVID 19 import restrictions, which reduced availability of building materials.

B: Implementation Progress

3. The mission noted that significant progress had been made in implementation of the matching grant facility. The PMT had developed an implementation manual which provided modalities of accessing the matching grant including target group, conditions for the matching grant and application and evaluation process. The matching grant was disbursed to 5 enterprises and utilised as follows¹ (i) Construction work for warehouses in Niassa Province by San FS and Alimi while the tender for the IKURU warehouse, in Nampula, was finalized in the third quarter with the construction work starting in the last quarter (ii) Inputs financing for Cornelio Commercial, AgroFatar Vano and IKURU SIPs. (iii) Financing of motorbikes for IKURU extension officers (iv) Procurement process for the agricultural equipment for AgroFatar Vano.
4. The project also made progress in securing beneficiary contribution towards the investments². The former CAL met its target of beneficiary contribution of USD 252,273. JFS exceeded its contribution of USD 300,016 by USD 15,097, IKURU only contributed 59,304 out of its target of 121,550, ALIMI exceeded its target of 147,715 by USD32,526.90, Cornélio Comercial exceeded its target of 207,200 by 169,593.60 while Agro Fatar Vano only contributed USD 44,593 out of its target beneficiary contribution of USD 110,634. The pending beneficiary investments are related to agricultural inputs and extension services operational costs, which will be accounted for during the current agricultural season.
5. The Corredor Agro Lda (CAL) Project was implemented for two seasons for 2012/2013 and 2013/2014 and benefitted 1,139 producers having bought a total of 73 tons amounting to 1,439,425.73 Meticals (approximately USD 48,000 based on the exchange rate of that time). CAL faced financial challenges and closed. The equipment financed under the matching grant facility was given back to the Government and was distributed to District Government and some farmer organizations to facilitate value chain activities in the project area where CAL operated.
6. The mission noted that the project has also made progress towards achievement of the outcomes for the subcomponent. The facility had served 9,146 beneficiaries thus exceeding its target of 9,053 beneficiaries. The producers marketed 1,287.35 tons of produce and earned consolidated incomes of USD 574,080.56. The mission noted that implementation of the matching grants facility has faced significant challenges including restrictions and mitigation measures that were put during the state of emergency which affected production and marketing processes including access to finance for the purchase of produce from the farmers. The mission commends the PMT for the progress made in implementing the facility despite these challenges. The mission urges the PMT to fast-track the disbursement of the balance of the matching grants before project closure.
7. In line with the COVID repurposing activities, a total of USD 1.0 million was available to support the sector to cope with the effects of the pandemic in FNDS. So far around 50% of the funds were

¹ See Annexe 1 for details

² See Annexe 2 for beneficiary contributions

utilized to finance 3 out grower schemes enterprises who work with Poultry, Soya, sesame and sunflower.

Agreed Actions

| Actions | Responsibility | Deadline |
|--|-----------------------|-----------------|
| Enforce beneficiary contributions by the grantees | PMT | January , 2021 |
| Draft an action plan for disbursement of the balance of the matching grant | PMT | December, 2021 |

Component 3 – Sub-Component 2 – Facilitating Access to Finance.

8. The sub-component was designed to offer: (i) Technical Assistance to Improve Bankability of Value Chain Participants, (ii) Rural Finance Training to Farmers Associations and Traders, (iii) Short-term Institutional Support to Development Finance Institutions and (iv) Support to Financial Institution Outreach in PROMER Area.
9. Significant progress has been made in implementing activities under this subcomponent. Support to financial institution outreach in the PROMER area, implemented through a partnership with FARE/RFSP, led to the establishment of 4 Micro-Finance Institution (MFI) outlets namely Khan Microcréditos; Kuyakana, Zandamela e Tseco Microcréditos in 3 districts (Chiúre, Malema e Alto Molocué). Unfortunately these institutions ended up closing their operations due to internal problems.
10. Institutional capacity building support was provided to GAPI and AMODER to establish 3 functional outlets and develop and provide tailor made financial products for rural markets. The agreement to offer institutional capacity to AMODER was cancelled due to management problems within the organization. Whereas, the agreement with GAPI resulted in the establishment of two branches, in Ribaué and Balama. By the end of the third trimester, the branch in Ribaué disbursed 90 loans with a value of Mt 4.0 million to small scale traders. Whereas Balama has disbursed five loans with a value of MT. 1.2 million to traders.
11. Support to the development of Community Based Financial Services: In 2014, the EU-MDG funds was utilised to establish Community-Based Financial Services (CBFS). This was done through the establishment and training of Community Credit and Savings Groups (CSG) through service providers. Currently there are 449 CSG (202 in Block A, 90 in B and 156 in C), involving 8,086 members of which 58% are women. Most of these groups achieved a level of organizational and financial sustainability. Contracts with the SPs closed in 2018 and this activity did not continue under the additional financing.
12. As for Community Based Financial Services, considering that the project implemented this activity for 42 months in the previous phase, with the end of the contracts with the service providers in 2018, this activity was discontinued. It is expected that the Savings and Credit Groups have the necessary capacity to function in an independent way, with the support from the community activists trained by the project and minor monitoring from the current service providers.
13. The mission noted that Implementation of this component was closed in 2018 with the conclusion of the contracts with PCRs service providers and preparation of the endline assessments. However, during this period the mission confirmed that the project continues to i) Monitor the performance of the 2 GAPI branches. From January to October, 59 traders and 9 producers requested and were funded by the two branches in a total amount of 7,700,000.00Mts; ii) Facilitate access to credit for project beneficiaries. The SPs have been exploring opportunities to link project beneficiaries to financial products suitable for agribusiness such as credit lines specifically developed by financial institution and partners for agribusiness; and iii) Reinforcing the capacity of Savings and Credit Groups. Service providers have been working with District Union ASCAS animators who in turn have been assisting the group animators. In other hand they have been monitoring regularly the progress in the implementation of ASCAS.

Both traders and FO have benefited from trainings in rural finance. This is evidenced by the inclusion in the training manual of financial education training module. As an exit strategy, PROMER is liaising with REFP so that this subcomponent beneficiaries continue to access financial services beyond project closure

Table 1: Current situation of the Matching grant projects

| Province | SIP | Amount disbursed by PROMER USD (cumulative) | Amount disbursed by Beneficiary USD (cumulative) | Activity | PROGRESS: JANUARY TO JUNE 2020 | | | | Activities |
|----------|---------|---|--|---|--------------------------------|--------------------------|------------------------------------|-----------------------------|---|
| | | | | | Target Beneficiaries 2020 | Involved beneficiaries | Volumes marketed up to June (tons) | Income for producers | |
| Niassa | SAN JFS | 130,650.72 | 315,113.00 | Development of sesame, beans and maize value chains using a network of 15 agro-dealer shops (10 of which are run by rural traders) in an out-grower scheme Provision of land preparation and extension services, input credit and the buying of produce from the farmers | 3,600 16% W 16% Y | 3,638 22 % W 18% Y | 468 | 6,041,936 MZN 86,313 USD | <ul style="list-style-type: none"> Signing contracts with farmers and traders with the distribution of inputs and provision of extension services Construction of JFS warehouse |
| | ALIMI | 51,470.00 | 180,242.00 | Development | 1,076 | 941 | 52 | 1,203,256 | <ul style="list-style-type: none"> Signing |

| Province | SIP | Amount disbursed by PROMER USD (cumulative) | Amount disbursed by Beneficiary USD (cumulative) | Activity | PROGRESS: JANUARY TO JUNE 2020 | | | | Activities |
|--------------|--------------------|---|--|--|--------------------------------|-------------------------|------------------------------------|-----------------------------------|---|
| | | | | | Target Beneficiaries 2020 | Involved beneficiaries | Volumes marketed up to June (tons) | Income for producers | |
| | | | | t of sesame, beans, groundnuts and soyabean value chains in an out-grower scheme Provision of extension services, input credit and the buying of produce from the farmers | 43% W 46% Y | 43% W 52% Y | | MZN 17,189 USD | contracts with farmers with the distribution of inputs and provision of extension services <ul style="list-style-type: none"> Construction of ALIMI warehouse |
| | | | Sub total Niassa | | 4,676 | 4,573 | 520 | 7,245,192 MZN 103,502 USD | |
| Cabo Delgado | Cornelio Comercial | 137,097.89 | 376,794.00 | Development of sesame, beans, groundnuts and maize value chains in an out- | 2,239 18% W 44% Y) | 1,682 14% W 26% Y | 407 | 19,822,497 MZN 283,178 USD | <ul style="list-style-type: none"> Signing contracts with farmers and traders with the distribution of inputs and provision of mechanized land preparation and |

| Province | SIP | Amount disbursed by PROMER USD (cumulative) | Amount disbursed by Beneficiary USD (cumulative) | Activity | PROGRESS: JANUARY TO JUNE 2020 | | | | Activities |
|----------|----------------|---|--|--|--------------------------------|-------------------------|------------------------------------|-----------------------------------|---|
| | | | | | Target Beneficiaries 2020 | Involved beneficiaries | Volumes marketed up to June (tons) | Income for producers | |
| | | | | grower scheme Provision of land preparation and extension services, input credit and the buying of produce from the farmers | | | | | extension services |
| | AgroFATAR VANO | 84,864.03 | 44,593.00 | Development of sesame, beans, and maize value chains in an out-grower scheme Provision of land preparation and extension services, input credit and the buying of produce | 1,368 30% W 40% Y | 1,026 23% W 44% Y | 323.35 | 11,834,250 MZN 169,060 USD | <ul style="list-style-type: none"> • Signing contracts with farmers and traders with the distribution of inputs and provision of mechanized land preparation and extension services • Start of the procurement process for agricultural equipment |

| Province | SIP | Amount disbursed by PROMER USD (cumulative) | Amount disbursed by Beneficiary USD (cumulative) | Activity | PROGRESS: JANUARY TO JUNE 2020 | | | | Activities |
|-------------------------------|-------|---|--|--|--------------------------------|-------------------------|------------------------------------|--------------------------------|---|
| | | | | | Target Beneficiaries 2020 | Involved beneficiaries | Volumes marketed up to June (tons) | Income for producers | |
| | | | | from the farmers | | | | | |
| Sub Total Cabo Delgado | | | | | 3,607 | 2,708 | 730.35 | 31,656,747 MZN 452,239 USD | |
| Nampula | IKURU | 33,327.96 | 59,304.00 | Development of sesame, beans, and maize value chains in an out-grower scheme with seed multiplication involving farmers Provision of land preparation | 770 17% W 3% Y | 1,865 33% W 37% Y | 37.85 | 1,283,700 MZN 18,338.57 USD | <ul style="list-style-type: none"> Signing contracts with farmers and traders with the distribution of inputs and extension services Completion of tender to purchaser motorbikes for IKURU extension officers and for (warehouse construction) |

| Province | SIP | Amount disbursed by PROMER USD (cumulative) | Amount disbursed by Beneficiary USD (cumulative) | Activity | PROGRESS: JANUARY TO JUNE 2020 | | | | Activities |
|----------|-----|---|--|---|--------------------------------|------------------------|------------------------------------|----------------------|---|
| | | | | | Target Beneficiaries 2020 | Involved beneficiaries | Volumes marketed up to June (tons) | Income for producers | |
| | | | | and extension services, input credit and the buying of produce from the farmers | | | | | |
| | CAL | 216,193.00 | 252,273.00 | Development of sesame value chains in an out-grower scheme Provision of land preparation and extension services, input credit and the buying of produce from the farmers | N/A | N/A | N/A | N/A | The Corredor Agro Lda (CAL) Project was implemented for two seasons for 2012/2013 and 2013/2014 and benefitted 1,139 producers having bought a total of 73 tons amounting to 1,439,425.73 Meticaís (approximately USD 48,000 based on the exchange rate of that time). CAL faced financial challenges and closed. The equipment financed by PROMER was given back to the Government and was distributed to District Government and some farmer organizations to |

| | | | | | PROGRESS: JANUARY TO JUNE 2020 | | | | |
|--------------|-----|---|--|----------|--------------------------------|------------------------|------------------------------------|------------------------------------|---|
| Province | SIP | Amount disbursed by PROMER USD (cumulative) | Amount disbursed by Beneficiary USD (cumulative) | Activity | Target Beneficiaries 2020 | Involved beneficiaries | Volumes marketed up to June (tons) | Income for producers | Activities |
| | | | | | | | | | facilitate value chain activities in the project area where CAL operated. |
| TOTAL | | 653,603.60 | 1,228,319 | | 9,053 | 9,146 | 1,287.35 | 40,185,639 MZN \$574,080.56 USD | |

Table 2. Financing of Component 2 Matching Grants

| No. | Beneficiary Company | PROMER Matching Grant (USD) | Amount Disbursed by PROMER (USD) | Balance USD | Source of Funds (USD) | |
|-----|---------------------|-----------------------------|----------------------------------|-------------------|-----------------------|-------------------|
| | | | | | Old Funds | Additional Funds |
| 1 | CAL | 216,193.00 | 216,193.00 | 0.00 | 216,193.00 | |
| 2 | JFS | 243,817.24 | 130,650.72 | 113,166.52 | 76,087.59 | 167,729.65 |
| 3 | ALIMI | 114,995.58 | 51,470.00 | 63,525.58 | | 114,995.58 |
| 4 | IKURU | 151,000.00 | 33,327.96 | 117,672.04 | | 151,000.00 |
| d5 | Cornélio Comercial | 176,005.00 | 137,097.89 | 38,907.11 | | 176,005.00 |
| 6 | Agro Fatar Vano | 147,250.00 | 84,864.03 | 62,385.97 | | 147,250.00 |
| | | 1,049,260.82 | 653,603.60 | 395,657.22 | 292,280.59 | 756,980.23 |

Table 1. PROMER Yearly Matching Grants Disbursements

| SIP | Yearly Disbursements by PROMER (USD) | | | | | | | | Total |
|--------------------|--------------------------------------|----------|----------|----------|------------------|------------------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Corredor Agro Lda | 216 193,00 | | | | | | | | 216 193,00 |
| SAN JFS | | | | | 64 684,49 | 11 403,10 | 12 106,91 | 42 456,22 | 130 650,72 |
| ALIMI | | | | | | | 32 590,13 | 18 880,27 | 51 470,40 |
| Cornelio Comercial | | | | | | 2 957,61 | 120 382,48 | 13 757,80 | 137 097,89 |
| Agrofatar Vano | | | | | | | 58 304,87 | 26 559,16 | 84 864,03 |
| IKURU | | | | | | 5 192,25 | 4 213,20 | 23 922,51 | 33 327,96 |
| Total | 216 193,00 | - | - | - | 64 684,49 | 19 552,96 | 227 597,59 | 125 575,96 | 653 604,00 |

Table 2. Beneficiary Financing of Component 2 Matching Grants

| No. | Beneficiary Company | Beneficiary Matching Grant (USD) | Amount Disbursed by Beneficiary (USD) | Difference USD |
|-----|---------------------|----------------------------------|---------------------------------------|------------------|
| 1 | CAL | 252,273 | 252,273 | 0.00 |
| 2 | JFS | 300,016 | 315,113 | 15,097.10 |
| 3 | IKURU | 121,550 | 59,304 | -62,246.10 |
| 4 | ALIMI | 147,715 | 180,242 | 32,526.90 |
| 5 | Cornélio Comercial | 207,200 | 376,794 | 169,593.60 |
| 6 | Agro Fatar Vano | 110,634 | 44,593 | -66,040.80 |
| | | 1,139,388 | 1,228,319 | 88,931.00 |

Technical Annex 3 - Infrastructure development activities

1 Introduction

1. From 16th to 27th November 2020, a remote supervision mission to PROMER was conducted by IFAD. The aim of this mission was to follow up on the agreed actions and recommendations of the last missions in 2020, particularly in the areas of Rural Infrastructure, taking into account that the project is approaching its closure. The mission was supporting the project to: a) accelerate the project progress and performance towards closure; b) work with the Programme Management Team (PMT) to identify any existent constraints and jointly agree on rapid solutions for effective implementation; c) agree on key actions to accelerate performance taking into account that June 2021 is the implementation closing date. The mission evaluated the implementation progress since last mission, discuss key actions and provide key recommendations for the operational strategy for the remaining project implementation period.

2. The following was assigned to the Rural infrastructure expert: a) Assess the overall progress achieved in the implementation of the last mission agreed actions and cumulative implementation progress in this component; b) Review and provide guidance to accelerate the implementation of the COVID-19 Infrastructure action plan; c) Assess the implementation status of the updated time-frame for roads rehabilitation and advice accordingly; d) Review the works calendar and advice accordingly taking into account the forthcoming raining season and project implementation closure; e) Assess the rehabilitation status of the 8 roads (303.8 km) affected by Cyclone "Kenneth"; f) Assess the ANE/FE support with additional qualified staff allocated for survey/design of PROMER roads and recommend actions to improve performance; g) Review the status testing the "craycrete" piloting technology, its results and potential for replication h) Assess the progress with the Infrastructure Social and Economic Impact assessment Study i) Provide contributions for the PCR.

3. The following was assigned to the area of rural infrastructure: a) Assess the overall progress achieved in the implementation of the last mission agreed actions and cumulative implementation progress in this component; b. Assess the implementation status of the updated time-frame for roads rehabilitation and advice accordingly; c. Review the works calendar and advice accordingly taking into account the effects of December March rains in the project area; d. Assess the rehabilitation status of the 8 roads (303.8 km) affected by Cyclone "Kenneth"; e. Discuss with ANE/FE the adequacy of the additional qualified staff allocated for survey/design of PROMER roads and recommend actions to improve performance; f. Review the status testing the "craycrete" piloting technology, its results and potential for replication; g) Develop an emergency plan of implementation of the remaining activities in the context of COVID 19; h) Develop the financing disbursement plan for remaining activities, including on-going and new roads; i) Review the ToRs of the impacts assessment study of roads rehabilitated; i) Provide guidelines and inputs for the review of any agreement as per requests; k) Provide any required advice in setting up a Community-Based road maintenance system (CBRMS)

2 Market Infrastructures

4. A total of 13 markets premises were constructed/rehabilitated by the Programme. A contractor has been recruited to finalise the rehabilitation of the two market premises (Malema and Iapala) in Nampula Province. The overall physical progress is estimated at 98% by the PMT. In the rehabilitation process, the Programme gave priority to the one of Malema because of the high volume of works required. As recommended by the last mission, the construction process of a wholesale market³ for vegetables/fruits in Pemba is on-going, based on Economic, technical and socio environmental guidelines of the studies. A contractor and a supervisor are soon to be recruited. Works to start before the end of year, for completion before project ends. The construction process involved a number of government institutions through various steps: i) exploratory mission carried to visit three potential sites; ii) formation of a multisectorial committee involving provincial directorates (commerce and

³ The market includes stands, storage facilities, parking, etc.

industry, land and environment), local municipality, national directorate of local economic development and PROMER; iii) signed MoU between PROMER and the municipality.

3 Feeder road development

5. Under Phase I, 729 km of unclassified roads were spot improved⁴ (96% of target). For phase II, 678 km are targeted for full rehabilitation⁵ with equipment. For 2019 roads, 213.9 km are being rehabilitated in Niassa (6 roads) and Cabo Delgado (5 roads). All completed roads (5 in Cabo Delgado and 3 in Niassa) are handed over to local authorities. On-going works are between 60 and 75% execution. Works are on-going for all 2020 roads, including “Kenneth” affected ones (**Table 3** and **Table 4**). Two project roads are completed (in Nampula and Zambézia), 7 are above 30% and 12 below 30% executed. Two “Kenneth” roads are completed (in Niassa), one is 75% and another is 10% completed. ANE (National Road Authority) and FE (Road Funds) partner with the project in road activities for technical assurance (joint survey/design and full supervision) and payment respectively. Works are carried out by competitive contractors.

Table 3: Status of implementation of 2020 Road in Nampula and Cabo Delgado

| Provinc es | Districts | Roads | Extens ion (km) | Contract amount (Mt) | Types of works | % exécuti on | Advance paid | Expecte d period of complet ion |
|---------------|-----------|--|-----------------------|-------------------------|---------------------------------|--------------------|-------------------|--|
| NAMPULA | RIBÀUÉ | Crz. N13 / Massale | 9 | 12 161 258,27 | Structures and earthworks | 31,00 | 3.738.303 ,98 | Feb. 2021 |
| | | Massale / Mecuassee | 15,9 | 14 153 960,56 | Idem | 30,00 | 3.783.051 ,77 | Feb. 2021 |
| | | Crz. N13 / Khurapine | 12,4 | 12 438 891,16 | Idem | 100,00 | 11.522.68 6,57 | Dec. 2020 |
| | | Crz. N13 Missão /Massale | 4,3 | 13 833 149,56 | Idem | 34,00 | 4.759.742 ,25 | Feb. 2021 |
| | | Crz. N13 (Matharia) / Mecuassee | | 12 178 907,13 | Bridges (20m & 30m) | 31,00 | 3.911.402 ,08 | Feb. 2021 |
| | Malema | Cruz N13 / Rio Muelela (Povoado de Nataleia) | 7 | 14 300 752,74 | Structures and earthworks | 29,00 | 4.065.604 ,89 | Feb. 2021 |
| | | Rio Muelela (Povoado de Nataleia) / (Rio Imetxe, Povoado Ntakasse) | 8 | 15 265 812,64 | Idem | 31,00 | 4 497 131,20 | Feb. 2021 |
| | | (Rio Imetxe, povoado Ntakasse) / (Rio Namilahi, Povoado de Nantoko) | 11 | 12 587 596,10 | Idem | 39,00 | 4.901.621 ,94 | Feb. 2021 |
| | | Rio Namilahi, povoado de Nantoko / Chihulo | 7,9 | 13 894 571,68 | Idem | 39,00 | 4.722.738 ,72 | Feb. 2021 |
| | | Rio Imetxe, povoado | 7 pontõe | 14 597 892,49 | Bridge | 18,00 | 2.687.776 ,66 | Feb. 2021 |
| | | | | | | | | |

⁴ Unclassified roads: 405km (55% of total) under IFAD funds; 120km with EU funds under the Food Production Action Plan Project (ProPAPA) and 204km with EU funds under MDG programme.

⁵ This includes both earthworks (road platform/surface and drainages) and other structures (bridges, drifts, etc.) along the entire stretch of the road

| | | | | | | | | |
|---------------------------------|-----------|---------------------------------|--------------|-------------------------|---------------------------|---------------|---------------|------------|
| | | Ntakasse / Chihulo (Posto Sede) | s | | | | | |
| SUB-TOTAL NAMPULA | | | 77,5 | 253 021 992,4835 | | 382,00 | - | |
| CABO DELGADO (Spot improvement) | Chiurú | Ocuá Sede - Namugelia (Kenneth) | 16,5 | 7 110 556,56 | Structures and earthworks | 10,00 | - | March 2021 |
| | Ancuabé | Nacololo - Namacuile | 9 | 14 083 763,79 | Idem | 22,22 | 4 370 442,27 | Jan. 2021 |
| | Montepuez | Nacuca - Mahepe | 14 | 12 209 018,84 | Idem | 14,29 | 1 783 246,26 | March 2021 |
| | Namuno | Namuno - Montepuez (Kenneth) | 60 | 15 533 969,07 | Idem | 75,00 | 10 439 753,40 | Jan. 2021 |
| | | Nicuita - Muhatuca | 8,5 | 6 547 530,52 | Idem | 11,76 | | March 2021 |
| | Balama | Mavala - Sirimula | 13,2 | 4 547 507,90 | Idem | 22,73 | 871 610,33 | March 2021 |
| SUB-TOTAL CABO DELGADO | | | 121,2 | 60 032 346,68 | | 156,00 | | |

Table 4: List of the 2020 roads under rehabilitation works in Niassa and Sambézia

| Province | Districts | Roads | Extension (km) | Physical execution (%) |
|----------|-------------------|--------------------------|----------------|------------------------|
| Niassa | Mandimba | Mitande - Namicoio | 8,20 | 15% |
| | Cuamba | Crz.R657 - Komane | 10,40 | 20% |
| | Mecanhelas | Chiúta - Entre Lagos | 17,30 | 25% |
| | Metarica | Chipane - Uaquia | 9,50 | 18% |
| | Maúia (Kenneth) | Queta - Maiaca | | 100% |
| | Maúia | Maiaca - Quarea 2 | 8,20 | 70% |
| | Marrupa | Marangira - Mutaparata | 11,30 | 10% |
| | Marrupa (Kenneth) | Macuvangu - Iaranca | | 100% |
| Zambézia | Gurúè | Crz.R1102 - Coane | 23,00 | 100% |
| | Gurúè | Murrece - Mucunha | 21,50 | 25% |
| | A. Molócuè | Crz.N1 - Nivava - Cololo | 50,60 | 32% |
| | A. Molócuè | Crz.N1 - Nivava - Cololo | 50,60 | 40% |
| | A. Molócuè | Crz.R665 - Ecole | 27,50 | 29% |
| | | | | |

6. Based on discussions with PMT and partners: i) COVID 19 Emergency Implementation Plan was executed (see **Annex 1** and **Annex 2**); ii) ANE staffs were efficiently involved for survey/design of 2020 roads as recommended by last implementation support mission; iii) due to limited funds, target for 2020 roads was revised (328.4 km to 315.7 km), spot improvement was adopted in Cabo Delgado (4 roads, 44.7 km) and, 4 “Kenneth” roads (123.5 km) out of 8 targeted (302.8 km) are being spot improved; iv) a trial phase to set up a community-based feeder road routine maintenance system is on-going in Métarica District with ANE’s support; v) since October 2020, works lack⁶ regular supervision however, but quality of work is assured by a constant assistance of Provincial ANE staffs; vi) the road impact assessment planed will be coupled to the project overall impact assessment study; vii) all outstanding works will be executed before project completion date (if liquidity issues are addressed on time), but liability period will not be covered by the project.

7. **“Claycrete” technology.** As recommended by the last implementation support mission, the first experimental took place on Mirate – Mahepe road in Montepuez. Based on description of the process, the mission noted some areas to be improved, including: i) have a similar length and depth for all

⁶ Contract of supervisor ended and despite a new one is recruited and not yet deployed on the field

experimental sections of the road (treated and untreated); ii) cover entire rainy and dry seasons during experimental period; iii) include also socio economic data to be collected (traffic count, development indices, etc.) and lessons learnt by the team (ANE shared a copy of a document including this with MPT), all to be considered during the second experimental on the Cruzamento R657 – Komane in Cuamba. It should be noted that the second experiment takes place in a different environmental milieu. The process is supported by ANE whose laboratory started collecting data for further analysis and monitoring. Final result will support the national rural road sector.

Annex 1: Timeline submitted as the COVID 19 Emergency Implementation Plan

| Designations | Year 2020 | | | | | | | | | | | | | | | | Year 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-----------|---|---|---|------|---|---|---|------|---|---|---|--------|---|---|---|-----------|---|---|---|---------|---|---|---|------|---|---|---|------|---|---|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|-----|--|--|
| | May | | | | June | | | | July | | | | August | | | | Sept. | | | | October | | | | Nov. | | | | Dec. | | | | M 1 | M 2 | M 3 | M 4 | M 5 | M 6 | M 7 | M 8 | M 9 | M 10 | M 11 | M 1 | | |
| | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | M 1 | M 2 | M 3 | M 4 | M 5 | M 6 | M 7 | M 8 | M 9 | M 10 | M 11 | M 1 | | |
| Shortlisting of contractors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Availing bidding docs, site visits & submission of proposals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening & evaluation of tech./fin. proposals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Disclosure of the evaluation results | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Authentication by the administrative attorney | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consignment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Road rehabilitation Works | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Supervision of works | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Defect liability | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Annex 2: Emergency Implementation Plan for road

This plan concerns all PROMER and "Kenneth affected" roads in Cabo Delgado, Niassa and Zambézia Provinces

| Activities | Descriptions | Duration | Observations | Actions/measures required to cope with COVID 19 related recommendations | Implications / consequences |
|-----------------------------|--|--|--|--|-----------------------------|
| Shortlisting of contractors | Max number of contractors that is allowed by the shortlisting procurement option | 10 days (5 days x 2): - 5 days for Cabo Delgado & Niassa - 5 days for Zambézia | <p>ANE should send official request to Provincial Administrations for permission to:</p> <ul style="list-style-type: none"> - Refer to shortlisting option; - Include contractors from other Provinces <p>Use high-performance criteria to shortlist the contractors: financial and technical (including human and equipment) capacities, good records with PROMER/other Projects, etc.</p> <p>Request to provincial administration and shortlisting itself to be done simultaneously and should include PROMER' Eng.</p> <p>Shortlisting to happen in two phases: i) Cabo Delgado and Niassa (5 days) first and; ii) Zambézia (5 additional days) later on.</p> | Due to the limited number (less than 20) of people involved, no particular COVID 19 related measures to be observed, a part from observing distancing measures and wearing of masks. | No foreseen implication |

| Activities | Descriptions | Duration | Observations | Actions/measures required to cope with COVID 19 related recommendations | Implications / consequences |
|---|---|---|--|--|-----------------------------|
| Selling/availing bidding documents, site visits and submission of proposals | Bidding docs made available to shortlisted contractors at ANE provincial headquarters | 15 days | <p>Invite shortlisted contractors (including those from other Provinces) to submit their financial/technical proposals</p> <p>This should happen immediately after shortlisting of contractors</p> <p>After reception of bidding docs, contractors to start developing their proposal</p> <p>Site visits (between 7 and 10 days duration) to happen 2 to 3 days after contractors have received bidding docs and started writing their proposals. Proposals to be finalised after site visits (2 to 3 days required).</p> <p>Organise a meeting to explain details of the work and clarify some doubts</p> <p>Site visits to be organised in an efficient way (consider distances between roads, workload, etc.)</p> <p>Technical/financial Proposals to be submitted physically (hard copies)</p> | No specific COVID 19 measures to be observed, based on the number of people (less than 20) involved | No foreseen implication |
| Opening and evaluation of technical / financial proposals | Based on opened sessions, with all participants | 1 week x 2: <ul style="list-style-type: none"> - One week for Cabo Delgado and Niassa - One week in Zambézia | <p>Opening of proposals in each Province involving all contractors. This should happen during morning time, first day of the week dedicated to this step of the process</p> <p>Evaluation of technical/financial proposals to be done in different venue, starting from the afternoon of the first day of the week</p> <p>People to be involved include: ANE/FE, ANE</p> | No specific COVID 19 related restrictions to observe given the number of people involved: respect the distancing measure and wear the mask | |

| Activities | Descriptions | Duration | Observations | Actions/measures required to cope with COVID 19 related recommendations | Implications / consequences |
|---|--|------------------------------|---|--|--|
| | | | <p>supervisor, PROMER Eng. and contractors (only for opening of proposals).</p> <p>All these people to be informed on time enough to allow their availability to take part to the exercise</p> <p>All members of the evaluation committee to gather together in a location as a retreat</p> | | |
| Public Disclosure of the evaluation results | Public session, in the presence of all bidders who wish to attend the event | 1 day | | To be done in a room taking into account the distancing measures between people | |
| Authentication by the administrative attorney | Submission for Authentication by the administrative attorney of contracts and other relevant documents | Maximum of 45 days | <p>This number of days is too high. As a threat to the overall process, it may hampered the expected result by delaying the process</p> <p>To avoid any delay as a result of the delivery of this final doc, regular follow up should be done</p> <p>The July mission to inform on ways forward and propose alternatives to the process</p> | No specific measures recommended | |
| Consignment | Meetings with district authorities, local Administrative Post, to introduce the contractor. | 7 days (1 days on each road) | This involves the following: financier, inspector and contractor, ANE, local authorities. | Not more than 20 people to be mobilised per session. No specific COVID 19 related measures to be observed a part from distancing and wearing of masks | |
| Road rehabilitation Works | Earthworks (road cleaning, levelling, excavation, road formation, opening of ditches and drainages, backfilling, etc.) | Contract duration: 6 months | No addendum to contract to be expected. All targeted activities to be carried out during the contract period | <p>Include COVID 19 related measures as part of the contractual arrangement to be observed by each contractor</p> <p>Before starting works, organize induction session with contractors during which the following will be</p> | <p>Some cases will need to extend contact period (Addendum)</p> <p>No addendum</p> |

| Activities | Descriptions | Duration | Observations | Actions/measures required to cope with COVID 19 related recommendations | Implications / consequences |
|----------------------|---|-----------------------------|--|---|-----------------------------|
| | Construction of structures (drainages, bridges, etc.) | | | explained to them: i) expectations of deliveries (quality and timeliness), methodology and prioritisation of works (start with structures), on-site COVID 19 related measures and security/safety measures to be observed | |
| Supervision of works | | Contract duration: 6 months | In normally supervision maximum we are tree persons in same car (PROMER's Engineer, ANE-focal point, SDPI focal point). All persons have to use equipment according to emergency state | Three persons in a car during supervision visits (ANE, PROMER and SDPI) wearing protection masks Continuous awareness and sensitisation sessions towards contractors and all stakeholders | |
| Defect liability | | 8 months | | Respect distancing measures during field visits | |

Annex 3: Disbursement plan for remaining works (do not include retention, which should be incorporated in contracts)

| CASH FLOW PLAN | | | | | | | | | | | | | | |
|---|----------------|-----------------------|-----------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| ONGOING WORKS - FULL REHABILITATION | | | | | | | | | | | | | | |
| Province | Extension (Km) | Contract value (MZN) | Amount paid (MZN) | Amount remaining (MZN) | | | | | | | | | | |
| | | | | Total | Payments | | | | | | | | | |
| | | | | | April | May | June | July | August | September | October | November | December | |
| Cabo Delgado | 96,7 | 141 433 396,00 | 87 787 221,00 | 53 646 175,00 | 16 093 852,50 | 16 093 852,50 | 10 729 235,00 | 10 729 235,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | |
| Niassa | 117 | 137 343 139,00 | 50 647 461,00 | 86 695 678,00 | 15 605 222,04 | 22 540 876,28 | 24 274 789,84 | 19 940 005,94 | 4 334 783,90 | 0,00 | 0,00 | 0,00 | 0,00 | |
| TOTAL | 213,7 | 278 776 535,00 | 138 434 682,00 | 140 341 853,00 | 31 699 074,54 | 38 634 728,78 | 35 004 024,84 | 30 669 240,94 | 4 334 783,90 | 0,00 | 0,00 | 0,00 | 0,00 | |
| WORKS TO START 2020 - FULL REHABILITATION | | | | | | | | | | | | | | |
| Province | Extension (Km) | Contract value (MZN) | Amount paid (MZN) | Amount to be paid (MZN) | | | | | | | | | | |
| | | | | Total | 2020 | | | | | | | | 2021 | |
| | | | | | May | June | July | August | September | October | November | December | January | February |
| Cabo Delgado | 98,4 | 108 000 000,00 | 0,00 | 108 000 000,00 | 0,00 | 0,00 | 10 800 000,00 | 16 200 000,00 | 15 120 000,00 | 16 200 000,00 | 16 200 000,00 | 17 280 000,00 | 7 560 000,00 | 3 240 000,00 |
| Niassa | 91,6 | 103 576 875,00 | 0,00 | 103 576 875,00 | 0,00 | 0,00 | 10 357 687,50 | 15 536 531,25 | 14 500 762,50 | 15 536 531,25 | 15 536 531,25 | 16 572 300,00 | 7 250 381,25 | 3 107 306,25 |
| Zambézia | 72,1 | 95 450 681,00 | 0,00 | 95 450 681,00 | 0,00 | 0,00 | 9 545 068,10 | 14 317 602,15 | 13 840 348,75 | 15 749 362,37 | 13 363 095,34 | 13 840 348,75 | 5 727 040,86 | 2 386 267,03 |
| Nampula | 77,8 | 148 954 072,00 | 0,00 | 148 954 072,00 | 14 895 407,20 | 22 343 110,80 | 22 343 110,80 | 22 343 110,80 | 22 343 110,80 | 19 364 029,36 | 17 874 488,64 | 7 447 703,60 | 0,00 | 0,00 |
| TOTAL | 262,1 | 307 027 556,00 | 0,00 | 307 027 556,00 | 0,00 | 0,00 | 30 702 755,60 | 46 054 133,40 | 43 461 111,25 | 47 485 893,62 | 45 099 626,59 | 47 692 648,75 | 20 537 422,11 | 8 733 573,28 |
| WORKS TO START 2020 - KENETH SPOT IMPROVEMENT | | | | | | | | | | | | | | |
| Province | Extension (Km) | Contract value (MZN) | Amount paid (MZN) | Amount to be paid (MZN) | | | | | | | | | | |
| | | | | Total | 2020 | | | | | | 2021 | | | |
| | | | | | July | August | September | October | November | December | January | February | March | |
| Cabo Delgado | 143,3 | 58 000 000,00 | 0,00 | 58 000 000,00 | 8 700 000,00 | 8 700 000,00 | 11 600 000,00 | 11 020 000,00 | 11 600 000,00 | 6 380 000,00 | 0,00 | 0,00 | 0,00 | |
| Niassa | 38,7 | 6 720 308,00 | 0,00 | 6 720 308,00 | 1 008 046,20 | 1 008 046,20 | 1 344 061,60 | 1 276 858,52 | 1 344 061,60 | 739 233,88 | 0,00 | 0,00 | 0,00 | |
| TOTAL | 182 | 64 720 308,00 | 0,00 | 64 720 308,00 | 9 708 046,20 | 9 708 046,20 | 12 944 061,60 | 12 296 858,52 | 12 944 061,60 | 7 119 233,88 | 0,00 | 0,00 | 0,00 | |

Annex 4: Detailed physical progress of on-going works on targeted 2019 roads in Cabo Delgado

| District | Road | Lote | Initial Scope of works | Remaining Works | Provision Addenda | | | |
|-----------|-----------------------|--------|---|--|-------------------|----------|--|--|
| | | | | | Finance | Duration | Work | Reason for Addenda |
| Chiure | Crz N1 - Maningane | Lot 01 | ✓ Structures (Box culverts, masonry side drain); ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | 100% | N/A | N/A | N/A | N/A |
| | | Lot 02 | ✓ Structures (bride and box culverts); ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | 100% | 1,890,136.79 | 1 Month | ✓ Structures (1 bridge, 2 box culverts; | ✓ Heavy rain, create damage an show some miss lines of water |
| Balama | Crz N14 - Impire | Lot 03 | ✓ Structures (bridges and box culverts) | 100 % | 3,520,181.36 | 1 Month | ✓ 2 Structures (bridge + box culvert) | ✓ Classified road, which means we upgraded road from initial project (2012), from class C (4.5m), to class B (6.0m). |
| | | Lot 04 | ✓ Structures (Box Culverts and masonry side drain) | ✓ Masonry side drain, at least 1000,m | 1,323,799.46 | 2 Month | ✓ 2 box culverts and 1 drift | |
| | | Lot 05 | ✓ Earthwork (Clean road, back fill, side and mitre drains, wearing course, masonry side drain) | ✓ Earthwork (back fill, wearing ourse) | 3,488,942.40 | 2 Months | ✓ Earthwork (back fill, wearing course) | |
| Ancuabe | Ancuabe Sede - Metoro | Lot 06 | ✓ Structures (bridges) | ✓ 1 Bridge | 2.242.872.42 | 1 Month | ✓ 1 bridge | ✓ Project to asphalt road, which means we upgraded road from initial project (2013), from class C (4.5m), to class A (7.0m), |
| | | Lot 07 | ✓ Structures (Box culverts, masonry side drain); | ✓ Masonry drain channels, at least 900,m | 1,737,856.01 | 1 Month | ✓ Box culverts; ✓ Earthwork (wearing course, side and mitre drain) | |
| | | | ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | ✓ | | | | |
| Montepuez | Mirate - Mahepe | Lot 08 | ✓ Structures (box culverts, retain wall, masonry side | ✓ Structures (masonry drain | N/A | 3 Months | N/A | N/A |

| | | | | | | | | |
|--------|-----------------|--------|---|--|---------------|---------|--|--|
| | | | drain; ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | channels) ✓ Earthworks (Back fill, side and mitre drains, wearing course) | | | | |
| Namuno | Machoca - Papai | Lot 09 | ✓ Structures (Bridge, box culverts); ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | ✓ Slabs in bridge ; ✓ Earthwork (wearing course) | 3,613,964.62 | 1 Month | ✓ Structures (2 box culverts); ✓ Earthwork (wearing course) | ✓ Classified road, which means we upgraded road from initial project (2012), from class C (4.5m), to class B (6.0m). |
| Total | | | | | 17,817,753.06 | | | |

Annex 5: Detailed physical progress of on-going works on targeted 2019 roads in Niassa

| District | Road | Lote | Initial Scope of works | Remaining Works | Provision Addenda | | | |
|------------|----------------------|---------|--|--|-------------------|-------------------|---|------------------------------------|
| | | | | | Finance | Extension of time | Work | Reason for Addenda |
| Mandimba | Chanica - Muita | Lote 01 | ✓ Structures (box culverts); | Construction 2 box culvert | 1,132,700.40 | 2 Month | ✓ Reparation of erosion | ✓ Due to the heavy rain |
| | | | ✓ Earthworks (Cleaning road, back fill, side and mitre drains, wearing course) | Wearing course | | | ✓ Reconstruction of wing walls of a bridge; | |
| | Chanica - Muita | Lote 02 | ✓ Structures (bridge and box culverts); | 0% | 1,128,248.55 | 2 Month | ✓ Reparation of erosion | ✓ Due to the heavy rain |
| | | | ✓ Earthworks (Cleaning road, back fill, side and mitre drains, wearing course) | Wearing course | | | ✓ Construction of a box culvert; | |
| Mecanhelas | Chiúta – Entre Lagos | Lote 03 | ✓ Structures (Box culverts) | 0% | 0.00 | 1 Month | N/A | N/A |
| | | | ✓ Earthworks (Cleaning road, back fill, side and mitre drains, wearing course) | Embankment, wearing course | | | | |
| | | Lote 04 | ✓ Structures (Box Culverts) | 0% | 2,923,970.40 | 2 Month | ✓ Embankment ✓ wearing course | ✓ High level of subterranean water |
| | | | ✓ Earthworks (Cleaning road, back fill, side and mitre drains, wearing course) | Embankment, wearing course | | | | |
| Cuamba | Mpoluhio - Matuane | Lote 05 | ✓ Structures (Box Culverts) | Construction 4 box culvert | 0.00 | 2 Month | N/A | N/A |
| | | | ✓ Earthworks (Cleaning road, back fill, side and mitre drains, wearing course) | ✓ Back fill, side and mitre drains, wearing course | | | | |
| | | Lote 06 | ✓ Structures (Bridge, Box Culverts) | Construction 10 box culvert and 1 bridge | 0.00 | 3 Month | N/A | N/A |
| | | | ✓ Earthworks (Cleaning road, back fill, side and mitre drains, wearing course) | Wearing course | | | | |
| Metarica | Nankhari - Muhemela | Lote 07 | ✓ Structures (Box culverts); | Construction 22 box culvert | 0.00 | 4 Month | N/A | N/A |
| | | | ✓ Earthworks (Clean road, back | Back fill, side and | | | | |

| | | | | | | | | |
|---------|------------------------|---------|---|--|---------------------|---------|--|---------------------------------------|
| | | | fill, side and mitre drains, wearing course) | mitre drains, wearing course | | | | |
| Maúa | Crz.N360 - Muhumbwa | Lote 08 | ✓ Structures (Bridge, Box culverts); | Construction 12 box culvert and 1 bridge | 0.00 | 3 Month | N/A | N/A |
| | | | ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | back fill, side and mitre drains, wearing course | | | | |
| Marrupa | Mutaparata - Marangira | Lote 09 | ✓ Structures (Bridge, box culverts); | 0% | 0.00 | 1 Month | N/A | N/A |
| | | | ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | Wearing course | | | | |
| | | Lote 10 | ✓ Structures (Bridge, box culverts); | Construction 5 box culvert and 1 bridge | 0.00 | 3 Month | N/A | N/A |
| | | | ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | back fill, side and mitre drains, wearing course | | | | |
| | | Lote 11 | ✓ Structures (Bridge, box culverts); | 0% | 1,413,618.68 | 1 Month | ✓ Construction of additional 2 spam of the bridge; | ✓ Erosion enlarged the width of river |
| | | | ✓ Earthworks (Clean road, back fill, side and mitre drains, wearing course) | Wearing course | | | | |
| | | | | | 6,598,538.04 | | | |

Annex 6: List of the roads affected by “Kenneth” cyclone in PROMER intervention area to be potentially spot improved

| Cabo Delgado province | | | | | |
|------------------------------|----------------------------|-------------------|-----------------------|---|---|
| Districts | Names of roads | Dist. (km) | Damages | Proposed Interventions | Observations |
| Balama | R768 (Balama - Mavala) | 18 | Two culverts dragged | Construction of culverts 1.0x2.0x7.5x1.5m | Replacement of the two dragged aqueducts |
| | | | Three Cross Cuts | Construction of culverts 1.0x2.0x7.5x1.5m | Due to the size of erosion, it is recommended to build aqueducts in the three points, where there was marked erosion. |
| Namuno | R771 – Crz R698 - Hucule | 42 | Two culverts dragged | Construction of 2 culverts 1.0x2.0x7.5x1.5m | Replacement of the two dragged aqueducts |
| | | | Two Cross Cuts | Construction of 2 culverts 1.0x2.0x7.5x1.5m | Due to the size of erosion, it is recommended to build aqueducts in the two points, where there was marked erosion |
| Chiúre | R772 – Ocua - Namugelia | 55 | One culvert dragged | Construction of culverts 1.0x2.0x7.5x1.5m | Replacement of the two dragged aqueducts |
| Montepuez | R698 (Montepuez - Nairoto) | 68 | Five aqueduct drag | Construction of 5 culverts 1.0x2.0x7.5x1.5m | Replacement of the two dragged aqueducts |
| | | | Severe erosion | Backfilling of the platform | Excavation at level, formation of the profile of the road and sasaimento of the platform in an extension of 5.0km |
| | R698 (Montepuez - Namuno) | 60 | Two Cross Cuts | Construction of 2 Aqueduct 1.0x2.0x7.5x1.5m | Due impact of erosion, it is recommended to build culverts in the two locations, where there was marked erosion |
| Ancuabe | Naputa - Nacuale | 8.8 | Erosions on road deck | Backfilling of the platform | Excavation at level, formation of the road profile and sasaiding the platform in an extension of 3.5 km and protection with mortared stone 5 m ³ . |
| Total extension (km) | | 251,8 | | | |
| Niassa province | | | | | |
| Marrupa | Crz.N14 – Nrassa | 30 | | | |
| Maúá | Queta - Maiaca | 21 | | | |
| Total extension (km) | | 51 | | | |

Annex 7: Operationalization process of the CRBMS in Bloc A (Metarica and Cuamba Districts of Niassa Province)

After the consignment of road rehabilitation works in block A, July 2019, and in separate meetings with the Directors of sdpi's, the infrastructure technician of PROMER warned the District Governments about the need to ensure the maintenance of these roads in rehabilitation. At these meetings, it was recommended that district governments should submit a proposal for the operation of the road maintenance system and that PROMER would provide support in the items of training and purchase of some tools.

Following this initiative, in March 2020, the Government of the District of Metarica submitted to PROMER, Cuamba Cell, a budget proposal requesting funding for the purchase of tools and repair of a tractor. After its analysis, it was found that it lacked details regarding the management procedures in the operationalization of the system. Thus, it was recommended that they should provide more details about the modality of recruitment, payments and sustainability of the same. The detailed proposal is expected to be submitted.

Operationalization strategy;

Following this idea of the district of Metarica it was agreed the following:

- 1- The District wants to implement this system of maintenance of roads on its own initiative and will ensure its continuity even after the end of PROMER. The initiative is not the imposition of the program.
- 2- The District will be responsible for selecting locally registered artisans to head the maintenance brigades;
- 3- The District, in coordination with community leaders in the areas where the roads are located, will be responsible for selecting individuals from local communities to join the maintenance brigades;

1. Contract Management

- 1- District Governments will sign service contracts with artisans;
- 2- The inspection companies contracted by the provincial delegations of the ANE will supervise and certify the work carried out by the maintenance brigades. ANE, PROMER and SDPI will oversee the work;
- 3- To pay for the work done by the artisans, the District Government will use part of the investment funds allocated annually to the SDPI.

Selection of cantoners

- 1- Maintenance brigades will consist of interested individuals of recognized disciplinary merit who have participated in road rehabilitation activities and who belong to local communities;
- 2- Road maintenance brigades will be headed by a locally selected craftsman of recognized leadership and disciplinary merit.

Action Plan

- 1- Reception of the detailed proposal of the Government of Metarica and submission to the PMU for evaluation and approval;
- 2- Selection of artisans and angles to integrate the maintenance brigades;
- 3- Preparation, in coordination with ANE, of the training program of artisans and cantoners;
- 4- Officialization and operationalization of district road maintenance brigades.

Annex 8: Operationalization process of the CRBMS (Ancuabe District, Cabo Delgado Province)

On February 10, 2020, during one of the routine road supervision visits, the work office of the Director of SDPI of Ancuabe was held, the meeting where the Director of the SDPI of Ancuabe, the focal point of ANE-CD and the promoter technician were present. , following the training plan of cantoners for the maintenance of road Ancuabe Sede - Metoro, as a pilot experience in the process. The choice of the District to serve as a pioneer derives from the high experience that the Director of SDPI of Ancuabe has, in the implementation of the system, besides being the only one of the 05 directors of the program's acting districts with proven knowledge and experience in the system of maintenance of roads through cantons.

Operationalization strategy;

For the operation of the system, it was decided that the District should assume the leading role of the process, as a way to appropriate, having defined the following actions:

- 1- The District will be responsible for the selection and award of locally registered artisans;
- 2- The District will support and facilitate artisans to keep in touch with the leaders of the Villages located along the section of road concerned, also in the selection and recruitment of labor, (Cantoneiros);

Contract Management

- 1- The inspection companies contracted by the provincial delegations of roads will be responsible for supervising the work, while ANE, PROMER and District will supervise the work and train the artisans;
- 2- For greater flexibility, implementation and based on the experience of water project management (Helvetas) in the district, it was agreed that PROMER, through the EF should transfer the equivalent amount to the SDPI, in ways that make the payment through the current billing system, that is, certification by the supervision and visa of the provincial delegation of roads of Cabo Delgado.

Identification of cantoners

- 1- The District through the SDPI has already identified 3 potential cantoners in the district, which through the next developments, will be drawn up a strategy for their training.
- 2- The section of the Road of Ancuabe Sede - Metoro is 18 km long and due to its current conditions of transitivity, a cantonering will have a portion of 1.5 and 2.0 km long (depending on the state of degradation of the road platform or high number of hydraulic structures) and two capable;

Action Plan

- 1- Upon acceptance of the proposal, on the principle of management of funds, by PROMER, the Government of the District of Ancuabe, should express its interest in the implementation and management of the routine maintenance system of roads using cantonese (serving as a model);
- 2- Within a maximum period of 2 (two) months before the end of the ongoing rehabilitation contract, the SDPI shall start the training process, assist the identified cantoners, in the survey of all types of essential tools and their costs and agree on the forms of acquisition (or the District will be responsible for purchasing them and the amount will be discounted in work situations or will have to ask for an advance of 20% of the total cost of the work to buy the tools).
- 3- Taking into account, the short implementation period of the program, it was defined that the test period, for the expansion of the program in other Districts should be 6.0 months.
- 4- Since the other directors of the SDPI's of action of the program, show no experience of implementing the process, it was agreed that the technician of the SDPI of Ancuabe, the focal point of ane-cd and promoter technician, should make a round in all the districts of operation of the program, with the aim of empowering the other directors.

- 5-By the success and acceptance of the maintenance process of the cantoners, in the next phase should be replicated to the next Districts of promoter's action, and the choice of roads or districts to be implemented the system, should depend on the existence of personnel with influence and ability to implement, by ways and avoid imposition, which may contribute to the failure of the process.

Technical Annex 4 – Cross-cutting Issues

Targeting

1. PROMER has incorporated various targeting approaches to reach its intended beneficiaries. It has geographically targeted 15 districts in the 4 provinces of Niassa, Cabo Delgado, Zambezia and Nampula which experience high levels of poverty. The project has targeted rural communities that are living in poverty and experiencing food insecurity.
2. PROMER has also applied direct and self-targeting approaches which have been deemed effective as evident in the participation of beneficiaries in PROMER interventions. Rural traders and farmers in the farm organizations/ associations have been directly targeted through interventions such as support on marketing linkages, business legalization, asset registration and input supplies. As observed in beneficiaries' participation in capacity building activities such as literacy and nutrition trainings as well as GALS methodology, self-targeting has been effective and has contributed to an improvement in their overall well-being.
3. PROMER has reached 14,085 beneficiaries against a target of 13,709 surpassing the target by 102.7%. It has reached 3,153 in Cabo Delgado, 4,370 in Niassa and 6,186 in Zambezia and Nampula. Cumulatively PROMER has reached 21,085 beneficiaries.
4. 225 rural traders of which 5% are women traders, 26% youth are currently supported on capacity building and coaching activities. The 14,085 beneficiaries belong to the 500 Farmer organizations supported by PROMER in which 51% are women, 31% youth. This also includes 7,000 unions (46% women, 56% youth). So far, 21,085 beneficiaries have access to technical advisory services against a target of 21,000. 417 women are currently in leadership positions in the Farmer organizations achieving a target of 93%.
5. 117 (65% of target) marketing contracts have so far been signed between traders and farmers. This has resulted in 1,166 tones and 48,909,411.00 Mt/ USD 698,705 in value. 68 Rural Traders have been involved in the marketing of agricultural inputs and have made a gross profit of 19,452,218.00 Mt/ USD 277,888.82. 198 rural traders have cumulatively had their businesses legalized as 21 rural traders legalized their businesses in 2020 out of the target of 29 traders. 14 rural traders out of the annual target of 71 had their assets registered achieving a cumulative of 128 traders with registered assets. 51 rural traders have been supported with different inputs suppliers to encourage the use of inputs to increase productivity. This resulted in 34 demonstration plots of Soya, sesame, beans, peanut and maize, of which 6 are managed by rural traders and 28 by Farmers organizations.
6. 219 farmer organizations have been supported on market linkages resulting in 2,817.4 tons with a total gross profit of 89,151,104.30 Mts/ USD 1,273,587. A total of 497 Farmer organizations have had their businesses legalized while 39 traders cumulatively had their assets registered.
7. The Enterprise Led Value Chain Initiative has supported 9,053 beneficiaries in each of the target provinces. In Niassa, ALIMI Enterprise has supported 1,076 beneficiaries (43% women, 46% youth) and the SAN JFS has supported 3,600 beneficiaries (16% women, 16% youth). In Cabo Delgado, Cornelio Comercial Enterprise has supported 2,239 beneficiaries (18% women, 44% youth) and the AgroFATAR VANO has supported 1,368 beneficiaries (30% women, 40% youth). In Nampula, the IKURU enterprise is supporting 770 beneficiaries (17% women, 3% youth).

8. 9,152 farmers (2,327 women, 2,620 youth) have been involved in the 5 value chain projects achieving 114% of the annual target in the 1st semester of 2020. The Farmers have so far sold 1,288.30 tons of produce resulting in 40,185,639 Mt in total gross profits for the producers as seen below in each of the value chain projects:
9. In Block A, The SAN JFS SIP implementation, developing sesame, maize and beans value chains intends to benefit 3,600 producers and 10 traders. It has worked with 3,638 producers (788 women, 638 youth) resulting in buying 468 tons of produce at 6,041,936Mt/ USD 86,313.
10. ALIMI SIP Implementation, intending to benefit 600 producers, in developing sesame, beans, groundnuts and soya bean Value chain. It worked with 941 producers (411 women, 493 youth) buying 52 tons of produce worth 960,730Mt/USD 13,724.71.
11. In Block B, Cornelio Commercial SIP implementation involving 2,442 producers (50%women), on maize, beans, groundnuts and sesame value chains has worked with 1,682 producers (235 women, 431 youth) and bought 407 tons worth 19,822,497Mt/USD 283,178).
12. The Agro FATAR VANO SIP implementation on sesame, beans and maize value chains expected to benefit 2,257 producers (677women), has worked with 1,026 producers (238 women, 453 youth) has bought 323.35 tons worth 11,834,250Mt/USD 169,060.
13. In Block C, The IKURU SIP implementation expects to benefit 3,000 farmers (1,250 women) on the development of seed input supply systems of maize, soya, sesame and cowpeas. It has worked with 1,865 producers (611 women, 685 youth) and has bought 37.85 tons of produce worth 1,283,700Mt/USD 18,338.57.
14. Participation of the intended target beneficiaries is adequate and PROMER interventions have contributed to their improved economic and social wellbeing. Beneficiary participation has also been attributed to their empowerment through the GALS methodology. The extent of the impact of this methodology will be assessed in the upcoming monitoring visit in December. It is also evident the project has ensured it has collected gender-age disaggregated data on beneficiaries participation in project activities.
15. PROMER intends to carry out various activities in view of project completion and to ensure the sustainability of interventions thereafter.

Under component 1, these include but not limited to:

- (i) Business legalization and asset registration
- (ii) Facilitate linkages between traders and input suppliers
- (iii) Facilitate establishment of rural traders' associations
- (iv) Publishing of training manuals to disseminate to the relevant institutions
- (v) Programme closure meeting with Farmers organizations, Farmers Unions, Rural Traders and associations
- (vi) Training of DNDEL for handover on support to Farmer Organizations.

Under Component 2, these include:

- (i) Improving the capacity of the value chain actors to manage their businesses efficiently and carry out value chain analysis and development
- (ii) Joint planning at the start of each agricultural production and marketing season, monthly monitoring visits and meeting and evaluation at the end of each season involving the 4Ps partners
- (iii) Input credit as a form of improving access to finance for the small-scale farmers
- (iv) Dissemination of market information through communities radios
- (v) Integrating crosscutting issues to ensure development of sustainable and socially inclusive value chains
- (vi) Document the best practices and lessons learned
- (vii) Revision of Matching Grants Guidelines and its distribution to relevant Government Institutions

- (viii) Final training of 4Ps actors in areas such as Value chain development/market assessment and 4Ps methodology,
- (ix) Programme closure meetings with 4Ps actors

Gender and Youth

16. The ongoing Covid-19 pandemic has affected the implementation of gender related aspects within PROMER. Due to the restrictions imposed, the 3rd GALS training was postponed to December. The DNDEL Gender Unit including National Directors were virtually trained on the methodology to enable them familiarize with the methodology and to follow up on the project work so far. Outcomes from the implementation of GALS methodology have been noted and a monitoring visit has been scheduled.
17. Approximately 146 families are applying the methodology following the training replication conducted by the trained champions in the 1st semester. A monitoring visit has been scheduled for the 1st week of December to ascertain the number of families trained and practising the GALS methodology. GALS tools are set to be integrated in the literacy trainings, Rural Traders and Farmers Organization manuals currently being revised by the consultant supporting PROMER on the implementation of GALS. The methodology has been elaborated in 15 District Union Action plans to enable the participation of those who cannot read and write, however this activity has also been affected by the Covid-19 restrictions.
18. There has been adequate participation of women and youth in the capacity building activities conducted by the project. 67% of women participated in the literacy training activities in the 1st semester of 2020. 562 women out of a total of 1,460 beneficiaries participated in the 237 sensitization activities in the 3 implementation blocks. The training focused on balanced food diets, hygiene and sanitation and cooking demonstrations.
19. It has been noted that in the 1st semester, 28 rural traders are now working with their wives and children, resulting in 97 rural traders involving their families in business. Additionally, they are participating in trainings together. Participation of women in the interventions has led to a better workload balance as the burden is now shared.
20. PROMER beneficiaries participated in the International Rural Women's day in Maputo, at which they were able to actively participate and share their experiences and how the project has brought transformative changes to their lives.
21. The project has made efforts to track and monitor participation by collecting age-sex disaggregated data in project activities as seen in the reporting of beneficiary participation. The youth have actively engaged in PROMER activities as evidenced in their participation. Their participation in farmer organizations and taking part in capacity building activities has also been attributed to GALS. PROMER is using the age-cohort identify those under 35years as youth.
22. In view of project closure, DNDEL staff including National Directors were trained on GALS which will ensure the sustainability of the intervention. Additionally, the integration of gender in the project activities will ensure these aspects are not overlooked.
23. As the monitoring visit is scheduled for next month, the mission recommends the following indicators can be used to assess the impact and provide evidence on the success of the methodology and PROMER interventions. They include:
 - Changes in household dynamics such as gender relations in the household and joint decision making
 - The extent to which project interventions have changed women's status
 - Workload balance and or reduction
 - Women in leadership positions
 - Improvement and access to resources such as increase in income and savings, joint decision making on household income and assets/investments

24. These indicators will provide evidence on the transformative impact of GALS within households and the community. It will be possible to assess how the methodology has empowered beneficiaries and the significant changes it has brought in their livelihoods.
25. It is also necessary to collect and document information on the best practices and lessons learnt that will seek to inform and aid the replication and upscaling of the methodology.

Nutrition

26. Following the baseline survey on nutrition sensitive indicators carried out in October 2019, the findings were disseminated among PMT and the Service Providers staff in March 2020, and nutrition aspects incorporated in the 2020/2021 work plans and budgets.
27. Various nutrition aspects were incorporated in component 1 and 2 of the project in relation to increase in production, supply and consumption of nutrient-diverse foods and the promotion of conservation agriculture. Various capacity building activities were held in the target areas with active participation from the intended target groups/beneficiaries as elaborated below.
28. 237 sensitization activities were conducted focusing on balanced food diets, hygiene and sanitation and cooking demonstrations. A total of 1,460 beneficiaries, 898 men, 562 women, benefitted from these activities, which were implemented in the 3 implementation Blocks throughout the semester.
29. The Nutrition sensitizations and cooking demonstration sessions were provided to the following beneficiaries in farmer organizations; in Block A, 54 beneficiaries (7 men, 47 women) in Block B, 828 beneficiaries (460 men, 368 women) in Block C Zambezia, 331 beneficiaries (242 men, 89 women) and in Block C Nampula, 247 beneficiaries (189 men, 58 women).
30. Community multiplication fields for orange fleshed sweet potato were established by service providers in blocks A and B on a 20,000m² area, benefitting 38 beneficiaries- 25men and 13 women.
31. 52 rural traders have so far benefitted from awareness raising sessions conducted by the project. PROMER has assisted the traders in the promotion of the sale of seeds of dark green leafy vegetables and seeds of other vegetables rich in vitamins A and Zinc. So far, 45 traders have sold nutritious crop seeds to a total of 214 farmers (122 men, 92 women).
32. 35 sensitization sessions have been conducted in Implementation Block C on the production of sesame snacks to 35 farmer organizations consisting of 578 people- 431 men, 147 women. However the impact of this activity is yet to be assessed. Additionally, in the beginning of the second semester, Block A and B intend to start the discussion during the harvest and commercialization of sesame.
33. 42 training sessions on conservation farming techniques were conducted to 42 Farmer Organizations benefitting 203 women and 503 men who are members.
34. So far 342 producers have benefitted from updating PROMER beneficiaries on nutrition education, consumer awareness and appropriate technologies.
35. PROMER conducted a remote GALS training to DNDEL staff including the National Directors. This has ensured and enhanced the implementation and sustainability of the nutrition interventions especially during the current pandemic situation and at project closure.

Mozambique

Rural Markets Promotion Programme

Supervision Report

Appendix 5: Mission preparation and planning, TORs, schedules, people met

Mission Dates: 16th – 27th November 2020
Document Date: 13/01/2021
Project No. 1100001423
Report No. 5626-MZ

East and Southern Africa Division
Programme Management Department

Appendix 5: Mission Preparation and Planning, TORs, Schedules, People met.

MissionTORs



Annex V Terms of Reference for Consultants and other persons hired by IFAD to participate in missions under a non-staff contract

| MISSION DETAILS | |
|---------------------------------|--|
| Country of Assignment/Location: | Mozambique |
| Mission Name: | Remote Supervision Mission to PROMER, Mozambique, 16-27 |
| Mission Start Date: | 16 November 2020 |
| Mission End Date: | 27 November 2020 |
| Division/Department: | ESA PMD |
| Reports to (name and title): | Robson Mutandi, Director Southern Africa Hub/ Country Director |

| MISSION COMPOSITION (Team members' full name and specialization) | |
|---|---|
| Name: | Specialization: |
| Robson Mutandi/Custódio Mucavele | Team Leader, ESA |
| Narciso Manhenje | Programme Management and Lead Writer, ESA |
| Palani Muleya | Market Intermediaries and Value Chain Expert |
| Guy Kemtsop | Rural Infrastructure Specialist |
| Grace Nakanjakko and Christian | M&E, KM Expert and Data Analyst |
| Yvonne Agoya | Gender, Youth, Targeting, CC and Nutrition |
| James Mutur - i FMD Consultant and Marieclaire Colaicomo – Procurement Specialist , ESA | Separate ToRs to be prepared by FMD and Procurement |

| MISSION SCHEDULE |
|------------------|
| |

| BACKGROUND |
|------------|
|------------|

The Rural Markets Promotion Programme (PROMER) aims at increasing small-scale farmers' incomes from agriculture by helping them market their surpluses more profitably. The 7-year programme, which became effective in April 2009, initiated with four components: (i) developing more dynamic market intermediaries; (ii) enterprise-led value chain initiative; (iii) improving the market environment; and (iv) policy & institutional support and management. Its total cost of USD 40.6 million is financed by IFAD (USD 31.1 million, 77%); the Alliance for the Green Revolution in Africa, AGRA (USD 3.5 million, 9%); government (USD 2.9 million, 7%) and beneficiaries (USD 3.0 million, 8%). The Memorandum of Understanding signed between the Government of Mozambique and AGRA was cancelled in 2012.

PROMER received EUR 0.9 million for roads, market infrastructure and farmer association support from the European Union (EU) funded Framework Programme for the Food Production Action Plan (Pro-PAPA). In 2013, an Amendment to the IFAD Loan Agreement was signed to accommodate 11.3 million USD as additional funds from an EU grant, under the MDG 1c programme¹ and two additional components were introduced as well as the programme duration was extended in 2 years (2009-2018). The new components are namely: (v) Nutritional Education; (vi) Institutional Support of Direction of International Cooperation (DIC) from the Ministry of Planning

MISSION OBJECTIVES AND OUTPUTS

The aim of this mission is to follow up on the agreed actions and recommendations since the last implementation support mission in April 2020, particularly in the areas of Rural Infrastructure, Financial Management and M&E taking into account that the project is approaching its closure. The mission will be supporting the project to: a) accelerate the project progress and performance towards closure; b) work with the Programme Management Team (PMT) to identify any existent constraints and jointly agree on rapid solutions for effective implementation; c) agree on key actions to accelerate performance taking into account that June 2021 is the implementation closing date. The infrastructure group may visit some of the works in the field.

The mission will be led by the IFAD's Country Director/Country Programme Officer (CPO) for Mozambique or his alternate and will be composed of IFAD staff and consultants of different areas of expertise who will be contracted by IFAD. The mission will evaluate the implementation progress since last mission, discuss key actions and provide key recommendations for the operational strategy for the remaining project implementation period.

INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

| | |
|--|----------------------------------|
| Full Name | Robson Mutandi/Custódio Mucavele |
| Expected Start Date of | 16 November 2020 |
| Expected End Date of | 27 November 2020 |
| Total number of working days (max. 240 in a 12-month period): | 12 days |

GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED

Expected Activities:

The Mission Leader and/or his alternate will be responsible for leading the review and ensuring that the mission's terms of reference will be met in a professional, efficient, effective and timely manner. To this end, between 16-27 November he will coordinate, review and manage the work of the team and ensure that

stakeholders, including the target groups and its representatives, service providers, DNDEL and IFAD are consulted and their priorities adequately considered in the review. Specific tasks include:

- a) Assess the overall progress and advise the Project Management Team and DNDR with regards to the implementation of last mission recommendations;
- b) Meet with Senior Government officials
- c) Discuss and validate the findings for the mission with the Government
- d) Coordinate the mission team and support the PROMER closure process

Expected Outputs:

KEY PERFORMANCE INDICATORS

| Expected Outputs (please include any travel if applicable): | Required Completion Date: |
|--|---------------------------|
| a) Final Aide Mémoire, and lead the discussions with government; | 27 November 2020 |
| b) PSR | 05 December 2020 |

INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

| | |
|--|------------------|
| Full Name | Narciso Manhenje |
| Expected Start Date of | 16 November 2020 |
| Expected End Date of | 27 November 2020 |
| Total number of working days (max. 240 in a 12-month period): | 12 days |

GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED

Expected Activities:

You will participate in the IFAD supervision mission for PROMER in Mozambique. Reporting to the CD/team leader, you will be responsible for the overall Programme Management, Institutions and lead the consolidation of the AM and PSR. The specific tasks include:

- e) Support the project team to identify and resolve any bottlenecks or emerging issues and
- a) Assess the Progresses made in the implementation of activities under collaborative mechanisms established between PMT and other partners in terms of policy dialogue and advise accordingly;
- b) Assess the status of the implementation of the MoU with MADER for policy strategies;
- c) Assess the status of implementation of the different interventions as part of IFAD recovery support plan (IDAI and Kenneth), as well as the COVID repurposing activities.
- d) Assess the overall implementation of the Project Exit and Sustainability strategy including Government ownership and the ongoing process regarding support and strengthening of local institutions;
- e) Consolidate the AM and PSR

KEY PERFORMANCE INDICATORS

| Expected Outputs (please include any travel if applicable): | Required Completion Date: |
|--|---------------------------|
| c) Final Aide Mémoire, and lead the discussions with government; | 27 November 2020 |
| d) PSR | 05 December 2020 |

INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

| | | | |
|--|--------------------|--|---|
| Full Name | Palani Muleya | | |
| Expected Start Date of | 16 November 2020 | | |
| Expected End Date of | 27 November 2020 | | |
| Total number of working days (max. 240 in a 12-month period): | 12 Days - remotely | | |
| GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED | | | |
| Expected Activities: | | | |
| <p>You will participate in the IFAD supervision mission for PROMER in Mozambique. Reporting to the CD/team leader, you will be responsible for Component I (Market Intermediaries) and II (Enterprise Led Value Chain). The specific tasks include:</p> <p>Market Intermediaries</p> <ul style="list-style-type: none"> a) Assess the overall progress achieved in the implementation of the last mission agreed actions and cumulative implementation progress in this component; b) Review the progress of implementation of the new implementation model (lead service provider per block) and advice accordingly on the main lessons comparing the two phases; c) Review and assess the status of implementation of the vertical integration of FO and the support to higher level FO (APEX organizations); d) Review the process of development of District Unions Strategic Development Plans and advise accordingly; e) Assess the level of production and productivity in the programme areas and its relationship with rural traders and agro dealers; f) Provide Guidance for the final evaluation the Market intermediary component in the PCR <p>Enterprise Led Value Chain</p> <ul style="list-style-type: none"> g) Assess the overall progress achieved in the implementation of the last mission agreed actions and cumulative implementation progress in this component; h) Review the status of implementation of the different SIPs and advice accordingly; i) In collaboration with the Rural Finance Services Specialist - Assess and provide guidance on the implementation and closure of the MGF mechanisms; j) Review the status of the implementation of the MGF scheme in line with the USD 1.0 COVID repurposing k) Provide guidance to identify indicators to evaluate the impact of the value chain component l) Advice on key aspects to be taken into consideration for the PCR exercise | | | |
| KEY PERFORMANCE INDICATORS | | | |
| Expected Outputs (please include any travel if applicable): | | | Required Completion Date: |
| <ul style="list-style-type: none"> a) Contribute to the update the Project Status Report; b) Contribute significantly to the Aide Memoire on aspects under your responsibility and to the supervision report; c) Contribute to the time-bound recommendations to enhance project performance d) Prepare a Technical Annex (Market Intermediaries and Value Chain Development) to be submitted to the CD/team leader in MS Word by 28 November. | | | <p>27 November 2020</p> <p>28 November 2020</p> |

| |
|--|
| INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES |
|--|

| INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES | |
|---|--------------------|
| Full Name: | Yvonne Agoya |
| Expected Start Date of | 16 November 2020 |
| Expected End Date of | 27 November 2020 |
| Total number of working days (max. 240 in a 12-month period): | 12 days - remotely |
| GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED | |
| <p>Expected Activities:</p> <p>You will participate in the IFAD supervision mission for PROMER in Mozambique. Reporting to the CD/team leader, you will be responsible for reviewing the cross-cutting aspects. Your specific tasks include:</p> | |

- a) Assess the overall progress achieved in the implementation of the last mission agreed actions and cumulative implementation progress of cross cutting issues;
- a) Assess the overall capacity of the project to generate equal gender balanced opportunities for women, youth, men under each component/sub-component
- b) Assess the overall progress achieved in the implementation of GALS trainings and its auto replications in terms of HH adoption of better gender roles;
- c) Assess how the Project is addressing M&E aspects in order to report on men, women, youth and the quality of mainstreaming gender aspects;
- d) Assess the overall implementation of the GALS methodology, review and validate the Gender monitoring indicators;
- e) Assess the overall progress in the elaboration and implementation of the Project Nutrition mainstreaming activities into the value chains;
- f) Revise the preliminary findings of the baseline survey on nutrition and climate change adaptation and provide recommendations;
- g) Assess the implementation of nutrition and climate change interventions in the project and advice accordingly taking into account the closure period.

KEY PERFORMANCE INDICATORS

| Expected Outputs (please include any travel if applicable): | Required Completion Date: |
|--|---|
| <ol style="list-style-type: none"> a) Contribute to the update the Project Status Report; b) Contribute significantly to the Aide Memoire on aspects under your responsibility and to the supervision report; c) Contribute to the time-bound recommendations to enhance project performance d) Prepare a Technical Annex (Gender, Social Inclusion, CC and Nutrition) to be submitted to the CD/team leader in MS Word by 28 November | <p>27 November 2020</p> <p>28 November 2020</p> |

INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

| | |
|---|--------------------|
| Full Name: | Grace Nakanjakko |
| Expected Start Date of | 16 November 2020 |
| Expected End Date of | 27 November 2020 |
| Total number of working days (max. 240 in a 12-month period): | 12 days - remotely |

GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED

Expected Activities:

You will participate in the IFAD supervision mission for PROMER in Mozambique. Reporting to the CD/team leader, you will be responsible for reviewing the M&E and KM aspects. Your specific tasks include:

- a) Assess the progress in the implementation of 2020 AWPB and Cumulative progress;
- b) Assess the progress made towards accelerating data analysis and reporting on outcomes for all project activities;
- c) Assess the progresses achieved in the development of outcome and impact studies;
- d) Review the ORMS and provide guidance for improvement;
- e) Assess the progress in the implementation of the DNDEL and PROMER KM strategy and plan and advise accordingly towards closure;
- f) Provide PMT and DNDR with inputs on the matters regarding Project completion, particularly for the winding up period and project completion report;

KEY PERFORMANCE INDICATORS

| Expected Outputs (please include any travel if applicable): | Required Completion Date: |
|---|---------------------------|
| a) Contribute to the update the Project Status Report; | 27 November 2020 |
| b) Contribute significantly to the Aide Memoire on aspects under your responsibility and to the supervision report; | |
| c) Contribute to the time-bound recommendations to enhance project performance; | 28 November 2020 |
| d) Prepare a Technical Annex (M&E and KM) to be submitted to the CD/team leader in MS Word by 28 November | |

| INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES | |
|---|---------------------------|
| Full Name: | Christian Dietz |
| Expected Start Date of | 16 November 2020 |
| Expected End Date of | 27 November 2020 |
| Total number of working days (max. 240 in a 12-month period): | 3 days - remotely |
| GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED | |
| <p>Expected Activities:</p> <p>You will participate in the IFAD supervision mission for PROMER in Mozambique. Reporting to the CD/team leader, you will be responsible for reviewing the M&E and KM aspects and Data Analysis. Your specific tasks include:</p> <p>Christian Dietz</p> <p>a) Review the PROMER database and advice on how the data should be used for the PCR exercise;</p> <p>b) Meet the company who developed the database and advise on ways to improve the data;</p> <p>c) Discuss with PMT and Government on how the database can be used by the Government and in another projects</p> | |
| KEY PERFORMANCE INDICATORS | |
| Expected Outputs (please include any travel if applicable): | Required Completion Date: |
| a) Contribute significantly to the Aide Memoire | 27 November 2020 |
| b) Contribute to the time-bound recommendations to enhance project Database | 27 November 2020 |

| DOCUMENTATION |
|--|
| <p>The following additional documents to guide the work of the mission shall be made available by the PMT by e-mail to all team members by 10 November 2020 (electronically, unless otherwise indicated, may be requested by the team members through CPO/team leader);</p> <p>a) A proposal of the mission's schedule of work, including key meetings (Government and others);</p> <p>b) An update of the implementation status (as at end of September 2020 if available);</p> <p>c) 2019 Annual Narrative and Financial Report</p> <p>d) 2020 Semi-Annual Report</p> <p>e) A short compilation of recommendations to be taken into account by the last mission;</p> <p>f) All studies or assessments conducted in line with the project closure process</p> |

Clearance by COM if TORs include communication activities (see section 4.7.iii):

Name: **Signature:**
Date:

Clearance by ACD if TORs include financial management responsibilities:

Name: **Signature:**
Date:

IMPORTANT NOTE:

IFAD will accept only reports that have been properly formatted by using the template, which will be provided separately. The team leader is responsible for preparing the main report and annexes in the required format, and ensuring that the working papers submitted by the individual team members are consolidated in one single document and in the correct format. S/He will compile the full report, including her/his own contributions and those of all the mission members into one consistent final and complete report and submit it to IFAD on or before the agreed deadline.

Mission Schedule

| Data | Time | Activity | Participants |
|-----------------|----------------------------|---|---|
| 16/11/2020 | 9.00 – 9.20 | Introductory session with director of DNDEL | <ul style="list-style-type: none"> • Director of DNDEL, • Mission members; • PROMER PMT; • Relevant DNDEL technicians |
| | 9.20 – 9.35 | Finalization of details of mission programme | |
| | 9.30 – 13.00 | PP presentation implementation progress | |
| 17 – 19/11/2020 | To be determined on Monday | Bilateral sessions between mission members and PROMER officers and relevant DNDEL technicians | |
| 20/11/2020 | To be determined on Monday | Bilateral sessions with relevant institutions and implementing partners | <ul style="list-style-type: none"> • ANE /FE • MEF |
| 21 – 22/11/2020 | | weekend | |
| 23/11/2020 | To be determined on Monday | Presentation and discussion of draft 1 AM to PROMER and DNDEL | PROMER, TL, IC, DC, EM, Director DNDEL |
| 24/11/2020 | To be determined | Courtesy meeting with Minister /Vice Minister of MADER | <ul style="list-style-type: none"> • Mission team leader • Director DNDEL • PROMER coordinator |
| 25/11/2020 | | Finalization and sharing of final draft of AM | Mission members |
| 26/11/2020 | 11.00 | Wrap up meeting | All |

List of People met

| NAME | JOB TITLE | INSTITUTION/ORGANIZATION |
|--------------------------|--|--------------------------|
| Olegário dos Anjos Banze | MADER Vice Minister | MADER |
| Inês Cuambe | National Director | DNDEL - MADER |
| Celmira da Silva | Executive Director | SETSAN -MADER |
| Momade Nemane | National Director | DNCM - MADER |
| Amilcar Perreira | National Director | DNPP - MADER |
| Uneid André | Head of Markets Department | DNCM - MADER |
| António Pacheco | Head of Food Security and Nutrition Department | SETSAN- MADER |
| Dânia Falcão | Head of Investment Unit | FNDS - MADER |
| Adriano Ubisse | National Director | DNTCFE - MEF |
| Ester José | Deputy National Director | DNDP - MEF |
| Nelton Manjate | IFAD focal point | DNDP - MEF |
| Carla Honwana | National Coordinator | PROMER |
| Mário Quissico | Market Intermediaries Officer | PROMER |
| Farai Manhanga | Agribusiness Officer | PROMER |
| Arlindo Manjate | M&E Officer | PROMER |
| Alexandre Milice | Program Officer | PROMER |
| José Mussagy | Coordinator | GAPI |
| Adolfo Muholove | Chairman | Nampula |
| Tiago Luis | Head of Department | Cabo Delgado |
| Adelino Joaquim | Civil Engineer | Block A - PROMER |
| Samuel Cossa | Civil Engineer | Block B and C – PROMER |
| Isabel Cossa | Head of Department | DNDR |
| Vitória Zucula | Financial Manager | PROMER |
| Kenet Mabaia | Head of Department | DNDR |
| Anísio Chemane | Technician | DNDR |
| Fernando de Lo Rios | Coordinator | OIKOS |
| Baptista de Melo | Road Fund focal point for PROMER | FE |

Mozambique

Rural Markets Promotion Programme Supervision Report

Appendix 6: Procurement

Mission Dates: 16th – 27th November 2020
Document Date: 13/01/2021
Project No. 1100001423
Report No. 5626-MZ

East and Southern Africa Division
Programme Management Department

Rural Markets Promotion Programme

November 16-25, 2020

Marieclaire Colaiacomo

Procurement Report

I. Introduction

The final mission prior to completion was conducted during the period of November 16-25, 2020. The main objectives were to assess overall implementation and progress towards an exit strategy having completed all procurement activities by project completion date.

Specifically, the mission reviewed all ongoing procurement activities to make a determination on whether these will be fully delivered or performed by closure; review all contracts to verify they are fully paid or resolved by closure; verify to the extent possible, whether goods, works and consulting services contracted were supplied/completed according to the required specifications and technical standards and assess if contracts were effectively managed by the technical units in charge and if contracts were executed as per the original schedule.

II. Procurement Review

A. Procurement Unit

1. The November 2019 mission recommended to strengthen the unit with a senior procurement officer (consultant). A process was launched and in 2019 and 2020 a procurement consultant assisted the project in their activities. The recruitment process was subject to post review during this mission and details can be found in the checklist at the end of the report.

B. Procurement Plan

2. The PP submitted to the mission prior to mission start up was not complete and did not reflect actuals as necessary. The Project was invited to submit a revised PP that adequately captures all actual dates for completed and ongoing procurement activities so as to get a sense of the volume of commitments that need to be met prior to Programme closure. This final PP needs to be submitted in NOTUS.
3. The PP complies with IFAD's recommended template although the latter was not used. All activities listed are referenced against the AWPB and consistent with the latter. The mission also requested an updated contract register as the one submitted prior to the mission start up did not reflect all activities carried out under the plan.
4. All activities for goods (3) totalling 181 000USD were carried out. Activities for Works (3) are to be completed and progress can be viewed in Appendix 3 attached hereto. A total amount of 3.7M USD was planned, including works carried over from 2019, for which approximately 711K has been paid. All activities for services (10) have been completed for a total of 704 000USD.
5. The PP and programme progress report clearly show that the level of execution of ongoing rehabilitation is at 92% for roads planned in 2019 and 15% for execution of those planned for 2020. In addition nearly 1/3 of road rehabilitation for 2020 is in areas affected by cyclone Kenneth, resulting in important delays in delivery. Appendix 3 shows planned completion dates for works. These range from February to June 2021 subject to all ideal conditions being met.
6. IFAD's fast tracking COVID measures and government's emergency flexible procurement instruments were used to fast track the implementation of procurement activities that suffered delays due to COVID.
7. The current implementation plan is no longer realistic and considering all outstanding activities required prior to completion, it is highly recommended that the programme be extended.
8. Severe liquidity problems have also had a large effect on the advancement of works. Delays in payment of WAs and allocation of funds to support policy development and COVID response measures to the Ministry of Agriculture and Rural Development have reduced available liquidity for procurement activities to be completed.

C. Review of Procurement processes

9. Since the November 2019 mission, the Government (through an MoU between PROMER and ANE -the road authority) launched procurement for all remaining civil works. All tender processes were run by ANE and documents retrieved were requested from the road authority.
10. The mission reviewed the full tender process for the construction of roads in Cabo Delgado. Specific details are contained in the checklist below. The files were found to be in order and compliant with national legislation.
11. *Proposed recommendation:* It is recommended that an extension be granted to bring the completion date of PROMER to 31 December 2021 to ensure all ongoing construction works are completed and all contractors are fully paid for the work executed.

D. Contract administration and management

12. The mission reviewed the contracts for 2 consultancy services and 2 civil works which constitute 25% of on-going contracts. All civil works contracts are executed by ANE under the MoU PROMER has with the road authority. However, retrieval of relevant documents was facilitated by PROMER in a prompt manner.
13. **Contract register.** The register was updated for the mission. Some information was inaccurate and was corrected during the course of the mission.
14. **Contract management and monitoring.**
Contract management and monitoring for consultancy contracts is adequate and carried out centrally by PROMER. However, the management and monitoring of contracts for works is handled exclusively by ANE.

E. Project's Procurement recordkeeping and filing

15. The present mission was undertaken remotely. It was therefore not entirely possible to confirm the appropriateness of the physical recordkeeping and filing. Nevertheless, the mission is generally satisfied with the prompt retrieval of documents whenever requested. Attached, as Appendix 4 hereto, is the filing checklist self assessment the mission requested.

F. Issues from the previous mission

16. A number of actions were recommended to the project in the November 2019 mission. The table below provides an update on each.

| Actions | Responsibility | Deadline | Status |
|--|----------------|-----------|--|
| Respect the procurement thresholds listed in the LtB and improve speed of procurement activities by using shopping (Concurso por Cotações) whenever allowed. | PMT | Immediate | Procurement activities reviewed showed adherence to procedures. In addition, all activities reviewed for services were SSS and civil works followed government emergency procedures for COVID-19 so that activities could be initiated promptly given the country's state of emergency |

Annex to the Procurement Review – Technical Report

| | | | |
|---|-----|-----------|---|
| Insert a reference to the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations in bidding documents and contracts, using the language provided by the Mission | PMT | Immediate | Done |
| Pursuant to the IFAD Project Procurement Guidelines, open procurement processes to national and foreign bidders. | | | Given the nature of the processes – this was not implemented |
| Improve the quality of evaluation by respecting the evaluation criteria provided in the national procurement regulations and listed in the bidding documents. Give account of preliminary evaluation in the evaluation reports. | | | Done |
| Ensure that signed contracts are consistent with the form distributed as part of the bidding documents and that general and special conditions of contract are included. | | | Done |
| For prior review, submit documents for IFAD No-Objection at each procurement stage. | | | Done |
| Upgrade the contract register by including a reference to the IFAD No-Objection no. and date of contract completion. | | | The new Contract Monitoring Tool was used and still needs some fine-tuning. Specific TA has been deployed to support the project in this endeavour. |
| Prepare a comprehensive plan for both the AWPBs and procurement plan with the total cost estimates harmonized with the available funds and timelines for procurement consistent with completion before PCD. | | | A detailed schedule of ongoing works still to be completed was prepared which shows forecasted disbursement until completion. See Appendix 3 |

III. Procurement Performance Indicator Rating and Justification

| No. | Performance Indicator | Rating | Justification for Rating |
|-----|---|--------|---|
| 1 | Procurement Planning Process | 4 | All goods and services were completed. The delays related to works were justified by the inability for contractors to reach sites during the COVID-19 Pandemic. The last PP was submitted in NOTUS on 29 October 2019 and should be updated immediately with actuals. |
| 2 | Processes and Procedures from Prequalification to Bidding | 4 | |
| 3 | Process and Procedures for Evaluation and Contract Award | 4 | The processes reviewed were satisfactory. Where works are concerned the processes handled by ANE were also found to be satisfactory. |
| 4 | Contract Management and Administration | 4 | |
| 5 | Record Retention and monitoring | 3 | Retrieval of documents and feedback to requests for clarification was equally slow. Provision of incomplete documentation was also noted and was presented upon request from the mission. |

IV. Agreed actions

| Recommendations | Responsibility | Deadline |
|---|----------------|-------------|
| Procurement Planning An updated PP should be uploaded immediately on NOTUS showing actuals for all completed works and updated timelines for the delayed works activities that are postponed to 2021. | PMU | Immediately |
| Contract Management Together with ANE, Carefully monitor full compliance by contractors to deliver all works by mid-2021. | PMU+ ANE | Immediately |

Appendix I

Post Review Checklist

| #1 | Description | Check | Remarks |
|----------|--|-------|--|
| A | Procurement Planning (for entire PP) | | |
| 1 | Are there planned dates for all procurements? | yes | Dates for all procurement stages stated. |
| 2 | Are the planned dates consistent with the procurement process and methods? | yes | All activities were planned as SSS or DC under government emergency planning for procurement during the COVID-19 pandemic. |
| 3 | Are the procurement methods consistent with the estimated budget for each procurement? | Yes | |
| 4 | Is the reviewed Procurement Plan an updated one? | No | The mission requested an updated PP with actual dates but this was not forthcoming. |
| 5 | How many updates of the current Procurement Plan were submitted for the year? | 0 | |
| 6 | How many upgrades of the current Procurement Plan were submitted for the year? | 0 | |

Appendix II

Post Review Checklist

Procurement of works - budget line C3-12-14 – PP Line 2 – Rehabilitation of roads in the Cabo Delgado Province: contract reference 47C000941/AD/No22/ML-TERRA/PROMER/314/2020 and contract reference 47C000941/CP/No8/REAB-TPL/ANE-CD/PROMER/313/2019

Between ANE and Lina Amade Construcões in the first instance and ANE and IAC , Lda in the second.

| #1 | Description | Check | Remarks |
|----------|---|-------|---|
| A | Bidding Process (for each procurement) | | |
| 1 | Is the item in the Procurement Plan? | Yes | Compliant with the PP |
| 2 | Is there a formal Procurement Requisition that initiates the process? | yes | yes |
| 3 | Is the Method proposed in the PP used? | yes | yes |
| 4 | Is enough done to demonstrate that competition was achieved? | yes | Yes. Although emergency procedures were followed under the COVID-19 government fast-tracking methodology, the process was still a competitive one with an open request for bids used. |
| 5 | Is there time provided for bidders to request and receive clarifications, before the submission deadline? | yes | |
| 6 | Is there enough time allotted for bidders to prepare bids? | yes | Yes, 30 calendar days. |
| 7 | Ensure that no late bids were accepted | yes | No late bids were submitted |
| B | Evaluation Process (for each procurement) | | |
| 1 | Was Preliminary Examination done? | yes | Yes. |
| 2 | Are there objective and justifiable reasons for rejections at Preliminary Examination? | | None noted |
| 3 | Was Technical Evaluation done? | | Yes |
| 4 | Are there objective and justifiable reasons for rejections at Technical Evaluation? | n/a | |
| 5 | For QCBS and QBS was a Technical Evaluation Report submitted to and no-objectioned to by IFAD before the Financial Proposal(s) was/were opened? | n/a | |
| 6 | For all advertised procurement, were bidders informed of the (technical) evaluation outcome? | n/a | |
| 7 | Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information? | n/a | |
| 8 | Were bidders given enough time to submit a challenge/protest? | yes | National procedures were followed. |
| 9 | For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals? | n/a | |

Annex to the Procurement Review – Technical Report

| | | | |
|----------|--|-----|--|
| 10 | Was Financial evaluation done and properly? | n/a | |
| 11 | Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction? | n/a | |
| 12 | Are there objective and justifiable reasons for rejections at Financial Evaluation? | n/a | |
| 13 | For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest? | n/a | |
| 14 | Were challenges/protests received? Were they handled properly? | n/a | No challenges/ protests were received |
| | | | |
| C | Award and Negotiations (for each procurement) | | |
| 1 | Was award done after all challenges/protests were received? | n/a | No challenges/ protests were received. |
| 2 | Ensure that negotiations were not held for Goods and Works | No | Not held |
| 3 | Ensure that negotiations were held for consulting services? | n/a | This is a procurement for civil works. |
| 4 | Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices? | n/a | This is a procurement for civil works. |
| | | | |
| D | Contract, Contract Administration and Management Process (for each procurement) | | |
| 1 | Was the Contract signed by both parties? (A copy must be evident in file) | Yes | Physically verified. |
| 2 | Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method? | Yes | The correct form was used. |
| 3 | Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome? | Yes | Consistent with tender requirements. |
| 4 | Was a Contract amendment made to extend time/add funds | n/a | |
| | If the answer to the above is YES, is there an IFAD No-Objection for each amendment that exceeds the contract percentage thresholds (for prior review procurements)? | | |
| 5 | Were payments done on time as consistent with contract provisions? | Yes | |

Procurement of services - budget line C4-L61 – PP Line 4 – Retainer consultancy for a value chain expert: contract reference 59/PROMER/SP/19/F.A. Contract between PROMER and Bessela Consultoria e Servicos.

| #2 | Description | Check | Remarks |
|----------|---|-------|--|
| A | Bidding Process (for each procurement) | | |
| 1 | Is the item in the Procurement Plan? | yes | This service was contained in the 2019 PP |
| 2 | Is there a formal Procurement Requisition that initiates the process? | yes | |
| 3 | Is the Method proposed in the PP used? | yes | |
| 4 | Is enough done to demonstrate that competition was achieved? | yes | |
| 5 | Is there time provided for bidders to request and receive clarifications, before the submission deadline? | yes | An EOI was issued and RFP sent to only one bidder. No period was defined in the RFP to request clarifications. |
| 6 | Is there enough time allotted for bidders to prepare bids? | yes | |
| 7 | Ensure that no late bids were accepted | yes | No late bids were submitted |
| B | Evaluation Process (for each procurement) | | |
| 1 | Was Preliminary Examination done? | yes | |
| 2 | Are there objective and justifiable reasons for rejections at Preliminary Examination? | yes | |
| 3 | Was Technical Evaluation done? | yes | |
| 4 | Are there objective and justifiable reasons for rejections at Technical Evaluation? | n/a | |
| 5 | For QCBS and QBS was a Technical Evaluation Report submitted to and no-objectioned to by IFAD before the Financial Proposal(s) was/were opened? | yes | |
| 6 | For all advertised procurement, were bidders informed of the (technical) evaluation outcome? | no | There was only one bidder at RFP stage. |
| 7 | Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information? | n.a | for debriefing expressed by any unsuccessful bidder. |
| 8 | Were bidders given enough time to submit a challenge/protest? | n.a | |
| 9 | For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals? | yes | |
| 10 | Was Financial evaluation done and properly? | n.a | There was only one bidder at RFP stage. |
| 11 | Were corrections to Bidders' financials/prices done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction? | n.a | None were reported |
| 12 | Are there objective and justifiable reasons for rejections at Financial Evaluation? | n.a. | None were reported |

Annex to the Procurement Review – Technical Report

| | | | |
|----------|--|------|--|
| 13 | For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest? | n.a | There was only one bidder at RFP stage. |
| 14 | Were challenges/protests received? Were they handled properly? | n.a. | No challenges/ protests received |
| | | | |
| C | Award and Negotiations (for each procurement) | | |
| 1 | Was award done after all challenges/protests were received? | n.a. | There was only one bidder at RFP stage. |
| 2 | Ensure that negotiations were not held for Goods and Works | n.a. | It is consultancy services |
| 3 | Ensure that negotiations were held for consulting services? | yes | |
| 4 | Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices? | no | |
| | | | |
| D | Contract, Contract Administration and Management Process (for each procurement) | | |
| 1 | Was the Contract signed by both parties? (A copy must be evident in file) | yes | Physically verified. |
| 2 | Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method? | yes | The correct form was used. |
| 3 | Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome? | yes | Consistent with the tender's requirements. |
| | | | |
| 4 | Was a Contract amendment made to extend time/add funds | n/a | |
| | If the answer to the above is YES, is there an IFAD No-Objection for each amendment that exceeds the contract percentage thresholds (for prior review procurements)? | | |
| 5 | Were payments done on time as consistent with contract provisions? | Yes | |

Procurement of services - budget line C4-L61 – PP Line 4 – Retainer consultancy for a procurement officer: contract reference: 23/PROMER/SP/20/F.A. Contract between PROMER and PROMER and Afonso Pereira

| #3 | Description | Check | Remarks |
|----------|--|-------|---|
| A | Bidding Process (for each procurement) | | |
| 1 | Is the item in the Procurement Plan? | yes | This service was contained in the 2019 PP |
| 2 | Is there a formal Procurement Requisition that initiates the process? | yes | |
| 3 | Is the Method proposed in the PP used? | yes | |
| 4 | Is enough done to demonstrate that competition was achieved? | yes | Process advertised on the local newspaper with wide audience |
| 5 | Is there time provided for bidders to request and receive clarifications, before the submission deadline? | yes | Yes, bid advertised for 30 days, bidders were allowed to request clarification up to 7 days prior to the closure day. |
| 6 | Is there enough time allotted for bidders to prepare bids? | yes | Yes, 30 calendar days. |
| 7 | Ensure that no late bids were accepted | yes | No late bids were submitted |
| B | Evaluation Process (for each procurement) | | |
| 1 | Was Preliminary Examination done? | yes | |
| 2 | Are there objective and justifiable reasons for rejections at Preliminary Examination? | no | |
| 3 | Was Technical Evaluation done? | yes | |
| 4 | Are there objective and justifiable reasons for rejections at Technical Evaluation? | yes | Two submissions did not meet min. marks at technical evaluation to proceed. |
| 5 | For QCBS and QBS was a Technical Evaluation Report submitted to and no-objectioned to by IFAD before the Financial Proposal(s) was/were opened? | no | Not applicable as this was post review |
| 6 | For all advertised procurement, were bidders informed of the (technical) evaluation outcome? | no | Bidders are only informed of the award outcomes. |
| 7 | Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information? | n/a | There was no request for debriefing expressed by any unsuccessful bidder. |
| 8 | Were bidders given enough time to submit a challenge/protest? | yes | |
| 9 | For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals? | yes | |
| 10 | Was Financial evaluation done and properly? | yes | |
| 11 | Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction? | n/a | |
| 12 | Are there objective and justifiable reasons for rejections at Financial Evaluation? | n/a | |

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| | | | |
|----------|--|-----|--|
| 13 | For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest? | yes | |
| 14 | Were challenges/protests received? Were they handled properly? | n/a | |
| | | | |
| C | Award and Negotiations (for each procurement) | | |
| 1 | Was award done after all challenges/protests were received? | n/a | No challenges/ protests were received. |
| 2 | Ensure that negotiations were not held for Goods and Works | n/a | |
| 3 | Ensure that negotiations were held for consulting services? | yes | |
| 4 | Did the negotiations significantly alter (i) the scope, (ii) the duration and (ii) the prices? | no | |
| | | | |
| D | Contract, Contract Administration and Management Process (for each procurement) | | |
| 1 | Was the Contract signed by both parties? (A copy must be evident in file) | Yes | Physically verified. |
| 2 | Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method? | Yes | The correct form was used. |
| 3 | Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid, evaluation report and negotiated outcome? | Yes | Consistent with the tender's requirements. |
| 4 | Was a Contract amendment made to extend time/add funds | n/a | |
| | If the answer to the above is YES, is there an IFAD No-Objection for each amendment that exceeds the contract percentage thresholds (for prior review procurements)? | | |
| 5 | Were payments done on time as consistent with contract provisions? | Yes | |

Procurement filing checklist

1. Review of project's procurement filing system and the ease of document retrieval.

Best practice requires that each procurement case/activity should have its own separate folder where records are kept properly and coded in chronological order.

| | YES | NO | Comments |
|--|-----|----|---|
| Each procurement activity has its own separate file, folder or dossier | X | | |
| Procurement records are kept in chronological order for each procurement activity | X | | |
| A copy of the published advertisement or shortlist (if applicable) is on file | X | | |
| A copy of the published pre-qualification and bidding documents and any amendments, extensions or clarifications that were requested and issued are on file | X | | copies of the published pre-qualification and bidding documents, amendments , extensions on file, clarifications not always on file |
| a record of tender opening signed by all present is on file | X | | |
| a full copy of each bid received and evaluated, plus clarifications requested and responses received are on file | X | | Copies of the bids received and evaluated are on the file. Request for clarifications and responses not always kept on file |
| A copy of the evaluation report is on file | X | | |
| signed minutes of all meetings relating to the procurement, including pre-bid and negotiation meetings where these were held are on file | X | | |
| A contract award notice is on file | X | | |
| Any letter of tender acceptance to the supplier, contractor or consultant is on file | X | | |
| The signed contract document and contract acceptance are on file | X | | |
| Any contract amendment is on file | X | | |
| All contractual correspondence between the Procuring Entity and a supplier, contractor or consultant is on file | X | | On a separate file (#) |
| Post-contract documents relating to the fulfilment of contract obligations, in particular <u>photocopies</u> of bank guarantees or payment guarantees are on file | X | | |
| Signed minutes of any meetings related to contract management, including contract progress or review meetings are on file | X | | On a separate file (#) |
| Signed delivery documents evidencing delivery of supplies or signed completion certificates in relation to a contract for services or works under the contract including any contract delivery records are on file | X | | |
| Copies of all invoices for works, services or supplies including work-papers verifying the accuracy of payments claimed and | X | | On a separate file (#) |

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| | | | |
|---|---|--|---------------------------------|
| details of the actual payment authorised are on file | | | |
| Copies of cumulative payment worksheets/records evidencing management of all payments made are on file | X | | On a separate file (#) |
| Copies of all submissions to and all decisions of the appropriate approval authority related to the procurement including the approval of the bidding documents, approval of the evaluation report(s), contract award, approval of contract documents and contract amendments and any decision to suspend or cancel procurement proceedings are on file | X | | |
| Copies of any claims made by the Procuring Entity in respect of any warranty, non-warranty, short supply, damage and other claims upon the Contracted Vendor or upon the Procuring Entity are on file | | | Never had a situation like this |
| In the case of IFAD prior review, all copies of IFAD's 'no objections' are on file | X | | |
| Any other communications relating to the procurement in questions including internal entity correspondence is on file | X | | On a separate file (#) |

X – Documents kept in the bidding file

X – Currently only part of the documents are kept on file

X- Documents Kept on a separate file

(#) **Note:** For each procurement process our filing system has 2 folders:

- 1 that includes all the documents related to the procurement process . The last document is the signed contract and any possible addendums to the contracts.
- 1 that is related to the contract management, including payments, receipts, supporting documents, reports, minutes of meetings, etc.

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REGISTER OD SERVICES Period: January- December 2020

| 0 | 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
|----------------|----------------------|----------------|-------------------|--|-----------------------|------------------|-------------------|---------------------|---------------------|---------------------|-----------------------------|-----------------------------|-----|---|--------------------------------|--|-------------------|-----------------------|------------------------|
| Sequential No. | Contract No. | Date of Launch | Supplier Name | Description of Goods, Services, Works | Method of Procurement | Date of Contract | Country of Origin | Period of Execution | Amount With VAT USD | Amount With VAT MZM | Category and % of Financing | Non-objection No. | CMF | Status as of November 2020 | Amount paid untill August 2020 | Observations | Financial Balance | % financial execution | Technical Progress (%) |
| 1 | 03/PROMER/SP/20/F.A. | 4-Feb-20 | Helena Zefanias | Apoio tecnico para implementa ^{ção} do GALS no PROMER | SSS | 30-Jul-20 | MOz | 81 days | 51 736.00 | | III | IFAD 00001860/PROMER/1843 | | Ongoing. Retainer contract | 2 500.00 | NO for direct contract was requested and granted in July 2019, but the consultant was not available and we had to postpone the signature of the contract for 2020. d | 49 236.00 | 5% | 10% |
| 2 | 04/PROMER/SP/20/F.A. | 9-Mar-20 | CLAYCR ETE GLOBAL | 440 litros de Claycrete para provincia de Cabo Delgado | SSS | 14-May-20 | MOz | 45 days | 19 559.10 | | III | N.A | | Finalized | 19 559.10 | | 0,00 | 100% | 100% |
| 3 | 05/PROMER/SP/20/F.A. | 25-May-20 | Jorge Rungo | Oficial de comunica ^{ção} | SSS | 11-Aug-20 | MOz | 120 days | | 1 050 000.00 | III | IFAD N00008160/PROMER/8226 | | On going. Retainer contract | 21 000.00 | | 1 029 000.00 | 98% | |
| 4 | 06/PROMER/SP/20/F.A. | 14-Aug-20 | ANIMA | Produ ^{ção} de videos e fotos | SSS | | MOz | | 75 000.00 | | | IFAD N00009696/PROMER/10018 | | contract negotiations on going | 75 000.00 | | 75 000.00 | 0% | 0% |
| 5 | 07/PROMER/SP/20/F.A. | 24-Aug-20 | OSTEL DESGN | Produ ^{ção} de Material de visibilidade | SSS | | MOz | | 50 000.00 | | III | IFAD N00008511/PROMER/8666 | | Contract negotiations finalized. Contract signature under process | 50 000.00 | | 50 000.00 | 0% | 0% |

Annex to the Procurement Review – Technical Report

| | | | | | | | | | | | | | | | | | | | |
|--------------|------------------------------|---------------|-------------------|---|-----|-------------------|-----|-------------|-------------------|----------------------|-----|---|--|---|--------------|---|-----------------|-------|------|
| 6 | 13/PRO MER/SP /20/F.A. | 20-May- 20 | NIRAS | Estudo de viabilidade e desenho técnico mercado grossista de Pemba | SSS | 20- Jul-20 | MOz | 150 days | | 6 058 044.88 | I | IFAD 0000781 7/PROM ER/7816 | | Finalized | 6 041 231.00 | | 16 813.88 | 99,7% | 100% |
| 7 | 19/PRO MER/SP /20/F.A. | 11-Aug- 20 | GMSC | Estudo de impacto ambiental construção do mercado grossista de pemba | SSS | 22- Sep- 20 | MOz | 30 days | | 3 630 000.00 | I | IFAD N000090 02/PRO MER/91 64 | | Finalized | 2 092 970.88 | Last report submitt ed and under revision. Upon approval , last payment will be made | 1 537 029.12 | 58% | 100% |
| 8 | 23/PRO MER/SP /20/F.A. | 27-Oct- 20 | Afonso Pereira | Oficial de Procureme nt | SSS | 30- Oct- 20 | MOz | 150 days | | 545 000.00 | III | IFAD N000094 82/PRO MER/96 97 | | On going. Retainer contract. | 45 336.00 | | 499 664.00 | 8% | 10% |
| 9 | 22/PRO MER/SP /20/F.A. | 28-Aug- 20 | COWI | Estudo Final do Projecto | SSS | | | | 240 000.00 | | III | 0000855 1/PROM ER/8724 | | Procure ment process started. On going technical evaluatio n | 0 | | 240 000.00 | 0% | 0% |
| 10 | 21/PRO MER/SP /2020/FA | 15-Aug- 20 | Drew Dennis | Operaciona lização do arquivo electrónico Phase II | SSS | 27- Aug- 20 | Moz | 200 days | 101 000.00 | | III | IFAD N000084 93/PRO MER/86 28 | | Retainer 2nd contract with he same consulta nt | 19 600.00 | | 81 400.00 | 19% | 20% |
| Total | | | | | | | | | 537 295.10 | 11 283 044.88 | | | | | | | | | |

Annex to the Procurement Review – Technical Report

REGISTER OF GOODS & EQUIPMENT

Period: January to December 2020

| 0 | 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|----------------|--------------------|----------------|---------------|---|-----------------------|------------------|-------------------|---------------------|---------------------|----------------------|-------------------|-------------------|-----|---|--------------------------------|-------------------|-----------------------|--|
| Sequential No. | Contract No. | Date of Launch | Supplier Name | Description of Goods, Services, Works | Method of Procurement | Date of Contract | Country of Origin | Period of Execution | Amount With VAT USD | Amount With VAT MZM | Category and % of | Non-objection No. | CMF | Status as of November 2020 | Amounts paid until August 2020 | Financial balance | % financial execution | Comments |
| 1 | 01/PROMER/E/20/F.A | 7-Feb-20 | RONIL | Aquisição de duas (2) viaturas pick up 4x4 para celula de Molocue | LCS | 1-Apr-20 | MOz | 45 days | 79 920.75 | 5 442 602.00 | III | N.A. | | finalized | 79 920.75 | 0.00 | 100% | |
| 2 | 08/PROMER/E/20/F.A | 11-May-20 | SEDEMOC | 06 (Seis) armarios metalicos | LS | 11-May-20 | MOz | 12 days | 2 579.92 | 168 339.60 | III | N.A. | | Finalized | 168 339.60 | 0.00 | 100% | |
| 3 | 10/PROMER/E/20/F.A | 18-Jun-20 | DATASERV | Equipamento informatico | LS | 4-Aug-20 | MOz | 45 days | | 4 722 802.11 | III | N.A. | | on going. Procurement process finalized. Delivery of equipment delayed due Covid (equipment was imported from South Africa) | 944 560.42 | 3 778 241.69 | 20% | Final payment pending finalization of on going delivery of equipment |
| 4 | 20/PROMER/E/20/F.A | 25-Aug-20 | PRODATA | Aquisição de duas (2) vmaquinas fotocopadoras para arquivo eletrónico - PMU | LS | 9-Sep-20 | MOz | 45 days | 9 732.69 | 691 994.01 | III | N.A. | | Finalized | USD 9.732.69 | 0.00 | 100% | |
| TOTAL | | | | | | | | | 92 233.36 | 11 025 737.72 | | | | | | | | |