IFAD

Enabling poor rural people
to overcome poverty

Maldives

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Asia and the Pacific Division
Programme Management Department

PTAFREP Supervision Main Report

Supervision report

Main report and appendices

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Abbreviations and acronyms

AIO	Agriculture Implementation Officer
AWPB	Annual Work Plan and Budget
BML	Bank of Maldives Ltd
CBPO	Community-Based Producer Organization
FAO	Food and Agriculture Organization
FADiP	Fisheries and Agricultural Diversification Programme
FTC	Fisheries Training Centre
ICB	International Competitive Bidding
ICRAF	International Centre for Research in Agroforestry (World Agroforestry Centre)
IFAD	International Fund for Agricultural Development
IOTC	Indian Ocean Tuna Commission
MCS	Monitoring Control System
M&E	Monitoring and Evaluation
MFDA	Maldives Food and Drug Authority
MOFA	Ministry of Fisheries and Agriculture
MOFT	Ministry of Finance and Treasury
MOU	Memorandum of Understanding
MRC	Marine Research Centre
MSC	Marine Stewardship Council
MTCC	Maldives Transport and Contracting Company
MTR	Mid Term Review
NDP	National Development Plan
PIU	Project Implementation Unit
SDR	Special Drawing Rights
SIS	Supervision and Implementation Support
SLA	Subsidiary Loan Agreement
TOT	Training of Trainers
VLD	Vessel Locating Device
VMS	Vessel Monitoring System
YFT LL	Yellow Fin Tuna Long Line

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A. Introduction[1]

1. The Post-Tsunami Agricultural and Fisheries Rehabilitation Programme in the Maldives was designed with two main objectives: to rebuild the livelihoods of fisher-folk through resuming and improving the operating conditions for sustainable fish capture and processing, and to resume and improve agricultural production in atolls. The total programme cost of US$ 4.49 million in seven years is composed of US$ 4.30 million from IFAD (two loans & a grant, 91.3% of total cost) and US$ 190,000 from the Government. The initial IFAD loan (663-MV, US$ 2.048 million) and grant (783-MV, US$ 200,000) was approved on 19 April 2005 and became effective on 21 April 2006. The supplementary loan (692-MV, US$ 2.048 million) was approved on 20 April 2006 and became effective on 12 October 2006. The Mid-Term review was undertaken from 21 March to 7 April 2009. The Project Completion Date (PCD) is 31 December 2013.

2. The objectives of this last Supervision Mission were to: (1) assess the programme implementation progress against the AWPB and overall programme targets, identify any problems or constraints for implementation, and propose and agree on remedial actions for resolving them within the next few months; and (2) facilitate the project completion process. Key events included: meetings with the Minister of Fisheries and Agriculture and with the Programme Implementation Unit on 20 May; field visit to L. Gan Agriculture Center on 24 May; pre-wrap-up meeting with the Ministry of Fisheries and Agriculture (MOFA) on 29 May and wrap-up meeting at the Ministry of Finance and Treasury (MOFT) on 30 May. Due to travel bans resulting from bad weather, no additional field / site visits were possible during the mission period.

B. Overall assessment of programme implementation

3. The overall programme performance is rated as moderately satisfactory (4). Most fisheries-related activities have been completed with observable outcomes. Almost all the agriculture-related activities have achieved 100% output progress, with outcome observed mainly in training activity. As of 30 April 2013, the disbursement rate was 99.91% for 663-MV; 81.07% for 692-MV; and 99.74% for 783-MV. However the unspent IFAD resources were respectively US$ 1.02 million from 692-MV and US$ 97,885 from 783-MV, about 25% of the total IFAD commitment.

4. Annual implementation progress is rated as moderately satisfactory (4). In the fisheries sector, the Marine Stewardship Council (MSC) certification was obtained as planned and capacity development for MOFA has continued; however some activities in the 2012 AWPB, such as the procurement of the Vessel Locating Devices (VLDs) and longline fishing trials, have not been completed. In the agriculture sector, all activities in the 2012 AWPB, except the farmers' credit line and capacity building with grant financing, have been implemented. See section C for details.

1 Mission composition: Mr Ya Tian, Country Programme Manager; Mr Anura Herath, Country Programme Officer working as Agriculturalist / Credit Specialist; Mr Graeme Macfadyen, Fisheries Specialist; Ms Aminath Shafia, M&E / Institutional Specialist; and Mr Kajal Chakraborty, Financial Management Specialist.

5. Likelihood of achieving development objectives is rated as moderately satisfactory (4), taking into account the progress in both agriculture and fisheries activities. The Programme will finalize the sustainability plan before the PCD; this is in draft form at present. Once this is done and practiced, the completed agricultural interventions will contribute to improving the knowledge base that is needed for productivity upgrading. In the fisheries sector, the likelihood of achieving the development objectives will be dependent on successfully completing the remaining activities.

6. Progress in addressing previous mission recommendations. Almost all agreed actions of the 2012 mission on implementation and financial management have been complied with.

7. Generic issues / risks. Given the remaining programme duration, there is a probability that the following items may fail to be completed by the PCD: credit disbursement for ice plants and farmers; procurement of the VLDs; longline fishing trials; and the result-oriented training of MOFA staff.

C. Outputs and outcomes

Component 1: Recovery and sustainable development of the fisheries sector

8. The component has two intended outputs and the performance is rated *moderately satisfactory (4)*.

9. Establishment of four fish market buildings *(rated as 4)*. The Programme has constructed four fish markets as planned, in Th. Hirilandhoo, Th. Vilufushi, M. Maduvvari and Ga. Gemanafushi. The Maduvvari market building is being well utilised, and is generating meaningful outcomes in terms of improved fish hygiene and quality, and the resulting better prices. Rent of the two upstairs spaces is generating revenue for the island council. That, along with charges imposed on fish cutters, is sufficient to cover the maintenance costs. For the Vilufushi market building, the Programme should have provided funds to pay for the temporary protection of the building from sea erosion, but this remains to be completed. The Ministry of Housing and Infrastructure has assured that it can provide a permanent solution for the protection of the building. However, based on the current estimation for the costs of works provided by the Ministry of Housing and Infrastructure, the current allocation (US$ 51,000) for this work will need to be increased to between US$ 67,000 and US$ 102,000 depending on whether the work can be completed as part of other works planned by the Ministry for harbour works. The mission underscores that the procurement process for the work should be completed by 31 July 2013, otherwise the Programme should not finance the work and the earmarked funds would be cancelled. The Gemanafushi and Hirilandhoo market buildings are not being used as fish markets or for any other productive purposes at present. Thus only one of the four buildings is contributing to the intended Programme outcomes.

10. Credit provided for ice production units *(rated as 4)*. All programme funds originally allocated for this output (US$ 400,000) have been disbursed from the MOFT to the Bank of Maldives (BML), and four applications for credit for ice plants were approved during the first round of the credit facility. Two are installed and operational (one in Ka. Hulhumale and one on a fish processing barge), one is procured but requires some small additional finance (around MVR 85,000) for installation (in AA. Ukulhas), and one (in Ka. Hulhumale) is planned but has been held up due to some legal issues which have now been resolved and is fully expected to be installed and operational by the completion of the Programme. Given the direct impact in terms of improved fish quality and prices that have resulted from the plants already operational, the first round of credit is considered a success in terms of outcomes. Given this success, as recommended by the last mission, lending and on-lending terms for a second round of additional credit (for US$ 400,000) have been specified in a new Subsidiary Loan Agreement (SLA) to 692-MV, approved by IFAD, and funds disbursed to the BML. The advertisement for the second round has been launched with a closing date for applications of 30 May 2013. Indications are that there are

likely to be at least two applications. Additional applications may be made if more time is provided, and the mission notes that the current limit of MVR 1.5 million per loan is now insufficient to purchase and install ice plants. The mission therefore recommends that the closing date for the applications be extended to 15 June 2013, and that the limit per loan be increased to MVR 1.8 million and reflected in a modification of the SLA with BML by 31 July 2013. BML is urged to act quickly on the processing of applications and disbursement of funds, which must take place so that all ice plants can be installed prior to the completion of the Programme. The mission recommends that if all new loan contracts have not been signed with private sector parties by 31 July 2013, any funds not committed should be paid back to the Government by BML and such funds would be cancelled.

Component 2: Recovery and sustainable development of the agricultural sector

11. The component has three outputs and the performance is rated as *satisfactory (5).*

12. L. Gan Agriculture Center *(rated as 6)*. The completed Center was handed over to MOFA in February 2013. Additional programme funds of US$ 7,500 were used to support its electrification and domestic water supply. To become a fully-fledged facility, the lecture rooms should be established as soon as possible; staff should be assigned by MOFA; and a training plan should be developed and implemented. These activities are ongoing and should be completed.

13. Capacity building of MOFA extension staff *(rated as 5)*. A total of 8 MOFA extension staff and 9 CBPO facilitators have been trained. Extension staff are involved effectively in: extension and training; and some agricultural research on pest and disease, soil and moisture conservation, ecological agriculture, etc., in Hanimaadhoo Agriculture Centre. Although the trained CBPO facilitators are not fully and formally involved, MOFA frequently obtain their services for training programmes, initial problem diagnosis in island farming, publicizing extension materials, and linking farmers with formal extension service. The outcome of delivering high quality training has thus been satisfactorily achieved.

14. Community Based Producer Organizations (CBPO) *(rated as 4)*. Out of the 10 CBPOs formed with 2,275 members (60% of the target) in seven islands, still only five are properly functioning under the Fisheries and Agriculture Diversification Programme (FADiP) for value chain development. The others are at different stages of business operation with inadequate capacity and linkages but are willing to become cooperatives. More interventions, perhaps through FADiP, are needed to achieve the relevant outcome of organising farmers and diversifying production system.

15. As part of this component, a credit line of US$ 100,000 was opened for farmers but remains undisbursed. Responding to a MOFA request, the mission agreed to maximum loans of MVR 50,000 each to registered farmers for agriculture related activities in the programme area. If all new loan contracts have not been signed with farmers by 30 September 2013, any funds not committed should be paid back to the Government by BML and such funds would be cancelled. Meanwhile, using the funds earmarked for the agriculture master plan preparation, an international Entomologist was recruited to cover training and research needs in the subject area. During the 2 year contract which ended in December 2012, useful contributions in training and pest control including biological means were initiated. These are now internalised into MOFA's training and research activities.

Component 3: Policy support to MOFA

16. The component has an intended outcome of enhanced national capacity in policy formulation, planning and management in the fisheries and agriculture sectors, and its performance is rated as *moderately satisfactory (4)*.

17. Fisheries Master Plan *(rated as 3)*. The 2012 mission recommended that a short management planning workshop be held for stakeholder to re-specify the management logframe developed

by the Programme so that it could better reflect current policy. This has not taken place. Given the national elections planned for September 2012, it is no longer appropriate now for such a revision to take place. There will be few lasting outcomes resulting from the output-related activities, in terms of an improved fisheries management framework for the sector. This is unfortunate given the need for a fully elaborated master plan to guide the management of the sector which is now rapidly evolving following the MSC certification.

18. Capacity building for regional and international cooperation of MOFA/Government *(rated as 6)*. Maldives became a full Contracting Party to the Indian Ocean Tuna Commission (IOTC) in the middle of 2011, and programme funds have been used to pay for membership. Membership was a condition of, and resulted from, the Marine Stewardship Council (MSC) certification of skipjack tuna (see below), and the Programme has thus contributed in a meaningful way both to certification, and to regional fisheries management improvements through IOTC. The mission recommends that IOTC membership fees for 2013 (US$ 80,000) are paid by the Programme. The mission further recommends the Government to use funds currently allocated for this purpose for other fisheries management initiatives, such as recruitment of a consultant to help implement parts of the MSC client action plan. Programme funds have also been used to pay for a variety of MOFA staff trainings and for subscriptions to a number of regional and international organisations. These have increased the opportunity for MOFA staff to participate in regional workshops which enhances national capacity both at policy and sectoral levels. Funds (US$ 3,000) allocated for a workshop in Malaysia (on hydrographic surveying and auto-CAD software) are not expected to be used, so the mission recommends that the allocation be used for training of MOFA agricultural staff.

19. National Monitoring Control and Surveillance (MCS) complying with international standards and conventions *(rated as 3)*. The Government has completed a re-tendering for the provision of Vessel Locating Devices (VLDs), as a previous order to source VLDs from Geoeye (based in USA) was cancelled due to some administrative irregularities under the current finance regulation. The re-tendering process resulted in lower unit costs (MVR 20,000 = US$ 1,297) of the VLDs offered by the preferred supplier Dhiraagu PLC (the leading communication service provider in the Maldives), and a letter of order is expected to be signed with Dhiraagu before the end of May 2013. This order will require Dhiraagu to first install 10 VLD units (to be paid for by the vessel owners themselves and not by programme funds) on longline vessels, and then to source and install on behalf of the Government around 269 VLDs on handline, and potentially on some pole and line, vessels that are subjected to fishing licensing (i.e. those catching fish for export). An IFAD no-objection letter to this process, dated 18 December 2012, was conditional on three pieces of information being provided to IFAD: (i) details of the competitive bidding process for the VLDs; (ii) a report detailing the installation and testing of VLDs on longline vessels; and (iii) proof that the Government has made it mandatory for commercial licensed vessels to use VLDs. None of this information has yet been provided to IFAD to date.

20. Currently there is no agreement on whether and how much vessel operators should pay for the VLDs, or how such monies entering a revolving fund would then be used. The mission recommends therefore that in addition to the existing three requirements laid out in the IFAD no objection letter of 18 December 2012, it be a requirement that before the order is placed with Dhiraagu to purchase the 269 VLDs, a clear plan be articulated and documented, and submitted to IFAD, laying out the mechanisms for the revolving fund. This plan may include a requirement that monies accruing to the revolving fund should be used for fisheries management activities i.e. in support of the intended outcomes of this output. Meanwhile, there is now little time left for the three IFAD requirements of 12 December 2012 to be fulfilled and for all the VLDs to be installed and to be operational before the completion of the Programme. The mission further recommends therefore that all of the four requirements (i.e. the three outlined in the paragraph above and the one in this paragraph) must be complied with by 31 July 2013,

and if they are not, activities under this output should be immediately halted and such funds would be cancelled.

21. The 2012 supervision mission agreed the use of funds (US$75,000) for a three month consultancy for an international fisheries management/data consultant to be assigned to the Fisheries Management Agency (FMA), to work on MCS and other data and catch reporting issues, including building and testing of web-enabled database to allow catch reporting and catch certificate issuing. However, FMA recruited a consultant for this purpose using funds from UK multiple retail companies with the assistance of the International Pole and Line Foundation (IPNLF), and the consultant has now developed a new web-enabled database to meet current data collection and management requirements. The FMA have requested that some of the allocated US$ 75,000 therefore be used to pay for 2 local staff to assist the consultant with ongoing work, and in particular to help with data cleaning of historical data which is required before the new database can be populated. The estimated cost of MVR 56,000 (US$ 3,632) has already been approved by IFAD in an email on 9 April 2013. An associated request to provide the local staff with two high-speed computers and a printer was not approved. The mission has re-examined this issue and considers that, in light of the current old age and slow speed of FMA computers and the need for FMA to handle and process large volumes of data, the purchase of requested hardware is justified. The mission recommends that a budget of US$ 3,120 be available for this purpose.

22. Human Resource capacity of the competent authority (Maldives Food and Drug Authority) *(rated as 5)*. All training was completed and the training evaluation forms for all trainings are held by the PIU, along with a more general assessment of improvements in competency.

23. Boat Building Code *(rated as 5)*. All activities under this output were completed, with two separate documents/codes prepared for wood and fibreglass (FRP) fishing vessels, along with a document on 'the way forward for implementation' of the code. The code is not being used by the Transport Authority, partly due to the Authority's reluctance to adopt/implement the code. The mission recommends that PIU/MOFA engage with both the Maldives Boatbuilders Association and the new Minister of Transport to ensure that the code is implemented, otherwise there will be no outcome from this output by the end of the Programme. MOFA should explore the possibility of making it a requirement that the issuing of fishing licences be dependent on vessels having been constructed according to the code.

24. Maldivian fish and fisheries products from pole and line/hand line certification *(rated as 6)*. The Maldivian skipjack fishery has been formally approved by the Marine Stewardship Council (MSC). This represents a significant achievement, supported by programme funds. An important outcome has been an increase in demand for Maldivian product that has ensured access to export markets.

25. Training in quality standards for traditional processing of Maldive Fish *(rated as 5)*. This output was completed. The FADiP supports similar outputs, with intended outcomes of improved prices and value-addition through the value chain.

26. Training and demonstration of yellowfin longline fishing onboard the Fisheries Training Center (FTC) vessel *(rated as 4)*. The previous supervision missions have repeatedly underlined to the need to ensure that the vessel to be used for longline trials is made ready, but this has still not been achieved. Two missions by the master fisherman have now been completed, longline gear and equipment have been procured, but no trials have yet taken place due to the lack of a functioning vessel for the trials. The master fisherman should not complete any further missions to the Maldives until everything is ready so that trials can take place, and the mission again stresses the need for the vessel to be made ready (now expected by the end of June). Funds remain available for around 30 days of longline trials and one additional month of additional input by the master fishermen. The mission recommends that an additional US$ 20,000 be allocated so that the master fisherman can be recruited for a 2 month period, over which he would complete 30 days of trials, with the other 30 days being used for shore-based

preparation work, and report writing. Given the delay in this output and the small number of trial fishing days now expected, MOFA have prepared a concept note for additional funding for longline fishing trails, and the concept note was presented at a recent FAO-organised donor conference held in the Sri Lanka. The mission notes however that longline fishing gear trials do not fit within the FAO Country Programme Framework for the Maldives, and while other donors may wish to fund longline trials, there is as yet no guarantee that they will do so. This raises the possibility that programme funds will have been spent by the end of the Programme which will have achieved few trial fishing days and few sustainable outcomes. If the vessel is not ready and the master fisherman not deployed by the beginning of October, funds allocated will be cancelled.

27. FTC and Fisheries Division staff training *(rated as 3)*. Training of island-based CBPO facilitators was largely unsuccessful as those trained were not ultimately available in the islands to complete training activities. FTC staff are now limited to 3, and are conducting island-based training themselves. In expectation of recruitment of FTC staff in the coming months, the budget for FTC staff training is retained.

28. Functioning legitimate CBPOs established and working in partnership with MOFA and FTC *(rated as 3)*. The Programme has not been successful in establishing any fisheries cooperative societies, but FADiP is supporting registered and emerging cooperative societies in the fisheries sector. Agricultural cooperatives established by the Programme have been taken over by the FADiP.

29. Agriculture master plan *(rated as 5)*. The plan was finalised with FAO funds, and programme funds were thus used to hire an international entomologist as described under component 2 above.

30. MOFA staff training *(rated as 5)*. All MOFA staff training has now been completed and staff are back from overseas training and working in MOFA, providing a supportive and oversight role to programme activities.

Agreed action	Responsibility	Agreed date
1. Funds allocated for Vilufushi civil works increased to US$ 102,000 in the revised 2013 AWPB, and procurement process completed by the agreed date or funds cancelled	MOFA / PIU /Ministry of Housing and Infrastructure	31 July 2013
2. Application deadline for ice plant loans extended to 15 June 2013 with maximum limit increased to MVR 1.8 mn per loan, and revised SLA with BML and all loan agreements between BML and private parties signed by 31 July, and if not funds paid back by BML to the Government and cancelled.	MOFT and BML (revised SLA), BML (loan contracts)	31 July 2013
3. All loan agreements for agricultural loans between BML and farmers signed by 30 September, and if not funds paid back by BML to the Government and cancelled	BML	30 September 2013
4. Requirements associated with IFAD no objection for procurement of VLDs provided to IFAD, and if not funds to be cancelled	MOFA / FMA / PIU	31 July 2013
5. Funds allocated in revised AWPB for 2013 for the remaining inputs by the master fishermen increased by US$ 20,000	MOFA / PIU	15 June 2013
6. AWPB for 2013 revised to reflect allocation of US$ 80,000 for payment of Maldives' IOTC membership fees for 2013	MOFA / PIU	15 June 2013
7. The overseas training plan using the IFAD grant prepared and submitted to IFAD for prior review. The plan should include such details for each activity as the training institution, time for the training, list of participants, etc.	MOFA / PIU	31 July 2013

D. Programme implementation progress

31. **Programme management performance** is rated as *satisfactory (5)*. The Programme's full staff team continued to work in 2012 with a more effective administrative and performance-oriented system with adequate field-based work. The Fisheries and Agriculture Component Coordinators are fully engaged with the Programme linking it up with MOFA. They are supporting to mainstream some of the programme activities ensuring their sustainability. Examples are

Diploma holders' and Graduates' services, L. Gan Agriculture Center, training of trainers approach, and extension materials. The delays in the procurement processes are of concern, as they are hampering programme progress in some key activities. Examples are VLD procurement; longline training; loan receivers for ice plants and small farmers still to be selected; and various training of staff of MOFA. The missions recommends that all pending procurement should be completed by end November 2013.

32. **Coherence between AWPB and Implementation** is rated as *moderately satisfactory (4)*. Implementation closely followed the AWPB revision 2012. The outputs planned under Component 2 are satisfactorily completed or are well in progress. There are minor setbacks and delays in implementing few activities of Component 1 and 3. There are no reports of any activities undertaken outside the AWPB revision 2012.

33. **Monitoring and evaluation (M&E)** performance is rated as *moderately unsatisfactory (3)*. A baseline survey was completed towards the end of 2009, and an M&E manual was developed in mid-2009 to ensure regular flow of information from the communities to the programme management. CBPO facilitators were assigned the tasks of island level M&E focal points to link programme management with the communities. These M&E focal points report to the M&E Officer at PIU. Beneficiary farmers and fishers were provided with a log-book for data recording and four sets of questionnaires are used for data collection.

34. The questionnaires are developed to capture summaries of outputs. The field questionnaires are partly analysed to develop, monthly, quarterly, biannual and annual reports. These reports capture only the progress of implemented activities rather than a result based monitoring process which focuses on outcomes, impact and changes of the programme. The M&E system is also challenged by the frequency and accuracy of data/information received from the field operations to the programme management. For example, there is only one Agriculture M&E report and occasionally discrepancies are found in other field reports. There is no data verification system, nor a process for timely data collection. Currently none of the CBPO facilitators is stationed in the islands and reliable field data collection is at risk. M&E Officer lacks the competency to deliver the M&E outputs and the Programme is unsuccessful in addressing critical indicators of the logframe. The contract of the current Programme M&E Officer will be discontinued from June 2013.

35. Recently the programme management came to know about an M&E database developed for the Programme an M&E expert. The current M&E Officer have limited knowledge on how best to use the database. The M&E Officer was not briefed by the expert or the previous M&E Officer, and thus the database remained idle. The mission recommends that the M&E system start utilizing the database and link it to decision making and exit strategy to strengthen the sustainability of the Programme. In order to achieve this, the Programme needs technical assistance. It is thus recommended that during the remaining 6 months, the programme management be provided with an expert to build capacity of the existing M&E system, and integrate the programme M&E functions into MOFA.

36. In line with the previous missions recommendation, the Programme has planned to conduct an 'Outcome and Impact Survey' using both qualitative and quantitative tools to assess the changes ensued by the Programme. This activity needs to be completed before the Programme Completion Review (PCR) in October–November 2013. In the absence of adequate information on the programme RIMS indicators through the M&E system, the outcomes of this survey is critical for the PCR, exit strategy and follow up decision making.

37. **Gender focus** is rated as *moderately unsatisfactory (3)*. The Programme was developed recognizing that rural women in the Maldives are hindered by a variety of normative barriers that limit their potential and opportunities. The project appraisal emphasised mainstreaming women participation in all programme activities. However, the Programme has no active gender mainstreaming strategy apart from collecting gender disaggregated data for the outreach

training activities. Since 2010, over 99% of the data collected through the M&E system for training is gender disaggregated.

38. The Programme has demonstrated success in women inclusive extension training. Out of the 2,903 persons trained in both fisheries and agriculture extension, 51% are women. In the agriculture sector women's participation in the extension training is over 52% while in the fisheries sector trainings commenced during the latter half of 2012 and the reach of women is 20%. It is important that the planned CBPO facilitator training and extension activities for fish production practices and technologies apply a rigorous women target approach to sustain the achievements.

39. Women participation in MOFA diploma and CPBO facilitator training is inadequate (0 and 38 % respectively). As a result rural women's opportunities to get involved in leadership and decision making still remains inadequately attended.

40. Though recommended by the previous mission, a gender sensitization module is yet to be incorporated into the extension training and documentation of views of women on benefits derived from the Programme is not in progress. It is recommended that the latter be incorporated into the knowledge management products to be developed under the Programme. This will assist the Programme to understand what women do, what they have and what makes them poor and vulnerable. In addition, the M&E system should collect further information regarding the women status, including income and earnings, roles and responsibilities, access and control of resources, especially those in the women-headed household of the beneficiary communities.

41. It is envisaged that the five PIU staff undergoing training in gender integrated planning and women leadership under the IFAD "Capacity Building for Women's Leadership Project for Asia Pacific" to provide inputs for the gender mainstreaming activities during the remaining 6 months of the programme.

42. **Poverty focus** is rated as *moderately satisfactory (4)*. The beneficiary communities from the 30 tsunami affected islands are relatively poor and the Programme has reached communities in 25 islands. Programme implementation has no deliberate targeting of poor but provides equal opportunities to all the people from the selected islands to participate in the interventions thus categorizing populations across the islands generically as poor people. This approach has limited impacts on the poorest and those most in need. Without deliberate targeting, the poorest are difficult to reach and benefit from the programme interventions. The Programme M&E do not collect data/information on poverty related indicators of RIMS (economic - income/earning and consumption- malnutrition) for the beneficiary groups.

43. **Effectiveness of targeting approach** is rated as *moderately satisfactory (4).* Overall the Programme is pro-poor and adopts a geographical targeting approach. The 30 islands selected under the programme were based on the level of damage caused by the tsunami, incidences of poverty and vulnerability of the population and levels of food insecurity. Programme implementation has no specific approach on selecting individuals, households or communities.

44. **Innovation and learning** is rated as *moderately satisfactory (4)*. The boat building code is available on the MOFA website for easy access, and the development of cooperatives has been innovative given the lack of cooperatives when the Programme started. The FADiP has taken over responsibility for innovation and learning with respect to cooperative development and the use of fish waste in the production of Maldive Fish. Documentation of knowledge and successful innovations generated during the programme must be urgently undertaken based on the recommendations of the last mission, so that they can be shared during the Programme completion workshop. In this regard, the PIU have prepared a concept note for the development of Knowledge Management products (e.g. a documentary of the Programme, case study documents, a photo story, and a photo album). The mission will provide some recommendations on the concept note in the full supervision mission report. Additional budget

of US$ 8,000 should be provided for the travel costs to allow for necessary travels to the islands in support of the development of knowledge products.

45. **Climate and environment focus**. Programme design did not provide for any specific activities aimed at addressing either climate change resilience through adaptation, or climate change mitigation i.e. reduced contributions to climate change. However as clearly evident from the text above, both Components 2 and 3 of the Programme have been working to improve natural resource management, and the extent to which this has been achieved has already been discussed. Additionally, Programme has supported improved agricultural practices including soil and moisture conservation, biological pest control and organic agriculture that have brought about a positive contribution to natural resource management.

46. **Partnerships**. The Programme continues to actively support increased partnerships and linkages with and between various stakeholders, such as: MOFA/FMA and the Coast Guard; FTC and island-based beneficiaries; Government and the IOTC; Government and donors such as UNDP and FAO; MOFA and MFDA; and individuals in island communities (through CBPOs). Island councils have become closer partners of supporting and guiding the programme-initiated cooperatives.

Agreed action	Responsibility	Agreed date
8. All pending procurement by the Programme finalised	MOFA / PIU	30 November 2013
9. Knowledge management products produced	MOFA / PIU	31 October 2013

E. Fiduciary aspects

47. **Financial management** is rated as *satisfactory (5).* The financial statements reflects the transactions effected to execute the activities as devised in the Loan Agreements 663-MV and 692-MV and the grant agreement 783-MV. The financial transactions are generated at the PIU in Male where all the books and records are maintained. The accounts functions are handled by the Project Accountant assisted by an Accounts Assistant who has joined very recently. The overall fiduciary responsibility lies with the Project Director. The Project Accountant appears to have sound accounting skills and the Accounts Assistant, although new, is keen and zealous.

48. The PIU prepares the vouchers in triplicate and sends it to the Planning Department for concurrence who in turn sends back two copies after their concurrence. One copy is sent to the Budget Department who in turn uploads the vouchers in the accounts system of the Ministry of Finance and Treasury (MOFT). The PIU enters the vouchers in an excel-generated Expenditure Statement after they have been concurred and returned by the Planning Department. PIU cannot verify if the Budget Department has uploaded all the vouchers that have been sent to them as there is no report forthcoming from the Budget Department. There are no books of account maintained as such other than the detailed excel workings.

49. All the payments are actually effected by MOFT who sends a report to PIU on a monthly basis. The PIU updates the Expenditure Statement, as referred to in the preceding paragraph, on receipt of such report and the new file is considered to be the Cash Book. This practice started from 1 July 2012. The Financial Statements are prepared on the basis of the actual payments made by MOFT, or in other words from the Cash Book. As against the total amount per Expenditure Statement for the period 1 July 2012 through 30 April 2013, MOFT is yet to release payments to the extent of USD$ 5,371.31.

50. The mission reviewed the books and records of the Programme, examined the internal controls and interacted with the accounts staff. The main findings are as follows:

a) The Programme maintains a Fixed Assets register in an excel sheet recording the details of description, location, asset number, costs, etc. for assets located in the PIU office. As contended by the programme management, physical verification of the same is done on a half yearly basis. Such physical verification needs to be documented by the PIU.

b) The total costs of PIU fixed assets as per the Fixed Assets register amounted to US$ 17,386 as on 30 April 2013. This amount is exclusive of assets like long life

equipment, generator sets, Echo Systems, etc., procured and transferred by the Programme for the onward use of MOFA and no inventory is maintained for these.

c) Based on a Subsidiary Loan Agreement between the Government and the Bank of Maldives (BML) an amount of US$ 500,000 has been transferred to BML to facilitate lending to prospective borrowers for ice plant (US$ 400,000) and agricultural credit (US$ 100,000).

d) The Programme has received an initial deposit of US$ 1 million from IFAD. As the Programme is scheduled for completion on 31 December 2013, the PIU should prepare and submit to IFAD a recovery plan for such initial deposit.

51. As at 30 April 2013, an amount accumulating to US$ 70,261 has been paid in excess from Special Account representing amounts paid by IFAD for expenses to be borne by the Government. MOFT should transfer back such amount to the Special Account from the designated project account. Up to the same date, for the IFAD grant, the accumulated amount pre-financed by IFAD for Government's share amounted to US$ 98,122. MOFT needs to refund this amount to the designated project account for the grant.

52. **Disbursement** is rated as *satisfactory (5)*. Till 30 April 2013, IFAD has disbursed an amount of SDR 1.17 million against Loan 692-MV, including an initial deposit of SDR 0.64 million. The rate of disbursement till 30 April 2013 was approximately 81.07% including the initial deposit. Considering the withdrawal application no.12 which IFAD has already processed, the rate of disbursement would be 87.34%. Loan 663-MV has already been closed wherein a disbursement rate of 99.91% was reached. For Grant 783-MV, the total disbursement made till 30 April 2013 was SDR 140,000 including an initial deposit of SDR 69,000. The rate of disbursement for the Grant including the initial deposit is approximately 99.74%.

53. **Counterpart funds** are rated as *satisfactory (5)*. For 2012, the amount budgeted as Government counterpart contribution in the 2012 AWPB was provided by the government. As at 30 April 2013, the Government has made a total contribution of US$ 205,448 as its counterpart contribution for the Programme.

54. **Compliance with loan covenants** is rated as *satisfactory (5)*. The Programme has complied with most loan covenants except for the absence of an effective Information Management Mechanism.

55. **Procurement** is rated as *moderately satisfactory (4)*. The Programme has taken the necessary prior approval of IFAD in respect of the procurement of VLDs, the estimated costs of which is approximately US$ 350,000. IFAD has given its approval, subject to the fulfilment of certain conditions on which the programme management is still working. The procurement process for this has been long drawn, and the pace of procurement needs to be expedited for early completion. In respect of other procurements, the method of procurement was in accordance with the stipulations of the loan agreement and the documentation was found to be satisfactory.

56. **Audit** is rated as *moderately satisfactory (4)*. The Audit for 2011 was carried out by PWC, Chartered Accountants (the auditors). The Audit Report was an unqualified one with no serious observation noted. No comment was noticed on (a) the procurement procedures, (b) SOE's, (c) withdrawal application documentation and (d) annual work plan and budget. From next year, PIU needs to modify the TOR of the auditors to specifically include review and comments on the matters enumerated in (a) to (d). The Auditors also issued a Management Letter. The PIU maintains a detailed Audit Log. IFAD has carried out a review of the audited accounts for year 2011 and the programme management should address the issues highlighted therein. The mission noted that the auditors' were contracted for the years 2006 to 2011. The auditors have taken up the audit for 2012 which is on-going. However, the auditors' contract extension has not yet been finalised in respect of the audit of year 2012.

Agreed action	Responsibility	Agreed date
10. Recovery plan for Initial Deposit of US$ 1,000,000 prepared by PIU and submitted to IFAD.	PIU	30 June 2013
11. MOFT to transfer US$ 70,261 back to the Special Account from the designated project account.	MOFT	30 June 2013
12. MOFT to transfer US$ 98,122 to the designated project account of IFAD Grant.	MOFT	30 June 2013
13. The auditors' contract extended for the audit for the year 2012.	PIU	31 May 2013

14. Inventory of assets procured for operational activities and transferred to the MOFA to be maintained by the project.	PIU	30 June 2013

F. Sustainability

57. **Institution building** is rated as *moderately satisfactory (4).* Institutional developments supported by the Programme have included capacity enhancement of: government staff and island-level stakeholders in CPBO development and fish market building management. All MOFA staff who have been supported by the Programme to complete degrees in policy and project management under component 3 continue to work for MOFA, and their funding was contingent on them doing so for an agreed period. The approach towards ensuring institutional sustainability of capacity developments at the island level is for the FADiP to continue to build on the activities completed by the Programme so as to ensure institutional sustainability of island-based CBPOs and Value-Chain Cooperatives. The Gan Agriculture Center will be strengthened with staff and other facilities and it will remain under MOFA. There is also regular budget provision in MOFA for its sustainability. Some weaknesses remain to be addressed, such as the inadequate staff level of FTC etc.

58. **Empowerment and social sustainability** is rated as *moderately satisfactory (4)*. The Programme has contributed to social sustainability of the poor through formation of CBPOs and capacity building of island-level stakeholders. These outputs have created increased opportunities for the poor to access loans, collective marketing initiatives, improved access and control of markets, and fisheries and agriculture related services. Overall the national loan schemes provide preference to community based groups, and the private sector has shown more willingness to establish marketing relationships with CBPOs instead of individuals. To sustain these relationships FADiP is engaged in building the capacity of CBPOs. The relevant Government policies need to be strengthened with a sharp focus on sustainability and success of these organizations.

59. **Quality of beneficiary participation** is rated as *satisfactory (5).* Primary beneficiaries of the Programme include both MOFA staff and island-based stakeholders. The housing of PIU within MOFA and the active role of the component coordinators both ensure that MOFA are fully involved with planning and implementation of the Programme and its M&E. This participation will be further enhanced during the remainder of the Programme, and for the FADiP, with the work of the current implementation officers being completed by MOFA staff from July 2013 onwards. The recently created FMA is also now engaged and participating with the Programme. Island-based beneficiaries (cooperatives, councils, market building operators, island-based facilitators) have all actively participated in the Programme, and this has been ensured through training activities, visits by PIU staff to the islands, and their role in the provision of M&E data/information to PIU. The Project Steering Committee, comprised of a wide range of different government and private sector stakeholders, serves to ensure wide participation by other stakeholders in the planning and implementation of the Programme.

60. **Responsiveness of service providers** is rated as *moderately satisfactory (4)*. Good levels of beneficiary participation as discussed above ensure that service provision is demand driven, and that beneficiaries are involved in the selection of service providers and in monitoring service provider performance. The PIU itself is a key service provider in terms of agricultural sector island-based trainings that have been completed during the Programme. Other service providers have been responsive to calls of the Programme and high quality inputs have generally been provided in programme activities, for example: the boat building code; design drawings for possible landing site developments at Hulhumale; longline gear specifications; civil engineering works completed by contractors; BML for credit provision; and overseas MOFA staff training.

61. **Exit strategy** is rated as *moderately satisfactory (4)*. A draft exit strategy and sustainability plan has been prepared by the PIU to be discussed more fully internally within MOFA and with

service providers before being finalised. This strategy should articulate how the FADiP will pick up and continue to build on many of the activities of the Programme at the island-level, and how programme activities may need post-Programme action/continuation by MOFA, e.g. VLDs, longline trials, implementation of the MSC certification client action plan, improvements in Maldive Fish quality, and IOTC membership funds which will be incorporated into the Government budget in 2014 onwards, etc.

62. **Potential for scaling-up** is rated as *satisfactory (5)*. FADiP is already scaling up the activities related to cooperative development, which have been very innovative in the Maldivian context given the historical lack of cooperatives in the country. The agricultural production development activities have significant potential for scaling up in other islands. The installation of VLDs, initially in the longline and handline licensed export fisheries, has potential for scaling up into the pole and line fleet over time with resulting fisheries management benefits. The installation of ice plants, and the beneficial impacts they have on the fisheries sector value chain through improved fish quality and prices, may encourage other private sector parties to make investments in ice production and other fish quality improvements. The MSC certification of the skipjack tuna fisheries and its resulting market access benefits may also encourage the Government and private sector to make the necessary management improvements necessary for the certification of the yellow fin tuna fishery. The trial longline fishing activities, if completed, also have a strong potential for scaling up by the private sector, and indeed this is the intention of the longline trials i.e. to demonstrate to the private sector the techno-economic feasibility of longline fishing.

Agreed action	Responsibility	Agreed date
15. Exit strategy finalised	MOFA / PIU	31 July 2013

G. Other

63. **Impact on physical and financial assets** is rated as *moderately satisfactory (4)*. The Programme has provided fish market buildings, ice plants, MCS monitoring equipment, and longline fishing equipment and gear. Subject to some minor issues, the fish market buildings have been built to a satisfactory standard. The ice plants appear to be correctly sized and specified. The MCS equipment was specified to a high standard and is expected to become functional once the VLDs are installed on fishing vessels. The longline trial fishing equipment and gear are also expected to be used before completion of the Programme. Meanwhile, the Programme has contributed to establishing agriculture-related physical assets including the agriculture training centre, equipment for the quarantine laboratory, and printed extension material and manuals. Opportunity for creating financial assets in the agricultural sector will be through application of enhanced knowledge of improved agricultural practices, including their application in CBPOs and the farmer-targeted credit line. Outcome assessment is still pending to quantify such impacts.

64. **Impact on food security** is rated as *moderately unsatisfactory (3)*. The Programme had a baseline study showing the food security index for all the atolls based on the National Planning Department's Vulnerability and Poverty Assessment Report of 2004. Changes since then cannot be assessed because of an absence of updated data. Programme farmers are cultivating vegetables and fruits for consumption and selling, but volumes are insufficient to enhance direct food security although higher incomes may have enhanced indirect food security. The food security index in the target islands/atolls, developed by National Planning Department, needs to be updated during the impact survey conducted prior to the Project Completion Review, to reflect both direct and indirect food security.

65. **Impact on incomes**. The Programme did not track annual changes in incomes in the target islands and neither reported these in the progress reports. This weakness was due to the M&E system not being mature enough; not having tools in the M&E manual to track income; and the

Programme received no instruction to do so from any of the previous missions. There is however scattered evidence in the programme targeted islands that there is a trend towards increased incomes as a result of programme interventions. For instance, in M. Maduvvari island, the quality of fish has improved with the use of the 'fish market' which has also reduced the time prior to processing. This in turn has improved the quality of fish paste (Rihaakuru) with a higher price in the local market. In N. Kendhikulhudhoo, the extension service provided by the CBPO facilitator for melon cultivation in hydroponics and other cash crops under greenhouse conditions has led to an increase in income of the beneficiary farmers.

66. **Policy impact**. The Programme has supported the development of the agriculture master plan. MOFA has adopted the CBPO and training of trainers modality as an extension tool in both fisheries and agriculture sectors to carry out its regular extension programme after realising the benefit of the strategy. The Programme is contributing towards a policy decision to have a VMS/VLD system for the fishing fleet, and to introduce standards with regards to boat building and vessel construction. MSC certification has also had a positive impact on fisheries policy and management in order to comply with the certification requirements. The Programme has also had a positive impact on changing government policy in favour of the need for the private sector to invest in ice plants, with resulting improvements in fish quality.

67. **Project completion review (PCR)**. PIU/MOFA will complete the Government's PCR by end November 2013. Prior to the PCR, an impact survey should be conducted during July to October 2013, by a survey team to be engaged by the PIU. The results of the impact survey should be incorporated into the PCR. The IFAD country team will assist PIU in developing the terms of reference for the survey as well as the PIU/MOFA version of the PCR. The IFAD PCR will be undertaken in December 2013.

Agreed action	Responsibility	Agreed date
16. Impact survey completed	MOFA / PIU	31 October 2013
17. PCR completed	MOFA / PIU	30 November 2013

H. Conclusion

68. After seven years' implementation, the Programme has completed most of the fisheries-related activities and almost all the agricultural interventions, with some observable outcomes. The completed agricultural interventions will likely contribute to productivity enhancement, while the fisheries outputs will help improve the operating conditions for fishermen and processors towards improved livelihoods. These are in addition to the impressive outputs achieved for enhanced capacity in policy formulation, planning and management in the fisheries and agriculture sectors. The Programme's potential for scaling up as illustrated in paragraph 63 above, at both policy and operational levels, is indeed plausible. The mission compliments MOFA for the leadership, the Programme staff for their dedication, and all the other concerned ministries and partners for their collaboration towards enhanced programme performance over the recent years, after a slow start of the Programme.

69. The mission has made a number of key recommendations, including: measures to be adopted to speed up the implementation of yet-to-be-completed activities, notably in the fisheries sector and the grant component; the need for finalizing the exit strategy / sustainability plan; and the arrangements for the impact survey and programme completion process.

70. With the Programme Completion Date clearly in sight now, it is imperative that MOFA and PIU stay focused on consolidating the completed outputs, ensuring an effective and efficient use of the available resources, and striving for a speedy implementation and completion of all the remaining planned activities within the next few months. Priority should be given to ensure that: (i) all pending procurements are completed by 30 November 2013; (ii) the exit strategy and sustainability plan are finalized by 31 July 2013; (iii) the impact survey and the PIU version PCR are completed by October and November 2013 respectively; and (iv) last but not least, the M&E system be strengthened and M&E functions be integrated into MOFA. Given the Programme

PCD, efforts on M&E should be embedded in the implementation of the two on-going IFAD projects managed by the PIU.

71. The mission thanks MOFA and PIU for the kind support extended to the mission for carrying out the supervision and implementation support tasks.

Mr Ya Tian IFAD Country Programme Manager For Maldives	Mr Mohamed Ahmed Financial Controller Ministry of Finance and Treasury
Date	Date

Dr Abdulla Naseer Permanent Secretary
Ministry of Fisheries and Agriculture

Date

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Maldives			Project ID	1347	Loan/Grant No.	663
Project	Post-Tsunami Agricultural and Fisheries Rehabilitation Programme					Supp. Loan/Grant	692
Date of Update		30 May 2013				Financing terms	HC
Supervising Inst.		IFAD/IFAD					
No. of Supervisions	6	No. of Implementation Support/Follow-up missions	2				
Last Supervision	May 2012	Last Implementation Support/Follow-up mission	June 2011				

					USD million	Disb. Rate %
Approval	19-Apr-2005			Total costs	4.99	
Agreement	25-Sep-2005	Effectiveness lag	12.2	IFAD Total	4.30	
Effectiveness	21-Apr-2006	PAR value	--------	IFAD loan 663	2.048	99.91
				IFAD loan 692	2.048	81.07
MTR	07-Apr-2009			DSF grant		
Current completion	31-Dec-2013	Last Amendment	14-Nov-2012	IFAD grant	0.20	99.74
Current closing	30-Jun-2014	Last Audit	01-Jul-2009?	Domestic Total	0.19	
No. of extensions	One and 1 year			Government (National)	0.19	
				Cofinancing Total	0.50	
				Italy	0.50	0

IFAD disbursement % refers to currency of disbursement.

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	5	5	1. Quality of project management	5	5
2. Acceptable disbursement rate	4	5	2. Performance of M&E	4	3
3. Counterpart funds	4	5	3. Coherence between AWPB & implementation	6	4
4. Compliance with loan covenants	5	5	4. Gender focus	4	3
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	5	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	3	4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Comp 1 Rehabilitation of Fisheries Sector	5	4	1. Institution building (organizations, etc.)	4	4
2. Comp 2 Recovery & Sust Dev of Agric Sector	4	5	2. Empowerment	4	4
3. Comp 3 Policy Support	4	4	3. Quality of beneficiary participation	3	5
			4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	3	4
			6. Potential for scaling up and replication	4	5

Overall Assessment and Risk Profile

		Last	Current
C.1	Physical/financial assets	5	4
C.2	Food security	3	3
C.3	Overall implementation progress (Sections B1 and B2)	4	4
C.4	Likelihood of achieving the development objectives (section B3 and B4)	4	4

C. **Risks** *Short description of major risks for each section and their impact on achievement of development objectives and*

5	*sustainability*	
	Fiduciary aspects	The remaining programme implementation period is only six months until December 2013 with a 6-month closing time. However the Programme still faces some important challenges and risks in using the committed funds for VLD, Ice plan establishment and disbursing loans to farmers. MOFA needs to ensure an efficient management of the available financing and meet all deadlines that are recommended in the aide memoire.
	Project implementation progress	Delays and indecisiveness of the procurement process that is led by MOFA continued well into 2012 and 1st quarter of 2013. MOFA has not effective enough to provide policy guidance, particularly in procurement and to make decisions to resolve procurement implementation issues affecting the Programme. In addition MOFAT took almost a year to complete the second subsidiary loan agreement that enables the operation of additional credit funds of $ 400,000 for ice plants and $ 100,000 for farmers. Unless these activities have speedy solutions the Programme completion would be suboptimal.
	Outputs and outcomes	VLD, master-fisherman's long line training, data management of fishery management, credit delivery, fish market protection etc. are some of key activities and actions that still need to be completed before programme completion in December 2013. Improved programme management now in place should minimise this risk, but it will nevertheless remain a significant challenge for the PIU to complete all activities in support of the agreed outputs, outcomes and objective, particularly with MOFA's active support. The main risks are worth highlighting. Firstly, the decision by the Government to embark on a new tender process for the provision of Vessel Location Devices (VLDs) needed a very strict timetable of steps to be adhered to, but MOFA is still to complete some of the crucial activities if the process. Secondly, it has been agreed by the last mission to use considerable amounts of the remaining programme finance to provide additional credit for ice plant loans, which is still pending. The lack of availability of the proposed long-line master fishermen to complete the longline fishing trials, is still a risk faced by the Programme.
	Sustainability	The Programme is ending in December 2013 but only in May 2013 the programme is preparing exist plan or a sustainability intervention, which is being reviewed by MOFA and other agencies. Until the exit plan is finalised, responsibilities assigned and necessary budget allocated with MOFA funds the programme assets will run the risk of un-sustainability.

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
OVERALL GOAL AND PROJECT PURPOSE			
Overall goal: Contribute to the restoration of agricultural and fisheries GDP to level reached previous to the occurrence of the Tsunami and return to stable and long-term growth, while improving the livelihood of affected people and reducing their vulnerability to disasters.	GDP contribution of fisheries and agriculture Vulnerability of the population in the target area	Baseline Survey Report Impact Assessment Survey Report Household Income and Expenditure Survey (HEIS) Report Vulnerability & Poverty Assessment (VPA) Report	**Assumptions**: Continuing commitment of the GoM to support sector development focused on improved and sustainable livelihoods **Risks**: Macro-economic and external environmental factors impacting negatively on incomes and employment
Project purpose: Improved livelihoods of island communities targeted by the project.	*Household's assets ownership index (farmers and fisher folks) (RIMS)* *Child malnutrition (RIMS)* *People (men and women) receiving project services (RIMS 1.8.1)* *Communities receiving project services(RIMS 1.8.4)*	Reports: - Baseline Survey - Ministry of Health -Department of National Planning - Programme M&E Reports	
COMPONENT 1: RECOVERY AND SUSTAINABLE DEVELOPMENT OF THE FISHERY SECTOR			
Outcome 1: Improved and sustainable operating conditions for small and medium scale fish harvesters and processors.	▪ *Likelihood of sustainability of market facilities (RIMS 2.4.3 – 2nd level)* ▪ % of vessels using landing area out of total number of vessel, in the 4 fish market islands (target 100%)	Reports -Fish market management committee Survey- Fish market surveys Reports - MoFA/FMA	**Assumptions:** GoM policy on marine resource utilization is effectively safeguarding resource sustainability and sustainability of income as

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
	▪ % of fish landing to the market out of total fish catch of the island, in the 4 fish market islands (target 100%) ▪ % of fish processors using fish market center out of total fish processors, in the 4 fish market islands (target 100%) ▪ % of vessels utilizing transponders out of total number of vessels in the country (target 70% at national level) ▪ Financial and accounting data quarterly are sent quarterly by fish market management committee ▪ Perception of users on the quality of the processing and storage facilities (target 80% are satisfied) ▪ Perception of the buyers on the quality of the fish sold (target 70% report improvement)		well as employment benefits for small and medium scale operators. **Risks**: Market distortions could polarize revenues to the detriment of small and medium scale producers and processors.

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
Output 1.1: Four fish market centers established in selected islands Activity 1.1.1 –Obtain agreement with communities on management of market facilities Activity 1.1.2 –Proceed with contract allocation for three markets (Gemanafushi, Hirilandhoo, and Viilifushi) Activity 1.1.3 – Retender market (Maduvvari) and allocate contract Activity 1.1.4 – Supervise market construction (PIU/FIO) Activity 1.1.5 – Supervise construction, provide feedback to PIU/MoFA (island supervisors) Activity 1.1.6 – Provide management training at four island market sites (M&O, book keeping, participatory M&E) Activity 1.1.7 – Subject market operation and management to M&E	▪ *Number of fish market centers constructed (RIMS 1.4.3 – 1st level)* (target 4)	Fisheries Implementation Officer M&E Reports	
Output 1.2: Credit provided for SME scale ice production units, RSW/CSW onboard and VMS transponders Activity 1.2.1 – Draft and formalize SLA Activity 1.2.2 – Monitor disbursement and recovery performance Activity 1.2.3 – Evaluate impact on user level	▪ F10- Bank of Maldives disbursed micro credit funds (USD 400,000.00) to target clients (target 100% disbursed) ▪ *F11- Number of enterprises accessing financial services (RIMS 1.5.5 – 1st level)* (target at least 10)	Bank of Maldives activity reports M&E Reports	**Assumptions:** SLA agreed between Ministry of Finance and Trade (MoFT) and Bank of Maldives (BML). Lending rates lower than commercial terms and conducive to private sector borrowing.
Output 1.3: Fish landing facilities in Hulhumale constructed	▪ Support infrastructure construction	Fisheries Implementation Officer	**Assumption:**GoM/HDC provides land to facilitate private sector investment.

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
COMPONENT 2: RECOVERY AND SUSTAINABLE DEVELOPMENT OF THE AGRICULTURE SECTOR			
Outcome 2: Improved and sustainable production practices of organized small and medium scale agriculture producers			
Specific outcome 2a: Strengthened Agricultural Centers deliver high quality training and research	▪ Number of CBPOs trained by the Agricultural Centers (target 25) ▪ Perceptions on quality of the training provided by Agricultural Centers to CBPOs (target 70% report high quality training	Agricultural Center activity report Training evaluation forms	
Specific outcome 2b: Farmers are organized and move towards high value agriculture through intensification and diversification of their agriculture	▪ *Likelihood of sustainability of the agricultural CBPOs formed (RIMS 2.6.3 - 2nd level)* ▪ *Effectiveness: Improved agricultural production (RIMS 2.2.2 - 2nd level)* ▪ Number of islands reporting an improved quality of the products (target 25) ▪ Number of islands reporting increased agricultural production at island level (target 25) ▪ Number of islands with at least 10 farmers growing new products (target 25)	Focus groups with farmers Agriculture M&E reports	

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
	▪ Number of islands with at least 10 farmers adopting environmentally sustainable practices (target 25) ▪ Number of islands reporting increased income from agricultural production (target 25)		
Output 2.1: Improved facilities of two agricultural centers Activity 2.1.1 – Contract & tender civil works for the relocation of the Southern Agricultural Center Activity 2.1.2 –Upgrade training and research facilities and equipment of the two agricultural centers	▪ All required facilities provided to each Agricultural Center	MoFA Annual Report Agricultural Center reports	**Assumption**: GoM provides land for construction and relocation of Agricultural Centers.
Output 2.2: Improved capacities of MoFA staff in the agricultural centers Activity 2.2.1 –MOU between MoFA and training service provider Activity 2.2.2 –Enrolment of MoFA staff in agriculture certificate programme. Activity 2.2.3 –ToT training for MoFA staff in agriculture research, extension, forestry and building CBPOs	▪ Number of MoFA staff *(men and women)* trained by training service provider (target 8 by 2009) ▪ Quality of the training provided by training service provider to MoFA staff (target 100% are satisfied)	Training service provider activity report Training evaluation forms	
Output 2.3:CBPOs are established and capable of applying on farm adaptive research programme Activity 2.3.1 –Selection of CBPO trainees for ToT programmes. Activity 2.3.2 –Delivery of ToT training by MoFA staff to CBPO trainees. Activity 2.3.3 –Formation and training of community based agricultural organizations by community trainers. Activity 2.3.4 –Establishment of adaptive research trials in selected islands. Activity 2.3.5 – Credit line for farmers	▪ Number of CBPO facilitators (men and women) trained (Level 1 and 2) by training service provider (target 25 by 2009) ▪ Number of farmers (men and women) trained by CBPO facilitators (target 1875) ▪ *Number of CBPOs formed (RIMS 1.6.4-1st level) (target 25 by 2010)*	Training service provider activity report Focus group with CBPO members Agriculture M&E reports	**Assumptions**: Communities are willing to form CBPOs. **Risks:** CBPOs become fragmented and dysfunctional.

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
	▪ *Number of farmers (men and women) actively involved with CBPOs (RIMS 1.6.5 - 1st level) (target 500 by 2010)* ▪ Number of CBPOs having at least one on-farm research ongoing (target 25) ▪ No of CBPOs having meetings at least once month (target 25) ▪ Number of CBPOs meeting at least 3 times per year with government officials (target 25) ▪ No. of loans provided to farmers (target 30)		Loans utilization for other purposes
COMPONENT 3: POLICY SUPPORT TO THE FISHERIES AND AGRICULTURE SECTORS			
Outcome 3: Enhanced national capacity in policy formulation, planning and management in the fisheries and agriculture sectors			
Specific outcome 3a: Full compliance of fisheries and agriculture sectors with respect to national and international laws, agreements, codes and quality standards	▪ Decrease of reported cases of IUU fishing ▪ Endorsement of Fisheries bill by the Parliament ▪ Maldives listing with FVO (target 3rd country listing maintained) ▪ Decreased border rejection of fish and fishery products by EU	Reports - MoFA Reports - MFDA Fisheries Implementation Officer	
Specific outcome 3b: Strengthened capacities of MoFA and other stakeholders (CBPOs, FTC) of the fisheries and agriculture sectors	▪ *Number of government officials (men and*	Training evaluation forms Fisheries M&E reports	

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
	women) trained (RIMS 1.6.1 - 1st level) ▪ *Effectiveness: promotion of pro-poor policies and institutions (RIMS 2.6.1 - 2nd level)* ▪ Perceptions of trainees (MFDA, FTC staff, CBPOs, LL fishermen) on their increased capacities (target 80% report good quality training and increased capacities) ▪ *Likelihood of sustainability of the fisheries CBPOs formed (RIMS 2.6.3 - 2nd level)*		
Output 3.1: Fisheries Master Plan finalized	▪ Fisheries Master Plan finalized	MoFA(policy planning section)	
Output 3.2: Capacity for regional and international cooperation of MoFA/GoM developed Activity 3.2.1 – Draft tentative schedule of international and regional events and venues on the base of priority needs of GoM Activity 3.2.2 – Provide communication and logistical support for attendance at meetings Activity 3.2.3 – Circulate meeting and conference reports Activity 3.2.4 –Provide funds for GoM to join IOTC as full member (two years)	▪ IOTC Membership granted ▪ Number of senior MoFA staff (state ministers, permanent secretaries, division heads) attending regional and international forums attended by using project funds (target at least 2 senior staff go to 3 forums each year) ▪ Back to office reports submitted and reflecting the objectives of the mission	MoFA Back to Office reports submitted by MoFA staff	

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
Output 3.3: National MCS complying with international standards and conventions implemented Activity 3.3.1 –Select TA for MCS technical specifications of hard and software for VMS, data processing and technical training needs Activity 3.3.2 –Assist MoFA in procurement of necessary hardware and software, and other logistical requirements Activity 3.3.3 – Prepare NPOA on IUU Activity 3.3.4 – Facilitate training of a corps of MCS inspectors (at sea and port inspections) Activity 3.3.5 –Carry out training in VMS and MCS data management Activity 3.3.6 –Assist MoFA in the implementation of M&E of delivery and impact	▪ Monitoring Control System installed and functioning by 2010	MoFA	**Assumptions**: GoM maintains commitment to full compliance and provides sufficient logistic and staff support. Enforcement agencies cooperate to the extent required. Legal and regulatory provisions allow for MCS implementation. Qualified staff available for MCS Authority.
Output 3.4: Human resource capacity of the Component Authority – MFDA strengthened Activity 3.4.1 –Train MFDA inspectors in on board and land based fish quality and hygiene standards according to international standards Activity 3.4.2 – Support HRD of the MFDA through appropriate training	▪ Number of MFDA inspectors *(men and women)* trained on EU inspection for fish and fishery product exports (target 25 by 2009) ▪ Quality of the training (level, correspond to the needs, higher capacities in verifying fish quality, hygiene standards....) (target 75% are satisfied)	Training service provider activity report Training evaluation forms	**Assumptions**: Legal provisions allow for enforcement of standards. MFDA/MoFA provides trainees with adequate background and with sufficient time, and ensures employment and career path.
Output 3.5: Legal revision of the fisheries bill finalized	▪ Draft Fisheries Bill finalized and submitted to the Parliament	Fisheries Implementation Officer	

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
Output 3.6: Boat Building Code established and implemented Activity 3.6.1 – Prepare a Boat Building Code to Maldivian needs reflecting international best practice Activity 3.6.2 –Advise on inclusion of adjusted Code in regulations	▪ Endorsement of the code by the Ministry of Transport	Fisheries Implementation Officer	
Output 3.7: Maldivian fish and fisheries products from pole and line/hand line certified Activity 3.7.1 –Obtain quotes from accredited MSC certifiers Activity 3.7.2 –Facilitate MSC Pre-assessment Activity 3.7.3 –Facilitate MCS full-assessment	▪ MSC (Marine Stewardship Council) certification obtained for fishery industry	MoFA/MSPEA (Maldives Seafood Processors and Exporters Association)	**Assumptions**: MSC pre-assessment results are available External factors to the project do not preclude certification.
Output 3.8: Training in quality standards for traditional processing of' *Maldivefish'* facilitated Activity 3.8.1 – Specify ToT content on quality standards as part of ToR of FTC Activity 3.8.2 –Facilitate ToT to CBPOs in quality standards Activity 3.8.3 –Subject training impact and sustainability to participatory M&E	▪ Number of trainers (FTC and CBPOs) *(men and women)* trained (target 200) ▪ Number of people trained (processors and CBPOs) *(men and women)* in quality standards (target 1500)	Training service provider activity report Fisheries M&E report	**Assumption**: Implementable quality standards for traditional processing of '*Maldivefish*' developed by MoFA.
Output 3.9: Training and demonstration of YFT LL onboard of FCT vessel supported Activity 3.9.1 –Recruit a Master Fisherman Activity 3.9.2 –Backstop specification of gear and equipment needed, request for quotations, evaluation and procurement Activity 3.9.3 –Develop training schedule	▪ Number of fishermen (men and women) fully trained in long-lining by Master fisherman	Master fisherman activity report	**Assumptions**: MoFA provides training vessels and M&O arrangements for operations. Willing trainees can be identified.

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
Activity 3.9.4 –Conduct training and demonstration activities Activity 3.9.5 –Develop and apply participatory M&E of training impact			
Output 3.10:CBPO facilitators trained by FTC Activity 3.10.1 – Assist in institutional and M&O design of the FTC, HRD and development of training syllabus Activity 3.10.2 –Assist in capacity building of FTC staff Activity 3.10.3 –Assist in capacity building for YFT LL training Activity 3.10.4 –Assist MOFA in M&E of FTC performance, delivery and impact Activity 3.10.5 –Develop accredited seafood worker level 2 course	▪ Number of fisheries CBPO facilitators (men and women) trained by FTC in GA. Vilingili (target 20 in 2009)	FTC activity report	
Output 3.11: Functioning and legitimate CBPOs established and working in partnership with MoFA and FTC Activity 3.11.1 – Facilitate the emergence of legitimate, transparent and accountable CBPOs Activity 3.11.2 –Facilitate negotiations between MoFA and CBPOs in order to agree on mutually shared overall objectives Activity 3.11.3 –Agree on and formalize a protocol of cooperation and partnership Activity 3.11.4 –Advise on and assist in institution building, M&O and HRD of CBPOs Activity 3.11.5 –Prioritize T&E and R&D needs including ToT in collaboration with FTC Activity 3.11.6 –Identify initial financing needs and financing mechanisms in cooperation with MoFA and provide funds Activity 3.11.7 –Design a participatory M&E system and monitor and audit PIU inputs	▪ Number of fisheries CBPOs established and registered at Ministry of Economic Development (target 10) ▪ Number of fisheries CBPOs meeting at least 3 time per year with MoFA staff (target 10)	Fisheries Implementation Officer Ministry of Economic Development Fisheries M&E report	**Assumptions**: GoM continues commitment to fostering the emergence of civil society and socio-professional organizations. Genuine and legitimate CBPOs emerge in time to deliver services to island communities.
Output 3.12: Agriculture Master Plan finalized	▪ Services provided for pest and disease management in MOFA strengthened	Component Coordinators Agriculture Implementation Officer	

Hierarchy of objectives	Objectively verifiable indicators	Means of verification	Assumptions and risks
Activity 3.12.1– Recruitment of Entomologist		MoFA Annual Report - Agriculture Division	
Output 3.13: MoFA staff trained for 1st degrees in Policy and Project Management Activity 3.13.1 –Select and enroll MoFA staff in degree programmes Activity 3.13.2 –Evaluate student progress	▪ 2 MoFA staff complete training	Agriculture Implementation Officer Report by MoFA staff	**Risk-** staff retention in the sector

Appendix 3: Summary of key actions to be taken within agreed timeframes

Action Area	Action Agreed	Whom	Date
Outputs	1. Funds allocated for Th. Vilufushi civil works increased to US$ 102,000 in the revised 2013 AWPB, and procurement process completed by the agreed date or funds cancelled	MOFA/PIU/Ministry of Housing and Infrastructure	31 July 2013
	2. Application deadline for ice plant loans extended to 15 June 2013 with maximum limit increased to MVR 1.8 Million per loan, and revised SLA with BML and all loan agreements between BML and private parties signed by 31 July, and if not funds paid back by BML to the Government and cancelled.	MOFT and BML (revised SLA), BML (loan contracts)	31 July 2013
	3. All loan agreements for agricultural loans between BML and farmers signed by 30 September, and if not funds paid back by BML to the Government and cancelled	BML	30 September 2013
	4. Requirements associated with IFAD no objection for procurement of VLDs provided to IFAD, and if not funds to be cancelled	MOFA/FMA/PIU	31 July 2013
	5. Funds allocated in revised AWPB for 2013 for the remaining inputs by the master fishermen increased by US$ 20,000	MOFA/PIU	15 June 2013
	6. AWPB for 2013 revised to reflect allocation of US$ 80,000 for payment of Maldives' IOTC membership fees for 2013	MOFA/PIU	15 June 2013
	7. The overseas training plan using the IFAD grant prepared and submitted to IFAD for prior review. The plan should include such details for each activity as the training institution, time for the training, list of participants, etc.	MOFA / PIU	31 July 2013
Project Implementation	8. All pending procurement by the Programme finalised	MOFA/PIU	30 November 2013
	9. Knowledge management products produced	MOFA/PIU	31 October 2013
Fiduciary Aspects	10. Recovery plan for Initial Deposit of US$ 1,000,000 prepared by PIU and submitted to IFAD.	PIU	30June 2013
	11. MOFT to transfer US$ 70,261 back to the Special Account from the designated project account.	MOFT	30June 2013
	12. MOFT to transfer US$ 98,122 to the designated project account of IFAD Grant.	MOFT	30 June 2013
	13. The auditors 'contract extended for the audit for the year 2012.	PIU	31 May2013
	14. Inventory of assets procured for operational activities and transferred to the MOFA to be maintained by the project.	PIU	30June2013
Sustainability	15. Exit strategy finalised	MOFA/PIU	31 July 2013

Others	16. Impact survey completed	MOFA/PIU	31 October 2013
	17. PCR completed	MOFA/PIU	30 November 2013

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

		(Physical) Targets					
		2012 AWP&B (planned) *Planned annual*	**2012 Actual (achieved)**	**%**	**Revised (Global)**	**Cumulative, as of June 2013 (so far)**	**%**
Component 1 – Recovery and sustainable Development of the Fisheries Sector							
Output 1.1: Four Fish Market Centres established in Selected islands							
Obtain Agreement with communities on management of market facilities	Fish Market Construction Completed	**4**	4	100	4	4	100
Proceed with contract allocation for the fish markets at;	Fish Market Construction Completed	4	4	100	4	4	100
Th.Hirilandhoo	Fish Market Construction Completed	1	1	100	1	1	100
Ga.Gemanafushi	Fish Market Construction Completed	1	1	100	1	1	100
Th. Vilufushi	Fish Market Construction Completed	1	1	100	1	1	100
M. Maduvvaree	Fish Market Construction Completed	1	1	100	1	1	100
Island Supervisors for market construction	Four supervisors recruited for site supervision	4	4	100	4	4	100
Training for market management	Fish Market Construction Completed	4	4	100	4	4	100
Output 1.2: Credit provided for SME scale ice production units, RSW/CSW onboard and VMS transponders	Bank of Maldives disburse micro credit funds to target clients						
Draft and formalize SLA	No. and description of SMEs accessing the credit facility	4	4	100	8	3	37.5
Output 1.3: Fish landing facilities in Hulhumale constructed							
Carry out study on integrated development & management plan for shore-side fisheries facilities, to include prioritized investments and related costs. Completed	The activity did not proceed						
Tender and contract civil works							
Component 2 - Recovery and sustainable Development of the Agriculture Sector							
Output 2.1: Improved facilities of two agricultural centers							
Contract & tender civil works for reallocation of the Southern Agricultural Center	Agriculture Centre Relocated in L.Gan	1	1	0	1	1	100

Upgrade training and research facilities & equipment of the agricultural centers	All required facilities provided to each Agriculture Centre	1	1	0	1	1	100
Output 2.2: Improved capacities of MOFA staff in the agricultural centers							
Certificate training for staff	Number of MOFA staff (*men & women*) trained by training service provider	8	8	100	8	8	100
Agroforestry/land use planning/agribusiness/marketing/M&E (ICRAF)	Quality of training provided by the ICRAF (target 100% satisfied)	1	1	100	1	1	100
Applied research Training	No of research trials funded by the project	8	8	100	8	8	100
Output 2.3: CBPOs are established and capable of applying on farm adaptive research programme							
Delivery of TOT training by MOFA staff to CBPO trainees	No of CBPO Facilitators Trained	3750	2687	100	3750	4303	114
Formation and training of community based agricultural organizations by community trainers	No of CBPO formed	25	31	155	25	31	124
Farmer Training	Training Completed	1	1	100	1	1	100
Credit line for Agriculture	No. of farmers/farmer groups receiving credits	0	0	0	30	0	0
Component 3 - Policy Support to the Ministry of Fisheries and Agriculture							
Output 3.1: Fisheries Master Plan finalised							
Provide technical assistance through Policy and management expert	Fisheries Master Plan Finalized (developed fisheries data management log-frame)	1	1	100	1	1	100
Fisheries Revitalization U. W. Schmidt	Completed	1	1	100	1	1	100
Output 3.2. Capacity for regional and international cooperation of MoFA/GoM developed	Number of MOFA staff (number of forums)						
Provide communication and logistical support for attendance at meetings	No of back to office reports after the trips to International forums, no of staff attending international forums	1	5	500	9	13	144
Provide funds for GoM to join IOTC member (one years)	Maldives become member of IOTC	1	1	100	1	1	100
Output 3.3 National MCS complying with international standards and conventions implemented							
TA for MCS technical specifications of hard and software for VMS, data processing and technical	MCS system installed by 2010	1	1	100	1	1	100

training needs							
Procurement of necessary hardware and software, and other logistical requirements	MCS system installed by 2010	1	1	100	1	1	100
VMS Hardware and Software management training	No. of people trained	37	37	100	37	37	100
Facilitate training of a corps of MCS inspectors (at sea and port inspections)	No. of people trained	37	0	0	37	0	0
Carry out training in VMS and MCS data management	No. of people trained	50	0	0	50	0	0
Output 3.4: Human resource capacity of the Competent Authority (MFDA) strengthened							
Train MFDA inspectors in on board and land based fish quality and hygiene standards according to international standards	MFDA inspectors trained on EU inspection and quality of training for the MFDA staff	43	134	311.6	108	134	124
Output 3.5: Legal revision of the fisheries bill finalized							
Contract legal TA for the revision of fisheries bill	Completion of the Fisheries Bill	1	0	0	1	0	0
Output 3.6: Boat Building Code established and implemented							
Prepare a Boat Building Code to Maldivian needs reflecting international best practice	Status of Endorsement of the code by transport ministry	1	1	100	1	1	100
Output 3.7: Maldivian fish and fisheries products from pole and line/hand line certified							
Facilitate MSC full-assessment	- MSC (Marine Stewardship Council) certification obtained for fishery industry - Status of completion of MSC certification	1	1	100	1	1	100
Naval Architect (LLF Vessel Design) OyvindGulbrandsen - Completed	Completed	1	1	100	1	1	100
Output 3.8: Training in quality standards for traditional processing of Maldives fish facilitated							
Fisheries Extension Training-completed	Number of trainers (FTC and CBPOs) (men and women) trained (target 200)	200	30	100	200	30	15
Training in quality management - completed							
Output 3.9: Training and demonstration of YFT LL onboard of FCT vessel supported							
Recruit a Master Fisherman	Number of fishermen (men and women) fully trained in long lining by Master fisherman	1	0	0	1	0	0

Procure Equipment for the LL vessel	Number of fishermen (men and women) fully trained in long lining by Master fisherman	1	1	100	1	1	100
Conduct training and demonstration activities	Number of fishermen (men and women) fully trained in long lining by Master fisherman	360	0	0	54	0	0
Output 3.10: CBPO facilitators trained by FTC							
Assist in institutional and M&O design of the FTC, HRD and development of training syllabus	Number of fisheries CBPO facilitators (men & women) trained by FTC in Villingili	15	15	100	15	21	140
Assist in capacity Building of FTC staff (Villingilli)	No of FTC facilitators trained	20	4	20	20	6	30
Output 3.11: Functioning and legitimate CBPOs established and working in partnership with MoFA and FTC							
Procurement of equipment's for CBPOs	No. of CBPO's established			0	10	10	100
Training of CBPO Trainers(Training)	No. of fishers trained	1500	28	100	1072	49	4.6
Island Level Training	No. of CBPO's established	15	15	100	15	21	140
Output 3.12: Agriculture Master Plan Finalized							
Establish log frame planning capacity (TA)	Agriculture Master Plan (Did not proceed)						
Facilitate application of log frame methodology to formulation of Master Plan	Agriculture Master Plan (Did not proceed						
Advise on the development of the Master Plan	Agriculture Master Plan finalised (Did not proceed)						
Master Recruitment of Entomologist		1	1	100	1	1	100
Output 3.13: MoFA staff trained for 1st degrees in Policy and project Management							
Project management	No of GOV staff trained	1	1	100	1	1	100
Policy Development (Business Mgt)	No of GOV staff trained	1	1	100	1	1	100
Agribusiness	No of GOV staff trained	1	1	100	1	1	100
Agriculture Extension 1	No of GOV staff trained	1	1	100	1	1	100
Agriculture Extension 2	No of GOV staff trained	1	1	100	1	1	100
Naval Architecture	No of GOV staff trained	1	1	100	1	1	100
Development Studies	No of GOV staff trained	1	1	100	1	1	100
Component 4 - Programme Coordination							
Output 4.1 AWPB for the PTAFREP and Progress reports	1 AWPB and 4 (Progress reports developed) per year	1(4)	1(4)	100	3(12)	3(8)	100
Initial Setup	- Number of PIU positions filled on a full time basis - Number of Programme Coordinator's appointed	1	1	100	1	1	100
Programme Manager		1	1	100	1	1	100
Accountant		1	1	100	1	1	100
Programme Assistant		1	1	100	1	0	0

Programme Officer	- Number of staff trained by gender - Number of M&E/RIMS reports submitted timely - Number of RO-AWPB and annual procurement plans submitted for approvals - Number of audits taken	1	1	100	1	1	100
Office Assistant		1	1	100	1	1	100
Agriculture Coordinator		1	1	100	1	1	100
Fisheries Coordinator		1	1	100	1	1	100
Implementation Officer (Agri)		1	1	100	1	1	100
Implementation Officer (Fish)		1	1	100	1	1	100
Implementation Officer (Agri)		1	1	100	1	1	100
Cleaner		1	1	100	1	1	100
Output 4.2: Technical Assistance and Training on M&E and Financial Management							
M&E and reporting	Completion of the Management TA						
Consultancies international	Completion of the Management TA						
Output 4.3: M&E information issued for decision making purposes							
Travel	4 M&E reports developed per year	4	4	100	7	4	57.14

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Disbursement by Category as on 30 April, 2013 (US $ '000)

Financier	Approval	Disbursements	% disbursed
IFAD loan	4,250.15	3,981.87	93.69
IFAD Grant	207.90	210.81	101.40*
Government	702.64	205.45	29.24
Total	**5,160.69**	**4,398.13**	**85.22**

**due to SDR/US$ exchange rate fluctuation*

Table 5B: Financial Performance by Financier by Component - up to 30 April,2013 (US $ '000)

	IFAD loan			IFAD Grant			Government			Total		
Component	**Approval**	**Actual**	**%**	**Approval**	**Actual**	**%**	**Approval**	**Actual**	**%**	**Approval**	**Actual**	**%**
Fisheries	1,681.58	1,184.13	70.42	-	-		107.34	74.88	69.76	1,788.92	1,259.00	70.38
Agriculture	788.97	653.02	82.77	27.72			107.93	41.74	38.67	924.61	694.75	75.14
Policy Support	1,168.06	883.97	75.68	180.19	110.02	61.06	448.34	56.41	12.58	1,796.59	1,050.40	58.47
Programme Management	611.53	508.19	83.10				39.03	32.42	83.06	650.57	540.61	83.10
Grand Total	**4,250.15**	**3,229.30**	**75.98**	**207.90**	**110.02**	**52.92**	**702.64**	205.45	**29.24**	**5,160.69**	**3,544.77**	**68.69**

Table 5 C (a Disbursement by expenditure category (in SDR), as on 30.4.2013 Loan No 692

Category	Category description	Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
99Z	Initial deposit	-	635,787	-	(635,787)	-
1	Civil Works	280,000	208,903	3,047	71,097	74.61
2	Vehicles and Equipment	320,000	71,839	29,017	248,161	22.45
3	Technical Assistance	170,000	76,996	24,757	93,004	45.29
4	Training	130,000	41,799	13,213	88,201	32.15
5	Studies and Workshops	60,000	51,944	9,017	8,056	86.57
6A	Incremental Operating Costs - Staff Salaries	80,000	74,914	7,183	5,086	93.64
6B	Incremental Operating Costs - Travel	5,000	4,275	582	725	85.50
6C	Incremental Operating Costs - Other Costs	70,000	9,047	4,172	60,953	12.92
7	Credit Lines	335,000	-	-	335,000	-
	Total	**1,450,000**	**1,175,504**	**90,988**	**274,496**	81.07

Table 5 C (b) Disbursement by expenditure category in SDR, as on 30.4.2013 Loan No 663

Category	Category description	Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
1	Civil Works	350,000	299,328	-	50,672	85.52
2	Vehicles and Equipment	75,000	97,931	-	(22,931)	130.57
3	Technical Assistance	280,000	323,341	-	(43,341)	115.48
4	Training	100,000	113,354	-	(13,354)	113.35
5	Studies and Workshops	80,000	65,814	-	14,186	82.27
6A	Incremental Operating Costs - Staff Salaries	100,000	164,791	-	(64,791)	164.79
6B	Incremental Operating Costs - Travel	30,000	36,347		(6,347)	121.16
6C	Incremental Operating Costs - Other Costs	100,000	56,663		43,337	56.66
7	Credit Fund	285,000	241,217	-	43,783	84.64
	Total	**1,400,000**	**1,398,786**	-	**1,214**	99.91

**Table 5C (c
)**

Category	Category description	Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
97Z	Advance of Funds	-	69,009	-	(69,009)	
4	Training	140,000	70,622	-	69,378	50.44
	Total	**140,000**	**139,631**	**-**	**369**	99.74

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
ARTICLE II:	**THE FINANCING**			
2.02	*Loan Account and withdrawal.* **The Fund shall open a Loan Account and a Grant Account in the name of the Borrower and credit the principal amount of the Loan and the Grant, respectively, thereto.** The Borrower may request withdrawals from the Loan Account and the Grant Account from time to time between the Effective Date and the Loan Closing Date in various currencies in respect of Eligible Expenditures and otherwise in accordance with Schedule 2 (Allocation and Withdrawal of Loan and Grant Proceeds) hereof, and Article IV (Loan Account and Withdrawals) and Section 6.02 (Currencies for Withdrawals) of the General Conditions.	The Fund has opened Loan Accounts Number 663 and Number 692 for the project.	Complied	
2.03	*Special Account for Loan Proceeds*. (a) the Borrower shall open and thereafter maintain in its Central Bank, or another bank proposed by the Borrower and accepted by the Fund, a **Special Account denominated** in USD for the purpose of receiving Loan proceeds to finance the Programme. The Special Account shall be protected against set-off, seizure or attachment on terms and conditions proposed by the Borrower and accepted by the Fund.	Special Loan Accounts in USD opened Account Number 0867 for Loan	Complied	
	(b) After the **Special Account** has been duly opened, upon the Borrower's request, the Fund shall make one or more withdrawals from the Loan Account of up to USD 1,000 000 in the aggregate (the "Authorised Allocation"). The Fund shall deposit the amount of the Authorised Allocation in the Special Account on behalf of the Borrower for the purpose of carrying out the Programme. The **Fund shall replenish the Special Account from time to time upon request, in accordance with Section 4.08 of the General Conditions (Special Account)**, in such minimum amounts as the Fund, may specify by notice to the Borrower.	Initial Deposit amount of USD 1,000,000 was deposited in the Special Accounts No 0867 and thereafter the Fund has been replenishing such Special Accounts against Withdrawal Applications received.	Complied	
	(c) The Borrower shall operate the Special Account in accordance with Section 4.08 of the General Conditions.	Authorised signatories. Accounts are operated and controlled by the Government. The list of authorized signatories have been approved by the fund.	Complied	
2.04	Grant Bank Account. (a) The Borrower shall open and thereafter maintaining its Central Bank, or another bank proposed by the Borrower and accepted by the	The Fund has opened and Grant Account Number 783	Complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	Fund, a Grant Bank Account denominated in USD for the purpose of receiving Grant proceeds to finance the Programme. The Grant Bank Account shall be protected against set-off, seizure or attachment on terms and conditions proposed by the Borrower and accepted by the Fund.	for the project.		
	(b) As from the Effective Date, the Borrower may request withdrawals from the Grant Account yearly in advance during the Programme Implementation Period. The amount so requested shall not exceed the amount of expenditures which is included in the AWPB for the relevant Programme Year to be financed from the Grant. Replenishment of and use of Grant proceeds from the Grant Bank Account shall be on the basis of the AWPBs. The Borrower shall make payments out of or use the proceeds of the Grant Bank Account exclusively for Eligible Expenditures.	Replenishment is being made based on withdrawal applications which are made for expenses as per the approved AWPB.	Complied	
	(c) The Borrower and the Fund shall agree who/which Programme personnel shall be authorised to operate the Grant Bank Account.	Authorised signatories. Accounts are operated and controlled by the Government. The list of authorized signatories have been approved by the fund.	Complied	
2.05	Use of Proceeds. The Borrower and each Programme Party shall use the proceeds of the Loan and the Grant exclusively to finance Eligible Expenditures in accordance with this Agreement and the General Conditions. Without limiting the generality of the foregoing, it is agreed and understood that it is the policy of the Fund that Loan and Grant proceeds not be used to pay Taxes, including (but not limited to) any Taxes levied on the importation, procurement or supply of any goods, civil works or services financed by the Loan or the Grant.	Payments for taxes are borne by the Government and not claimed in withdrawal applications.	Complied	
2.06	Interest rate of 0.75% per annum on the amount of the loan outstanding payable on each 15 April and 15 October in USD.	Complied	Ongoing	Ongoing
2.07 & 2.08	Repayment: 59 equal instalments of SDR 23,334, payable on each 15 April and 15 October commencing on 15 October 2015 and ending on October, 2044 and one final instalment of SDR 23294 payable on 15 April 2045 in USD for Loan No 663 59 equal instalments of SDR 24,167 , payable on each 15 April and 15 October commencing on 15 October 2016 and ending on October, 2045 and one final instalment of SDR 24,147 payable on 15 April 2045 in USD for Loan No 663	Not yet due		

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
ATRICLE III:	THE PROGRAMME			
3.02	Annual Work Plans and Budgets. (a) The PIU shall prepare a draft consolidated annual work plan and budget (AWPB) for each Programme Year. Each draft AWPB shall include, among other things, a detailed description of planned Programme activities during the coming Programme Year, and the sources and uses of funds therefore, based on the respective work plans and budgets prepared by each of the Programme Parties.	AWPB of calendar year 2013 was prepared	Complied	
	(b) The PIU shall submit the draft consolidated AWPB to the SC for its approval. When so approved, the PIU shall submit each draft consolidated AWPB to the Fund, for comments and approval, no later than 60 days before the beginning of the relevant Programme Year. If neither the Fund nor the Cooperating Institution comment on the draft AWPB within 30 days after receipt, the AWPB shall be deemed approved.	AWPB of calendar year 2013 was approved by SC and also approved by IFAD…. …	Complied	
	(c) The SC shall adopt the AWPBs substantially in the form approved by the Fund, and the PIU shall provide copies thereof to the Fund, prior to the commencement of the relevant Programme Year.	IFAD has not objected to the form used for the AWPB of 2013.	Complied	.
	(d) If required, the PIU may propose adjustments in the AWPB during the relevant Programme Year, which shall become effective upon approval by the SC, and the Fund.	Revised AWPB is in the process of getting finalized and will be sent to IFAD for approval.	Being Complied	
3.03	Availability of Loan Proceeds. The Borrower shall make the proceeds of the Financing available to the Lead Programme Agency in accordance with the AWPBs and its customary national procedures for development assistance to carry out the Programme.		Complied	
3.04	Availability of Additional Resources. (a) In addition to the proceeds of the Financing, the borrower shall make available to the LPA and each other Programme Party, promptly as needed, such funds, facilities, services and other resources as may be required from time to time to carry out the Programme in accordance with this Agreement.		Complied	
	(b) Without limiting the generality of paragraph (a) above, the Borrower shall make available to the Lead Programme Agency during the Programme Implementation Period counterpart funds from its own resources not exceeding USD 100 000, as required and set forth in the AWPBs in accordance with its customary national procedures for development assistance. For such purpose, the Borrower shall make budgetary allocations for each Fiscal Year equal to the counterpart funds called for in the AWPB for the relevant Programme Year and make such allocations available to the Lead Programme Agency annually in advance promptly		Being complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	as required to carry out the Programme in accordance with this Agreement.			
3.05	*Procurement*. The Lead Programme Agency and each other Programme Party shall procure all goods, civil works and services financed by the Loan and the Grant in accordance with Schedule 4.		Complied	
ARTICLE IV:				
4.01	*Monitoring.* The Lead Programme Agency shall establish and thereafter maintain appropriate information management mechanisms to enable it to continuously monitor the Programme in accordance with paragraph 4 of Schedule 3A and Section 8.02 (Monitoring of Programme Implementation) of the General Conditions based on indicators agreed by the Borrower and the Fund.		Not Complied	
4.02	*Progress Reports.* The Lead Programme Agency shall submit to the Fund consolidated six-monthly and annual progress reports on Programme implementation, as required by Section 8.03 (Progress Reports) of the General Conditions, no later than three months after the end of each six-monthly and annual period, respectively, during the Programme Implementation Period, based on the progress reports prepared by each of the Programme Parties as referred to in paragraph 5 of Schedule 3A. In addition to the matters specified in said Section 8.03, each progress report shall detail actual progress of the Programme, which shall be reported against estimates contained in the AWPB; each report shall contain and highlight reasons for deviations from the AWPB estimates.		Complied	
4.03	*Mid-Term Review*. (a) The Lead Programme Agency, and the Fund, shall jointly carry out a review of Programme implementation no later than the end of the thirtieth month following the Effective Date (the "Mid-Term Review") based on terms of reference approved by the Fund. Among other things, the Mid-Term Review shall consider the achievement of Programme's objectives and the constraints thereon, and recommend such reorientation as may be required to achieve such objectives and remove such constraints.	Mid Term Review was done in October 2009.	Completed	
	(b) The Borrower shall ensure that the recommendations resulting from the Mid-Term Review are implemented within a reasonable time thereafter and to the satisfaction of the Fund. It is agreed and understood that such recommendations may result in modifications to the Loan Documents or cancellation of the Loan and/or Grant.		Complied	
4.04	*Completion Report:* The PIU shall fund to the Cooperating institution the Completion Report on the programme required by 8.04 of the (Completion Report) of the General Conditions no later than six months before the programme completion date.	Completion report for Loan No 663 was sent to IFAD ….. Programme is yet to be	Complied	

		completed for Loan No 692 and Grant Number 783	
4.05	*Evaluations:* The Borrower and each programme party shall facilitate all evaluations and reviews of the programme that the fund may carry out during the Programme Implementation period and for 10 years there after, as required by Section of 10.05 of the (Evaluation of the Programme) *General Conditions.*		Being complied
ARTICLE V:	**FINANCIAL REPORTING AND INFORMATION**		
5.01	*Financial Statements.* The PIU shall prepare six-monthly and consolidated annual financial statements of the operations, resources and expenditures related to the Programme required by Section 9.02 (Financial Statements) of the General Conditions in respect of each six-monthly period and Fiscal Year, based on the financial statements prepared by each Programme Party (the "consolidated financial statements"), and deliver such consolidated financial statements to the Fund and the Cooperating Institution within three months after the end of each such six-monthly period and Fiscal Year during the Programme Implementation Period.	Financial Statements for the half year ended 30th June 2012 were sent to IFAD on …… The Consolidated Financial Statements for the calendar year ended 31st December 2012 are still under preparation.	Complied
5.02	*Audit Reports*. *Audit Reports*. (a) Within 90 days after the Effective Date, the Borrower shall confirm the appointment of the Auditor-General of the Borrower to be responsible for the audit of the accounts and the consolidated annual financial statements, referred to in Section 5.01, relating to the Programme, or if deemed necessary, the Borrower shall appoint with the prior approval of the Fund, other independent auditors selected in accordance with the procedures and criteria set forth in the Fund's "Guidelines on Project Audits (Borrowers' Use)" (2003, as may be amended from time to time).		Complied
	(b) The Borrower shall have the accounts and consolidated annual financial statements relating to the Programme audited each Fiscal Year by such auditor in accordance with International Standards on Auditing and the Fund's "Guidelines on Project Audits (Borrowers' Use)" (2003, as may be amended from time to time). In accordance with Section 9.03 (Audit of Accounts) of the General Conditions, the Audit Report shall include, *inter alia*: (i) an opinion on the certified statements of expenditure and utilization of the Special Account and the Grant Bank Account; and (ii) a separate management letter addressing the adequacy of the Programme's accounting and internal control systems. The PIU shall deliver the Audit Report to the Fund within six months after the end of each such Fiscal Year. **The PIU shall submit to the Fund and the Cooperating Institution a reply to the management letter of the auditors within one month after receipt thereof**.	.	Complied .

ARTICLE VI:	**REMEDIES OF THE FUND**		
6.04	*Audits*. If the Borrower does not timely furnish any audit report required by Section 5.02, and the Fund, after consultation with the Borrower, determines that the Borrower is unlikely to do so within a reasonable period thereafter, the Fund, or the Cooperating Institution on behalf of the Fund, may engage independent auditors of its choice to audit the accounts relating to the Programme. For such purpose, the Borrower and the Programme Parties shall make their financial and other records available to such auditors promptly upon request, accord them full rights and privileges as agents of the Fund under Section 10.03 (Visits, Inspections and Enquiries) of the General Conditions and otherwise cooperate fully with such audit. The Fund shall make the audit report available to the Borrower promptly upon its completion. The Fund shall finance the cost of such audit by withdrawal from the Loan Account on behalf of the Borrower, and the Borrower hereby authorizes the Fund to make such withdrawals.	No such situation has arisen so far.	Complied
7.01	**Conditions precedent to effectiveness** (due within 90 days after approval namely :- (a) appointment of the LPA and approved by the Fund (b) Opening of Special Accounts for Loans and Grants (c) Establishment of the SC and the PIU (d) Loan/ Grant Agreement signed and signatories authorized (e) A favourable legal opinion has been issued and has been accepted by the fund.	.	Complied
Meeting the Bank of Maldives	A revolving credit facility will be established to provide financial support to boat owner/operators and SMEs for the installation of ice plants and for upgrading of vessels to ensure improvements in fish quality and hygiene through the use of refrigerated and chilled sea water. It will be run by the Bank of Maldives (BML) through a subsidiary loan agreement with the Ministry of Finance and Treasury.		Ongoing .
Procurement			
Schedule 4 Para 8	Estimated to cost USD 100,000 Equivalent or more for Goods and Civil works shall be subject of prior review by the Fund		Complied
Schedule 4 Para 9	The award of any contract for consulting services estimated to cost USD 20,000 equivalent or ore shall be subject to prior review by the fund		Complied
Schedule 4 Para 10	All bidding documents and contracts for the procurement of goods, civil works and services financed by the loan and the grant shall include a provision requiring, bidders, suppliers, contractors, sub-contractors and consultants to permit the Fund to inspect their accounts, records and other documents relating to the bid submission and contract performance and to have them audited by sub-contractors..		Complied

Schedule 4	Maintain all documents and records related to the fib -financed programme for three years after completion of the work completed in the contract	Complied
Schedule 4	'Require the delivery of any document necessary for the investigation of allegation of fraud or corruption and consultants with knowledge of the designated auditor.	Complied

Appendix 7: Knowledge management: Learning and Innovation

Learning

Learning: What has worked particularly well in this project during this period? What have been the reasons for this?

Development of rural cooperatives worked well as a result of the Programme inputs. The Government's economic policy and legislative instruments supporting small and medium enterprise development played a key role to achieve progress in the inputs. The focus of training and extension as well as engaging CBPO facilitators from local communities strengthened the formation of the cooperatives.

Learning: What has not worked so well? What have been the reasons?

Programme M&E progressed extremely poor throughout the implementation period. The programme implementation was focussed on completing activities and result based monitoring and evaluation was not used as a tool for programme management. This was basically due to the lack of capacity and staff turnover within the PIU.

Innovation: Describe any interesting innovation noted during supervision

Innovation: Describe any interesting innovation noted during supervision

Boat building code which can be replicated by the private boat builders, CPBO based extension which can be up-scaled in the MOFA extension and education system for both agriculture and fisheries development

Innovation: How might this be replicated by others or up-scaled here?

Private sector and MOFA extension system.

Appendix 8: Progress against previous mission recommendations

Action Area	Action Agreed	Whom	Agreed Date for action to be taken	Progress in completion of action
Component 1: Recovery and Sustainable Development of the Fisheries Sector				
1	2012 AWPB revision to include the provision of funds to: 1. Modify the drainage systems in the M. Maduvvari fish market building and replace the lights fittings 2. Support civil works to protect the Tha. Villufushi market building 3. Provide additional credit line for ice plants	MOFA/PIU	15-Jul-12	R. Maduvvari fish market completed and Th. Vilufushi market activity remains pending as no agreement is made between stakeholders.
2	Lending and on-lending terms of additional credit provision to be specified in a new SLA to loan 692-MV and submitted to IFAD for approval	MOFA	31st July 2012	Funds transferred to BML. SLA has been finalized and signed on 29th of April 2013. The deadline for application expired on 30 May 2013.
3	MOFT to write to IFAD requesting a) an amendment to the LA for 692-MV so as to incorporate a credit element for additional ice plant loans to be provided through BML, and b) approval for a new SLA	MOFA	31st July 2012	Completed
Component 2: Recovery and Sustainable Development of the Agriculture Sector				
4	Draw up an action plan to engage diploma holders attached to MOFA & CBPO in agriculture extension activities.	PIU with MOFA	31st July 2012	Single Action Plan for CBPO facilitators developed to allow CBPO facilitators to work closely with the 'Extension Team' of agriculture division.
5	Three most useful dissertations would be selected (Hand Book on Pest and Disease Control would be one of them), translated into Divehi and 200 printed copies of each to be distributed among the CBPO members who are in agricultural production	PIU with MOFA & the Component Coordinator	30th Sep 2012	One dissertation (IPM) translated and printed. The other two not identified by the CC/MoFA
6	Develop an action plan to build capacity in CBPOs which are not linked to FADiP including a capacity needs assessment, and a strategy to sustainably use the trained CBPO facilitators and master trainers even after PT-AFReP. The plan should be closely discussed with the Island Council members to solicit their cooperation in the CBPO development process	PIU with MOFA	31st July 2012	Completed
7	Use the programme financed entomologist to train the staff of the quarantine center and get needed training to use the equipment.	PIU to initiate MOFA actions	31st July 2012	Completed
Component 3: Policy support to the fisheries and agriculture sector				

8	Workshop to be held by the FMA to amend, finalize and adopt the draft fisheries management plan log frame	MFA and all other relevant stakeholders	30th October 2012	Did not progress as FMA informed PIU that this workshop is not required.
9	Government to commence with a new tender process for VMS/VLDs	MOFA/PIU	31st July 2012	Details of competitive purchase of the initial units of VLD's was carried out by though Government funds. MoFA is yet to conduct the details of testing and deployment of the VLD's . Procurement VLD's from the programme of is pending. The activity will proceed after a testing and validation is completed by MOFA
10	Transport Authority (TA) to complete training programme in the boat building code	Transport Authority	30th Nov 2012	After the IFAD NOL was received, TA expressed their concerns of utilizing the allocated funds for boat building code work. Funds were reallocated Th.Villifushi shore protection work
11	Master fishermen to be re-recruited for completion of long line fishing gear trials and vessel to be made ready	MOFA/PIU	31st Aug 2012	Master fisherman was recruited however; his input was not completed as the vessel was not fully ready.
12	2012 AWPB revision to include the provision and use of funds for a) an international data management consultant, b) equipment and training in the boat building code, c) training of MOFA/Fisheries Division staff and participation in technical meetings/workshops, and d) servicing of the vessel to be used for long line trials	MOFA/PIU	15th July 2012	NOL received from IFAD. The activity did not progress
13	The mission team endorses the proposed revised AWPB, but recommends that it is submitted it with the NSC approval to IFAD for formal 'no-objections'.	MOFA/PIU	31st July 2012	Completed
14	Use qualitative (Most Significant Change, focus groups, key informant interviews) and quantitative tools to undertake outcome assessment leading to impact evaluation for the PCR.	MOFA/PIU	30th Nov 2012	The survey did not progress and is rescheduled for 2013. The activity will be pursued once a consultant is recruited
15	Undertake study/assessment of institutional development process for strengthening CBOs formed under the programme contributing to	MOFA/PIU	30th Nov 2012	Did not progress

	the PCR.			
16	Utilize the M&E budget to undertake quality assurance checks of infrastructure constructed by the programme leading to the provision of "Conditional Assessment Report".	MOFA/PIU	31st Oct 2012	Completed
17	Document views of women on the benefits they derived from the programme to be incorporated in the PCR.	MOFA/PIU	30th Nov 2012	Did not progress
18	Incorporate a gender sensitization module in the trainings to be conducted in the remaining period of the programme.	MOFA/PIU		Did not progress
19				
20	Document successful processes, lessons, best practices and innovations in the Programme and develop knowledge products for Programme Completion Workshop (PCW).	MOFA/PIU	30th Nov 2012	Did not progress. The workshop will proceed once the KM products are completed.
	Fiduciary Aspects			
21	Three budget line items ("Project Account") in local currency be set up for Loan 663-MV, Grant 783 of PTAFR. P and Loan 692-MV of FADiP respectively in the Central Government System, items which should not be comingled with the Government-committed funds	MOFA/PIU and MOFT/MOFA	9th July 2012	Completed
22	The amounts owed by the Government to IFAD (US $ 97,281.56 for the Grant and US $ 218,788.80 for Loan 692) are transferred to the respective designated "Project Accounts".	MOFA/PIU and MOFT	9th July 2012	692 transfer completed Grant pending
23	Monthly reconciliation should take place and hard copies of these statements should be printed out and signed by the programme Accountant and the Manager.	PIU		Ongoing
24	PIU be granted access to the Public Accounting system	MOFT	31st July 2012	Did not progress. MoFT not agree to the change
25	Capacities building of the PIU to be planned through participating in job relevant trainings, particularly advanced excel and quick book, management training, and loan administration	MOFA/PIU	31st July 2012 onward	Completed
26	Monitoring of exchange rates between the currency of denomination and the local currency at the time of transfer from the Special Account is to be performed by the Programme.	MOFA/PIU	9th July 2012	Ongoing
26	Procurement processes and implementing activities to be carried out effectively, without any time lags. The reason for any delays should be analysed in detail and remedial measures should be initiated to avoid such delays occurring in the future.	MOFA/PIU		Ongoing
28	Audit log with action plan be put in place and the PIU follow up on the audit recommendations.	PIU	31st July 2012	Ongoing
29	In order to improve the efficiency of financial management, the following arrangement are agreed: (a) Accountant will be responsible for accounts reconciliation, withdrawal applications preparation and monitoring exchange rates movement; (b) Account Assistant will be responsible for timely closing advance payments, and raising and monitoring vouchers status. The processing time for these vouchers should be limited to 7 working days.	MOFA/PIU		Ongoing
	Impact			

30	PIU should organize a workshop in participation with MOFA to develop an exit strategy. The participation of all relevant institutions and stakeholders should be ensured.	MOFA/PIU	15th September 2012	Exit strategy draft document prepared by PIU. PM need support to finalize the document.

Appendix 9: Supervision mission schedule and persons met

20th May	SIS mission - PTAFReP: Mission meeting
21st – 23rd May	PTAFReP: PIU
24th May on-ward	SIS mission - PTAFReP – Field
28th May	Pre-wrap-up meeting
30th May	SIS mission - PTAFReP: Wrap-up
6th June	Report submission and end of the mission
10th June	Report submission to IFAD

22nd May	Meetings with PIU staff
23rd May	Meeting with MOFA (Dr. Naseer, Permanent Secretary) Meeting with FTC and fisheries component coordinator (Adam Manik) Meeting with Fisheries Implementation Officer (Shakir) Meeting with Fisheries Management Agency (Dr. Shiham Adam, Hussain Sinan, and Ahmed Shifaz)
24th May	Document review
25th May	Document review and drafting of Aide Memoire Meeting with PIU staff and Fisheries Management Agency (Dr. Shiham Adam)
26th May	Meeting with MOFA (Minister Ahmed Shafeeu, Dr. Naseer Permanent Secretary) Meeting with Bank of Maldives (Fathimath Maléeha Jamal Manager Development Banking Cell, Ahmed Zeenad Development Banking Officer) Drafting of Aide Memoire
27th May	Drafting of Aide Memoire Meeting with MOFA (Dr. Naseer, Permanent Secretary)
28th May	Drafting of technical annex and Aide Memoire
29th May	Pre wrap up meeting with PIU (Management staff), FMA (Hussain Sinan) and MOFA (Minister Ahmed Shafeeu, Dr. Naseer Permanent Secretary, Adam Manik Fisheries Component Coordinator, Shabau Agricultural Component Coordinator)

Appendix 10: Audit log

Serial Number	Financial Year	Category	Audit Ref	Audit Observation	Amount	PIU Action	Date	Auditor's Validation Results
1	2010	High Priority	2.1	The net receivables from IFAD as at 31st December 2010 amounting to USD 140,378 clearly indicates that Government of Maldives has over paid its contribution, to the extent. The reason cited to us is that there exist practical difficulties in splitting the individual payments between IFAD and Government of Maldives on the basis of agreed percentage as specified in the programme financing agreement. however, there is no periodic confirmation from IFAD and Government of Maldives for the outstanding balances.	USD 140,378	Monthly reconciliations & re-imbursements are done from Nov 2011 on wards.	on going	Timely reconciliation of the payments made, percentage allocation between IFAD and Government of Maldives should be done and be agreed / confirmed by the Government of Maldives and IFAD to avoid future ambiguity
2	2010	High Priority	2.2	The direct payment made by Government of Maldives was not accounted on a timely basis. During April 2011, details of payment with supporting vouchers for US$60,563 were received from the Government of Maldives. These payments were pertaining to year 2010.	USD 60,563	No Direct Payments from 2010 onwards. Explanation provided in ML	Completed	The Ministry of Fisheries and Agriculture - PTAFR should ensure that all direct payments made by Government were accounted on a timely basis. The primary responsibility is with the Government of Maldives to provide the supporting bills and payments details to PTAFR immediately after the disbursements are made.

3	2010	High Priority	2.3	An analysis of the work plan data's that were input into Post Tsunami Agricultural and Fisheries Projects (updated on 1 May 2011) revealed that there were considerable delays in both the commencement and completion of contracted activities compared with the pre-determined work plan		Reports are sent to President's s office and Steering Committee highlighting delays and problems in implementation.	on going	The reason should be analysed in detail and remedial measures should be initiated to facilitate the completion of activity. The Ministry of Fisheries and Agriculture - PTAFR should manage the risks relating to possible project failure / delay, by effective Project monitoring / management.

4	2010		2.4	We found that, under component 1 (output 1.2) as per AWPB 2010, BML credit facility of US$ 400,000 is to be facilitated and be disbursed to 4 beneficiary fishermen each amounting US$ 100,000 for fish quality improvements. The above credit facility is to be established by formulating a Subsidiary Loan Agreement (SLA) between Bank of Maldives Plc, Ministry of Finance and Treasury and the respective fishermen. However, BML subsidiary loan agreement was finalized and signed only in 22 November 2010. The reason cited to us is that the project undergoes a long term negotiation with BML Plc in fixing the percentage interest on withdrawal of subsidiary loan amount by the fishermen. in the initials SLA signed on 28 January 2010, BML Plc fixed the interest rate at 6.5% p. a which was not agreed by the Ministry. Therefore it ,underwent a long negotiation with BML Plc to bring down interest to 5% p.a. the final SLA was signed only on 22 November 2010. Further, the amounts are not disbursed up to date of audit due to less interest for the loan among the fishermen.		Credit Fund Already disbursed to BML and almost fully utilized.	Complet ed	The Ministry of Fisheries and Agriculture - PTAFR should ensure that adequate systems are in place that enables the managing of risks caused by unavoidable delays, to lessen the severity of such implication.

5		Medium Priority	2.5	Under component 3 (output 3.9) as per AWPB 2010, contract with Mr Martin Van Der Knaap, was signed on 24 April 2010 for fisheries planning and management expert until project completion. As per the contract entered, the consultant was required to install the vessel monitoring system equipment in 2010. According to the procurement plan, the procurement plan, the procurement process vessel monitoring system was to be completed by January 2010, there by it can be installed in 2010 by the consultant. however, due to considerable delays in procurement process, equipment could not be installed in 2010. the reason cited to us for delay is that the requirement lists was sent to specific available companies on March 2010. the proposals were evaluated on 15 June 2010. on evaluated on 15 June 2010. on evaluation, it was found that the budgeted amount of US$ 150,000. on negotiation, the price was fixed at US$ 127,144 and the contract was signed on 20 December 2010.		VMS and VLD issue is still on hold. Ministry have not come to a conclusion on procuring the items	ongoing	The Ministry of Fisheries and Agriculture - PTAFR should ensure that procurement process be effectively carried out without any time lags. The reason should be analyzed in detail and remedial measures should be initiated to avoid such delays in future.
6	2010	Medium Priority	2.6	The work plan was prepared for the project against which actual, cost are not compared as a monitoring control. Further, the resulting variances have not been formally documented and the corrective actions to be taken not articulated.		Proper M&E reports not available. Budgets are not prepared on Activity basis, hence unable to generate Variance explanation.	complete d-from 2011, AWPB is based the activities	Variance analysis should be prepared to reflect not only the cost and budget comparison, but also the reason for the delays in the completion of the project in accordance with the work plan be analyzed in detailed. Reports should be presented to the IFAD on a quarterly basis and be utilized effectively for the achievement of the project objectives.

7	2010	Low Priority	2.7	In one isolated instance, payment made amounting to Mrf 9,775 (travelling expenses against invoice no:RM/10/89 Gemanafushi Fish Market Operational guidelines discussion) not preceded by a process of inviting minimum number of quotations	Mrf 9,775	Government Financial Regulations are followed in every respect. Minimum three quotations are sought for all purchases above MRF1000, but below MRF25000.	on going	The Ministry of Fisheries and Agriculture - PTAFR should adopt proper procurement process for soliciting the minimum number of quotations.

1	2011		101	In accordance with the loan/grant agreement between IFAD and Government of Maldives, various expenses of the project are to be met out the special account and Government fund in the agreed ratio by raising two payment vouchers. However, we observed that PIU has not complied with such provision in 2011.		Effective from 1st July 2012, MOFT will set up a unique identifier in the SAP system. Payment vouchers will be raised 100% split 94% IFAD code and 6% GOV code in the system.	on going	Auditors' revalidation will be obtained on completion of 2012 audit under the section "Status of Previous Recommendations" in the Management Letter
2	2011		104	In accordance with the loan/grant agreement between IFAD and Government of Maldives, funds should be transferred to an operating account in order to process payments. However, we observed that payments have been made directly from the special accounts in 2011.		Effective from 1st July 2012, PIU with MOFT will create a Project Account in MRF and PTFARP expenditures will be made from this account.	Completed	Auditors' revalidation will be obtained on completion of 2012 audit under the section "Status of Previous Recommendations" in the Management Letter.
3	2011		107	As at 31 December 2010 there was a petty cash balance of US$ 420 as stated in the financial statements. However we were explained that the cash balance was not available at the beginning of the year.		We don't agree with Auditor recommendation. The US$420 was USD196 for Petty Cash and US$225 which was in Cash in Hand for travel expenditure. We were not provided with sufficient time to discuss this issue with the auditors as we have to submit the ML before 30th June 2012. Petty Cash is MRF2,500(USD162) which is reimbursed periodically.	follow up with the auditors	Auditors' revalidation will be obtained on completion of 2012 audit under the section "Status of Previous Recommendations" in the Management Letter.

4	2011		110	We observed that the monthly salary sheets prepared have not been approved prior the payments are processed.		We don't agree with Auditor recommendation. Salary sheets are attached with the payment vouchers. Salaries are verified and approved after checking by the accountant, project manager and then authorized by project director. Salaries are contractual and an obligation to be paid.	follow up with the auditors	Auditors' revalidation will be obtained on completion of 2012 audit under the section "Status of Previous Recommendations" in the Management Letter
5	2011		113	We observed that the following purchase orders were issued with 'A' numbers. Issuing purchase orders with 'A' numbers indicate that the purchase orders were not issued on time.		PIU does not agree with this auditor's recommendation. 'A' is an amendment to PO. For each expenditure prior to incurring expenditure PO is raised and approved by Project Manager.	follow up with the auditors	Auditors' revalidation will be obtained on completion of 2012 audit under the section "Status of Previous Recommendations" in the Management Letter
6	*2011*		116	In the following cases, we observed that the PIU has not achieved desired program objectives within the specified period.		Even though these targets were not achieved by 2011 Dec the activities were completed in first quarter of 2012. 2.3.3.1 Total target to form CBPO were 20 and 26 were formed. As for training 2188 was trained where more than 50% has been achieved .the training are still ongoing. 3.4.10.1 The reason why target was not achieved in this activity is because FTC has only 6 staffs and all 6 have been trained accordingly.	*targets have been achieved on beginning of 2012*	Auditors' revalidation will be obtained on completion of 2012 audit under the section "Status of Previous Recommendations" in the Management Letter
7	2011		119	Delay in execution of contracts. The delay in completion of individual contract/activity results eventually in delaying completion of the projects. In the event, the projects are not completed in the specified period; achievement of the project objectives will not be timely.		1.1.2.8 Was delayed due to the procurement and the training has been conducted in march 2012. 2.1.1 Construction is on-going and will be completed by august 2012	on going	Auditors' revalidation will be obtained on completion of 2012 audit under the section "Status of Previous Recommendations" in the Management Letter

8	2011		122	Need to submit withdrawal application for replenishment timely. There have been delays in submission of withdrawal application to IFAD for replenishment.		PIU does not agree with the auditors' recommendation. WA threshold is USD20,000. There isn't sufficient amount to raise a WA, hence, PIU raises WA on a Quarterly basis.	NA	Auditors' revalidation will be obtained on completion of 2012 audit under the section "Status of Previous Recommendations" in the Management Letter