

## **The Republic of Seychelles**

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### **Competitive Local Innovations for Small-scale Agriculture Project (CLISSA)**

#### **Supervision report**

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

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## Abbreviations and acronyms

AWPB	Annual Work Plan and Budget
CBS	Central Bank of Seychelles
CLISSA	Competitive Local Innovations for Small-scale Agriculture Project
DBS	Development Bank of Seychelles
GoS	Government of Seychelles
IAs	Implementing Agents
IFAD	International Fund for Agricultural Development
KM	Knowledge Management
M&E	Monitoring and Evaluation
MFTI	Ministry of Finance Trade and Investment
MNR	Ministry of Natural Resources
MoU	Memorandum of Understanding
NPSC	National Project Steering Committee
OAG	Office of the Auditor General
ODL	Online Distant Learning
PMU	Project Management Unit
RIMS	Results and Impact Management System
SAA	Seychelles Agriculture Agency
SAHTC	Seychelles Agriculture and Horticulture Training Centre
SCR	Seychelles Rupees
SEnPA	Small Enterprise Promotion Agency
SFA	Seychelles Fishing Authority
STC	Seychelles Trading Company
TOR	Terms of Reference
TWG	Technical Working Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WA	Withdrawal Application
WB	World Bank

## **A. Introduction<sup>1</sup>**

1. A supervision mission of the Competitive Local Innovations for Small-scale Agriculture Project (CLISSA) took place from 15 to 31 October 2014. Led by the Ministry of Natural Resources (MNR) of the Seychelles. This USD 3.74 million project is financed by an IFAD loan of USD 3 million and Government of Seychelles (GoS), partners, and beneficiaries contribution totalling USD 741,000. CLISSA entered into force in November 2013 and its completion and closure dates are expected in December 2018 and June 2019 respectively.

2. The project's goal is to contribute to sustainable pro-poor economic growth and employment and resilience to external shocks and trends while its development objective would be to promote sustainable and environmentally-friendly agricultural and fishery practices, and to increase and diversify market access for smallholder farmers and fishers. It will achieve this through 4 components: (i) Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers; (ii) Improving Access to Agricultural and Rural Finance; (iii) Strategic capacity strengthening and infrastructure; and (iv) Project Management.

3. This is the second supervision mission of CLISSA, with the aim to assess the progress and assist with implementation of project activities.

4. At the beginning, the mission team held technical meetings with the Principal Secretary of the Ministry of Natural Resources, the CLISSA Project Management Unit, representatives of the Ministry of Finance, Trade and Investment (Principal Secretary for Finance, Director General of policy planning, Project Accountant, Director Debt Recovery), the Seychelles Agriculture Agency (SAA Chief Executive Officer, Principal Officer Research & Development, Principal Officer Extension Services), the Seychelles Fishing Authority (Chief Executive Officer, Chief Economist Fisheries, Fisheries Development Manager), The Seychelles Farmers Association (Coordinator). The field mission took place on the islands of Mahé, Praslin and La Digue where the mission team met extensively with implementing agents (IAs) and other projects partners such as: the Baie Ste Anne Farmers' Association, La Digue Fishermen Association, Praslin Fishermen Association a number of livestock and vegetable crops farmers. In Mahe, the mission held specific meetings with: the Central Bank of Seychelles (CBS – Second Deputy Governor), the Seychelles Credit Union (Chief Executive Officer, Chief Finance Officer, Securities and Recovery Manager, Advisor), Representative of the Hilton Hotel Chain, and small scale Commercial farmers.

5. An Aide-Mémoire was discussed and approved at a wrap-up meeting in Victoria, Mahé, chaired by Michael Nalletamby, Principal Secretary of MNR, on 31 October 2014 in the presence of CLISSA PMU, SAA, CBS, SeyFA and SCU.

6. The team members are grateful for the support from the MNR and the CLISSA PMU during this mission.

## **B. Overall assessment of CLISSA implementation**

7. CLISSA project is completing its first year of implementation since the project entered into force in November 2013. Overall the project implementation is rated moderately satisfactory. Although the project activities are so far below target, the basic activities that will further guide the supports to farmer - the market studies in component 1, modalities for the establishment, management and oversight of the credit facility to farmers in component 2 have been realised and, the technical and financial evaluation of some infrastructures in component 3 are already engaged. However, the delays encountered in the overall progress, need to be resorbed in 2015 in order not to negatively affect the achievement of the project major outputs and outcomes.

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<sup>1</sup> Mission composition: For GoS: Michael Nalletamby, Principal Secretary of MNR. For CLISSA: Georges Bibi, Acting Coordinator and M&E Officer, Jude Barra, Accountant and Charles Elizabeth, Procurement Officer. For IFAD: Ambrosio Barros, Mission Leader, Programme Officer, Valentine Achancho, Co-team Leader, Programme Officer, Michael Stewart Brewin, M&E Expert, John Harivero Ramamonjisoa, Financial Management Expert.

8. As of the 14th October 2014, the disbursement rate of the loan stands at 8.14% only, representing the payment of the initial deposit of XDR 130 400.20 and the first replenishment of XDR 30,736.44. The amount of the GoS counterpart funding so far mobilized is USD 50 418.07 representing about 18% of the initial commitment as indicated of the project appraisal document. The contribution of the beneficiaries is not effective since the project activities are still at preparatory stage. The overall financial execution of the 2014 AWPB for stands at 11% (USD128,000 out of a plan of USD1,125 million). Within each component, the financial execution rate is as follows: 60% in component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers, and 51% in component 4: Project Management. No funds have been disbursed in Components 2 and 3. Nevertheless the project commitments on the on-going contract amount to about USD 200,000. Should component 2 be effective by March 2015, the project commitments will amount to about USD 800,000, by the end of the 18 month period covered by the actual procurement plan/AWPB and this will carry the disbursement rate to about 60%.

9. The mission noted that the level of realization of activities for component 1 - Enhancing **business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers** - is low and activities that have so far been carried out were done with delay. The main achievements in this component are: the realization of the market study that gives key information on demand gaps, market specific needs in terms of produce, quality and quantities, price, profit margin for crops, livestock and fisheries for value chain at producers, wholesalers and consumers level.

10. The technologies trials were limited to integrated crop management where the pesticide training identified so far is just at preparatory stage. Only one out of three training session for fishermen was conducted. The backyard gardeners are already having access to input provided by the project through the SAA provision stores. However the proper package of support has not started yet.,

11. Activities for **component 2 - Improving Access to Agricultural and Rural Finance** - have not yet started since the GoS in consultation with IFAD recommended that the component should be reshaped to simplify its implementation modalities and to better fit with the needs of the beneficiaries. A consultant was then mobilized by the project and carried out a study in October 2014 to clarify the modalities for the establishment, management and oversight of the credit facility for the support to the beneficiaries' financial requirements, including the monitoring and evaluation system to be put in place. An aide-memoir of the study has been shared with the partners and stakeholders concerned but the complete report is still awaited.

12. Concerning **component 3 - Strategic capacity strengthening and infrastructure** -the level of activities under the strategic capacity building of selected public sector institutions (communication, training for PMU staff, identification and acquisition of equipment to strengthen the capacity of the research stations, support post-harvest facilities for SAA quality control mechanisms) is close to zero. Also, the planned activities related to public and collective rural infrastructure are still at preparatory phase.

13. Overall, the mission noted that the project has not yet developed an operational methodology and a strategy to guide the implementation of the activities and ensure that the interventions of the implementing agencies are coherently directed towards the achievement of the project development goal. The recently completed market study will provide the basis for this strategic direction.

14. *The mission recommends the elaboration of an operational strategy associated with capacity development requirements for small farmers and fishers to engage them in business contracts with identified buyers. This plan should be anchored on a few agricultural, animal and fisheries productions/functions where the implementation agencies (the Seychelles Agricultural Agency, the Seychelles Fishery Authority and the financial institutions) involvement in the CLISSA project will provide a coherent and complete set of support to a manageable number of beneficiaries with the aim of preparing them to develop a win-win and more structured market contracts with potential buyers.*

15. *The mission also recommend that the execution of certain activities should be outsourced to national or international consultants when necessary, given the limited number of personnel of the executing institutions to implement all the activities as planned.*

16. *Regarding the **project management**, the mission noted that the monitoring and evaluation system is not in place. The baseline studies are not yet completed. Although no major issue was identified in the project account, the mission regrets the fact that the PMU has not yet procured the dedicated accounting software as recommended by the first supervision mission.*

Agreed action	Responsibility	Agreed date
1. Elaborate an operational strategy associated with capacity development requirements for small farmers and fishers to engage them in business contracts with identified buyers.	PMU/Coordinator	Immediately
2. Outsource the execution of certain activities to national or international consultants when necessary, given the limited number of personnel of the implementing agencies to carry out activities as planned.	PMU/Coordinator	Immediately

### C. Outputs and outcomes

17. **Outputs.** At this stage of CLISSA implementation, the majority of activities are still at preparatory stage. The main outputs **for component 1** are: (i) the setting of Technical Working Groups (TWG); (ii) the identification and assessment of technologies (integrated crop management, development of shade houses and drip irrigation system) to conduct pre-trials before their dissemination; (iii) the realization of a market study and assessment of value chain actors and capacity of supplier; (iv) the organization of a training session for fishermen; (v) mobile based communication campaign with SMS messages on technical issues sent to registered listed farmers; For **component 2** the main output is the realization of the study to operationalize the component. Although the complete report is awaited beginning November 2014, the mission aide-memoir providing the summary orientations at this stage is available.

18. With the delays so far incurred in the implementation of the project activities, the outputs concerning the Public and collective rural infrastructure are still at preparatory phase.

19. **Outcomes.** There are limited outcomes to be expected since the project activities are still at preparatory stage. The project has however signed MOU with dedicated implementation agencies that are responsible for the production of the project result. A CLISSA implementation arrangement provides opportunities to develop improve and value in-house institutional capacity, especially in regards to: enhanced consolidation of knowledge and partnership building with key institutions such as SENPA, STC, etc. Moreover, using the market information derived from the market study, CLISSA will be able to establish partnerships with farmers and fishers associations to which the project technology and finance packages can be delivered.

### D. CLISSA implementation progress

**Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers.**

20. This component aimed at enabling small farmers, rural micro entrepreneurs and fishers, to effectively respond to market signals through targeted business development, marketing and technical support services as well as establishing links with the market, and to promote innovative technologies and green value chains. The activities are structured around two subcomponent :

21. *Public Private Partnership (PPP) and technology development.* The main activities are capacity building of small farmers and fishers in technology adoption, business development and business management, quality improvement of selected products, and identification, trials and promotion of technologies packages of significant importance to the development of the sector.

22. **Food security and productivity development.** This will be enhanced through the promotion of home and community gardens on target extensive and intensive horticulture crops (green houses and hydroponic), fruits (banana & papaw), and livestock. The project will enhance also the productivity at the household level through training and other forms of capacity development.

23. The supervision mission rates the performance of this component moderately satisfactory. Although with delay, some key activities are realised. The MNR is however taking actions to address the delays in implementation.

24. **PPP and technology development.** The project 2014 AWPB retained the following priority activities: (i) Technical working groups meetings to identify and assess technologies and pre-trial preparation and propagation of these technologies; (ii) Training and skill development in the technologies adopted through small scale farmers participation in on-farm trials following the outcome of the market study; (iii) Mobile Phone Based Communication Campaign and audio - video documentaries to sensitize backyard farmers, small scale registered farmers and other beneficiaries of CLISSA along the value chain, disseminate technical and market surveys information; (iv) Market study and assessment of value chain actors, capacity of suppliers and preparation of PPP action plan.

25. The previous supervision mission recommended CLISSA to: (i) finalize the market study tender and carry out the study, (ii) prepare farmer training; (iii) liaise with SAHTC for training/mentoring farmers by December 2014; (iv) prepare and start fishermen training. The present supervision mission noted that although with some delays, all these activities were carried out. These delays had however a negative impact in meeting other project commitments since some of the activities are linked.

26. The mission noted that 3 technologies were assessed: integrated crop management, development of shade houses and drip irrigation system. To date, only the first technology trial has started implementation with the pesticide training planned (training syllabus and list of potential participant received). *The mission recommend that the economic viability of these technologies be assessed prior to their promotion at a larger scale.*

27. Because of the delay in the realisation of the market study, the activities related to the participation of small scale farmers to on-farm trials based on the outcomes of the market study was not executed. Only one out of three training session for fishermen was conducted. The PMU indicates that the two remaining session will be organized by end December 2014. The market study was realized and the first draft report was submitted by the consultant in mid-October 2014 while the PPP plan of action has not been done.

28. Concerning communication, the Mobile Based Communication campaign has been engaged with SMS messages on technical issues sent to registered enlisted farmers. However, at this stage, the project has not developed a system to measure the effectiveness of extension messages conveyed. A TV documentary about CLISSA was produced and presented over Seychelles Broadcasting Corporation TV station during the October 2014 Food week.

29. The mission noted that some participants in the Technical working Group (TWG) were not always available to attend the working session mainly because of their multiple commitments with different development partners. Furthermore, some of the agents of these public implementing bodies are still seeing CLISSA activities as an additional workload to them. The mission expressed its concerns about this situation which reveals a certain low level appropriation and lack of participatory planning to better integrate CLISSA activities within the annual priorities and engagements of these implementing institutions. *The mission recommends that the preparation of the 2015 AWPB follows a participatory process and be enacted by the signing by both parties of a performance agreement on the identified activities. This performance agreement should be an annex to the already signed MOU with these institutions.*

30. During the field visits, the supervision mission noted that only 7 extension staffs are available at SAA to provide extension services to farmers with a ratio varying between 100 to 250 farmers per staff. With the absence of structured farmers organisations, it will be difficult for extension services to meet with their targets and ensure a good farmers coverage.



*The mission recommends the PMU to put emphasis on the effectiveness of the extensions messages provided through the Online Distance Learning*

31. The mission discussed with representatives of some farmers and fishermen associations to assess their objectives, membership and nature of the services they provide to their members. The mission noted that overall, there is a potential to organize farmers to carry out economic activities such as marketing of their product, management of collective infrastructures and supply of inputs. The mission had some reservations on the general opinion of the support agencies that farmers in Seychelles “are reluctant to work in cooperation”. *The mission recommends CLISSA to value the on-going initiative of the Praslin fishermen association who have mobilized registered fishermen to sponsor the installation of a cold store as part of their strategy to create a marketing body for the negotiation of prices with buyers, especially hotels and, also play a major role in the overall regulation of the fishing activities.*

32. Field visit also revealed that some farm owners who benefit from the trainings by the extension services are not the people who work in their farms. The temporal labourer recruited by these farm owners and mainly constituted of expatriate have little technical knowledge in agricultural techniques and they do not receive any training from their employer as expected. Consequently the training received by these “absentees farm owners” is not valued for the development of their farms. *The mission recommends that if the farm owner is absent and labour is carried out by foreign labourers, extension, advice and training should also be delivered to the labourers, not only to the farm owners.*

33. The mission also met with managers of some hotels to explore the possibility of creating business arrangement with farmers for the supply of agricultural, livestock and fishery products. The preconditions to engage in such a partnership as raised by the hotels are: (i) ensure a minimum standards of produce in terms of hygiene and quality of products delivered; (ii) consistency between the quantity of products ordered and delivered – individual small farmers are not for the moment able to enter into the business unless they are organized or they operates through a middleman; (iii) price coordination - there is a need to develop a win-win business deal base on the knowledge of market price information; (iv) product delivery and transportation – buyers prefer to receive the produce in their stores and local farmers are unable at the moment to ensure this function.

34. The mission noted that the hotels would rather prefer to get a smaller choice of products for higher quantities and transact with a limited number of producers or their representatives. In this arrangement and at this early stage, CLISSA will play the role of a broker and investor which could help matching demand (hotels) and supply (local producers). *The mission recommend CLISSA to work on the market linkage with hotels as one of its priorities and develop with the implementing agencies a comprehensive support programme to farmers in term of training in Integrated Crops Management and Post-Harvest Handling, farmers organisations, price negotiation, development of standards and quality control. The role of middlemen in this set up should be considered in a positive perspective since they can ensure the collection from unorganised small farmers and ensure regular supply to the client.*

35. **Food security and productivity development.** The planned activities for 2014 include: (i) Support to backyard gardening for food security through - acquisition and restocking of agricultural inputs and small garden tools at SAA requisite stores - sales of these tools and inputs through SAA and the development of a data base to monitor the purchase of these small garden Equipment and agricultural inputs by backyard farmers; (ii) promotion of Peri-urban Farming through - research and identification of suitable techniques - recruitment of a consultant to develop suitable demonstration materials to sensitize backyarders - training of trainers and SAA extension officers in Peri-Urban techniques and setting up demonstration and sensitization of Household gardeners on Peri-Urban techniques.

36. The last supervision mission recommended the PMU to explore possibilities to include backyard farmers in the ODL and revise backyard gardeners definition. This activity is not executed. *The present mission reiterates this recommendation.*

37. The mission noted that during the period under review, seeds, bio-fertilisers and small farming tools were acquired and managed by SAA within the MOU signed with CLISSA. Advertisement of this initiative was done through newspapers and radio messages and farmers met during the field mission expressed their satisfaction on the availability of these inputs. The acquisition of a central server and computers for the database system to monitor the purchase of farming input is effective. The project is planning to conclude this activity with the training of the system operators at the stores level by end December 2014.

38. The supervision mission however noted with regret that the other key activities, - recruitment of a consultant to develop suitable demonstration materials to sensitize backyarders - training of trainers and SAA extension officers in Peri-Urban techniques and setting up demonstration and sensitization of Household gardeners on Peri-Urban techniques have not yet started.

39. *The missions recommend that a participatory planning meeting involving all the implementing institution be organized to define priorities and densify the level of activities to be carried out in 2015 in order to fill the gap caused by the delay. The research institution should be the key partner in this activity.*

Agreed action	Responsibility	Agreed date
3. Assess the economic viability of new technologies prior to their promotion at a larger scale.	SAA	28 February 2015
4. Follows a participatory process with the implementing agencies for the preparation of the 2015 AWPB and enact the result by the signing performance agreement on the identified activities. This performance agreement will be an annex to the already signed MOU with these institutions.	PMU/Implementing Agencies	30 November 2014
5. Value the on-going initiative of the Praslin fishermen association who putting in place a marketing body for the negotiation of prices with buyers and mobilizing their members towards the regulation of the overall fishing activities	PMU/SFA	Immediate
6. Include farms workers as participants in training on farming techniques	PMU/SAA	Immediate
7. Develop market linkage with Hotels as a priority for the implementation of a comprehensive support programme to farmers in term of training in Integrated Crops Management and Post-Harvest Handling, farmers organizations, price negotiation, development of standards and quality control.	PMU	31 March 2015
8. Explore possibilities to include backyard farmers in the ODL and revise backyard gardeners definition	PMU/SAA	31 December 2014
9. Organize participatory planning meetings involving all the implementing institution to define priorities for 2015 AWPB and densify the level of activities to be carried in order to fill the gap caused by the delays.	PMU	30 November 2014

## Component 2: Improving Access to Agricultural and Rural Finance

40. The objective of this component is to provide the financial services required for transforming the ailing agricultural sector and removing access constraints for smaller farmers, producers, fishers and rural micro entrepreneurs to finance.

41. The Mission rates the performance of these components as moderately satisfactory. With the result of the study for the reshaping of this component a comprehensive plan of action for 2015 activities will be developed and there is no doubt the disbursement will be effective given the high level of demand and the experience of the implementing bodies (Seychelles Credit Union (SCU), the Development Bank of Seychelles (DBS).

42. The April 2014 supervision mission noted that GoS in collaboration with IFAD is reshaping component 2 in order to simplify the activities to be implemented. It was therefore recommended that the technical mission lead by an international specialized consultant to revise the implementation arrangements of component 2 should take place by the end of June 2014.

43. The supervision mission noted that the consultant carried out the work in October 2014 in consultation with government officials, members of the Technical Working Group for Micro Finance (TWG), smaller farmers, farmers organizations representatives and fishermen. Government executives from MNR and the Seychelles Agricultural Agency (SAA), the Project Management Unit (PMU), the Seychelles Credit Union, the Development Bank of Seychelles and other institutions involved in the implementation of CLISSA were also met.

44. The aide-memoire of the study for the reshaping of component 2 indicates that this component will be implemented through two main financial instruments : (i) an **Agricultural Investment Finance fund** of SCR 12 million to be provided to the DBS to strengthen its resources for agricultural investment finance and to open access to farmers with funding requirements significantly smaller than the ADF loans and, (ii) a **Rural microfinance Pilot Initiative** of about SR 1 - 1.5 million, where Small farmers with smaller sized working capital requirements will have access to small, quick and unsecured loans to purchase agricultural inputs through the SCU managed facility.

45. The detailed report that will clarify modalities for the establishment, management and oversight of the credit facility in DBS and SCU including the required monitoring and evaluation system for this facility is still awaited.

46. *The mission recommends that the complete report should be available by 15 November 2014. The report should be, shared with the stakeholders involved and submitted to IFAD for discussion and clearance by 15 November. The PMU should ensure that the report develop concrete action for the implementation of the 2015 Annual Work Plan and Budget (AWPB) for this component.*

Agreed action	Responsibility	Agreed date
10. Ensure the complete report of the study on the reshaping of component 2 is prepared and shared with the stakeholders involved, then submitted to IFAD for discussion and clearance by 15 November.	PMU	30 November 2014

## Component 3: Strategic capacity strengthening and infrastructure

47. The objective of this component is to: (i) provide the necessary and complementary public goods that will enable the implementation of component 1; and (ii) prepare the exit strategy of the project in terms of institutional continuity. The strategy is to strengthen public sector institutions and build infrastructure for delivering the required public goods and meet the requirements of promoted agricultural and fishing activities. The main activities include: (i) strategic capacity strengthening where public sector institutions will be supported through human resource capacity building, equipment and limited infrastructure development, aligned to the work of other financing partners, and (ii) financing public and collective rural infrastructure (irrigation/water harvesting, etc.), which are related to activities of Component 1.

48. The Mission rates the performance of this component moderately unsatisfactory as less than 40% of planned activities are not achieved to date.

49. **Strategic capacity of selected public sector institutions strengthened.** The 2014 AWPB retains priority activities as follows: (i) strengthen the communication unit through - acquisition of Communication equipment(hardware, software and other facilities) - training of communication staff in audio and video editing and in print media techniques and production; (ii) Institutional Capacity Building through - training for PMU staff in Accounting and Reporting software - Finance and M&E training – exchange/familiarisation visits to a country in the region and, training of SAA Extension Unit and pilot study in Peri-Urban Farming; (iii) Identification and Acquisition of Equipment to strengthen the capacity of the Research Centre; (iv) support post-harvest handling facilities for SAA through - post - harvest local expert visit on entrepreneurs site, and on farm visits - acquisition of knowledge and exchange of experiences in grading, storing and other post-harvest techniques and best practices to farmers and artisanal fishermen - acquisition of equipment for post-harvest training of farmers at Research Centre and (v) support for quality control mechanisms – quality control sensitization Workshop for key practitioners (technicians, component heads, selected farmers) and sampling and testing kits for quality control.

50. Regarding this subcomponent, the last supervision mission recommended the preparation of training for SAA staff and the acquisition of communication equipment set. The present mission noted with regret that the training of the SAA staff is delayed and the acquisition of communication equipment is expected to be delivered by end November 2014.

51. The present supervision mission noted with regret that during the period under review, the planned activities under this subcomponent is still at preparatory stage. *The mission draws the attention of the MNR on its roles as oversight and overall follow up to ensure that the implementing agencies execute their activities as planned.*

52. **Public and collective rural infrastructure.** The planned activities for 2014 are :(i) drawings for the barrages, reservoirs and distribution pipeline and irrigation network at Port Glaud, La Gogue; (ii) water harvesting by restoring barrages, upgrading of reservoirs, installation of distribution pipes and rehabilitation of irrigation network at Port Glaud and La Gogue; (iii) drawing of road construction (Helvetia); (iv) rehabilitation of requisite stores at Anse Boileau and Val d'Andorre and renovation of tools shed, nursery shed and rough Lab at Research Centre at Anse Boileau.

53. The last supervision mission also recommended: (i) the rehabilitation of Research Centre in Anse Boileau and, (ii) the rehabilitation of Anse Boileau and Val d'Andorre requisite stores as these activities were not yet engaged.

54. The present mission noted that all the rehabilitation works in Anse Boileau are at tender level while the works at Val d'Andorre are at evaluation stage. The mission expressed its concerns about these delays which may negatively impact the project delivery if these gaps are not filled in the execution of the 2015 AWPB.

55. *The mission recommends that all rehabilitation works should be identified early enough in order to plan for the preparation of the technical bidding documents and the mobilisation of beneficiaries' contributions. Works for year n should therefore be prepared at year n-1. The monitoring and evaluation specialist should develop together with the procurement specialist a precise monitoring board to ensure a realistic planning and follow up of these activities.*

56. Field visit by the mission revealed that beneficiary are not organized to participate and actively contribute to the realisation of the infrastructures, from the identification phase to the maintenance. The level of their contribution where it is done is proposed by the implementing agencies (SAA – case of irrigation facilities) that will be in charge of managing the maintenance. The mission noted that beneficiaries are still passive and waiting for the government to provide all the supports.

*The mission recommends that once the technical and financial evaluation of a collective infrastructure is ready, the result should be discussed with the beneficiaries in a working session where they will indicate their level of contribution in cash or in kind. Beneficiaries should also be organised to follow up the work progress and ensure a proper utilisation and maintenance of the infrastructures.*

Agreed action	Responsibility	Agreed date
11. Play a more active as oversight and overall follow up of CLISSA activities to ensure that the implementing agencies execute their mission as planned.	MNR	<i>Immediately</i>
12. Identified all rehabilitation works early enough in order to plan for the preparation of the technical bidding documents and the mobilisation of beneficiaries' contributions. Works for year n should therefore be prepared at year n-1.	PMU/Implementing Agencies	30 November 2014
13. Develop a precise monitoring board to ensure a realistic planning and follow up of these activities.	M&E and Procurement specialist	Continuous
14. Once the technical and financial evaluation of a collective infrastructure is ready, discuss the project with the beneficiaries in a working session meeting and identify their level of contribution in cash or in kind.	PMU/implementing agencies	Continuous
15. Organise beneficiaries to follow up the work progress of collective infrastructures and to ensure their proper utilisation and maintenance.	PMU/implementing agencies	Continuous

#### Component 4 – Project Management

57. The mission rates the quality of project management *moderately satisfactory*. The mission noted delays in project implementation that needs adequate corrective measures to be taken. The project implementing bodies need to be more active in ensuring the effective implementation of activities and delivery of results within the planned timeframe.

58. The mission was informed that the project coordinator has resigned since early September 2014. The Ministry of Natural resources immediately appointed the M&E officer as the interim project coordinator cumulatively with his M&E function. The project progress report was not adequately presented to reflect the level of achievement and analysis of constraints and gaps. The mission draws the attention of the MNR on the vital nature of the M&E activities to give accounts on the project progress, ensure accurate baselines and the roll out of its participatory elements and guide the implementation team on the level of achievement. *The mission recommends that MNR should engage without delay the recruitment of a new project coordinator in line with section E of CLISSA financial agreement.*

59. The last supervision mission recommended that the PMU should review staff performance evaluation criteria, so as to ensure a comprehensive assessment of the performance and regularly check on staff's motivation. The present mission noted that a performance evaluation template has not yet been prepared. The supervision mission discussed the importance of measuring the project's outputs, particularly the performance of the PMU and staff from SAA and SFA involved in the delivery of CLISSA objectives. An example of a staff performance monitoring template was discussed with the PMU staffs. The system collates a range of project supervisors and stakeholders' scorings of project extension staffs performance against an array of performance goals, and is used for both staff management and measurement of achievement of project outputs towards the AWPB indicators. As part of the process of signing Performance Agreements with the SAA and SFA, CLISSA should investigate the possibility of adapting and using a simplified version of this approach for both management and M&E purposes.

60. *The mission recommends that the first staff performance evaluation be made in December 2014, based on an established and agreed assessment tool.*

61. Although the mission found the PMU team to have the required background competence and motivation, progress since project start-up has been limited for two main reasons. First, the PMU did not define an operation strategy and implementation modalities to guide and ensure delivery of development results and changes which, if used, would have assisted with a more linear and coherent sequencing of activities. A second reason is institutional unfamiliarity with the project-based organisational and delivery approach used by IFAD and other development agencies in general (logical framework, result-based management, participatory planning and performance based monitoring with implementation partners etc.).

62. *The mission recommend that implementation support should be provided to the PMU for strategic planning, development of a coherent approach to deliver the project development results based on the realities in the field and follow up of key indicators. For the accountant in particular and the whole PMU in general, the mission recommends their participation at the eLearning course on: A guide overview of IFAD financial management practices and procedures to enhance his performance.*

63. Nevertheless, the supervision mission found strong evidence of an institutional appreciation of the value of the project and the convergence of CLISSA's objectives with those of other MNR implementing agencies such as the SAA and SFA and external stakeholders such as the Development Bank of Seychelles and the Seychelles Credit Union.

64. The PMU reported that steering committee meetings have been held, but it would appear that the level of project direction that these meetings generated was limited in view of the fact that results of the project basic studies were yet to be completed. *Now that the results of these studies are available, it is recommended that the steering committee uses the same to make strategic decisions and gives overall direction for project implementation.*

65. **Monitoring and Evaluation.** The previous supervision mission recommended the PMU to: (i) conduct a baseline survey to provide baseline values for both goal and outcome-level project-specific and RIMS indicators; (ii) develop of a standard reporting template; (iii) defining the targeting criteria for backyard gardeners and, (iv) install and operationalise the TOMPRO project management software.

66. The supervision mission noted that the baseline survey was realised in May - June 2014, returning complete data for 257 backyard farmers and 245 commercial farmers. Although the same set of questions was applied to both categories of farmers to ascertain baseline values for RIMS indicators, different questionnaires were used for the two categories of farmers in an attempt to determine project-level objective and outcome indicators. The baseline questionnaires were configured more as an assessment of the prevalence of certain practices rather than as a mechanism to collect the information necessary to establishing baseline values; as such they are of limited use. Furthermore, although it was initially envisaged that existing datasets (notably the 2011 Agricultural Census or Living Conditions Survey) could be used to provide certain baseline information, on closer analysis, their utility is limited because: (a) the information was collected four years ago and, (b) there is little match between project indicator and those used in the surveys. A recently-conducted marketing survey, though not executed for the purposes of the baseline, provides some information that can be used for baseline purposes (for example the size of the market gap for certain produce). *It is recommended that once the project decides on the fruit, vegetable and livestock produce that the project will focus on, it extracts the relevant data from the marketing study to use in the baseline.*

67. It is worth noting that, due to the nature of the project and the prevailing socio-economic/food security situation in Seychelles, the generic RIMS indicators for which data has been collected are unlikely to be of much use in measuring project impact: they are either not related to the project (e.g. type of toilet used), or not sensitive enough to reflect the changes in income or food security that the

project is aiming for<sup>2</sup>. Of more relevance in the Seychelles context are the asset ownership, income and expenditure data collected in the National Bureau of Statistics 2013 Household Budget Survey (HBS)<sup>3</sup> or, for food security, some kind of hunger index derived from a composite of indicators including dietary diversity and meal frequency.

68. Assuming there is a reasonable level of overlap between HBS interviewees and project beneficiaries, the HBS presents an extremely valuable opportunity to CLISSA for impact evaluation effort: the 2013 survey data could be used to build an accurate baseline and, because the next survey falls at approximately the same time as the end of the project (2018), the next survey could be used to measure the project's socio-economic impact. The NBS has also indicated that it would be willing to release elements of the dataset as long as the issue of respondent anonymity is addressed. Once project beneficiaries are selected, a first step in this approach will be to present a list of households to the NBS with the request that they check the level of overlap between this group and HBS respondents. If this overlap is sufficient the NBS could then either release an anonymised dataset or generate the baseline values required by CLISSA based on their own analysis.

69. The mission also noted that the survey to establish the required baseline values for artisanal fishers has not yet been conducted. Although the HBS will have sampled some artisanal fishers, it is likely that a discrete survey will be required to gain statistical significance because of the relatively large number of fishers targeted by the project (1,330).

70. *Based on the above findings the mission recommend the PMU to:*

- *Engage by 30 November 2014 dialogue with NBS to establish possibility of using HBS data pertaining to project beneficiaries for baseline purposes, or generating approximate baseline values from the HBS dataset using statistical techniques and ensure that these baseline indicators are incorporated in CLISSA M&E system by 28 February 2014.*
- *Ensure questionnaire used for fishers is relevant to project indicators and approved by IFAD prior to use if HBS data is not sufficient and, conduct baseline survey for fishers.*
- *Consider the utility of using generic RIMS indicators in the Seychelles context.*

71. Concerning the development of Standard Reporting Templates and M&E System, the mission noted that during the period under review, this recommendation was not executed. The main reason was the delays in the progress of other project deliveries including decisions on focus and approach. *The mission recommends the development of a project's M&E system, including data collection templates, lines of responsibility for data collection, analysis, reporting and communication, frequency of data collection, and database arrangement by 31 March 2015.*

72. The mission also noticed that a comprehensive activity report was not prepared and made available for the purpose of the mission. *The mission takes this opportunity to inform the PMU that the production of semester report is mandatory and due as of 30<sup>th</sup> June and 31<sup>st</sup> December of the year. Moreover for each supervision mission an updated report should be prepared with information not later than one month as from the start of the mission.*

73. A significant task in the development of the M&E system will be to establish the role that actors from the project's implementation partners and stakeholders<sup>4</sup> can play in M&E, providing them with the necessary formats to collect data and training them in their use. At all stages of this process it will be important to emphasise the value of data collection as a management tool, rather than just an extractive exercise to comply with donor requirements. High levels of literacy and numeracy in the Seychelles would indicate that, as long as they are provided with and trained in the use of the correct templates, project beneficiaries can be involved in the actual process of recording important project specific information, rather than just answering questions from an enumerator. The project's human

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<sup>2</sup> Seychelles is a middle income country: an increase in household income deriving from the project is highly unlikely to be reflected in better housing conditions, and improvements in food security are not best measured by asking questions about the length of the hunger season.

<sup>3</sup> The NBS communicated that after extensive data analysis the report should be ready by December 2014.

<sup>4</sup> SAA and SFA staff, Board members of farmers' and fishers' associations, buyers from hotels and other potential clients, etc.

resource and budgetary limitations and the nature of the project (where impact is affected by a series of small practices and decisions by actors) mean that this kind of 'diary' based M&E approach is essential. *The mission recommends the training and engagement of beneficiaries in the process of recording farm/fishery – related income and expenditure and management practices as an important step towards making their chosen livelihood more efficient and improving their contribution to the M&E reporting system.*

74. In addition to quantitative data on outcomes collected through both in-house and secondary sources (for example the HBS and SAA/SFA activity records), it will be important to collect qualitative data to enable the attribution of impact and to develop case studies. Since collecting qualitative information requires a specialised set of skills that are not easily transferred through short training courses, *the mission recommends the allocation of resources to hire specialist to conduct qualitative impact analysis.*

75. The supervision mission also discussed the importance of measuring the effectiveness of extension messages conveyed through the radio and TV and the Online Distance Learning (ODL)<sup>5</sup>. At a minimum the project should survey (by phone) a sample of the farmers that receive the messages. Farmers should be asked to rank the timeliness of message delivery, appropriateness of content and the extent to which they followed the advice. Information gathered through this survey should be used to refine the ODL. *The mission recommends therefore the establishment of a system for tracing the coverage and uptake of messages conveyed through radio, internet, SMS and other electronic media.*

76. Concerning the targeting criteria for backyard gardeners, the review mission found that the PMU was still unclear about which category of backyard farmer would be eligible for project support because the definition of 'backyard farmer' includes farmers ranging from those with a mango tree in the back garden, to others who are actively growing several fruits and vegetables around their house. *It is recommended that backyard farmers be defined by the lead agency and the PMU. Criteria should include the farm surface area and the contribution of produce harvested in the household consumption and revenue.*

77. Regarding the installation and operationalization of the TOMPRO project management software, the mission noted that this has not been achieved in the period under review, and there is currently discussion as to whether this package is appropriate given the expense, the requirement for specialised users and the fact that it is not used by other Departments of the GoS. The mission is drawing the attention of the project on the high importance of a M&E and a financial management recording and analysis system. *The mission recommends that an adequate system should be put in place and operational by 31 March 2015.*

78. **Gender and Youth.** The project has not yet developed strategies to ensure that women and the youth are able to derive benefit from the project, although ensuring that both are able to effectively participate is an underlying objective. The previous supervision mission recommended that the project identify a gender focal point to draft a short note on gender-specific issues emerging from the baseline study once data is available. *The present mission reiterates this recommendation and, in addition to this task, the focal point should review by 15 April 2015 all implementation strategies, approaches and M&E techniques to ensure they consider gender and youth issues.*

79. **Knowledge management.** The project will soon begin generating useful knowledge on the success and appropriateness of processes and approaches to achieving the projects objectives. In order that this knowledge is used to maximum effect, the PMU must decide how lessons are best communicated with other stakeholders. A range of options should be considered, including a published paper, a series of published case studies, presentations at workshops, etc. It should be remembered that the audience for knowledge generated through CLISSA will be very limited in size and quite specific, and that a functional M&E system must be in place if the project is to make a useful contribution to learning.

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<sup>5</sup> The system whereby agricultural extension messages are sent to farmers by text message / email and other media



Agreed action	Responsibility	Agreed date
16. Engage without delay the recruitment of a new project coordinator in line with the provision of section E of CLISSA financial agreement.	MNR	Immediate
17. Conduct the first staff performance evaluation, based on the established and agreed assessment tool.	MNR and Project Coordinator	31 December 2014
18. Provide implementation support to the PMU for strategic planning, development of a coherent approach to deliver the project development results based on the realities in the field and follow up of key indicators	PMU/recruit consultant	28 February 2015
19. Start dialogue with NBS to establish possibility of using HBS data pertaining to project beneficiaries for baseline purposes, or generating approximate baseline values from the HBS dataset using statistical techniques.	PMU/M&E	30 <sup>th</sup> November 2014
20. Ensure questionnaire used for fishers is relevant to project indicators and approved by IFAD prior to use if HBS data is not sufficient and, conduct baseline survey for fishers.	PMU/M&E	30 <sup>th</sup> November 2014
21. Develop the project's M&E system, including data collection templates, lines of responsibility for data collection, analysis, reporting and communication, frequency of data collection, and database arrangement	PMU/M&E	31 <sup>st</sup> March 2015
22. Train and engage beneficiaries in the process of recording farm/fishery – related income and expenditure and management practices as an important step towards making their chosen livelihood more efficient and their contribution to the M&E reporting system.	PMU/M&E and Implementing agencies	31 <sup>st</sup> March 2015
23. Allocate resources to hire a specialist to conduct qualitative impact analysis.	PMU	31 <sup>st</sup> March 2015
24. Establishment of a system for tracing the coverage and uptake of messages conveyed through radio, internet, SMS and other electronic media.	PMU/M&E	31 <sup>st</sup> March 2015

## E. Fiduciary aspects

80. Annotations: Provide a short overview of mission's summary findings related to fiduciary aspects to be scored under Section B1 of Appendix 1 (the complete list of loan covenants – and the detailed review of compliance with each one of them - is to be presented separately in Appendix 6).

81. **Financial management.** The mission rates the overall financial management function of the Project as moderately satisfactory. The mission noted that the PMU has not yet procured the dedicated accounting software recommended by the first mission. Otherwise, most of the recommendations of first mission have been implemented. In this line, the project has prepared an asset register, coded the assets, and prepared an asset schedule for inclusion into the end of year financial statements.

82. The mission noted that the **Project Implementation Manual (PIM)** was available. *The mission however recommends that after this first year of implementation, this document should be updated regularly to incorporate some details and practical tools needed and used by the project as: sample of Financial Statement, Chart of accounts, contract register, Procurement plan and situation, asset register etc.*

83. **Disbursement.** As of the 14<sup>th</sup> October 2014, the disbursement rate of the loan stands at 8.14%, representing the payment of the initial deposit of XDR 130 400.20 and the first replenishment of XDR 30 736.44.

84. **Counterpart funds.** The amount of the GoS counterpart funding so far mobilized is USD 50 418.07, representing about 18% of the commitment indicated in the project design document. Government counterpart funds are rated in terms of amount and timeliness of their release as

satisfactory. It is worthy to note that the government fully financed the expenses for the start-up workshop, benchmark survey, office equipment; training, forum expenses and also salaries of staff. The mission noted with appreciation that the project planned to purchase a 4x4 vehicle, but MNR opted to provide this from its existing fleet. This will allow the project to redirect the already planned expenditure of USD 40,000 to the support to beneficiaries. *The mission reiterates the necessity to capture all the non-financial and non-material contributions from the Government, partners and beneficiaries in the project database for reference and follow up.*

85. **Accounting/Financial management Software:** The project uses the IPSAS “accrual basis” accounting method which recognizes all revenues and expenses. The project has not yet acquired the dedicated accounting/financial management software to replace the use of Excel spread sheets for keeping its accounts. The last supervision mission and the procurement plan mentioned TOMPRO Software. *The mission recommends the PMU to acquire as soon as possible an accounting/financial management software (TOMPRO or any other performant tool). The historical financial data from the beginning 2013/2014 of the project must be captured into the system. The accounts staff must be proficient in the use of the system, and it must have a clear audit trail to the supporting documents in the form of payment vouchers. Overall, the mission recommends that the Project staffs be able to track and report on flexible reporting cycles, such as actual expenditure by category/component/activity/financier as compared with the budget allocations.*

86. **Execution of the AWPB:** The PMU submitted the AWPB for the year 2013/2014 to IFAD in February 2014 and received a no-objection for it. The financial execution of the AWPB for 2014 stands at 11% (USD128,000 out of a plan of USD1,125 million). The financial execution rate per component is as follows: 60% in component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers, and 51% in component 4: Project Management. No activities and no funds have been disbursed in Components 2 and 3. Nevertheless the project commitments on the on-going contract amount to about USD 200,000. Should component 2 be effective by March 2015, the project commitments will amount to about USD 800,000, by the end of the 18 month period covered by the actual procurement plan/AWPB and this will carry the disbursement rate to about 60%. This performance is rated moderately unsatisfactory.

87. **Withdrawal Applications.** Since its start up, the project sent three Withdrawal applications to IFAD. Two withdrawal applications (N°1 and 3) were for the first initial deposit of USD 200,000 and to rise it to USD 400,000. The WA N°3 has already been received in the project designated account but the amount is not yet taken in account in the status of funds sent by IFAD on October 14, 2014. The Withdrawal application N°2 of USD 46,096.67 has been paid by IFAD. *The mission recommends that the next WA should be prepared and presented to IFAD as soon as the project justified expenditures amount to approximately 30% of the authorized allocation.*

88. **Statement of Expenditures review.** The mission verified most of the supporting documentation of the expenditures that were presented in the Statement of Expenditures (Form 102) of the WA N°2 and found them in order. The mission confirms that expenditures are properly supported and are eligible for IFAD disbursement in accordance with legal agreements.

89. **Reconciliation of the Designated Account.** As of 20th October 2014, CLISSA's bank statement presents a balance of USD 377,008.58 as presented in the table.

No.	Description	Value (USD)
<b>A</b>	<b>Authorized Allocation</b>	<b>400,000.00</b>
i	Balance in the Designated Account	377,008.58
ii	Expenditures yet to be claimed	27,109.92
<b>B</b>	<b>Total (i + ii)</b>	<b>404,118.50</b>
<b>C</b>	<b>Differences (A – B)</b>	<b>-4,118.50</b>
iii	Pre-financed VAT to be refunded by Counterpart funds	1,190.55
iv	Re-imbursement to Designated Accounts by error	-5,309.05
	Balance	-

90. The mission met with staff from the Ministry of Finance who indicated that the pre-financed VAT to be refunded in the loans account by the counterpart of USD 1,190.55 will be done by 15<sup>th</sup> November. The Ministry of Finance also indicated that given the small amounts involved, it could be preferable to do the reimbursement of the VAT to the loan account by the counterpart fund on a quarterly basis or when the ceiling of USD 10,000 is reached. If this is accepted, the Ministry of Finance will formally notify the PMU.

91. **Compliance with loan covenants.** The mission notes that there is no contravention with respect to compliance with the financing agreement covenants. The status of compliance with key covenants is provided in appendix.

92. **Procurement.** The mission noted that the procurement function remains a major area of concern for effective implementation of the Programme as 15 items amounting to about 900,000 USD are still pending (MOUs, Consultancy, works and goods). To date, 41% of the first procurement plan for 18 months are contracted. There are twenty two contract signed by the project. Procurement procedures are in line with IFAD Guidelines and the Seychelles Procurement act of 2008.

93. The mission also notes and appreciated the close consultation with IFAD Programme officer through the non-objection procedure, for designing the TORs/specifications of goods and services (that are subject to non-objection requirement) to be procured. The mission noted however that delay in the initiation of the procurement process is still important. These delays affect the effective implementation of activities. *The mission recommends the PMU to engage the preparation of procurement document far in advance to avoid delays in implementation, given the time needed for procurement. The mission also recommends the project to update the procurement plan and the contract register and to use the Contract monitoring form (CMF) for follow up.*

94. The Mission shared with the project team several documents on the use of IFAD Procurement guideline, and IFAD Procurement manual with the local procurement Act as references to conduct procurement processes. These documents will be very helpful to carry out procurement activities more efficiently. **Internal control.** As the project is embedded in the Ministry of Natural Resources, procedures are done with respect of national rules and requirements. There is a clear segregation of duties and control/and approval procedures are in place and effective. Execution of payments is handled by the Ministry of Finance. The mission noted a high level of internal control.

95. **Audit.** The audit exercise of the project books for the 2014 financial year will be done by the office of the Auditor General. The mission insists that the first audit be undertaken in the first semester of 2015 to cover the period from October 2013 to December 2014, including earlier small expenses retroactively financed by the counterpart fund prior to project entry into force. The project has to prepare the terms of reference of the audit in collaboration with the OAG, and send it for clearance to IFAD. *The mission recommends that the project unaudited financial reports should be submitted before the 30<sup>th</sup> march 2015 in order to ensure that the audit exercise is executed on time and the report submitted to IFAD before the 30<sup>th</sup> June 2015.*

Agreed action	Responsibility	Agreed date
25. Complete the procurement of the dedicated accounting software	PMU	January 31, 2015
26. Capture tax pre-financed by IFAD and transfer refunds from the counterpart funds on a quarterly basis	Accountant/PMU	Continuously
27. Reimburse the pre-financed VAT of USD 1190.55 by the counterpart fund	Accountant/PMU	November 30, 2014
28. Carry out the IFAD eLearning Financial Management Course	Accountant	November 30, 2014
29. Update the PIM to include financial management practical tools	PMU	April 30, 2015
30. Submit unaudited financial statement	PMU	March 31, 2015
31. Submit the audit report to IFAD.	MoF/PMU	June 30, 2015

## F. Sustainability

96. At this stage of implementation, the sustainability of the project will rely on its capacity to build the institutional capacity of the implementing agents to continuously provide the necessary technical support to small holder farmers and the government engagement to raise agriculture as a strategic sector for food security, nutrition and reduce dependence on import of basic food requirement of the population. The reinforcement of human resources within the key implementing agencies, both in quality and in quantity is a major concern to enable these institutions to play their role.

97. Support to farmers organizations is a key area of intervention to empower small holder farmers (negotiation and decision making) to become entrepreneurs within the agricultural value chains. The development of a win-win business relationship between small scale farmers and the hotel sector is a challenge.

## G. Others

98. **Partnerships with actors in the agriculture and fisheries value chains.** Progress in shaping the nature of the working relationship with the partners in the agriculture value chains was limited over the period under review because of staff turnover and lack of clarity regarding project direction. It was unclear to the project which food products and associated technologies they should be focussing on. However, the recent marketing report enables CLISSA to now select a small number of key fruit, vegetable and livestock products whose local market share has potential to expand and to develop technology, financing and extension packages that will support this expansion. The development and delivery of these packages could be conceived as a project within a project.

99. Using this market information, CLISSA will now be able to establish partnerships with farmers and fishers associations to which the aforementioned technology and finance packages can be delivered. Care must be taken to carefully match the support and technology packages developed with the farmer and fisher groupings where they are most likely to have success – fully considering group capacity, leadership and needs.

100. It is recommended that the project establishes criteria for making partnerships with fishers and farmers associations, signs MoUs with these associations and rolls out technology packages and financing to members of farmers and fishers' associations with whom MoUs have been signed.

## H. Conclusion

101. The next financial year will give the opportunity to CLISSA to start delivering its development results since all the preparatory and background studies will be ready. Attention must be placed on responses to market signals and development of viable business partnerships between farmers, fishers and buyers, especially from the tourism industry.

102. The mission agreed that the next supervision mission is scheduled from 20 April to 1<sup>st</sup> May 2015.

## Appendix 1: Summary of project status and ratings

### Project 1560 [894] Competitive Local Innovations for Small-scale Agriculture Project

#### Basic Facts

Country	Seychelles	Project ID	1560	Loan/DSF Grant No.	894
Project	Competitive Local Innovations for Small-scale Agriculture Project			Top-up Loan/DSF Grant	
Date of Update	08-Jul-2014				
Supervising Inst.	IFAD/IFAD				
No. of Supervisions	2	No. of Implementation Support/Follow-up missions	2		
Last Supervision	15 Oct. 2014	Last Implementation Support/Follow-up mission	23-Jan-2014		

					USD million	Disb. rate %
Approval	07-Apr-2013			Total financing	3.74	
Agreement	22-May-2013	Effectiveness lag	7.4	IFAD Total	3.00	
Entry into force	14-Nov-2013	PAR value	-----	IFAD loan	3.00	8.14
First disbursement	07-Feb-2014			DSF grant		
MTR		Last amendment		IFAD grant		
Original completion	31-Dec-2018	Last audit		Domestic Total	0.74	
Current completion	31-Dec-2018			Beneficiaries	0.09	0
Original closing	30-Jun-2019			Government (National)	0.28	18
Current closing	30-Jun-2019			Other Domestic	0.25	0
No. of extensions	0			Private Sector Local	0.12	0
				External Cofinancing Total		

#### Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	3	3	2. Performance of M&E	4	3
3. Counterpart funds	4	4	3. Coherence between AWPB & implementation	4	3
4. Compliance with financing covenants	4	4	4. Gender focus	4	4
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Enhancing business arrangements through capacity d	4	4	1. Institution building (organizations, etc.)	4	4
2. Improving Access to Agricultural and Rural Finance	4	4	2. Empowerment	4	4
3. Strategic Capacity Strengthening and Infrastructure	4	3	3. Quality of beneficiary participation	4	4
4. Project Management	4	4	4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	4

#### B.5 Justification of ratings

The project is at its first year of effective implementation. Although with delay, some key activities are realized: for component 1, 3 technologies were assessed (integrated crop management, development of shade houses and drip irrigation system) and a first technology trial has started implementation. The market study was realized and the first draft report was submitted. Communication campaign has also been engaged with SMS messages on technical issues sent to register enlisted farmers. The farmer input packages to replenish the stock in the requisite stores are ordered and supplies to farmers are on-going.

With the result of the study for the reshaping of component 2, a comprehensive plan of action for 2015 activities will be developed and there is no doubt the disbursement will be effective given the high level of demand and the experience of the implementing bodies (Seychelles Credit Union (SCU), the Development Bank of Seychelles (DBS). The 3rd component on Strategic capacity strengthening and infrastructure is the least performant with infrastructures still at identification and technical studies level. The MNR is however taking actions to address the delays in implementation. Attention should however be put in developing a good M&E system at this stage to follow up key project indicators. This is not yet in place.

Supervision mission noted an institutional appreciation of the value of the project and the convergence of CLISSA's objectives with those of other MNR implementing agencies such as the SAA and SFA and external stakeholders such as the Development Bank of Seychelles and the Seychelles Credit Union

#### Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	4	4
C.2 Food security	4	4
C.3 Quality of natural asset improvement and climate resilience	4	4
C.4 Overall <b>implementation progress</b> (Sections B1 and B2)	4	3

##### Rationale for implementation progress rating

Although with delay, there have been some outputs achieved since CLISSA entry into-force: The different Technical Working Groups (TWG) are in place although they don't meet regularly. The main technical studies (market study and reshaping of component 2 on financial services) are realised. With the support of the lead agency, contacts and discussions are on-going with buyers and hotel to develop a partnership for the supply of fresh farm produce.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
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##### Rationale for development objectives rating

At this stage of CLISSA, there are limited outcomes to be expected at such an early stage of the project. There is already evidence of improved institutional capacity emerging, especially in regards to: enhanced consolidation of knowledge; partnership building with key institutions such the Small Enterprise Promotion Agency (SEnPA), the Seychelles Trading Company (STC), etc.; Partnership with Seychelles Credit Union (SCU) and the Development Bank of Seychelles (DBS) is under finalization for the implementation of the credit facilities activities. With the ongoing discussions with the hotels for the supply of fresh farm produce by farmers, there is an opportunity to build a strong PPP.

#### C.6 **Risks** Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Fiduciary aspects	The project has yet to finalize the procurement of accounting software TOMPRO that also includes an M&E module. For the time being, the cashbook is maintained using EXCEL. The setting up of TOMPRO will allow: i) record SCR amount, USD-equivalent amount, exchange rate, and tax element of each payment; ii) origin of suppliers and service providers; and iii) generate a number of IFAD-required reports such as the Statement of Expenditures (Form 102) and the Reconciliation of the Designated Account (Form 104). Furthermore, ensure close monitoring and capacity strengthening of the procurement processes.
Project implementation progress	GoS is still to fine tune the implementation arrangements of component 2: Improving Access to Agricultural and Rural Finance. Since the result of the study engaged by the project is available, final discussions with the implementing partners (SCU and DBS) will now lead to the operationalization and a proper start of this component in 2015.
Outputs and outcomes	With the results of the market study now available, the project will develop an operational strategy for the support to farmers based on the market information. Business partnership with Hotels could be possible based on a minimum standard of produce in terms of hygiene, quality and regular quantity of products delivered.
Sustainability	CLISSA needs to ensure that the implementing partners (i.e. the public agencies in MNR such as SAA and SFA) develop the capacity to conduct and supervise the activities.

## Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Lack of an operational methodology and a strategy to guide the implementation of the activities.	Elaborate an operational strategy associated with capacity development requirements for small farmers and fishers to engage them in business contracts with identified buyers.	15 December 2014	On-going
Reshaping of component 2 and start up activities.	Ensure the complete report of the study on the reshaping of component 2 is shared with the stakeholders involved, then submitted to IFAD for discussion and clearance	15 December 2014	On-going
Delay start of Rehabilitation of small infrastructures	Finalise the identification, the technical studies and costing with the participation of beneficiaries to engage them in the realisation and maintenance.	March 2014	On-going
Financial management and M&E Software	Procure the financial management and M&E software and train the dedicated team	immediate	

## Additional observations

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

RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
<b>GOAL: Sustainable pro-poor economic growth and employment and resilience to external shocks and trends</b>	By Programme completion at least 80% of small scale registered farmers and fishers (617 total registered farmers 1330 total artisanal fishers direct beneficiaries) achieve minimum one of the following: Increase in asset ownership.	1558	1558		0%	-National Bureau of Statistics - Ministry of Social Affairs - Agricultural Census - Other reference surveys	Provided that prices remain stable, government maintains its policy on welfare support. Subject to no exceptional adverse weathering effects.	Baseline survey contains information on animals owned and certain household assets
	Registered farmers with Increase in savings.	494	494		0%		Provided that farmers and fishers participate in the scheme are willing to share information	No baseline information available. However, this information could potentially be collected at evaluation time by asking participants if their savings have increased over the project period
	Reduction on Social Welfare dependency.	n/a	10%		0%		Provided that farmers and fishers participate in the scheme are willing to share information	Same as above.
<b>DEVELOPMENT OBJECTIVES: (RIMS 3<sup>rd</sup> level) Promote modern and sustainable agricultural and fisheries practices to increase and diversify market access for 617 small-holder farmers, 1 330 individuals active in the artisanal fisheries sector, and all household gardeners out of a total of 8662 who were below the poverty line in 2013</b>	Increase agricultural yield of specific crops and vegetables (such as tomatoes, lettuce, cucumbers etc) being highly sought by the market by 50%	n/a	5175 tons		0%	- MTR and PCR surveys - Relevant GoS statistics (Min. OF Social Affairs) - Project M&E system (see below)	Provided there is effective yield and effective diversification of agricultural produce to access market.	Conduct crop production studies with a range of beneficiary farmers representing different economic backgrounds. Track these 'sentinel' farms over the course of the project. Progress on this indicator could also be measured through changes in the 'supply gap' measured by the marketing study
	Increase market access of Small Scale farmers and fishers.	n/a	494		0%		Provided that registered farmers remain active and willing to participate in the scheme	Market survey could be repeated to assess whether markets / hotels / shops / restaurants are buying more produce locally. Will be necessary to attribute any increase to the CLISSA or other factors. Progress on this indicator could also be measured through changes in the 'supply gap' measured by the marketing study



RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
	Increase crop yield of Small scale farmers by 50%	n/a	5175 tons		0%		Provided there is agricultural inputs and favourable weather conditions for selected varieties	Conduct crop production studies with a range of beneficiary farmers representing different economic backgrounds. Track these 'sentinel' farms over the course of the project.
	Increase livestock production (namely poultry, pork by 50%	n/a	696 tons		0%		Provided the local animal feed factories can sustain demand for animal feed.	Conduct livestock production studies with a range of beneficiary farmers representing different economic backgrounds. Track these 'sentinel' farms over the course of the project.
	Increase artisanal fisheries yield of specific species (such as red snapper, grouper etc) being highly sought by the market by 40%	n/a	40%		0%		Provided the scheme can sustain provision of adequate equipment and develop capacities of the artisanal fishers in the adopted fishing techniques	Conduct longitudinal catch study for beneficiary fishers
	Increase agricultural production of backyarders by 50%	n/a	50%		0%		Provided SAA can provide tools and develop capacities to the backyarders in the adopted production techniques	Conduct crop and livestock production studies with a range of beneficiary farmers representing different economic backgrounds. Track these 'sentinel' farms over the course of the project.
<b>OUTCOMES: (RIMS 2<sup>nd</sup> level)</b>								
<b>Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers</b>								
Small farmers, fishers and rural micro entrepreneurs have capacity to identify and service market demand	80 % of Number of Farmers and fishers benefitting from improved market access	1558	1558		0%	1-Surveys 2-Ex-post evaluations	Farmers and fishers can make good use of knowledge transferred to access market. SFA and SAA have capacities carry out surveys and evaluations	This needs definition to select the group of criteria: does it refer to more produce sold, higher prices gained, higher over-all incomes, lower costs of market access (better roads and transport)?

RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
Component 2: Improving Access to Agricultural and Rural Finance								
Improved access by small farmers and fishers to equitable financial services	Effectiveness: Number of small farmers and fishers micro-entrepreneur accessing credit and other financial services (female/male) (RIMS 2nd level)	123	200	0	0%	1-Internal and external monitoring reports 2-6 monthly project progress reports to be submitted by participating banks	Provided that the credit facilities and other financial services are made available by banks on favourable terms	Financial service providers should also be able to provide information on this. Make sure that correct information is collected from the start and is accessible by the project (i.e not confidential)
	Sustainability: Active borrowers/fishers and farmers on a 1:4 ratio(RIMS 2nd level)	123	200	0	0%			
	Sustainability: Portfolio at risk/quality of loan portfolio (RIMS 2nd level)							
Component 3: Strategic capacity strengthening and infrastructure								
Strengthen public sector institutions and build infrastructure to meet the requirements of promoted agricultural and fishing activities	No. of farmers served by barrages, reservoirs and irrigation network rehabilitated	0	142	0	0%	-Internal and external monitoring reports -Beneficiary assessment reports -Internal monitoring reports	Provided that there is adequate external and internal capacities to support the planned activities	Can be calculated ex-post.
	Increase water storage capacity by 50% of 5055 cubic metre of water	0	2528					Can be calculated ex-post
	Increase number of farmers on riticulation network by 40%	0						Need baseline figure
	Motorable access to new agricultural plots	0	10					Indicators to be defined : 10km?, 10 roads?, 10 plots?
	n. of farmers and households served by road constructed		18		0%			Can be calculated ex-post
	no. of Extension unit benefitting from shed	0	3		0%			Can be calculated ex-post
	n. of farmers served by equipment sheds and small infrastructure built		494		0%			Can be calculated ex-post
	Effectiveness: improved performance of service providers (operational self-sufficiency of SAA Extension officers)		6		0%			Performance indicators defined with SAA staff. Measurement based on combination of self-assessment and triangulation with targeted farmers.

RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
OUTPUTS (RIMS 1 <sup>st</sup> level)								
Sub-component 1.1: PPP and technology development								
1.1a. Identification of technologies packages and assessment of their efficiency to local conditions.	3 Technical Working Groups meeting 4 times per annum		60	0	0%			On-going record keeping required.
	Identification of technologies packages and trials (agr./microfin./fisheries)		3	0	0%			On-going record keeping required.
1.1b. Capacity building of small farmers and fishers in technology adoption, business development and business management, quality improvement of selected products, demonstrations, trials and studies to promote these technologies	Acquisition of knowledge of small scale farmers through demonstration on farm and at research station and exchange of experience in post-production, processing and marketing (female/male/youth)		494	0	0%		Farmers and fishers can manage and make effective use of knowledge transferred.	Define knowledge acquisition. If it refers to use of a certain crop management practice or fishing practice, then a knowledge, attitudes, practices baseline is required.
	Fishers trained in fish production practices and technologies (female/male/youth)		1,064	0	0%			On-going record keeping required. Would it also be important to determine how practices have changed as a result of the training? What do fishers do differently?
Sub-component 1.2: Food security and productivity development								
1.2a. Improving food security by promoting home and community gardens	Small gardening tools accessed						Provided the backyard gardeners are willing to make effective use of equipment, inputs and knowledge acquired.	A measure of food security could also be appropriate here. The baseline survey captures data on this.
	Inputs							Define: is it quantity of inputs used?
1.2b. Enhancing productivity at the household level through capacity development in all areas of agricultural development, including locally adapted livestock development (agriculture and pig production on suitable smallholder plots)	Household gardeners trained in new technology adoption (female/male/youth)	2,945	2,945	0	0%		Effective use of knowledge transfer, willingness and motivation of households for this initiative.	Adoption of new practices needs to be measured. Increases in productivity are measured elsewhere. Focus should be on what farmers do differently and what new approaches they adopt as a result of the training delivered. There should also be some kind of exploration of the different extension approaches used - online / face to face / demonstration farm, etc.

RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
Sub-component 2.1: Improved access to equitable financial services								
2.1. Competitive refinancing lines for beneficiaries established on commercial and non-subsidized terms at all levels	Active borrowers (individuals)		123	0	0%	Active bank accounts	Sufficient borrowers, to participate in the scheme, depending on banks terms and conditions.	Financial service providers should also be able to provide information on this. Make sure that correct information is collected from the start and is accessible by the project (i.e. not confidential)
	Value of gross loan portfolio USD		1078		0%			Same as above.
Sub-component 2.2: Complementary support to participating banks								
2.2. Complementary support to participating banks	Sustainability and improved performance of bank services to the farmers and fishers through a monitoring system		2		0%		Terms and Conditions offered under the scheme is attractive to the banks	Define: does this need to be more focussed on providing banks with information on how loans are used?
Sub-component 3.1: Strategic capacity strengthening								
3.1. Public sector institutions will be supported through human resource capacity building, equipment and limited infrastructure development, aligned to the work of other financing partners	Staff of service providers trained		9		0%		Knowledge transfer are put into effective use, other financing partners are willing to participate.	Indicator needs more definition. For example: '70% of **** (insert target number) government staff trained report that they are better able to deliver their services / support farmers and fishers as a result of training and provided by CLISSA'. Surveys conducted with staff after training and at the end of the project cycle with key informants - including the supervisors of staff who attended training will be necessary.
Sub-component 3.2: Public and collective infrastructure								
3.2. Enabling rural infrastructure, including public investments and collective investments (irrigation/water harvesting, distribution access road etc.)	No. of barrages, reservoirs and irrigation network rehabilitated		16	0	0%		Provided approval are granted by the respective authorities and availability of financial resources and technical capacities	on-going record keeping required
	km of road constructed		0.6	0	0%			on-going record keeping required
	Requisite storage facilities Anse Boilea,Val D'en Dor		2	0	0%			on-going record keeping required
	Anse Boileau (Tool Shed, Nursery shed, Rough Lab/shed)		3	0	0%			on-going record keeping required

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

Agreed action	Responsibility	Agreed date
<b>Project implementation</b>		
32. Elaborate an operational strategy associated with capacity development requirements for small farmers and fishers to engage them in business contracts with identified buyers.	PMU/Coordinator	Immediately
33. Outsource the execution of certain activities to national or international consultants when necessary, given the limited number of personnel of the implementing agencies to carry out activities as planned.	PMU/Coordinator	Immediately
<b>Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers</b>		
34. Assess the economic viability of new technologies prior to their promotion at a larger scale.	SAA	28 February 2015
35. Follows a participatory process with the implementing agencies for the preparation of the 2015 AWPB and enact the result by the signing performance agreement on the identified activities. This performance agreement will be an annex to the already signed MOU with these institutions.	PMU/Implementing Agencies	30 November 2014
36. Value the on-going initiative of the Praslin fishermen association who putting in place a marketing body for the negotiation of prices with buyers and mobilizing their members towards the regulation of the overall fishing activities	PMU/SFA	Immediate
37. Include farms workers as participants in training on farming techniques	PMU/SAA	Immediate
38. Develop market linkage with Hotels as a priority for the implementation of a comprehensive support programme to farmers in term of training in Integrated Crops Management and Post-Harvest Handling, farmers organizations, price negotiation, development of standards and quality control.	PMU	31 March 2015
39. Explore possibilities to include backyard farmers in the ODL and revise backyard gardeners definition	PMU/SAA	31 December 2014
40. Organize participatory planning meetings involving all the implementing institution to define priorities for 2015 AWPB and densify the level of activities to be carried in order to fill the gap caused by the delays.	PMU	30 November 2014
<b>Component2: Improving Access to Agricultural and Rural Finance</b>		
41. Ensure the complete report of the study on the reshaping of component 2 is prepared and shared with the stakeholders involved, then submitted to IFAD for discussion and clearance by 15 November.	PMU	15 November 2014
<b>Component 3: Strategic capacity strengthening and infrastructure</b>		
42. Play a more active as oversight and overall follow up of CLISSA activities to ensure that the implementing agencies execute their mission as planned.	MNR	Immediately

Agreed action	Responsibility	Agreed date
43. Identified all rehabilitation works early enough in order to plan for the preparation of the technical bidding documents and the mobilisation of beneficiaries' contributions. Works for year n should therefore be prepared at year n-1.	PMU/Implementing Agencies	30 November 2014
44. Develop a precise monitoring board to ensure a realistic planning and follow up of these activities.	M&E and Procurement specialist	Continuous
45. Once the technical and financial evaluation of a collective infrastructure is ready, discuss the project with the beneficiaries in a working session meeting and identify their level of contribution in cash or in kind.	PMU/implementing agencies	Continuous
46. Organise beneficiaries to follow up the work progress of collective infrastructures and to ensure their proper utilisation and maintenance.	PMU/implementing agencies	Continuous
<b>Component 4 – Project Management</b>		
47. Engage without delay the recruitment of a new project coordinator in line with the provision of section E of CLISSA financial agreement.	MNR	Immediate
48. Conduct the first staff performance evaluation, based on the established and agreed assessment tool.	MNR and Project Coordinator	31 December 2014
49. Provide implementation support to the PMU for strategic planning, development of a coherent approach to deliver the project development results based on the realities in the field and follow up of key indicators	PMU/recruit consultant	28 February 2015
50. Start dialogue with NBS to establish possibility of using HBS data pertaining to project beneficiaries for baseline purposes, or generating approximate baseline values from the HBS dataset using statistical techniques.	PMU/M&E	30 <sup>th</sup> November 2014
51. Ensure questionnaire used for fishers is relevant to project indicators and approved by IFAD prior to use if HBS data is not sufficient and, conduct baseline survey for fishers.	PMU/M&E	30 <sup>th</sup> November 2014
52. Develop the project's M&E system, including data collection templates, lines of responsibility for data collection, analysis, reporting and communication, frequency of data collection, and database arrangement	PMU/M&E	31 <sup>st</sup> March 2015
53. Train and engage beneficiaries in the process of recording farm/fishery – related income and expenditure and management practices as an important step towards making their chosen livelihood more efficient and their contribution to the M&E reporting system	PMU/M&E and Implementing agencies	31 <sup>st</sup> March 2015
54. Allocate resources to hire a specialist to conduct qualitative impact analysis.	PMU	31 <sup>st</sup> March 2015
55. Establishment of a system for tracing the coverage and uptake of messages conveyed through	PMU/M&E	31 <sup>st</sup> March 2015

Agreed action	Responsibility	Agreed date
radio, internet, SMS and other electronic media.		
<b>Fiduciary aspects</b>		
56. Complete the procurement of the dedicated accounting software	PMU	January 31, 2015
57. Capture tax pre-financed by IFAD and transfer refunds from the counterpart funds on a quarterly basis	Accountant/PMU	Continuously
58. Reimburse the pre-financed VAT of USD 1190.55 by the counterpart fund	Accountant/PMU	November 15, 2014
59. Carry out the IFAD eLearning Financial Management Course	Accountant	November 15, 2014
60. Update the PIM to include financial management practical tools	PMU	April 30, 2015
61. Submit unaudited financial statement	PMU	March 31, 2015
62. Submit the audit report to IFAD.	MoF/PMU	June 30, 2015

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

Code	Component/Output/ Activities/Inputs	Impact/Result Indicators (*RIMS indicators)	Unit	CUMULATIVE			CURRENT YEAR		
				Appraisal Targets	Actual	% of appraisal target	Annual target	Actual	% of annual target
<b>1</b>	<b>Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers</b>								
<b>1.1</b>	<b>Subcomponent 1.1: PPP and technology development</b>								
	<u>Output 1.1a:</u> Identification and assessment of Technology packages for their efficiency to local conditions.	Identification of technologies packages and trials (agr. Crop livestock & fisheries.)	Packages of new tech.	10	0	0%			
1.1.A	<i>Activity A: The technical working groups would assess existing technologies and identify new technologies and NPSC endorsement</i>	5 packages identified	Packages of new tech.	0	0	0%			
1.1.A.1	Input 1: Technical Meetings for technology assessment and identification and NPSC meetings	3 TWGs meeting 12 times per annum (Minutes)	No meeting/3groups	70	0	0%	14	8.0	57%
1.1.A.2	Input 2: Pre-Trial Preparation and propagation of technologies	Protocols and Standard Operating Procedures Developed. Procurement Documentation	Number	10	0	0%	2	0	0%
	<u>Output 1.1b:</u> Trained small farmers and fishers in the technology adopted, business development and business management, quality improvement of selected products								
1.1.B	<i>Activity B: Training and skill development in the technologies adopted</i>								
1.1.B.1	Input 1: Training demonstration sessions for farmers on the production process at research station, SAHTC and selected farms	Small scale farmers trained in post-production, processing (female/male youth)	Farmers	0	0	0%			
1.1.B.2	Input 2: Small scale farmers participate in on-farm trials following the outcome of market study	Number of small scale farmers participated in on farm trials & demonstrations	Farmers	494	0	0%	100	0	0%
1.1.B.3	Input 3: Training demonstration to fishers in fish storage and preservation practices	Fishers trained in production practices and technologies	Fishers	1,064	0	0%	65	30	40%



Code	Component/Output/ Activities/Inputs	Impact/Result Indicators (*RIMS indicators)	Unit	CUMULATIVE			CURRENT YEAR		
				Appraisal Targets	Actual	% of appraisal target	Annual target	Actual	% of annual target
1.1.C	<i>Activity C: Training for small scale farmers in business development and entrepreneurship</i>								
1.1.C.1	Input 1: Farmers and fishers to manage acquired knowledge from traders, and selected farmers on entrepreneurial skills in the new approach to business.	Small scale farmers trained (female/male youth)	Number	1558	0	0%			
1.1.D	<i>Activity D: Communication and promotion campaign</i>								
1.1.D.1	Input 1: Mobile Phone Based Communication Campaign (SMS and Voice messages)	Messages/Recipients	No	120	0	0%	24	8	33%
1.1.D.2	Input 2: Printing and distribution of pamphlets	Printed Material	Lumpsum/set	4	0	0%	1	0	0%
1.1.D.3	Input 3:Audio and video documentaries, TV spots (including technical support )to disseminate information about market surveys	Audio and video documentaries, TV spots produced, contract	Lumpsum/set	4	0	0%	2	1	50%
1.1.D.4	Input 4: Sensitising backyard farmers as beneficiaries of CLISSA	Sensitization material	No	0	0	0%			
1.1.E	<i>Activity E: Market study and assessment of value chain actors, capacity of suppliers and the Preparation of PPP action plan</i>								
1.1.E.1	Input 1: Gap analysis of market needs, pricing and profit margin for Crops, Livestock, Fisheries for value chain.(producers, wholesalers, customers.)	Report	No	4	0	0%	1	1	90%
1.1.E.2	Input 2: Research/conduct trials based on result of market study	Trials	Set	4	0	0%	1	0	0%
1.1.E.3	Input 3: Benchmark assessment of farmers and fishers to determine their ability and capacity to meet market needs	Study	No	6	0	0%	1	1	80%
1.1.E.4	Input 4: Intervention for the development of a comprehensive PPP action Plan based on market study results and trials.	PPP action Plan	No	4	0	0%	1	0	0%
<b>1.2</b>	<b>Subcomponent 1.2: Food security and productivity development</b>								
	<u>Output 1.2:</u> Improving food security by promoting home gardens								
1.2.A	<i>Activity A: Supporting backyard gardening for food security</i>	Backyard gardners equipped - Households, Acreage, Varieties	No						

Code	Component/Output/ Activities/Inputs	Impact/Result Indicators (*RIMS indicators)	Unit	CUMULATIVE			CURRENT YEAR		
				Appraisal Targets	Actual	% of appraisal target	Annual target	Actual	% of annual target
1.2.A.1	Input 1: Acquisition and restocking of agricultural requisite store with inputs and small garden tools	Equipment and input stocked	Consignment	3	0	0%	1	1	100%
1.2.A.2	Input 2: Advertisement of Equipment (small garden tools) and agricultural inputs	Adverts	No/category	3	0	0%	3	3	100%
1.2.A.3	Input 3: Sales of Equipment (small garden tools) and agricultural inputs	Backyard gardeners equipped with tools and agric inputs	No	2,945	0	0%	589	250	42%
1.2.A.4	Input 4: Development of data base to monitor the purchase of Equipment (small garden tools) and agricultural inputs by backyard farmers.	Database developed and Backyard gardeners on Database	No	1	0	0%	1	1	65%
	<u>Output 1.2:</u> Enhancing productivity at the household level through capacity development in all areas of agricultural development, including locally adapted livestock development (agriculture and pig production on suitable smallholder plots)	Backyard gardeners trained (female/male/youth)	No		0	/			
1.2.B	<i>Activity B: Demonstration and sensitisation of backyard gardeners in Selected Agricultural Techniques</i>			0	0	/			
1.2.B.1	Input 1: Sensitisation of household gardeners through Audio & video spots	Audio and video documentaries, TV spots aired, contract	No	96	0	0%			
1.2.B.2	Input 2: Demonstration and sensitisation of backyard gardeners in crop, livestock	Backyard gardeners Sensitised (female/male/Youth)	No	2945	0	0%			
1.2.B.3	Input 3: Development of demonstration and sensitisation materials	Demonstr & sensitisation materials/	Set	6	0	0%			
1.2.C	<i>Activity C: Promotion of Peri-urban Farming</i>	Household gardeners introduced to Peri-urban farming techniques	No		0	/			
1.2.C.1	Input 1: Research and identification of suitable techniques	Research conducted	No	1	0	0%	1	0	0%
1.2.C.2	Input 2: Develop suitable demonstration materials to sensitise backyarders (consultancy)	Demonstration materials	Set	1	0	0%	1	0	0%
1.2.C.3	Input 3: Training of Trainers and SAA extension officers in Peri-Urban techniques	Training materials/ subjects	No of person trained	54	0	0%	20	0	0%
1.2.C.4	Input 4: Conduct demonstration and sensitisation of Household gardeners on Peri-Urban techniques	No of backyarders sensitised	No	2,945	0	0%	589	0	0%

Code	Component/Output/ Activities/Inputs	Impact/Result Indicators (*RIMS indicators)	Unit	CUMULATIVE			CURRENT YEAR		
				Appraisal Targets	Actual	% of appraisal target	Annual target	Actual	% of annual target
<b>2</b>	<b>Component 2: Improving Access to Agricultural and Rural Finance</b>								
<b>2.1</b>	<b>Subcomponent 2.1: Improved access to equitable financial services</b>								
-	<u>Output 2.1:</u> Competitive refinancing lines for beneficiaries established on commercial and non-subsidized terms at all levels	Active borrowers (individuals) (Female/male)		0	0	/			
2.1.A	<i>Activity A: Selection of Financial Services Providers for Agric Investment Finance (DBS)</i>	Financial Institution participating (RIMS 1st level)	N.of Banks		0	/			
2.1.A.1	Input 1: Establishment of Agric Investment Finance Facility for Small Scale Farmers.	Banks	No	2	0	0%	2	0	0%
2.1.B	<i>Activity B: Selection of FSP for Rural Micro Finance Facility (Proposed SCU)</i>								
2.1.B.1	Input 1: Establishment of Rural Micro Finance Facility	Value of gross loan portfolio USD	Lumpsum	1078	0	0%	600	0	0%
<b>2.2</b>	<b>Subcomponent 2.2: Complementary support to participating banks</b>								
-	<u>Output 2.2:</u> Complementary support to participating banks								
2.2.A	Activity A: Loan Officer Training	Loan Officer(s) Trained	No	4	0	0%			
2.2.A.1	Input 1: International trainer (10 days training including travel and DSA for international trainer)	Training days	Days	20	0	0%	20	0	0%
2.2.B	Activity B: Technical assistance for Bank transformation	Banks assisted (RIMS 1st level)	No	2	0	0%			
2.2.B.1	Input 1: Technical assistance for Bank transformation	Training days	Days	10	0	0%	10	0	0%
<b>3</b>	<b>Component 3: Strategic capacity strengthening and infrastructure</b>								
<b>3.1</b>	<b>Subcomponent 3.1: Strategic capacity strengthening</b>	<b>Effectiveness: improved performance of service providers (operational self-sufficiency)</b>							
-	<u>Output 3.1:</u> Investment in institutional support and training.	Staff of service providers trained	No						

Code	Component/Output/ Activities/Inputs	Impact/Result Indicators (*RIMS indicators)	Unit	CUMULATIVE			CURRENT YEAR		
				Appraisal Targets	Actual	% of appraisal target	Annual target	Actual	% of annual target
3.1.A	<i>Activity A: Strengthen the communication unit</i>								
3.1.A.1	Input 1: Acquisition of Communication equipment,(hardware, software and other facilities server + peripheral, PCs, Monitors, Voice recorder, Camera,)	Hardware and facilities	Lumpsum	1	0	0%	1	75%	75%
3.1.A.2	Input 2: Training in Communication (audio & video editing,	Staff trained	No	3	0	0%	3	0	0%
3.1.A.3	Input 3: Training in Print media technics and production	Staff trained	No	3	0	0%	3	0	0%
3.1.B	<i>Activity B: Institutional Capacity Building</i>								
3.1. B.1	Input 1: Training for PMU staff in Accounting and Reporting software	Staff trained	No	4	0	0%	4	0	0%
3.1.B.2	Input 2: Finance trainings (Pr.Coord., Pr. Accountant) (travel,DSA, ect)	Training	Training/pers	2	2	100%	2	2	100%
3.1.B.3	Input 3: M&E training (M&E Officer) (travel,DSA, ect) .	Training	Training/pers	1	0	0%	1	1	100%
3.1.B.4	Input 4: Exchange familiarisation visits to a name country in the region	Visits	No	4	0	0%	4	0	0%
3.1.B.5	Input 5: Training in Project Appraisal (SAA Planning Unit)	Staff trained	No	2	0	0%			
3.1.B.6	Input 6: Training Business and Project Management (SAA Extension Unit ToT)	Staff trained	No	6	0	0%			
3.1.B.7	Input 7: Training and pilot study in Peri-Urban Farming (SAA Extension Unit ToT)	Staff trained	No	6	0	0%	6	0	0%
3.1.C.	<i>Activity C:Strengthen the capacity of the Research Stations</i>								
3.1.C.1	Input 1. Identification and Acquisition of Equipment for Research Station	Equipment Acquired	Set	1			1	0	0%
3.1.C.2	Input 2: Training of Research and Extension Officers	Staff trained	No	7					
3.1.D	<i>Activity D: Support post-harvest facilities for SAA</i>			1	0	0%			
3.1.D.1	Input 1: Post - harvest local expert visit (Entrepreneurs site, and on farm visits)	Visit/report	No	1	0	0%	2	0	0%
3.1.D.2	Input 2:Acquisition of knowledge and exchange of experiences in grading, storing and other post -harvest techniques and best practices to farmers	Farmers Trained	No	617	0	0%	123	0	0%
3.1.D.3	Input 3: Acquisition of Equipment for Post-harvest Training of farmers at Research Centre	Equipment Acquired	Set	1	0	0%	1	0	0%

Code	Component/Output/ Activities/Inputs	Impact/Result Indicators (*RIMS indicators)	Unit	CUMULATIVE			CURRENT YEAR		
				Appraisal Targets	Actual	% of appraisal target	Annual target	Actual	% of annual target
3.1.D.4	Input 4: Acquisition of knowledge and exchange of experiences in grading, storing and other post -harvest techniques and best practices to artisanal fishermen	Fishermen trained	No	0	0	#DIV/0!	0	0	0
3.1.E	<i>Activity E: Support for quality control mechanisms</i>								
3.1.E.1	Input 1: Training of Technical staff HACCP/Food Safety	Staff trained	No	30	0	0%			
3.1.E.2	Input 2: TOT 5days consultancy for Quality Control Sensitisation Workshop for key practitioners(Technicians, Component Heads, Selected Farmers)	Technicians/stakeholders/s elected farmers trained	No	17	0	0%	17	0	0%
3.1.E.3	Input 3: Training of Technicians, farmers and other Stakeholders	Technicians, farmers and stakeholders trained	No	30	0	0%			
3.1.E.4	Input 4: Sampling and Testing Kits for quality control	Kits	No	1	0	0%	1	0	0%
3.1.F	<i>Activity F: Assistance to Agric. and Horticulture Training Centre</i>								
3.1.F.1	Input 1: Technical support to revise/update the present curriculum to align it with industry needs	Curriculum revised	Consultancy	1	0	0%			
3.1.F.2	Input 2: TOT to support the implementation of the revised curriculum	Trainees	No						
3.1.F.3	Input 3: State-of-the-art demonstration equipment for horticulture, fruit production and livestock	Equipment	Set						
<b>3.2</b>	<b>Subcomponent 3.2: Public and collective infrastructure</b>								
-	<u>Output 3.2:</u> Investment in equipment and infrastructures. (road spot, water harvesting infrastructure, storage facilities, sheds and other small infrastructure).								
3.2.A	<i>Activity A: Investment in equipment and infrastructure</i>								
3.2.A.1a	Input 1. Consultancy to produce drawings for the barrages, reservoirs and distribution pipeline and irrigation network at P.Glaud, L.Gogue.	Consultant	Consultancy	1	0		1	1	75%
3.2.A.1b	Input 1: Water harvesting by restoring barrages, upgrading of reservoirs, installation of distribution pipes and rehabilitation of irrigation network (Port Glaud and La Gogue)	Barrage rehabilitated	No.	14	0	0%	1	1	75%
3.2.A.1c	Upgrading of reservoirs, installation of distribution pipes at Barbarons.	Reservoirs rehabilitated	No.	2	0	0%			

Code	Component/Output/ Activities/Inputs	Impact/Result Indicators (*RIMS indicators)	Unit	CUMULATIVE			CURRENT YEAR		
				Appraisal Targets	Actual	% of appraisal target	Annual target	Actual	% of annual target
3.2.A.2	Input 2: Consultancy for drawing of road construction (Helvetia)	Consultant	Consultancy	1	0	0%	1	0	0%
3.2.A.3	Input 3: Construction of road spot (Helvetia)	Road constructed	lm	600	0	0%			
3.2.A.4	Input 4: Rehabilitation of Requisite Stores at Anse Boileau and Val D'andor	Stores rehabilitated	No.	2	0	0%			
3.2.A.5	Input 5: Renovation of tools shed, nursery shed and rough Lab at Research Station at Anse Boileau	Sheds and small infrastructure rehabilitated	No.	3	0	0%	3	3	60%
<b>4</b>	<b>Component 4: Project Management</b>								
	Output 4.1 Effective and Efficient Implementation of CLISSA Project	Achievement of Appraisal Targets							
4.1.A	<i>Activity A: PMU equipment and facilities</i>								
4.1.A.1	Input 1: Office rent	Office	Rent/Month	60	0	0%	12	12	100%
4.1.A.2	Input 2: 4 Wheel Drive Vehicle	4X4 Vehicle	No	1	0	0%	1	0	0%
4.1.A.3	Input 3: Computers:Desk Top/Laptop	Computers	No	6	0	0%	4	4	100%
4.1.A.4	Input 4: Server	Server	No	1	0	0%	1	1	100%
4.1.A.5	Input 5: Printers	Printer	No	1	0	0%	2	2	100%
4.1.A.6	Input 6: Office equipment (A3 Scanner, Heavy duty photocopier machine)	Office equipment	unit	1	0	0%	1		50%
4.1.A.7	Input 7: Stationary	Inventory	unit	5	0	0%	1	1	100%
4.1.A.8	Input 8: Vehicle: Fuel (including field fisits)	km	Fuel/vehicle	5	0	0%	1	0	0%
4.1.A.9	Input 9: Vehicle: Maintenance	Vehicle insurance & licence	Vehicle insurance & licence	5	0	0%	1	0	0%
4.1.A.10	Input 10: Accounting Software package	Software acquired	No	1	0	0%	1	0	0%
4.1.B	<i>Activity B: PMU salaries &amp; allowances</i>								
4.1.B.1	Input 1: Project Coordinator	Project Coordinator	Person/month	63	1	2%	15	15	100%
4.1.B.2	Input 2: Project Accountant	Project Accountant	Person/month	63	1	2%	15	15	100%
4.1.B.3	Input 3: M&E Specialist	M&E Officer	Person/month	63	3	5%	15	12	80%

Code	Component/Output/ Activities/Inputs	Impact/Result Indicators (*RIMS indicators)	Unit	CUMULATIVE			CURRENT YEAR		
				Appraisal Targets	Actual	% of appraisal target	Annual target	Actual	% of annual target
4.1.B.4	Input 4: Procurement Specialist	Procurement Officer	Person/month	60	0	0%	12	12	100%
4.1.B.5	Input 5: Secretarial Support	Office Assistant	Person/month	63	1	2%	15	15	100%
4.1.B.6	Input 6: Meetings	Meeting	Meeting	20	0	0%	4	4	100%
4.1.C	<i>Activity C: KM and M&amp;E</i>								
4.1.C.1	Input 1: Start-up workshop	Stakeholders attending the workshop	Workshop	1	0	0%	1	1	100%
4.1.C.2	Input 2: Desk studies	Study	Pers/month	1	0	0%	2	2	100%
4.1.D	<i>Activity D: Operation Costs:</i>								
4.1.D.1	Input 1: Communication costs (tel. Courier. Internet, etc)	Monthly/Bills	Lumpsum	63	0	0%	15	8	53%
4.1.D.2	Input 2: Domestic Travel Costs (between islands)	Months/Trips	No	160	0	0%	40	4	1%
4.1.D.3	Input 3: Insurance cover CLISSA project	Assets/Activity insured	Lumpsum	1	0	0%	1	1	100%

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

**Table 5A: Financial performance by financier**

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	3,000	78	3%
Beneficiaries	91	0	0%
Government	282	50	18%
<b>Total</b>	<b>3373</b>	<b>128</b>	

**Table 5B: Financial performance by financier by component (USD '000 as at 15<sup>th</sup> October 2014)**

Component	IFAD loan			Government			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers	1080	34.5	3%	90	12.3	14%	91	0	0%	1261	46.8	4%
Component 2: Improving Access to Agricultural and Rural Finance	1138	0.0	0%	0	0.0	0%	0	0	0%	1138	0.0	0%
Component 3: Strategic capacity strengthening and infrastructure	596	0.4	0%	26	0.007	0%	0	0	0%	622	0.4	0%
Component 4: Project Management	185	43.1	23%	166	37.9	23%	0	0	0%	351	81.0	23%
	3000	78	3%	282	50.207	18%	91	0	0%	3373	128.2	4%



**Table 5C: IFAD loan disbursements (SDR, as at 13<sup>th</sup> October 2014)**

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Civil Works and Infrastructure(Equipment and Goods	548,000.00		11,357.92	0.00	536,642.08	2%
II	Vehicles	17,000.00		156.89	0.00	16,843.11	1%
III	Technical Assistance and Training	498,000.00		2,634.02	0.00	495,365.98	1%
IV	Credit	594,000.00		0.00	0.00	594,000.00	0%
Va	Recurrent Cost – Salaries and Allowances.	118,000.00		16,342.23	0.00	101,657.77	14%
Vb	Recurrent Cost – Operations and Maintenance.	7,000.00		245.38	0.00	6,754.62	4%
	Unallocated	198,000.00		0.00	0.00	198,000.00	0%
	Initial deposit			130,400.20	0.00		0%
	Total	1,782,000.00		161,136.64	0.00	1,688,463.16	0%

## Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section B.6</b>	PMU to open a designated account for the benefit of MOFTI at the Central Bank of Seychelles		Done	
<b>Section B.7</b>	Gov to provider counterpart funding in the amount of US\$282,000		Done	USD50,000 provided in 2014
<b>Section E.2.a</b>	Project Implementation Manual to be adopted		Done	PMU advised to update it as required
<b>Section E.2.b</b>	Project team appointed		Done	
<b>Schedule 2</b>	Compliance with expenditure category		In process	Expenditures are claimed under the relevant categories
<b>Schedule 3.1</b>	Monitoring		In process	
<b>Schedule 3.2</b>	Resource protection		In process	
<b>Schedule 3.3</b>	Operation and maintenance		In process	
<b>Schedule 3.4</b>	Authorization		Done	
<b>Schedule 3.5</b>	Use of vehicles and other equipment		In process	Vehicle and other office equipment are under procurement
<b>Schedule 3.6</b>	Policy framework		In process	
<b>Schedule 3.7</b>	Financial statements		In process	Year 2014 is the first year of implementation.
<b>Schedule 3.8</b>	Audit reports		In process	Idem.
<b>GC 4.04</b>	Applications for withdrawal, or special commitment		Done	
<b>GC 4.08</b>	Eligible expenditures		Done	
<b>GC 7.01</b>	Project implementation		Done	See Aide-Memoire
<b>GC 7.05</b>	Procurement		Done	See Aide-Memoire
<b>GC 7.08</b>	Insurance		Done	Vehicle and other valuable assets yet to be procured
<b>GC 7.14</b>	Environmental factors		No issue	Mission found no evidence of cases.
<b>GC 8.03</b>	Progress report		In process	IFAD to receive progress reports on 6-month basis
<b>GC 11.02</b>	Tax refunds		In process	See Aide-Memoire. Tax will be refunded.

## Annex 1: Status of the execution of April 2014 supervision mission

Agreed action	Responsibility	Agreed date	Status of Agreed Action
<b>Component 1 : Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers</b>			
Finalize Market Study tender	PMU	Jun-14	-Tender was received; evaluated and awarded to Local Consultant SGM and Partners on 24 <sup>th</sup> July'14.
Prepare farmer training	PMU/SAA	Jul-14	-Discussion on the topics, costs and timing for the deliverables of the training started in August '14. this was due to late start by PMU.
Liaise with SAHTC for training/mentoring farmers in Q4	PMU	May-14	-PMU liaised with SAHTC as per agreed date for the training of farmers in Q4; and they are to conduct two trainings per month of 15 participants per training , starting October '14
Prepare Fishermen training	PMU/SFA	May-14	-First Training in Post-Harvest handling for fishermen was prepared for 30 fishermen; in July'14; two more trainings are envisaged in Nov and Dec'14
Start Fishermen training	SFA	Jul-14	-Training in Post-harvest handling was done on 30- 31July'14 for 30 fishermen.
Explore possibilities to Include backyard farmers in the ODL	PMU/SAA	Jun-14	-The issue of including backyard gardeners on ODL was discussed with SAA as per agreed date. Their inclusion on ODL will be done after completion of the registration of commercial farmers.
Revise backyard gardeners definition	PMU/SAA/TWG	May-14	-The definition was revised as per agreed date; there has been several exchanges of communication between IFAD & PMU regarding the proper definition. The issue of definition is still ongoing.
<b>Component 3</b>			
Prepare training for SAA staff	PMU/SAA	Jun-14	-This activity was not carried out as per agreement, There was a lack of follow-up by PMU team.
Acquisition of communication equipment set	PMU	Jul-14	-The equipment has not been acquired yet, as per date agreed due to late start and complexities of the procurement processes (only one bidder). Procurement to be completed by November 2014
Rehabilitation of research center in Anse Boileau	PMU	Nov-14	-Work is to start in December 2014, due to delay in procurement processes (seeking justification to r use SAA staff to carry out the work).
Rehabilitation of Anse Boileau requisite store	PMU	Sept-14	- Work was not done as agreed, as the Anse Boileau rehabilitation were to be done as one lot. Due to the procurement complexities for the work to be carried as one lot, it had to be unbundled and re-advertised thus causing delays. Contract to be awarded and signed for work to start in Oct'14.
Rehabilitation of Val d'Andorre requisite store	PMU	Nov-14	-Work on Val d'Andorre is to start in Nov'14 as a result of delay to obtain planning permission. Works are to be completed within two months.

Agreed action	Responsibility	Agreed date	Status of Agreed Action
<b>Project Management</b>			
Finalize the Memorandum of Understanding with the Implementing Agencies	PMU/IAs/TGW	May-14	-The finalisation of the MoUs were delayed due to several amendments by IFAD & PMU; which resulted in the documents going forward and backward. The documents were finally signed in Sept'14
Review staff performance evaluation criteria	PMU	May-14	- This activity was not done as agreed as PMU was awaiting for evaluation template from IFAD.
Conduct staff performance review	PMU	Dec-14	-This is to be conducted in December 14
<b>M&amp;E</b>			
Design the project baseline	M&E Officer/SAA	May-14	-Project Baseline was designed as agreed.
Identify who will run the RIMS and baseline survey and create the database	PMU	May-14	-Identification was done as agreed and the staff of the National Bureau of Statistics (NBS) carried out the survey.
Run the baseline questionnaire	M&E Officer/SAA	Jun-14	-The activity was done by the staff of NBS on the date agreed.
Run the RIMS survey	M&E Officer/SAA	Jun-14	-The RIMS Survey was done as par agreed date by the NBS staff.
Create the project baseline database	M&E Officer/SAA	Aug-14	-Due to the unavailability of Software this activity has not been completed as agreed. It is agreed that It would be completed by the end of the December '14. Subject to receiving the software in Novemebr'14.
Develop standard reporting template	M&E Officer	Jun-14	-This has been done according to the agreed date.
Define targeting criteria for backyard gardeners	PMU	May-14	-This activity was carried out as agreed. But due to the complexities it is still ongoing.
TOMPRO installed and operational, with staff trained	PMU	May-14	-TOMPRO has not been installed thus not operational. The delay was caused by late start of the procurement procedures and complexities due to limited bidders..
<b>Gender and KM</b>			
Gender focal point nominated	PMU/SAA	Aug-14	-Not done as it was felt that it is not necessary in the context of Seychelles
<b>Fiduciary aspects</b>			
TOMPRO is set up to: i) record SCR amount, USD-equivalent amount, exchange rate, and tax element of each payment; ii) origin of suppliers and service providers; and iii) generate a number of IFAD-required reports	Accountant, M&E Officer	Aug-14	-TOMPRO has not been installed thus not operational. The delay was caused by late start of the procurement procedures and complexities due to limited bidders.
Maintain a petty cash funded from the Counterpart funds in accordance with the ministry norm and practice	Accountant, PS	May-14	-It was felt that it was not necessary by the PS and the Accountant, as the Ministry's Petty Cash was being used for petty expenses.
Conduct monthly cash flow analysis and planning	Accountant	Continuous	-Cash flow forecast was prepared up March '15 based on the activities on AWPB and procurement plan in assistance of procurement officer, and to be prepared continuously on a monthly basis
Maintain an asset register with more information	Accountant, Procurement Officer	Apr-14	-Asset Register is maintain as requested by mission with added column for country of origin.
Capture tax pre-financed by IFAD and transfer refunds from the counterpart funds	Accountant, PMU Coordinator	Continuous	-Request for refund of tax has been done to Ministry of Finance, it has not been processed, first refund to be done in October '14
Claim net-of-tax expenditures in WAs	Accountant	Continuous	The second WA claiming net of tax expenditures was sent to IFAD for replenishment, the third was sent as per cash flow requirement and the following will be sent upon expenses reaching up to 30% of expenses bank balance is accumulated.
Enhance accounting for substantial non-financial and non-material contributions by Government, partners and beneficiaries	Accountant	Apr-14 onward	Non-financial and non-materials contributions is being identify depending on activities and outlined.

Agreed action	Responsibility	Agreed date	Status of Agreed Action
Procurement: - Enhance evaluation committee composition, quality of evaluation reports - Enhance specifications/TORs to ensure uniformity of offers received - Enhance non-objection procedure to have close consultation on procurement at the TOR drafting/preparation stage - Enhance consultation with the National Tender Board to seek their advice if the bidding participation is below the minimum required	Procurement Officer, PMU Coordinator	Apr-14 onward	Done: Evaluation Committee has been re-enforced;       there are more consultations between PMU and National Tender Board, TORs are continually being improved.
Request IFAD's confirmation for undertaking the first Audit in early 2015, including the submission of unaudited financial reports at the end of March 2015	Accountant, PMU Coordinator	Apr-14	Done. However, Auditor has to be contacted now to ensure that the auditing is done on time. To contact Auditor in October '14

## **Annex 2: Partnerships with actors in the agriculture and fisheries value chains**

1. Progress in shaping the nature of the working relationship with the partners in the agriculture value chains was limited over the period under review because of staff turnover and lack of clarity regarding project direction. It was unclear to the project which food products and associated technologies they should be focussing on. The recent delivery of the marketing report and decisions made over the course of the supervision mission, however, puts CLISSA in a position to make significant steps in developing necessary partnerships over the next six months.
2. The marketing study (SGM, 2014<sup>1</sup>) identifies the supply gap for a range of fruits, herbs and vegetables, and surmises that, with the right marketing strategies (market penetration, market development product diversification and differentiation), there are good prospects for increasing the market share of local produce. However, the report notes that there must be a commensurate effort to 'harmonise policy' regarding imports, credit arrangements, extension services and land allocation. It also recommends encourage entrepreneurs to explore contracts and partnerships at both ends of the marketing chain – with seed suppliers and soil treatment services on the production side and hotels, supermarkets and other large buyers on the wholesale side.
3. It should be noted that the marketing study's focus was on agricultural produce, not fish, but discussions with fishermen over the course of this supervision mission indicated that there is never a problem finding a buyer for fish, rather the issues fishermen face concern handling and storage and boat repair facilities.
4. The marketing report enables CLISSA to now select a small number of key fruit, vegetable and livestock products whose local market share has potential to expand and to develop technology, financing and extension packages that will support this expansion. The development and delivery of these packages could be conceived as a project within a project.
5. Using this market information CLISSA will now be able to establish partnerships with farmers and fishers associations to which the aforementioned technology and finance packages can be delivered. The mission met with a representative from the putative apex farmer organisation, the Seychelles Farmers Association, and also the representative of a more grass-roots grouping on Praslin. While it is acknowledged that this is a limited sample, it is recommended that CLISSA focuses on the latter type of grouping as they offer greater prospects of working with poorer farmers.
6. Seychelles' small population means that it is sometimes difficult to make economies of scale. This issue is evinced through the situation of livestock producers who are not clustered in a way that enables the formation of groups of more than two or three farmers. The project must decide what its engagement strategy with farmers in this category will be, particularly with regard to marketing, balancing the need to be efficient with resources against the requirement to ensure the project is inclusive and serves the needs of poor farmers who are working in a sector that has potential for market expansion.
7. Fishers – specifically artisanal fishers and crew members on larger boats - form the project's third target group. The main challenge this category of beneficiaries faces is fluctuations in income caused by lack of facilities to repair their boats (resulting in periods of inactivity), lack of cold storage (forcing them to become price-takers), and resource depletion through over exploitation. The nature of these constraints – not easily addressed through credit to individual operators, but requiring relatively expensive investments and collective action – dictates that CLISSA's interventions must be made through associations. Once investments have been made, however, considerable value will be added at all stages of the marketing chain (raising incomes) and increase employment opportunities.

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<sup>1</sup> SGM and Partners, 2014, Market Study and Gap Analysis Report

CLISSA's initial challenge with regard to fisheries, therefore, is to identify fishers cooperatives that have the integrity and presence required to support the relatively large capital investments required (cold storage and slipways, for example).

8. Although more investigation is required, the Praslin Fishers' Association appears to fit these criteria and could serve as a model for the development of other associations (e.g. La Digue). The Association has been established for four years and represents 68 of the island's fishers.

## **Annex 3: Terms of Reference for a Gender and Youth Focal Point / Resource person for the (CLISSA project)**

### **Background**

1. CLISSA seeks to contribute to the revival of the Seychelles agricultural sector, the strengthening of small-scale artisanal fisheries and the promotion of rural micro enterprise development.
2. The project's goal is to contribute to sustainable pro-poor economic growth and employment and resilience to external shocks and trends while its development objective would be to promote sustainable and environmentally-friendly agricultural and fishery practices, and to increase and diversify market access for smallholder farmers and fishers.
3. The project has three main technical components:
  - **Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers** which aimed at enabling small farmers, rural micro entrepreneurs and fishers, to effectively respond to market signals through targeted business development, marketing and technical support services as well as establishing links with the market, and to promote innovative technologies and green value chains.
  - **Improving Access to Agricultural and Rural Finance** with the objective to provide the financial services required for transforming the ailing agricultural sector and removing access constraints for smaller farmers, producers, fishers and rural micro entrepreneurs to finance.
  - **Strengthening of Strategic capacity and infrastructure** with objectives to: (i) provide the necessary and complementary public goods that will enable the implementation of component 1; and (ii) prepare the exit strategy of the project in terms of institutional continuity.
4. The target group of the Project consists of: (a) approximately 980 farmers who are producing for the domestic market; (b) approximately 1,330 people dependent on artisanal fishing and fish handling and processing; (c) some 7,500 additional households which are involved in some form of small-scale agricultural practices and backyard gardening, in particular the households of this group that are below the poverty line.
5. Given that the recent Living Conditions Survey, conducted by the Seychelles Bureau of Statistics with support from UNDP, highlights the relatively high levels of relative poverty among female-headed households, and high levels of unemployment amongst the youth (people aged 18 – 35), special efforts will be made to encourage members of female-headed families and young people to become engaged in agriculture, livestock and fishery activities. This will involve ensuring that all CLISSA project approaches and protocols are designed in such a way that young people and women farmers are able to access resources and invest in small-scale enterprises in the promoted agricultural and fishing activities.
6. Specific approaches through which youth and gender issues may be addressed in the design and implementation of the Project could include: (i) a focus on supporting their access to and participation in professional organizations; (ii) adequate capacity-building in targeting of women and youth for the PMU, key service providers, and core stakeholders from the onset of the Programme; (iii) using gender and age-disaggregated output, outcome and impact indicators in the logical framework in order to monitor outreach; (iv) encouraging and monitoring participation of women and youth in training sessions, access to financial services and access to start-up and recovery kits; (v) ensuring adequate representation of youth and women in the Technical Working Groups.

### **Objectives of the Gender and Youth Focal Point/Resource person**

7. The Gender and youth focal point will, through a series of 'mini audits' of project approaches and methodologies, dialogue and guidance of key staff and stakeholders ensure that:
  - Content of training courses offered to Seychelles Agricultural Agency, Seychelles Fishery Authority and other stakeholders is aligned to and supportive of the projects objectives with respect to youth and gender.



- Any linkages with partners to secure resources or access to services are designed to accommodate the needs of women and young people.
- Provision is made to allow the creation and strengthening of producers and processors associations headed by women and youth. The existing groups should also be encouraged to include women in leadership positions
- Training courses are targeted at women and youth, designed with their specific needs in mind and delivered at times appropriate to these groups. Other barriers to women and youth participation in training courses should be assessed and addressed.
- Financial products are designed in such a way as to be appropriate to the circumstances of women and youth.
- Monitoring and Evaluation as well as reporting formats and processes are designed and executed in such a way so as the project's impacts on women and the youth can be disaggregated and fully understood.
- Lessons from monitoring and evaluation with regard to gender and youth are incorporated into future project implementation strategy.
- Women and youth are given an equal opportunity to compete for staff vacancies that arise in the project.
- Ensure that any gender/youth specific activities arising from the 'mini-audits' are included in the project's Annual Work Plan and Budget

### **Methodology**

8. The above objectives will be achieved through a combination of desk reviews of project documentation and strategy and interviews with relevant staff and stakeholders. Specific small studies/findings could be carried out when necessary.

### **Deliverables and Reporting**

9. Deliverables will take the form of comments and additions to the project methodologies, implementation manuals and survey instruments as well as discrete strategies when necessary. These outputs will be delivered on an 'as needs' basis as required by the project and requested by the Project Coordinator.

### **Focal point/ resource person profile**

10. The focal point will have a strong knowledge of the socio-economic circumstances of women and youth in the Seychelles, particularly with regard to their involvement and barriers to entry to the fisheries and agriculture sector.

11. The focal point could be identified within one of the Government Ministries or outside the Government system as a consultant. The focal point will report to the Project Coordinator.

### **Timeframe**

12. Services will be delivered by the focal point/ Resource person on a call-down basis over the duration of the project at the request of the Project Coordinator.

### **Payment**

13. Payment will be made quarterly on submission of an invoice for the inputs provided over the quarter.

## Annex 4: Assessment/Checklist of CLISSA Financial Management

### SOE Review Checklist

	SOE Review	Performed by Date	Comments
3.1	Obtain the SOE-based withdrawal applications from Project or CPM, or Loan Officer, identify and select a sample of SOE withdrawal applications and transactions for field review. A random sample of SOEs shall be selected from the list of SOE disbursement applications available within the IFAD. The LG system is another way to obtain information about withdrawal applications.	October 2014	89 expenses for a total amount of USD 91 000 which represent all (100%) the expenses on the cashbook were verified. These amounts include SOE of the 2 <sup>nd</sup> WA and also expenses also done to be presented on the next WA. OK
3.2	Review the control procedures related to SOE disbursement. The reviewer should consider the effectiveness of the following controls and document any exceptions:	October 2014	Ok
3.2.1	Appropriate levels of review and approval are in place and are followed for each stage of the expenditure process	October 2014	OK. All payments are approved by the Principal Secretary and checked against the AWPB.
3.2.2	Procedures and responsibilities are clearly defined and are adequately documented	October 2014	OK.
3.2.3	Adequate segregation of duties exists between the initiation, authorization, disbursement, and recording functions	October 2014	OK.
3.2.4	Authorization and approval is obtained prior to incurring of the expenditure	October 2014	OK.
3.2.5	Documentation is maintained for an adequate period of time for purposes of fulfilling audit requirements as well as review by IFAD staff	October 2014	OK.
3.2.6	Commitments are made after applicable procedures have been followed	October 2014	OK.
3.2.7	The expenditures are properly accounted for into the books and financial reports of the project, and in cross-references in the SOE to relevant documentation (e.g. vouchers), presentation of information in the SOEs allows for ready access to the files for review and audit purposes	October 2014	OK
3.3	Review supporting documentation. For each loan, the documentation of a sample of withdrawal applications is reviewed. The documents that normally support payments are (a) evidence of receipt, invoice or performance, (b) evidence of payment, and (c) proper procurement documents. Such documents might include: <ul style="list-style-type: none"> <li>procurement documents (bid documents, invitation, evaluation, award)</li> <li>purchase contract</li> <li>purchase order</li> <li>letter of credit</li> <li>supplier's invoice and certificate of origin</li> <li>shipping or import documents and inspection certificates</li> <li>contractor's or consultant's invoices or certificates</li> <li>force account records</li> <li>recurrent cost records</li> <li>authorization for payment</li> <li>evidence of payment/bank statements</li> <li>accounting records of approvals, disbursements, and balances available</li> </ul> Question to address in review are:	October 2014	OK.
3.3.1	Is the documentation readily available?	October 2014	OK.
3.3.2	Does it indicate that the expenditure was approved by an authorized official?	October 2014	OK.
3.3.3	Is it in original form?	October 2014	OK.
3.3.4	Does it relate to the project concerned?	October 2014	OK.
3.3.5	Are the computations correct and are there any errors or alterations?	October 2014	OK

	SOE Review	Performed by Date	Comments
3.3.6	Are the category and disbursement percentage used correctly?	October 2014	OK.
3.4	<p>Verify eligibility of expenditures. The review determines whether the expenditures are properly supported and are eligible for IFAD disbursement in accordance with legal agreements. Ineligible expenditures would include:</p> <ul style="list-style-type: none"> <li>• duplicate invoices</li> <li>• payments made in advance of receipt of good or delivery of services, unless these payments are consistent with contract provisions and are established commercial practice;</li> <li>• payments that should have been made under normal disbursement procedures with full documentation (e.g. payments against contracts subject to the IFAD's prior review, or payments against contracts with values exceeding defined SOE limits); and</li> <li>• payments for items that are not procured in accordance with the legal agreements, such as: <ul style="list-style-type: none"> <li>◊ payments for items from countries that are not eligible under the IFAD's Procurement Guidelines;</li> <li>◊ payments for items not specified in the procurement and withdrawal schedules set forth in the Loan Agreement;</li> <li>◊ payments made prior to credit signing or before the eligible date specified for retroactive financing;</li> <li>◊ payments made for the expenditures incurred after closing date;</li> <li>◊ payments for items on the negative list or not on the positive list (for adjustment operation lending).</li> </ul> </li> </ul>	October 2014	OK.

## Financial Management Assessment at Supervision – Guidance Questionnaire<sup>1/2</sup>

Country: Republic of Seychelles	Loan /Grant ID: IFAD Loan 894
Project Name: CLISSA	
Executing Agency: Ministry of Natural Resources	CPM: Ambrosio Barros, ESA
Reviewing FMS: John Harivero RAMAMONJISOA, Consultant FMS	Date of this review: 25 October 2014

Topic	Risk Rating (H/M/L)	Issues / Comments / Recommendations
<b>A. Inherent Risks</b>		
The last IFAD-supported project in the Seychelles was completed almost 20 years ago. Since then, the country has become a middle income country and the institutional capacity for financial management is perceived to be adequate. However, there could be an inherent risk at the initial stage of the implementation for understanding IFAD guidelines for project's financial management.		
<b>B. Control Risks</b>		
<b>1. Organization and Staffing</b>		
a. Adequacy of organizational structure to meet functional needs of the project.	L	PMU is adequately staffed given its relatively small size of the project and simplicity of implementation arrangement.
b. Availability of clear job description for key project positions, including fiduciary positions.	L	PIM includes TOR of PMU staff: Project Coordinator, M&E Officer Procurement Officer, and Accountant, except the one for the secretary. PMU was advised to insert the missing TOR in PIM.
c. Adequacy of project financial management staff (numbers and skill) matching functional needs of project.	M	Accountant is handling financial accounting and payments. While the staff capacity is sufficient, there needs to be a close support to the accountant at the initial stage to ensure full compliance with IFAD guidelines on SOEs, accounting and reporting.
d. Availability and adequacy of operating manuals and guidelines for staff.	M	PIM available. The mission however recommends that after this first year of implementation, this document should be updated regularly to incorporate some details and practical tools needed and used by the project as: sample of Financial Statement, Chart of accounts, contract register, Procurement plan and situation, asset register etc.
e. Existence of a performance based evaluation system in place and timely completion of performance evaluation for all staff.	M	The last supervision mission recommended that the PMU should review staff performance evaluation criteria, so as to ensure a comprehensive assessment of the performance and regularly check on staff's motivation. The present mission noted that a performance evaluation template has not yet been prepared. The supervision mission discussed the importance of measuring the project's outputs, particularly the performance of the PMU and staff from SAA and SFA involved in the delivery of CLISSA objectives. The mission recommends that the first staff performance evaluation be made in December 2014, based on an established and agreed assessment tool.
f. Adequacy of health insurance coverage for all staff (where applicable).	L	All staff benefit from national health insurance system.
g. Timely payment of social security fees (where applicable).	L	Ministry staff is managed by the ministry. Non-ministry staff are responsible to pay social security by themselves.
h. Staff adequately informed about IFAD's national and anti-corruption policy and relevant contact details.	L	Done through start-up workshop and review of loan covenants.

<sup>1</sup> This questionnaire should be used as guidance for and in support of the Summary Project Fiduciary Risk Assessment at Supervision. It is to be completed during the Mission.

<sup>2</sup> Include relevant findings of project supervision and progress reports, field visits, and audit report findings.

Topic		Risk Rating (H/M/L)	Issues/Comments/Recommendations
<b>2. Budgeting</b>			
a.	Timely preparation and approval of AWPB.	L	2014 AWPB was approved by the TWG. IFAD's non-objection was given in April 2014.
b.	AWPB in line with expenditure categories in Financing Agreement Schedule 2.	L	Fine.
c.	Financing sources and implementing agencies for each category in the AWPB are identified.	L	Done.
d.	Linkage between AWPB and Procurement plan are identified (for cost estimate and activities). Check assumptions to support cost estimates. Test check high value items.	L	Done.
<b>3. Fund flows and Disbursements/Withdrawals</b>			
a.	Timeliness of funds disbursed by different sources (and co-financiers funding if applicable).	L	Counterpart funds and IFAD funds are transferred on time. Yet to be verified when the accounts will be replenished in future.
b.	Timeliness of counterpart funds disbursed.	L	Idem.
c.	Efficiency of the funding channels. Timeliness and traceability of funds flows.	L	Fine. Only the designated account in dual currency denomination is used to receive IFAD's loan proceeds and pay expenses in both currencies.
d.	Efficiency of the funding channels for credit lines. Timeliness and traceability of funds flows, if applicable.	N/A	
e.	Special Account(s)/Dedicated Account(s) Management, Disbursements.		
i)	Adequacy of the authorized allocation to ensure a smooth flow of funds	L	The level of USD400,000 is now adequate
ii)	Appropriateness of disbursement methods used	L	Fine. So far through designated account.
iii)	Adequacy of documentary support for SOE disbursements, reimbursements, direct payments and Special Commitments. (refer to Appendix IV and complete, reflecting finding in rating).	L	SOEs have been submitted. The review of SOE found no issues.
iv)	Timely preparation and accuracy of Withdrawal Applications	L	The first WA was sent to IFAD. Project is advised to prepare the WA as soon as 30% of the initial deposit is reached.
v)	Authorization of WA preparation.	L	Fine.
vi)	Status on expenditures withdrawn from Special Account but not yet claimed for replenishment (old cases to be noted)	L	So far, about US\$24,000 or 6% of the authorized allocation.
vii)	Regularity of Special Account(s) monitoring and monthly reconciliations signed by the project manager. Review and assess the reconciliations	M	The reconciliation is done on ad-hoc basis. Project is recommended to conduct monthly exercise.
viii)	Disbursement rate compared to the AWPB and whether satisfactory given the remaining implementation time. Provide comments as appropriate	M	Low Disbursement rate. The PMU submitted the AWPB for the year 2013/2014 to IFAD in February 2014 and received a no-objection for it. The financial execution of the AWPB for 2014 stands at 11% (USD128,000 out of a plan of USD1,125 million).
ix)	Recovery of SA balances by loan closure	N/A	
<b>4. Internal Control</b>			
a.	Segregation of duties - are the following functional responsibilities performed by different units or persons: (i) authorization of a transaction (ii) execution of a transaction (iii) recording of the transaction; and (iv) custody of assets involved in the transaction	L	Adequately segregated. Payments are authorized by principal secretary, director of finance dept. or the Minister for Natural Resources. Payment order is processed by accountant. Payment execution is handled by the Ministry of Finance.
b.	Clarity and adequacy of decision processes and sequence of events for control functions in project implementation reflected in the Financial Manual (or equivalent there-of).	L	Fine.

Topic		Risk Rating (H/M/L)	Issues/Comments/Recommendations
c.	Adherence to Financial Manual.	M	PIM is available but need some improvements. The mission however recommends that after this first year of implementation, this document should be updated regularly to incorporate some details and practical tools needed and used by the project as: sample of Financial Statement, Chart of accounts, contract register, Procurement plan and situation, asset register etc.
d.	Effectiveness and efficiency of internal controls over inflows of funding sources other than IFAD.	L	Fine. Enhancement needed for stocktaking non-financial and non-material contributions from the counterpart and beneficiaries would be an advantage.
e.	Adequacy of contract management (use of contracts register and monitoring form) and filing there-of.	L	Procurement has been so far done through quotations or tender offers. No large goods or services have been procured yet, which may require specific contracts.
f.	Effectiveness and efficiency of internal controls over expenditures (full cycle from commitment, payment, receipt of good and services, approval of payments, classification, etc.)	L	Fine.
g.	Documentary evidence to confirm delivery and acceptance of contracted goods, works or services.	L	Yet to be occurred such seeds and garden tools which are under procurement. Project is recommended to keep track of the effective delivery and receipt of goods by the relevant implementing partners/agencies.
h.	Physical controls over cash, documents and records. Adequacy of filing systems. Is the petty cash subject to monthly reconciliation as well as surprise checks; custody of cash box and control of keys.	L	Fine. No petty cash system yet.
i.	Adequacy of physical management of cash.	L	Idem. This might be introduced at later stage, but the project is advised to use counterpart fund for petty case as IFAD funds are not sufficient.
j.	Timely payment to suppliers and consultants.	M	Some payments were delayed at the Ministry of Finance, but it seems to be caused by IT technical issue. Project is advised to cooperate with the Ministry of Finance to ensure timely payments. Project also has to inform n advance suppliers of the process of payment and timeline to avoid misunderstanding.
k.	Eligibility of expenditures with respect to Financing Agreements.	L	Fine.
l.	Legality/eligibility of advances from project funds and timely justification for use there-of.	L	No advances to project staff or implementing agencies. Pre-financed VAT to be refunded in the loans account by the counterpart of USD 1,190.55 will be done by 15th November. It could be preferable to do the reimbursement of the VAT to the loan account by the counterpart fund on a quarterly basis or when the ceiling of USD 10,000 is reached. If this is accepted, the Ministry of Finance will formally notify the PMU.
m.	Compliance with financial management covenants in the Financing Agreements and LTB.	L	So far, no issues.
n.	Adequacy of up-to-date record keeping for fixed assets and inventories.	L	Fine.
o.	Adequacy of controls concerning project assets including: i) Vehicle and other assets management (are assets properly tagged, is a physical inventory count done on a regular basis?) ii) Fuel management (do drivers maintain a log book?) iii) Travel authorisations (incl. DSA paid to staff)	M	Assets to be yet tagged. When vehicle is purchased, ministry practice will be applied to track vehicle use. Travel authorization and DSA are in line with Ministry policy. However, project is recommended to update PIM with the TA procedure and DSA applicability.
p.	Adequacy of vehicles and assets insurance.	L	In the procedure of getting an insurance for the vehicle.

Topic		Risk Rating (H/M/L)	Issues/Comments/Recommendations
q.	Workshops: i) Availability of list of participants ii) DSA paid to participants iii) Receipts for workshop expenditure	L	Not yet applicable, but project is informed of the requirement.
r.	Adequacy of controls and authorization process for use of funds (payments, transfers, Cash/Bank balance management)/and other operational accounts – non-special account.	L	Fine.
s.	Banking arrangement and controls (reconciliation of bank statements with financial accounts).	L	Done monthly when Project receive the bank statement
t.	Existence of a proper IT support unit in place.	L	Ministry's IT can provide support.
<b>5. Accounting</b>			
a.	Basis of accounting (cash, accrual) and whether accounting standards are in line with IFAD's requirements (e.g. IFRS/IPSAS/IPSAS cash).	L	Fine. IPSAS including accruals.
b.	Adequacy and reliability of accounting system, (is double entry accounting used, specify software used, is budget data entered into the accounting system, can the accounting system produce regular automated financial reports?).	M	The project has not yet acquired the dedicated accounting/financial management software to replace the use of Excel spread sheets for keeping its accounts.. The mission recommends the PMU to acquire as soon as possible an accounting/financial management software (TOMPRO or any other performant tool).
b.	Recordkeeping (including documentation and filing/archiving)	L	Found adequate.
c.	Fixed assets register maintained and reconciled (sample and physical check).	L	Fine.
d.	Adequate documentation and controls for Information Systems, including documented accounting procedures, backup of financial records, integration of all sub-systems.	M	Back up is done daily. The historical financial data from the beginning 2013/2014 of the project must be captured into the system. The accounts staff must be proficient in the use of the system, and it must have a clear audit trail to the supporting documents in the form of payment vouchers. Overall, the mission recommends that the Project staffs be able to track and report on flexible reporting cycles, such as actual expenditure by category/component/activity/financier as compared with the budget allocations.
e.	Adequacy of chart of accounts for project accounting purposes	M	It is being fine-tuned. Project is recommended to align with the Ministry codification to the extent possible. The chart account must be integrated into the PIM
f.	Timeliness of recording transactions, regularity of performance and approval of reconciliations, controls on erroneous recordings.	M	So far, the cashbook is well maintained in EXCEL. To be verified when Accounting software is set up.
g.	Appropriate/ adequate accounting and reporting of counterpart funds contributions (incl. tax and tax exemptions) as well as beneficiary contributions.	L	Adequate. Minor improvements required for capturing tax elements.
<b>6. Financial Reporting &amp; Monitoring</b>			
a.	Completeness, accuracy, usefulness, and timeliness of financial reports.	L	Yet to be verified in 2015.
b.	Interim FM reports and linkage to progress reports - timely preparation, submission to IFAD.	L	Idem.
c.	Preparation of reports showing actual vs budget income/expenditure and AWPB execution rate.	M	Yet to be verified later this year. Project is recommended to conduct monthly cash flow analysis.
d.	Follow up of previous aide-memoirs fiduciary recommendations.	M	The mission noted that the PMU has not yet procured the dedicated accounting software recommended by the first mission. Otherwise, most of the recommendations of first mission have been implemented.

	Topic	Risk Rating (H/M/L)	Issues/Comments/Recommendations
e.	Reasonable alignment between disbursement rate of recurrent versus investment cost categories.	M	The financial execution rate per component is as follows: 60% in component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers, and 51% in component 4: Project Management. No activities and no funds have been disbursed in Components 2 and 3. To be improved during at the end of year.
<b>7. Internal Audit</b>			
a.	Existence of Internal Audit arrangements.	L	Internal auditor of Ministry of Finance makes some sort of verifications at Ministry of Natural Resources. CLISSA is subject to this internal audit verification.
b.	Adequacy of internal audit arrangements (organization - staff capacity).	N/V	Not verified. To be verified at the end of 2014
c.	Adequacy of internal audit scope of work and quality of reports.	N/V	Not verified yet. However, the internal audit of Ministry of Finance produces reports. To be verified at the end of 2014
d.	Assessment of matters raised in audit reports.	N/A	Not applicable.
<b>8. External Audit<sup>1</sup></b>			
a.	Adequacy of scope and ToR.	L	
b.	Adherence to ToR.	N/A	Not yet applicable
c.	Timeliness of audit report.	N/A	Idem.
d.	Quality of audit.	N/A	Idem.
e.	Implementation of audit recommendations/agreed action plan in place to address these.	N/A	Idem.

<sup>1</sup> Refer to IFAD audit review



## Annex 5: CLISSA Project contracts register

0	1	2	3	4	5	6	7	8		9	10	11
Seq No.	Contract No.	Date of Contract	Supplier Name	Description of Goods, Services, Works	Method of Procurement	Country of Origin	Period of Execution	Amount	Amount USD	Category and % of financing	Non-objection No.	Comments
1	001	1/10/13	Jude Barra	Project Accountant	Recruitment through application of post advertised	Seychelles	1/10/13 – 31/12/14	SR 8,000.00	588.24	IFAD: 100%	NA	
2	002	1/10/13	Jones Belmont	Project Coordinator	As above	Seychelles	1/10/13 – 09/14	SR 10,000.00	735.29	IFAD: 100%	NA	
3	003	1/09/13	Georges Bibi	Monitoring & Evaluation Officer	As above	Seychelles	1/09/13 – 31/01/14	SR 12,000.00	822.35	IFAD: 100%	NA	
				Project Coordinator	As Above	Seychelles	1/02/14- 30/09/14 1/10/2014 – 31/12/15	SR.14,000.00 SR. 18,000.00	1,029.41 1,323.53	IFAD 100%	NA	
4	004	1/10/13	Mary-Anne Denousse	Secretarial & Administration Secretary	As above	Seychelles	1/10/13 – 31/12/14	SR 2,500.00	183.82	IFAD: 100%	NA	
5	005	1/12/13	Charles Elizabeth	Procurement Officer	As above	Seychelles	1/12/14 – 31/12/14	SR 9,569.00	703.60	IFAD: 100%		
6	006	1/2/14	Charles Elizabeth	As above	As above	As above	1/2/14 – 31/12/14	SR 10,000.00	735.29	IFAD: 97.5% GOS: 2.5%		
7	007	18/03/14	Intelvision	Internet packages (installation & monthly charges)	NCB	Seychelles	Started in April & On-going	Installation: SR 1,150.00; monthly charges: SR 803.50	84.56 & 59.10	IFAD:85% GOS: 15%	NA	
8	008	04/14	KNOWN-YOU SEED CO. LTD	Seeds (Cucumber, sweet corn, Lettuce, Chinese cabbage)	DC	Taiwan	04/14 – 05/14	SR 46321.60	3,406.00	IFAD:85% GOS: 15%	27/03/14	
9	009	04/14	GRUBE KG, Forstgeratestelle	QUATTROFLEX Hose; GLORIA Sprayer	DC	Germany	04/14- 07/14	EURO: 4,982.25	6,410.98	IFAD: 85% GOS:15%	27/03/14	
10	010	04/14	Magnacorp 129CC	NEUTROG BOUNCE BACK and NEUTROG RAPID RAISER Organic Fertilizers	DC	South Africa	04/14 – 07/14	ZAR 67,356.00	4,952.64.	IFAD 85% GOS: 15%	27/03/14	

0	1	2	3	4	5	6	7	8		9	10	11
Seq No.	Contract No.	Date of Contract	Supplier Name	Description of Goods, Services, Works	Method of Procurement	Country of Origin	Period of Execution	Amount	Amount USD	Category and % of financing	Non-objection No.	Comments
11	011	07/14	H. Savy Insurance c Co. LTD.	Insurance cover for CLISSA project	LCS	Seychelles	07/14 – 07/15	SR 3,520.00	258.82	IFAD 85% GOS: 15%	NA	
12	012	NA	National Information Services Agency	Advertisement for Sales of equipment and Agricultural Input	SS	Seychelles	05/14 – 07/14	SR 6,287.00	462.28	IFAD 85% GOS: 15%	NA	
13	013	25/07/14	SGM & Partners	Consultancy for Gap analysis of crop, livestock, fisheries value chain	LCS	Seychelles	25/07/14 – 20/10/14	SR 198,948.00	14,628.53	IFAD 85% GOS: 15%	14/07/14	
14	014	NA	Department of Information and Communication Technology & Itech Computer Services	Development of Database (software and hardware)	DC	Seychelles	08/14 – 11/14	SR 55,000.00	4,044.12	IFAD 85% GOS: 15%	NA	
15	015	NA	National Bureau of Statistic	Consultancy for Benchmark assessment of farmers	DC	Seychelles	06/14 – 08/14	SR 140,000.00	10,294.12	Government of Seychelles	NA	
16	016	09/08/14	H & M Production	Production of TV and Audio documentary	LCS	Seychelles	09/08/14 – 15/09/14	SR 26,000.00	1,911.76	IFAD 85% GOS: 15%	NA	
17	017	09/10/14	VCS (Pty) Ltd	Communication equipment, hardware, software ,computer...	NCB	Seychelles	09/10/14 – 20/11/14	SR 132,514.07	9,743.68	IFAD 85% GOS: 15%	02/10/14	
18	018	09/10/14	VCS (Pty) Ltd	IT equipment (desktop, servers, scanners )	NCB	Seychelles	09/10/14 – 20/11/14	SR 142,597.01	10,485.07	IFAD 85% GOS: 15%	02/10/14	
19	019	09/10/14	SPACE 95	IT equipment (laptops, printers, software)	NCB	Seychelles	09/10/14 – 20/11/14	SR 88,617.85	6,516.02	IFAD 85% GOS: 15%	02/10/14	
20	020	25/09/14	Rauno Zander	Consultancy for Micro-Finance	ICS	Italy	25/09/14 – 10/10/14	SR 142,800.00	10,500.00	IFAD 100%		
21	021	10/14	Seychelles Broadcasting Corporation (SBC)	Broadcasting of T.V. documentary	SS	Seychelles	10/14	SR 18,000.00	1,323.53	IFAD 85% GOS: 15%	NA	
22	022	10/14	SBC	Broadcasting Audio documentary	SS	Seychelles	10/14 – 11/14	SR 15,000.00	1,102.94	IFAD 85% GOS: 15%	NA	