

Republic of Seychelles

Competitive Local Innovations for Small-scale Agriculture Project CLISSA

Supervision report

Main report and appendices

Mission Dates: 21 to 25 April 2014
Document Date: 25-Apr 2014
Project No. 894-SC
Report No: 3503-SC

Contents

Abbreviations and acronyms	iii
A. Introduction	1
B. Overall assessment of CLISSA implementation	1
C. Outputs and outcomes	1
D. CLISSA implementation progress	2
E. Fiduciary aspects	5
F. Conclusion	8

Appendices

Appendix 1:	Summary of project status and ratings	9
Appendix 2:	Updated logical framework: Progress against objectives, outcomes and outputs	11
Appendix 3:	Summary of key actions to be taken within agreed timeframes	17
Appendix 4:	Physical progress measured against AWP&B, including RIMS indicators	19
Appendix 5:	Financial: Actual financial performance by financier; by component and disbursements by category	27
Appendix 6:	Compliance with legal covenants: Status of implementation	28

Annexes

Annex 1:	Assessment/Checklist of CLISSA Financial Management	29
Annex 2:	Component 4 - Project Management Implementation Mechanisms	36
Annex 3:	Value Chain Development	40

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. Introduction¹

1. A supervision mission of the Competitive Local Innovations for Small-scale Agriculture Project CLISSA took place from 21 to 25 April 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 first supervision mission of CLISSA, with the aim to assess the progress and assist with implementation of project activities. The mission took place in Mahé where it met extensively with implementing agents (IAs) and other projects partners such as the Minister of Natural Resources, the Seychelles Agriculture Agency (SAA), the Seychelles Fishing Authority (SFA), the Office of the Auditor General, the Small Enterprise Promotion Agency (SEnPA), the Central Bank of Seychelles (CBS), the Development Bank of Seychelles (DBS), the Seychelles Trading Company (STC), the farmers' association of Val d'Andorre. The team members are grateful for the professional support they received during the conduct of their duties.

4. This Aide-Mémoire was discussed and approved at a wrap-up meeting in Victoria, Mahé, chaired by Michael Nalletamby, Principal Secretary of MNR, on 25 April 2014.

B. Overall assessment of CLISSA implementation

5. The CLISSA project was approved by the IFAD Executive Board in April 2013, the Financing Agreement signed in May 2013, and the project entered into force in November 2013. In close collaboration with IFAD, GoS organized in December 2013 a start-up workshop which gathered various CLISSA stakeholders including the implementing agencies and private sector partners. Through the vivid interaction, this start up workshop showed the strong interest from these stakeholders who provided some guidance to the project Steering Committee.

6. While CLISSA started implementing components 1, 3 and 4, GoS in collaboration with IFAD is reshaping component 2 in order to simplify the activities to be implemented. Therefore, all the aspects related to the implementation of component 2 are expected to start by the end of the third quarter of 2014.

C. Outputs and outcomes

7. **Outputs.** At this stage of CLISSA, the majority of activities have been preparatory. There have been some outputs achieved since the start-up workshop: finalised the TOR for the different Technical Working Groups (TWG); tendered the recruitment for the consultancy of the market study; contracted the supply for agricultural inputs.

¹ Mission composition: Mission composition: For GoS: Michael Nalletamby, Principal Secretary of MNR. For CLISSA: Jones Belmont, Coordinator, Georges Bibi, M&E Officer, Jude Barra, Accountant and Charles Elizabeth, Procurement Officer. For IFAD: Ambrosio Barros, mission leader, Programme Officer, Jin Kim, Fiduciary Expert and Partnership Officer, Beatrice Gerli, Gender, Targeting and M&E Expert, Jelle Tas, Agroeconomist and Value Chain Expert.

8. **Outcomes.** 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 as SENPA, STC, etc.; identification of and plan to take good practices and innovations to scale; and improved dialogue on gender sensitive approaches in the agricultural and fishery sectors.

D. CLISSA implementation progress

Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers; and Component 3: Strategic capacity strengthening and infrastructure

9. The Mission rates the performance of these components satisfactory. The expression of interest for the market study was held successfully on 18 March 2014 and the candidates are invited to submit their proposals. The tender process is expected to conclude by June 2014 and the market study will then be able to start. The market study will obtain information on market demand, in terms of products, quality, variety, price, volume and seasonality, in order to be able to identify the gaps which the Project would attempt to address. The farmer input packages to replenish the stock in the requisite stores are ordered and the seeds for the trial packages are selected. The payment request was sent by CLISSA to the Ministry of Finance, Trade and Investment (MFTI), payment has been made and CLISSA is awaiting the communication of the value date.

10. **Agriculture and Livestock.** The Seychelles Agriculture Agency (SAA) is CLISSA's implementing agency in developing the Agriculture and Livestock value chain. To upgrade the current knowledge and farming techniques, the SAA staff will be trained in the following subjects: production, post-harvest, management and marketing. The limited extension service resources available and the existing implementing commitments with other international agencies might slow down the implementation of the component activities. Therefore, the mission agreed to explore possibilities of involving the Seychelles Agriculture and Horticulture Training Centre (SAHTC) in the training and mentoring of farmers in conjunction and coordination with SAA. With these potential extra resources from SAHTC it might be possible to start the farmer training already in the fourth quarter of 2014. It was agreed to start the preparatory work for the SAA training in June and for the farmers in July 2014.

11. The mission is pleased with the Online Distant Learning (ODL) initiative of MNR, implemented in February 2014 in SAA. The ODL will use mobile phones and tablets for accessing information and communication with the SAA registered farmers in a more efficient and effective way. It is expected that ODL - when fully operational - will enable the extension officers' to interact with farmers more frequently and more effectively. Furthermore, it was agreed to explore the possibilities to register the backyard farmers, so that they can be catered through the ODL platform.

12. **Backyard gardening.** The definition of backyard gardeners or farmers is currently too large and can create some confusion regarding the identification and targeting CLISSA beneficiaries. The mission therefore agreed to adapt the backyard gardener definition to tailor it to CLISSA and present it to the Technical Working Group(TWG) for agriculture for approval.

13. **Artisanal Fisheries.** The SFA is the Project implementing agency for improving the Artisanal Fisheries value chain. The fishermen will receive training in: post-catch practices, sorting and conservation, and hygiene standards. This sub-component will target predominantly the day-trip fisherman. The mission agreed that CLISSA will start the preparatory work for the fishermen training in May for the training to start in the third quarter of 2014. Furthermore, the Project will provide a small credit facility through DBS to finance improvements of boat and fishing equipment for these Fishermen.

14. **Market linkages.** CLISSA will promote market linkages for small scale farmers and artisanal fishermen either directly or through their representative associations. The Mission was pleased that private sector potential partners such as the STC and hospitality industry representatives approached

CLISSA to explore and facilitate market linkages with the project beneficiaries. Moreover, the Mission supports the idea of cooperating with SEnPA in promoting CLISSA farmer products, when ready, on selected relevant SEnPA trade fairs. The Mission met with the Farmer Association of Val d'Andorre to discuss the interest and way forward in starting to supply the hospitality industry; the members of Val d'Andorre expressed their interest to develop such kind of partnership.

15. **Strengthening of the communication unit.** In order to provide all the means to the Public Relations and Communication Unit of MNR, CLISSA will acquire a set of communication equipment (hardware, software and other facilities server, computers, camera, etc.). The mission agreed that the procurement process will start in May 2014 for the acquisition to be finalized by July 2014.

16. **Infrastructures.** The mission agreed that in order for the research center in Anse Boileau to be rehabilitated in November 2014, the procurement process will start in May 2014. Moreover, the rehabilitation of the requisite store at Anse Boileau should be finalized in September 2014, with procurement to start in May 2014. On the other hand, the rehabilitation of the requisite store at Val d'Andorre is now expected to be completed in November 2014, with procurement to start in July 2014.

Agreed action	Responsibility	Agreed date
Component 1		
Finalize Market Study tender	PMU	Jun-14
Prepare farmer training	PMU/SAA	Jul-14
Liaise with SAHTC for training/mentoring farmers in Q4	PMU	May-14
Prepare Fishermen training	PMU/SFA	May-14
Start Fishermen training	SFA	Jul-14
Explore possibilities to Include backyard farmers in the ODL	PMU/SAA	Jun-14
Revise backyard gardeners definition	PMU/SAA/TWG	May-14
Component 3		
Prepare training for SAA staff	PMU/SAA	Jun-14
Acquisition of communication equipment set	PMU	Jul-14
Rehabilitation of research center in Anse Boileau	PMU	Nov-14
Rehabilitation of Anse Boileau requisite store	PMU	Sept-14
Rehabilitation of Val d'Andorre requisite store	PMU	Nov-14

Component 2 – Improving Access to Agricultural and Rural Finance

17. GoS is fine tuning the implementation arrangements of this component. The terms of reference of a mission to simplify this component have been finalized and reviewed by IFAD and the mission should take place by the end of June 2014. The next supervision mission will therefore be able to review implementation progress of component 2.

18. The mission agreed that GoS will send an official request to IFAD to revise the implementation arrangements of component 2 in as much as DBS shall be in charge of the implementation of this component.

Component 4 – Project Management

19. Since the start-up workshop, CLISSA implementation arrangements began to enter into function and their specific operation modalities are in the process of being fine-tuned and formalized.

20. The National Project Steering Committee (NPSC) has been formed and is providing strategic guidance to the PMU. Otherwise, the NPSC is to convene at least twice a year: a meeting already happened since the project's beginning and next one is scheduled for May-June 2014. Since CLISSA is at an initial stage, the NPSC is in fact meeting as often as necessary to provide guidance on the Project set-up and detailing functioning.

21. Shall private companies – such as touristic services providers, hospitality associations and hotels – become key CLISSA partners, it was agreed that they will be invited to join relevant sessions of the NPSC.

22. Three TWGs have been established: one for agriculture/ livestock, one for fisheries and one for microfinance.

23. The PMU is still finalizing the cooperation arrangements with the IAs: SAA, SEnPA and SFA. A memorandum of Understanding (MoU) on PMU and IAs responsibilities in activities' implementation, supervision and reporting have been drafted and will be agreed upon with IAs. The revised MoU will be submitted to the TWG for revision early May. Completion of the MoU draft is expected by mid-May 2014, when it will be then submitted to the IFAD for final review and no objection.

24. PMU, SAA and SFA are meeting once a month together with the Ministry of Natural Resources to update and follow up on activities' implementation and discuss upcoming activities. In addition to this, the mission agreed to use these monthly meetings as an occasion to follow-up reporting submission.

25. The PMU was encouraged to review staff performance evaluation criteria, so as to ensure a comprehensive assessment of the performance and regularly check on staff's motivation. To that extent the mission will provide the PMU with example of evaluation templates used in IFAD projects, to be adapted to CLISSA. The first staff performance review is due in December 2014.

Agreed action	Responsibility	Agreed date
Finalize the Memorandum of Understanding with the Implementing Agencies	PMU/IAs/TGW	May-14
Review staff performance evaluation criteria	PMU	May-14
Conduct staff performance review	PMU	Dec-14

26. **Monitoring and Evaluation.** The IFAD Results and Impact Management System (RIMS) baseline survey will have to be conducted as soon as possible. To optimize resources and avoid beneficiaries' overburdening, the RIMS survey will be included within CLISSA baseline survey.

27. The PMU has to conduct the Project's baseline, so as to build a database with relevant information of different target groups: commercial farmers, backyard gardeners and fishermen. The software to be used for the database is TECPRO, integrated in TOMPRO for the accounting system. The software is under procurement process. Installation, customization and training will take two months hence it will be up and running by the beginning of August 2014.

28. Given that the majority of the Seychelles population conducts some type of backyard gardening activity, regardless their level of income and main source of livelihood, the mission agreed that more clarity is needed as to what type of backyard gardening CLISSA intends to target. Working on the GoS definition of backyard gardeners and CLISSA objectives, the PMU will establish clear criteria for targeting project beneficiaries among the backyard farmers, to be agreed with the TWG. Activities and baseline survey should not be started before defining the type of backyard gardeners the project intends to benefit.

29. Furthermore, the mission agreed that the following aspects related to farmers and backyard gardeners would be captured in the database: agricultural land size, land used for production, volume of produce by type, income generated by produce, value addition activities and nutrition. The database will also provide disaggregation based on the sex and the age group of the beneficiaries, as well as on head households (single parent or multi parent). This information will enable target group clustering, outlining different categories of beneficiaries and their needs.

30. The mission also agreed that the database development process would be conducted following specific steps. First, the M&E officer will draft a proposal of Project baseline, encompassing information regarded as relevant. The proposal will be discussed and agreed with PMU, TWG and SAA statistical department. Secondly, existing relevant databases (particularly SAA's one on farmers and the agricultural census) will be reviewed to identify relevant data to be used for the Project's baseline. Data not available in already existing databases will be collected through the survey. Thirdly, a questionnaire to capture missing data will be designed and implemented together with the RIMS, with the support of SAA statistical department.

31. The mission recommends identifying as soon as possible who will run the survey in the field, clean the data and set up the baseline database in TOMPRO. The activity also entails importing relevant data from the already existing database. SAA traditionally relies on students from the University of Seychelles for this type of exercise, but due to time constraints, it might be required to hire a company or a team of enumerators.

32. The mission agreed to start up the baseline design process as soon as possible, scheduling the activities in consistency with TECPRO installation dates. Both PMU and IA staff will need to be trained to use the software, so as to ensure timely and effective entering of data for activities' reporting.

33. The IAs hold the main thrust of activities' implementation monitoring and are the ones to submit input for updating the AWPB. For this reason, the mission agreed that a simple standard reporting template will be developed by the M&E officer, to be submitted by IA on a monthly basis. The periodicity of reporting submission will be verified, and revised if needed, when activity implementation will have started.

34. Given the great wealth of information that the M&E officer will be dealing with during monitoring activities, the mission agreed that the PMU will work together with the communication unit to develop formats of knowledge management (KM) to capture information, stories and case studies to disseminate among the project's stakeholders and beneficiaries. Showcasing success stories of youth involved in farming is of particular relevance to disseminate positive role models.

35. **Gender and Youth.** The mission reminded all CLISSA stakeholders that they should pay particular attention to gender issues in activities design and implementation, particularly in consideration of workload and time-constraints faced by single women headed household, which tend to be poorer. Specific gender issues related to women and youth will emerge from the analysis of the baseline and will have to be disseminated among project's stakeholders to ensure targeted support and equal access to opportunities provided by the project. To that extent the PMU will draft a short note on specific gender-based patterns of poverty emerging from the baseline. If needed, support from Social Development Institutions will be sought to draft the note.

36. The mission agreed that the PMU shall nominate as soon as possible a gender focal point.

Agreed action	Responsibility	Agreed date
M&E		
Design the project baseline	M&E Officer/SAA/SFA	May-14
Identify who will run the RIMS and baseline survey and create the database	PMU	May-14
Run the baseline questionnaire	M&E Officer/SAA/SFA	Jun-14
Run the RIMS survey	M&E Officer/SAA/SFA	Jun-14
Create the project baseline database	M&E Officer/SAA/SFA	Aug-14
Develop standard reporting template	M&E Officer/SAA/SFA	Jun-14
Define targeting criteria for backyard gardeners	PMU	May-14
TOMPRO installed and operational, with staff trained	PMU	Aug-14
Gender and KM		
Gender focal point nominated	PMU	May-14
Develop KM formats	PMU	Jun-14
Draft a note on gender based patterns of poverty	PMU	Sept-14

E. Fiduciary aspects

37. **Financial management.** The project's accountant is responsible for the project's financial accounting and payment processing. The flow of funds from CLISSA to suppliers and service providers are done through bank transactions only. Flow of funds from CLISSA to its implementing partners may be used as last option if absolutely necessary, and it may require additional control measures. As the designated account is in dual currency (USD and SCR), payments in SCR can be made directly from the designated account using the prevailing exchange rate of the transaction date.

38. **Accounting system:** 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 accountant makes a daily back up of the database. The mission noted that the taxes pre-financed by IFAD funds are not recorded in the cashbook, but they can be easily identified from the invoices. The mission supported the accountant to refine the cashbook form in order to adequately capture: i) tax element of each payment; ii) correct exchange rate and USD - equivalent amount by reconciling against the bank statement; and iii) origin of suppliers and service providers for IFAD use. The mission agreed that 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 such as the Statement of Expenditures (Form 102) and the Reconciliation of the Designated Account (Form 104).

39. **Petty cash:** The project has not yet started to maintain a petty cash to support small operating expenses that may require for daily operations. The mission agreed to explore a possibility of maintaining a petty cash funded from the Counterpart funds in accordance with the ministry norm and practice.

40. **Budgeting:** The project's initial advance in the designated account is USD 200,000. Given the relative small amount of the available liquidity, budgeting and cash flow analysis may become crucial to ensure implementation continuity as the volume of transactions increases. The mission agreed to conduct monthly cash flow analysis and planning, in order to ensure sufficient liquidity in the designated account.

41. **Internal control:** As there are no allowances other than monthly salaries to project staff members and no cash advances (or imprest) to the implementing partners, the internal control is limited to securing the transparency of the payments to suppliers and service providers. The mission noted that every payment is authorized by the Principal Secretary of MNR, or in his absence, the director of Finance of MNR or the Minister of MNR. The approvals are kept together with the payment vouchers and supporting documentation. Asset register was reviewed and the mission agreed to further enhance information on source of funds (i.e. IFAD or Government).

42. **Disbursement.** IFAD has so far made an initial advance (or authorized allocation of the designated account) of USD 200,000 or 6.6% of total IFAD loan of SDR 1.98 million (approx. USD 3 million). The project has so far spent USD 30,951.59 (including pending payables at the bank), leaving a balance of USD 185,854.80 as of 22 April 2014.

Table: Reconciliation of the Designated Account as of 22 April 2014

No.	Description	Value (USD)
a	Authorized Allocation	200,000.00
b	Balance in the Designated Account	185,854.80
c	Balance in the Programme Account	Not applicable
d	Cash on Hand	-
e	Pending WA	-
f	Expenditures yet to be claimed	30,951.59
g	Total (b + c + d + e + f)	216,806.39
h	Differences (a – g) = (i + j + k)	16,806.39
i	Payments pending at the bank	-16,800.46
j	Pre-financed VAT to be refunded by Counterpart	5.93
k	Un-reconciled balance	-

43. The reconciliation of the designated account indicates that total tax to be refunded by the counterpart is only USD 5.93. There are no un-justified discrepancies. The mission supported the project to make regular refund of the tax from the counterpart fund account to the designated account to minimize foreign exchange variations and ensure liquidity.

44. **Withdrawal application:** The mission supported the project with the preparation of its second WA for the replenishment of the designated account. It will be submitted to IFAD as soon as USD 60,000 of expenditures or 30% of the initial advance of USD200,000 is accumulated. The mission verified a number of supporting documentation of the expenditures that will be presented in the Statement of Expenditures (Form 102) of the WA under preparation and found them in order. The mission agreed that only net-of-tax amounts be claimed in the WA.

45. **Counterpart funds.** The Government of the Republic of Seychelles has allocated SCR677,000 or USD 56,000 equivalent to CLISSA per year from 2014 to 2016. In 2014 up to 31 March, SCR 71,000 (USD 6,000) was spent. In 2013, CLISSA spent more than SCR 354,000 (USD29,000). The expenditures funded by the counterpart so far are approximately SCR 425,000 (USD 35,000), or equivalent to 12% of USD 282,000 committed by the Government. It is worthy to note that the government fully financed the expenses for the start-up workshop as well as a number of office equipment. It is also worthy to note that participation by all CLISSA stakeholders is very high, such as the members of the technical working group, steering committee members, and implementing partners. These could be also accounted as non-financial contribution to CLISSA implementation. The mission agreed to maintain a separate database to capture any substantial non-financial and non-material contributions from the Government, partners and beneficiaries.

46. **Compliance with loan covenants.** The mission notes that there is no issue with respect to compliance with the financing agreement. Status of compliance with key loan covenants is provided in appendix 6.

47. **Procurement.** The review of procurement documents revealed that the composition of procurement evaluation committee on the ad-hoc basis and the quality of procurement evaluation reports need further improvements. It was noted that in one specific case that: i) committee members seemed not to possess relevant technical knowledge of the service procured and they were all external members; ii) the evaluation report had a typo in providing the price information; and iii) the price offered by three participating service providers ranged between SCR1,500 to SCR 27,000 against the estimated budget of SCR 2,500. The mission agreed that: i) at least one project officer be a member of the evaluation committee to ensure the overall consistency of procurement evaluations and quality of the reports with correct and comparable figures, unit of quantity, and specifications; ii) only external members with relevant technical knowledge or experiences be invited to sit in the evaluation committee; and iii) specifications and TORs are more clearly written to ensure that offers do not include unnecessary extra features.

48. In addition, the mission agreed to enhance its close consultation with the Country Programme Manager of IFAD through the non-objection procedure, for designing the TORs/specifications of goods and services (that are subject to non-objection requirement) to be procured. This should be done by requesting IFAD's non-objection on the draft TORs or tender documents before launching the procurement.

49. The mission also agreed to enhance its close consultation with the National Tender Board as well as with IFAD to seek their advice whenever a bid receives less than three offers, in order to avoid procurement delays.

50. **Audit.** The mission made a courtesy call to the Auditor General who expressed its availability to audit the project. It was noted that the Office of the Auditor General (OAG) has had experiences in auditing government projects supported by the World Bank, UNDP and UNEP in the past. The mission discussed briefly the terms of references for IFAD-supported project audit such as the main items requiring auditor's opinion and the timeframe. The mission suggested that the project share the reporting templates with OAG to understand the national requirement and vis-à-vis IFAD requirement. It was agreed that an IFAD staff from the financial controller's division would take on further discussion with OAG. The mission agreed that the project request IFAD's confirmation 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 prior to project entry into force.

Agreed action	Responsibility	Agreed date
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
Maintain a petty cash funded from the Counterpart funds in accordance with the ministry norm and practice	Accountant, PS	May-14
Conduct monthly cash flow analysis and planning	Accountant	Continuous
Maintain an asset register with more information	Accountant, Procurement Officer	Apr-14
Capture tax pre-financed by IFAD and transfer refunds from the counterpart funds	Accountant, PMU Coordinator	Continuous
Claim net-of-tax expenditures in WAs	Accountant	Continuous
Enhance accounting for substantial non-financial and non-material contributions by Government, partners and beneficiaries	Accountant	Apr-14 onward
Procurement:	Procurement Officer, PMU	Apr-14 onward
- Enhance evaluation committee composition, quality of evaluation reports	Coordinator	
- 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		
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

F. Conclusion

51. CLISSA has established a solid foundation for starting the implementation of activities. The procurement of a number of studies and works to be done is under way and the training sessions of the IAs are to start.
52. The mission agreed that the next supervision mission is scheduled from 21 to 31 October 2014.
53. IFAD and the Government of Seychelles endorse the findings of the supervision mission.

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	1	No. of Implementation Support/Follow-up missions	1		
Last Supervision	25-Apr-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	7
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	0
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	4
3. Counterpart funds	4	4	3. Coherence between AWPB & implementation	4	4
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	4	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

Five months after entry-into-force, the PMU together with the lead agency have been able to carry a series of preparatory activities stepping stone to good project management and implementation: recruitment of all key PMU staff (including a procurement officer whose capacities are being strengthened with IFAD support), a series of ToRs drafted and shared with implementing partners, various meetings with steering committee held, etc. While the procurement process to launch market study (which aim is to provide information on market demand in terms of products, quality, variety, price, volume and seasonality in order to identify the gaps to be addressed by CLISSA) is under way, the farmer input packages to replenish the stock in the requisite stores are ordered and the seeds for the trial packages are selected.

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 implementation progress (Sections B1 and B2)	4	4

Rationale for implementation progress rating

There have been some outputs achieved since CLISSA entry into-force: TOR for the different Technical Working Groups (TWG) finalised; recruitment for the consultancy of the market study tendered; supply for agricultural inputs contracted. Based on the findings of the Market Study, both the Seychelles Agriculture Agency (SAA) and the Seychelles Fishing Authority (SFA) will define the content of the trainings their agents will receive before they themselves train CLISSA beneficiaries.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
--	---	---

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 as the Small Enterprise Promotion Agency (SEnPA), the Seychelles Trading Company (STC), etc.; identification of and plan to take good practices and innovations to scale (such as the Online Distant Learning implemented in Feb 2014 in the SAA by MNR to use mobile phones and tablets for accessing information and communication with the SAA registered farmers in a more efficient and effective way); and improved dialogue on gender sensitive approaches in the agricultural and fishery sectors.

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. In doing so, GoS will send an official request to IFAD to revise the implementation arrangements of component 2 in as much as DBS shall be in charge of the implementation of this component.
Outputs and outcomes	CLISSA now needs to move from preparing the activities (through the finalization of the ToR with the different TWG or of the market study tender) to actual activities (launch the training of SAA and SFA agents before the trainings of the farmers and fishermen, rehabilitation of the small infrastructures, etc.)
Sustainability	CLISSA needs to ensure that the implementing partners (i.e. the public agencies in MNR such as SAA and SFA) have the capacity to launch and supervise the activities

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Launch of Market Study	Finalization of the tender	June 2014	on-going
Training of SAA staff	Preparing the training	June 2014	on-going
Rehabilitation of small infrastructures	Start of the rehabilitation work	July-Sept-Nov 2014	
Fine tune component 2	Propose simplified implementation arrangements	September 2014	

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			
GOAL: Sustainable pro-poor economic growth and employment and resilience to external shocks and trends	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.	1557.6	1557.6		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.	
	Registered farmers with Increase in savings.	1557.6	1557.6		0%		Provided that farmers and fishers participate in the scheme are willing to share information	
	Reduction on Social Welfare dependency.	n/a	10%		0%		Provided that farmers and fishers participate in the scheme are willing to share information	
DEVELOPMENT OBJECTIVES: (RIMS 3th 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	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.	
	Increase market access of Small Scale farmers and fishers.	n/a	493		0%		Provided that registered farmers remain active and willing to participate in the scheme	

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 varieties selected.	
	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.	
	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	
	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	
OUTCOMES: (RIMS 2nd level)								
Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers								
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.	

RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
							SFA and SAA have capacities carry out surveys and evaluations	
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)		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	
	Sustainability: Active borrowers/fishers and farmers on a 1:4 ratio(RIMS 2nd level)		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	
	Increase water storage capacity by 50% of 5055 cubic metre of water	0	2528 cubic metre					
	Increase number of farmers on riticulation network by 40%	0						
	Motorable access to new agricultural plots	0	10					
	n. of farmers and households served by road constructed		18		0%			

RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
	no. of Extension unit benefitting from shed	0	3		0%			
	n. of farmers served by equipment sheds and small infrastructure built		493		0%			
	Effectiveness: improved performance of service providers (operational self-sufficiency of SAA Extension officers)		6		0%			
OUTPUTS (RIMS 1st 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%			
	Identification of technologies packages and trials (agr./microfin./fisheries)		3	0	0%			
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)		493	0	0%		Farmers and fishers can manage and make effective use of knowledge transferred.	
	Fishers trained in fish production practices and technologies (female/male/youth)		1,064	0	0%			

RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
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.	
	Inputs							
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)	2945	8,662	0	0%		Effective use of knowledge transfer, willingness and motivation of households for this initiative.	
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)		200	0	0%	Active bank accounts	Sufficient borrowers, to participate in the scheme, depending on banks terms and conditions.	
	Value of gross loan portfolio USD		1078		0%			
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	

RESULTS HIERARCHY	INDICATORS	REVISED INDICATORS (CURRENT)	RESULTS (CUMULATIVE)			MEANS OF VERIFICATION	ASSUMPTIONS AND RISKS	COMMENTS
			Appraisal Target	Actual	% of Appraisal			
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.	
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	
	km of road constructed		0.6	0	0%			
	Requisite storage facilities Anse Boilea,Val D'en Dor		2	0	0%			
	Anse Boileau (Tool Shed, Nusery shed, Rough Lab/shed)		3	0	0%			

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

Agreed action	Responsibility	Agreed date
Component 1		
Finalize Market Study tender	PMU	Jun-14
Prepare farmer training	PMU/SAA	Jul-14
Liaise with SAHTC for training/mentoring farmers in Q4	PMU	May-14
Prepare Fishermen training	PMU/SFA	May-14
Start Fishermen training	SFA	Jul-14
Explore possibilities to Include backyard farmers in the ODL	PMU/SAA	Jun-14
Revise backyard gardeners definition	PMU/SAA/TWG	May-14
Component 3		
Prepare training for SAA staff	PMU/SAA	Jun-14
Acquisition of communication equipment set	PMU	Jul-14
Rehabilitation of research center in Anse Boileau	PMU	Nov-14
Rehabilitation of Anse Boileau requisite store	PMU	Sept-14
Rehabilitation of Val d'Andorre requisite store	PMU	Nov-14
Agreed action	Responsibility	Agreed date
Finalize the Memorandum of Understanding with the Implementing Agencies	PMU/IAs/TGW	May-14
Review staff performance evaluation criteria	PMU	May-14
Conduct staff performance review	PMU	Dec-14
Agreed action	Responsibility	Agreed date
M&E		
Design the project baseline	M&E Officer/SAA/SFA	May-14
Identify who will run the RIMS and baseline survey and create the database	PMU	May-14
Run the baseline questionnaire	M&E Officer/SAA/SFA	Jun-14
Run the RIMS survey	M&E Officer/SAA/SFA	Jun-14
Create the project baseline database	M&E Officer/SAA/SFA	Aug-14
Develop standard reporting template	M&E Officer/SAA/SFA	Jun-14
Define targeting criteria for backyard gardeners	PMU	May-14
TOMPRO installed and operational, with staff trained	PMU	Aug-14
Gender and KM		
Gender focal point nominated	PMU	May-14
Develop KM formats	PMU	Jun-14
Draft a note on gender based patterns of poverty	PMU	Sept-14

Agreed action	Responsibility	Agreed date
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
Maintain a petty cash funded from the Counterpart funds in accordance with the ministry norm and practice	Accountant, PS	May-14
Conduct monthly cash flow analysis and planning	Accountant	Continuous
Maintain an asset register with more information	Accountant, Procurement Officer	Apr-14
Capture tax pre-financed by IFAD and transfer refunds from the counterpart funds	Accountant, PMU Coordinator	Continuous
Claim net-of-tax expenditures in WAs	Accountant	Continuous
Enhance accounting for substantial non-financial and non-material contributions by Government, partners and beneficiaries	Accountant	Apr-14 onward
Procurement:	Procurement Officer, PMU Coordinator	Apr-14 onward
- 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		
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

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
1	Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers	Outcome:							
1.1	Subcomponent 1.1: PPP and technology development								
	<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	Activity A: The technical working groups would assess existing technologies and identify new technologies and NPSC endorsement	5 packages identified	Packages of new tech.	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%			
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%			
	<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	Activity B: Training and skill development in the technologies adopted								
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				
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	493	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%			
1.1.C	Activity C: Training for small scale farmers in business development and entrepreneurship								
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	Activity D: Communication and promotion campaign								
1.1.D.1	Input 1: Mobile Phone Based Communication Campaign (SMS and Voice messages)	Messages/Recipients	No	120	0	0%			
1.1.D.2	Input 2: Printing and distribution of pamphlets	Printed Material	lumpsum/set	4	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%			
1.1.D.4	Input 4: Sensitising backyard farmers as beneficiaries of CLISSA	Sensitisation material	No	0	0	0%			
1.1.E	Activity E: Market study and assessment of value chain actors, capacity of suppliers and the Preparation of PPP action plan								
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.E.2	Input 2: Research/conduct trials based on result of market study	Trials	Set	4	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.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%			
	Sub-total Subcomponent 1.1:								
1.2	Subcomponent 1.2: Food security and productivity development								
	Output 1.2: Improving food security by promoting home gardens								
1.2.A	Activity A: Supporting backyard gardening for food security	Backyard gardeners equipped - Households, Acreage, Varieties	No						
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%			
1.2.A.2	Input 2: Advertisement of Equipment (small garden tools) and agricultural inputs	Adverts	No/category	3	0	0%			
1.2.A.3	Input 3: Sales of Equipment (small garden tools) and agricultural inputs	Backyard gardeners equipped with tools and agric inputs	No	8,662	0	0%			

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%			
	<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	Activity B: Demonstration and sensitisation of backyard gardeners in Selected Agricultural Techniques			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	8662	0	0%			
1.2.B.3	Input 3: Development of demonstration and sensitisation materials	Demonstration Training materials/subject	Set	600	0	0%			
1.2.C	Activity C: Promotion of Peri-urban Farming	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%			
1.2.C.2	Input 2: Develop suitable demonstration materials to sensitise backyarders (consultancy)	Demonstration materials	Set	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%			
1.2.C.4	Input 4: Conduct demonstration and sensitisation of Household gardeners on Peri-Urban techniques	No of backyarders sensitised	No	8,662	0	0%			
	Sub-total Subcomponent 1.2:								
	Total Component 1								

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
2	Component 2: Improving Access to Agricultural and Rural Finance								
2.1	Subcomponent 2.1: Improved access to equitable financial services								
	<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	#DIV/0!			
2.1.A	Activity A: Banks selection	Financial Institution participating (RIMS 1st level)	N. of Banks		0	#DIV/0!			
2.1.A.1	Input 1: Procurement process for selection of suitable banks	Banks	No	2	0	0%			
2.1.B	Activity B: The introduction of experimental credit line in the form of refinancing facility								
2.1.B.1	Input 1: Establishment of credit line	Value of gross loan portfolio USD	Lumpsum	1078	0	0%			
	Sub-total Subcomponent 2.1:								
2.2	Subcomponent 2.2: Complementary support to participating banks								
-	<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	Trainer	1	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	20	0	0%			
	Sub-total Subcomponent 2.2:								
	Total Component 2								

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	Component 3: Strategic capacity strengthening and infrastructure								
3.1	Subcomponent 3.1: Strategic capacity strengthening	Effectiveness: improved performance of service providers (operational self-sufficiency)							
	<u>Output 3.1:</u> Investment in institutional support and training.	Staff of service providers trained	No						
3.1.A	Activity A: Strengthen the communication unit								
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%			
3.1.A.2	Input 2: Training in Communication (audio & video editing,	Staff trained	No	3	0	0%			
3.1.A.3	Input 3: Training in Print media technics and production	Staff trained	No	3	0	0%			
3.1.B	Activity B: Institutional Capacity Building								
3.1. B.1	Input 1: Training for PMU staff in Accounting and Reporting software	Staff trained	No	4	0	0%			
3.1.B.2	Input 2: Finance trainings (Pr.Coord., Pr. Accountant) (travel, DSA, etc.)	Training	Training/pers	2	2	100%			
3.1.B.3	Input 3: M&E training (M&E Officer) (travel, DSA, etc.) .	Training	Training/pers	1	0	0%			
3.1.B.4	Input 4: Exchange familiarisation visits to a name country in the region	Visits	No	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%			
3.1.C.	Activity C:Strengthen the capacity of the Research Stations								
3.1.C.1	Input 1. Identification and Acquisition of Equipment for Research Station	Equipment Acquired	Set	1			1	0	
3.1.C.2	Input 2: Training of Research and Extension Officers	Staff trained	No	7			7	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	Activity D: Support post-harvest facilities for SAA			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%			
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	Staff trained	No	617	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%			
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	1330	0	0%			
3.1.E	Activity E: Support for quality control mechanisms								
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/selecte d farmers trained	No	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%			
3.1.F	Activity F: Assistance to Agric. and Horticulture Training Centre								
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						
	Sub-total Subcomponent 3.1:								
3.2	Subcomponent 3.2: Public and collective infrastructure								

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
	<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	Activity A: Investment in equipment and infrastructure								
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				
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%			
3.2.A.1c	Upgrading of reservoirs, installation of distribution pipes at Barbarons.	Reservoirs rehabilitated	No.	2	0	0%			
3.2.A.2	Input 2: Consultancy for drawing of road construction (Helvetia)	Consultant	Consultancy	1	0	0%			
3.2.A.3	Input 3: Construction of road spot (Helvetia)	Road constructed	Im	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%			
	Sub-total Subcomponent 3.2:								
	Total Component 3								

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	Component 4: Project Management								
	Output 4.1 Effective and Efficient Implementation of CLISSA Project	Achievement of Appraisal Targets							
4.1.A	Activity A: PMU equipment and facilities								
4.1.A.1	Input 1: Office rent	Office	Rent/Month	60	0	0%			
4.1.A.2	Input 2: 4 Wheel Drive Vehicle	4X4 Vehicle	No	1	0	0%			
4.1.A.3	Input 3: Computers: Desk Top/Laptop	Computers	No	6	0	0%			
4.1.A.4	Input 4: Server	Server	No	1	0	0%			
4.1.A.5	Input 5: Printers	Printer	No	1	0	0%			
4.1.A.6	Input 6: Office equipment (A3 Scanner, Heavy duty photocopier machine)	Office equipment	unit	1	0	0%			
4.1.A.7	Input 7: Stationary	Inventory	unit	5	0	0%			
4.1.A.8	Input 8: Vehicle: Fuel (including field visits)	km	Fuel/vehicle	5	0	0%			
4.1.A.9	Input 9: Vehicle: Maintenance	Vehicle insurance & licence	Vehicle insurance & licence	5	0	0%			
4.1.A.10	Input 10: Accounting Software package	Software acquired	No	1	0	0%			
4.1.B	Activity B: PMU salaries & allowances								
4.1.B.1	Input 1: Project Coordinator	Project Coordinator	Person/month	63	1	2%			
4.1.B.2	Input 2: Project Accountant	Project Accountant	Person/month	63	1	2%			
4.1.B.3	Input 3: M&E Specialist	M&E Officer	Person/month	63	3	5%			
4.1.B.4	Input 4: Procurement Specialist	Procurement Officer	Person/month	60	0	0%			
4.1.B.5	Input 5: Secretarial Support	Office Assistant	Person/month	63	1	2%			
4.1.B.6	Input 6: Meetings	Meeting	Meeting	20	0	0%			
4.1.C	Activity C: KM and M&E								
4.1.C.1	Input 1: Start-up workshop	Stakeholders attending the workshop	Workshop	1	0	0%			
4.1.C.2	Input 2: Desk studies	Study	Pers/month	1	0	0%			
4.1.D	Activity D: Operation Costs:								
4.1.D.1	Input 1: Communication costs (tel. Courier. Internet, etc.)	Monthly/Bills	lumpsum	63	0	0%			
4.1.D.2	Input 2: Domestic Travel Costs (between islands)	Months/Trips	No	160	0	0%			
4.1.D.3	Input 3: Insurance cover CLISSA project	Assets/Activity insured	Lumpsum	1	0	0%			
	Total Component 4								

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

Table 5A: Financial performance by financier as at 30 April 2014

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	3,000	29	1%
Beneficiaries	91	0	0%
Government	282	31	11%
Other Partners	368	0	0%
Total	3741	60	

Table 5B: Financial performance by financier by component (USD '000)

Component	IFAD loan			Government			Beneficiaries			Other Partners			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers	1,080	16	1%	90	0	0%	91	0	0%	368	0	0%	1,629	16	1%
Component 2: Improving Access to Agricultural and Rural Finance	1,138	0	0%	0	0	0%	0	0	0%	0	0	0%	1,138	0	0%
Component 3: Strategic capacity strengthening and infrastructure	596	0	0%	26	0	0%	0	0	0%	0		0%	622	0	0%
Component 4: Project Management	185	14	8%	166	31	19%	0	0	0%	0		0%	351	45	13%
	3,000	29		282	31		91			368			3741		

Table 5C: IFAD loan disbursements (SDR, as at 30 April 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		0.00	0.00	548,000.00	0%
II	Vehicles	17,000.00		0.00	0.00	17,000.00	0%
III	Technical Assistance and Training	498,000.00		0.00	0.00	498,000.00	0%
IV	Credit	594,000.00		0.00	0.00	594,000.00	0%
Va	Recurrent Cost – salaries ...	118,000.00		0.00	0.00	118,000.00	0%
Vb	Recurrent Cost – operations and ...	7,000.00		0.00	0.00	7,000.00	0%
	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		130,400.20	0.00	1,782,000.00	0%

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B.6	PMU to open a designated account for the benefit of MOFTI at the Central Bank of Seychelles		Done	
Section B.7	Gov to provider counterpart funding in the amount of US\$282,000		In process	SCR 600,000 or USD40,000 provided in 2014
Section E.2.a	Project Implementation Manual to be adopted		Done	PCU advised to update it as required
Section E.2.b	Project team appointed		Done	
Schedule 2	Compliance with expenditure category		In process	Expenditures are claimed under the relevant categories
Schedule 3.1	Monitoring		In process	
Schedule 3.2	Resource protection		In process	
Schedule 3.3	Operation and maintenance		In process	
Schedule 3.4	Authorization		Done	
Schedule 3.5	Use of vehicles and other equipment		In process	Vehicle and other office equipment are under procurement
Schedule 3.6	Policy framework		In process	
Schedule 3.7	Financial statements		In process	Year 2014 is the first year of implementation.
Schedule 3.8	Audit reports		In process	Idem.
GC 4.04	Applications for withdrawal, or special commitment		In process	PMU yet to submit the first WA for replenishment
GC 4.08	Eligible expenditures		In process	
GC 7.01	Project implementation		In process	See Aide-Memoire
GC 7.05	Procurement		In process	See Aide-Memoire
GC 7.08	Insurance		In process	Vehicle and other valuable assets yet to be procured
GC 7.14	Environmental factors		In process	Mission found no evidence of cases.
GC 8.03	Progress report		In process	IFAD to receive progress reports on 6-month basis
GC 11.02	Tax refunds		In process	See Aide-Memoire. Tax will be refunded.

Annex 1: 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.	22 Apr 2014	No WAs yet since the first disbursement of the authorized allocation. The mission reviewed a number of expenditures incurred so far.
3.2	Review the control procedures related to SOE disbursement. The reviewer should consider the effectiveness of the following controls and document any exceptions:		
3.2.1	Appropriate levels of review and approval are in place and are followed for each stage of the expenditure process	22 Apr 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	22 Apr 2014	OK.
3.2.3	Adequate segregation of duties exists between the initiation, authorization, disbursement, and recording functions	22 Apr 2014	OK.
3.2.4	Authorization and approval is obtained prior to incurring of the expenditure	22 Apr 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	22 Apr 2014	OK.
3.2.6	Commitments are made after applicable procedures have been followed	22 Apr 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	22 Apr 2014	Recommended the accountant to make reference to PV number in future SOEs
3.3	<p>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:</p> <ul style="list-style-type: none"> • procurement documents (bid documents, invitation, evaluation, award) • purchase contract • purchase order • letter of credit • supplier's invoice and certificate of origin • shipping or import documents and inspection certificates • contractor's or consultant's invoices or certificates • force account records • recurrent cost records • authorization for payment • evidence of payment/bank statements <p>Accounting records of approvals, disbursements, and balances available Question to address in review are:</p>	22 Apr 2014	OK. Two payments related to agricultural inputs were pending at the Ministry of Finance/bank. Final invoice was yet to be obtained after the payment conclusion.

	SOE Review	Performed by Date	Comments
3.3.1	Is the documentation readily available?	22 Apr 2014	OK.
3.3.2	Does it indicate that the expenditure was approved by an authorized official?	22 Apr 2014	OK.
3.3.3	Is it in original form?	22 Apr 2014	OK.
3.3.4	Does it relate to the project concerned?	22 Apr 2014	OK.
3.3.5	Are the computations correct and are there any errors or alterations?	22 Apr 2014	The US\$-equivalent amount in the cashbook mismatch the one in the bank statement. Recommended the project to reconcile the US\$ amount and the relevant fx rate against the bank statement.
3.3.6	Are the category and disbursement percentage used correctly?	22 Apr 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"> • duplicate invoices • 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; • 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 • payments for items that are not procured in accordance with the legal agreements, such as: <ul style="list-style-type: none"> ◊ payments for items from countries that are not eligible under the IFAD's Procurement Guidelines; ◊ payments for items not specified in the procurement and withdrawal schedules set forth in the Loan Agreement; ◊ payments made prior to credit signing or before the eligible date specified for retroactive financing; ◊ payments made for the expenditures incurred after closing date; ◊ payments for items on the negative list or not on the positive list (for adjustment operation lending). 	22 Apr 2014	OK.

Financial Management Assessment at Supervision – Guidance Questionnaire^{2/3}

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: Jin Kim, PRM	Date of this review: 21-25 April 2014

Topic	Risk Rating (H/M/L)	Issues / Comments / Recommendations
A. Inherent Risks		
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. Control Risks		
1. Organization and Staffing		
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	TOMPRO is being procured and the comprehensiveness of its manual as well as relevant training will be crucial for ensuring the performance of financial management.

² 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.

³ Include relevant findings of project supervision and progress reports, field visits, and audit report findings.

Topic		Risk Rating (H/M/L)	Issues / Comments / Recommendations
e.	Existence of a performance based evaluation system in place and timely completion of performance evaluation for all staff.	M	Project coordinator and accountant are ministry staff being subject to ministry evaluation system. Procurement officer and M&E officer are under probationary period and his performance will be evaluated before validating his employment. Recommended to identify systematic evaluation of performance for non-ministry project staff.
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.
2. Budgeting			
a.	Timely preparation and approval of AWPB.	M	2014 AWPB was approved by the TWG. IFAD's non-objection was given during the mission 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.
3. Fund flows and Disbursements / Withdrawals			
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	M	The level of USD200,000 may become inadequate when the volume of transactions pick up. Project is advised to monitor cash flow and request increase of the authorized allocation when necessary.
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	No SOEs have been submitted yet. The review of expenditures found no issues.
iv)	Timely preparation and accuracy of Withdrawal Applications	L	No WAs yet other than the first disbursement. Project is advised to prepare the WA as soon as US\$60,000 of expenditures are incurred.
v)	Authorization of WA preparation.	L	Fine.
vi)	Status on expenditures withdrawn from Special Account but not	L	So far, about US\$30,000 or 15% of the authorized allocation.

Topic		Risk Rating (H/M/L)	Issues / Comments / Recommendations
	yet claimed for replenishment (old cases to be noted)		
vii)	Regularity of Special Account(s) monitoring and monthly reconciliations signed by the project manager. Review and assess the reconciliations	M	So far, 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	USD 1 million planned in 2014. To be verified by the second mission later this year. Credit component is the largest component (60%). This can be achievable as it is a simple transfer of funds to the implementing agency.
ix)	Recovery of SA balances by loan closure	N/A	
4. Internal Control			
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.
c.	Adherence to Financial Manual.	M	Chart of accounts still in fine-tuning stage. It is recommended to align with the Ministry codification for simplification.
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.

Topic		Risk Rating (H/M/L)	Issues / Comments / Recommendations
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.
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.
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.
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).	M	Monthly bank reconciliation is recommended.
t.	Existence of a proper IT support unit in place.	L	Ministry's IT can provide support.
5. Accounting			
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	Based on EXCEL as TOMPRO is being acquired. To be verified later this year.
b.	Recordkeeping (including documentation and filing/archiving)	L	Found adequate.
c.	Fixed assets register maintained and reconciled (sample and physical check).	L	Fine.

Topic		Risk Rating (H/M/L)	Issues / Comments / Recommendations
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. To be verified when TOMPRO is set up.
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.
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 TOMPRO is set up.
g.	Appropriate/ adequate accounting and reporting of counterpart funds contributions (incl. tax and tax exemptions) as well as beneficiary contributions.	M	Adequate. Minor improvements required for capturing tax elements.
6. Financial Reporting & Monitoring			
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.	N/A	Not applicable as this is the first SPN mission.
e.	Reasonable alignment between disbursement rate of recurrent versus investment cost categories.	M	So far 13% in PMU component vs. 1% of core components since November 2013. To be improved during this year.
7. Internal Audit			
a.	Existence of Internal Audit arrangements.	M	Internal auditor of Ministry of Finance makes some sort of verifications at Ministry of Natural Resources. Yet to verify if CLISSA is subject to this internal audit verification.
b.	Adequacy of internal audit arrangements (organization - staff capacity).	N/V	Not verified.
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.
d.	Assessment of matters raised in audit reports.	N/A	Not applicable.
8. External Audit⁴			
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.

⁴ Refer to IFAD audit review.

Annex 2: Component 4 – Project Management Implementation Mechanisms

1. Project management arrangements are as follows. The Ministry of Investment, Natural Resources and Industry (MNRI) has the overall responsibility for the implementation of CLISSA and the Project management unit (PMU) is embedded with the Office of the Principal Secretary in MNRI. The National Project Steering Committee (NPSC) represents a variety of institutional actors and provides strategic guidance to the PMU. The Project also formed three Technical Working Groups (TWG) composed by non-state institutions (e.g. NGOs and private sector representatives). The function of these groups is to advise the PMU on technical aspects of components' planning and implementation. Project's Implementing Agencies (IA) are instead responsible for concrete activities' implementation in the field.
2. Since the start-up workshop, CLISSA's bodies have been set up and they are starting to run smoothly. Implementation arrangements have begun to enter into function and their specific operation modalities are in the process of being fine-tuned and formalized.
3. **The National Project Steering Committee (NPSC)** has been formed and is providing strategic guidance to the PMU. It represents a comprehensive spectrum of stakeholders, allowing the project to be updated on broader policy context and a variety of information. Among others, members are: the Minister of Natural Resources, the CEO of the Seychelles Fishing Authority (SFE), the CEO of Seychelles Agriculture Agency (SAA), the CEO of Seychelles Trading Company (STC), MNR Principal secretary, representatives of the private sector such as ISBC, the chairperson of Seychelles Farmers Association (SeyFA), the representative of Seychelles public utilities company, representative of Seychelles tourism board, the representative of fisherman association, the chairperson of the three TWG.
4. The NPSC is to convene at least twice a year: a meeting already happened since the project's beginning and next one is scheduled for May/June 2014. The mission deemed NPSC support as of great value for Project's strategic decision-making. Moreover, it is proving to be an effective way of disseminating Project's information among a variety of actors through the institutions represented in the NPSC.
5. The PMU would like to keep NPSC's current membership size, but – at the same time- allow enough flexibility for other institutions to occasionally join NPSC meetings, so as to increase their involvement in the Project. For instance, shall private companies -such as touristic services providers, hospitality associations and hotels- become key CLISSA partners, it was agreed that they will be invited to join relevant sessions of the NPSC.
6. Three **Technical Working Groups (TWGs)** of approximately 4-8 participants each have been established; one for crops/livestock, one for fisheries and one for microfinance. ToRs for the different working groups have been drafted, outlining tasks and responsibilities. The ToRs were revised by the mission and are in the process of being approved. TWGs role is to provide PMU and IA with guidance on technical issues recommend implementation mechanisms and prioritize issues. The three TWG are to meet as often as required; so far all of them but the microfinance one have met already twice. Besides current TWG members, additional stakeholders, identified as relevant during project implementation, will be invited to participate at specific sessions. This practice will facilitate the circulation of key information among project stakeholders.
7. The Technical Working Group on crops/livestock includes representatives from farmers, service providers in the livestock sector, Ministry of Finance, Trade and Investment, Water Public Utilities, Seychelles Hospitality and Tourism Association (SHTA), Seychelles Agriculture Agency (SAA), Small Enterprise Promotion Agency (SEnPA), Seychelles Farmers Association (SeyFA), and the Seychelles Tourism Board (STB).
8. The Technical Working Group on Fisheries includes representatives from the Seychelles Fishing Authority (SFA), Ministry of Natural Resources (MNR), Fishing Boat Owners Association (FBOA) and Seychelles Bureau of Standards (SBS).

9. The TWG on microfinance has also been set up. The PMU, in cooperation with the CPM, is looking for a suitable consultant in the region to support the definition of the arrangements required to implement component two.

10. CLISSA Implementation Agencies (IAs) are SAA, SFA and SenPA. In line with what agreed in the Annual Work Plan and Budget, IAs are in charge of activities implementation in the field and - when needed - contracting service providers. They also deal directly with beneficiaries. IAs hence play a key role in ensuring activities' effective implementation, as well as in feeding the monitoring system. For this reason, continuous and smooth communication with PMU is fundamental for Programme's implementation and beneficiaries' outreach.

11. The PMU is still finalizing the cooperation arrangements with IAs. The Memoranda of Understanding (MoU) on PMU and IAs responsibilities in activities' implementation, supervision and reporting have been drafted and will be agreed upon with IAs. The revised MoU will be submitted to the TWG for revision early May. Completion of the MoU draft is expected by mid-May 2014, when it will be then submitted to IFAD for final review and no objection and revision.

12. PMU is meeting SAA and SFA, together with Ministry of Natural Resources to update and follow up on activities' implementation and discuss upcoming activities. In addition to this, the mission agreed to use these monthly meetings as an occasion to follow up to reporting submission. Given the key role IAs play in identifying beneficiaries, implement project activities and feed reporting system, the mission agreed on the importance to provide close support to them, particularly in this initial stages.

13. The PMU was encouraged to review staff performance evaluation criteria so as to ensure a comprehensive assessment of the performance and regularly check on staff motivation. To that extent, the mission will provide the PMU with example of evaluation templates used in IFAD projects, to be adapted to CLISSA. The first staff performance review is due in December 2014.

Agreed action	Responsibility	Agreed date
Finalize and sign the Memorandum of Understanding with the Implementing agencies	PMU/IAs/TWGs	May 2014
Review staff performance evaluation criteria	PMU	May 2014
Conduct staff performance review	PMU	Dec 2014

Monitoring and Evaluation

14. The RIMS baseline survey will have to be conducted as soon as possible. To optimize resources and avoid beneficiaries' overburdening, the RIMS survey will be conducted alongside the survey for the project baseline.

15. The PMU has to conduct the Project's baseline, so as to build a database with relevant information of different target groups: commercial farmers, backyard gardeners and fishermen. The software to be used for the database is TECPRO, integrated in TOMPRO for the accounting system. The software is under procurement process; customization and training will take two months hence it will be up and running by the beginning of August 2014. Given the prominent role of IAs in implementing and monitoring activities, their staff will have to be included with the PMU in the training on how to use the software.

16. Given that the majority of Seychellois conduct some type of backyard gardening activity -regardless of their level of income and main source of livelihood- the mission agreed that more clarity is needed as to what type of backyard gardening CLISSA intends to target. Working on the GoS definition of backyard gardeners and CLISSA objectives, the PMU will establish clear criteria for targeting project beneficiaries among the backyard farmers, to be agreed with the TWG for agriculture. Activities and baseline survey should not be started before defining the type of backyard gardeners the project intends to benefit, which will ensure CLISSA pro-poor focus through a clearer identification of pockets of poverty.

17. The database can tap on a number of different sources, such as (i) the Living Conditions Survey (LCS) in Seychelles, which portrays national poverty, organized by the National Bureau of Statistics, the Social Welfare Agency and UNDP in 2012; (ii) the National Agricultural Census that was organized in 2012

by MNRI in collaboration with FAO; (iii) other sectorial studies developed by different technical bodies. Relevant information from this variety of sources would be extracted and streamlined for database development. In addition to this, CLISSA will also have to collect additional first-hand data that are relevant to the project's specific objectives.

18. To this extent, the mission agreed that the database development process would be conducted following specific steps. First, the M&E officer will draft a proposal of project baseline, encompassing information regarded as relevant. The proposal will be discussed and agreed with PMU, TWG and SAA statistical department. Secondly, existing relevant databases (particularly SAA's one on farmers and agricultural census) will be reviewed to identify relevant data to be used for the Project's baseline. Data not available in existing databases will be collected through the survey. Thirdly a questionnaire to capture missing data will be designed and implemented together with the RIMS, with the support of SAA statistical department.

19. The mission recommends identifying as soon as possible who will run the survey in the field, clean the data and set up the baseline database in TECPRO. The activity also entails importing relevant data from the already existing database in TECPRO. SAA traditionally relies on students from the University of Seychelles for this type of exercise, but due to time constraints, it might be required to hire a company or a team of enumerators.

20. The mission agreed to start up the baseline design process as soon as possible, scheduling the activities in consistency with TECPRO installation dates. Both PMU and staff will need to be trained to use the software, so as to ensure timely and effective entering of data activities' reporting.

21. The IAs hold the main thrust of activities' implementation monitoring and are the ones to submit input for updating the AWPB. For this reason the mission agreed that a simple standard reporting template will be developed by the M&E officer, to be submitted by IA on a monthly basis. The periodicity of reporting submission will be verified, and revised if needed, when activity implementation will have started.

22. Among others, the following aspects will be captured in the database: agricultural land size, land used for production, volume of produce by type, income generated by produce, value addition activities, and nutrition. The database will also provide disaggregation based on the sex and the age group of the beneficiaries, as well as on head households (single parent or multi parent). This information will support targeting and clustering of different categories of beneficiaries.

23. Given the great wealth of information that the M&E officer will be dealing with during monitoring activities, the mission agreed that the PMU will work together with the communication unit to develop formats of knowledge management (KM) to capture information, stories and case studies to disseminate among the projects' stakeholders and beneficiaries. Showcasing success stories of youth involved in farming is of particular relevance to disseminate positive role models.

Gender and youth

24. Seychelles is doing well in providing equal access and opportunity in education and health services; the business environment is also quite supportive of women participation. However, the issue of parity at decision-making level is far from being reached and there are no national policies in support to such objectives⁵.

25. The Living Conditions Survey of 2011 highlighted the gender differentials that persist in relative poverty in the Seychelles. Female-headed households in the Seychelles are significantly more likely to be poorer compared to male-headed households and, while this is also related to the peculiar situation in the Seychelles where a majority of households are female-headed (56%), it also indicates that there are probably wage differentials and pressures on many women raising their children by themselves and unable to participate fully in the workforce as a result. A specificity of Seychelles is the majority (56 %) of female-headed households. Note also the importance of single or not-in-union heads, which are 42 % of the total.

⁵ SADC gender protocol barometer baseline study. Seychelles (2009)

26. The mission reminded all CLISSA stakeholders that they should pay particular attention to gender issues in activities design and implementation, particularly in consideration of workload and time-constraints faced by poorer, single women headed household, which tend to be poorer.

27. Specific gender issues related to women and youth will emerge from the analysis of the baseline and will have to be disseminated among project's stakeholders to ensure targeted support and equal access to opportunities provided by the project. To that extent the PMU will draft a short note on specific gender-based patterns of poverty emerging from the baseline. If needed, support from Social Development Institutions will be sought to draft the note.

28. The mission agreed that the PMU would nominate as soon as possible a gender focal point, which will overview the development of the gender note and ensure that gender issues are adequately taken into account in activity design and project implementation.

Agreed action	Responsibility	Agreed date
Design the project baseline	M&E officer/ SAA/SFA	May 2014
Identify who will run the RIMS and baseline survey and create the database	PMU	May 2014
Run the baseline questionnaire	M&E Officer/ SAA/SFA	June 2014
Run the RIMS survey	M&E Officer/ SAA/SFA	June 2014
Create the project baseline database	M&E Officer/ SAA/SFA	Aug 2014
Develop standard reporting template	M&E	June 2014
TOMPRO installed and operational, with staff trained	PMU	May 2014
Define targeting criteria for backyard gardeners	PMU	Aug 2014
Gender and KM		
Gender focal point appointed	PMU	May 2014
Develop KM formats	PMU	June 2014
Draft a note on gender based patterns of poverty	PMU	Sept 2014

Annex 3: Value Chain Development

Introduction

1. The purpose of this **technical note** is to assist the Project Management Unit (PMU) in implementing CLISSA component: 1 – Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers. It provides details of the findings and agreed actions of the Aide Memoire, as well as some additional considerations and recommendations by the Mission.

Implementation progress

2. The Mission rates the implementation progress of this component satisfactory. The expression of interest for the market study was held successfully on 18 March 2014 and the candidates are invited to submit their proposals. The tender process is expected to conclude by June 2014 and the market study will be able to start soon after. The market study will obtain information on market demand, in terms of products, quality, variety, price, volume and seasonality, in order to be able to identify the gaps which the Project would attempt to address. The farmer input packages to replenish the stock in the requisite stores are ordered and the seeds for the trial packages are selected. The payment request for the input packages was sent by CLISSA to the Ministry of Finance, Trade and Investment (MFTI), payment has been made and CLISSA is awaiting the communication of the value date after which the packages will be shipped to the Seychelles.

Performance

3. **Agriculture and Livestock.** The Seychelles Agriculture Agency (SAA) is CLISSA's implementing agency in developing the Agriculture and Livestock value chain. To upgrade the current knowledge and farming techniques, the SAA staff will be trained in the following subjects: production, post-harvest, management and marketing. The limited extension service resources available and the existing implementing commitments with other international agencies might slow down the implementation of the component activities. Therefore, the mission agreed to explore possibilities of involving the Seychelles Agriculture and Horticulture Training Centre (SAHTC) in the training and mentoring of farmers in conjunction and coordination with SAA. With these potential extra resources from SAHTC it might be possible to start the farmer training already in the fourth quarter of 2014. At the Aide-Memoire wrap-up meeting the SAHTC indicated to be interested in participating in the programme. It was agreed to start the preparatory work for the SAA training in June and for the farmers in July 2014.

4. Training preparatory work involves but is not limited to: defining the various training audiences, selecting the training thematic for the various audiences, compile a training curriculum, determine and agree on the training partner and plan the training date and location. The training curriculum will be presented to the Technical Working Group (TWG) for comments and approval. After the preparatory work the training partner will compile and if necessary develop the training modules.

5. **Input packages:** There are input packages ordered to replenish the stock of the four government requisite stores. These packages consist of seeds, fertilizer and chemicals. And there are seed input packages ordered for the following selected seeds: cabbage, sweet corn, lettuce and cucumber. These seeds will be put on trial in the SAA Agricultural Research Station and possibly at demo plots at selected lead farmers. It is expected that the Market Study will suggest additional horticulture varieties which are in demand but not currently available in the Seychelles. These additional varieties will also be imported by CLISSA en put on trial by SAA.

6. The mission is pleased with the Online Distant Learning (ODL) initiative of the Ministry of Natural Resources (MNR), implemented in February 2014 in SAA. The ODL will use mobile phones and tablets for accessing information and communication with the SAA registered farmers in a more efficient and effective way. It is expected that ODL - when fully operational - will enable the extension officers' to interact with

farmers more frequently and more effectively. The extensionists are equipped with tablets and the first 20 farmers are included in a pilot. The ODL service is free for registered farmers who use Airtel. Airtel is the leading telecommunications services provider with over 55% market share of mobile market in Seychelles. With the limited extension resources currently available it is unlikely that the backyard gardeners receive direct services from the extension workers. The ODL is well positioned to address large groups and could well cater the information needs of the backyard farmers. The ODL can disseminate an awareness campaign on the importance of a backyard farming followed by targeted text messages in line with the agriculture production calendar. It discussed and agreed to explore the possibilities to register the backyard farmers, so that they can be catered fully through the ODL platform.

7. **Backyard gardening.** The definition of backyard gardeners or farmers is currently too wide and can create some confusion regarding the identification and targeting of CLISSA beneficiaries. The mission therefore agreed to adapt the backyard gardener definition to tailor it to CLISSA and present it to the TWG for approval.

8. **Artisanal Fisheries.** The Seychelles Fishing Authority (SFA) is the Project implementing agency for improving the Artisanal Fisheries value chain. The fishermen will receive training in: post-catch practices, sorting and conservation, and hygiene standards. This sub-component will target predominantly the day-trip fisherman. The mission agreed that CLISSA will start the preparatory work for the fishermen training in May for the training to start in the third quarter of 2014, earlier than planned in the AWPB. Furthermore, the Project will provide a small credit facility through DBS to finance improvements of boat and fishing equipment for these fishermen. This credit line can be used for items like: fishing nets, solar panels, fitting or modernisation of fishing boats, and communication and sonar equipment.

The total credit facility budget in CLISSA is USD 910,000. What part of this credit facility will be allocated to the Artisanal Fisheries credit facility is not yet decided. It was discussed and agreed that the PMU will divide the credit facility in consultation with the Rural Finance consultant in June 2014.

9. **Market linkages.** CLISSA will promote market linkages for small scale farmers and artisanal fishermen either directly or through their representative associations. The Mission was pleased that CLISSA approached potential partners such as the private sector entity Seychelles Trading Company(STC), hospitality industry representatives, Farmer Organisations(FA) and the Small Enterprise Promotion Agency(SEnPA) to explore and facilitate market linkages with the project beneficiaries. The mission discussed a number of potential activities as follows:

- STC is a trading company, with its core business being the imports, storage and distribution of essential and basic foods. It is governed by a Board of Directors, and is commercially autonomous in its operations, not dependent on the government budget. It is, however subject to Government of Seychelles (GoS), oversight, being a public commercial enterprise. Under the guidance of the GoS, STC holds stock for 14 key basic commodities and has to keep prices of these commodities to reasonable levels. As one of the few wholesalers and at the same time one of the major retailers on the islands, STC is about to open the first hypermarket which require supply of local goods in large quantity on regular basis. To enhance the linkage between CLISSA beneficiaries (as well as other farmers) and STC, CLISSA and STC should partner together to disseminate among the farmers market information such as quality, quantity and price of demanded local goods on regular basis.
- FA, Val d'Andorre. This FA is The Mission met with the Chairman of the Farmer Association established in 1999 and has currently 21 members, farming a variety of products like sweet potato, banana, lettuce, cabbage, tomatoes and herbs. The FA assembles twice a year and receives a SCR 50 membership fee per month. The farmers sell their produce either directly on the capital fresh market or to traders, the latter collect the produce at farm gate. Val d'Andorre receives support from UNDP and The GEF Small Grants Programme for conservation of neglected and rare local food crops. Part of this support is the establishment of a nursery which Val d'Andorre is operating for plant propagation. The FA is interested to establish regular supply relations with the retail or hospitality sector and the members of Val d'Andorre expressed their

interest to develop such kind of partnerships. The quality and packing requirements are a hindrance for success because the farmers lack the knowledge and resources to invest in post-harvest handling. The buying price of the Hospitality sector should be equal if not more than the farm gate price offered by the traders. CLISSA will continue to facilitate and mentor partnerships between the Project farmers and the hospitality sector.

- SEnPA: The Mission supports the idea of cooperating with SEnPA in, when ready, promoting CLISSA farmer products on selected relevant SEnPA trade fairs. SEnPA could also play a major role in providing trainings in subjects like: processing, packaging and marketing, to CLISSA beneficiaries and agribusiness SMEs. The idea of establishing an incubation centre at SEnPA is promising, but its business model seems to require further discussion with CLISSA and MNR to identify the funding modality and to ensure full access by CLISSA beneficiaries.

10. **Lead farmers.** The Mission conducted a short field trip to meet directly with farmers and CLISSA AE has a according to Seychelles standard a considerable beneficiaries. The farmer Alix Esparon large farm of more than 5 acres. AE supplies on a regular basis three, 5 star hotels in the proximity of his farm. There is no written supply contract and the farmer indicated that he prefers not to be bound by a contract. AE successfully complies with the quality requirements in the high end hospitality sector. AE sorts, grades, cleans and packs its produce and delivers it by a refrigerated truck as illustrated in table 1 below. AE is not the obvious CLISSA target farmer. But he can serve as lead farmer and he is open to the idea of hosting post-harvest quality workshops at his facilities for the CLISSA target group. Moreover, AE is looking for farmers who can supply to his processing facility, which in turn will enable him to supply more volume and more clients. In this out-grower model, AE can provide the CLISSA farmers a market linkage to the hotels AE supplies. The Mission was pleased to see that this opportunity received immediate follow-up from the PMU and Mr. Alix Esparon was also invited to the Aide Memoire Wrap-up.

Table 1:

Products cleaned, sorted and packed to the requirements of the hospitality sector	
	
	<p>The Hospitality sector has strict quality requirements for the products it purchases. For instance, fresh produce needs to be supplied in a refrigerated truck. This is probably the biggest capital investment necessary to access the hospitality sector. And at the same time one of the biggest constraints for the cash strapped CLISSA farmers willing to supply to the hotels. Supplying hotels through a lead farmer in possession of a truck could be a good alternative for the CLISSA farmers to access this market in the short term.</p>