

Seychelles

Competitive Local Innovations for Small-scale Agriculture Project Project Completion Report

Document Date: 02/07/2019
Project No. 1100001560
Report No. 5061-SC
Loan ID 2000000061

East and Southern Africa Division
Programme Management Department

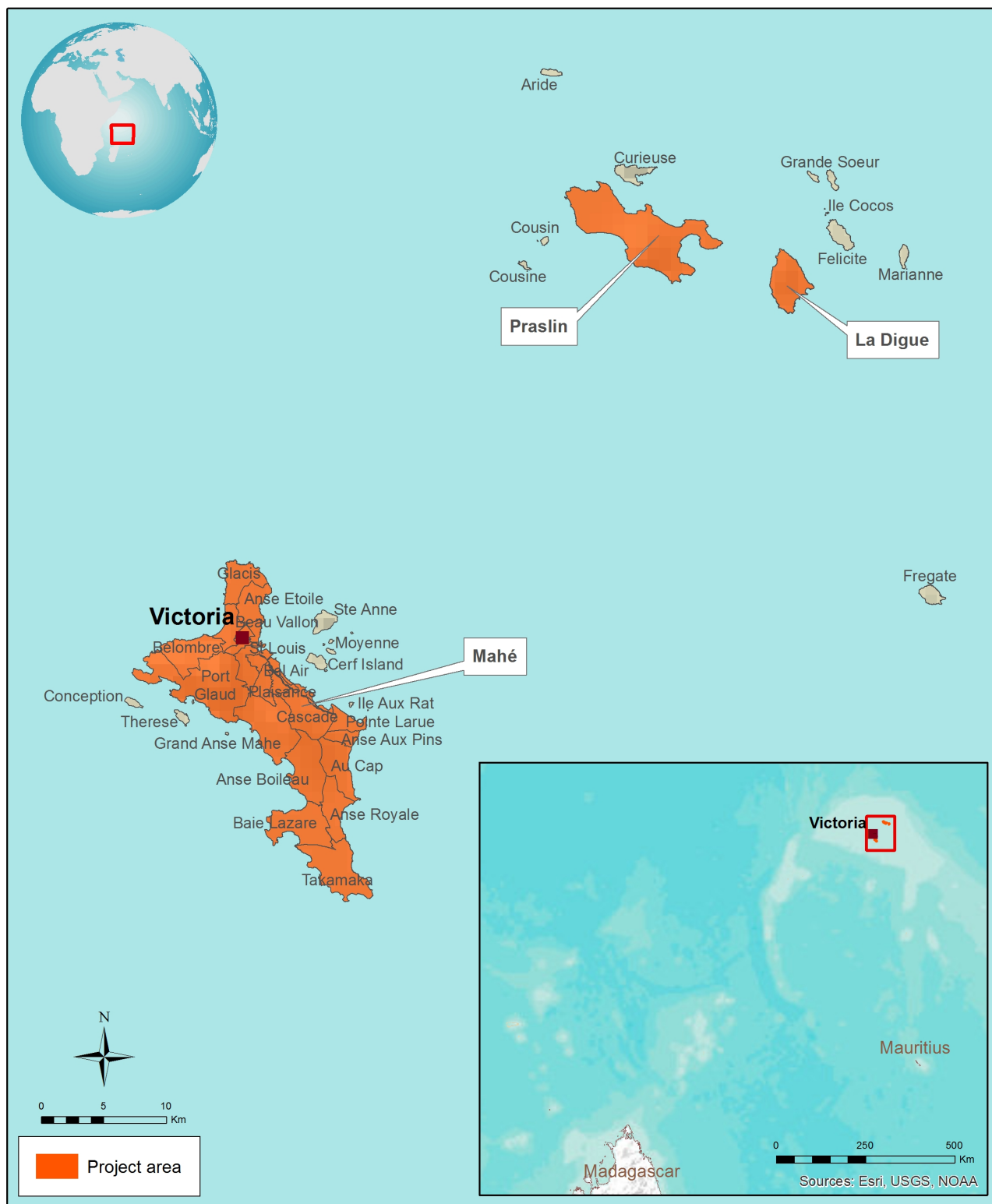
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Map of the project area

Seychelles

Competitive Local Innovations for Small-Scale Agriculture Project (CLISSA)

Completion report



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 04-02-2019

Currency Equivalents

Currency equivalents

Currency Unit	=	Seychelles Rupee (SCR)
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USD 1.00	=	SCR 12.86
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Weights and measures

1 kilogram	=	1000 g
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1 000 kg	=	2.204 lb.
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1 kilometre (km)	=	0.62 mile
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1 metre	=	1.09 yards
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1 square metre	=	10.76 square feet
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1 acre	=	0.405 hectare
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1 hectare	=	2.47 acres
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1 hectare	=	2.47 acres

Abbreviations and Acronyms

APA	Assistant Project Accountant
CLISSA	Competitive Local Innovations for Small-Scale Agriculture Project
CoPH	Census of Population and Housing
DA	Designated Account
EMPS	Environmental Management Plan of the Seychelles
FAM	Financial and Accounting Manual
FM	Financial Management
GoS	Government of Seychelles
ICB	International Competitive Bidding
IPSAS	International Public Sector Accounting Standards
LCB	Local Competitive Bidding
LCS	Living Conditions Survey
LDFA	La Digue Fishermen Association
LTB	Letter to the Borrower
M&E	Monitoring and Evaluation
M&E/KMO	Monitoring & Evaluation/Knowledge Management Officer
MFAg	Ministry of Fisheries and Agriculture
MoU	Memorandum of Understanding
PMU	Project Management Unit
PPO	Project Procurement Officer
NPSC	National Project Steering Committee
SAA	Seychelles Agricultural Agency
SAHTC	Seychelles Agricultural and Horticultural Training Centre
SFA	Seychelles Fishing Authority
SFBOA	Fishermen and Boat Owners' Association
SIAH	Seychelles Institute of Agriculture and Horticulture
SIDS	Small Island Developing States
SMA	Seychelles Maritime Academy
SoE	Statement of Expenditures
ToRs	Terms of Reference
TWG	Technical Working Group

Project at a glance

Region East and Southern Africa Division	Project at Risk Status Not at risk
Country Seychelles	Environmental and Social Category B
Project Name Competitive Local Innovations for Small-scale Agriculture Project	Climate Risk Classification not available yet
Project ID 1100001560	
Project Sector Agricultural Development	
CPM Ibrahima Bamba	
Project Area National in Scope	

Key Dates

IFAD Approval	Signing	Entry into Force	Mid-Term Review	Original Completion	Actual Completion
07/04/2013	22/05/2013	14/11/2013	29/02/2016	31/12/2018	31/12/2018
		Original Financial Closure	Actual Financial Closure		
		30/06/2019	not available yet		
Date of Last SIS Mission	Number of SIS Missions	Number of extensions	Effectiveness lag		
10/11/2018	11	0	7 months		

IFAD Financing

Loan	USD Million	3 Million	% disbursed	90.4
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Actual Costs and Financing (USD '000) as at the time of PCR submission

Component	IFAD	Cofinancing	Beneficiaries	GOVT	Total
	Actual	Actual	Actual	Actual	Actual
Enhancing business arrangements thrgh capacity dev	0	0	0	0	0
Improving access to agric. & rural finance	0	0	0	0	0
Project management	0	0	0	0	0
Strategic capacity strengthening & Infrastructure	0	0	0	0	0
Total	0	0	0	0	0
Remaks					

Outreach

Direct Beneficiaries	
Number of HH members	Number of persons receiving services
Estimated total: 6 027	Total: 1 629

	Males: 1 005
	Females: 624
Indirect Beneficiaries	
Total:	

Project Objectives

Acc to agr/techno & prod servc

The goal of the Project would be to contribute to equitable and sustainable pro-poor agricultural and rural economic growth and employment. Its development objective would be to promote modern and sustainable agricultural and fishery practices, and to increase and diversify market access for smallholder farmers and fishers. Project goal and outcomes would ' taken together ' contribute to provide the framework for a bold agricultural revival strategy of the Government of Seychelles, accompanied by tailored support to both fisheries and the rural micro enterprise sector.

Country Partners

Executing Institution	Ministry of Fisheries and Agriculture
Implementing Institutions	Ministry of Fisheries and Agriculture

Project Completion Ratings Matrix

COUNTRY: Seychelles	
PROJECT NAME: Competitive Local Innovations for Small-scale Agriculture Project	
PROJECT ID: 1100001560	
BOARD APPROVAL DATE: 07/04/2013	
ENTRY INTO FORCE: 14/11/2013	
PROJECT COMPLETION DATE: 31/12/2018	
LOAN CLOSING DATE: 30/06/2019	
IFAD LOAN AND GRANT (USD MILLION): \$2,999,574	
TOTAL PROJECT FINANCING: \$3,741,141	
IMPLEMENTING AGENCY: Ministry of Fisheries and Agriculture	
Criterion	PCR Rating
Project Performance	
- Relevance	3
- Effectiveness	4
- Efficiency	4
- Sustainability	4
Rural poverty impact	3
- Households' incomes and assets	4
- Human and social capital	4
- Food security	4
- Agricultural productivity	4
- Institutions and policies	4
Additional evaluation criteria	
- Gender equality and women's empowerment	3
- Innovation	5
- Scaling up	4
- Environment and natural resource management	4
- Adaptation to climate change	4
- Targeting and outreach	3
- Access to markets	5
Partners Performance	
- IFAD's performance	4
- Government performance	3
Overall project achievement	4

Executive Summary

Following the 2008 global food crisis and, as a response to improved terms of trade for agricultural products, declines in food self-sufficiency and increasing under/unemployment in some areas of the island economy, agriculture and livestock gained renewed importance in the economic development strategy of the Government of the Seychelles (GoS) in the early part of this decade. Therefore, GoS sought support from the International Fund for Agricultural Development (IFAD) to co-finance its efforts for the revitalization and modernization of the agriculture and artisanal fisheries sector. Within this context, the Competitive Local Innovations for Small-Scale Agriculture (CLISSA) Project was jointly designed by IFAD and GoS in 2012/2013. CLISSA sought to contribute to the revival of the agricultural sector, strengthening of small-scale artisanal fisheries and the promotion of micro-enterprise development. Accordingly, the Project goal was to '*Contribute to Sustainable Pro-poor Economic Growth and Employment and Resilience to External Shocks and Trends*'. The development objective was to '*Promote Sustainable and Environmentally-Friendly Agricultural and Fishery Practices, and to Increase and Diversify Market Access for Smallholder Farmers and Fishers*'.

The Project goal and development objective were to be achieved through the effective implementation of three technical components and a fourth one focusing on Project Management; these are summarised hereunder:

- Component 1: Enhancing Business Arrangements through Capacity Development of Smallholder Farmers, Rural micro-entrepreneurs and Fishers;
- Component 2: Improving Access to Agricultural and Rural Finance;
- Component 3: Strategic Capacity Building and Infrastructure; and
- Component 4: Project Management.

CLISSA was approved by the IFAD Executive Board in April 2013 and the Financing Agreement was signed on 22nd May 2013. However, the Project was launched in November 2013. A Mid-Term Review of the Project was undertaken during the period February-March 2016. The Project's completion and closure dates are 31st December 2018 and 30th June 2019, respectively.

This Project Completion Report presents findings, after a completion review process, on CLISSA's relevance, effectiveness, efficiency and sustainability of the Project's interventions and achievements. It also presents lessons learned from CLISSA interventions as well as the identified opportunities for scaling-up best practices.

The completion review has established that, on the one hand, CLISSA's design and implementation were relevant to GoS' strategies and policies and, to a certain extent, to the priorities and needs of the Project target groups. On the other hand, CLISSA design either did not, explicitly take into account certain aspects; these include: a) poverty targeting and key aspects such as the historically low investment by GoS in the country's agricultural sector; b) the fact that Seychelles has a narrow agricultural base; c) the expectation that backyard gardeners, who grow mainly foodstuffs on tiny plots around their homesteads, would also be market oriented; d) Component 2: Improving Access to Agricultural and Rural Finance, ended up being irrelevant because of the existence of cheaper options for the target group to access credit facilities; and e) unrealistic targets for both farming households and backyard gardeners.

CLISSA interventions were mostly effectively delivered and have contributed to improved livelihoods for the target beneficiaries. A selection of such interventions include clustering of farmers for market linkage, improved access to inputs for, both, smallholder farmers and artisanal fishers, provision of water for irrigation, renovation and/or construction of selected farm-to-market roads, promotion of peri-urban farming/backyard gardening, enhancement of capacity for selected MFAg institutions, etc. However, there were interventions, such as the capacity building of the artisanal fishers, that were not as effectively implemented. The Component improved access to credit facilities was cancelled and funds redeployed to the other 2 Components. The slow takeoff of the actual on-the-ground activity implementation also had a negative impact on CLISSA's effectiveness.

CLISSA management encountered constraints including a high staff turn-over rate. Also, the part-time nature of the Project Accountant was not helpful to the efficient management of the Project. However, the CLISSA management is commended for the efforts made to minimise the negative impact of an understaffed Project Management Unit (PMU). With regard to annual budget execution, the pre-MTR performance was generally poor; a reflection of a combination of PMU staff instability during the first couple of CLISSA implementation period and the long-time taken by the Project to establish the appropriate processes and procedures for effective implementation. Project resources from some of the sources anticipated at design did not materialize.

Much of the investments of CLISSA was devoted to infrastructure, particularly in the Component 3: Strategic Capacity Building and Infrastructure which accounted for 54% for the expenditures. Thus, the leading investment area of CLISSA were investments in public good managed by government agencies, such as Seychelles Agricultural Agency (SAA), Seychelles Maritime Agency (SMA), and Seychelles Institute of Agriculture and Horticulture (SIAH). Through these investments, CLISSA contributed to improve the institutional and technical capacity of these key instruments of the Seychelles agricultural development policy. Also, contrary to widely held view among Seychellois stakeholders, the proportion of international consultancies was about 6% of the total loan, with mostly international consultancy services mobilized when the expertise sought could not be found in Seychelles.

Without continued support and investments from other development projects and from the Government, sustainability prospects of CLISSA are rather mixed. While it is clear that chances of maintaining the stream of benefits emanating from some of the Project activities are high, for others, the likelihood of continuity is low. Interventions that will likely be sustained include: a) farmers that have been linked to organised markets (such as Hilton hotel, Seychelles Trading Company); b) Input requisite stores as long as the stores continue to be run on a commercial basis; and c) Backyard gardeners; these are driven by the stream of benefits that include increased availability of fresh and nutritious fruits and vegetables, savings and, in some cases, income from the sale of excess of production. However, sustainability prospects are not as promising for the following interventions: a) renovated/constructed roads; there was no sustainability plan in place by the time of CLISSA completion; b) Provision of water for irrigation as this service is

being subsidised by government; c) provision of ice to the artisanal fishers which is also heavily subsidised. A kilogramme of ice is sold at one-third of its true market value. Thus, prospects for sustaining the resultant benefits are contingent on government's subsidy.

Lastly, while the Project has succeeded in positioning backyard gardening as a key subsector in contributing to national food and nutrition security, from the institutional point of view, the subsector is nobody's responsibility. To that effect, MFAG is urged to consider the creation of a small unit to facilitate the subsector's continued contribution to national food and nutrition security and cater for its specific needs.

A. Introduction

1. **Introduction**^[1]
2. As a response to improved terms of trade for agricultural products, declines in food self-sufficiency and increasing under/unemployment in some areas of the island economy, agriculture and livestock gained renewed importance in the economic development strategy of the Government of Seychelles (GoS) in the early part of this decade. Therefore, GoS sought support from the International Fund for Agriculture Development (IFAD) to co-finance its efforts for the revitalization and modernization of the agriculture and artisanal fisheries sector. Within this context, the Competitive Local Innovations for Small-Scale Agriculture (CLISSA) Project was jointly designed by IFAD and GoS; it sought to contribute to the revival of the agricultural sector, strengthening of small-scale artisanal fisheries and the promotion of rural micro enterprise development.
3. Given the limited resources, the planned strategy for the Project to reach its target beneficiaries included: a) solving only those factors identified as limiting the beneficiaries' economic activity and hinder their capacity to effectively respond to the market; thus the Project did not attempt to improve the whole value chain; b) deliver quickly and efficiently; c) link sellers with buyers in a systematic way; and d) close monitoring to progressively establish whether the Project is on course to achieve set targets.
4. CLISSA was approved by the IFAD Executive Board on 7th April 2013 as an ordinary term loan to GoS. The Financing Agreement was signed on 22nd May 2013 and entered into force in November 2013; a Mid-Term Review of the Project was undertaken during the period 29th February – 1st March 2016 while the Project's last Supervision Mission was taken during the 28th October – 10th November 2018 period. The Project's completion date was 31st December 2018 and its closure is slated for 30th June 2019.
5. It is a statutory requirement that a Project Completion Review be undertaken after Project activity completion but before the Project closure period. The Project completion review is supposed to be undertaken by the Borrower/Recipient in close coordination with the International Fund for Agricultural Development (IFAD) at the end of the Project implementation cycle in order to report on the results achieved through Project interventions. The main objective of the completion review process is to promote accountability, reflect on performance and elicit lessons learned to inform future Project design, and to define an appropriate post-Project strategy. The learning dimension of the completion process should be regarded by both IFAD and the Borrower/Recipient as the foundation for improvements in future Project design and programming. The completion review process is also critical for identifying opportunities for scaling-up best practices.
6. Against the above background, GoS and IFAD worked together and coordinated the undertaking of the CLISSA completion review exercise. The Process necessitated the recruitment of the PCR team; recruitment was completed in January 2019 and the team travelled to the country to start the assignment on 27th January 2019. Prior to the 2019 review Mission, the CLISSA Project Management Unit (PMU) had commissioned the undertaking of an outcome survey in 2016 and an impact assessment in 2017; the resultant reports were completed and submitted in 2016 and 2018, respectively. In addition, IFAD supported the undertaking of a socio-economic survey using the Multidimensional Poverty Assessment Tool (MPAT). Although the original objective of the MPAT survey was to assess CLISSA's impact on the target beneficiaries, challenges experienced during the process of the survey made that objective untenable. Some of the challenges included: a) the enumerators did not receive adequate preparation and some never turned up to receive the planned training prior to the survey; b) failure by the MPAT survey team to access the exact sample, questions, and the raw data from the baseline survey; c) failure by the enumerators to follow established procedures; etc. Therefore, the PCR team agreed with the assessment of authors of the MPAT survey report that "the data was not reliable enough to provide an accurate representation of the impact of the Project".
7. As a way forward and after careful consideration, the PCR team decided that it would use the PMU commissioned impact assessment. It was also established that the PMU commissioned impact assessment report lacked certain crucial information on outcomes. Accordingly, the PCR team worked with the PMU to design the relevant survey questionnaires and to undertake a mini survey. The PCR process also involved the collection and analysis of primary data from availed records, progress and monitoring reports of implementing agencies, case studies, Mid-Term Review (MTR) report, etc. Secondary data was also collected through interviews of implementing agencies, beneficiaries, selected private sector participants, focus group discussions, and studying periodic reports of the relevant ministries and other relevant government institutions. Information from all these sources (primary and secondary) was used to provide indications on the extent to which CLISSA met its objective, including the impact on the beneficiaries.
8. Overall, the CLISSA PCR process involved the following:
 - Data Collection and Analysis – this involved the collection and analysis of primary and secondary data to assess relevancy, effectiveness, efficiency, scalability, and sustainability;

- Draft Report Production – a draft PCR report was produced by integrating the findings of the impact assessment and mini-survey with the overall analysis and evaluations of CLISSA's implementation performance. The process involved assessing implementation aspects, such as physical cumulative targets versus physical cumulative achievements, financial cumulative budgets versus financial cumulative expenditures and the extent to which the cumulative outputs and outcomes were realized. It also focused on how the Project was implemented throughout its life time;
 - Stakeholders' Workshop – a stakeholder's workshop was convened in Victoria so as to present the PCR team's preliminary findings to CLISSA's stakeholders; and
 - Final Report Production and Delivery – the stakeholders' workshop generated comments and suggestions; those that were agreed by both parties were incorporated in the PCR. The report was, accordingly, finalised and submitted to MoA.
9. The detailed Terms of Reference (ToRs) for the PCR team are presented in Appendix 1 while the list of all people met by the Mission, together with the Mission's activity schedule, are presented in Appendix 2. The stakeholders' workshop was convened on the morning of 8th February 2019 in Victoria while the final wrap-up meeting was held in the afternoon of the same day.

B. Project Description

B.1. Project context

10. The Republic of Seychelles is an archipelago of 115 islands (43 granitic and 72 coral islands) with a total land area of 455 km² over an exclusive economic zone (EEZ) covering 1.3 million km² in the Western Indian Ocean. At the time of CLISSA design, the country's population was estimated at about 91,000 people with multi-ethnic roots. It was categorized as a middle-income country, with a Gross Domestic Product (GDP) per capita of USD 9,028[2]. In 2010 UNDP[3] ranked Seychelles 52nd out of 187 countries on the basis of a Human development index (HDI) of 0.773; that high HDI was as a result of sustained economic growth and continued public investment in social welfare services since its independence in 1976. Economic growth was led by tourism and industrial fisheries. Meanwhile, the growth rate of agriculture was lagging behind. In 2010, the tourist sector contributed 28.2% to GDP and fisheries 8.4%[4], compared to only 1.9% for agriculture. Thus, at the time of CLISSA appraisal, Seychelles' main economic activities were tourism and industrial fishing, followed by small-scale manufacturing and, to a much lesser extent, by agriculture. At the time, the country imported most of its food and, on the average, a quarter of people's expenditure was on food items.
11. Although CLISSA was national in scope, its interventions were mainly designed for the three main islands of Mahé, Praslin and La Digue, where the large majority of the population is based. The Project targeted both the smallholder agriculture and artisanal fisheries subsectors. With regard to agriculture, most smallholder farmers had less than 1.5 hectares, situated in the hills and largely dependent on water harvesting combined with irrigation. In spite of attractive market prices and strong demand for fruit and vegetables in the domestic market, the subsector struggled to mainstream innovations, particularly good agricultural and water-management practices and technologies. This has been due, partly, to lack of adequate policy support and poor access to credit for investment; in turn, this has contributed to making farmers vulnerable to effects of climate change and liberalisation. In addition, the sector was also characterised by the absence of organised wholesalers. Most farmers sold directly to consumers, a few were able to sell to restaurants, and even fewer to hotels. Most smallholders were unable to respect standardized and expected delivery schedules, packaging, grading and maintenance of acceptable standards for food hygiene and safety, and overall quality that was required to supply the tourism sector and supermarkets, which, therefore, relied heavily on imports.
12. With regard to the fisheries sector, it comprised the industrial, semi-industrial and artisanal fisheries sub-sectors. The industrial and semi-industrial subsectors contributed to national wealth, both through payments by foreign vessels for access to Seychelles waters, exports of fresh, frozen and processed tuna and employment in the provision of services for the sector. On the other hand, the artisanal fisheries subsector focused primarily on production for domestic consumption and provided employment for about 3,000 households.

B.2. Project objectives

13. In response to GoS' desire to revitalise agriculture and artisanal fisheries, CLISSA sought out to: a) strengthen the capacity of the smallholder farmers and artisanal fishers to meet market standards (in terms of quality, quantity and timeliness), promoting/facilitating seller-buyers links and increasing the climate resilience content of promoted activities; b) improved access to financial services by the smallholder farmers, artisanal fishers and the small and medium-scale enterprises (SMEs); c) provision of institutional support to selected public and private sector institutions that have a key role in the development of the promoted agricultural and fishing activities, as well as trials to identify appropriate technologies; and d) investments in enabling infrastructure. Accordingly, the Project goal was to '*Contribute to Sustainable Pro-poor Economic Growth and Employment and Resilience to External Shocks and Trends*'. The development objective was to '*Promote Sustainable and Environmentally-Friendly Agricultural and Fishery Practices, and to Increase and Diversify Market Access for Smallholder Farmers and Fishers*'.
14. **Table 1: Summary of CLISSA Outcomes and Outputs**

Outcome 1: Smallholder farmers and artisanal fishers have capacity to identify and service market demand	Output 1.1: Capacity building and training of smallholder farmers and fishers undertaken
	Output 1.2: Agricultural/fishery Public-Private-Producer-Partnerships (PPPPs) promoted
Outcome 2: Smallholder farmers and artisanal fishers have improved access to equitable financial services	Output 2.1: Options for supporting credit schemes through private banks assessed
Outcome 3: Smallholder farmers and artisanal fishers have increased access to public services, technologies and collective infrastructure	Output 3.1: Capacity of public service institutions strengthened to support smallholder farmers and artisanal fishers
	Output 3.2: Smallholder farmers have access to improved communal infrastructure

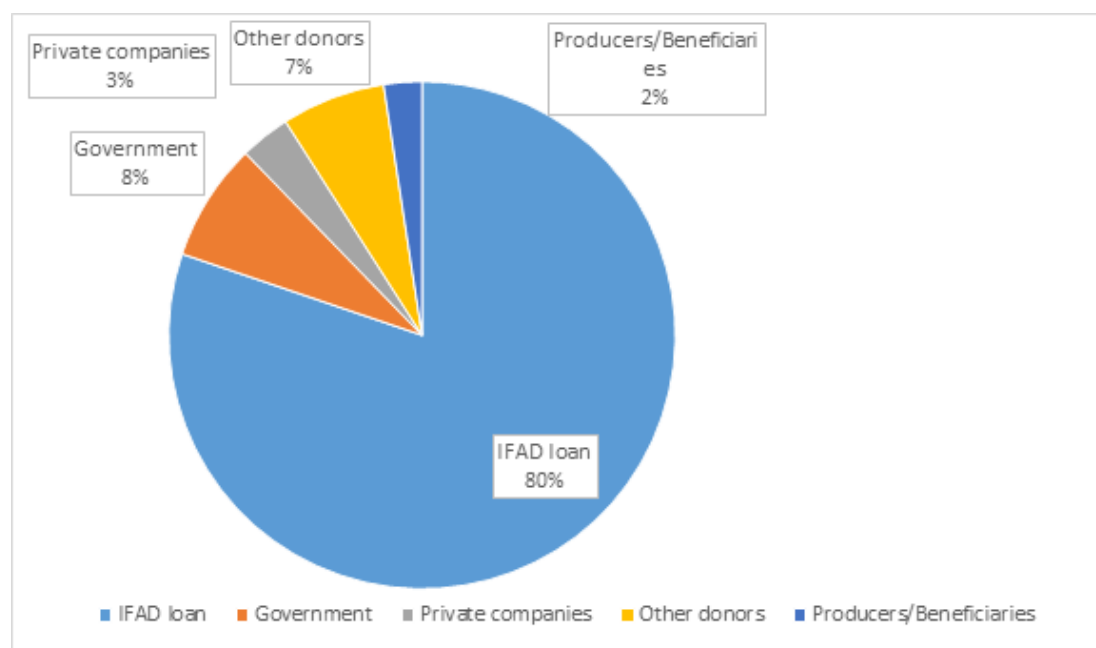
15. The Project goal and development objective were to be achieved through the effective implementation of three technical components and a fourth one focusing on Project Management; these are summarised hereunder.
16. *Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro-entrepreneurs and fishers* – This component sought to have business ventures between smallholder farmers and fishers and buyers established; this would strengthen the small-scale actors in agriculture, fishery and livestock in order for them to be able to better respond to the market. The component's objective was to be achieved through the effective implementation of the following subcomponents:
 - Subcomponent 1.1: PPP and technology development
 - Capacity building of smallholder farmers and fishers;
 - Identification of technologies packages and trials;
 - Special focus on environmentally sustainable and climate smart technologies.
 - Working on the "local agricultural supplies to tourism".
 - Subcomponent 1.2: Food security and productivity development
 - Improving food security by promoting home and community gardens;
 - Enhancing productivity at the household level through capacity development.
17. *Component 2: Improving Access to Agricultural and Rural Finance* – The objective of this component was to provide the financial services required for transforming the ailing agricultural sector and removing access constraints for smallholder farmers, producers, fishers and rural micro entrepreneurs to finance.
18. *Component 3: Strategic Capacity Building and Infrastructure* – The objective of this component was to provide the necessary and complementary public goods that would enable the implementation of component 1 and to prepare the exit strategy of the Project in terms of institutional continuity. Activities were planned under two subcomponents:
 - Subcomponent 3.1: Strategic capacity building – The aim of this subcomponent is to strengthen strategic capacity of selected public (and private) actors involved in the implementation of Component 1; and
 - Subcomponent 3.2: Public and collective infrastructure – The aim of this subcomponent is to finance enabling small-scale communal rural infrastructure, related to activities of Component 1. Seychelles, as a country, is well equipped, in terms of basic infrastructure, but for both small-scale agriculture and artisanal fisheries, there are some localised gaps that were to be identified in close collaboration between the stakeholders in the sector.
19. *Component 4: Project Management* – the focus of this component was to provide services required to effectively manage the Project. Such services included: a) ensure an effective strategic and operational planning, monitoring, evaluation and implementation of the Project and the associated knowledge management. This included preparation and coordination of the Annual Work Plans and Budgets (AWPBs); b) ensure an efficient coordination amongst the components of the Project and between implementation partners; c) ensure effective and efficient financial management and reporting; and d) procurement of goods and services and contract management.
20. *Design Changes* – There was one major change in the original CLISSA design during the course of implementation; details of the factors surrounding the change are presented under Subsection C.3 but the summary is presented here. Essentially, the change related to a discontinuation of component 2, as recommended by the MTR. The component sought to provide the financial services required for transforming the agricultural sector and removing access constraints for smallholder farmers and artisanal fishers. However, the MTR established that the interventions, as designed under component 2, would not be viable owing to the availability of cheaper and subsidized credit supported by the Government. Accordingly, a recommendation was made to drop component 2 during the post-MTR implementation period. Other changes related to the logical framework and

the number of beneficiaries.

B.3. Implementation modalities

21. *Project Costs and Financing Plan* – CLISSA was a five-year Project whose total costs, including physical and price contingencies, were estimated at about USD 3.7 million at design. This was to be financed by an IFAD loan of USD 3 million (representing about 80% of total Project costs); about USD 282,000 by GoS (in the form of taxes and duties foregone, salaries of the PMU staff, and accommodation and utilities for the PMU; USD 91,000 by the beneficiaries; USD 120,000 by the private sector; and USD 248,000 by other donors. However, during the course of Project implementation, beneficiary contribution was not well captured and no financing was realised from other partners as envisaged. Shortcomings in realisation of financing from beneficiaries and other partners did not have any adverse impact on implementation as IFAD and government financed activities 100% net of this contribution.

22. Chart 1: CLISSA Financing Plan (percentage of total costs at design)



23. *Implementation Strategy* – The Project was implemented through public and private sector channels. On the one hand, aspects related to the provision of extension services to the target smallholder farmers and artisanal fishers were, largely, channelled through the Seychelles Agricultural Agency (SAA) and Seychelles Fisheries Authority (SFA). On the other hand, and by design, CLISSA was oriented towards market-based activities that required participation of farmers and fishers with entrepreneurial ability to invest in small-scale agricultural and non-farm enterprises. The original approach of CLISSA was thus to strengthen the linkage between smallholders with marketable surplus and the market. This necessarily required the involvement of the private sector as part of the implementation mechanism. It was expected that, at the end of Project implementation, smallholder participants and the private sector would sustainably continue with their established relationships because of the mutual benefits. CLISSA aimed at solving only some of the main constraints that were identified as hindering the capacity to effectively respond to the market; these largely centred on the lack of capacity by the small-scale farmers to supply required quantities at a competitive price in a timely manner and with a quality that meets market standards. It also targeted improvement of selected public institutional capacity and development/renovation of key rural infrastructure. With regard to the provision of support to the target beneficiaries, the Project originally planned to use their organisations. However, it was soon recognised that the low capacity of, both, farmers' and fishers' organisations/associations would make it very difficult for the Project to channel support to the target beneficiaries through such local institutions.
24. *CLISSA Management* – With regard to CLISSA management and coordination, the Ministry of Fisheries and Agriculture (MFAG) was assigned the overall responsibility for the implementation of CLISSA. MFAG was to coordinate with the other relevant ministries and agencies to ensure effective Project implementation. A National Project Steering Committee (NPSC) was established and chaired by the MFAG. MFAG delegated its responsibility to a Project Management Unit (PMU) that was established under the ministry. The PMU was responsible for coordinating Project planning and and overseeing of implementation, financial management and control, procurement support, monitoring and evaluation, knowledge management, and progress reporting. Two Technical working groups (stakeholder groups and key institutions) of approximately 15 participants each were planned to be established, one for agriculture/livestock and one for fisheries. The function of the Technical working groups were to provide overall technical guidance to the Project.

B.4. Target groups

25. Just before CLISSA design in 2011, the National Bureau of Statistics, in collaboration with the Social Welfare Agency (ASP) and the United Nations Development Programme (UNDP), carried out the Living Conditions Survey (LCS) for the first time in Seychelles. The estimated poverty line was Seychelles Rupees (SCR) 13,554 (USD 1055) per adult-equivalent per year. The

poverty rate, at the time, was estimated at 17 percent of the population. Poverty was found higher in households led by unemployed heads or by females or household heads with little formal education. Other categories of households especially affected by poverty were large families and fisher families. The results of the LCS showed that although living conditions of Seychelles households were found to be generally acceptable, there was a hidden core of worrying poverty and destitution situations.

26. Based on the LCS findings, and according to the CLISSA appraisal report, the target group of the Project consisted of: a) approximately 768 farmers who were producing for the domestic market; b) approximately 1,330 households dependent on artisanal fishing and fish handling and processing; and c) some 7,500 additional households involved in some form of small-scale agricultural practices and backyard gardening. In the agriculture sector, the Project targeted smallholder producers, small-scale processors and marketers, and small and micro-entrepreneurs, in particular women and youth. The young people were particularly targeted through the promotion of profitable small-scale production technologies (horticulture, livestock), the creation of agricultural microenterprises and jobs in the promoted agricultural and fishing activities, and infrastructure improvements. Public and private sector institutions that provided services to the target group were also targeted for strengthening. In the fisheries sector, the Project targeted artisanal, small-scale fishers, who had been identified as among the poorest groups in the Seychellois society. Ensuring their livelihood and capacity to adapt to changes was considered as critical if they were to continue to contribute to the nation's food security.
27. *Gender Targeting* – The afore mentioned LCS, highlighted the relatively high levels of relative poverty among female-headed households. Accordingly, and in complying with IFAD's gender mainstreaming requirements GoS' Action for Social Development (2005-2015), special efforts were made to enable members of female-headed families to become engaged in Project-promoted activities. Strategies for pro-actively encouraging women farmers and entrepreneurs to access resources and invest in small-scale enterprises in the promoted agricultural and fishing activities will be actively explored and developed as part of project implementation. Specific approaches through which gender issues were to be addressed included: a) a focus on supporting rural women's access to, and participation in, professional organizations; b) adequate capacity-building in targeting of women and youth for the PMU, key service providers, and core stakeholders from the onset of the Programme; c) using gender-disaggregated output, outcome and impact indicators in the logical framework in order to monitor its outreach to women; d) encouraging and monitoring participation of women in training sessions, access to financial services and access to start-up and recovery kits; and e) ensuring adequate representation of women in the Technical Working Groups.
28. *Targeting Mechanism* – The Project set out use self-targeting and direct targeting and building the capacity of poor rural people. It also sought to support institutional strengthening of those institutions that were to provide services to the target group. Particular focus was to be placed on investments in activities that would enable disadvantaged groups (including women and youth) to improve their livelihoods and seize income-generating opportunities. Also, the focus on backyard gardening was looked at as a particular opportunity for CLISSA to support technical innovation and capacity-building among female-headed households and large households of more than 6 members, both of which were identified by the LCS as particularly vulnerable to poverty.

C. Assessment of project relevance

29. CLISSA's relevance is rated moderately satisfactory (4). The Project's relevance is evaluated with respect to: a) national strategies and policies for agriculture and rural development; b) the key challenges and opportunities for poverty reduction prevailing at the time of the CLISSA design; c) the priorities and needs of the project target groups at the time of the Project design and completion; and d) internal logic. While most aspects were considered relevant, there were some aspects of the design were judged to be inadequate and there were elements of the Project's Logical Framework that were found to be inappropriate.

C.1. Relevance vis-à-vis the external context

30. The Project completion review analysis has established that the CLISSA objective and most of the activities were in line with the national policy framework, the relevant IFAD strategies and priorities and needs of the target groups.
31. *Relevance with GoS Policy Framework* – GoS sought to promote the development of farming, fishing, and small-scale manufacturing in order to achieve a higher degree of food and nutrition security and to reduce its dependence on tourism and food imports. This was as a response to improved terms of trade for agricultural products, declines in food self-sufficiency and increasing under/unemployment in some areas of the island economy; all these led to renewed importance of agriculture and livestock in the economic development strategy of the GoS in the early part of this decade. The high dependence of Seychellois economy on three industries (tourism, financial services and fish exports) is one of the main causes of its vulnerability to external shocks and, therefore, the desire to improve its food self-sufficiency. In fact, the design of CLISSA was based on preliminary proposals formulated by the GoS and aligned with the national policy framework. For example, CLISSA was aligned with the Seychelles Medium Term National Development Strategy (MTNDS) 2013-2017, the National Food Security Strategy 2008-2011 (which was the successor to the Agricultural Development Strategy 2007-2011), the National Food and Nutrition Security Policy (NFNSP) 2013. The NFNSP is a national flagship policy that was developed to mitigate the risk of excessive reliance on food imports, and improving the resilience of Seychelles to food supply and price shocks; it is meant to strengthen the country's capacity and ability to deliver on its food and nutrition security objectives. This, in fact, is similar to the CLISSA goal.
32. The Project was quite relevant to the Seychelles National Agricultural Investment Programme (SNAIP). The vision for the

country's agriculture, as articulated in the SNAIP, is: "local agricultural sector as an integral and sound basis for Seychelles' national ability and resilience to provide for the food security, nutrition and food sovereignty goals at all times for all Seychellois" and "transform local agricultural production and agro-processing systems and capacity to secure minimum local capacity to support the country's food basket". These are all consistent with the CLISSA goal, development objective and activities.

33. CLISSA objective and activities were also very relevant to the Seychelles Sustainable Development Strategy (2011-2020). The strategy emphasizes the need to address issues related to the liberalisation process (the sub-optimal supply of agricultural inputs and supplies through inadequate infrastructure, cost of credit), the unprecedented loss of agricultural land to other sectors of the economy, such as tourism and social housing, and the effects of climate change through extreme weather events, particularly since 1997. Activities, such as the "...special focus on environmentally sustainable and climate smart technologies..."; "...establishment of enabling small-scale communal rural infrastructure...", etc. were all relevant to the strategy. The Project sought to improve the resilience and adaptability of farmers and fishers to external shocks and potentially negative trends, including overexploitation of natural resources, loss and degradation of agricultural land to other sectors, fast liberalisation, enhanced international competition and imports taking place under increasingly uncertain conditions including, at the time, piracy affecting the shipping industry and fisheries.
34. In the Seychelles, continued development has meant that land becomes scarcer and more valuable. As a result, agriculture is pushed to more marginal upland areas. While pursuing the goal of increasing domestic agricultural production, CLISSA emphasised that opening up of new lands be guided properly in terms of evaluating the environment impact, the feasibility of providing public services (roads, water) and the suitability of the land for different agricultural enterprises. This is an aspect that is critically important to GoS' policy framework with regard to future interventions in the agricultural sector. It calls upon the appropriate government procedures to be followed so that environmental degradation and pollution related to the opening up of new land and intensification of agriculture are well addressed
35. At the time of CLISSA design, as is currently the situation, the context of the Seychelles economy was characterized by high dependence on the tourism sector, high vulnerability to external shocks, climate change and natural calamities and declined food self-sufficiency. Hence, improving food security and lessening the dependency on unreliable food imports was, and still is, a priority for GoS through the promotion of its domestic agricultural sector.
36. Throughout its five-year implementation period, CLISSA has remained relevant to the aims and aspirations of the Government and the target beneficiaries. According to the 2015-2020 SNAIP, "Seychelles' vulnerability is further exacerbated by the diminishing local production of fruits and vegetables which have negatively impacted on the nutrition status of the country's population given the over-processed nature of imported food".
37. *Relevance to IFAD Policies* – The CLISSA objective and activities were mostly in line with the IFAD Strategic Framework. The project was designed to facilitate building of marketing links and supplier contracts between island communities and the private sector as well as high end resorts in the Seychelles. This was to be done in manner that promotes consistent supplies of good quality produce in an environment that is adaptable to climate change. That was consistent with the principles behind the Strategic Framework which promotes: a) enabling, inclusive and sustainable rural transformation through increase of poor rural people's productive capacities; b) increasing poor rural people's benefits from market participation; and c) strengthening the environmental sustainability and climate resilience of poor rural people's economic activities. In addition, CLISSA was relevant to, and complied with, the IFAD policies pertaining to targeting, gender, private sector partnerships, enterprise development, and climate change.
38. *Priorities and Needs of CLISSA Target Groups* – CLISSA was relevant in terms of addressing the needs of market-oriented smallholders and artisanal fishers. The focus of CLISSA was on promoting entrepreneurship and smallholder agriculture/artisanal fisheries development; this aimed at assisting households traditionally engaged in smallholder agriculture and artisanal fisheries to engage in more sustainable livelihoods. That would, in principle, empower the smallholder farmers and artisanal fishers by strengthening their production links with markets and entrepreneurs as well as enhancing their resilience.
39. *Changes in the External Environment* – With regard to the external environment influencing Project implementation, the exchange rate variation between the US dollar and the Special Drawing Rights (SDR) had a negative impact on CLISSA implementation. Cumulatively, the strengthening of the US dollar against the SDR led to the loss of about USD193,000 (equivalent to about 6% of the total loan of USD 3 million); this meant that the Project had less resources to support activity implementation.

C.2. Internal Logic

40. Although the CLISSA PDR did not include a schematic portray of the Project's Theory of Change, the design was based on an internal logic that largely reflected a clear identification of the underlying issues. Essentially, CLISSA design defined the 'Problem Statement' as:
41. "...The agricultural, livestock and fisheries economy of Seychelles is characterized by the coexistence of large, medium, small and micro entrepreneurs and agro-industries. The demand side consists of a small local retail trade selling horticulture products and fruits and a few larger buyers (small supermarkets, restaurants and hotels). A few of these larger buyers operate through produce buyers that purchase at the farm gate. Direct marketing between producers and ultimate consumers is common. Generally, demand is atomised, small scale and presently used to purchase primarily imported goods. Where stable market linkages cannot be established between most farms on the one side and buyers on the other, this is due to lacking capacity to supply required quantities at a competitive price in a timely manner and with a quality that meets market standards. This leads to a mismatch between domestic supply and demand and often to food being imported, even if domestically produced alternatives would be available. The small size and number of actors in the agricultural sector in the Seychelles calls for an

approach centred on a flexible mechanism allowing small farmers and fishers to (i) primarily respond to the domestic market but not excluding the possibility of developing options for export-led niche markets; and (ii) facilitating links between buyer and seller. This will reduce the mismatch between domestic supply and demand. An additional positive dimension of rural development is represented by the reduced degradation that is associated with keeping small farmers in the rural areas which in turn generates positive social and environmental impacts...".

42. Accordingly, the CLISSA implicit Theory Change centred on contributing to the revitalization of domestic production capacities. It was based on improving the productivity and management practices of smallholder farmers, backyard gardeners and artisanal fishers in tandem with support to access markets and access to knowledge about nutrition. By lowering production risks and increasing yield, smallholder farmers would sustainably generate marketable surpluses, backyard gardeners would produce more diversified fruits and vegetable crops and the nutrition awareness activities will induce greater consumption of fruits, vegetables and fishery products. In the artisanal fisheries sector, the focus was on promoting collective actions for efficient and effective management of fisheries resources, including capacity development of pro-fishermen organizations.
43. However, there were certain areas in which the CLISSA design did not, explicitly, take into account some aspects which are highlighted hereunder:
 1. according to the design document, CLISSA did not have a poverty focus, *per se*, but adopted a self-targeting approach, with most interventions addressed to the whole farming and fishing community rather than targeting the poor. In the absence of an explicit targeting of poverty and with the focus on commercial-oriented farmers, the Project limited the likelihood of integrating of poor small-scale farmers and fishers into CLISSA activities;
 2. failure to undertake a proper and participatory needs assessment, during the design, with regard to capacity needs of the artisanal fish folks; this contributed to the resultant low uptake of training services by this target group during implementation;
 3. the historically low investment by GoS in the country's agricultural sector – agriculture was ranked low as a government priority during much of the 1990s and 2000s and, as such, the sector received limited investment. Consequently, agriculture performance experienced substantial decline during that period and this contributed to increased levels of food security vulnerability. From that perspective, some of CLISSA's original targets were unrealistic given that the sector was starting from a low base;
 4. the fact that Seychelles has a narrow agricultural base with a total arable land estimated at 500 hectares of which about only 50% is exploited for agriculture;
 5. the expectation that backyard gardeners, who grow mainly foodstuffs on tiny plots around their homesteads, would also be market oriented;
 6. Component 2: Improving Access to Agricultural and Rural Finance, ended up being irrelevant because of the existence of cheaper options for the target group to access credit facilities; and
 7. unrealistic targets for both farming households and backyard gardeners.
44. Partly, as a consequence of some of the above-referenced aspects, CLISSA's Logical Framework was revised three times during the course of implementation: a) during the MTR; b) during the retrofitting exercise based on the new IFAD ORMS guidelines; and c) during the Project's last Supervision Mission. The revisions were partly as a result of observations that some indicators were not relevant to CLISSA while, for others, the targets were established to be unrealistic.
45. The other limitation is related to the fact that, by design, CLISSA did not have a poverty focus, *per se*, but adopted a self-targeting approach, with most interventions addressed to the whole farming and fishing community rather than targeting specifically the poor. Yet, the LCS had estimated the poverty rate, at the time, to be 17 percent of the population. During the course of CLISSA implementation, a nationally representative survey carried out in 2013, established the poverty rate to be much higher at about 40% of Seychellois.

C.3. Adequacy of design changes

46. There were two key changes that took place during the course of CLISSA implementation; they were both as a result of the Project's MTR recommendations. These are highlighted hereunder:
 1. *Dropping of Component 2: Improving Access to Agricultural and Rural Finance* – This component sought to remove access constraints for smallholder farmers, artisanal fishers and rural micro-entrepreneurs to finance by providing the financial services required for transforming the ailing agricultural sector. As one of the component's activities, a study for the reshaping of the component as undertaken. The conclusion out of the study was that the CLISSA line of credit, provided for under the component, was not viable in the context of availability of cheaper and subsidized credit options supported by the government. Accordingly, the MTR recommended the discontinuation of Component 2. As part of the recommendation to drop Component 2, the MTR identified a number of non-lending rural finance activities that would reinforce capacity building support related to access to finance both on the supply side, for the financial institutions, and on the demand side, for the target groups. For the financial institutions, the capacity building included, among other topics, the support to design adapted cash-flow-based financial products, including a value chain financing approach involving contractual linkages between farmers and off takers. On the demand side, support focused on financial education of smallholder farmers and artisanal fishers, as part of capacity building in business management. The objective, in this case, was for the target beneficiaries to better understand the financial services on offer and an improved capacity to make the right choice of financial services to secure and improve their businesses, including not only loans but also savings. These capacity building activities were recommended to be implemented as part of Component 1; and
 2. *Revision of the Logical Framework* – As already pointed out in this report, the CLISSA's Logical Framework was revised three times during the course of implementation. In addition to removing and adding different outcome and output indicators, two new additions were introduced. First of all, an outreach indicator was added and, secondly, the need to set intermediate targets to help track progress.

47. The MTR recommendation to drop Component 2, because its relevancy had been overtaken by events, was right and the associated non-lending rural finance capacity building activities were also judged to be appropriate. With regard to revisions of the Logical Framework, the reductions in some of the key original indicator targets did not go far enough to reflect what would be considered a representative situation.

D. Assessment of project effectiveness

48. The rating for CLISSA's overall effectiveness is put as moderately satisfactory (4). Discussions with different CLISSA stakeholders reveal that one of its biggest achievements is not measurable; the Project is being referred to as having had a transformational effect onto the country's agricultural sector. This is not necessarily from the point of view of implementation of a given Project activity but from the perspective of having highlighted very critical and relevant agricultural sector issues that have caught the attention of most of the sector stakeholders.

D.1. Physical targets and output delivery

49. The analysis herein is presented in a sequence that is similar to the Logical Framework format that resulted from the CLISSA's last Supervision Mission revisions; an updated version of the Logical Framework is presented in Appendix 4.
50. *Component 1: Enhancing business arrangements through capacity development of small farmers, rural micro-entrepreneurs and fishers* – The objective of this component was to facilitate the establishment of business ventures between smallholder farmers and fishers and buyers. The component's planned and implemented activities were through two subcomponents; the component's performance was being tracked using three indicators:
- Persons trained in production practices and/or technologies – a total of 915 people were trained (of which 478 were females) in crop-related production practices and/or technologies, representing 28% of the target. For fisheries, the number of people trained was 194 (11 females), representing 36% of the target. The training proved to be useful to the stakeholders and has partly contributed to the reported productivity improvement;
 - Number of persons trained in income-generating activities or business management – a total of 181 (64 females) were trained; representing a 69% achievement rate; and
 - Number of PPPs brokered – the Project brokered 7 PPPs (70% of the target).
51. A summary of Component One's performance with regard to target outputs is presented in the chart below.
52. **Chart 2: Component One's Output Targets and Achievements**

LOGFRAME REPORTING

Out reach completion
1764 Households
45%

Female Out reach
33% vs 50%
66%

Goal 1 / Income
57% increased
143% 40% target

Goal 2 / Assets
51% vehicle ownership
91% 56% target

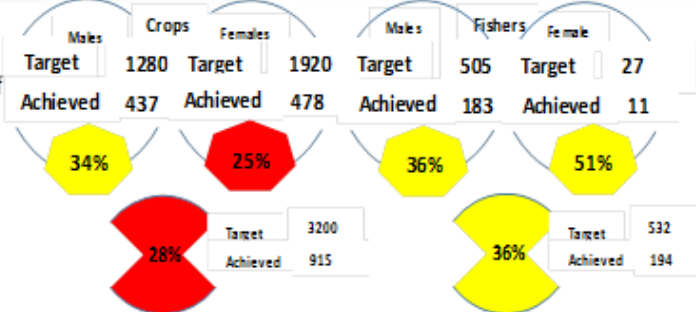
Goal 3 /
-% not reported
- 6.3% target



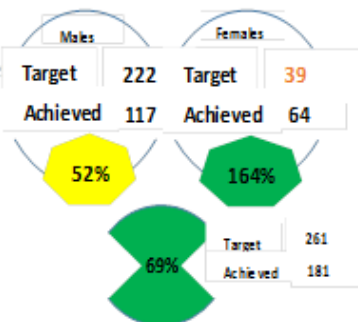
Component 1 Outputs

1.1 Capacity building and training of smallholder farmers and fishers

Output 1

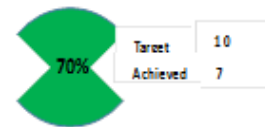


2.1.2 Number of persons trained in income-generating activities or business management



Output 2

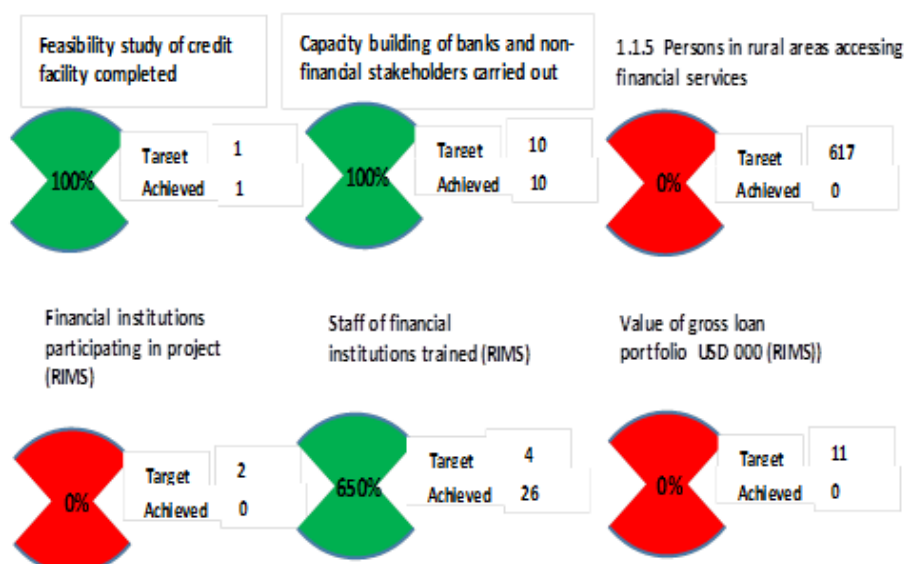
1.2 Number of PPPs brokered



53. There were other Component 1 activities, though not specifically tracked by Logical Framework outputs, which greatly contributed to CLISSA's achievements. Prior to capacity building of smallholder farmers and artisanal fishers, there was a needs assessment of smallholder farmers and artisanal fishers to determine their capacity (or lack thereof) to meet market needs; the findings were used to define specific capacity building interventions to address the identified gaps. Under the same component, a market study for agricultural products was undertaken in 2014. The study findings proved to be a very important piece of information for a number of stakeholders in the country's economy, including the Seychelles' Vision for Tourism.
54. *Component 2: Improving Access to Agricultural and Rural Finance* – The objective of this component was to provide the financial services required for transforming the ailing agricultural sector and removing access constraints for smallholder farmers, producers, fishers and rural micro entrepreneurs to finance. Although the component was not implemented post-MTR, some activities had been implemented before the MTR. The target outputs and the associated achievements, where applicable, are presented hereunder:
- Feasibility study of credit facility completed – as per the plan, one study (100% of the target) was undertaken and the report submitted;
 - Persons in rural areas accessing financial services – not achieved;
 - Financial institutions participating in project – not achieved;
 - Staff of financial institutions trained – a total of 26 staff were trained (compared to a target of 4); and
 - Value of gross loan portfolio – not achieved.
55. A summary of Component Two's performance with regard to target outputs is presented in the chart below.
56. **Chart 3: Component Two's Output Targets and Achievements**

1.1 Options for supporting credit schemes through private banks assessed

Component 2- Outputs



57. **Component 3: Strategic Capacity Building and Infrastructure**– The objective of this component was to provide the necessary and complementary public goods that would enable the implementation of component 1 and to prepare the exit strategy of the Project in terms of institutional continuity. Outputs and their achievements are summarised as follows:

- Public service institutions strengthened – a total of 8 public institutions (out of the 12 targeted) were variously strengthened. These institutions had their capacities augmented in different areas, including strengthening of their research capacities, where applicable. A selected number of their staff were trained; they received facilities/equipment based on their identified needs. As a result, the institutions are able to provide improved services to the smallholder farmers, artisanal fishers, and/or training of different students;
- Staff of service providers trained – a total of 127 staff (212% of the target) were trained. Human and institutional capacity development are very relevant in the Seychellois context and, therefore, this capacity contributed to improved provision of services to the different target groups;
- Other productive infrastructure constructed/rehabilitated – a total 17 (out of the 19 targeted) productive infrastructure were either constructed or rehabilitated. These included water dams/reservoirs, irrigation facilities, etc. The process also involved installation of water piping systems and putting in place an operation and maintenance system that would ensure sustainability of the facilities. The beneficiary farmers report of both increased yields and expanded farm land as a result of improved access to irrigation water. In addition, the farmers are able to produce all year round;
- Roads constructed, rehabilitated or upgraded – CLISSA has renovated and/or constructed a total of 1.9 KMs of selected roads (compared to a target of 2 KM). The roads are helping the target beneficiaries to take their produce to the different markets. The roads have made it easier and safer for the farmers; they have also reduced losses to their produce as a result of improved road access. The same access has made it easier and cheaper for the farmers to transport farm inputs from the markets;
- Market, processing or storage facilities constructed or rehabilitated – a total of 6 facilities (100% of the target) were constructed or rehabilitated. Most of these are were actually input stores and the Project also facilitated restocking of selected inputs. This has helped to get the basic inputs closer to the smallholder farmers and artisanal fishers;
- Farmland under water-related infrastructure constructed/rehabilitated – a total of 212 ha (81% of the target) are being serviced by the water-related infrastructure constructed/rehabilitated. Much of that land is under production all year round.

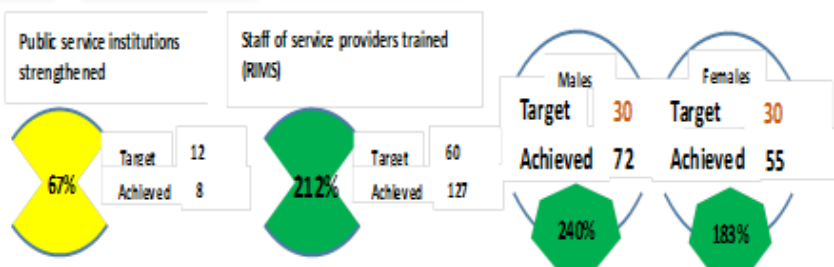
58. A summary of Component Three's performance with regard to target outputs is presented in the chart below.

59. **Chart 4: Component Three's Output Targets and Achievements**

Component 3- Outputs

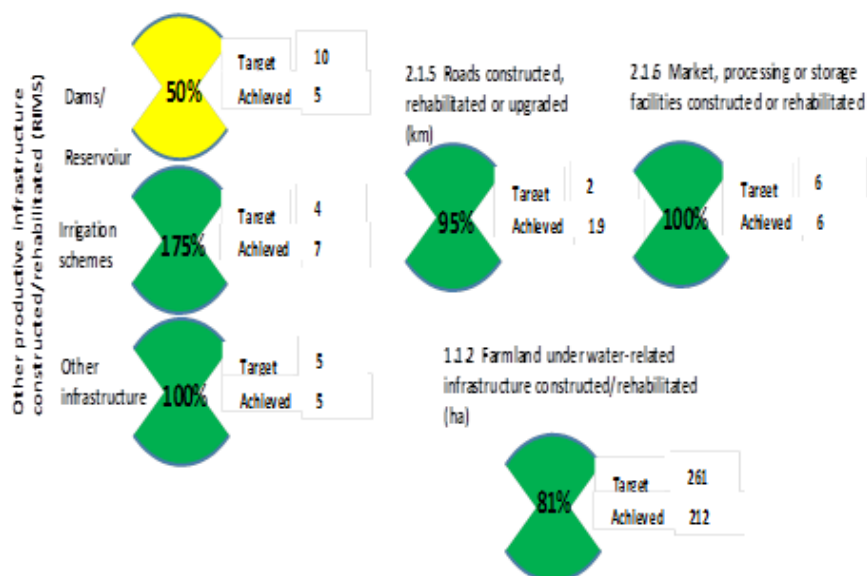
Output 1

3.1. Capacity of public service institutions strengthened to support smallholder farmers and fishers



Output 2

3.2 Smallholder farmers have access to improved communal infrastructure

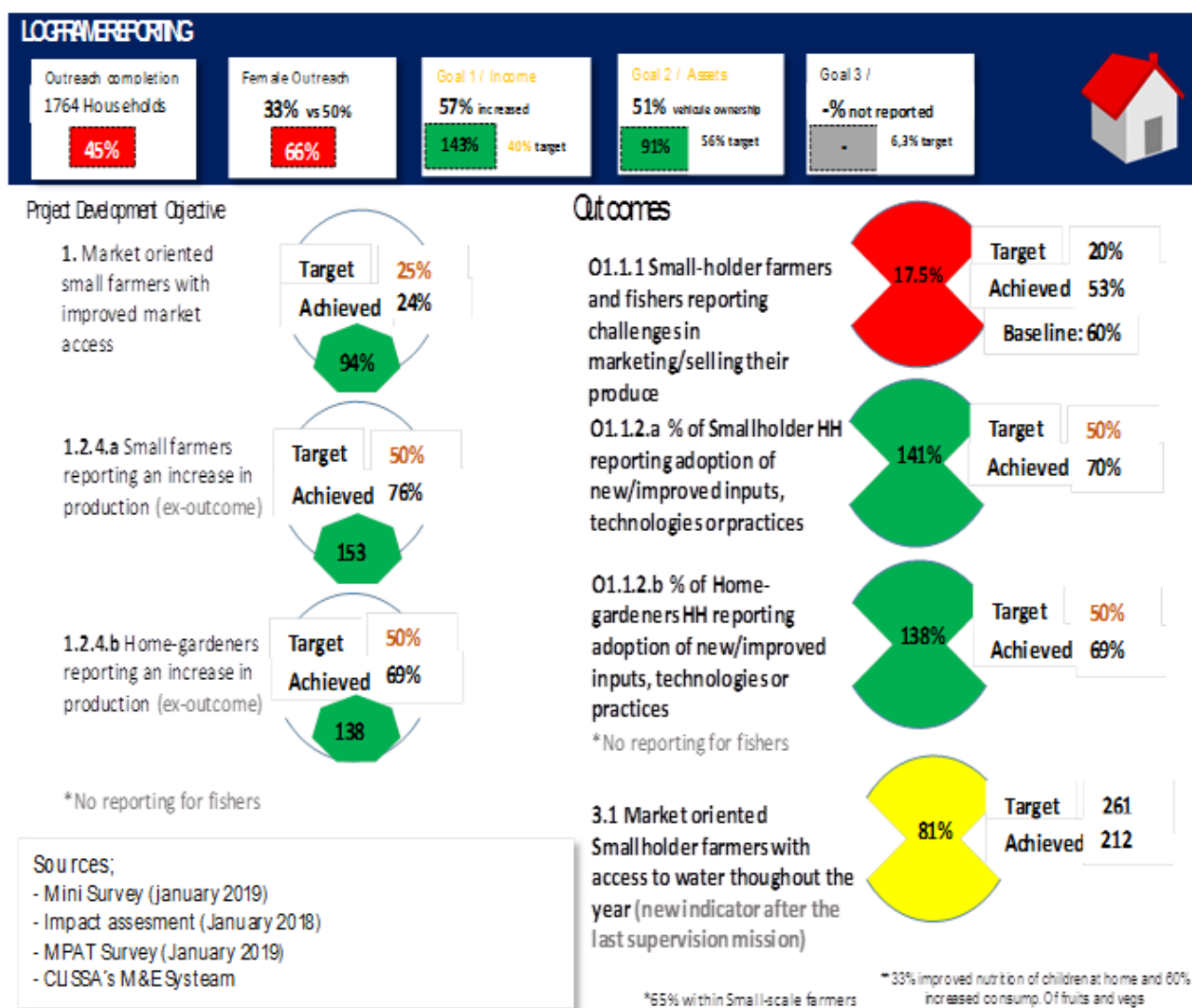


D.2. Rural Poverty impact

60. Some of the CLISSA interventions were effectively delivered and contributed to improved livelihoods for the target beneficiaries. A selection of such activities include clustering of farmers for market linkage, improved access to inputs for, both, smallholder farmers and artisanal fishers, provision of water for irrigation, renovation and/or construction of selected farm-to-market roads, promotion of peri-urban farming/backyard gardening, enhancement of capacity for selected MFAg institutions, etc.
61. The Project goal had three indicators; one of them (reduction in incidence of child malnutrition) was less amenable to measurement by the Project than the other two (percentage increase in average monthly incomes and increase in household asset ownership). According to an outcome survey carried out in 2019, on the average: a) about 57% of the target beneficiaries (compared to a target of 40%) reported an increase in income (65% for smallholder farming households and 46% for the backyard gardening households). It is highlighted that the use of percentage increase in monthly income as one of the goal indicators could have masked CLISSA's performance. This is attributed to the fact that for backyard gardeners, one of the Project's key target groups, their primary focus is not income generation; access to better quality fruits and vegetables (nutrition) for own consumption was the leading reason for undertaking backyard gardening. For the indicator on percentage increase in household asset ownership, 51% of the target beneficiaries (compared to a target of 56%) reported an increase in family assets.
62. With regard to indicators associated with the Project Development Objective (PDO), about 76% smallholder households reported an increase in production (compared to a target of 50%) and 69% (compared to a target of 50%) reported an increase in production for the backyard gardening households). For the smallholder farmers, it was established that an increase in production was largely due to more land being brought into agriculture as compared to increased productivity. This was partly due to increased availability of water for agricultural production.
63. CLISSA had three target outcomes with several indicators being used to track their achievements. Considerable achievement was made with some outcomes. For Outcome 1 (Smallholder farmers and fishers have capacity to identify and service market demand), there were two indicators and they all exceeded their respective targets. The indicator that targeted a reduction in the percentage of 'Smallholder farmers and fishers reporting challenges in marketing/selling their produce' from 60% to 20%

registered a percentage 17.5%. In addition to the formal market linkages through which smallholder farmers were connected to established high end markets, a number of roadside/temporally marketing stalls have increased as is the average daily throughput. This is an indication of both increased production and uptake of domestically produced fruits and vegetables.

64. The second indicator sought to track the '*Percentage of persons/households reporting adoption of new/improved inputs, technologies or practices*' and the target was 50% each for the smallholder farming households and backyard gardeners. The achievement was 70% and 69% for the smallholder farming households and backyard gardeners, respectively. This was as a result of the capacity building (skills, equipment and facilities) that the Project provided to the relevant public institutions and selected service providers; those institutions and service providers were facilitated to more effectively disseminate information on new/improved inputs, technologies or practices to that target beneficiaries. The resultant adoption rates exceeded the targets; this was partly responsible for the increased production.
65. It should be noted that interventions in the artisanal fisheries subsector were not effectively delivered. This is largely attributed to the challenges that the Project encountered in convincing the artisanal fisher-folks to participate in the planned capacity building activities.
66. Outcome 2 (Smallholder farmers and fishers have improved access to equitable financial services) could not be achieved due to the discontinued implementation of Component 2, as per the recommendation of the MTR.
67. Outcome 3 sought to capture the effectiveness of the provision of the necessary and complementary public goods. The representative indicator selected to capture performance was '*Market oriented smallholder farmers with access to water throughout the year*' and the target was 261 farming households. By the end of the Project, a total of 212 farming households (81% of the target) were enabled to access water for agricultural production throughout the year. This has largely contributed to bringing additional land into agricultural production.
68. It should, however, be noted that the CLISSA outcomes/impact would have been even greater than reported herein but for the slow unfolding of its activity implementation. A combination of factors were responsible for the overall sluggish implementation pace. Some of such factors include: a) lack of a clear approach to use to implement some of the key Project activities. CLISSA had to try, unsuccessfully, several approaches to link farmers to markets. This was a time consuming exercise that but it finally yielded desired outcomes; b) low capacity of, both, farmers' and fishers' organisations/associations and this made it difficult for the Project to channel support to the target beneficiaries through such institutions; c) a limited capacity for the Seychelles Agricultural Agency (SAA) and Seychelles Fisheries Authority (SFA);, and d) high PMU staff turnover rate that made it difficult for the consistent management and coordination of CLISSA activities over the years. it should be noted that both SAA and SFA were involved from the beginning of the project. However, they seemed to see the project, at least in the initial phases, as additional work.
69. A summary of CLISSA's performance with regard to target outcomes is presented in the chart below.
70. **Chart 5: CLISSA's Outcome Targets and Achievements**



i) Household income and assets

71. Although home-gardening activities were not meant to result into an increase in monetary incomes, positive flow economic and financial incremental benefits have been reported in the Economic and Financial Analysis family farm models for the main project's interventions (see Appendix 4). Besides, the increase in household incomes was confirmed with an outcome survey carried out in the PCR mission in January 2019. On the average, 57% of the target beneficiaries reported an increase in incomes (65% for smallholder farming households and 46% for the backyard gardening households). Concerning family assets, vehicle ownership was considered as a proxy that could be taken from official statistics (after and before CLISSA's intervention). According to this, 51% of the surveyed population reported vehicle ownership (compared to a target of 56%).

ii) Human and social capital

72. Although producers' organisations were weak, the clustering model have permitted to develop effective collective action. In addition, the various training and learning opportunities provided by CLISSA to beneficiaries (small-scale farmers, fishers and backyard gardeners) have permitted to build human capital. It is noted that human and social capital were further enhanced by the project's particular attention to skills and capacity development for small-scale farmers, backyard gardeners, artisanal fishers as well as public and private extension service providers. The linkage and communication channel opened between small-scale farmers, backyard gardeners, artisanal fishers and extension agents constitute a considerable asset.

iii) Food security

73. Although there were no specific indicators tracking consumption, it was established that 69% of the smallholder households reported increased consumption of fruits and vegetables; the corresponding percentage was 62% for the backyard gardeners. In addition, the backyard gardeners reported of increased savings emanating from the fact that they now produce, domestically, most of the fruits and vegetables that they used to purchase.

74. Backyard Gardening – The promotion of backyard gardening has proven to be an effective way for households to raise their level of food and nutrition security from micro-scale, mostly organic food production and, to a certain extent, derive supplementary revenue. However, experience has shown that there is the need for continued practical knowledge transfer and improved access to relevant small-scale technologies in the sector, making the activity more resilient to climate change and more inclusive of youth.

iv) Agricultural productivity

75. Investments in the renovation of existing input stores (for agriculture and fisheries inputs) and well as in their restocking with selected inputs have helped to get the productivity-enhancing inputs closer to the target beneficiaries. Capacity building services provided to farmers for effective and efficient use of farming inputs including organic and environmentally friendly fertilizers, intercropping, water harvesting, mulching, micro-irrigation have also contributed to increase productivity of smallholder farmers. In addition, investments in the provision of water for irrigation have permitted to increase production cycle and productivity. Although productivity was not specifically measured, A survey conducted in January 2019 indicates that 76% of small-holder farmers and 69% of home-gardeners reported an increase in agricultural production due to CLISSA's interventions.

v) Institutions and policies

76. Although CLISSA experienced Project management challenges during the course of its implementation, characterised by a high staff turnover rate, it is credited with having had a transformational effect onto the country's agricultural sector. Even though the agricultural sector continues to receive less than 1.5 % of national budget, the budget of the MFA has tripled from 2013 to 2018 owing to the role played by CLISSA in highlighting the critical issues related to improve food and nutrition security while advocating for boosting domestic food production. The budget of SAA in 2018 is 50% higher than the budget in 2014.
77. CLISSA was well-nested into the national institutional framework, and its implementation largely rests on national institutions in charge of agricultural development in Seychelles. The leading investment area of CLISSA were investments in public good managed by government agencies, such as Seychelles Agricultural Agency (SAA), Seychelles Maritime Agency (SMA), and Seychelles Institute of Agriculture and Horticulture (SIAH). Through these investments, CLISSA contributed to improve the institutional and technical capacity of these key instruments of the Seychelles agricultural development policy. Thus, as the result of CLISSA investments, SAA, SMA, and SIAH are better equipped and are able to improve the quality of services they render to their clients and constituents.
78. To provide access to affordable financing to farmers, the Comprehensive Agriculture Plan (CAP) 2018-2021 indicate that the Government will increase its annual contribution to the Agricultural Development Fund from to SR 20 Million from the present SR 3 million. In addition, it is proposed that government injects SR 30 million annually for the next two years. The increase of public allocation to the MFA indicate the priority conferred to the agricultural sector has started to shift. During the implementation of CLISSA, the policy narrative has also shifted as all agricultural development policies and strategies now emphasize the need for reducing reliance in imports and increasing the local production of food. The data and findings of the market study conducted by CLISSA in 2014 largely informed the strategies and investment plans for MFA and SAA.
79. Based on lessons learned from CLISSA, the Comprehensive Agriculture Plan (CAP) plans the establishment of a marketing unit within the SAA which will serve as a facilitator between the farmers and the market. Its role is to ensure that the farmers have good market access at all times. It will also handle and assist farmers in the contract farming.
80. As a SIDS with limited land areas, it is now clearly established providing extension services to backyard gardeners constitutes one of the key to improving household food and nutrition security in Seychelles. Based on evidences and lessons learned from the implementation of CLISSA, there is a growing recognition of the critical contribution of backyard to the national fruit and vegetable supply. The MFA in its Comprehensive Agriculture Plan (CAP) 2018-2021 committed to continue to support the backyard gardening. CLISSA has also generated information that has proved to be vitally important for a number of stakeholders outside the agricultural sector such as the Seychelles' Vision for Tourism.

vi) Access to markets

81. With the development of a vibrant tourism sector, much of the flat coastal plateau is occupied by hotels and other tourism related activities. As a result, agricultural activities halted or was displaced to higher ground with limited access to market. Through CLISSA interventions (facilitating of contractual arrangements and physical investment in road), a number of smallholder farmers were linked to established markets for their produce. CLISSA has renovated and/or constructed a total of 1.9 KMs of selected roads (compared to a target of 2 KM). The roads are helping the target beneficiaries to take their produce to the different markets. About 24% of beneficiaries reported an improvement in market access, compared to the target of 25%. Such markets include the Hilton hotel (Private Sector) and the Seychelles Trading Company (Government Parastatal). In turn, the Hilton hotel market is accessed through Lead Farmers (Private Sector). The partnership with Hilton hotel is the first experience of linking smallholders supported by an IFAD-funded project with the high-end hotel. The Hilton hotel regularly purchases fresh vegetables and tropical fruits from the 12 smallholder farmers. This experience is being replicated in several other countries worldwide (Sri Lanka, Kenya, Cameroon, etc). By the time of Project completion, a total of 100 smallholder farmers were linked to STC while the linkage through Lead Farmers involved a total of 13 farmers (3 poultry and 10 fruits and vegetables).
82. Benefits are already accruing to the target smallholder farmers as a result these partnerships. In the absence of well-organised

collective action, these approaches involving building business clusters and using lead farmers to link producers and establish reliable business partnerships with targeted buyers, production and supply planning to meet market requirements, and organisational management are considered to be quite innovative. Accordingly, the Government is urged to capitalise on the success demonstrated to link even more smallholder farmers to established markets. The new government policy, the Comprehensive Agriculture Plan (CAP) 2018-2021 indicates that a new unit will be established within SAA to facilitate the establishment of contractual arrangements between smallholders and lead farmers or with the private sector.

D.3. Gender equality and women's empowerment

83. The effectiveness of this aspect of CLISSA implementation was moderately satisfactory (4) despite the PMU challenges of understaffing and a high rate of staff turnover. Information for most of the indicators was disaggregated by gender; this enabled one to establish the level of women participation. Women participation was higher in some activities than in others and this is attributed to the nature of the different activities. For example, backyard gardening seemed to appeal more to women than men while participants in the artisanal fishing tended to be mostly men. Women represent more than 60% of backyard gardeners. Overall, about 33% of the Project participants were women, compared to a target of 50%. The limited participation of women in artisanal fishing value chain contributed to reduce the outreach of women who received the services of CLISSA. The training provided in post-production, processing and marketing contribute to improve Gender equality and women empowerment.
84. On the other hand, Project data was not disaggregated by age and this made it difficult to monitor youth participation. However, the survey undertaken by the PCR Mission established that there are about 20% of youth participants, mostly practicing smallholder agriculture. Also, there were some youth that participated in the mentoring and training of youth in artisanal fisheries.

D.4. Adaptation to climate change

85. Environmental sustainability and climate change adaptation are reasonably well integrated into the project. All project activities are geared toward natural resource use efficiency, particularly with regard to land and water, which are very essential resources for a SIDS. The promotion by CLISSA of on-farm technology trials in integrated crop management, in the use of hydroponics, organic fertilizers, drip irrigation, shade house technology and farm mechanization provided good tools that enhance farmers' resilience to climate change.

D.5. Environment and natural resource management

86. CLISSA emphasised that opening up of new lands be guided properly in terms of evaluating the environment impact, the feasibility of providing public services (roads, water) and the suitability of the land for different agricultural enterprises. This is an aspect that is critically important to GoS' policy framework with regard to future interventions in the agricultural sector. It calls upon the appropriate government procedures to be followed so that environmental degradation and pollution related to the opening up of new land and intensification of agriculture are well addressed. CLISSA largely promoted effective and efficient use of farming inputs including organic and environmentally friendly fertilizers, intercropping, water harvesting, etc.
87. However, there were opportunities for a more proactive approach. This could include promoting a circular economy by supporting the re- / upcycling of agricultural and processing waste streams; supporting alternative energy sources (biomass and solar); increased use of organic fertiliser options through manure and/or seagrass and algae; or promoting greater awareness on water use efficiency.

D.6. Targeting and outreach

88. *Targeting* – The rating for targeting and outreach is moderately unsatisfactory (3). As already pointed out in this report, CLISSA's design clearly stated that the Project did not have "...a poverty focus..." based on the fact that there was a requirement of participation of individuals with entrepreneurial ability and capital to invest in farming and access to markets. However, the PDR also acknowledged that "...many of its beneficiaries who have self-selected themselves for participation in project activities belong to the IFAD target group...". In general, the targeting approach of CLISSA was guided by the principles of self-selection to participate in Project activities and no affirmative action was employed for promoting participation of the vulnerable groups. In the absence of an explicit targeting of poverty by CLISSA, there was a limited integration of poor smallholder farmers and fishers into Project activities. With the high prevalence of poverty and food and nutrition insecurity, a direct targeting approach would have been better to ensure the inclusion of poor households of smallholder farmers, backyard gardeners and fishers, with particular emphasis on women and the youth.
89. Concerning the targeting criteria for backyard gardeners, several Supervision Missions established that there was no a clear definition of an eligible 'backyard gardener'. In the final analysis, the category included gardeners ranging from those with a few trees in their yards to others actively growing several fruits and vegetables around their house. Despite that fact, the original target of 7,500 households for this group was overambitious.
90. For public infrastructure, targeting was directly made by SAA using the following criteria: a) plots at higher elevation that would not benefit from investments in irrigation; b) number of farmers and farming area served. Additional criteria were proposed by one of the Supervision Missions and these included: a) willingness to co-finance by a private investor (e.g. water tanks or irrigation equipment); and b) estimated reduction in transportation costs considering the aggregate total volume of production. However, these additional criteria were never adopted.
91. *Outreach* – The following table presents each of CLISSA's target groups, the original targets, the adjusted targets as per the MTR recommendations and achievements by Project completion.

92. **Table 2: CLISSA Target Groups and Target Numbers**

Target groups	PDR	MTR	% Adjusted	Completion	% PDR	%MTR
Artisanal Fishers	1,330	532	40%	194	15%	36%
Farmers	768	261	34%	212	28%	81%
Backyard Gardeners	7,500	3,200	43%	915	12%	29%
Staff and others				443		
Total	9,598	3,993	42%	1,764	18%	45%

93. As depicted in the table, CLISSA appears to have underperformed with regard to the outreach target. The underperformance is attributed to: a) the Project outreach target was ambitiously set at 9,598 households at design. Although it was revised during the MTR, the revised level remained unrealistically high at 3,933 households. One of the aspects related to the very high target of 768 set for market oriented farming households when the total number of farming households registered in the country is about 652. The other aspect related to the desire to target all the 7,500 backyard gardeners, as established by the LCS; b) the limited capacity of SAA, SFA and the low capacity to engage and mobilize smallholder farmers and artisanal fishers' organizations; and c) the criteria for reaching beneficiaries was based on self-selection and direct-targeting without a clear targeting strategy in place for mobilization of the intended beneficiaries. However, relative to the number of households in Seychelles (approximately 26 000 households), the proportion of household reached by CLISSA is 6.78%.

D.7. Innovation

94. This aspect of the Project is rated as satisfactory (5). The CLISSA concept, in itself, was innovative; the Project sought to demonstrate that against several odds, the smallholder farmers and artisanal fishers can produce and compete for domestic market share with imports with adequate support. The Project has, indeed, demonstrated a model where by the Seychellois food and nutrition vulnerabilities can be reduced, through domestic production, while strengthening the capacity of smallholder farmers to mitigate and adapt to the effects of climate change. CLISSA has demonstrated that with specific and targeted investment in core inputs, such as land, water, agricultural inputs and agricultural advisory services, domestic productivity and production can be boosted.
95. On the other hand, CLISSA has successfully demonstrated an innovative approach to building business clusters and using lead farmers to link producers to the market in situations when farmers' organisations are few, weak, mistrustful and not well positioned to broker better deals for the farmers. First the project approach to link farmers to the market was through existing farmers' organisations. This approach failed as the project realised that use of existing associations was not possible and would have led to implementation delays. Another approach tried was to use a middle man who was already engaged in collecting and supplying vegetables to hotels and restaurants. This also was not successful mainly due to reluctance to make a huge commitment to the buyers knowing that the weak capacity of smallholders. Then, CLISSA opted to use lead farmers who are already producing marketable surplus marketed to hotels. Smallholders farmers are then connected to the hotel demand through the lead farmers. The set up with the lead farmers looks promising and the project is working to build trust between project and the farmers.
96. Following the pilot introduction of the innovative techniques such as hydroponic and tropic greenhouse by CLISSA in conjunction with SAA, the new government policy (the Comprehensive Agriculture Plan 2018-2021) intends to scale them up further along the in order to revive agricultural production, reduce agricultural risk and attract youth into the sector. A specific assessment will be conducted by SAA to identify the farmers who could adopt such technologies. The MFA has identified 100 potential farms who could be supported with the tropical shade houses technologies.
97. The forth area where the Project has demonstrated a scalable and innovative idea is with backyard gardening. CLISSA, through the promotion of backyard gardening, has demonstrated that it can be an effective way for households to raise their level of food and nutrition security from micro-scale, mostly organic food production and, to a certain extent, derive supplementary revenue. The idea of planting in containers and 'vertical' crop production has proved to be popular in urban areas. According to the information received by the Mission, backyard gardening, as promoted by CLISSA, is being replicated by the Women in Action and Solidarity Organisation (WASO), a Non-Government Organisation (NGO). WASO is promoting backyard gardening using the same training modality as CLISSA.

D.8. Scaling up

98. All the three innovative demonstrations describe above render themselves to being scaled up. The Government is urged to make use of the information generated by CLISSA and replicate what the Project has successfully demonstrated with the

objective of: a) encouraging more domestic production of fruits and vegetables through increased productivity and area expansion; b) facilitate more linkages of smallholder farmers to established markets; and c) facilitate more backyard gardeners to boost their food and nutrition security. The Comprehensive Agriculture Plan 2018-2021 has already internalized the scaling up of those technologies with the establishments of specific marketing unit within SAA task with facilitating contractual farming, the allocation of budget and incentives for the adoption of innovative techniques such as hydroponic and tropical greenhouse and the commitment to establish a specific unit to support the contribution to backyard gardening to the national goal in terms food and nutrition security. The results of the successful partnership with Hilton Hotel which was first piloted in Seychelles has been expanded to Sri Lanka and Argentina. There are ongoing consultations between IFAD and Hilton Hotel for its replication in countries such as Kenya, Ethiopia, Nigeria and Cameroun. Furthermore, there has been some initial exchange of information between ABC fund and Hilton for opportunities to support local vegetable suppliers. A letter of intent is being prepared to formalize the framework of partnership between IFAD and the Hilton Hotel.

E. Assessment of project efficiency

99. Overall, the assessment undertaken by the review Mission has rated this aspect of CLISSA implementation as moderately satisfactory (4). Project management encountered constraints but remedial actions were undertaken to limit the potential negative impact.

E.1. Project costs and financing

100. *Disbursement Performance Compared with Allocation at Design* – The total anticipated financing from five different sources at design was USD 3,741,000. The total realised financing as at the completion date of 31st December, 2018 was USD 2,900,780,, representing 78% of the target at design. This financing was realised from only two financing sources: a) IFAD loan (USD 2,672,000) representing 92% of realised financing, 71% of total Project budget at design and 89% of allocation at design; and b) GoS counterpart contribution (equivalent of USD 228,690) representing 8% of total realised financing, 6% of total Project budget at design, and 81% of GoS allocation at design. Financing from GoS was in the form cash and non-cash contributions, including office space, utilities, advisory services and technical assistance from GoS implementing partners. No funding was realised from 'Other donors' and private companies while that from producers/beneficiaries was negligible.
101. *Disbursement Trends* – IFAD interventions in Seychelles were streamlined into the Government budget system. Financial planning through Annual Work Plans and Budgets (AWPBs) was always carried out within the specified timing cycles aligned to GoS fiscal year. The disbursement was on the basis of Withdrawal Applications (WAs) submitted by the Project but were not consistent; they were characterised by one year of good performance followed by a year of low performance. This explains inefficiency in treasury management where WAs were submitted only when cash balances in the designated account balance went down. The GoS disbursements, on the other hand, consistently reduced from year 2 to year 4 and registered the highest contribution in the last year of implementation, indicating periods of high investment in hardware that attracted high GoS contribution in the form of taxes. These trends are depicted in the table below.

102. **Table 3: CLISSA Annual Summary Disbursement Trends by Financier (USD '000)**

Financier/Year	2014	2015	2016	2017	2018	Total	% of Project cost
IFAD	446.10	104.83	707.42	459.54	954.20	2,672.09	92%
GoS	65.20	38.19	24.09	22.04	79.17	228.69	8%
Total	511.30	143.02	731.51	481.58	1,033.37	2,900.78	100%

103. IFAD disbursement in the pre-MTR period was high in year 1 which was largely the authorised allocation. Disbursement picked in the post-MTR period but it was not consistent as it dropped in 2017 and increased in 2018 as shown in the table. Given that disbursement by MTR was largely the authorised allocation with minimal core investment costs, the implication is that CLISSA's core investments took place during the post-MTR period, with the peak being in 2018. Disbursement in 2018, the last year of Project implementation, was 36% of the total disbursement, more than 1/3 of cumulative disbursement. This significant deviation may be explained by improvement in implementation capacity which, unfortunately, manifested towards the Project completion period. Although the planning of the project activities was done with the national agencies (SAA and SFA) with which MOU were signed, the 'take on' and implementation of the planned activity was initially slow. In the last 2 years of CLISSA implementation, SAA became a proactive strategic partner in the implementation of CLISSA.
104. *Annual Budget Performance* – The Implementation of CLISSA was based on respective AWPBs and guided by demand driven activity identification. Apart from 2018 where budget performance was at 78%, the rest of the years had significant under expenditure with budget performance falling below 45%. There was steady improvement in budget execution during the first 3

Project years although budget performance was still way below planned totals. Budget execution declined in year 4 to 25%; this was partially attributed to unrealistic budgeting. The overall good performance in year 5 reflected improvement in implementation capacity coupled with the rush to complete implementation. The AWPB performance is summarised in the table below.

105. Table 4: Summary of AWPB Vs Actual Comparisons (USD '000)

Components	Budget/actual	2014	2015	2016	2017	2018
Total	Budget	1,213.84	1,498.37	1,484.79	1,932.99	1,185.12
	Actual	193.72	425.42	655.64	482.86	926.81
	%	16%	28%	44%	25%	78%

106. *Expenditure by Component* – Component 3: Strategic Capacity Strengthening and Infrastructure was the most funded, accounting for about 54% of total actual expenditure. This was followed by Component 1: Enhancing Business Arrangements through Capacity Development of Smallholder Farmers, Rural Micro-entrepreneurs and Fishers; it accounted for 29% of the total actual expenditure. Component 4: Programme Management accounted for 15% of total Project expenditure while Component 2: Increasing Access to Agricultural Finance was about 1%; this component was cancelled at MTR.
107. At MTR, a reallocation of funds was undertaken and both Components 1 and 3 received increments as a result of Component 2 cancellation. Component 1 increased by USD 132,000 (8%) while Component 3 allocation was increased by USD 622,000 (57%). Actual expenditure on Component 1 was less than the appraisal allocation by USD841,540 (52%) and the MTR allocation by USD 963,540 (55%). On the other hand, Component 3 expenditure was higher than the appraisal allocation by USD 837,210 (135%) and the MTR allocation by USD 28,240 (2%). This high variation indicates GoS' prioritisation of the component and the need to invest in infrastructure. Therefore, the decision made by the MTR to reallocate more resources to Component 3 was appropriate but not so for Component 1.
108. *Efficiency in Allocating Resources to Project Investments*– The aggregate loan amount spent on works, goods/supplies and services/consultancies delivered through contracts amounted to USD 1,847,234.11, representing 69% of total loan funds disbursed. This did not include salaries, allowances and other costs directly incurred by the PMU and other implementing partners. Consultancy services cost a total of USD 557,342.97, representing 21% of total loan amount. As already noted above, there was a significantly higher investment in infrastructure activities.
109. The proportion of international consultancies to total consultancies was 28% (USD158,434.28/USD 557,342.97) and the proportion of international consultancies to total loan disbursed was 6% (USD158,434.28/USD2,672,090.00). The total cost incurred in international consultancies included USD 47,533.28, related to the design and supervision of the Grand Anse Plain and Val Dandor irrigation schemes; no service provider could be identified locally. The rest of the total international consultancy costs were associated with 'software' activities and these accounted for a total of 4% of the total loan disbursed; 1% of that total was for MTR and PCR-related expenses. Most of the consultancies for the software' activities were largely used when the individual implementing institutions lacked capacity to implement the planned activities.
110. *Cost Savings* – Some savings were realized when a decision not to procure a vehicle was made; this resulted in saving the cost of the vehicle purchase, driver, repairs and operation and maintenance. Decision not to procure TOMPRO accounting software in favor of customization of the existing Visual Accounting Mate (VAM) used by ministries and government agencies saved the cost of purchase of the software, installation, training and support. However, as noted in E.3 (Quality of Financial Management and Procurement), there are investments that were made in physical infrastructure that have not been yet put to use.
111. *Expenditure Trends by Category* – The original cost category allocations were revised to reflect MTR recommendations after cancellation of the credit line. Most of the allocated funds as per revisions were disbursed with civil works and infrastructure recording an overdraft of 20% and recurrent costs (operations and maintenance) recording an overdraft of 170%. A closer look at the overdraft on operation and maintenance revealed that it was to 'mis-posting' of expenditure items onto this category that should, otherwise, have been posted to other categories. In addition, the category was charged with vehicle hire expenditures and this had not been envisaged at design.
112. *Exchange Rate Loss*– CLISSA lost a total of about USD 181,510 as a result of the USD gaining against the SDR. The IFAD loan was SDR 1,980,000. Of this total, only SDR 1,883,362.55 was disbursed, representing about 95% of the total loan. In USD terms, this should have been the equivalents of USD 2,853,600 of the USD 3,000,000.00 allocated. However, the actual USD realised was USD 2,672,090, resulting in a loss of USD 181,510. Thus, the Project had USD 181,510 less spend on planned activities.

E.2. Quality of project management

113. Overall CLISSA management is rated as moderately satisfactory (4). *CLISSA Coordination* – According to the CLISSA

appraisal report a PMU would be embedded with the Office of the Principal Secretary in MFAg. The Monitoring & Evaluation (M&E) would also be mainstreamed in the ministry and make use, as far as possible, of existing mechanisms for generating knowledge regarding the well-being of the Project's target groups. For knowledge management, a communication unit was to be strengthened at the level of the ministry in order to enhance visibility of CLISSA and its knowledge management. At the beginning of Project implementation, the PMU was adequately staffed as planned with a Project Coordinator, an M&E Officer, a Procurement Specialist, a Project Accountant, and Administrative Support Officer. However, both the Project Accountant and the Administrative Support Officer were seconded by the MFAg on a part time basis.

114. During the course of implementation, the CLISSA PMU suffered from a high staff turnover rate and this tended to present operational challenges. The staff changes were for the critically important positions of the Project Coordinator and M&E Officer. With high staff turnover rates, the implication was that the new entrants necessarily required time to familiarise themselves with management of the IFAD-supported Projects. In addition, they also needed the time to acquaint themselves with the other aspects of effective Project coordination. For CLISSA, this contributed to loss of implementation time, particularly during the first few years of Project implementation. Also, the part-time nature of the Project Accountant was not helpful to the efficient management of the Project (details on this aspect are presented under the Financial Management section). By the time of Project completion, the PMU was composed of a Procurement Officer (with delegated authority from the Principal Secretary to also serve as a Project Coordinator, OiC), an M&E Officer, a part-time Accountant and a part time Administrative Support Officer. However, it should be highlighted that CLISSA management tried to minimise the negative impact of an understaffed PMU.
115. *Technical Working Groups (TWGs)* – Initially, the TWG membership was wrongly constituted; it included Senior Management staff instead of technical staff. This made it difficult for the TWGs to actually provide the technical guidance as had been foreseen. Eventually, the mistake was realised and rectified by adding technical staff to the membership. With that correction, TWGs started playing their anticipated role. They were generally meeting on a regular basis, with the exception of 2018; TWGs only held one meeting in 2018.
116. *Project Steering Committee (PSC)* – From the oversight provision point view, the PSC did not adequately fulfil its intended responsibilities. The PSC was supposed to provide policy guidance to implementation. It was also expected to meet periodically to review progress, assess management effectiveness, decide on corrective measures where appropriate, review lessons learned and good practices, and approve AWPBs. However, the PSC did not meet regularly, contrary to requirements of the Financing Agreement Covenants. For example, the PSC did not hold any meetings in 2018. That could be one of the reasons why the contract management function was not adequately provided to the extent that contractors continued to operate with expired contracts (see section on Procurement). On a closer analysis, the PSC composition could have been one of the factors that led to the less than optimal provision of the oversight function by the PSC.

i) Procurement

117. *Procurement* – The major procurements were civil works, consultancies for design and supervision of works, studies and trainings. The Project also procured an assortment of equipment for farmers, farmers' organisations, fishers' associations, SAA, SIAH, among other beneficiaries. Whereas the procured equipment were fully delivered and, on a sample basis, works verified complete, the following were observed:
 1. a delivered ice making machine at a cost of USD 23,220 supplied in May 2018 had not been installed by the completion date because it needed a foundation to be constructed. At procurement stage, it had been envisaged that SFA would construct a foundation to install the ice plant but this had not been done by the time of the completion Mission;
 2. except for a tractor and trailer, the other agricultural equipment provided to SAA for rental to farmers with a value of US\$ 29,800.29 had not yet been put to use by the completion date;
 3. a mechanisation store constructed at Grand Anse for US\$ 136,298.35 had not been put to use on grounds that it had not been connected to electricity. The installations and inspections were done; what needed to be done was follow up with the Public Utility Company to effect the connection and this had not been done by the time of the Mission; and
 4. construction of green houses and sheds at SAA Praslin station were completed with facilities for demonstration and research. These had not been put to use by Project completion on account of lack of labour to run the facilities.
118. The above observations put in question the relevancy of procuring the different assets and their auxiliary services. Besides, during Project implementation, no direct benefits can be attributed to this infrastructure and equipment.
119. *Contract Management Challenges* – Contractors and consultants were slow in delivering works and services. This led to a situation where, in an attempt to avoid long and protracted contract termination and retendering processes, contractors and consultants were running on expired contracts. Examples of such cases include: a) D&C Construction for road construction in Helvetia, La Misere, whose contract expired on 21st December 2015 but was on site until April 2016 without contract; b) SGM and Partners was contracted for Assessment of Farmers/Fishers to establish Market Links with Buyers. The contract expired on 31st December 2015 but was providing services in the later part of 2016. These examples point to inefficiency in contract management.

ii) M&E and KM

120. *Monitoring and Evaluation (M&E)* – During the course of CLISSA implementation, the PMU made an effort to capture and report on output indicators but was not as successful in capturing and reporting on outcome and impact indicators. Although some outcome studies were conducted, they did not provide a clear picture of CLISSA achievements due to lack of clear methodology for such studies and no reference was made to the Project indicators, as specified in the Logical Framework.

121. The M&E system captured data disaggregated by gender for the majority of indicators. However, the data was not disaggregated by age and that made it impossible to have an understanding of youth participation in the different Project interventions. With regard to the Social, Environment and Climate Assessment Procedures (SECAP), it is noted that CLISSA was designed prior to the SECAP requirements being put in place and, therefore, no SECAP was done at design. Hence, the M&E system did not capture the environmental, social and climate related impacts.
122. Knowledge Management (KM) – CLISSA neither had a fully dedicated KM Officer (the M&E Officer was also in charge of KM activities) nor a clearly defined KM strategy/plan. Nonetheless it was successful in undertaking several KM activities, including promotional documentaries, radio/TV campaigns for agriculture products and preparation of success stories. However, more could have been done with regard to consolidating the CLISSA's success stories. Although there were some documentation of success stories, they were presented in different reports and an effort could have been made to consolidate all of them into a single report for ease of reference and dissemination.

E.3. Quality of financial management

123. CLISSA's overall fiduciary management aspects are rated as moderately satisfactory (4) and the justification for the rating is presented hereunder.
124. *Financial Management* – CLISSA financial management systems were characterised with strong control elements with accounting done in the VAM, an accounting software which was reconfigured to provide for a Project module capable of meeting CLISSA's accounting and reporting needs. Through the reconfiguration, VAM was able to produce reports by expenditure category, component and financier. The cashbook provided details of payment voucher, date, payee, account code, AWPB reference, description of activity, details of invoice, daily exchange rates and amounts. The centralised payment system managed by the Controller General at the Ministry of Finance, reflected a very strong control element for the Project, especially given its lean staffing with limited segregation of duties.
125. The major shortcoming of the CLISSA financial management function was the human element. The Project Accountant was not fully dedicated to the Project as he was shared with MFAG. An Assistant Accountant recruited in March 2018 to provide support to the part time accountant resigned her position prior to the Project completion date. This state of personnel led to cases of delays in data posting and report production that was reported prior to 2018 and also manifested itself in the winding up period. As a consequence of this, the Project was not submitting interim financial reports to IFAD. Another shortcoming was failure to post approved AWPBs into VAM and, consequently, budget monitoring was done as a lump sum. Thus, individual activity or sub-component budget monitoring and variance analysis was done manually through MS Excel; this was rather cumbersome and prone to errors.
126. *Sufficiency of Efforts to Address Challenges* – GoS made efforts to address issues as they arose and as was recommended by missions. There were, however, some issues where internal inefficiencies were exhibited. For example, processing and submission of WAs and requests for reallocation of funds. While the request for reallocation of funds was initiated by MFAG, it was never finalised for submission to IFAD. As a consequence, some categories of expenditure was over-expended while others were under-expended.
127. *Funds Flow* – Funds flow from IFAD were characterised by high disbursement in one year followed by low disbursement in the following year. The financial year 2015 recorded the least amount of USD 104,829.01 while 2018 recorded the highest disbursement of USD 954,206.50. IFAD disbursed funds as and when withdrawal applications were received.
128. The envisaged financing from 'Other donors' estimated at USD 248,000 (7% of total CLISSA costs) was never realised and was dropped at MTR. Funding from private companies allocated at USD 120,000 (3%) was revised to USD 139,000 at MTR and producers/beneficiaries allocated USD91,000 (2%) revised to USD 107,000 at MTR were also not realised. Only one withdrawal application of USD 104,829.01 was recorded in 2015 while the highest disbursements of USD 954,206.50, were recorded in 2018. Failure to realise financing from the anticipated sources affected project delivery as some activities could not be financed and stretched financing from the available sources to cover every aspect of implemented activities.
129. *Quality of the Audits* – External audits were performed by the Office of the Auditor General of the Government of Seychelles. The policy was to prepare the financial statements in compliance with the International Public Sector Accounting Standards (IPSAS), cash basis. The quality of the audits was generally satisfactory and reached IFAD within the six months deadline after end of the fiscal year. The exception was for the audit of the year ended 31st December 2016 that was submitted two months later than the due date. Audit standards were applied and coverage was complete, with valid recommendations. The Project received unqualified audit opinions. Generally, the Audit reports were accepted by IFAD.

E.4. Project internal rate of return

130. The CLISSA ex-post economic and financial analysis was undertaken and consisted of comparing the overall Project's costs with the verified and expected impacts, calculated as benefits for the main promoted activities. It was done from the point of view of each beneficiary (financial analysis) but also aggregating beneficiaries per model, calculating the benefits for the economy of Seychelles as a whole. It should be noted that the EIRR information presented herein represents only one axe of the Project's analysis that should also take into account social, environmental and institutional aspects. It should also be pointed out that, at completion, it is still too early to capture all expected benefits so a mixed approach was used, combining present and past benefits with others to be produced for the residual life of the investment. Cash flows were calculated and a discount technique used to calculate an EIRR based on past, present and future values.
131. For both in the financial and economic analysis, each initiative was considered profitable if the cash flow's additional benefits

surpassed investment and recurrent costs at a cut-off rate. As a result, profitability indicators were the Net Present Value (NPV, economic and financial), the Internal Rate of Return (IRR, economic and financial) and the Benefit-costs ratio (B/C, both economic and financial). The sensitivity analysis was also used to test vulnerability or robustness of obtained results for the economic profitability indicators. The information presented under this section of the report is a summary of the findings; details are presented in Appendix 10.

132. From the financial analysis point of view, a total six models were tested and the table below presents the findings with regard to the profitability indicators:

133. **Table 5: Profitability Indicators for the CLISSA Models**

Model	FIRR (%)	NPV (SCR)	B/C
Model 1- Home-gardening 1	62.1%	13,472	1.55
Model 2- Home-gardening 2	43.0%	4,476	1.06
Model 3- Extensive fruits and vegetables farmer / Irrigation	26.7%	139,370	1.59
Model 4- Extensive fruits and vegetables farmer 2 / trainings	42.5%	31,074	2.00
Model 5 SAA System	12%	18,995	5.72
Model 6- Fishermen	103%	558,967	1.18

134. Overall, all models are considered profitable, with Financial Internal Rate of Return (FIRR) rates ranging from 12.3% to 102.9%, depending on the activity (at 12% discount rate). The financial NPV varies from SCR 4.476 to SCR 558,967.

135. With regard to the Economic Internal Rate of Return (EIRR), which reflects the investment's expected profitability for the country and the society as a whole, the findings also point to a positive picture. CLISSA's EIRR was estimated at 18.3% while the NPV reached SCR 35 million. The table below presents a comparison of the different EIRR and NPV calculations at design, MTR and PCR; it also provides an explanation for the main differences.

136. **Table 6: EIRR and NPV Comparisons for PDR, MTR and PCR**

Item	PDR	MTR	PCR	Detail
EIRR	21%	22%	18,3%	Low outreach, high cost per beneficiary of rural roads, less leverage than expected (reduced total cost).
NPV (SCR)	26,32 million	36,31 million	35,28 million	
Costs (approx.)	USD 3.7 millions	USD 3.4 millions	USD 2.7 millions	Low involvement of financial partners, exchange rate losses.
Outreach	9.598	3.993	1.764	Overestimation, low participation.
Main source of benefits	Increase in prices and productivity.	Increase in prices, productivity and reduce in food imports	Increase in land-use, productivity and small-farmers stability with buyers and capability to meet market standards.	The increase in production (mainly due to the expansion in land-use) improved the stability with buyers and the capability to meet market standards. However, it didn't come with better bargaining power or prices for producers
Main activities supported	Farming, finance, livestock and backyard gardening	Farming, livestock, public infrastructure and backyard gardening	Farming, business management, public infrastructure and backyard gardening	Component 2 was dropped at MTR Livestock was not supported during implementation Public infrastructure and backyard gardening was the main focus after MTR

Cost per beneficiary	USD 385	USD 851	USD 1464	Low outreach
Administrative cost per beneficiary	USD 28	USD 66,6	USD 258	
Recurrent costs / Total costs	7%	8%	15%	

F. Partners' performance

F.1. IFAD's performance (Quality of supervision and implementation support)

137. Effective Project implementation calls for a joint and well-coordinated effort of all stakeholders to cooperate during the course of implementation. As far as CLISSA was concerned, there were, essentially, four key stakeholders – IFAD, GoS, PMU and the Service Providers (SPs).
138. IFAD's performance as a partner is rated as moderately satisfactory (4). The Project became effective in November 2013 and the first Supervision Mission was fielded in April 2014. The quality of IFAD's Supervision and Implementation Support Missions is assessed as good. In total, 8 missions were undertaken during the course of CLISSA implementation from 2013 to 2018; these included five Supervision Mission, two implementation Support Mission and an MTR in 2016. On the average, IFAD fielded two Missions per year with the exception of 2016 (the MTR year) and 2017.
139. Mission composition consisted of consultants and IFAD; according to the consultations undertaken, the mix of the expertise depended on the Country Programme Manager's assessment of what were the prevailing CLISSA issues that needed addressing. One of the complaints from the PMU was the lack of stability in Mission composition from Mission to Mission; this meant that most of the Mission members needed to acquaint themselves with the CLISSA mode of operation and, some of the times, that was time consuming and frustrating on the part of the PMU.
140. A review of the Supervision and Implementation Support Mission reports has established that the Missions generally produced reports that were comprehensive with recommendations aimed at resolving the issues that had been identified. A discussion with the PMU concluded that while problem identification was proactive, follow up and resolution was slow. The PMU also contends that, indeed, many of the recommendations given by the Missions were useful but lacked details on how to implement them or providing the on-the-job assistance, including training, in an effort geared at improving Project implementation. However, the technical support (particularly in the fiduciaries and M&E domains) that the PMU got from IFAD during the last year of implementation was judged by the PMU as having been very beneficial; the feeling was that if that kind of support had been provided, earlier, it would have contributed to greatly improve performance in those functions (fiduciaries and M&E). The Missions were generally participatory, with involvement of selected MFAg staff and staff from SAA. Field visits were extensive; permitting interaction with the beneficiaries and other stakeholders
141. However, the design of CLISSA has some shortcoming discussed in the section relevance. There is also the confusion arising from the fact that CLISSA was designed explicitly with a no pro-poor focus and yet supervision and completion missions must appraise the poverty dimensions of the Project. The partnership between IFAD and GoS had an interruption of close to two decades without an active Project. However, upon reengagement with the design and implementation of CLISSA, IFAD did not adequately appreciate the learning curve and the specific support needed by CLISSA staff at the start of implementation including in terms of M&E and the narrow markets for all types of services. Finally, frequent changes of the Country Programme Managers (CPMs) had adverse effects on business continuity.

F.2. Government's performance

142. GoS' performance is rated at moderately satisfactory (4). By design, two key GoS' institutions were expected to play a significant role during CLISSA implementation; SAA (for agriculture-related interventions) and SFA (for fisheries-related interventions). The declared institutional focus of the SAA is on registered farmers and on using scarce factors of production efficiently and effectively with a view to achieving a more desirable level of food and nutrition security for a good, healthy and productive Seychellois nation whilst maintaining a high level of bio-security and preserving the country's pristine environment. The SFA mandates include the promotion of responsible and sustainable fisheries development by establishing a conducive environment for sustainable fisheries management and responsible fishing practices and for effective conservation and protection of the marine ecosystem. A couple of factors combined to determine the extent of SAA and SFA involvement in CLISSA implementation. First of all, the two institutions were quite limited from the human capacity point of view. The number of available staff was generally low and the profiles of many of the staff were not always sufficient to carry out activities as envisaged by the CLISSA design. The narrowness of the labour market and of the human resources appears to be a key feature of Small Island Developing States (SIDS), such as Seychelles.

143. Secondly, during the first two years of the Project, the participation of 2 key strategic partners in the (SAA's and SFA's) in Project implementation was relatively low. Initially, the PMU would prepare AWPBs and submit to the two institutions for implementation. ; as a result, CLISSA activities were perceived as additional work for institutions were already constrained by a shortage of human resources. Eventually SAA become highly very involved in CLISSA activity planning and implementation, particularly during the last couple of years. With regard to service providers, CLISSA used a combination of both public agencies and private sector service providers. The experience was mixed; while some occasionally submitted generally acceptable quality outputs, other outputs have tended to be of a poorer quality. As a result, time was wasted going back and forth trying to improve the quality of the outputs. Also, delayed delivery was a common occurrence. Overall, the choice of service providers was limited and those available tended to have capacity limitation issues and owing to the small market qualified service providers tended to be taken up by competing engagement.
144. In addition, GOS performance with regard to finalisation of key Project implementation-related documents was suboptimal. For example, considerable delays were always characterised with processes related to requests for reallocation of funds across expenditure categories; this had a tendency to delay implementation of some activities due to over expenditure of the associated categories. Likewise, processing of payments for consultants was, almost always, protracted resulting in late payments.
145. As already pointed out in this report, the anticipated CLISSA co-financing did not materialise and, therefore, the aspect of co-financiers' performance is not reported on.

G. Assessment of sustainability

146. The rating for overall likelihood for sustaining CLISSA interventions is put at moderately satisfactory (4). Sustainability prospects are rather mixed; while it is clear that chances of maintaining the stream of benefits emanating from some of the Project activities are high, for others, the likelihood of continuity is contingent of public support. The paragraphs that follow hereunder briefly assess sustainability prospects for selected interventions.
147. *Public Institutions (SAA, Seychelles Maritime Agency (SMA), STC, and Seychelles Institute of Agriculture and Horticulture (SIAH))* – The implementation approach that integrated part of the CLISSA implementation into selected public institutions and the provision of training (for SAA) and equipment (for SAA, SFA, SIAH and SMA) sought to provide support and enable those institutions to continue executing their mandate beyond the life of the Project. The sustainability strategy to ensure continued provision of improved services to the different stakeholders, including the smallholder farmers is ensure as long as these public institutions remain key instruments of the national agricultural strategy.
148. *Individual Farmers* – CLISSA has succeeded in linking some farmers to organised markets (such as Hilton hotel, Seychelles Trading Company, etc.). CLISSA sought to use an approach that is market-based, using market incentives to increase productivity and value addition suitable to a market environment that offers plenty of opportunities. Those individual beneficiary farmers that have been linked to markets seem to be better positioned to sustain the stream of benefits emanating from CLISSA implementation. Hence the need to replicate what CLISSA has demonstrated and link many other farmers to established markets.
149. *Roads* – CLISSA has renovated and/or constructed selected roads that are helping the target beneficiaries to take their produce to the different markets. The roads have made it easier and safer for the farmers; they have also reduced losses to their produce as a result of improved road access. The same access has made it easier and cheaper for the farmers to transport farm inputs from the markets. Sustainability of rehabilitated roads can only be ensured by a well-functioning maintenance system that contributes to increase their lifecycle. Given that roads are generally well-maintained in Seychelles and that SAA has an infrastructure unit mandated to maintain all agricultural infrastructures, there is little risk to the sustainability of the road infrastructure built or rehabilitated by CLISSA . In addition to SAA, Seychelles Land and Transport agency will be in charge of maintaining all the road infrastructure renovated or built by CLISSA.
150. *Provision of Water for Irrigation* – CLISSA contributed to ensuring continued availability of irrigation water to a select group of farmers on Mahe and Praslin Islands. This has been done through renovation and/or expansion of water barrages, installation of water piping systems, and construction of water reservoirs. The beneficiary farmers report of both increased yields and expanded farm land as a result of improved access to irrigation water. In addition, the farmers are able to produce all year round. The operation and maintenance system in place will be support the specific unit within SAA to enhance the sustainability of the facilities. The monthly water-use tariff of SCR100 charged per user is not adequate to fully cover the operation and maintenance costs of the different systems on a continuing basis. This would, therefore, require a subsidy on a continuous basis from SAA. Given the high income status of Seychelles, the small size of the farming population and the increasing prioritization of agriculture in the national policy document, the Government is expected to bear that subsidy with transfer of public resource to the agriculture.
151. *Input Requisite Stores (agriculture + fisheries)* – The Project renovated SAA's existing agricultural input stores and one Praslin-based fisheries input store and also facilitated restocking those stores with selected inputs. This has helped to get the basic inputs closer to the target beneficiaries. Prospects of sustaining the associated benefits are encouraging as long as the stores continue to be run on a commercial basis or at least on a cost recovery basis.
152. *Ice Machine* – The availability of ice is a prerequisite to effective fishing. CLISSA provided SFA with an ice machine to produce and sell ice to artisanal fisher-folks. However, the price of ice is heavily subsidised; it is reported that a kilogramme of ice is sold at one-third of its true market value. Thus, prospects for sustaining the resultant benefits are contingent on the continued

government's subsidy.

153. *Backyard Gardeners* – The promotion of backyard gardening through training in improved techniques is one of the key successes of the Project. The gardeners are driven by the stream of benefits that include increased availability of fresh and nutritious fruits and vegetables, savings and, in some cases, income from the sale of excess of production. Prospects for sustainability are good; these are very motivated individuals that are totally convinced of the numerous benefits being derived from what they do.
154. *Exit Strategy* – CLISSA did not have a clearly-defined Project-wide exit strategy. However, some pieces of the strategy were inherently in place. For example, the degree of ownership of the activities by the beneficiaries was high and the market linkages by the Project and existing opportunities for access to finance are ensuring reinvestment to further develop the smallholder enterprises. Also, the support provided to government agencies or the fact that CLISSA worked mainly through existing public agencies, SAA, STC, SMA, SIAH and SFA, is a strong guaranty that they will continue to oversee activities initiated by the Project. It is worth indicating that despite constraints in terms of the availability of human resources and institutional capacity, Seychelles ranks high in public sector governance.

H. Lessons learned and knowledge generated

155. CLISSA implementation has generated some lessons that can be used to improve the design and implementation of future Programmes/Projects in the country. The lessons include the following:
156. *Backyard Gardening* – Promotion of backyard gardening has proven to be an effective way for households to raise their level of food and nutrition security from micro-scale, mostly organic food production and, to a certain extent, derive supplementary revenue. However, experience has shown that there is the need for continued practical knowledge transfer and improved access to relevant small-scale technologies in the sector, making the activity more resilient to climate change and more inclusive of youth. In a small island country with a limited agricultural land and a low number of professional farmers, the backyard gardeners represent a major pool of motivated producers who account for a significant share of domestic production capacity;
157. *Productivity* – CLISSA has demonstrated that agricultural productivity can be increased by adoption of appropriate technologies, provision of water for agricultural use, capacity building of farmers, increased access to key-productivity enhancing inputs (improved seeds, soil fertility-enhancing management practices, etc.) in a value chain development context that resonates and responds well to the Seychellois conditions;
158. *Water Management* – While CLISSA upgraded and improved irrigation systems successfully, the Project did not address the overall sustainability of SAA's water service delivery to farmers. In the process of designing and implementing infrastructural works, too little attention was paid to the cost efficiency of such an intervention in terms of upfront investment, running costs and the water tariff that should be charged to the user;
159. *Producer Organisations and Market Linkages* – CLISSA learned that producers' organisations were few, weak, mistrustful and not well positioned to broker better deals for their members (farmers and artisanal fishers). In order to channel any sort of assistance through an organisation to its members or seek the organisation to act on behalf of its members, it is crucially important that members have trust in the organisation's leadership. In view of the low capacity for collective actions of farmers' organisations, they were neither best-placed to strengthen the negotiation positions of farmers in relation to other market participants nor to reduce the transaction costs they faced;
160. *Measurement of Yields* – Agricultural productivity is typically difficult to measure with household surveys because it is influenced by many factors, farmers do not keep records, and a positive or negative trend can only be measured over a longer period of time because of seasonal effects. It is thus important to monitor change and effects for the duration of the Project, for example through continuous yield monitoring on selected farms;
161. *Project Management* – CLISSA has been hampered by understaffed PMU, with the crucial Project Coordinator not on board most of the time while the Project Accountant was seconded but with continuing time-consuming duties in the Ministry. While a 'light-touch' PMU might be good for efficiency, a fulltime team composed of the relevant expertise is essential to champion the effective implementation of an agricultural development Project such as CLISSA;
162. *Capacity building* -When capacity building interventions/trainings are held in areas distant from the target group's communities, only a select group of the target beneficiaries manage to attend. It is beneficial that capacity building and training activities for households' groups get conducted within their communities;
163. *Recipients of capacity building* must be convinced that it is, indeed, beneficial to them in order for them to wholeheartedly embrace it. Otherwise, you end up with a situation like most of the artisanal fisher-folks who demanded for gifts in order to participate in the different training sessions organised by CLISSA. Participatory needs assessment tools are therefore necessary prior to designing any training activities;
164. *Access to Financial Services* – The intended linkages to financial services for the acquisition and intensification of technologies did not materialise during implementation of CLISSA. The substantial credit-line was, rightly, dropped by the MTR due mainly to the availability of other cheaper credit facilities in the country at the time. However, the CLISSA target group still had a hard time accessing the existing financial services and this is still a major issue for smallholder farmers and fishers. The implication

is that the mere existence of seemingly cheap credit facilities does not necessarily translate into improved access by the smallholder farmers and artisanal fishers. Additional work is needed to facilitate the different financial institutions to develop products that are more responsive to the needs and circumstances of smallholder farmers and artisanal fishers;

165. Private Sector Services – When recruiting private sector service providers, the terms of engagement need to be defined in such a manner that guarantees timely delivery of good quality services. When in some of the CLISSA service providers' contracts, contracting arrangements were not very tight and fund disbursement was not tied to deliverables; this created a loophole in which a disbursement did not necessarily guarantee quantity and quality of expected outputs. Thus, in order to ensure timely provision of quality services, engagements must be through well-defined performance-based contracts or Memorandum of Understanding (MoUs) that spell out the responsibilities and expected deliverables of each party, with explicit monitoring requirements;
166. Poverty Targeting – CLISSA did not have a poverty focus per se but adopted a self-targeting approach, with most interventions addressed to a mix of the whole farming and fishing community rather than solely to the poor. In the absence of explicit targeting of poverty, there was a limited integration of poor small-scale farmers and fishers into CLISSA activities;
167. Knowledge Capture – It was expected that CLISSA would capture and harvest lessons learned from the various innovative interventions both the small-scale agriculture/gardening and artisanal fisheries sectors, in particular for those activities focused on the food security and nutritional status of poorer households as consumers as well as producers of food. However, CLISSA did not provide any specific resources to continuously capture, analyse, consolidate and disseminate the generated knowledge and, therefore, this was not done. It was assumed that the M&E Officer would be responsible for that function too. The CLISSA experience has demonstrated that in order to capture and document the generated knowledge, there is a need for specific resources either through the provision of a Knowledge Management Officer or through periodic undertaking of case studies to gather and consolidate lessons learned from the various interventions; and
168. Implementation Modalities and Domestic Resource Allocation – Mainstreaming of CLISSA management and implementation arrangements into the existing structures of MFAG proved to be effective, with implementation entrusted to SAA and SFA, the two public agencies established to operationalise the country's agricultural and fisheries development policies. Under this arrangement, IFAD funding to CLISSA focused largely on investments with much of the operational costs financed by the core budget of MFAG. In addition, the Project ended up leveraging some additional domestic resources as part of the implementation of the Seychelles National Agricultural Investment Plan (SNAIP 2015-20).

I. Conclusions and recommendations

169. Although CLISSA experienced Project management challenges during the course of its implementation, characterised by a high staff turnover rate, it is credited with having had a transformational effect onto the country's agricultural sector. It has highlighted very critical and relevant agricultural sector issues that have caught the attention of most of the sector stakeholders. It has generated information that has proved to be vitally important for a number of stakeholders in the country's economy, including the Seychelles' Vision for Tourism. Also, MFAG's and SAA's strategies have been largely influenced by CLISSA's outputs and outcomes. It has demonstrated the steps that need to be undertaken for the Government to achieve its long-term goal of reducing excessive reliance on food imports. But, there is a need to ensure that this effort and momentum get continued since GoS' objectives are still far from being achieved.
170. Lastly, while the Project has succeeded in positioning backyard gardening as a key subsector in contributing to national food and nutrition security, from the institutional point of view, the subsector is nobody's responsibility. To that effect, MFAG is urged to consider the creation of a small unit to facilitate the subsector's continued contribution to national food and nutrition security.
171. The overall Project performance rating is put as *moderately satisfactory (4)*.

172. Recommendations

173. A number of recommendations are already made in the different sections in the report. Following below is a presentation of what are considered to be critical recommendations for consideration by GoS/IFAD, especially in the design and implementation of any follow-on Projects:
 - *Market Linkages* – In the absence of well organised local institutions for collective action, and as attempts are being made to organise and strengthen farmers' organisations, market linkage efforts should focus on innovative approaches involving building business clusters and using lead farmers to link producers and to establish reliable business partnerships with targeted buyers. Based on lessons learned from CLISSA, it is recommended that MFAG identifies a local institution that will continue to support, fine-tune and expand the clustering of smallholder farmers to improve their access to secure markets. Such efforts should also integrate the smallholder farmers in Praslin and La Digue;
 - *Backyard Gardening* – Home gardening has been one of CLISSA's successful interventions. However, it is recommended that: a) refresher training programmes be arranged and offered to impart new ideas, improved technologies, etc.; b) establishment of a communication network (e.g. WhatsApp group) be facilitated for the home gardeners as a means of exchanging useful information amongst themselves; and c) consideration be made by MFAG to explore practical ways of continued support to a subsector that has proved to be relevant to national food and nutrition security; and
 - *Maintaining Positive Momentum Generated by CLISSA* – Implementation of CLISSA proved that significant contribution to the revival of agricultural production in Seychelles is possible with targeted investments in core public goods and the key factors of production (such as land, water, agricultural inputs and agricultural advisory services). Critically as important is the

need to invest time and resources to explore and foster linkages between the smallholder farmers and established markets to ensure sustainable access to appropriate markets for the increased production. To consolidate the results and achievements CLISSA, there is a need for a specific investment Project that responds comprehensively to the complex challenges faced by Seychellois smallholder farmers.

Footnotes

[1] Mission Composition: The Mission was composed of Mr Shakib Mbabaali – Team Leader/International Development Expert; Mr Leandro Bullor, Economic and Financial Analysis Expert; and Mr Richard Batamanye, Financial Management Expert.

[2] Central Bank of the Seychelles, 2011

[3] UNDP. Human Development Report, 2011

[4] Central Bank of the Seychelles, 2011

Seychelles

Competitive Local Innovations for Small-scale Agriculture Project Project Completion Report

Appendix 1: Project logical framework

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East and Southern Africa Division
Programme Management Department

This document will be publicly disclosed unless there is written dissent on its disclosure by the Borrower at the time of this document submission to IFAD or no later than the project closing date.

Competitive Local Innovations for Small-scale Agriculture Project

Logical Framework

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project										
	Males	0		1 947	201	1 005	51.6				
	Females	0		1 986	51	624	31.4				
	Total number of persons receiving services	0		3 933	252	1 629	41.4				
	1.a Corresponding number of households reached										
	Non-women-headed households	0		2 950							
	Women-headed households	0		983							
	Households	0		3 933	252	1 629	41.4				
	1.b Estimated corresponding total number of households members							M&E	Annually	PMU	
	Males	0		7 683	485	3 134	40.8				
	Females	0		7 092	448	2 893	40.8				
	1.b Estimated corresponding total number of households members										
	Household members	0		14 774	932	6 027	40.8				
Project Goal To contribute to sustainable pro-poor economic growth and employment and resilience to external shocks and trends	Reduce incidence of child malnutrition by 20% (RIMS)							1) RIMS impact surveys 2) Baseline 3) final household survey	Y1 and Completion	PMU/ Min Of Health	High level commitment from GoS and private sector operators
	Child malnutrition reduction	7.9		6.3							

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Percentage increase in average monthly income over baseline							final household survey	Y1 and Completion	PMU	
	Households	0		40		57	142.5				
	Increase Households assets ownership by 20% (RIMS)							final household survey	Y1 and Completion	PMU	
	Vehicle	25		30		51	170				
Development Objective Promote modern and sustainable agricultural and fisheries practices to increase and diversify market access for the target group	Percentage of beneficiaries with improved market access							CLISSA M&E reports and GoS statistics	Annually		Private sector operator willing to engage in PPP
	Market oriented small farmers	0		25	0	135	540				
	Artisanal fishers			25	0	0	0				
	Percentage of households reporting an increase in production										
	Market oriented smallholder farmers			50		76	152				
	Artisanal fishers -			40		0	0				
	Backyard gardeners -			50		69	138				
Outcome 1. Smallholder farmers and fishers have capacity to identify and service market demand	Smallholder farmers and fishers reporting challenges in marketing their produce							CLISSA M&E reports and GoS statistics	Annually	PMU/SAA	Technical support from CLISSA implementing agencies timely provided
	Smallholder farmers and fishers	60		20		53	265				
	1.2.2 Percentage of persons/ households reporting adoption of new/improved inputs, technologies or practices							CLISSA M&E reports	Annual	PMU/SAA, PMU, PMU/SFA	
	Market oriented small farmers	0		50		70	140				
	Backyard gardeners	0		40		0	0				
	Artisanal fishers	0		50		69	138				

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Output 1.1 Capacity building and training of smallholder farmers and fishers	1.1.4 Persons trained in production practices and/or technologies							CLISSA M&E reports and GoS statistics	Annually		
	Men trained in crop	0		1 280	165	473	37				
	Women trained in crop	0		1 920	30	478	24.9				
	Men trained in fishery	0		505	10	183	36.2				
	Women trained in fishery	0		27	2	11	40.7				
	Total persons trained in crop	0		3 200	195	915	28.6				
	Total persons trained in fishery	0		532	12	915	172				
	2.1.2 Number of persons trained in income-generating activities or business management									PMU	
	Males	0		222	0	117	52.7				
	Females	0		39	0	64	164.1				
	People	0		261	0	181	69.3				
	Output 1.2 Agricultural/fishery Public-Private-Producer-Partnerships (PPPPs) promoted	Number of PPPPs brokered							CLISSA M&E reports and GoS statistics	Annually	
Number of PPPPs		0	2	10	0	7	70				
Outcome 2. Smallholder farmers and fishers have improved access to equitable financial services	15% increase of smallholder farmers and artisanal fishermen having access to loans from banks							CLISSA M&E reports and GoS statistics	Annually	PMU/SAA, PMU	Conducive economic and regulatory environment
	Smallholder farmers	27		42							
	Artisanal fishermen having access to loans from banks	23		38							

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Output 2.1 Options for supporting credit schemes through private banks assessed	Feasibility study of credit facility completed							CLISSA M&E reports and GoS statistics	Annually	PMU	
	Feasibility study done	0		1	0	1	100				
	Capacity building of banks and non-financial stakeholders carried out							CLISSA M&E reports and GoS statistics	Annually	PMU	
	Banks and non-financial stakeholders trained	0		10	0	10	100				
	1.1.5 Persons in rural areas accessing financial services										
	Total persons accessing financial services - credit	0		617	0	0	0				
	Financial institutions participating in project (RIMS)									Central bank	
	Institutions	0		2	0	0	0				
	Staff of financial institutions trained (RIMS)										
	Staff trained	0		4	0	26	650				
	Value of gross loan portfolio (RIMS)										
	Value	0		11	0	0	0				
	Outcome 3. Smallholder farmers and fishers have increased access to public services, technologies and collective infrastructure	Market oriented smallholder farmers with access to water throughout the year							CLISSA M&E reports and GoS statistics	Annually	
Smallholder farmers		0	171	261	0	212	81.2				
Output 3.1 Capacity of public service institutions strengthened to support smallholder farmers and fishers	Public service institutions strengthened							CLISSA M&E reports and GoS statistics	Annual	PMU	
	Institutions	0		12	2	8	66.7				
	Staff of service providers trained (RIMS)										

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Males	0		30	26	72	240				
	Females	0		30	19	55	183.3				
	Staff	0		60	45	127	211.7				
Output 3.2 Smallholder farmers have access to improved communal infrastructure	Other productive infrastructure constructed/rehabilitated (RIMS)									PMU	
	Dams	0		10	2	5	50				
	Irrigation schemes	0		4	1	7	175				
	Other infrastructure	0		5	0	5	100				
	2.1.5 Roads constructed, rehabilitated or upgraded										
	Length of roads	0		2	0	2	100				
	2.1.6 Market, processing or storage facilities constructed or rehabilitated										
	Storage facilities constructed/rehabilitated	0		6	0	6	100				
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated							CLISSA M&E reports	Annual	PMU	
	Hectares of land	0	171	261	0	212	81.2				

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Appendix 2: Summary of amendments to the financing agreement

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Project No. 1100001560
Report No. 5061-SC
Loan ID 2000000061

East and Southern Africa Division
Programme Management Department

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Appendix 2: Summary of amendments to the financing agreement

No.	Date	Details
1	22/05/2013	Financing agreement signed
2	22/10/2014	Modifications/amendment to the Letter to the Borrower
3	18/02/2015	Amendment to allow the Development Bank of Seychelles (DBS) and the Seychelles Credit Union (SCU) to serve as main implementing partners for component 2
4	19/05/2016	Cancellation of component 2 on the basis of MTR

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Appendix 3: Actual project costs

Document Date: 02/07/2019
Project No. 1100001560
Report No. 5061-SC
Loan ID 2000000061

East and Southern Africa Division
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Appendix 3: Actual project costs

Disbursement. By 31 December, 2018, the IFAD loan was 95% with high chances of increasing to 97% by the time the loan accounts will be closed. The post MTR period envisaged GoS contribution of US\$ 954,000 up from US\$ 282,000, more than 330% increase. This did not include pre-MTR expenditure of US\$103,390 that GoS had already spent in the pre- MTR period; contribution from private companies was to increase from US\$120,000 to US\$ 139,000 (16% increase) and Producers/Beneficiary contribution was expected to increase from USD\$ 91,000 to US\$ 107,000 by 18% while financing from other donors estimated at US\$ 248,000 at design was dropped at MTR.

GoS financed US\$ 229,040 achieving 81% of the appraisal target and 13% of MTR target. Whereas it is evident that beneficiaries are making some contributions at farm level and the private companies are contributing too especially through the partnership developments that are being used as marketing platforms, no contributions have been recorded by the project. Performance by financier compared to appraisal and MTR targets is shown in the table (a) below.

Table (a): Initial/amended projected disbursement and actual disbursement by financier (US\$ '000)

Financier	Allocated at appraisal	MTR targets	Actual Disbursement	Post MTR Disbursement	% Financed of original allocation	% Financed of Post MTR Targets
IFAD	3,000	2,249	2,672.09	2,115.59	89%	94%
GoS	282	954	228.69	125.65	81%	13%
Private companies	120	139	-	-	0%	0%
Other donors	248	-	-	-	0%	0%
Producers/Beneficiaries	91	107	-	-	0%	0%
Total	3,741	3,449	2,900.78	2,241.24	78%	65%

The main investment under Component 3 was in the construction and rehabilitation of roads, irrigation infrastructure, storage facilities, demonstration sheds, among others. Investments in component 1 on the other hand included trainings, acquisition of mechanisation equipment, stocking and restocking of requisite stores, acquisition of an ice making machine and assortment of other equipment. Investment in component 2, prior to its cancellation had been in studies and trainings. Cancellation of component 2 called for reallocation of funds to components 1 and 3.

Performance of component 1 was way below both appraisal targets (44% of total project cost) and revised targets at MTR (51% of revised project cost). This was partially because US\$ 246,000 anticipated from private companies and beneficiaries, accounting for 14% of the total component allocation at MTR was not realised and project management efforts also concentrated on delivery of component 3.

Expenditure performance of the programme management, KM and M&E component was 116% compared to appraisal and 153% compared to the revised target at MTR. Total actual expenditure over the entire project cost was 15%, way higher than the 9% target at appraisal and 8% target at MTR. Expenditure for the winding up period to 30 June, 2019 covering the PCR (US\$ 25,200), final audit (US\$ 5,000 and salaries and allowances (US\$ 36,200) shall increase component 4 actual expenditure by an estimated US\$ 66,400 to US\$ 472,380 and overall loan expenditure to US\$

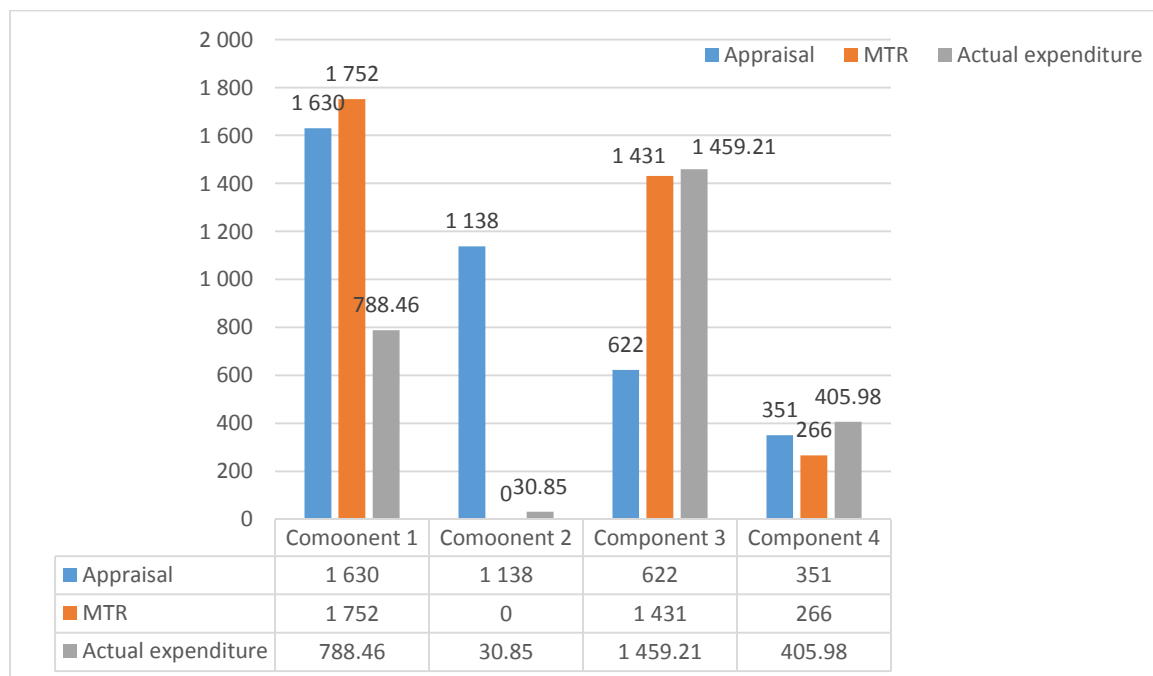
2,750,900. Project management expenditure will therefore have hit 17% of total project cost, which reflects inefficiency in managing project management cost. Expenditure details as shown in tables (b) and (c) below.

Table (b): Expenditure trends by component cumulative to 31st December 2018 (US\$'000)

Component	Appraisal	% of appraisal	MTR	% of MTR	Actual	Actual over Appraisal %	Actual over MTR %	Prop of total actual expenditure %
Component 1	1,630	44%	1,752	51%	788.46	48%	45%	29%
Component 2	1,138	30%	-	0%	30.85	3%	0%	1%
Component 3	622	17%	1,431	41%	1,459.21	235%	102%	54%
Component 4	351	9%	266	8%	405.98	116%	153%	15%
Total	3,741	100%	3,449	100%	2,684.45	72%	78%	100%

1. **Expenditure trends by component:** In terms of trends, component 1 expenditure was on an increasing trend until year 4 (2017 when it declined and picked again in 2018 when the highest expenditure on the component was recorded). Component 3 expenditure was on an increasing trend from year 1 to year 5, with the later recording the highest expenditure. Component 4 expenditure was characterised by high and low trends with year 5 recording the highest expenditure as shown in the table and figure below.

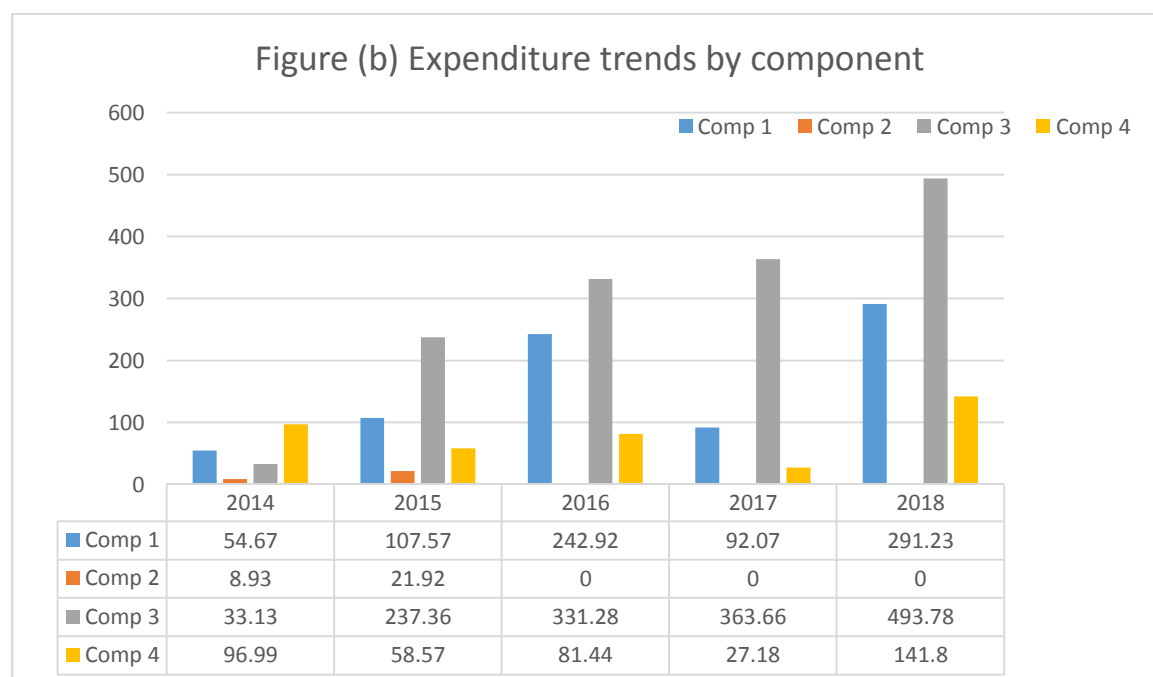
Figure (a): Expenditure trends by component cumulative to 31 December, 2018 (US\$'000)



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Table (c): Initial/amended budget amounts and actual expenditure by component by year to 31st December 2018 (US\$'000)

Component	Appraisal	MTR	2014	2015	2016	2017	2018	Total	Proportion of exp
Component 1	1,630	1,752	54.67	107.57	242.92	92.07	291.23	788.46	29%
Component 2	1,138	-	8.93	21.92	-	-	-	30.85	1%
Component 3	622	1,431	33.13	237.36	331.28	363.66	493.78	1,459.21	54%
Component 4	351	266	96.99	58.57	81.44	27.18	141.80	405.98	15%
Total	3,741	3,449	193.72	655.64	655.64	2482.86	926.81	2,684.45	100%



2. **Annual budget performance.** Compared to annual budgets, component expenditure performance was as illustrated in table (d) below.

Table (d): Budget Vs Actual Comparisons by year (US\$ '000) – all financing sources

Components	Budget/ actual	2014	2015	2016	2017	2018	Total
Component 1	Budget	168.10	391.10	499.97	713.55	329.97	2,102.69
	Actual	54.67	107.57	242.92	92.07	291.23	788.46
	%	33%	28%	49%	13%	88%	37%
Component 2	Budget	656.00	616.72	-	-	-	1,272.72
	Actual	8.93	21.92	-	-	-	30.85
	%	1%	4%	-	-	-	2%
Component 3	Budget	232.65	396.73	845.92	989.36	578.98	3,043.64
	Actual	33.13	237.36	331.28	363.66	493.78	1,459.21
	%	14%	60%	39%	37%	85%	48%

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Component 4	Budget	157.09	93.82	135.90	230.08	276.17	893.06
	Actual	96.99	58.57	81.44	27.18	141.80	405.98
	%	62%	62%	60%	12%	51%	45%
Total	Budget	1,213.84	1,498.37	1,484.79	1,932.99	1,185.12	7,315.11
	Actual	193.72	425.42	655.64	482.86	926.81	2,684.45
	%	16%	28%	44%	25%	78%	37%

3. **Expenditure by category:** The original cost category allocations were revised to reflect MTR recommendations on realigning of activities after cancellation of the credit line, thus the credit cost category. Most of the allocated funds as per revisions were disbursed with civil works and infrastructure recording an overdraft of 20% and recurrent costs: operations and maintenance recording an overdraft of 170%. The vehicles expenditure category was disbursed at 33% after GoS made a decision not to procure vehicles. At MTR, the vehicles category was described to include equipment under component 1 and 3.

4. Overdrafts on works and infrastructure have been attributed to escalation of construction costs and increase in the level of activity on the category. Low expenditure on vehicles on the other hand arose out of the decision by the MFA not to procure vehicles with a view of refocussing of resources on activities with greater impact on beneficiaries. The alternative to procurement of vehicles was car rental during peak activity periods like missions which has increased the expenditure on the category operation and maintenance. The MFA noted these overdrafts and underspending, and initiated a reallocation request that was passed on to the MFTED for onward submission to IFAD but the request was never submitted.

5. During implementation it was observed that in previous withdrawal applications some expenditure items had been charged on wrong expenditure categories contributing to over and under expenditure noted. These were analysed and assigned to the appropriate categories but the exercise could not be completed without reversals being effected in the loans and grants system (LGS) at IFAD. MFTED did not follow up on this either. With reversals not effected, expenditure on civil works and infrastructure category and recurrent costs: operation and maintenance will remain high. Performance by category is summarised in table (e) below.

6. Recovery of the authorised allocation of SDR 265,134.64 equivalents of US\$ 400,000.00 was agreed with IFAD and recovery began with withdrawal application number 15 recovering USD 114,909.42 equivalents of SDR 74,921.06 leaving a balance of SDR 189,505.84 to be recovered. Withdrawal applications of all eligible expenditure to-date should be submitted to facilitate this recovery. The loan balance of SDR 96,637 equivalent of US\$ 135,292, if not withdrawn will be cancelled on 30 June 2019 when the loan will be closed. Justification of the authorised allocation shall increase the recurrent cost categories further.

Table (e): CLISSA Disbursement by Category cumulative to 31st December 2018 SDR ('000) Loan number L – I – 894 SC

Category	Category description	Original Allocation	Revised allocation	Disbursement	Balance of loan	% disbursed (original allocation)	% disbursed (revised allocation)	% of loan balance from revised allocation	Proportion of total project cost
122472	Civil Works and Infrastructure	548	718	859	(141)	157%	120%	(20)%	45.7%
122473	Vehicles	17	562	183	379	108%	33%	67%	9.8%
122474	Technical Assistance and Training	498	543	488	55	98%	90%	10%	25.9%

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Category	Category description	Original Allocation	Revised allocation	Disbursement	Balance of loan	% disbursed (original allocation)	% disbursed (revised allocation)	% of loan balance from revised allocation	Proportion of total project cost
122475	Credit	594	0	0	0	0%	0%	0%	0%
122476	Recurrent costs: Salaries and Allowances	118	152	150	2	127%	98%	1.3%	7.9%
122477	Recurrent costs: Operations and Maintenance	7	5	14	(9)	200%	270%	(170)%	0.7%
074926	Authorised allocation	0	0	189	(189)	0%	0%	0%	10%
	Unallocated	198	0	0	0	0%	0%	0%	-
Total		1,980	1,980	1,883	97	95%	95%	5 %	100%

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Appendix 4: Project internal rate of return (detailed analysis)

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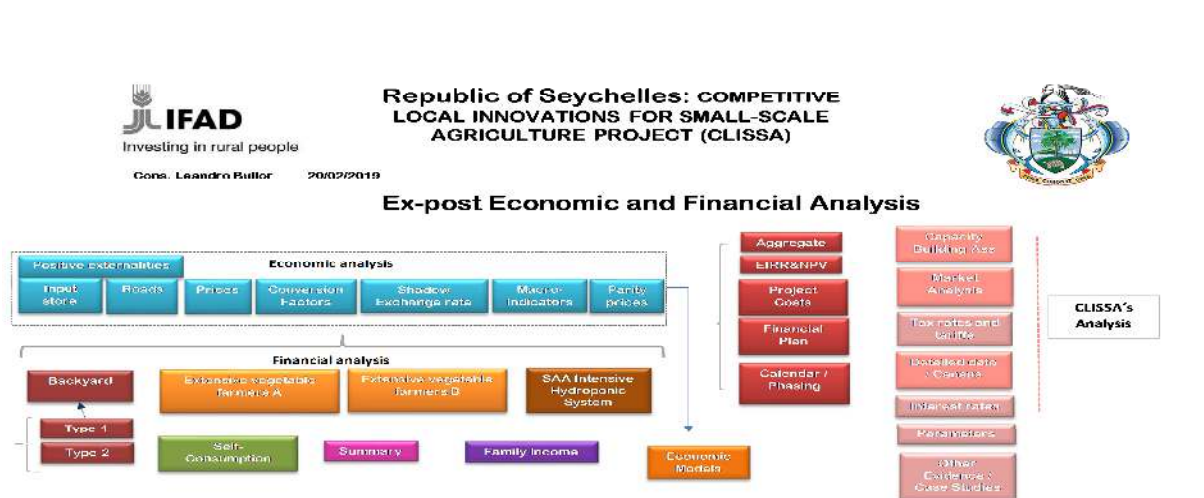
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Appendix 4: Project internal rate of return (detailed analysis)

I. Introduction

1. The current appendix summarizes the main assumptions, hypothesis and results of the Project's ex-post economic and financial analysis. The profitability indicators are calculated taking into account the project's reported outputs and outcomes for each component during the project's implementation period and foreseen for the project lifetime (a 20-year period).
2. The ex-post economic and financial analysis consists of comparing the overall project's costs with the verified and expected impacts, calculated as benefits for the main promoted activities. It is done from the point of view of each beneficiary (financial analysis) but also aggregating beneficiaries per model, calculating the benefits for the economy of Seychelles as a whole. It should be noted that the present document represents only one axe of the global project's analysis (that should also take into account social, environmental and institutional aspects). At completion, it is still too early to capture all expected benefits so a mixed approach will be carried on, combining present and past benefits with others to be produced for the residual life of the investment. Cash flows are calculated and a discount technique is performed to calculate an EIRR based on past, present and future values.
3. The information was obtained from the M&E system, field visits, as well as reviewing SAA's business plans. The resulting figures were double-checked with the local technical specialist for each source of benefits.
4. Both in the financial and economic analysis, each initiative will be considered profitable if cash flow's additional benefits surpass investment and recurrent costs at a cut-off rate. As a result, profitability indicators will be the Net Present Value (NPV, economic and financial), the Internal Rate of Return (IRR, economic and financial) and the Benefit-costs ratio (B/C, both economic and financial). The sensitivity analysis will test vulnerability or robustness of obtained results for the economic profitability indicators.
5. The first part of the document summarizes the sources of project's benefits as well as the main assumptions and hypothesis. Therefore, financial analysis will analyze the proposed models and the corresponding expected benefits, with an assessment related to the impacts on household incomes. In the end, aggregated benefits (with externalities included) will determine the overall profitability and the sensibility of results in face of negative shocks affecting costs, prices and yields. The following map resumes all the calculations involved in the CLISSA's Ex-post EFA.



II. EFA assumptions at design and verifications

6. **Sources of benefits and assumptions.** CLISSA's PDR presented the following sources of benefits:

- 5% increase in productivity
- 5% increase in prices for vegetables
- 6% increase in prices for fruits
- 2% increase in prices for livestock (pork)

7. The identified and expected benefits at completion for small farmers relies on two axes: Increase in land use (mainly) and productivity. It was led by a more efficient use of farming inputs including organic and environmentally friendly fertilizers, intercropping and planning, water harvesting, mulching, micro-irrigation. Support in business development (marketing, labelling, packaging, and storage and business linkages) were less visible but also contributing

8. The following quantitative benefits can be pointed out:

- 35% increase in land-use and 10% increase in productivity for the 2-acre farmers benefiting from water supply infrastructure.
- 5% increase in land-use for the 4-acre farmers benefiting only from trainings.
- 10% reduction of wastes and losses and 30% increase in productivity for the 20sqm home-gardeners participating in trainings.
- 10% reduction of wastes and losses and 50% increase in productivity for home-gardeners (from 20 to 30 sqm garden size) due to improved efficiency after participating in trainings and investing in home-gardening equipment.
- 5% reduction in fuel consumption and transportation costs due to better storage facilities and ice supply for fishers due to the ice-machine facilities.
- Costs savings for fishers in Praslin that don't have to pay a travel ticket to Mahe to get the inputs needed (1.200 SCR per month per person)
- 3 hours of time saving per working day per person for beneficiaries of rural roads

9. **Models.** The PDR models were the following: a) extensive vegetable farming (807 farmers); b) Intensive vegetable systems (21 hydroponic systems); c) fruits and banana productions (1125 backyard farmers); and d) 70 livestock farms (pig). Those models were revised at MTR (including eggplant and papaya) but the low level of implementation justifies the fact that they are still inaccurate at completion.

10. The following verifications can be mentioned:

- CLISSA had no intervention concerning livestock (despite some indirect benefits for some particular farms benefiting from an improved access to market with rural roads), so that model was dropped.
- There was no promotion hydroponics or shade-houses for farmers, except the one that was given to SAA for research purposes (and it will be considered in the analysis)
- Externalities weren't captured at design (time and cost savings for fishers and for farmers with improved access to markets after rural roads interventions).
- CLISSA didn't register a considerable impact in prices or bargaining power for farmers (except for the experience in Market Linkages). Improvements concern agricultural productivity and increase in land-use.

11. The following table compares the PDR and PCR models:

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Table 1. PCR and PDR models

Activity	PDR Without	With	PCR considerations With	PCR's Models
Extensive Vegetable Farming	Low chemical input Unorganized harvest Small quantity and individual marketing	Tailling off chemical and promoting more organic inputs Systematic and seasonal harvesting Larger quantity and collective selling with grading	Improved access to agricultural inputs Improved access to water No improvements in prices or bargaining power	Model 3. farmers with investments in water supply Model 4. Farmers that received trainings
Intensive agricultural farming (green houses and hydroponic)	No intensive vegetable farming	High tech practices	1 system for SAA with Research purposes / No scale	Model 5. SAA hydroponic system
Fruits (banana and pawpaw) / Backyard gardeners	Minimal inputs unorganized harvest small quantity and individual marketing	Introducing fertiliser, pruning and training Systematic and timely harvestin, sorting and grading Collective marketing	Improved access to inputs Improved self-consumption New varieties and techniques	Model 1. Backyard gardeners that investing the activity Model 2. Backyard gardeners that received trainings
Livestock	Minimal inputs Unorganized fattening and disposing Small numbers and individual marketing	Artificially inseminated breeds Systemating fattening Timely slaughtering and collective selling	No livestock	-
Rural Roads	Not considered		Time savings	Externalities 1
Input store in Praslin for fishers	Not considered		Cost savings	Externalities 2
Ice-machine for fishers	Not considered		Cost savings, reduced transportation costs	Model 6. Boat (3 fishers)

III. Ex-post Financial Analysis at completion

12. The financial analysis takes into account the costs and benefits for each participant adopting the project proposal over the period of 20 year including the program duration of 5 years.

13. **Prices.** Prices in Seychelles are freely determined by the market. References have been taken from Victoria Market, Sir Selwyn Clarke Market, local suppliers and consultations in the field with the support of the SAA at the Ministry of Fisheries and Agriculture.

14. **Parameters.** Local Interest rate average for domestic credit in the past months is shown in the table below. Social discount rate is considered at 12%. This same discount rate was considered in the PDR.

Table 2. Annual average (%)

Year	Oct	Nov	Dec	Jan	Feb	Av 12 months
Annual Weighted Average	12.04	12.02	12.05	11.98	12.04	12%

15. **Financial models.** The models are the dominant vegetable and fruit crops for which the demand represents over SCR 15 million of market value and over 200 tons of yearly domestic demand. They concern high value vegetables (namely lettuce, capsicum, pumpkin, cucumber, cabbage, chilies, tomatoes, cassava and eggplant) and fruits (banana, pineapple and papaw). Vegetables and fruits are produced by two types of producers: farmers with extensive vegetable farming combined with fruit

production and home-gardening farming. One model for SAA hydroponics infrastructure was considered. For the fishery sector, only two investments can produce benefits to take into account: the input store in Praslin and the ice-plant that will be based in Mahe. Table 3 summarizes each models specifications.

Table 3: Technical specifications of crops and assumptions without and with project

Farm model/value chain	Main Assumptions	Project support / Investments	Labour	Crops
Extensive vegetable farming combined with fruit production.	2 acres plot 25% self-consumption 75% Arable land Type A. 50% land-use Type B. 35% land-use	Type A. Trainings and improved access to water supply Type B. Trainings	Type A. 1 full time family farmer + 2 full time hired workers Type B. 1 full time family farmer + 2 full time hired workers 1 full time farmer + 180 days part-time	Tomatoe (20%) Cabbage (20%) Cucumber (20%) Chili (20%) Pumpkin (20%)
Intensive agriculture SAA infrastructure	SAA management	15x25m facilities	2 permanent workers	Tomatoe (50%) Lettuce (50%)
Home-gardening farmers.	20-30 sqm plot 40% self-consumption Increased productivity 15%-50%	Type A. Trainings Type B. Trainings + Equipment	50 days/yr	Banana (20%) Sweet potatoe (20%) Tomatoe (10%) Cabbage (10%) Cucumber (10%) Chili (10%) Pumpkin (20%)
Small fishers.	No increase in the catch- 240 days per yr 2,3kg per batch	Training and improved access to finance for ice-cost reduction and increase in value - addition	240 days for 3 full time fishers (small boats)	Demersal fish

16. Overall, all models are considered profitable, with FIRR rates from 12.3% to 102.9% depending on the activity (at 12% discount rate), and net present values (NPV) vary from SCR 4.476 to SCR 558.967. The following list summarizes profitability indicators for all the financial models.

Table 1. Profitability indicators per model (A)

CLISSA's Models							
Detail	Unit	Home-gardeners		Farmers		SAA*	Fishermen
		Model 1- Home- gardening 1	Model 2- Home- gardening 2	Model 3- Extensive fruits and vegetables farmer / Irrigation	Model 4- Extensive fruits and vegetables farmer 2 / trainings	Model 5 SAA System	Model 6- Fishermen
Without Project							
Expenditures	SCR	1,304	3,689	199,141	140,896		902,100
Revenues	SCR	2,072	3,151	357,538	278,085		957,600
Margin	SCR	768	- 538	158,397	137,189	-	55,500
With Project							
Expenditures	SCR	3,804	4,017	310,991	142,393	31,140	886,200
Revenues	SCR	7,128	4,752	536,307	291,989	180,000	1,053,360
Margin	SCR	3,324	735	225,316	149,596	148,860	167,160
FIRR	%	62.1%	43.0%	26.7%	42.5%	12.3%	102.9%
NPV	SCR	13,472	4,476	139,370	31,074	18,995	558,967

* Pilot trial conducted to promote hydroponics

Table 5. Profitability indicators per model (B)

Model	FIRR (%)	NPV (SCR)	B/C
Model 1- Home-gardening 1	62.1%	13,472	1.55
Model 2- Home-gardening 2	43.0%	4,476	1.06
Model 3- Extensive fruits and vegetables farmer / Irrigation	26.7%	139,370	1.59
Model 4- Extensive fruits and vegetables farmer 2 / trainings	42.5%	31,074	2.00
Model 5 SAA System	12%	18,995	5.72
Model 6- Fishermen	103%	558,967	1.18

Relevant outcomes for each target group.

17. As incomes could be an accurate indicator for small-scale farmers, it wouldn't be the same case for backyard gardeners, whose involvement could be better captured with estimates concerning increases in values of marketable and non-marketable production, self-consumed or shared. Two exercises were developed to estimate those impacts. First, expected increase in incomes per model are presented to illustrate farmers expected outcomes. Second, the estimated value for marketable and non-marketable production per family (distributed between calculation for self-consumed and shared) that is more accurate for backyard gardeners.

18. Small-holder farmers are supposed to have increased production and land-use. However, bargaining power wasn't improved for farmers who didn't participate in clusters, so increase in incomes could be limited. On the other hand, market linkages through farmer's clusters were an accurate way to complement the promotion of agricultural productivity and land-use.

Table 6. Expected impact in incomes per model

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ITEM	Unit	Models						
		Model 1- Home-gardening 1	Model 2- Home-gardening 2	Model 3- Extensive fruits and vegetables farmer / Irrigation	Model 4- Extensive fruits and vegetables farmer 2 / trainings	Model 6- Fishermen		
Without Project		*	**					
Income WOP situation	SCR/yr	1,841	2,500	229,362	208,155	90,500		
With project								
Income per HH*	SCR/yr	4,403	2,982	274,661	217,404	126,372		
% Increase	%	139	19.27	20	4	40		
% impact in poverty line	%	7%	1%	118%	24%	94%		
Seychelles ultra-poverty line	SCR/yr			\$38,316				
% impact in transitional poor poverty line	%	5%	1%	96%	20%	76%		
Seychelles poverty line	SCR/yr			\$47,340				
70% Minimum salary	SCR/yr			\$88,200			Average HG	Average Farmers
Impact on HH incomes (%)	%	3%	1%	51%	10%	41%	2%	34%
75% Minimum salary	SCR/yr			\$94,500			Average	
Impact on HH incomes (%)	%	3%	1%	48%	10%	38%	2%	32%
Median gross income	SCR/yr			\$109,704			Average	
Impact on HH incomes (%)	%	2%	0%	41%	8%	33%	1%	27%
Minimum salary	SCR/yr			\$126,000			Average	
Impact on HH incomes (%)	%	2%	0%	41%	8%	33%	1%	27%
**2 person HH income								

Table 7. Expected impact in marketable and non-marketable production for backyard gardeners per model

Home-gardening models	Model	Estimated value for the increase in non marketable production (SCR per year per family)			Estimated value for the increase in non marketable production (SCR per year)			Estimated quantities for the Increase in non-marketable production (kgs of fruits and vegetables per year per family)			Estimated quantities for the Increase in non-marketable production (kgs of fruits and vegetables per year)			Targets
		Total	Self-consumed	Shared	Total	Self-consumed	Shared	Total	Self-consumed	Shared	Total	Self-consumed	Shared	
	1.a	1,501	938	563	418,651	261,657	156,994	48	30	18	13,390	8,369	5,021	279
	2.a	640	400	240	178,625	111,640	66,984	20	13	8	5,713	3,571	2,142	279
	Total (kg)				597,276	373,297	223,978	Total (kg)			19,103	11,939	7,163	558
Adjusted				507,684	317,303	190,382	Adjusted			16,238	10,149	6,089	85%	

IV. Economic analysis and sensitivity

19. **Economic analysis.** The economic analysis (with economic prices to calculate total economic costs) uses aggregated economic model's benefits (by beneficiaries) over the period of 20 years at a shadow discount rate of 8%⁸.

20. **Assumptions.** Conversion factors were applied to labor costs, imported inputs and outputs, exported outputs and subsidized inputs.

21. **Calendar.** Overestimations in outreach at design and MTR led to an overestimated calculation of CLISSA's economic profitability. This fact was complemented with an important delay in project's implementation. The following table presents the actual calendar with adoption rates to better reflect the differentiated level of involvement and participation between target groups.

22. The following assumptions were made:

- Only 10% of small-farmers that only received trainings will improve their situation as it is reflected in the model
- 85% of beneficiaries of improved water supply will improve their situation as it is reflected in the model
- 15% of the backyard gardeners didn't continue with the activity after the training

⁸ Taking into account mid-term bonds yields for the country and other SIDS in the region.

- Out of the 85% that continued, 50% made investments (with higher impacts) and the rest only improved in a lower level (as they only received trainings and the starting package)
- 80% of the fishers benefiting from the input store in Praslin and the Ice-plant in Mahe will report the benefits mentioned in the models.

23. **Results.** It refers to the investment's expected profitability for the country and the society as a whole. The EIRR is finally estimated at 18.3% while the NPV reaches SCR 35 million. The following table summarizes the different calculations at design, mid-term review and completion and the main differences explained.

Item	PDR	MTR	PCR	Detail
EIRR	21%	22%	18,3%	Low outreach, high cost per beneficiary of rural roads, less leverage than expected (reduced total cost).
NPV (SCR)	26,32 million	36,31 million	35,28 million	
Costs (approx.)	USD 3.7 millions	USD 3.4 millions	USD 2.7 millions	Low involvement of financial partners, exchange rate losses.
Outreach	9.598	3.993	1.764	Overestimation, low participation.
Main source of benefits	Increase in prices and productivity.	Increase in prices, productivity and reduce in food imports	Increase in land-use, productivity and small-farmers stability with buyers and capability to meet market standards.	The increase in production (mainly due to the expansion in land-use) improved the stability with buyers and the capability to meet market standards. However, it didn't come with better bargaining power or prices for producers
Main activities supported	Farming, finance, livestock and backyard gardening	Farming, livestock, public infrastructure and backyard gardening	Farming, business management, public infrastructure and backyard gardening	Component 2 was dropped at MTR Livestock was not supported during implementation Public infrastructure and backyard gardening was the main focus after MTR
Cost per beneficiary	USD 385	USD 851	USD 1464	Low outreach
Administrative cost per beneficiary	USD 28	USD 66,6	USD 258	
Recurrent costs / Total costs	7%	8%	15%	

24. **Externalities.** In addition to the direct economic benefits considered above, the economic analysis also considers additional impacts of the project's investments as time savings and cost savings for farmers and fishers. The following assumptions were made for each case:

- a) Rural roads:
 - 1,9 kms rehabilitated in 3 roads
 - 9 house-holds per road benefited in average
 - 1 farmer and 2 rural workers with time savings
 - 5 times per week (number of working days travelling) during a 6 month period that is equivalent for a 7 working days per month per person.
 - 50 SCR as the opportunity cost of labor per day
 - Total estimated value for time savings per road per year: SCR 486.000
- b) Input Store:
 - 50 fishers buying inputs in Praslin
 - 1 time per month travelling to Mahe to buy inputs
 - 600 SCR cost of round-trip to Mahe (plus 600 SCR for meals and other expenses)
 - Total estimated value for cost savings per year due to the input store in Praslin: SCR 360.000

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Annex

EIRR and NPV

Seychelles- CLISSA
Expost Economic and Financial Analysis

FIDA

Economic IRR and NPV

SCR		2014	2015	2016	2017	2018	2019	2020	2021	
Models and Benefits										
Model 1- Home-gardening 1		\$ -	-\$ 41,707	\$ 161,737	\$ 353,039	\$ 724,113	\$ 788,428	\$ 948,971	\$ 977,789	\$
Model 2- Home-gardening 2		\$ -	-\$ 271,784	-\$ 235,801	-\$ 165,893	\$ 169,607	\$ 309,956	\$ 422,459	\$ 418,858	\$
Model 3- Extensive fruits and vegetables farmer / Irrigation		\$ -	-\$ 2,420,550	-\$ 892,249	\$ 858,415	-\$ 8,460,129	\$ 2,941,506	\$ 12,083,470	\$ 17,158,437	\$
Model 4- Extensive fruits and vegetables farmer 2 / trainings		\$ -	-\$ 502,643	-\$ 397,343	-\$ 780,377	\$ 608,251	\$ 421,782	\$ 974,442	\$ 1,109,771	\$
Model 5 SAA System		\$ -	\$ -	\$ -	\$ -	-\$ 866,167	\$ 130,763	\$ 138,624	\$ 138,624	\$
Model 6- Fishermen		\$ -	\$ -	\$ -			-\$ 1,040,910	\$ 1,162,727	\$ 1,145,417	\$
Externalities- cost savings- fishers		\$ -				\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$
Externalities- time savings- roads		\$ -	\$ 486,000	\$ 972,000	\$ 1,458,000	\$ 1,458,000	\$ 1,458,000	\$ 1,458,000	\$ 1,458,000	\$
Total Benefits		\$ -	-\$ 2,750,684	-\$ 391,657	\$ 1,723,184	-\$ 6,006,325	\$ 5,369,525	\$ 17,548,693	\$ 22,766,897	\$
Benefits adjusted		\$ -	-\$ 3,742,276	-\$ 493,375	\$ 2,009,921	-\$ 6,486,831	\$ 5,369,525	\$ 16,248,790	\$ 19,518,945	\$
Costs										
Total Costs adjusted		4,272,989	6,527,576	10,397,695	6,602,118	12,560,516	695,000	373,712	293,323	
Net incremental benefits		-4,272,989	-10,269,851	-10,891,070	-4,592,197	-19,047,347	4,674,525	15,875,078	19,225,621	
EIRR	18.3%									
NPV (@8%, 20yr, SCR)	35,283,740									
NPV (@8%, 20yr, USD)	2,538,399			\$ 32,650,692	NPV Costs (@8%, 20yr, SCR)					
Ratio B/C	3.34			\$ 109,045,834	NPV Benefits (@8%, 20yr, SCR)					
* Recurrent Costs	5%									

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Appendix 5: Environmental social and climate impact assessment (detailed analysis)

Document Date: 02/07/2019
Project No. 1100001560
Report No. 5061-SC
Loan ID 2000000061

East and Southern Africa Division
Programme Management Department

This document will be publicly disclosed unless there is written dissent on its disclosure by the Borrower at the time of this document submission to IFAD or no later than the project closing date.

Appendix 5: Environmental social and climate impact assessment (detailed analysis)

1. The CLISSA completion review Mission did not undertake the rapid environmental assessment, as recommended by the IFAD Guidelines for Project Completion Review. A review was done following the mission based on the information available. The summary of the assessment taking into account the main CLISSA activities that were likely to have adverse impacts on the environment is presented in the table below. By the time of CLISSA's design, the integration of climate risk analysis in the Environment and Social Assessment Procedures had not been done yet. The Project's environmental and social categorisation was B and a number of measures were recommended for inclusion in the Project for reducing any negative impact of activities whenever necessary. The recommended measures were adhered to during implementation therefore the adverse impacts were minimised.

2. The Mission established that none of the Project activities were implemented in environmentally sensitive areas, such as mangroves or other protected areas or had adverse impacts on the coral reefs, or threatened species or undertook any fishing or feeding practices which are harmful to the natural environment. In general, CLISSA did not support activities with the potential of generating significant irreversible or cumulative environmental impacts. In situations where infrastructural activities, such as road rehabilitation (a total of 1.9 km of roads were rehabilitated) and irrigation facility rehabilitation, the Project followed the requirements as stipulated by the Environmental Protection Agency of the Seychelles.

3. In the Seychelles, continued development has meant that land becomes scarcer and more valuable. As a result, agriculture is pushed to more marginal upland areas. While pursuing the goal of higher food self-sufficiency, it is important that the opening up of new lands is guided properly in terms of evaluating the environment impact, the feasibility of providing public services (roads, water) and the suitability of the land for different agricultural enterprises. Although CLISSA activity implementation were completed by 31st December 2018, it is important that, for future interventions in the agricultural sector, the appropriate government procedures be followed so that environmental degradation and pollution related to the opening up of new land and intensification of agriculture are well addressed.

7. Environmental and Social impact analysis for CLISSA

Actions Affecting Environmental Resource Values of the project	Environmental Impact (Negative, positive, small, etc.)	Mitigation measures under CLISSA	Comments
Opening up of new lands	Increasing soil erosion due to land use change Reduced biodiversity if converting vegetated areas to agricultural production	Evaluating the environment impact, the feasibility of providing public services (roads, water) and the suitability of the land for different agricultural enterprises	The guidelines followed by the project are notably contributing to minimising environmental degradation and pollution Capacity building in integrated crop management, in the use of hydroponics will also promote use of available land with minimal and efficient use of inputs
Increase in use of agrochemicals	Point pollution in nearby water sources Health impacts on communities	Capacity building services provided to farmers for effective and efficient use of farming inputs including organic and environmentally friendly fertilizers, intercropping, mulching,	Increased use of organic fertiliser options could have been further promoted through manure and/or seagrass and algae; In addition, re- / upcycling of agricultural and processing waste streams could also have been promoted
Water dams/reservoirs, irrigation facilities/ Installation of water piping systems	Disturbance of soils Disturbance of water flows and channels Removal of vegetation	Adherence to National Protection Agency requirements Capacity building in water use efficiency	Further efforts could have been made in promoting greater awareness on water use efficiency

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Actions Affecting Environmental Resource Values of the project	Environmental Impact (Negative, positive, small, etc.)	Mitigation measures under CLISSA	Comments
		including micro- and drip irrigation	
Market, processing or storage facilities constructed or rehabilitated/	Disturbance of soils Removal of vegetation Impact on habitats Land use change	Adherence to National Protection Agency requirements Site maintenance during works Rehabilitation of sites following works Capacity building for the maintenance and operations of the facilities	The operations of the facilities should incorporate waste management. Sites should be well maintained to ensure good practices in environmental management
Rehabilitation of roads	Disturbance of soils Removal of vegetation Impact on habitats	Adherence to National Protection Agency requirements Site maintenance during works Rehabilitation of sites following works Deposal of waste in appropriate areas	

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Appendix 6: Dates of supervision mission and follow-up missions

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Programme Management Department

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Mission	Date Completed
Impl. Sup/Follow Up Mission 1	03 February 2014 - 14 February 2014
Supervision Mission 1	21 April 2014 - 25 April 2014
Impl. Sup/Follow Up Mission 2	28 September 2014 - 10 October 2014
Supervision Mission 2	15 October 2014 - 31 October 2014
Supervision Mission 3	27 April 2015 - 15 May 2015
Impl. Sup/Follow Up Mission 3	22 November 2015 - 30 November 2015
Mid-Term Review 1	29 February 2016 - 11 March 2016
Supervision Mission 4	23 October 2016 - 05 November 2016
Supervision Mission 5	23 October 2017 - 07 November 2017
Impl. Sup/Follow Up Mission 4	19 February 2018 - 28 February 2018
Impl. Sup/Follow Up Mission 5	28 October 2018 - 10 November 2018

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Appendix 7: Terms of Reference of the completions review mission

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Appendix 7: Terms of Reference of the completions review mission

I. Introduction

1. The proposed project completion review for the Competitive Local Innovations for Small-Scale Agriculture Project is undertaken jointly by IFAD and the Ministry of Agriculture and Fisheries of Seychelles. Its main purpose is to report on the results achieved through project interventions for accountability and learning purposes. The process should also help reflect on performance, elicit lessons learned and define an appropriate hand-over or post-project strategy.
2. The project completion review will take place from **27th January to 15th February 2019**. The final PCR will be submitted officially to the IFAD CPM no later than **19th April 2019**. These Terms of Reference (ToRs) describe the detailed objectives, timeline and deliverables of the completion review mission but the completion review process should be guided by the methodological framework set out in IFAD Project Completion Review Guidelines.
3. In-country, the work of the PCR team will be facilitated by the Project Management Unit (PMU), under the overall supervision of the Ministry of Fisheries and Agriculture of Seychelles.

II. Project background

a) Project objectives and expected outcomes

4. The objective of CLISSA is to "promote sustainable and environmental-friendly agricultural and fisheries practices, and to increase and diversify market access for smallholder farmers and fishers". The project aimed at reviving the agricultural sector, strengthening small-scale artisanal fisheries and promoting rural microenterprises in the islands of Mahé, Praslin and La Digue.
5. The overall goal is to contribute to equitable and sustainable pro-poor agricultural and rural economic growth and employment. The project development objective is to promote modern and sustainable agricultural and fishery practices to increase and diversify market access for smallholder farmers and fishers. The project currently has 2 technical components: (i) Component 1- Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers; (ii) Component 2 - Strategic capacity building and infrastructure.

b) Project target area and target group

6. Though CLISSA has national coverage, it mainly intervened on the three main islands of Mahé (153 km²), Praslin (38 km²) and La Digue (10 km²), where most of the population is based ("Inner Islands").
7. The primary target group of the Project consists of: (a) 261 registered farmers who are producing for the market; (b) 521 registered artisanal fishers depending on small-scale fish processing; and (3) 3200 backyard farmers and gardeners who are practicing gardening for self-consumption and complementary income. CLISSA does not have a poverty focus per se but many of its beneficiaries who have self-selected themselves for participation in project activities belong to the IFAD target group.

c) Implementing arrangements

8. CLISSA's implementation is the overall responsibility of the Ministry of Agriculture and Fisheries (MAF). MAF coordinates with the Ministry of Finance, (MF) and other relevant Ministries and Agencies. To facilitate implementation, a Project management unit (PMU) is embedded within MAF, under the supervision the Principal Secretary Agriculture in MAF. Key sub-components are implemented by four specialized government agencies – SAA (Seychelles Agriculture Agency), SIAH

(Seychelles Institute of Agriculture and Horticulture), SFA (Seychelles Fishing Authority) and SMA (Seychelles Maritime Academy) – and lead Farmers Organizations.

9. A National Project Steering Committee (NPSC) is chaired by the Minister of Agriculture. The NPSC includes a Technical working group (TWG) in charge of providing operational guidance to CLISSA.

d) Budget and expenditures

10. CLISSA project was approved by the IFAD Executive Board of 07 April 2013 as an ordinary term loan of SDR 1.98 million to the Republic of Seychelles. The Financing Agreement was signed on 22 May 2013 and CLISSA entered into force in November 2013. Its completion and closure dates are scheduled on 31 December 2018 and 30 June 2019 respectively. The Government's contribution to the project was evaluated to USD 0.282 million to cover salaries of the Project Management Unit (PMU) staff, accommodation and utilities for the PMU; taxes and duties on imported goods, and Value Added Tax. The Beneficiary contribution was estimated at USD 91,000, the private sector was expected to contribute USD 0.12 million, and other donors' contribution was evaluated at USD 0.248 million.

III. Detailed objectives

11. The overall objective of the completion review is to assess, and document overall project implementation performance and the results achieved. This process calls for an informed reflection on the relevance, effectiveness, efficiency and sustainability of project interventions.

12. More precisely, the detailed objectives of the completion process include the following:

- To assess the effectiveness of project implementation, or the extent to which project objectives were met, and to document the immediate results and impacts of project interventions.
- To assess the relevance of project interventions at the time of project design and in today's context.
- To review the project costs and benefits and the efficiency of the overall project implementation process, including IFAD's and partners' performance
- To assess the prospects of sustainability of project benefits beyond project completion
- To generate and document useful lessons from implementation that will help improve IFAD's or Borrower's future programming and designs.
- To identify any potential for the replication or up-scaling of best project practices

IV. Methodology

13. The mission will use a mix of quantitative and qualitative tools to form an informed judgement on overall project performance and results. For transparency and accuracy purposes, it is important that the consultation with project stakeholders should be as large and inclusive as possible and the list of persons to be met by the mission will require careful consideration.

14. Primary sources of information will include project reports and documents (supervision reports, MTR report, progress reports, AWPB, etc.), M&E and MIS data (including RIMS ORMS data), any surveys or specific studies undertaken by the project (including the impact survey), PMU and service providers' records and the records of the groups supported by the project. These sources will be used extensively to generate quantitative information on project results or estimate project efficiency.

15. In addition to primary sources of information, the mission will collect relevant data from secondary sources, such as national and local statistics, other donors' statistics, the civil society, private sector entities (trade associations, universities, etc.). These will be used mainly to breach information gaps on certain issues or to cross-examine the data generated from other sources.

16. In case sufficient or reliable impact data is not available, the mission should undertake a mini-survey while in the field to collect basic information from a small sample of respondents (to be

selected using the most appropriate sampling method). To this end, a questionnaire should be developed before the field work starts.

17. In addition, and to gather an in-depth understanding on certain issues, collect stakeholders' feedback and generate important insights, the mission will use a variety of qualitative tools, such as key informants' interviews, focus group discussions and rapid case studies. Before starting the field work, it is important that the mission dedicates sufficient time to prepare the necessary interview guides.

18. The method of direct observation will also be used by the mission. A large sample of project sites, or locations where project activities took place, will thus be visited to collect impressions and feelings, verify that reported interventions took place, confirm that they met expected quality standards and beneficiaries' needs, or to take note of the external context of project intervention. Selection of project sites will require careful consideration to avoid biases.

19. The organization of a stakeholders' workshop either before the field work starts or towards the end of the mission, will be envisaged to collect initial feedback on project performance or on initial mission's findings.

20. To strengthen the analysis and overcome the weaknesses, intrinsic biases and the problems that may be associated with a single method, the mission will —triangulate all findings, combining methods and data sources to cross-examine initial findings.

V. Timeframe and deliverables

21. The mission will take place from **January 27th to February 15th, 2019** (in-country work). The mission will start with the briefing of the completion review team by MAF's Principal Secretary and the PMU staff, to be held at MAF on **January 28th, 2019**. The field work will take place from **January 29th to February 8th for the EFA expert and Financial Management expert and February 15th, 2019** for the Team Leader, following the detailed programme and itinerary that will be finalized at the start of the mission based on the tentative programme presented in these ToRs. A national Stakeholders' Workshop will be organized by the PMU and facilitated by the PCR team upon return from the field work.

22. Towards the end of the in-country work, the mission will present its initial findings and conclusions during a wrap-up meeting to be hosted by the PS Agriculture.

23. The mission will prepare a Project Completion Review report following the outline presented in IFAD's Project Completion Review Guidelines. The first draft PCR will be prepared shortly after the end of the completion review mission and submitted electronically by the mission's Team Leader to PMU not later than **March 15 2019** with copy to IFAD Country Program Manager for feedback.

24. The draft PCR report will be circulated among main stakeholders for review and consolidated, written comments will be sent to the mission's Team Leader not later than **March 29th** by PMU.

25. On this basis, the final PCR report will be finalized and submitted electronically by the mission's Team Leader not later than **April 7th, 2019** to PMU. The final PCR will be submitted officially to IFAD CPM no later than **April 19th, 2019**.

VI. Tentative programme and itinerary

26. Will be set at mission start in agreement with the PCR team.

VII. Composition of the project completion review team

27. The PCR will be conducted by a team of three experts

- Mission Leader Team Leader – will lead the Review and cover Component 1 (*International*)
- Economic and Financial Analysis Specialist (*International*)
- Financial Management Specialist: (*International*)

Specific Terms of Reference

28. **Institutional Development Expert:** will assume the overall coordination of the mission, will act as the focal point for discussions with the Mission Team, the partners and with the Government, and will elaborate and finalize the aide memoire, the project completion report and the management letter.

29. The Mission Team Leaders will, at the start of the mission, discuss and agree with all team members on the written inputs/sections for the Aide Memoire/PCR, in order that the PCR guidelines are addressed for each section and provide support to mission members to assess the separate phases of the project since it became effective, according to their areas of technical expertise to ensure that all aspects of the project since inception are well assessed. In addition, with inputs of mission members, the Team Leader will:

- Assess the prospects of sustainability of project benefits beyond project completion; Document any further consideration for mainstreaming key elements of the programme approaches into existing institutions for sustainability;
- Generate key lessons from implementation that will help improve IFAD's or the Borrower's future programming and designs in Seychelles;
- Identify potential for the replication or scaling up of project best practices;
- Assess whether project objectives were realistic and consistent with national development plans, poverty reduction strategies, agriculture and rural development strategies and other sectoral priorities, as well as with IFAD 's mandate and policies;
- Assess programme management performance including issues, strengths, opportunities and weaknesses of the programme, including the extent to which the various Government entities and contracted service providers fulfilled their roles and responsibilities;
- Assess the quality of supervision and implementation support provided throughout the life of the project;
- Assess the extent to which project interventions have introduced and tested innovative approaches to rural poverty reduction; (viii) Assess the adequacy of design changes;
- Analyze and document impact domains including agricultural productivity, access to markets, institutions and policies, natural resources and the environment, following the PCR guidelines;
- Assess the existence and quality of the asset handover plan to the Government.
- Contribute to the Rapid Environmental and Social Assessment section of the PCR as required.
- Guide the team to ensure that the main performance assessment questions contained in Attachment 1 of the PCR guidelines are fully covered by team members as appropriate, relating to project relevance, effectiveness, and efficiency.
- The mission team leader will review Component 1 'Enhancing business arrangements through capacity development of small farmers, rural micro entrepreneurs and fishers' and Subcomponent 3.1 'Institutional capacity building'. He will also conduct a review of the gender and targeting aspects for CLISSA activities. He will assess the likelihood that the benefits from project interventions relating to gender and targeting will continue after project completion.

30. **Economic and financial Analysis Expert (EFA) (20 days).** The economist will carry out the EFA at completion in order to recalculate an IRR and assess the efficient allocation of resources. At the same time, by comparing expected outputs with actual project deliveries, many lessons can be extracted on how effective the implementation and the overall strategy was. To be able to perform this analysis, the consultant will:

- Review and update assumption on market prices as well as quantities (yields and inputs) applied in the development of each financial model. Recalculating profitability indicators for each model to confirm their financial viability and expected impacts.
- Develop new model that reflect activities that were not considered at design or during mid-term to properly reflect the theory of change of the implementing project.
- Review and update the economic assumptions of the model mostly in relation with target beneficiaries and adoption rates for each type of intervention, re-calculating project cash flows for net incremental benefits and economic profitability indicators³³ (NPV, IRR, etc.). (i.e. are beneficiaries uptake at the expected level?)
- Update Log-frame using the new EFA results to show the extent to which targets were met.

31. The EFA can and should be used as one of the sources of information to measure whether the project has met the targets and done so in an efficient way. When the EFA is used as a dynamic monitoring tool, periodically updating main assumptions and revisiting models to fit reality, then, at completion it can be re-run and it will show results of implemented activities. This information can be used to assess whether and which activities have been successful, inform decisions on scaling up

32. The EFA expert will also assess the extent to which the various Government entities and contracted service providers fulfilled their roles and responsibilities relating to M&E/KM and value chain development.

- Assess the likelihood that the benefits from project interventions relating to M&E/KM and value chain development will continue after project completion.
- Analyze and document impact domains including household incomes and assets, food security, agricultural productivity and access to markets, following the PCR guidelines.
- Analyze and document the main lessons learned from project implementation relating to M&E/KM and value chain development.
- Based on a review of project documentation and stakeholder interviews, use a Theory of Change (ToC) approach to help assess project effectiveness, likelihood of impact, sustainability and scaling up.
- Assess the coherence between AWPB, implementation and log-frames established during the implementation period; document implementation performance on the log-frame during each phase of the project in reaching the programme objectives.
- Assess the extent to which the project contributed to knowledge-generation and knowledge-sharing efforts.
- Provide written inputs related to the relevant component/activities for the aide-mémoire and completion report as well as the related appendices (4, 7, and 8 in particular).
- Analyze and document the main lessons learned from project implementation relating to gender and targeting.
- Evaluate the management and implementation arrangements for gender and targeting activities, including involvement of project stakeholders and impact of any gender training received.
- Contribute to the Rapid Environmental and Social Assessment section of the PCR as agreed with the Mission Lead.
- Provide written inputs related to the relevant component/activities for the aide-mémoire and completion report as well as the related appendices.

33. **Financial Management Expert (20 days)** will review of the overall financial performance of the project, and he will contribute to review the efficiency of the project implementation and the performance of the key implementation partners (IFAD, Government, services providers, farmers' organizations, etc) and well as in the analysis and identification of the main lessons learned.

34. Using the IFAD FMAQ as the basis to collect the relevant information, the Financial Management Specialist will assess the strengths and weaknesses of financial management systems, internal controls and financial reporting systems relating to financial management and financial administration of project funds in order to ensure that they satisfy IFAD's fiduciary requirements and comply with the Financing Agreement and LTB. He will:

- Review action taken to address recommendations of previous FM-related mission.
- Based on the financial reports prepared by the project, review the financial performance by expenditure category and component to assess the project's overall financial performance to date against (i) appraisal and (ii) approved AWPBs since project start. Review the cumulative status of funds by category of expenditure, approved AWPB and the project commitments (contracts signed not paid) in order to estimate the adequacy of funds and the potential need for category reallocations. Summarize the reasons for significant variances between expected and actual disbursement rates. Identify actual or potential problems and bottlenecks;
- Review the financial execution of the current AWPB and obtain from the PMU explanations for significant budget-to-actual variances. Comment on the project's budget monitoring system;
- Review availability of counterpart funds (government and beneficiaries), identifying what amounts are now owed by the project, if any;
- Provide guidance on the procedures to close the funds under the present Loan (the recovering process);.

- Conduct an SOE check for eligibility of the expenses as per IFAD guidelines on review of SOEs.
- he will review the quality of project management, its responsiveness to changes in the environment or the recommendations made during supervision missions. The adequacy of staffing within the Project Coordination or Management Unit (PCU/PMU) and staff motivation are also examined, together with the quality of the various project management tools (AWPB, Procurement Plan, M&E Plan) and systems (MIS) that were put in place during project implementation. The ability of the Project Steering Committee to resolve problems and guide implementation is also considered
- He will also review the Quality of IFAD supervision and implementation support.

Profile of Project Completion Review Team

35. Team leader

- Advanced university degree (Masters) in social sciences, economics, business management, rural development, agriculture, agricultural economics or related disciplines.
- Minimum 10 years' experience in Rural and/or Agricultural Development and extensive experience leading and coordinating a team of experts
- Experience carrying out similar review of a rural development project in the last 5 years, preferably with an IFAD funded project or programme
- Familiarity with Institutional Development, Agri-Business Development and Rural Infrastructure projects
- Knowledge/understanding of the various implementation modalities
- Knowledge/understanding of how to conduct a Rapid Environmental and Social Assessment for such a project
- Expertise in one or more of the following topics would be an asset: value chain development; agricultural business development; project management.
- Prior experience with CLISSA will be a plus

36. Financial Management Expert

- University degree in finance, management, accounting or related field
- Familiarity with projects or programme management and implementation procedures and practices and international fiduciary standards employed by governments and IFAD
- Prior experience with CLISSA will be a plus

37. EFA Expert

- University degree in finance, economic or related field
- Familiarity with projects or programme management and implementation procedures and practices and IFAD
- Experience performing EFA and familiar with IFAD guidelines for EFA at completion
- Experience conducting similar reviews and EFA in the last 5 years,
- Prior experience with CLISSA will be a plus

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Appendix 8: List of person met and mission's programme

Document Date: 02/07/2019
Project No. 1100001560
Report No. 5061-SC
Loan ID 2000000061

East and Southern Africa Division
Programme Management Department

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Appendix 8: List of person met and mission's programme

A. List of Participants in the Different Meetings

Date of Meeting: 30th January 2019

Name of Institution: SFA

Name	Job Title	Institution/Organisation
Georgie Nicette	Manager for Fisheries Properties	SFA
Aubrey Lesperance	Principal Aquaculture Office	SFA
Ronny Antat	Development & Assessment Manager	SFA
Anica Aglae	Project Manager	SFA
Charles Elizabeth	Procurement Officer	CLISSA
Thembelike Manjengwa	M & E Officer	CLISSA
Leandro Buller	Consultant	CLISSA
Richard Batamanye	Consultant	CLISSA
Shakib Mbabaali	Consultant	IFAD

Date of Meeting: 31st January 2019

Name of Institution: SAA (Seychelles Agricultural Agency)

Name	Job Title	Institution/Organisation
Shakib Mbabaali	Consultant	IFAD
Richard Batamanye	Consultant	CLISSA
Charles Elizabeth	Procurement Officer	CLISSA
Thembelike Manjengwa	M & E Officer	CLISSA
Leandro Bullor	Consultant	CLISSA
Nelson Charles	Chief Research Officer	SAA
Gretelle Isaac	Senior Information & Com. Officer	SAA
Linetta Estico	CEO	SAA
Valerie Henrie	Principal Extension Officer	SAA

Date of Meeting: 31st January 2019

Name of Institution: RCFA (ROCHE CAIMAN FISHERMEN ASSOCIATION)

Name	Job Title	Institution/Organisation
Jude Bijoux	Consultant	Fisheries Management Consulting Services
Florent Pool	Chairperson	RCFA
Marie-Helene Etienne	Market Manager	RCFA
Charles Elizabeth	Procurement Officer	CLISSA
Thembelike Manjengwa	M & E Officer	CLISSA
Leandro Bullor	Consultant	CLISSA
Richard Batamanye	Consultant	CLISSA
Shakib Mbabaali	Consultant	IFAD

Date of Meeting: 31st January 2019

Name of Institution: SMA (Seychelles Maritime Academy)

Name	Job Title	Institution/Organisation
Capt. Taraka Telwatta	Director	SMA
Capt. Wilton Ernesta	Director	SMA
Michael Barber	Head of Studies	SMA
Hubert Poirer	HOP Apprentice/TVET	SMA
Charles Elizabeth	Procurement Officer	CLISSA
Thembelike Manjengwa	M & E Officer	CLISSA
Shakib Mbabaali	Consultant	IFAD
Leandro Bullor	Consultant	CLISSA
Richard Batamanye	Consultant	CLISSA

Date of Meeting: 05 February 2019

Name of Institution: Ministry of Finance, Trade, Industry and Economic Planning (MoFTIEP)

Name	Job Title	Institution/Organisation
Shakib Mbabaali	Consultant	IFAD
Richard Batamanye	Consultant	CLISSA
Charles Elizabeth	Procurement Officer	CLISSA
Thembelike Manjengwa	M & E Officer	CLISSA
Leandro Bullor	Consultant	CLISSA
Patrick Course	Senior Project Accountant	MoFTIEP
Seylina Verghese	Deputy Comptroller General	MoFTIEP
Maryana Labonte	Economist	Dept. of Economic Planning (MoFTIEP)

B. Mission's Programme

Date	Time Frame	Activity	Location	Contact Person
27 th Jan. 2019	1700 hours	Arrival of Mission Members	Victoria	Charles Elizabeth
28 th Jan. 2019	0900 hrs – 1600 hrs	<ul style="list-style-type: none"> • Introduction of PCR Mission Team to CLISSA PMU; • Meeting of Mission Team with CLISSA PMU Team discuss Mission Programme; • Identification of relevant reference documents for the Mission; • Assignment of responsibilities for the preparation of the CLISSA PCR and the associated appendices 	Ministry of Fisheries and Agriculture, Victoria	Mission Team Leader
		•		
29 th Jan. 2019		• Specific discussions with CLISSA PMU:	MFA	
		• Assessment of component 1		
		• M&E and KM		
		• Overall project implementation and management		
		• Working session between the project accountant and the financial management Specialist;		
		•		
30 th Jan. 2019	10 30 am	• Meeting with SFA (tentative)	At SFA	
		• <u>MAHE</u> : Field visit to Farmers at La Gogue; discussion with farmers clusters; Mrs. Savy at Val Dan Dor, Farmers at La Gogue		
		• Working session between the project accountant and the financial management Specialist;		

31 st Jan. 2019	8.30 am	<ul style="list-style-type: none"> Meeting with SAA 	At SAA	
	10 00 am	<ul style="list-style-type: none"> Meeting with SMA 	At SMA	
	1 pm	<ul style="list-style-type: none"> Meeting with Roche Caiman Fishers Association 	Roche Caiman	
		<ul style="list-style-type: none"> 		
1 st Feb. 2019	9.00 am	<ul style="list-style-type: none"> Meeting with Anse Boileau Framers Association 	SAA Research Anse Boileau	
	10 am	<ul style="list-style-type: none"> Meeting with SIAH 	SIAH	
2 nd Feb. 2019	All day	<ul style="list-style-type: none"> Aide Memoire/Report writing and Mission Team meetings (when needed) 	Hotel	Mission Members
		<ul style="list-style-type: none"> 		
3 rd Feb. 2019	All day	<ul style="list-style-type: none"> Aide Memoire/Report writing and Mission Team meetings (when needed) 	Hotel	Mission Members
		<ul style="list-style-type: none"> 		
4 th Feb. 2019		<ul style="list-style-type: none"> Field visits (to be organized) 		
	5.00 pm	<ul style="list-style-type: none"> Arrival of Mr. Bamba Country Program Manager 		
		<ul style="list-style-type: none"> Working session between the project accountant and the financial management Specialist 		

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Appendix 9: Final wrap-up/stakeholder workshop findings

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Appendix 9: Final wrap-up/stakeholder workshop findings

Summary Conclusions and Recommendations

- After two weeks in the country, the CLISSA completion review team presented their preliminary findings to different stakeholders in a workshop that was convened on 8th February 2019 at the Ministry of Fisheries and Agriculture. The objective of the workshop was for the PCR team to present a summary of their preliminary findings to the CLISSA stakeholders and for the stakeholders to provide comments and suggestions meant to improve the quality of the report.
- The workshop was chaired by Mr Antoine Marie Moustache, Principal Secretary (Agriculture), Ministry of Fisheries & Agriculture. A total of 12 people participated in the workshop. The list of participants is attached to this Appendix.
- The CLISSA completion review's preliminary findings, conclusions and recommendations were presented by the team leader; because of the CLISSA PMU's active participation in the completion review exercise, the CLISSA M&E Officer was asked to present the preliminary findings related to CLISSA's assessment of effectiveness. The presentation was followed with active discussions of different aspects of the findings by the workshop participants. Questions were asked, clarifications sought and suggestions provided for improvement of the report. The PCR Team members provided answers and clarifications as needed. The following were the key aspects that attracted considerable attention and discussion:
- Backyard Gardening – Workshop participants appreciated the fact that backyard gardening proved to be one of CLISSA's successful interventions. However, they were concerned that, while the completion review had identified the need for continued practical knowledge transfer and improved access to relevant small-scale technologies, from the government's institutional point of view, backyard gardening, as a subsector, did not belong anywhere. Participants pointed out the need for government to recognise the contribution the subsector is making to improving national food and nutrition security. Therefore, it was argued that there was a need to consider establishing a formal linkage through which facilitation could be made to help make backyard gardening more resilient to climate change and more inclusive of youth in its quest to continue contributing to national food and nutrition security. To that effect, MFAG was asked to consider the creation of a small unit to facilitate the subsector's continued contribution to national food and nutrition security;
- Markets for Domestically Produced Fruits and Vegetables on Mahe and Praslin – As part of the preliminary findings, the PCR team reported that marketing of domestically produced fruits and vegetables still presented a huge challenge on Praslin while considerable progress had been made in linking farmers to markets on Mahe Island. In fact, cases were identified where some commodities were in high demand and, therefore, fetching high prices on Mahe Island while the same commodities were in excess supply and, in certain situations, rotting away due to the absence of markets on Praslin Island. It was decided that efforts be made to coordinate marketing efforts to ensure that domestic production, to the extent possible, is used to satisfy domestic demand;
- Sustainability of Selected Interventions – The PCR team presented the likelihood of sustaining the different CLISSA interventions. Based on the picture presented, some of the workshop participants were of the view that, while certain infrastructure, such as roads, were of a truly public nature and, therefore, government should make arrangements for sustaining them, they felt differently about other interventions. For interventions, such as the provision of water for irrigation, ice for fish preservation, etc. an argument was made that as long as the smallholder farmers and artisanal fishers were selling their produce/catch in a free market, under the forces and demand and supply, they should also pay for the inputs (water and ice) if those services were to be sustained in the long run. Others argued that the issue of subsidies was very political and that the

recipients of those subsidies (smallholder farmers and, especially, the artisanal fishers) had a big political clout that would make it very difficult to even consider abolishing them!

- Consolidation of the CLISSA Achievements – The workshop agreed that the Project had highlighted and, in some cases, successfully demonstrated the steps that need to be undertaken for the Government to achieve its long-term goal of reducing excessive reliance on food imports. But, the workshop also pointed out the need to ensure that this effort and momentum get continued since GoS objectives are still far from being achieved. Some participants asked about the fate of the already designed Project, the Innovation for Small-Scale Agriculture and Fisheries (ISSAF) Project that was specifically designed as a follow-on to CLISSA. To that effect, the Government was urged to find ways of facilitating the effective implementation of ISSAF; it will help consolidate CLISSA's gains.
- The final wrap up did not take place because the Minister of Fisheries & Agriculture and the Principal Secretary were both out the country. It was agreed that all key issues had been brought up and discussed during the stakeholders' workshop. It was also agreed that an Aide Memoire would be prepared for the eventual signature of the responsible officers (PS and the IFAD Country Director for Seychelles).

List of Workshop Participants

- **Ministry of Fisheries and Agriculture**
 - Mr. **Antoine** Marie Moustache, Principal Secretary (Agriculture)
 - Mrs. Mermedah Moustache Senior Policy Analyst (Agriculture)
 - Mrs. Sara Estico, Senior Economist (Agriculture)
 - Mrs. Sylvie Larue, Senior Monitoring and Evaluation Officer (Fisheries & Agriculture)
 - Mrs. Lynn Bilal, Senior Cooperation Officer (Fisheries & Agriculture)
- **Seychelles Agricultural Agency**
 - Mr. Will Dogley, Chief Agricultural Analyst
- **Seychelles Maritime Academy**
 - Mr. Michael Barbe, Senior Lecturer
- **CLISSA PMU**
 - Mrs. Thembekile Manjengwa, Monitoring and Evaluation Officer
 - Mr. Jude Barra, Project Accountant
 - Mr. Charles Elizabeth, Ag Project Coordinator/Procurement Officer
- **PCR Team**
 - Mr Shakib Mbabaali, Team Leader
 - Mr Richard Batamanye, Financial Management Expert