

Mozambique

Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors Supervision Report

Main report and appendices

Mission Dates: 05th - 17th November, 2018
Document Date: 12/03/2019
Project No. 1100001618
Report No. 4942-MZ

East and Southern Africa Division
Programme Management Department

Abbreviations and Acronyms

MASA	Ministry of Agriculture and Food Security
DNEA	National Directorate for Agrarian Extension
MTR	Mid Term Review
DINAS	Direcção Nacional de Agricultura e Sivicultura
DINAT	Direcção Nacional de Terras
INIR	Mozambique Agrarian Research Institute
FDA	Agriculture Development Fund
PROSUL	Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors
LSPs	Leader services Providers
ASCAs	Accumulating Savings and Credit Associations
PIOTAF	PROSUL Innovation and Technical Assistance Facility
PDR	Project Design Report
PMT	Programme Management Team
AWPB	Annual Work Plan and Budget
MOU	Memorandum of Understanding
SDAEs	Sevicps Distritais de Actividades Economicas
SECAP	Adaptation for Smallholder Agriculture Programme
FFS	Famer Field School
DUAT	Right of Use and Enjoyment of Land
GALS	Gender Action Learning System
M&E	Monitoring and Evaluation
VC	Value Chain
WA	Withdrawal Application
GAPI	Sociedade de Gastao e Financiamento para a Promocao de Pequenas Projectos de
INAM	Instituto de Investigação Agrária de Moçambique
RMA	Rwanda Methodology Agency
PROMER	Rural Markets Promotion Programme
ICO	Country Office
FMD	Financial Management Division
CPPM	Code of Practices for Project Management
TVM	National Television
FO	Farmers' Organisations
DNDR	National Directorate for the Promotion of Rural Development
IFAD	International for Agriculture Development
EU	European Union
PMU	Project Management Unit
SNV	Netherlands Development Organisation
SDAE	District Services for Planning and Infrastructure
SDPI	District Services for Planning and Infrastructure
SIPs	Strategic Investment Plan
SP	Service Provider
USD	United States Dollar
MZ	Metical
FA	Financial Agreement
NUIT	Tax number

A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Not at risk
Country:	Mozambique	Environmental and Social Category:	B
Project Name:	Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors	Climate Risk Classification:	not available yet
Project Id:	1100001618	Executing Institution:	not available yet
Project Type:	Agricultural Development	Implementing Institutions:	not available yet
CPM:	Robson Mutandi		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date	21/09/2012	Last audit receipt	06/08/2018
Signing Date	03/10/2012	Date of Last SIS Mission	17/11/2018
Entry into Force Date	03/10/2012	Number of SIS Missions	5
Available for Disbursement Date	03/10/2012	Number of extensions	0
First Disbursement Date	11/06/2013	Effectiveness lag	1 month
MTR Date	28/11/2016		
Original Completion Date	31/12/2019		
Current Completion Date	31/12/2019		
Financial Closure	not available yet		

Project total financing

IFAD Financing breakdown	ASAP Trust Fund	\$4,907,560
	East and Southern Africa Division	\$1,518,822
	IFAD	\$16,297,876
Domestic Financing breakdown	Beneficiaries	\$1,398,215
	Private sector local	\$1,896,313
	National Government	\$2,486,796
Co-financing breakdown,	Spanish Fund	\$16,297,876
	United Nations Capital Development Fund	\$143,478
Project total financing		\$44,946,936

Current Mission

Mission Dates: 05th - 17th November, 2018

Days in the field: 6th to 8th November, 2018

Mission composition: Mr Robson Mutandi, Country Director (Mission Leader), Mr Mawira Chitima, Lead Technical Specialist Water and Rural Infrastructure (Alternate Mission Leader); Mr Antonio Rota, Lead Technical Specialist, Red Meat Value Chain; Mr Emerson Zhou, Horticulture Value Chain Consultant; Mr Palani Muleya, Cassava Value Chain Consultant; Ms Joylyn Ngoro, Gender, Targeting, and Youth Consultant; Mr Rufino Duvane, M&E and KM Consultant; Mr Alaudio Chingotuane, Financial Management and Procurement Consultant; Mr Ilario Rea, Climate Change and ENRM Consultant; Mr Narciso Manhenje, Nutrition and KM Consultant; Ms Beatrice Sabana, Rural Finance Consultant; Ms Ana Zandamela, Programme Assistant. Mr Custodio Mucavele, IFAD CPO, participated in the beginning and end of the mission.

Field sites visited: Maputo (Moamba, Boane, KaMavota); Gaza (Xai Xai, Guijá, Chókwè, Massingir, Mabalane, Mandlakazi, Chongoene); Inhambane (Inharrime, Zavala, Jangamo, Maxixe, Massinga)

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

Effectiveness and Developmental Focus	Ø	Rating	Project Management	Ø	Rating
Effectiveness		4	Quality of Project Management		4
Targeting and Outreach		4	Knowledge Management		4
Gender equality & women's participation		5	Value for Money		3
Agricultural Productivity		4	Coherence between AWPB and Implementation		4
Nutrition		4	Performance of M&E System		3
Adaptation to Climate Change		4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)		4

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

Relevance

C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

IFAD and GoM fielded a Supervision Mission to the country during the period 5th to 17th November 2018. The main objective of the Mission was to: a) assess the overall project progress and performance based on the project objectives and the relevance of indicators, components, subcomponents and activities; b) work with the Programme Management Team (PMT) to identify any existent constraints and jointly agree on solutions so as to avail an enabling environment necessary for effective Programme implementation; c) Review the adequacy and sustainability of strategies and intervention approaches, including overall financial management with the aim of assisting the government improving project implementation during the remaining last year of the project. The mission team held a meeting with the officials from MASA and FDA, chaired by the Director-General of FDA, Eusebio Tumuitikile on 05 November 2018. The mission also met with the Vice-Minister of MASA, Ms Luisa Meque on 12 November 2018 and the Governor of Gaza Province, Ms Stella Pinto Novo Zeca on 15 November 2018. At the field the mission interacted with different stakeholders that included the Administrators and Permanent Secretaries of selected districts, MASA National Directors, representatives of private sector, service providers, staff of the PMT and selected beneficiaries.

Field visits were undertaken during the period 6th – 8th November 2018. The Mission, together with the PMT, were divided into different teams that visited selected districts in Maputo, Gaza and Inhambane Provinces. The sites visited included: a) selected infrastructure sites; b) farmer organisations; c) PCR groups; d) private sector representatives involved in processing, seed multiplication, distribution and large scale produce purchases; etc.

A wrap-up meeting was held on 15th November 2018 in Xai-Xai under the chairpersonship of FDA Director, and attended by members of key institutions, representatives of the Service Providers, the PMT and relevant MASA staff. The Mission would like to express its appreciation to GoM for the hospitalities and courtesies extended and to the PMT staff for their contributions to the Mission's outputs.

Key Mission Agreements and Conclusions

Key mission agreements and Conclusions

The following re key agreements from the mission:

- 1.
1. The mission recognises that PROSUL has run out of funding to implement all the target activities, especially in irrigation scheme development for the promotion of horticulture production.
2. The mission also recognises that the project has been successful in promoting new technologies in cassava production, which has led to an increase of yield from about 6 t/ha to about 20 t/ha. In addition, the production of horticulture products under shade cloth has been very high for both quality and yield. The establishment of multipurpose boreholes is one of the most welcome interventions by the project in the project areas due to persistent droughts. The mission notes that sustainability and scaling up of the interventions is at risk due to the high investment costs and potentially low operation and maintenance arrangements.
3. As the project has limited funds to cover on-going commitments and with one year remaining for project implementation, the project will consider suspending the awarded contracts on new irrigation sites. The development of these irrigation schemes will be rolled over to a new project currently under preparation, PROCAVA. PROCAVA is planned to be effective early 2020.
4. The project will discontinue the provision of individual farm level drip on a 100% grant basis, but arrange for farmers to pay a proportion of the costs.
5. Scale down PIOTAF activities to focus completion of ongoing projects/contracts (including completion of the Hollard engagement and MicroBanco Confiança). Drop the credit line subcomponent and reallocate the balance of the funds under PIOTAF and the credit line funds to assist the project to reduce the financing gap.

The project will work on revising and implementing the exit strategy, in time for the closure of the completion date, 31 December 2019. Preparations for conduction an end of project impact assessment and project completion report should start early. Since PROSUL is one project that has been selected for a comprehensive impact assessment by IFAD, the project will coordinate

D. Overview and Project Progress

Component 1: Horticulture

The component has two sub-components: (i) Rehabilitation and expansion of existing irrigated perimeters; and (ii) strengthening linkages between VC stakeholders. Overall achievements against AWPB is about 60%. The low performance is due to delayed investments in irrigation and other productive infrastructures. Irrigation infrastructure development activities undertaken include: identification of 490ha of new sites for irrigation schemes and 12 sites for the installation of irrigation kits (48ha); tendering for the rehabilitation of 744ha of irrigation schemes; completion of the Environmental Impact Study (EIA) for the rehabilitation of the Moamba Block I irrigation scheme and finalization of the first phase of rehabilitation of pumping station of the Moamba Block II. To facilitate the establishment of WUAs the project undertook sensitisation and capacity building activities and well as legal registration documents for 10 irrigation schemes. Overall, the FFSs trainings on GAP, including CA principles, are proceeding with 91 FFS (58.1% of the end target) with the participation of 2,069 producers and establishment of 17 demonstration plots (CDRs). The project has also completed the training of 120 Agribusiness Development Agents (ADA's) on pesticide handling and application who shall provide pesticide applications services at scheme level. However, provision of start-up kits (fertilizers, pesticides, improved seeds) for 2018 is in stand-by due to financial constraints. On the same line, the installation of smart irrigation kits is behind schedule with 10.9ha covered out of an annual plan of 110ha. The project also launched tenders for the construction of 28 shade cloths (9 for seedlings). The total number of shade cloths established stands at 16 (crop production) and 7 (seedlings) covering a total area of 2.6ha (40% of end target). To increase access to Market linkage Facilitation the project promoted the establishment of 22 marketing committees, one for each irrigation scheme. During the period under review the project facilitated linkages between 1,874 producers and markets under which 257.44 ton of vegetables were commercialized (174.7 ton from shade cloths production and 82.74 ton from open fields in the irrigation schemes supported with start-up kits). To improve communication between value chain actors the project facilitated 5 sessions of IPs and signed (5) contracts between the Horticulture LSP and local community radios. The project has not been able to establish planned service hubs. The Mission received preliminary designs for service hub and consider them rather expensive at an average of 300.000 USD per unit. It is recommended that lower cost designs are developed and that detailed feasibility studies are undertaken that would allow for the establishment of at least one pilot packhouse and service hub (preferably servicing the Maputo peri urban schemes).

Activities under the horticulture subcomponent have gained momentum during the period under review. Significant progress has been registered in implementing technology dissemination activities such as organisation of farmers field schools and demonstration plots. A challenge remains on achieving wider scheme level coverage in terms of organisation of farmers for production and market linkages, structured production that is linked to markets and higher intensification of land use. The dynamics (intensification, crop diversity, market relations) observed in urban area schemes such as Mahotas, has not been replicated to the various schemes under project support. Most importantly, the service provider has not been able to demonstrate structured market linkage models.

The mission recommends the project to prioritize business skills training in the Farmer Field Schools (record keeping, business planning and management, production planning) and the adoption of a clearly articulated market facilitation strategy.

Component 2: Cassava

PROSUL support to cassava is structured in 2 subcomponents: i) strengthening linkages between value chain stakeholders; and ii) value chain environment. Cassava producers are supported through: i) starter kits that include good quality planting material of improved drought tolerant cassava varieties together with intercropping seeds, fertilizers and other agrochemicals, such as herbicides and pesticides, for weed/ disease control; ii) FFSs and FOs; iii) stems multiplication plots. After undergoing FFSs on GAPs they produce on their own plots and acquire their own inputs and continue receiving support on business development and management and linkages with markets.

In the cassava VC major achievements and lessons learnt include: i) increased range of cassava stems developed by IIAM. There is now a total of six (6) cassava varieties developed by IIAM and multiplied through various techniques, including tissue culture technique. Three varieties are on the field (one is biofortified) and 3 more will be put in the field in the coming season. This is a high achievement and will continue to further improve the yield. Drought tolerant cassava planting material is on track with the establishment of 32 multiplication sites of 6 varieties covering a total area of 308 ha established at IIAM stations (81.05 ha), emergent and commercial (226.8ha) farmers' plots. This include a total of 10,094 plantlets out of a target of 30,000 being produced through tissue culture at the IIAM Lab. This ensures there is enough cassava stems for the 8 299 beneficiaries who are participating in the VC. In 2016 the yield average was 22.2t/ha, in

2017 it was 17.5t/ha and in 2018 is 20t/ha. This is consistent and far exceed the baseline yield of 6t/ha. There is a lesson learnt that GAPs coupled with climate smart techniques improve sustained yields in the cassava VC. The focus now should be on comparing the yield with international players and see if it can be improved further.

An adoption impact study was done on 239 smallholder farmers in 6 districts and showed that the average adoption rate of GAPs is 76%. The study was assessing how smallholder farmers have adopted the use of improved seed varieties, plant spacing, intercropping, rotation, use of fertilisers, weeding, length of cuttings and pest and disease control. This indicates that FFSs are effective and productivity and yield attainment are sustainable. On production, 1,428ha are currently under cultivation. This is 71% of the end project target of 2,000ha. The remaining 572ha will be put into cultivation in 2019 financial year. To date 311 FOs out of an end Project target of 270 are in place representing 8,299 smallholder farmers. This financial year 1,841 smallholder farmers received training in basic accounting. For the remaining period training should be focused mainly on business management including leadership, associations, basic accounting and marketing. The process of registering them as associations should be accelerated.

Of the 18 cassava processors, 3 received support from the Project to upgrade their facilities. Construction is under way and will be completed in about 3 months' time. All the 18 processors received training on hygiene and food safety. There will be an additional 16 cassava processing kits allocated across the 7 districts to increase processing capacity. However, they have lost their markets in supermarkets like Shoprite and Spar due to requirements of food certification and bar coding. The Mission recommends that activities currently being undertaken to get certification and bar coding be accelerated so that their markets can be restored and expanded.

Marketing of both raw cassava and processed cassava remains a big challenge to the cassava VC. At design it was envisaged that there will be 3 service hubs to facilitate out-grower schemes and process cassava to starch for the beer industry and flour for the bakery industry. Currently there is only one service hub in the project area, DADTCO, producing mainly for the brewery industry. It buys cassava roots at 2.0 to 2.5 MZN per kg. From 2015 to 2018 the hub has purchased a total of 12,072 ton of cassava roots to the value of 30,180,000 MZN. The other buyers of raw cassava are informal traders known as Maguevas who buy raw cassava for resale to markets in towns. In 2018, they bought 210 tons to the value of 1,470,000 MZN. A market for these informal traders is being constructed at Madendere and will be completed in 2 months' time. This will go a long way in increasing volumes of raw cassava to the market. Opportunities offered by the potential market of cassava such as chips for animal feed, bioethanol production, use of cassava flour for bread, should be explored both locally and in exports markets.

Component 3. Red Meat Value Chain

Overall the component has showed a slow pace of implementation of planned activities since the last Supervision mission. A major reason was the outbreak of Foot and Mouth Disease in Tete, Nampula, Gaza, Inhambane and Maputo Provinces with the consequent ban on livestock movement issued by the National Veterinary Directorate (DINAV) of the Mozambican Agriculture Ministry.

Another element that affected the implementation of project activities was a prolonged drought during the year. While some activities such as the implementation of multipurpose boreholes and hay ball making may have slightly mitigated the effects of reduced rainwater, other activities such forage banks establishment and cultivation have been affected. Unfortunately, according to official weather forecasting institutions, most countries in SADC) are likely to receive normal to below normal rainfall for the 2018/2019 rainfall season amid fears the region will most likely experience the El Niño phenomenon again this year.

The main achievements performed by PROSUL as at now are the following: (i) 32,525 cattle have been treated through spray against ticks' infestations; 1,031 bulls have been castrated and 3,728 have been treated (deworming, wounds, etc.) generating estimated revenues for Animal Health Workers (AHAs) in a total of MT 743,336. To this amount MT 483,168 should be added from services which were provided outside the crush pens, for a total of MT 1,226,504. A total of 4,053 cattle (with an average liveweight of 316 kg/animal sold) from 2,653 livestock producers were sold through 14 cattle fairs generating revenues for a total of MT 52,8 million. Overall, the 29 multifunctional boreholes are serving a total number of 6,236 household beneficiaries (31,180 household members) and 49,634 heads of cattle (goats were not recorded). Livestock producers have produced manually a total number of 17,546 bales (avg. 8kg/bale) and establishing a total of 112 fodder banks.

1. Rehabilitation of Mapai slaughterhouse Therefore, the slaughterhouse in Mapai will be refurbished under the following arrangement: PROSUL will finance the technical design and acquisition of equipment for the slaughterhouse, while - PRODEL will bear the cost of construction and for the environmental impact study. The mission had the opportunity to review the construction plans prepared by a specialised consultant and found them adequate and technically sounds.
 2. The mission recommends to proceed with the reconstruction of Mapai as agreed pending the reassurance (in writing) that ProDEL funds are available and allocated for building construction.
 3. Previous IFAD missions indicated that the operating conditions at the Mapai's slaughterhouse were unacceptable. Following extended discussions PROSUL decided to refurbish the Mapai slaughterhouse. At the same time the "Local Economic Development Programme (*Programa de Desenvolvimento Economico Local*) - ProDEL, an EU funded project, included as part of its activities the rehabilitation of the Mapai's slaughterhouse. A working group composed of representatives of the two projects, met and decided to entirely rebuild the ill-conceived infrastructure.
1. Cattle Feedlots
 2. A sum of 194 Livestock Farmers Field School (ECCs) have been established in all targeted districts and distributed as follows: Magude (39) and Manhiça (24) in the Maputo Province; Mapai (39), Chicualacuala (3), Mabalane (39) Massingir (20), Chókwè (15) and Guijá (15) in Gaza Province. The total number of participants in the ECCs is 3,523 livestock producers (35% women). The mission recommends that for the remaining project lifespan, PROSUL and Service Providers concentrate their efforts in further strengthening (i) the capacity of the various institutions through group discussions, sensitization, trainings and groups' members exchange visits; (ii) in building managerial skills of cattle fairs committees and meat traders' organizations and (iii) further facilitate links to the market.
 3. As per agreed in the the supervision mission in 2016, three centers for the fattening of cattle should have been constructed in the districts of Magude, Massingir, and Inharrime to improve beef production and the efficiency of the value chain. According to reports made available to the mission, a public tender was launched only on 28 June 2018 and the minimum offer for the proposed feedlot model was far above the estimated cost of. The mission does not recommend to proceed with installation of the three feedlot facilities considering the short time remaining before the closing of PROSUL.
 4. Animal Health Assistants (AHAs)
 - 5.
 - 6.
 7. Under PROSUL, 140 AHAs (target exceeded: 125%) were trained and capacitated to operate with livestock producers. They perform routine treatment of animal (e.g. external/internal parasites), respond to farmers' call for animal wounds, difficult calving deliveries, etc. The mission had the opportunity to meet some of them and discuss how to improve the effectiveness of their services.

Component 4: Financial Services

The component has been structured in 3 subcomponents: (i) Community Based Financial Organizations and Financial Education; (ii) PROSUL Innovation and Outreach Technical Assistance Facility (PIOTAF); and (iii) Line of Credit. The project recorded good progress in the establishment of Community Based Financial Organizations (ASCAs) with the establishment of 1,061 Saving Groups up to June 2018. Those Groups involve a total of 21,532 members of which 80% are women. Savings mobilization is around MZN 95,862,917, and loans disbursement of MZN 102,467,275. Out of the 1,061 established ASCAs, 716 ASCAs have been established from PROSUL beneficiaries (60% of project targets), with membership of 14,023 (66% of project target), savings mobilization of MZN 77,215,277 (164% of project target) and loan disbursements of MZN 58,392,503 (82% of project target).

All the groups had received basic financial education training. Linking ASCAs to banks has been a challenge and needs further support considering that this intervention was aimed at assisting ASCA members to gain access to higher loans and diversified financial products. Most services providers introduced a fee-for-service model as an exit strategy, which will enhance the sustainability and scaling up of the ASCAs. The response from the ASCA members is encouraging. However, PROSUL should develop oversight mechanisms to ensure quality standards for service provision are maintained and that clients are protected from exploitative practices by the service providers.

The PROSUL Innovation and Outreach Technical Assistance Facility (PIOTAF) aims to strengthen the technical capacities and operational capacities of Financial Service Providers (FSPs) to enable them to provide tailored financial services to PROSUL beneficiaries within the value chains. PIOTAF support was clustered into three windows: (i) Target window for smallholders, to be served by MFIs, VC Companies, Producers Associations; (ii) Target window to other actors in VC, to be served by Commercial Banks, Anchor VC Companies and Insurance Companies (iii) Special target window for financial sector support with research studies, data collection and sharing, under PIOTAF direct Management.

Implementation of PIOTAF activities has been very slow. The Project /PIOTAF has planned to work with 5 to 8 FSPs and is currently working with only one FSP (AfrikaWorks), which means 12,5% of the TA Projects targeted. Regarding the performance of Afrika Works TA Project, the progress is also very slow with an execution rate of 22% against the 09 foreseen deliverables. Also under PIOTAF a value chain mapping study, aiming at identifying the financial services needs in the value chains, is being undertaken with also a low progress. A 22% progress against the projected deliverables. The Line of Credit has not been implemented due to delays in finalising amendments to the financing agreement. Therefore, it was agreed to drop the Line of Credit under PROSUL Project.

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 4	Previous rating: 4

Justification of rating

Downgraded by PAT: Despite the project's achievements suggest its overall objective is going to be met several components are lagging behind (Component 4 - PIOTAF activities). Moreover, the PMT does not foresee some important outcomes to be achieved (Component 4 - Line of Credit). Hence, the team agreed on postponing some of them (irrigation scheme development for horticulture production's promotion) to an upcoming project due to PROSUL running out of funding to implement all target activities

Log-Frame Analysis & Main Issues of Effectiveness

Log-Frame Analysis & Main Issues of Effectiveness

The Log-frame has been simplified and retrofitted with the new RIMS Core Indicators during the previous supervision mission and is currently in line with the ORMS requirements. However, it should be updated with the latest project progress data. A meeting has been held with the PMT to discuss and overcome some of the inconsistencies between the Log-frame presented in the semi-annual report and the ORMS Log- frame.

The mission noted the steady, continuous progress observed since Mid-Term and last supervision mission. However, the progress on the majority of other indicators in Log frame ORMS are not consistent and in line with the data extracted from the physical progress measured against AWPB covering the period January to October 2018. Therefore, the mission recommends the alignment of ORMS Log-frame indicators and data with the physical progress data from AWPB.

Development Focus		
Targeting and Outreach	Rating: 4	Previous rating: 5

Justification of rating

Down graded by PAT as follows: PROSUL is reaching the intended beneficiaries and the outreach has increased with additional 2,308 households against the target of 3,700 households. Outreach to the youth is gradually increasing and is being tracked. Nonetheless, the secondary target group is not being tracked (ie. Emergent commercial farmers and traders). Furthermore, the PSR states that the project needs to improve the mechanism for tracking outreach according to the different target groups categories, such as youth & women

Main issues

The target group is being reached. PROSUL's main target group is the economically active poor involved in value chain production (existing cassava, horticulture and livestock producers) and are able to produce a surplus, but who are caught in a cash trap whereby their failure to improve productivity and access to markets prevents them from accessing higher returns. The secondary target group include emergent commercial farmers, and traders, and in particular meat traders and others who will get better organised with project support to assist smallholder farmers. In line with the previous mission recommendation, the project is only tracking the 18,400 farming households, consisting of the main target group. This leaves out the secondary target group. There are 1,950 beneficiaries that have not been tracked. The project needs to improve mechanism for tracking outreach according to the different categories of target groups described in the project design. The project should also continue with the tacking of youth track beneficiaries through disaggregation of data by sex and age. It is noted that the poor women own goats instead of cattle due to the cultural constraints that limit ownership of cattle. It is agreed that the project should track the beneficiaries of women, men and youth owning goats to assess if benefits are reaching the target groups. The mission also observed that PROSUL, through various services - Boreholes, DUATs, ASCAS and CBNRM Plans - has reached a number of beneficiaries in support of target VCs beneficiaries. In the remaining period of the project implementation, it was agreed that PROSUL will concentrate on ensuring that these services are strengthened to contribute to the effectiveness of the value chains.

The project is reaching the poor women and youth mainly in the horticulture and cassava VCs. In the reporting period, horticulture is targeting 3,163 farmers (56% women and 12.8% youth), which corresponds to 65.9% of the planned target of 4,800 smallholder farmers in the Horticulture. Under cassava, the Project is targeting 8,299 smallholder farmers, which correspond to 103.7% out of the target of 8,000 households. Out of this 6,243 are women (75.2%). The participation of youth in Project activities is estimated at 32%. Under Red Meat, the Project is targeting 6,153 smallholder livestock producers, which corresponds to 110% of the 5,600 Project target. Out of this, 1,707 are women (27.7%) and 304 are youth (5%).

Justification of rating

Gender Action plans are aligned to the MASA Gender Strategy. High participation of women in cassava and horticulture is due to the accessibility to women in terms of existing gender roles, norms and relations. Supporting these activities contributes to increased access to PROSUL benefits. Concern is whether increased access and participation translates into increased economic empowerment. Promotion of small stock addresses the customary constraints of women's cattle ownership. Boreholes/shade clothes have reduced workload for women. High representation of women in management committees should be coupled by improving the quality of participation. Cascading of GALs to FOs will be finalized in order to address the root causes of gender inequality

Main issues

PROSUL has set quotas for gender equality across the three value chains (horticulture 60%, cassava 50% and red meat 50%). The mission notes the high participation of women who are the majority of the beneficiaries reached across the various components implemented under PROSUL consisting of 55,2%. The mission notes the high women participation in cassava (75.2%) and horticulture (56%) which is due to the fact that these sectors are accessible to women in terms of their gender roles. The low participation of women in red meat (27.7%) is due to the cultural norms that limit women access to and control of resource such as cattle. As a result, the project promoted small stock that is mostly reared by women but the M&E should track the number of beneficiaries with goats.

The mission observed the high representation of women in WUAs, FFSs, Management Committees and ASCAs, with a significant number of women elected to the influential decision-making positions. The mission also observed that a significant number of women are heads of households and there is great potential for the programme to empower both youths and women. Women's participation is important for the women's empowerment through increased access to project opportunities. However, the quality of participation needs to be improved. The mission observed boreholes contributed to alleviating women's workload so that more time could be available for women's productive and reproductive roles. The women have been empowered through the various training on livestock but the decision making of use of income from livestock still rests with the male head of household.

The mission also observed the positive contribution of ASCAs across all the value chains in building cohesive organisations, providing savings and loans as well as in enabling the smallholder farmers to borrow for both consumption and value chain business. According to the semi-annual progress report in 2018, a cumulative figure of 1,061 ASCA groups were established by PROSUL by 4 LSP in ASCAs. The ASCAs have a membership of 21,532 beneficiaries (79,7% women and 22,3 % youth). This figure exceeds the appraisal target of 20,350 beneficiaries. The mission also observed that although the ASCAs were meant to target value chain actors, the beneficiaries that have been targeted are both households within and outside the VC.

PROSUL has a Gender expert who works closely with Gender Focal Points in the LSP. It is noted that PROSUL was supposed to empower women and this is not achieved through the number of women participating in programme activities only. Programmes should utilise the two approaches on gender mainstreaming and gender specific activities for activities that result in improved livelihoods for women, ease the workload on women, increase the proportion women in decision-making positions, and increase women' access to and control of resources. PROSUL log frame has gender sensitive indicators and utilise age and sex-disaggregated data. PROSUL has supported MASA to update the Gender and Youth Strategy (2017-2025) and this is now awaiting approval before it can be disseminated. The remaining project period does not provide sufficient time to disseminate MASA gender strategy. The LSP started the process of cascading the GALs to FOs and the process is still ongoing. It was agreed to continue cascading of GALs to FOs and to conduct a review of GALs in order to draw lessons and share experiences about the methodology with the view to inform the design of future programmes.

Justification of rating

The project has achieved significant productivity enhancement in cassava production and horticulture value chains. The data on productivity for livestock is not available. There is need to improve on farm post-harvest handling of the produce.

Main issues

Establishment of FFS, demonstration plots and promoting production under shed cloths are the main instruments used to disseminate improved technologies. Project studies concluded that 39.8% of the farmers report an increase in yield and that 41.9% of farmers are reporting to have adopted at least one of the technologies under promotion. The mission observes that several cycles of FFS have been completed in the currently established shade cloths using the same beneficiaries and also that these units continue to receive high subsidies from the project. The mission recommends that the shed cloths be transformed into market-oriented production units. Beneficiaries (managers) should be selected based on clearly set and approved selection criteria.

The project currently has some 12 irrigation schemes (1,209 ha) with functional infrastructure. This should provide a robust basis for promoting improvements in marketed production. Some of the completed schemes visited present low levels of land utilisation and intensification. This is attributed to inadequate production planning, over reliance on subsidised project and/or SDAE inputs and weak market linkages. There is a need to organise production activities in a manner that producers are able to supply commodities to markets on a year-round basis.

Cassava Value chain. Yield assessment made on 160 farmers across the 6 districts in 2018 indicates average yields of 20 t/ha were achieved through the improved practices thus confirming the trend of the last two yield assessments – nearly tripling the target yield of 6 t/ha identified in the PDR. To further optimize production levels additional attention may be recommended in order to ensure appropriate use of fertilizers.

Nutrition	Rating: 4	Previous rating: 4
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Justification of rating

Evidence from the field confirmed that the improved agricultural practices and yields, as well as the labor or energy-saving technologies such as the Cassava small processing machines, drip irrigation in Horticulture and the promotion of hay balls and mineral bricks in red meat component are contributing to improve the nutrition status at household and community level. Currently, women have more time for their children's and family care.

A nutrition officer was hired and a draft intervention strategy to mainstream nutrition along the value chains was developed. The mission had the opportunity to review the document and provided some key recommendations for improvement, and activities will start in 2018.

Main issues

Nutrition Interventions and approaches should focus on key and feasible interventions in the different value chains that can be implemented and concluded during the PROSUL lifespan and in line with PROCABA foreseen interventions and will use the main government institutions and technicians to ensure cost-effectiveness and sustainability of the intervention. **It was agreed that the nutrition integration action plan should be concluded soon, and all planned activities incorporated in the AWPB 2019.** During November and December 2018, the team should focus on providing training of trainers from the PMT, Service Providers, Provincial Extension Services, District Extension Supervisors, and others.

Due to the time constraints, no specific baseline assessment will be conducted during the PROSUL lifespan. Nutrition surveys such MDD (Minimum Dietary Diversity Study) and KAP (Knowledge Attitudes and Practices) will be conducted in all PROCABA intervention area.

Horticulture: A MoU between the LSP and *Instituto Agrário de Boane (IAB)* was signed in August 2018 to support the implementation of nutrition education and agro-processing activities. It is expected that 60 FFS with 1.500 beneficiaries will be trained on i) Food groups; ii) Nutrient and vitamins composition of vegetables; iii) conservation and processing of vegetables. In addition, it is expected that 27 district technicians would be also trained for further promotion of nutritional education at community level.

Taking into account that a Nutrition Officer joined the PMU in October, and a comprehensive strategy to mainstream nutrition in all components are being concluded, **it was agreed that under this VC the nutrition officer will work closely with the IAB, adjusting their plan and intervention strategy and capacity building approach where necessary, with the main nutrition mainstreaming intervention strategy of PROSUL.**

Cassava: The integration of nutrition in the cassava VC will be made at different levels. On production side, **it was agreed that PROSUL will start promoting more actively bio-fortified varieties of cassava (yellow cassava rich in vitamin A).** The project will establish at least 2 multiplication plots per district, to ensure availability of cassava stems for replication and support the IIAM with the studies to release new varieties. In addition, the project should continue promoting the intercropping with legumes (beans, peanuts, etc.) as an affordable plant-based action towards soil conservation and restoration and great source of nutrients.

This variety will be promoted in the initial phase for household consumption, using less than a quarter of a field. Commercial production will be promoted as soon as there is market demand, most probably during the PROCABA period. Awareness and education campaigns, will be key to promote the nutritional value of the yellow bio-fortified cassava.

Red meat: The entry point for integration of nutrition in the red meat component will be Livestock Farmers Field Schools (ECC). It will also include interventions with the Water Users Associations for vegetable production. Under this component, it was agreed that the nutrition team will promote nutritional education and awareness, safe and hygienic handling and processing techniques for vegetable and meat.

The mission confirmed that due to the water shortages and poor agricultural production, the livestock producers are selling part of their animals to buy food for their own consumption. Through the nutrition education sessions, the extension officers should advise the communities to use the income for the acquisition of nutrient dense foods to improve the

household's dietary intake and diversity.

Adaptation to Climate Change	Rating: 4	Previous rating: 4
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Justification of rating

Up to date, the promotion of climate resilient practices/technologies in the 3 VCs achieved moderate results. These include GAPs trainings (i.e. correct spacing, intercropping, mulching, fertilization, pesticides and improved water management), multiplication of drought tolerant cassava varieties as well as the establishment of infrastructures to increase beneficiaries' resilience, such as net-houses and multifunctional boreholes. A total of 62 extension workers (LSPs/SDAEs) have also been trained on the interpretation and dissemination of weather forecast which are now distributed to some 500 farmers in the horticulture VC on a daily basis. However, several project targets linked to climate change adaptation are yet to be met and sustainability concerns have not been fully addressed.

Main issues

The total number of shade cloths established stands at 16 and 7 (seedlings) covering a total area of 2.6ha (40% of end target). The high incidence of pests within these structures reported by the project, in particular rats and *Tuta absoluta*, results in decreased yields and consequent economic losses. PROSUL is recommended to ensure integrated pest management through effective monitoring, scouting, and early warning while assessing effective capacity already in place to adopt mitigation measure. With regard to sustainability & scaling-up aspects the LSP is encouraged to demonstrate financial viability of the shade cloth technology. The quality of replication of GAPs in open fields learned through FFS, including CA principles, is not always fully satisfactory. Yet, some GAPs are being replicated and a substantial reduction in labour thanks to drip irrigation is reported. However, no evidence of farmers' investing in this technology is yet available. The adoption study being finalized is expected to provide insights for further analysis.

Drought tolerant cassava planting material under the **Cassava VC** is on track with the establishment of 32 multiplication sites of 6 varieties established at IIAM stations, emergent and commercial farmers' plots thus increasing diversification and resilience. The improved planting material is made available to producers. There is now the need for the PMT/ MASA to identify a structured plan to ensure the availability of planting material will be ensured overtime so to strengthen sustainability aspects. Trainings on GAPs are also proceeding. However, improvements on correct application of fertilizers/ herbicides should be considered. The adoption study suggests a 76% adoption as well as an uptake of the promoted practices to surrounding areas not covered by the project interventions. However, the input supply side of the VC platform is still lagging and farmers report to face weeding challenges and high costs for land preparation. The PMT/LSP are encouraged to fast-track the linkage of private owned outlets to cassava producers and FOs in order to make inputs locally available and ensure replicability of GAPs on-farm.

Under the **Red Meat VC**, a total of 29 out of 50 solar powered multi-purpose boreholes have been built to date. There is no doubt that provision of this technology responds to a priority demand of rural/ livestock producing communities, also considering drought is looming across SADC induced by the 2nd ENSO phenomenon in 3 years. In the remaining period, the project is recommended to ensure Water Management Committees (WMCs) are well capacitated in O&M and that fees' revision is carried out together with the WMCs in order to guarantee replacement/ repairs costs of the equipment and overall sustainability. The Mission recommends a rapid appraisal of the multifunctional boreholes and WMCs O&M capacities. At the fodder bank already established, if sufficient water is available a drip irrigation system shall be piloted and drought resistant forage i.e. *opuntia ficus* (spineless cactus) could be promoted. On a final note, the PMT shall undertake an assessment of the effectiveness and sustainability of weather information provided to beneficiaries in order to understand the level of efficacy of the training provided on both service providers and farmers and address inefficiencies.

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 3	Previous rating: 3
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Justification of rating

Was oversight on mission - they did not rate this in the report.

Partnership-building	Rating: 5
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Justification of rating

The strength of PROSUL lies in its ability to engage in partnerships. It has successfully pioneered a vibrant 4Ps through the innovative and proactive way. The partnership with major key stakeholder already engaged, namely: IIAM, ESNEC/ UEM, INAM, AGRA, DADTCO, PRODEL, SDAEs, SDPIs, etc. facilitates farmer mobilization, training and support for inputs, extension and credit services, leading to increased yields. PROSUL has succeeded in developing numerous partnerships with a wide range of public and private stakeholders.

Main issues

The all-inclusive public-private partnership business model through VC platforms, has enabled key stakeholders (farmer groups, produce off-takers, input dealers, financial institutions, service providers and the public sector) to meet periodically to discuss their needs and develop measures to solve their challenges and meet their economic needs. Chaired by an off-taker with a lead farmer group member as co-chair, the private sector is the driving force of the platform, which has become a reliable instrument for PROSUL sustainability. The platform acts as a forum for transaction, market inclusion and empowerment for smallholder farmers, for policy debate and knowledge sharing, as well as a pathway for replication and scale-up of best practices in the three VCs development at the state level. The mission noted that PROSUL has been using both regional VC platforms and IPs quite well. A regional VC multi-stakeholders' platform was set up, in connection with each VC across the 3 VCs groups. The objective of each group has been in identifying VC's bottlenecks and make decisions for improvements, including with regard to policy development and the introduction of climate-resilient approaches. It also provides overall project guidance, facilitate the coordination of project activities, participate in the preparation of annual VC DAPs and approve component APWBs prior to submission to the Project Steering Committee.

Whereas for IPs which multi-stakeholder platforms was established in each of the districts where PROSUL develop activities. They have been playing a key role in promoting project knowledge management and in disseminating good practices. However, the mission is concerned on the sustainability of innovation platforms after the project terminates in 2019.

Human and Social Capital and Empowerment

Rating: 4

Previous rating: 4

Justification of rating

MMM

Main issues

MMMM

Quality of Beneficiary Participation

Rating: 4

Previous rating: 4

Justification of rating

PROSUL employs a participatory management approach, which ensures that beneficiaries are sufficiently involved and consulted in the selection of project infrastructure and design. The initial consultation involves a wider community, including the vulnerable groups –women and youths- PROSUL works mostly with the management committees that are selected by the communities. The mission observes that the project does not track beneficiary contribution in financing investments and the average beneficiary water fees contribution of 100 MT/month for O&M is low.

Main issues

Beneficiary participation in PROSUL infrastructure activities is illustrated in the establishment of multifunctional boreholes, where PROSUL approaches the district government who are responsible to identify a community to benefit from the infrastructure. An inclusive consultation meeting is organised for everyone in the community for the selection of sites for the borehole. The meeting also discusses the planning and benefits of the project. In addition, the community select a 12 member team (50% women), including youths to represent the community. The handover of the borehole is with the district government who in turn sign a contract with the management committee. The main issue is that the level of contributions by the community is very low for major O&M works.

In Communities should be involved in the whole project cycle such that they are also aware of the cost of infrastructure and various parts. The community does not have a constitution and grievance and redress mechanism, and this is a social aspect that can be further addressed.

Responsiveness of Service Providers

Rating: 4

Previous rating: 4

Justification of rating

PAT Comments: This section is a bit vague to allow a correct assessment of SPs' responsiveness. The report lacks substantive information regarding the quality of their services & reports. Furthermore, this section could stipulate if the project encountered delays in some SPs' delivery, as well as if services respond to beneficiaries' needs. We agree with the provided rating pending additional information. The next report will need to be clearer on this particular subject

Environment and Natural Resource Management

Rating: 5

Previous rating: 4

Justification of rating

Several activities promoted have induced positive changes in the NR base management of beneficiaries. These include good water & soil management and agricultural practices/technologies as well as the use of solar energy to reduce reliance on diesel. A total of 6 CBNRMPs are now validated and 1 is waiting for community validation. These are expected to further promote communities' awareness towards a better conservation of their NRs. The efforts on securing land demarcation and tenure has to be commended with a total of 14,933 DUATs issued to date. This is instrumental to improve sustainable land use practices and reduce environmental degradation.

The project has also completed the training of 143 Agribusiness Development Agents (ADA's) of which (23 in the cassava value chain and 120 in the Horticulture Value Chain) on pesticide handling and application who shall provide safe pesticide application and disposal services.

Main issues

Progress in the development of the CBNRMPs has been registered following community delimitation and emission of *certidão officiosa* (land title) and 6 plans have been elaborated and validated by the communities to date. One is awaiting for approval by the community while the write up for the remaining seven (7) is being finalized by the Red Meat LSP. From an environmental and climate perspective it is essential to stress the importance of the development of participatory and comprehensive plans to increase climate resilience and good ENRM practices. The field visits shown an increased understanding and awareness by farmers of their NRs and environmental benefits deriving from this approach. Some practices though may be further refined with the communities to strengthen the communities' understanding on planning, parcelling and carrying capacity of the delimited area. Also, when feasible, the LSP may suggest the use of cheaper and locally available solutions to reduce the costs of fencing (i.e. natural barriers). The RMLSP shall give continuity to this activity and work with the communities to ensure those plans do not remain a descriptive but rather implemented actions with clear management directives. In addition, the Project has worked in collaboration with Manhiça, Chicualacuala, Zavala and Morrumbene Districts in finalizing the design of 4 LPAs as part of the National Climate Change Adaptation and Mitigation Strategy (NCCAMS) to prioritise the adaptation interventions at district level. These and other PLAs (where CBNRMPs are or will be developed) shall benefit from the CBNRMPs exercise undertaken and map the water points including boreholes, cattle pathways and other planned interventions at district level to improve ENRM and climate adaptation planning.

The intensified use of agrochemicals (i.e. pesticides and fertilizers) in horticulture and cassava production may increase the toxicity of the soil and the groundwater/ surface water quality may also be affected by Project's interventions. The ESMPs will have to identify specific mitigation measures to be implemented (i.e. correct application/ handlings of agrochemicals) and provide monitoring criteria in order to avoid environmental and health risks. In this regard, the Cassava LSP may consider other types of herbicides rather than glyphosate to be distributed as part of the cassava starter-kits. In the Red Meat VC, quality of the groundwater needs to be analysed and addressed. This shall be included in the rapid appraisal for boreholes proposed in the Adaptation to Climate Change section. The PMT shall also promote good waste management practices at cassava processing facilities and the envisioned Mapai slaughter house. The relevant specifications shall be indicated within the respective ESMPs to be elaborated.

Exit Strategy	Rating: 4	Previous rating: 4
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Justification of rating

Registering the infrastructure developed under PROSUL

Main issues

The project has started efforts towards registering the infrastructure developed under PROSUL and transfer their management to target beneficiaries. A workshop on infrastructure management (with involvement of MASA) was conducted. Constitution and training of infrastructure management committees have started for the majority of infrastructures developed by the project. With the project having only one year of implementation left, the project is still actively involved in new infrastructure investments, instead of consolidating the management of the infrastructure and handing over to the responsible authority (farmers or local government). The project should be starting to implement their exit strategy by handing over some activities to entities that will be responsible for them in the long term. The marketing of produce (red meat, cassava and horticulture) is still a problem with majority of farmers. The capacity of beneficiaries to manage the investments seems limited at this point in the project.

Potential for Scaling-up	Rating: 3	Previous rating: 4
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Justification of rating

The high cost of shade cloths, multipurpose boreholes and drip kits make it unlikely that the beneficiaries will be able to adopt and self-finance the interventions, even though the benefits are high. The cost of the interventions may be beyond that affordable by the target population.

Main issues

Some of the technologies that the project has piloted under the horticultural subcomponent make good candidates for

Some of the technologies that the project has piloted under the horticultural subcomponent make good candidates for scaling up. These include shade cloth production technology and drip irrigation. To facilitate scaling up requires that i) the cost of such investments is brought within reach of potential investees. Current average costs of levels of \$25,000/ha for drip irrigation, \$100,000/ha for shade cloths are prohibitive for intended beneficiaries ii) viability assessments are undertaken to determine returns on such investments iii) financial products are developed jointly with financial to finance such investments. The boreholes are costing an average of \$75,000 each.

The mission observes that beneficiaries demonstrate limited knowledge of investment costs made in shed cloth, drip irrigation equipment and start up inputs. This limits the probability of farmers adopting technologies under promotion. The project should make available to beneficiaries such information.

c. Project Management

Quality of Project Management	Rating: 4	Previous rating: 5
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Justification of rating

Although, all key positions are filled with competent staff who are capable to address the Project implementation issues, the implementation of AWPB for 2018 and the last year mission recommendations have not be implemented at the desired rate. The 2018 AWPB execution rate stands at 54% and recommendations on agreed actions at 43% (representing 12 actions), the remaining 53% (representing 16 actions) are reported as ongoing.

Main issues

To fast-track project implementation, especially given the delays in this year of about some activities, the project needs more efforts and inputs, to streamline the PMT organization and to enhance strategic planning, coordination process, project reporting and M&E.

In particular, the mission has noted some critical issues in the project management that need to be addressed. The PMT needs to streamline its management tools and focus on all aspects of financial management, implementation of AWPB, MIS, M&E (mainly on data quality capturing). To this effect, the PMT should pay attention to these aspects particularly now that the project is entering into closing phase.

In this regard, the Mission recommends that the quality of the next 2019 AWPB should prioritize key closing activities, such as the Impact assessment, PCR, etc.

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

Following the last mission agreed actions, the project was able to harmonize and improve their visibility and identity. At field level the visibility prominence of service providers has reduced as recommended and all main actors in all value chains are communicating and identified as one (PROSUL, MASA, Government). The PMU is the only entity responsible to prepare and print all promotional and merchandise products (Shirts, T-Shirts, Caps, Stickers), including other KM materials as manuals, flyers and brochures. In order to accelerate the implementation of the project a Communication Specialist was hired and joined the PMU recently. Based on the KM, communication and visibility strategy, an operational plan is being prepared for the last year of implementation of PROSUL.

Main issues

Taking into account that some project results, outcomes and emerging impacts are now available, the KM, Communication and Visibility operational plan for 2019 will now focus on capturing, documenting and sharing Knowledge Management products, experiences and lessons among the different value chains, success histories, short videos and documentaries. It is worth highlighting that until project closure, all knowledge management products should emphasize the key results, impact and lessons from PROSUL. The project is finalizing some adoption studies, with results in some components now available. Other impact assessment studies are planned for the next semester and it is expected that the results of these assessments will be used and properly communicated through different KM products, using different and key channels for distribution.

At this stage of implementation, good quality and professional pictures are key to prepare the different KM products. PROSUL does not have an organized and structured image bank with pictures of project interventions and beneficiaries. **It was agreed that a professional photographer will be hired to document in pictures the project interventions.** The PMT should use this opportunity to organize a 1-day training session with Staff, SPs and other key stakeholders on how to capture good quality pictures.

Mass media: The PROSUL interventions are normally broadcasted in the main mass media platforms (national public television, newspapers and community radios). A total of 10 MoU with community radios were signed to broadcast different agriculture and value chain programs, messages in different local languages. The challenge to get relevant quantitative and qualitative information related to the number of programs broadcasted, beneficiaries reached, assessment on how the radio programs and messages are contributing to improve their farming practices persists, including information on how the market and climate information is being useful, are not being systematically captured or reported. **It was therefore agreed that an impact assessment of the radio programs will be also conducted in 2019.**

Innovation and Learning: PROSUL organized and participated in different knowledge sharing and learning events which are contributing actively for adoption of innovative approaches in the different value chains: (i) An international Champions fair was organized in Mozambique led by PROSUL in partnership with PROCASUR, it was an important learning and exchange experience with 120 participants from 10 countries; ii) Participation in the Mozambique Business International fair (FACIM); iii) Participation in Learning Route in Bolivia; iv) Organization of the Infrastructure Management and Sustainability meeting held in Chókwè involving all administrators of PROSUL geographical area; v) Participation in the World Bank Conference on Land Tenure in USA; vi) Trainings on M&E and Financial Management held in Rome, Nairobi, Mozambique and Mauritius; vii) English training for PMT staff held in Cape Town. As a result of these events, for example following the Champions Fair event, PROSUL team learnt a lot from the Brazil experiences on cassava small processing units, which will be further replicated.

Following the Capitalization and Systematization workshops organized by CTA and IFAD in 2017, three PROSUL experiences were published internationally in the CTA magazine and are online, among other 20 experiences of other IFAD projects in Mozambique and Brazil. A total of 8 success stories from the field on the three value chains were prepared. The mission commends this initiative and reinforces the need to be conducted more regularly, and disseminated through the different channels more regularly.

Value for Money

Rating: 3

Justification of rating

PAT downgraded as follows: This section remains quite vague in assessing the value for money since no clear b/c ratio is provided. Nevertheless, the report highlights that several components' costs were finally higher than initially planned. Moreover, several components are not expected to reach their target. Pending provision of b/c ratios.

Main issues

The review analysed the cost of project inputs as represented by the cost of infrastructure, equipment and technology related to climate change adaptation. As examples of some of the project investments, PROSUL has rehabilitated a total of 1,209ha of irrigation schemes (50% of project target) and supplied irrigation kits for an area of 48ha. The project has established shade cloths covering an area of 2.6ha. For the red meat, the project has made significant investments on infrastructure with the construction of 14 cattle fairs, 29 multifunction boreholes, and 38 crush pens. The increased level of spending on infrastructure and equipment led to the need to reallocate funds to boost the categories on civil works (30% increase for IFAD loan, 19.2% for STF loan and 140% for ASAP grant) and equipment (32.2% increase for IFAD loan, 101% for STF loan and 96.3% for ASAP grant) for a level of attainment of project targets of around 50%. This reallocation has been possible from a reduction of the allocation for training and technical assistance, and the further reduction of the allocation for the financial services component, which has not picked up as foreseen during design. Furthermore, this reallocation point out to a higher unit cost for infrastructure and equipment than appraised at design for both civil works and equipment. Analysis of the project forecasts for the last year of implementation, shows that to consolidate some of the investments PROSUL shall require a final reallocation to the civil works category. Finally, analysis of the contracts signed by PROSUL shows that the estimates of the contract values as per the project Procurement Plan have been surpassed, in some instances by a factor of 5. For planning purposes, it is fundamental that PROSUL pays careful attention on the elaboration of the procurement plan to guarantee that estimates are as realistic as possible to avoid situations whereby the value for money of project interventions is rated lower due to significant differences from the Procurement Plan.

Coherence between AWPB and Implementation

Rating: 4

Previous rating: 4

Justification of rating

With two months left, the Project has executed only 54% of planned budget across the components. The components that have performed well are the Red Meat and Institutional Support and Project Management. The least component is Financial Services with only 19% budget execution.. Although the execution rate is stated at 54%, it is foreseen that until the end of the year the level of execution will increase taking into consideration the bulk of ongoing civil work to be completed.

AWPB Inputs and Outputs Review and Implementation Progress

Although the execution rate is stated at 54%, it is foreseen that until the end of the year the level of execution will increase taking into consideration the bulk of ongoing civil works and other interventions such as: **Horticulture** (i) rehabilitation of irrigation schemes (expected to start during this month) subjected to an assessment to be conducted by the PMT before

December 2018, **Cassava** (i) Construction of cassava fresh market, (ii) rehabilitation of processing units, (iii) kits of processing and (iv) start up kits. The **Red Meat** (i) boreholes, (ii) crush pens. The Institutional support component activities are running normally.

The delays in making the financial service operational have also contributed for the low execution rate to date. As such, the mission suggests that PMT should consider the possibility to make reallocation of resources from this component as it will be served by the new Rural Enterprise Financing Project (REFP) at BNI.

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

PROSUL has an M&E system with appointed staff at the PMU and some SPs in particular the Horticulture and Cassava VCs. With regard to Red Meat, an M&E Officer has been recently hired. The project operates a tailor-made MIS based on excel for the data collection and analysis. However, data quality assessment to verify the validity of data is a challenge. Therefore, despite the available tools and data, there is a need for improving the collection and utilisation of M&E data for better allocation of resources over the next year.

M&E System Review

The current AWPB provides a sound basis for tracking annual performance and results. However, consistent and more frequent reporting across and within PMT and the SPs is needed. The progress reporting at the various levels of implementation is not consistent with the log frame including the new Core Indicators under ORMS. More regular reporting and record keeping related to data management is required.

In addition, as already identified in previous missions, the data collection structure still remain weak at LSP level. Only two out of the three LSPs for the VCs has a full time M&E staff dedicated to the Project. The Project continues to use the manual system for tracking implementation progress and outputs albeit with data gaps. However, the Mission recognises that there has been efforts to collect data and report on output and outcome indicators within the logframe though with some relative degree of inaccuracy hence requiring improvements and continuous data quality assessments.

The M&E units should produce implementation M&E plan to guide project direction mainly at the closing phase. In addition, M&E plan would also facilitate the team in determining when to schedule structured studies to assess outcomes among other benefits. Currently, PROSUL is conducting a number of thematic and impact studies that are expected to be completed by the end of November. These studies are being undertaken by the students from ESNEC.

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	Rating: 4	Previous rating: 5
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Justification of rating

A SECAP review note was never developed for PROSUL as it came into force before the SECAP became mandatory for IFAD's operations. However, good environmental practices must be guaranteed in the implementation of Project's interventions. While avoiding any intervention within and around wetlands, thus protecting a sensitive ecosystem from further exposure to environmental and climate risks, the Project has ensured the elaboration of an EIA and tenders for the elaboration of additional studies for 4 irrigation schemes are ready to be launched. However, in the remaining period, additional ESMPs will be required in order to comply with environment and social safeguards best practices and standards.

SECAP Review

The PMT needs to ensure all its interventions including irrigation schemes are compliant with the National Environmental Regulation and good environmental standards and practices. PROSUL has produced an EIA for the rehabilitation of Moamba Block I irrigation scheme which was validated in October 2018. Now, in order to minimise negative impacts, it is important to ensure effective implementation and monitoring of the ESMP by both FDA and DPTADER which is the responsible entity at provincial level for environmental audits. Regarding Moamba II and in other similar sites threatened by the risk of erosion and flooding, the Mission suggests to link the Farmers Associations to the Local Committees for Early Warning System (CLGRC) where those are already capacitated and operational. A tender for additional studies in 4 irrigation schemes in Guijà and Chókwè Districts is ongoing. For the cassava processing facilities, the PMT is encouraged to undertake a similar exercise and include the reuse of cassava bioproducts as a good practice. In addition, an ESMF/ESMPs identifying good environmental and social safety measures to be followed in both horticulture and cassava VCs has to be produced especially for those activities intensifying agricultural practices (i.e. use of pesticides). Regarding the 33 multifunctional boreholes established so far, the Mission recommends the elaboration of ESMPs so to rapidly determine observed and potential environmental & social impacts and define adequate mitigation measures to ensure sustainability and avoid environmental issues overtime which are likely to be caused by high animal concentration (i.e. degradation, water pollution/ contamination). On a final note, the Mission has also been informed that

the Mapai slaughter house facility being built through ProDEL funds will benefit from an EIA which is currently being elaborated by the latter. It is opinion of the Mission that water efficient solutions as well as a sustainable waste management system should be put in place thus including innovative green-energy solutions (i.e. biodigester) and arrangements for the use of leather and horns which can represent an additional source of revenues.

d. Financial Management & Execution

Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$1,398,215		
	Private sector local	\$1,896,313		
	National Government	\$2,486,796		
Co-financing breakdown,	Spanish Fund	\$16,297,876		
	United Nations Capital Development Fund	\$143,478		

Acceptable Disbursement Rate

Rating: 4

Previous rating: 4

Justification of rating

Automated rating based on IFAD disbursement data

Main issues

- The balances of the loan and the grant accounts are well below the triggers for recovery of the initial advance and this has been initiated by IFAD.
- The total available funds as projected in June 2018 was USD 12.8M against commitments of USD 12.1M.
- The project will initiate a reallocation to cater for the expenditures under the civil works category.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Financial Management & Execution		
Submit recovery plan to IFAD	Finance Manager	11/2018
Elaborate cashflow projection in line with IFAD disbursements To guarantee availability of liquidity to meet commitments	Finance Manager	12/2018
Submit request for reallocation of loan proceeds together with financial projection plan	PROSUL/MASA/MEF/GoM	01/2019

Fiduciary Aspects

Quality of Financial Management

Rating: 4

Previous rating: 4

Justification of rating

Significant improvements in quality and timeliness of financial reports, quality and frequency of WA submission, accounting and record keeping

Main issues

- The project to increase the contractual period to be reasonable for Civil Works to reduce cases of payment for invoices on works completed beyond the contract period.
- The Project Implementation Manual is to be updated on the Financial Management Procedures to better reflect the current situation.
- Internal Controls to be improved hence ensuring that the statutory deductions are paid for the project staff.

- The project to submit full supporting documentation for the certified contractor's bill of works amounting to MZN 4M as well as engineer's report on works totaling MZN 12M.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Submit contractor's certified bill of works carried out amounting to MZN 4,702,740 for SOE checklist of November 2017 Failure to present the evidence may render the expenditure ineligible	Project Coordinator	12/2018
Update project PIM Specifically, the section on Financial Management procedures	Finance Manager	03/2019
Submit engineer's report (or site meeting minutes) on works carried out for a total of MZN 12,196,380 As per detailed SOE checklist	Project Coordinator	03/2019
Ensure that contract duration is realistic Based on performance date from previous contracts awarded by the project	Finance Manager/Procurement Officer	
Ensure payment of Social Security fees (INSS) for project staff	Project Coordinator	

Quality and Timeliness of Audit

Rating: 4

Previous rating: 3

Justification of rating

The audit report was not received in time. a request for delayed submission made after due date. The report does not include the IFAD mandatory Special Account reconciliation. In only includes a general reconciliation. Similarly though the accounting basis is cash, it is required that a list of fixed asset be included as an annex but this is missing. No update on previous year's audit issues is also provided as required. The other requirements were met including the unqualified audit opinion provided..

Main issues

- Timely submission of draft accounts
- Ensure next audit report is submitted on time
- Proper reconciliations of the Special accounts provided in conformity with the IFAD template on Special account reconciliations
- The management letter should include update of implementation of previous years issues
- A fixed asset list should be included as an attachment to the report

Counterparts Funds

Rating: 5

Previous rating: 3

Justification of rating

The provision and timeliness of counterpart funds is satisfactory, and the government contributed USD 2M and USD 0.45M in Kind contribution.

Main issues

- The government provided direct budget support to PROSUL for project activities in the amount of USD 451,239 as well as provide In-Kind contribution where the government allocates its own staff and office space to the project to which in the next financial statements the project will also include in the notes the government contribution for the In-Kind contribution.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Include Government in-kind contribution as notes to 2018 Financial Statements	Finance Manager	03/2019

Compliance with Loan Covenants **Rating: 5** **Previous rating: 5**

Justification of rating

The current review of project financing covenants shows that Government is in full compliance with all the covenants applicable at the current stage of project implementation.

Procurement

Procurement **Rating: 3** **Previous rating: 4**

Justification of rating

PAT Downgrade: The report candidly highlights non-compliance with IFAD requirements, in terms of procurement thresholds and methods, in addition to overspend, expired performance guarantees and expired contracts for which work is still being performed. While filing and bidding documents were generally found to be accurate, the content - which is most important - was incorrect. Evaluations were not found to be in compliance with bidding documents, performance guarantees expired and contract performance being carried out after contracts had expired. For all of the above findings, I would recommend at least a rating of '3'. The Nov 2017 mission identified nearly 1/2M USD of potentially ineligible expenditures for which no follow up has been recorded in this SMR. The shortcoming identified in 2017 should have been addressed and reported in this SMR

Procurement Review

The Mission noted that overall, the procurement unit of PROSUL is well structured, with one Procurement Officer and Assistant working under the guidance of the Finance Manager. Review of bids shows that the procurement methods are consistent with the approved procurement plan. All procurement processes follow the procedures and guidelines established in decree 5/2016, which regulates public procurement in Mozambique. Recordkeeping and contract awards are regular, with no major issues to be reported. The contract register and register of fixed assets were reviewed and found to be adequate.

Contract management should be improved, specifically on the use of CMFs for civil works. The CMFs should be designed to monitor the recovery of advances to contractors, contingencies and the retention as guarantee.

Relevant issues affecting the rating were found in the evaluation reports of bids for civil work contracts. While tender documents advertises that the Least Cost method will be employed, in some cases the evaluation reports show that the method was not consistently applied. Specifically, in various circumstances bidders were excluded from some lots due to already having won a previous lot. It was therefore agreed that for the future, the bidding document shall state the bidders may not be allowed to win more than one lot if during the evaluation of the proposals the contracting entity detects their inability to simultaneously honour two different contracts. In addition, the bidding document should clearly state that past performance in similar contracts with the contracting agency shall be taken into account in evaluating proposals.

The Mission also noted one circumstance where a direct purchasing was used to obtain accessories for vehicles purchased under a previous competitive bidding process, with additional costs that amounted to around 30% of the contract for the vehicles. The Mission reiterated the need publish specifications as comprehensive as possible, to allow for a wider range of participation from prospective bidders

Post Procurement Review covered 8 contracts signed between August 2017 and September 2018. **Filing of procurement documentation** is adequate, with folders well referenced and files organized in reverse chronological order. Phases of procurement process are well identified from authorization to contract signing. In all tenders sampled mandatory publishing of announcements in newspapers was observed, from start of tender to adjudication of contracts and the project has staged a debriefing session with bidders to present the results of the tender, and to recommend improvements in bids. A standstill period for the intention to award a contract has been observed to allow losing bidders time to present complaints. Where complaints have been presented, the project has responded timely to them. **Bid documents** are generally of good quality and complete, showing Instructions to Bidders and details on the selection process as well as well-presented and detailed technical specifications for goods/works. **Procurement methods** show some shortcomings on the use of ICB. While published as ICB, in one case the tender was published only on national newspaper, and the procurement process should have followed World Bank procurement regulations. In three other reviewed cases, while the estimated cost was above the ICB threshold, the process was conducted following NCB. It was agreed that IFAD would provide procurement training to projects, with focus on ICB procedures and contract management, and assess the opportunity of revising the ICB threshold in the LtB. Furthermore, the use of lots should be

improved by employing bid packaging in the procurement documentation where possible. This would allow bidders to bid for a certain number of lots as a single package to exploit economies of scale. **Evaluation reports** are generally adequate and detailed. However, in 3 cases, the Mission observed that while the selection criteria was indicated as combined technical and financial score in the bidding document, the tender was evaluated following least cost. The evaluation reports were missing detailed analysis of technical proposals and the combined evaluation of technical and financial proposals. **Contract management** is overall adequate but should be improved in some key areas. Use of CMFs is consistent and the registry of contracts is adequate. However, monitoring of performance guarantees for ongoing contracts is deficient. In several cases the performance guarantees presented by the contractors had expired during the execution of the contract. PROSUL should request the renewal of performance guarantees where applicable. Furthermore, in several cases of civil works contracts, there were delays in the conclusion of the works and as such most contracts were expired before the actual conclusion of the works. It was agreed that PROSUL would ensure that expired contracts are immediately amended and that future contracts are written with realistic deadlines. The **registry of fixed assets** was found to be acceptable but with the need to be improved. Physical check of some of the inventory items showed that the project should tag of the latest assets purchased. The registry of fixed assets should include brand, make and serial number of assets, as well as the name of the end user. Where applicable, end user should sign handover notes confirming receipt of assets. Finally, PROSUL is well advanced in the scanning and **electronic archiving** of financial and procurement supporting documentation and is awaiting CEDSIF to initiate the upload of the files into Arca-E.

F. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Submit recovery plan to IFAD	Finance Manager	11/2018
Submit contractor's certified bill of works carried out amounting to MZN 4,702,740 for SOE checklist of November 2017 Failure to present the evidence may render the expenditure ineligible	Project Coordinator	12/2018
Elaborate cashflow projection in line with IFAD disbursements To guarantee availability of liquidity to meet commitments	Finance Manager	12/2018
Submit request for reallocation of loan proceeds together with financial projection plan	PROSUL/MASA/MEF/GoM	01/2019
Include Government in-kind contribution as notes to 2018 Financial Statements	Finance Manager	03/2019
Update project PIM Specifically, the section on Financial Management procedures	Finance Manager	03/2019
Submit engineer's report (or site meeting minutes) on works carried out for a total of MZN 12,196,380 As per detailed SOE checklist	Project Coordinator	03/2019
Ensure that contract duration is realistic Based on performance date from previous contracts awarded by the project	Finance Manager/Procurement Officer	
Ensure payment of Social Security fees (INSS) for project staff	Project Coordinator	

Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors

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 Project Outreach [ASAP]	1.b Estimated corresponding total number of households members										Small holders participate actively in the activities of the targeted value chains
	Household members			101 750							
	1.a Corresponding number of households reached							National Statistics , Project impact surveys,	Baseline, midterm, completion	MASA, National Bureau of Statistics	
	Households			20 350	22 634	36 873	181.2				
	1 Persons receiving services promoted or supported by the project										
	Males			10 175	10 864	17 699	173.9				
	Females			10 175	11 770	19 174	188.4				
	Total number of persons receiving services			20 350	22 634	36 873	181.2				
	Groups receiving project services							RIMS	Annually		
	Groups receiving project services				118	844					
Goal Contribute to the improvement of livelihoods and climate resilience of smallholder farmers in selected districts of the Maputo and Limpopo corridors	Poor smallholder household members supported in coping with the effects of climate change							household and impact surveys incl. poverty & gender studies and RIMS Surveys reality checked against National statistics	Baseline and completion	MASA, National Bureau of Statistics	Participating farmers adopt and use climate resilient production technologies; Income from produce sales will be used on household improvements;
	Males				54 322	88 495					
	Females				58 848	95 870					
	Total household members	4 000		60 000	113 170	184 365	307.3				

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
	Proportion of households that have acquired/secured at least one or more physical assets during the project lifespan							household and impact surveys incl. poverty & gender studies and RIMS Surveys reality checked against National statistics	Baseline and completion	MASA, National Bureau of Statistics	
	Households	0		50							
Objective To increase returns to small holder farmers from improved marketing of increased volume and quality of produce in the targeted value chains of Cassava, Horticulture and Redmeat	Income of participating households increased							National Statistics , Project impact surveys	Baseline, midterm, completion "	MASA, National Bureau of Statistics	Small holders participate actively in the activities of the targeted value chains. Incomes increase through a combined effect of increased production and improved market access for targeted value chains
	Income of participating households in MZN	12 000		30 000							
Outcome 1. Small holder farmers' productivity, volumes and quality of targeted crop enterprises reaching both traditional and modern market segments increased through improved access to agricultural technologies and production practices	Average gross margins from sale of supported crops in MZN							Project reports ,Yield assessment reports , outcome surveys	Baseline, midterm, completion	PMT and LSPs	Increased production will lead to increased demand, sales and higher gross margins from targeted value chains;
	Tomatoes	2 034.78		24 417.39							
	Cabbage	7 560		90 720							
	Potato	6 318		75 816							
	Green Beans	1 518		18 216							
	Pepper	7 920		95 040							
	Cassava	1 800		105 000							
	Beans	144		1 728							

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	
	Average agricultural yields of supported crop enterprises							Project reports ,Yield assessment reports , outcome surveys	Baseline, midterm, completion	PMT and LSPs	
	Tomato yield in tons/ha	15.6		31.2	19.97						
	Cabbage yield in tons/ha	12.6		25.2	48.3						
	Potato yield in tons/ha	11.7		23.4	19.97						
	Green Beans yield in tons/ha	2.3		4.6	9.27						
	Pepper	12		24	13						
	Beans yield in tons/ha	0.4		0.8							
	Cassava yield in tons/ha	6		18	20						
Outcome 2. Small holder Livestock Producers' Productivity, quality and sale of cattle and small ruminants increased through improved access to agricultural technologies and production practices	Average live weight for cattle at sale increased in project areas							Project reports Cattle sales records from sale pens	Baseline , Midterm and Completion;	PMT and LSPs	Improved production practices and technologies will improve livestock productivity and would in turn result in increased off take value and rates
	Average live weight for cattle in kg	200		350	315.5						
Outcome 3. Value chain actors access to a diversified range of timely, adequate and affordable financial products, improved	Percentage of beneficiary households using rural financial services (ASCAs; MFIs; Banks) for productive purposes or income-generating activities in project areas (RIMS)							Outcome surveys	completion		Farmers use financial resources more for productive purposes and less for consumption purposes
	Households	10		80	15.88						
Outcome 4. Enhanced climate-smart value chains and strengthened community resilience	Percentage of households reporting adoption of environmentally sustainable and climate resilient technologies and practices (RIMS)							Project reports and adoption surveys	completion	PMT and LSPs	Farmers are trained and adopt recommended practices and technologies
	Households	0		80	59						
Output 1. Developing farmer capacity in good production practices and technologies [ASAP]	Individuals engaged in NRM and climate risk management activities										Training farmers in improved practices will lead to improved production of horticultural crops
	Total			3 840							
	Males										

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	
	Females										
	1.1.4 Persons trained in production practices and/or technologies							Project reports	Quarterly	PMT and LSPs	
	Men trained in crop			6 400	731	7 024	109.7				
	Women trained in crop			6 400	2 021	10 094	157.7				
	Total persons trained in crop			12 800	2 752	17 118	133.7				
Output 2. Supporting farmers access to agricultural technologies and production practices	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated							Regular Project Reports	Quarterly	PMT	Resources made available for scheme rehabilitation
	Hectares of land	0		2 100	240	1 015	48.3				
	Production and processing facilities supported with increased water availability and efficiency										
	Facilities										
Output 3. Strengthening of the targeted value chains	Number of FOs supported by project in improved processing and marketing of produce and livestock							Regular Project Reports and Lead Service provider reports	Quarterly	PMT and Lead Service Providers	New Value chain actors will be interested in investing in processing and buying produce. Existing actors are willing to engage with project
	Number of FOs supported			500							
Output 4. Strengthening climate resilience and environmental sustainability [ASAP]	Land under climate-resilient practices							Service provider reports and regular project reports	Quarterly	PMT and Lead Service Providers	Climate resilient technologies demonstrated are taken up by the farmers
	Land area			2 880	4 441.1	7 770.19	269.8				
Output 5. Improving financial literacy and access to financial services	1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services							Service provider reports and regular project reports	Quarterly	PMT and Lead Service Providers	Financial institutions are ready to invest in targeted value chains and package appropriate products for the small holders
	Males	0		15 000	2 919	5 045	33.6				
	Females			15 000	8 184	20 717	138.1				

Results Hierarchy	Indicators						Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	
Output RIMS - Component 1: Horticulture	2.1.6 Market, processing or storage facilities constructed or rehabilitated							RIMS	Annually	
	Market facilities constructed/rehabilitated			7	0	0	0			
	2.1.5 Roads constructed, rehabilitated or upgraded							RIMS	Annually	
	Length of roads			35						
	Other productive infrastructure constructed/rehabilitated							RIMS	Annually	
	Other productive infrastructure constructed/rehabilitated			100	2	16	16			
	Other social infrastructure/facilities constructed/rehabilitated							RIMS	Annually	
	Other social infrastructure/facilities constructed/rehabilitated									
	Groups managing productive infrastructure formed/strengthened							RIMS Report	Annually	
	Groups			20	49	69	345			
	Groups managing productive infrastructure with women in leadership positions							RIMS Report	Annually	
	Groups			20	49	69	345			
	People in groups managing productive infrastructure							RIMS	Annually	
	Males			2 400	204	1 197	49.9			
	Females			2 400	462	2 084	86.8			
	1.1.4 Persons trained in production practices and/or technologies							RIMS Report	Annually	
	Men trained in crop			2 400	482	1 144	47.7			
	Women trained in crop			2 400	709	2 040	85			
	People trained in infrastructure management							RIMS	Annually	
	Males			600	46	308	51.3			
Females			600	26	541	90.2				

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	
	People trained in post-production, processing and marketing							RIMS			
	Males			600	26	263	43.8				
	Females			600	40	129	21.5				
Output 6. Securing Land rights of beneficiary farmers	1.1.1 Persons whose ownership or user rights over natural resources have been registered in national cadasters and/or geographic information management systems							Service provider reports and regular project reports	Quarterly	PMT and Lead Service Providers	Farmers are sensitised and are aware of the need to have their land rights secured in order to increase production.
	Males			100 000							
	Females										
Output RIMS - Component 2: Food Production	2.1.6 Market, processing or storage facilities constructed or rehabilitated							RIMS	Annually		
	Market facilities constructed/rehabilitated			6	0	0	0				
	Processing facilities constructed/rehabilitated			18	0	0	0				
	Marketing groups formed/strengthened							RIMS	Annually		
	Marketing groups formed/strengthened			60							
	Marketing groups with women in leadership positions							RIMS	Annually		
	Marketing groups with women in leadership positions			60	2	16	26.7				
	People in marketing groups formed/strengthened							RIMS	Annually		
	Males			1 800	127	334	18.6				
	Females			1 800	114	167	9.3				
	1.1.4 Persons trained in production practices and/or technologies							RIMS	Annually		
	Men trained in crop			4 000	249	2 056	51.4				
	Women trained in crop			4 000	1 312	6 243	156.1				
	Men trained in livestock			2 800	396	4 264	152.3				

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	
	Women trained in livestock			2 800	0	2 066	73.8					
	People trained in post-production, processing and marketing								RIMS	Annually		
	Males			1 800	404	1 645	91.4					
	Females			1 800	1 616	5 547	308.2					
	2.1.5 Roads constructed, rehabilitated or upgraded								RIMS	Annually		
	Length of roads			30								
	Groups managing productive infrastructure with women in leadership positions								RIMS	Annually		
	Groups											
	Government officials and staff trained								RIMS	Annually		
	Males				0	197						
Females				0	85							
Output RIMS - Component 3: Animal Production	Environmental management plans formulated								RIMS	Annually		
	Environmental management plans formulated			7	9	14	200					
	Livestock water points constructed/rehabilitated								RIMS	Annually		
	Livestock water points constructed/rehabilitated			50	14	31	62					
	Livestock crush pen constructed/rehabilitated			112	23	67	59.8					
	2.1.6 Market, processing or storage facilities constructed or rehabilitated								RIMS	Annually		
	Market facilities constructed/rehabilitated		21	7	6	15	214.3					
	Processing facilities constructed/rehabilitated		1	1	2	2	200					
	Marketing groups formed/strengthened								RIMS	Annually		

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
	Marketing groups formed/strengthened			42	2	9	21.4				
	Marketing groups with women in leadership positions							RIMS	Annually		
	Marketing groups with women in leadership positions			42	1	7	16.7				
	People in marketing groups formed/strengthened							RIMS	Annually		
	Males			2 800							
	Females			2 800							
	1.1.4 Persons trained in production practices and/or technologies							RIMS	Annually		
	Men trained in livestock			2 100							
	Women trained in livestock			2 100							
	People trained in post-production, processing and marketing							RIMS			
	Males			900							
Females			900								
Output RIMS - Component 4: Rural Financial Services	1.1.5 Persons in rural areas accessing financial services							RIMS	Annually		
	Women in rural areas accessing financial services - savings										
	Young people in rural areas accessing financial services - savings										
	Not young people in rural areas accessing financial services - savings										

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	
	Indigenous people in rural areas accessing financial services - savings										
	Men in rural areas accessing financial services - savings										
	Non indigenous people in rural areas accessing financial services - savings										
	Men in rural areas accessing financial services - credit										
	Women in rural areas accessing financial services - credit										
	Young people in rural areas accessing financial services - credit										
	Not young people in rural areas accessing financial services - credit										
	Indigenous people in rural areas accessing financial services - credit										
	Non indigenous people in rural areas accessing financial services - credit										
	Total persons accessing financial services - savings										
	Total persons accessing financial services - credit										

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	
	Total persons accessing financial services - insurance										
	Total persons accessing financial services - remittances										
	Men in rural areas accessing financial services - insurance										
	Women in rural areas accessing financial services - insurance										
	Young people in rural areas accessing financial services - insurance										
	Not young people in rural areas accessing financial services - insurance										
	Indigenous people in rural areas accessing financial services - insurance										
	Non indigenous people in rural areas accessing financial services - insurance										
	Men in rural areas accessing financial services - remittances										
	Women in rural areas accessing financial services - remittances										

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
	Young people in rural areas accessing financial services - remittances										
	Not young people in rural areas accessing financial services - remittances										
	Indigenous people in rural areas accessing financial services - remittances										
	Non indigenous people in rural areas accessing financial services - remittances										
	Enterprises										
	Active Borrowers (Enterprises)										
	Financial institutions participating in project						RIMS	Annually			
	Financial institutions participating in project			0	5	5	Inf				
	People in savings and credit groups formed/strengthened						RIMS	Annually			
	Males										
	Females										
	Savings/credit groups formed/strengthened						RIMS	Annually			
	Savings/credit groups formed/strengthened			1 200	499	1 228	102.3				
	Savings/credit groups with women in leadership positions						RIMS	Annually			
	Savings/credit groups with women in leadership positions			1 200	499	1 228	102.3				

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	
	Staff of financial institutions trained							RIMS	Annually		
	Males										
	Females										
	Value of gross loan portfolio (groups)							RIMS	Annually		
	Value of gross loan portfolio (groups)										
	Value of gross loan portfolio: enterprises							RIMS	Annually		
Value of gross loan portfolio: enterprises											
Output RIMS - Component 5: Management/Coordination	Government officials and staff trained							RIMS	Annually		
	Males			119							
	Females			50							
	Land under improved management practices							RIMS	Annually		
	Hectares of land			0	338.9	3 667.99	Inf				



Investing in rural people

Mozambique

Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors

Supervision Report

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

Mission Dates: 05th - 17th November, 2018

Document Date: 12/03/2019

Project No. 1100001618

Report No. 4942-MZ

East and Southern Africa Division
Programme Management Department

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

Table 1A: Financial performance by financier

Financier	Approved	Current	Disbursement	% disbursed
IFAD loan	16,300,000.0	16,300,000.0	12,886,175.9	79.1%
IFAD grant	1,520,000.0	1,520,000.0	1,443,885.1	95.0%
STF Loan	16,300,000.0	16,300,000.0	11,147,435.1	68.4%
ASAP	4,910,000.0	4,910,000.0	3,706,665.1	75.5%
Government*	2,490,000.0	2,490,000.0	2,032,396.7	81.6%
Private Investors	1,900,000.0	1,900,000.0	-	0.0%
Beneficiaries	1,400,000.0	1,400,000.0	-	0.0%
Total	44,820,000.0	44,820,000.0	31,216,557.8	69.6%

*includes Government in-kind contribution

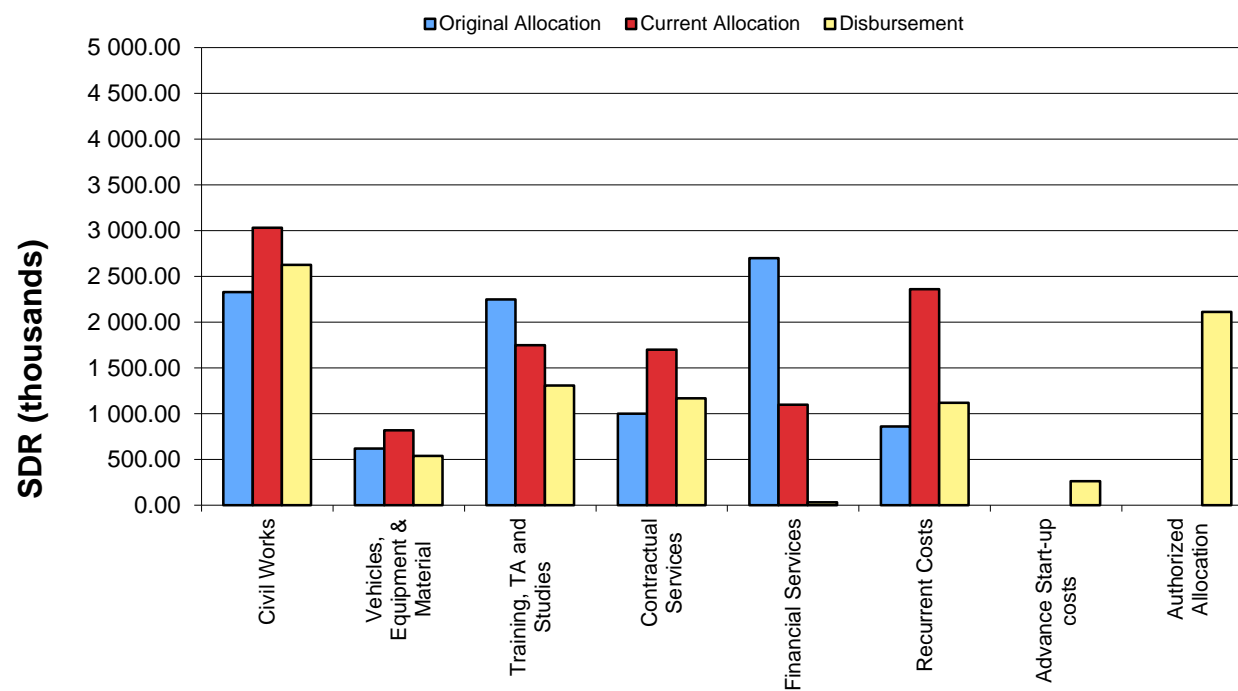
Table 1B: Financial performance of AWPB by financier by component (USD '000)

Component	Financing Agreement Description																	
	ASAP Grant C-ASP-I-MZ			Govt of Mozambique - in cash			IFAD Grant C-1391-MZ			IFAD Loan I-878-MZ			STF Loan E-15-MZ			Grand Total		
Description	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%
Horticulture	369,428.69	729,876.89	197.57	181,184.48	0.00	0.00	0.00	0.00	0.00	1,144,997.37	794,339.18	69.37	1,144,997.37	320,595.62	28.00	2,840,607.91	1,844,811.69	64.94
Cassava	148,358.79	39,291.42	26.48	23,263.42	0.00	0.00	0.00	0.00	0.00	331,316.69	53,711.96	16.21	331,316.69	286,260.45	86.40	834,255.59	379,263.83	45.46
Red Meat	596,875.52	626,009.49	104.88	166,971.55	0.00	0.00	0.00	1,666.02	0.00	773,832.62	280,737.43	36.28	773,832.62	356,274.77	46.04	2,311,512.31	1,264,687.71	54.71
Financial Services	0.00		0.00	25,275.34	0.00	0.00	20,491.80	12,161.33	0.00	1,004,372.44	125,651.79	12.51	1,004,372.44	352,225.88	35.07	2,054,512.02	490,039.00	23.85
Institutional Support and	103,278.69	60,215.64	0.00	48,127.42	0.00	0.00	384,748.85	196,327.42	51.03	823,849.79	754,111.53	91.54	823,849.79	525,704.66	63.81	2,183,854.54	1,536,359.25	70.35
Total	1,217,941.69	1,455,393.44	119.50	444,822.21	0.00	0.00	405,240.65	210,154.77	51.86	4,078,368.91	2,008,551.89	49.25	4,078,368.91	1,841,061.38	45.14	10,224,742.37	5,515,161.48	53.94

Table 1C: IFAD loan disbursements (SDR, as at 14-Nov-2018)

Category Description	Original Allocation	Current Allocation	Disbursement	Balance	% disbursed
1 Civil Works	2,330,000.00	3,030,000.00	2,625,700.83	404,299.17	86.7%
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6 Recurrent Costs	860,000.00	2,360,000.00	1,117,753.62	1,242,246.38	47.4%
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- Authorized Allocation	0.00	0.00	2,112,303.48	-2,112,303.48	0.0%
- Unallocated	1,090,000.00	90,000.00	0.00	90,000.00	
Total	10,850,000.00	10,850,000.00	9,162,134.72	1,687,865.28	84.4%

Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement





Investing in rural people

Mozambique

Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 05th - 17th November, 2018
Document Date: 12/03/2019
Project No. 1100001618
Report No. 4942-MZ

East and Southern Africa Division
Programme Management Department

Appendix 1: Physical progress measured against AWP&B

Component/ Sub-component or Output	Indicator	Unit	Period: 01/01/2018 to 30/10/2018			Cumulative Actual	Appraisal		Remarks
			AWP&B	Actual	%		Target	%	
<i>Improved and climate-resilient livelihoods of smallholder farmers in selected districts of the Maputo and Limpopo corridors.</i>	Rural households with improvement in asset ownership	Percentage	0	30%	-	30%	33%	0.0%	Medium of Horticulture and Cassava
	Households for which food security has improved	Number	0	0	-	0	20,000	0.0%	
	Poor smallholder household members whose climate resilience has increased due to ASAP	Number	11,000	16,880	153%	88,075	60,000	146.8%	
	Individuals reached by meteorology weather forecasts (IIAM's Meteorological facilities)	Number	0	500	-	500	10,175	5%	
<i>Sustainable increased returns to smallholder farmers from increased production volumes and quality in target value chains, improved market linkages, efficient farmer organization and higher farmers' share over the final added value</i>	Households (50% women) receiving project services	Number	2200	3376	153,45	17,615	20,350	86,6%	
	Farmers who participate in a formalized marketing arrangement	Number	0	2,634	-	2,634	0	-	Semi-formal linkages of horticulture and cassava VC
	Average quantities of crops sold by small-scale producers	Ton.	Tomatoes - 0 Cabbage - 0 Potatoes - 0 G. Beans - 0 Pepper - 0 Beans - 0 Cassava - 0	1.56 ton 1.21 ton 10.97 ton 0.39 ton 0.73 ton 0.42 ton n/d	-	1.56 ton 1.21 ton 10.97 ton 0.39 ton 0.73 ton 0.42 ton n/d	14.98 ton 12.10 ton 11.23 ton 2.21 ton 11.52 ton 0.38 ton 35.0 ton	10.4% 10.0% 97.7% 17.6% 6.3% 110.5% n/a	
	Average quantities of animals sold by small-scale producers	Number	0	2	-	Cattle - 3	Cattle - 4	75%	
	Small-scale farmers who have adopted one or more improved production technologies (farming management practices) introduced under the project	Number		42		42	4,800.00		From horticulture adoption study
<i>Outcome 1: Increased sustainable income for smallholder farmers producing irrigated vegetables in project areas through increased productivity, volumes and quality of vegetables reaching both traditional and modern market segments.</i>	Farmers adopting climate-	Number		42		42	1,200.00		From

Component/ Sub-component or Output	Indicator	Unit	Period: 01/01/2018 to 30/10/2018			Cumulative Actual	Appraisal Target	%	Remarks
			AWP&B	Actual	%				
	resilient technologies (ASAP)								horticulture adoption study
	Land managed under climate-resilient practices (ASAP)	ha	250	336,12	134,45	852,12	500.00	170.4%	
	Households, producing and processing facilities with increased water availability and water use efficiency	Number	27	2	7,40	16	40	40.0%	
<i>Sub-component 1.1 - Rehabilitation and expansion of existing irrigated perimeters</i>									
Output 1.1.1: Improvement or rehabilitation of irrigation schemes	Land under improved or rehabilitated irrigation schemes	ha	705	144	20,43	919	2.100	43.7%	
Output 1.1.2: Farmer organizations established or strengthened	WUAs established or strengthened	Number	17	23	135	23	20.00	115.0%	
Output 1.1.3 Capacity of farmers to manage irrigation schemes improved	People trained in O&M	Number	160	0.00	0.00	777.00	2,400.00	32.4%	
<i>Sub-component 1.2 - Strengthening linkages between value chain stakeholders</i>									
Output 1.2.1: Farmer organizations established or strengthened	FOs established or strengthened	Number	17	10	58.82	91	190.00	47.9%	
Output 1.2.2 Capacity of farmers improved	Members/leaders of FOs trained in crop production, value adding, agribusiness and marketing aspects	Number	120.00	65.00	54.2	1.053.00	960.00	110%	
	Members/leaders of FOs trained in crop production and technical aspects	Number	904.00	1.567	173	3,163	4,800.00	65.9%	
<i>Sub-component 1.3 – Value Chain Environment</i>									
Output 1.3.1: Marketing arrangements between producers and value chain actors facilitated	Value chain review/support groups established and operational	Number	2.00	1.00	50	11.00	11.00	100%	
Output 1.3.2 Meteorological facilities improved	Meteorological reports produced by the IIAM Research Station at Gaza	Number	0.00	0.00	-	1.00	1.00	100%	
Output 1.3.3 Facilities established to support horticultural production and marketing	Protective shade cloth	Number	38	5	13,16	23	53.00	43.4%	

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Supervision Report: Mission Dates: 05th – 17th November 2018

Component/ Sub-component or Output	Indicator	Unit	Period: 01/01/2018 to 30/10/2018			Cumulative Actual	Appraisal		Remarks
			AWP&B	Actual	%		Target	%	
<i>Outcome 2: Increased sustainable income for smallholder farmers in project areas from improved cassava production, models for the profitable production and marketing of cassava-based products.</i>	Small-scale farmers who have adopted one or more improved production technologies (farming practices) introduced under the project	Number		239		6,307	8,000.00	76%	Source: Cassava adoption study
	Farmers adopting climate-resilient technologies (ASAP)	Number		239		6,888	8,000.00	83.5%	Source: Cassava adoption study
	Land managed under climate-resilient practices (ASAP)	ha	1.269	0.00	0,00	2.380,00	2,880.00	82.6%	
	Households, producing and processing facilities with increased water availability and water use efficiency	Number	2	2	100	4	18	22%	
<i>Sub-component 2.1 - Strengthening linkages between value chain stakeholders</i>									
<i>Output 2.1.1: Farmer organizations established or strengthened</i>	FOs established or strengthened	Number	47	53	121.4	311	320.00	72%	
<i>Output 2.1.2 Capacity of farmers improved</i>	Members/leaders of FOs trained in crop production, value adding, agribusiness and marketing aspects	Number	1.175	2,132	181	8,299	8,000.00	103.7%	
<i>Sub-component 2.2 - Value chain environment</i>									
<i>Output 2.1.3 Facilities established to support cassava production and marketing</i>	Service Hubs established	Number	2.00	0.00	0.00	1.00	3.00	33.3%	
	Area of cassava multiplication sites established	ha	134.50	149.8	111.4	165.80	255.00	65%	
<i>Output 2.2.1: Marketing arrangements between producers and value chain actors facilitated</i>	Value chain review/support groups established and operational	Number	8.00	7.00	87.50	8.00	8.00	100%	
<i>Output 2.3.1 Meteorological facilities improved</i>	Meteorological reports produced by the IIAM Research Station at Inhambane	Number	0.00	0.00	-	1.00	1.00	100%	
<i>Outcome 3: Increased sustainable income for small-scale cattle, goat</i>	Herders who have adopted one or more improved	Number	1,250.00	1,885	150.84	2,637	4,480.00	58.9%	To be confirmed through the

Component/ Sub-component or Output	Indicator	Unit	Period: 01/01/2018 to 30/10/2018			Cumulative Actual	Appraisal Target	%	Remarks
			AWP&B	Actual	%				
and sheep breeders in project areas through improved production and better organized markets	production technologies (animal husbandry practices) introduced under the project								adoption study
	Herders adopting climate-resilient technologies (ASAP)	Number	1,350.00	72.00	5.33	2,226.00	5,600.00	39.8%	To be confirmed through the adoption study
	Land managed under climate-resilient practices (ASAP)	ha	0.00	0,00	-	0,00	0.00	-	
	Households, producing and processing facilities with increased water availability and water use efficiency	Number	0.00	0.00	-	0.00	0.00	-	This is the same with boreholes that are mentioned below
Sub-component 3.1 - Value Chain environment									
Output 3.1.1: Marketing arrangements between producers and value chain actors facilitated	Value chain review/support groups established and operational	Number	4	8	52.9	49	58.00	84.5%	
Sub-component 3.2 - Production improvement									
Output 3.2.1: Improved pasture management through ENRM plans	Individuals, community groups and institutions formulating and enforcing ENRM plans	Number	7.00	7.00	100	7.00	7.00	100%	Communities
Output 3.2.3 Farmer organizations established or strengthened	LPOs established or strengthened	Number	20	26	130	233,00	224.00	104%	
Output 3.2.4 Capacity of farmers improved	Members/ leaders of LPOs trained in livestock production, value adding, agribusiness and marketing aspects (MTOs and AHAs)	Number	160.00	111	69.4	280.00	896.00	31%	
	Member /leaders of FOs/LPOs trained in livestock production and technical aspects	Number	500	579	115,8	6.513	5,600.00	116.3%	
	Water facilities established	Number	19	6	31,58	29	50,00	58%	
Sub-component 3.3 - Market linkages									
Output 3.3.1: Institutions for livestock marketing established	Meat Trader Organizations established	Number	7	2	28.6	7.00	14.00	50%	
Output 3.3.2 Facilities established	Cattle fairs established	Number	6	6	100,00	15	21	71.4%	

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Component/ Sub-component or Output	Indicator	Unit	Period: 01/01/2018 to 30/10/2018			Cumulative Actual	Appraisal Target	%	Remarks
			AWP&B	Actual	%				
to support livestock marketing	/equipped								
Outcome 4: Selected value chain stakeholders have a timely and adequate access to a diversified range of affordable financial products, through existing or to be created financial and on-financial service providers	Participating farmers (50% women) access financial services (by type of client, service, financial/non-financial service provider), loan portfolio	Number	7,378	9,721	131.8	24,380	20,350	120%	
<u>Sub-component 4.1 - Community based Financial Organizations(CBFO)and Financial Education</u>									
Output 4.1.1 Accumulating savings and Credit Associations (ASCAs) established and/or strengthened	ASCAs established and strengthened	Number	434	453	104	1,182	1,200	98.5%	
	Amount of savings mobilized	MZN	0.00	54,75	n/a	95,86	43.00	222.9%	
	Amount of credit extended to the members	MZN	0.00	69,76	n/a	102,47	43.00	238.3%	
	Value chain stakeholders trained in financial education	Number	32	18	56.25	60	800.00	7.5%	
<u>Sub-component 4.2 – PROSUL Innovation and Outreach Technical Assistance Facility (PIOTAF)</u>									
Output 4.2.1 Technical capacities of the FSP and other PROSUL value chain stakeholders strengthened	Institutional capacities of financial Services Providers strengthened	Number	4	0	0	0	8	0,0%	
<u>Sub-component 4.3 - PROSUL Line of Credit</u>									PMT is finalizing the recruitment of PROSUL LOC Manager
Output 4.3.1 Wholesale finance facility made available to the FSP, for funding the credit needs of the Value Chain Stakeholders	Whole sale loans extended to participating FSPs	Number	8.00	0.00	0.00	0.00	8.00	0.0%	
	PROSUL Value Chain Stakeholders accessing to retail Loans from FSP	Number	750.00	0.00	0.00	0.00	750.00		
<u>Sub-component 4.5 - PROSUL Financial Services Unit</u>									PMT has finalized the FS Unit Work
Output 4.5.1 PMT, FDA and MASA capacities in advising, regulating and overseeing the	PROSUL and Government staff trained and participating in events and	Number	50.00	22	44	22	100	22%	

Component/ Sub-component or Output	Indicator	Unit	Period: 01/01/2018 to 30/10/2018			Cumulative	Appraisal		Remarks
			AWP&B	Actual	%	Actual	Target		
implementation of Financial Services Sector strengthened	agenda related to financial services sector								
	Studies, Monitoring, Communication and knowledge management activities carried out	Number	15.00	3	20	18	50	36%	
Outcome 5: FDA, and specifically its delegation for the southern provinces, has and uses systems and tools for supporting inclusive value chain development and for promoting new business models	Systems and tools for planning and budgeting public support to value chains and for monitoring value chain performance are operational and implemented	Number	1.00	1.00	100.00	1.00	1.00	100%	
	Knowledge products and publication produced and/or disseminated (of which climate-related)	Number	7.00	4.00	57.14	18.00	70	25.7%	
<u>Sub-component 5.1 - Institutional support</u>									
Output 5.1.1: Capacity of local actors on value chain development strengthened	Staff of the project, FDA and other government institutions trained in value chain development	Number	97.00	34	35.00	290.00	300.00	96.7%	
Output 5.1.2: Country dialogue on climate-related issues supported	Climate change adaptation knowledge sharing mechanism established within FDA (ASAP)	Number	0.00	0.00	-	0.00	0.00	-	
Output 5.1.3: FDA is capable to climate proof commercial agriculture, and contribute to the broader national and regional climate change agenda	FDA and project staff trained on issues related to the broader national and regional climate agenda (ASAP)	Number	20.00	00.00	00.00	27.00	150.00	18%	
<u>Sub-component 5.2 - Land Tenure Security</u>									
Output 5.2.1: Land tenure security of farmers secured	Farmer associations that have been issued DUATs	Number	9.162	9.095	99.3	14.933	15,000.00	99.6%	

Appendix 2: Financial: Actual financial performance by financier; by component and disbursements by category

Table 2A: Financial performance by financier

Financier	Approved	Current	Disbursement	% disbursed
IFAD loan	16,300,000.0	16,300,000.0	12,886,175.9	79.1%
IFAD grant	1,520,000.0	1,520,000.0	1,443,885.1	95.0%
STF Loan	16,300,000.0	16,300,000.0	11,147,435.1	68.4%
ASAP	4,910,000.0	4,910,000.0	3,706,665.1	75.5%
Government*	2,490,000.0	2,490,000.0	2,032,396.7	81.6%
Private Investors	1,900,000.0	1,900,000.0	-	0.0%
Beneficiaries	1,400,000.0	1,400,000.0	-	0.0%
Total	44,820,000.0	44,820,000.0	31,216,557.8	69.6%

*includes Government in-kind contribution

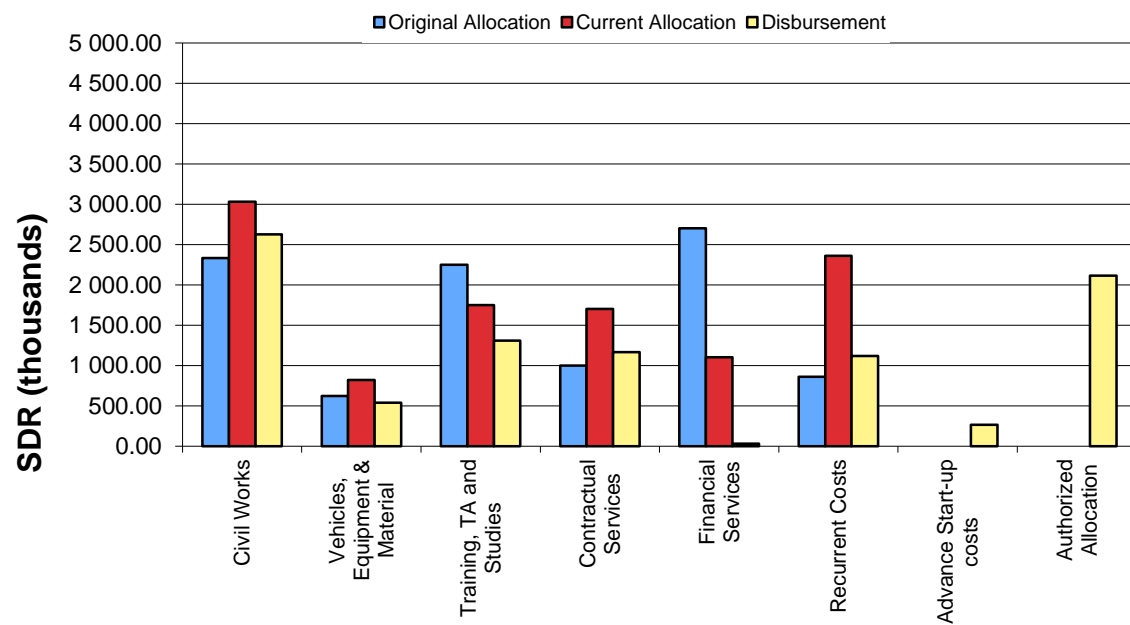
Table 2B: Financial performance of AWPB by financier by component (USD '000)

Component	Financing Agreement Description																	
	ASAP Grant C-ASP-I-MZ			Govt of Mozambique - in cash			IFAD Grant C-1391-MZ			IFAD Loan 1-878-MZ			STF Loan E-15-MZ			Grand Total		
Description	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%	Budget Amount	Expenditure Amount	%
Horticulture	369,428.69	729,876.89	197.57	181,184.48	0.00	0.00	0.00	0.00	0.00	1,144,997.37	794,339.18	69.37	1,144,997.37	320,595.62	28.00	2,840,607.91	1,844,811.69	64.94
Cassava	148,358.79	39,291.42	26.48	23,263.42	0.00	0.00	0.00	0.00	0.00	331,316.69	53,711.96	16.21	331,316.69	286,260.45	86.40	834,255.59	379,263.83	45.46
Red Meat	596,875.52	626,009.49	104.88	166,971.55	0.00	0.00	0.00	1,666.02	0.00	773,832.62	280,737.43	36.28	773,832.62	356,274.77	46.04	2,311,512.31	1,264,687.71	54.71
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Total	10,850,000.00	10,850,000.00	9,162,134.72	1,687,865.28	84.4%

Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement



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Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 05th - 17th November, 2018
Document Date: 12/03/2019
Project No. 1100001618
Report No. 4942-MZ

East and Southern Africa Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 4.02	PCU to open and maintain a Project Account (in USD);		Yes	Designated account open at Central Bank of Mozambique
Section 4.03	Procurement of goods, works and services carried out in accordance with the procedures laid down in Schedule 3		Partial	In a few instances, the ICB thresholds has been surpassed yet the project has conducted the tender process following NCB procedures. In the sole case where ICB was conducted, World Bank procurement procedures were not followed and the tender announcement was only published on national newspaper.
Section 4.04	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.		Yes	Vehicles insured. Insurance of other assets pending cost-benefit analysis.
Schedule 2	Proceeds of the IFAD loans and grants are to be exempt of the payment of taxes		NA	IFAD approved the payment of taxes and duties from loan and grant proceeds in October 2017 with retroactive effect from 16 February 2016
Schedule 3, para 1	Insurance of Project personnel.		Yes	