



Investing in rural people

Republic of Mozambique

Supervision Report ProPESCA - May 2017 - Main report

Supervision report

Main report and appendices

Mission Dates: 2- 12 May 2017
Document Date: 9-Aug 2017
Project No. 1100001517
Report No: 4521-MZ

East and Southern Africa Division
Programme Management Department

Contents

Abbreviations and acronyms	iii
A. Introduction	1
B. Overall assessment of PROPESCA implementation	1
C. Outputs and outcomes	2
D. Project implementation progress	7
E. Fiduciary aspects	9
F. Sustainability	12
G. Other Issues and recommendations	14
H. Conclusion	14

List of Figures

List of Tables

Appendices

Appendix 1: Summary of project status and ratings	15
Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs	19
Appendix 3: Summary of key actions to be taken within agreed timeframes	25
Appendix 4: Physical progress measured against AWP&B, including RIMS indicators	27
Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category	31
Appendix 6: Compliance with legal covenants: Status of implementation	33
Appendix 7: Knowledge management: Learning and Innovation	35

Abbreviations and acronyms

AMPCM	<i>Associação Moçambicana de Promoção de Cooperativismo Moderno</i>
AMODER	<i>Associação Moçambicana Para o Desenvolvimento Rural</i>
ANE	National Roads Authority
CCP	Community Fishing Council (<i>Conselho Comunidade das Pescas</i>) or co-management committee
COSOP	Country Strategic Opportunities Paper
ADNAP	National Fisheries Administration
DPMAIP	Provincial Directorate of sea inland water and fisheries
DPOPH	Provincial Directorates of Public Works and Housing
EDM	<i>Electricidade de Moçambique</i>
FFP	Fisheries Development Fund (<i>Fundo de Fomento Pesqueiro</i>)
FFPI	Small Industry Development Fund (<i>Fundo de Fomento de Pequena Industria</i>)
FIE	Fund for Institutional Expansion
FPEE	Fund for the promotion of emerging enterprises
FPME	Fund for the promotion of Women Entrepreneurs
FUNAE	<i>Fundo de Energia</i>
GAPI	<i>Sociedade de Gestão e Financiamento para a Promoção de Pequenas Projectos de Investimentos sarl</i>
HQ	Headquarters
IDPPE	Institute for Development of Small-Scale (Artisanal) Fisheries (<i>Instituto de Desenvolvimento da Pesca de Pequena Escala</i>)
IDEPA	Institute for Development of Small-Scale Fisheries and Aquaculture (<i>Instituto para o Desenvolvimento das Pescas e Aquacultura</i>)
INIP	National Institute for Fisheries Inspection
IIP	Institute of Fisheries Research (<i>Instituto de Investigação Pesqueira</i>)
M&E	Monitoring and Evaluation
MFI	Microfinance institution
MIMAIP	<i>Ministério do Mar, Aguas Interiores e Pescas</i>
MoU	Memorandum of Understanding
NGO	Non-governmental organization
PAG	Public Audit Group
PARPA	National Action Plan for Reduction of Absolute Poverty
PCCG	Project Consultative and Coordination Group
PCR	Rotating savings and credit groups (<i>Poupança e Crédito Rotativo</i>)
PCU	Project Coordination Unit
PESPA	Strategic Plan for the Artisanal Fisheries Sub-Sector
PPABAS	Sofala Bank Artisanal Fisheries Project
PPAGI	Fisheries Project for Gaza and Inhambane
PROAGRI	National Programme for Agricultural Development
PRODIRPA	Strengthening Artisanal Fishers' Resource Rights Project (<i>Projeto de Reforço dos Direitos de Acesso aos Recursos Pelos Pescadores Artesanais</i>)
PRONEA	National Programme for Agricultural Extension
PY	Project year
PSC	Project Strategy Committee
RFA	Revolving saving and credit association (<i>Poupança e Crédito Rotativo</i>)
RFSP	Rural Finance Support Programme
RIMS	Results and impact management system
RMF	Risk Mitigation Fund
SDAE	District Service for Economic Activities
TA	Technical Assistance
TUF	Total Utilisation Fish

A. Introduction¹

1. The Government of Mozambique and the International Fund for Agricultural Development (IFAD) carried out a joint supervision of the Artisanal Fisheries Promotion Project (ProPESCA), from 2-12 May 2017. The overall objective of the mission was to assess the implementation progress of ProPESCA towards achievement of its development objectives and provide guidance as needed.
2. The mission held discussions with various project implementing partners at national level including the *Institute for Development of Fisheries and Aquaculture (IDEPA)* - particularly the *Project Coordination Unit (PCU)*; and other partner institutions. The mission visited project activities in Maputo and Gaza provinces, and held meetings with the Provincial department of fisheries, District Administrations, Municipalities, Service Providers and project beneficiaries. A delegation from the European Union (EU) joined the mission as observers and participated in meetings and field visits on the first day.
3. The total project investment cost is USD 58.3 million co-financed by IFAD (USD 21.1 million) the European Union (USD 16.3 million), OPEC's Fund for International Development (USD 13.5 million), the Government of Mozambique (USD 4.1 million) and participating Institutions (USD 3.2 million). IFAD funding was approved in December 2010 and entered into force in March 2011. The OFID finances became effective in November 2013. MDG1c grant (EC agreement with IFAD) was signed in April 2013 and reflected in ProPesca financial agreement in February 2014. The project completion date is 31 March 2018. The Mid Term Review was conducted in 2015.
4. The project is focusing on 30 growth poles in 43 districts of 7 provinces. Its development goal is to improve incomes and livelihoods of poor households involved in artisanal fisheries in the selected growth poles. The objective is to increase the returns from fish sales for artisanal fishers and small-scale operators on a sustainable basis. The two main outcomes include: increased catch of higher quality fish, and increased value of fish traded from the artisanal sector in the targeted areas. These are to be achieved through five project components: (i) supporting development of higher value fish (ii) improving economic infrastructure (iii) developing financial services (iv) Institutional strengthening, Policy Initiatives and Project Management and (v) Nutrition Promotion. The mission wrap up meeting was conducted on Friday 12 May at IDEPA.

B. Overall assessment of PROPESCA implementation

5. The overall implementation status of the project is rated as moderately **satisfactory**. The activities under the five project components are at different stages of implementation. Diverse achievements have been recorded in the past five years, and some of them are producing benefits to intended project beneficiaries.
6. The Project has rehabilitated 460 km of roads (using spot improvement along entire stretch) and 16 existing markets. One new market is constructed and 10 new houses are built for extension staffs. Electricity has been provided in 15 rehabilitated markets (3 solar systems and 12 connexions to the grid) and 5 villages. A total of 47 km of electricity line (middle and low voltage) has been installed. If overall performance for economic activities is satisfactory, there

¹ Mission composition: Mission composition: Mission composition: Robson Mutandi (Mission Leader, Country Director, IFAD), Custodio Mucavele (deputy mission leader, CPO -IFAD) Hans Bage (Fisheries development expert); Maria Fernanda Arraes (MDG1c coordinator, Monitoring and Evaluation, Knowledge Management expert, IFAD/ICO); Guy Kentsop (Economic Infrastructure expert); Chiara Romano (Gender, Youth and Targeting expert); Alaudio Chingotuane (Financial management expert).

implementation process is being delayed (mostly for roads) and a series of measures should be taken as corrective ones to ensure they will be delivered on time before the Project ends.

7. Further attention should be made on roads construction to ensure appropriate design is adopted by ANE. This would be essential in order to mitigate adverse climatic impacts.
8. The development of higher value fish production has been supported throughout the value chain, from the fishing of high value fish in open sea to assisting the development of processing and trading of the fish. Main key actions agreed upon are: (i) provision of boats for open sea fisheries including training of carpenters, mechanics and fishermen (ii) training in fish processing and trading (iii) Build fish markets with ice-machines and cold-rooms, (iv) support the Fisheries Research Institute IIP in studying fisheries resources, the use of low impact gear, coastal ecosystem restoration and fish farming.
9. The reduced number of extension workers limits the outreach to beneficiaries, specifically those targeted for the capacity building sessions planned under component 1 related to fisheries technology and post-catch trainings. The fisheries extension system needs to be strengthened and diversified in view of the new perspectives of artisanal fisheries and aquaculture promotion perused by Government in both sea and inland waters. ProPESCA's exit strategy could support IDEPA to reflect on the sustainability of the fisheries extension system.
10. Progresses in implementation show that activities continue to equally benefit men and women and are overall satisfactory. Successful results are recorded in formation of credit and saving groups (ASCAs) while constrains have resulted in delayed implementation for other activities directed to women: (i) the level of accomplishment of pilot projects for women's groups/association is only 15% and (ii) the special fund for women's entrepreneurs so far has supported 66 projects proposals, lagging behind the target set. These refer to beneficiaries who managed to deposit the required contribution. Given the relevance of these activities for women it is recommended (i) to put extra effort (and alternative strategy where needed) to ensure that the total project target of 1154 projects proposals to access special fund for women entrepreneur is achieved before the Project ends; (ii) execution of the 7 pilot initiatives for women is prioritized in 2017 and successfully accomplished by Project end.
11. Regarding fiduciary aspects, the Mission noted the very low rate of financial execution for the year 2017. The AWPB is severely below schedule, with only 2% of the AWPB executed as at 31 March 2017 due to the need to migrate the project budget and personnel from the former IDPPE to the newly created IDEPA within e-SISTAFE. PROPESCA should quickly process all the payments that have been delayed due to the late start of financial execution.

Agreed action	Responsibility	Agreed date
Design new and realistic chronograms of all activities related to roads and markets to match with Project residual time	ANE, PCU	May 2017

C. Outputs and outcomes

Component 1: Development of High Value Fish

12. This component is rated **satisfactory**. Some of the project targets have already been achieved or surpassed. Actual implementation of this component suffered delays occasioned by unavailability of funds, however it has picked up and all activities are being implemented in nearly all the growth poles. up to now the following activities have been completed and/or are in good track: training of boat constructors has been achieved (100%); Training of mechanics is on track (74%); fishermen are being trained in open sea fishing. Training in fish processing has exceed the target set (133%). Fishermen and traders' associations have been assisted (103%) and 75 % of the planned fish markets have been constructed. Business management training activities have reached 26% of the target.

13. The mission visited fishing communities supported by the project (Marracuene, Zonguene, Bilene and KaNyaka) where fishing is mainly practised inside rivers and lagoons using small boats rowed with oars. Open sea fishing requires bigger boats with strong motors and so far the training of carpenters has resulted in construction of new bigger boats in Zonguene (Moma canoe type). The mission observed that similar issues are faced by fishing community at KaNyaka, where fishing in the open sea is traditionally practices, but it is limited due to absence of proper boats.
14. In these communities the main market for fish is Maputo and the fish is sold fresh and ice is used for conserving it. For this reason, there is no demand for training in other processing methods such as drying, salting and smoking while, on the other hand, construction of fish markets providing ice and cold store rooms has been highly appreciated by beneficiaries.
15. **Markets.** The Project has targeted 15 new markets (two types of markets are concerned: retail and first sale ones) for construction, and one is completed in Pangane (Cabo Delgado). Apart from the 3 sites (Bilene, Larde and Chinde) where construction hasn't happened yet (see *technical paper*), works are on-going in all 11 others, with various rates of physical execution (20 to 90% according to the Project). The mission visited 5 sites: four under construction (first sale markets) and one awaiting for works to start. Despite contractual delays faced by all contractors, works quality and progress are satisfactory and will be completed before end of this year. The mission noted that some contracts will require important variations due to increased volume and types of unexpected works (mainly on foundation). As recommended by the last mission, the Project has produced standard design and drawings for kiosks to be constructed in 6 markets. It is recommended that: i) under the request of each contractor, contractual time to be extended (without financial implications) as addendum, to ensure on-going works are completed; ii) updated and realistic chronogram to be provided by each contractor to better follow-up residual activities; iii) provide case to case treatment for variations in prices; iv) build the kiosks (as per the design) after updating the layout for each site to ensure best functionality of all premises in the market compound. Overall, the adoption of standard designs and drawings for each type of market has highly contributed to save time and money throughout construction process of well-functioning markets. In the other hands, the construction of these premises is an opportunity for job creation for youths (male and female) in villages, hence income generation: i) in KaNyaKa, 10 local youths (8 men and 2 women) are employed since January against an average monthly income of 6,100 MZN; ii) in Nhabanga, 5 local youths are employed since 6 months against a monthly income of 7,250 MZN.

Component 2: Improving Economic Infrastructure

16. This component is rated **moderately satisfactory**
17. **Roads.** From the MTR, a total of 576 km is targeted for rehabilitation through spot improvement (along the entire stretch of roads) and 288 km for maintenance. The whole rehabilitation process is managed through a partnership between IDEPA, ANE (National Road Administration for technical and procurement) and FE (Roads Funds, for payment and contract management). For the first phase, 460 km have been rehabilitated. The rehabilitation of phase II roads (208.2 km), planned for 2016, has seriously been delayed (works are on-going and are under 75.6% physical execution), due to lack of supervision and follow-up from ANE. In addition, maintenance of roads rehabilitated in phases I and II (to be done in 2017), is highly being delayed (maintenance of only 30.5 km is on-going in Zambézia, according to the Project). The mission visited 2 roads in Maputo and Gaza provinces and meet with ANE staffs (province and central level). It was noted that: i) recommendations made by last mission are not implemented; ii) serious weaknesses in design/surveys (no line diagram, standard drawings, no socio-economic baseline, etc.) and supervision persist; iii) works done by contractors are not of acceptable standards (combination of low capacity/performance of contractor, poor design and/or supervision). Given the limited time to the end of the Project and the considerable volume of remaining road activities (rehabilitation, maintenance and capacity building) to be implemented, the following has been agreed with ANE: i) produce an updated and realistic

chronogram of all remaining activities to be approved by the Project; ii) improve quality of design and supervision for roads under rehabilitation/maintenance and future ones.

18. **Electrification.** Provision of electricity is ensured through connection to the grid (by EDM, Electricity of Mozambique) and installation of Photovoltaic/solar panels (by FUNAE, I Energy Funds). For solar panel, out of 8 markets targeted, provision is effective for 3. Procurement process (*see technical paper*) to hire a contractor for further installations is on-going for the 5 remaining ones. This will be done before end of year according to FUNAE. Activities planned for 2017 to provide electricity (middle and low voltage) through connection to grid are delayed. The mission noted that: i) recommendations made by the last supervision mission are not implemented by EDM; ii) there is significant lack of follow-up and reporting by EDM and MIREME. However, EDM has constructed 8 km (planned for 2016) of line, which brings the cumulative extension to 47 km (out of 185 km targeted). A total of 12 markets and many houses (exact figures not available during mission) are provided with electricity through connection to the grid. New lines (30 km) are under construction, to connect other villages and markets.

Component 3: Development of Financial Services.

19. The overall performance of this component is **satisfactory**.
20. **ASCA Promotion:** All the 5 contracted ASCAs promoters are now fully involved in providing the required services to the target communities, including the one contracted in Cabo Delgado, that is piloting the use of audio-visual means for training trainers and field officers and the use of a digital platform for recording the activities of the groups. A total of 928 groups were supported (746 new promoted and 182 strengthened) with 19,488 members (58% women), representing 65% of the overall target of 1,420 groups for 2016. During the period January–March 2017 some additional 337 new groups were promoted. While the performance of different service providers varies, overall it has been satisfactory in terms of outreach and benefits. This was also confirmed to the mission, by the ASCA members during the visits to the ASCA groups in Xai-Xai and Zongoene.
21. **Fund for Institutional Expansion (FIE):** After the first round - call for proposals – launched in 2015, the second round was launched in 2016 with unsuccessful results, confirming that there are few qualified organizations willing to access these resources in the project areas. This financial product appears to be less attractive to Micro-financial institutions. Nevertheless, the mission concurs with the FFP proposal of launching a third round, after which reallocation of resources will be carried out for financing highly demanded products, such as LoC, in case no qualified organizations are successfully selected.
22. **Line of Credit (LoC):** A second call for proposals was launched in the second quarter of 2016 and three MFIs – LHUVUKU, CPL, CCOM- and GAPI were approved. A total of MZN 62.7 million was disbursed for financing 180 projects - LHUVUKU (62), GAPI (42) and CCOM (76) – all along the fisheries value chain. Following its recent clearance of the arrears with FFP, funds will also be disbursed shortly to CPL for funding operations in Gaza. There appears to be high demand for the LoC to support the development of fisheries value chain in the project areas. This was further emphasized during the meetings held between the mission and the two service providers (GAPI and LHUVUKU). As the outreach and demand increases, proactive actions need also to be put in place to meet the increased expectations. As such, the mission concurs with the FFP decision of launching the third round of call for proposals.
23. **Restructuring of FFP:** The mission is pleased with the good developments and commitment of FFP towards institutional restructuring, in order to transform itself into a professional credit wholesale provider for fisheries sector. This is commendable. To this end and on FFP request, IFAD is considering providing a TA to support the institution in its restructuring process and in the preparation of a long term intervention strategy in the sector. It was therefore agreed that FFP/PROPESCA will develop the Terms of Reference (ToRs) for this technical assistance and submit to IFAD for NO.

24. **Risk Mitigation Fund (RMF):** After an unsuccessful attempt to get the Commercial Banks interested, the RMF is now being marketed to potential MFIs for joint learning operations. So far, a total of MZN 13,778,040 has been disbursed directly by GAPI to benefit 29 projects activities in the fisheries value chain, mainly in the provinces of Zambezia, Nampula and Cabo Delgado.
25. **Fund for the Promotion of Women Entrepreneurs (FMPE) and Fund for the Promotion of Emerging Enterprises (FPEE):** Following training of staff, and massive dissemination of both FMPE and FPEE, more applications for matching funds for female entrepreneurs and emerging enterprises were received and approved and therefore, funds were disbursed to 67 successful candidates – 66 female entrepreneurs and one emerging enterprise – who managed to deposit the required contribution. To further improve performance of this activity and ensure that a higher quality and number of proposals are approved, additional trainings were conducted in 2016. It was agreed that more work should however be carried out by IDEPA, FFP and DPMAIPs to ensure greater use of these funds during the remaining project period.

Component 4: Institutional Strengthening, Policy initiatives and Project Management

26. This component is rated **moderately satisfactory**
27. **Institutional strengthening and policy initiatives.** The integration of IDEPA functions and staff into the Provincial Directorate of the Sea, Inland Waters and Fisheries (DPMAIP - under a new Ministry of that name) and the district administration (specifically, the District Service for Economic Activities – SDAE) is taking shape. On top of that, the mission also learned at the provincial Directorate in Maputo that one office in Maputo responds to both Maputo city and the province. With both advantages and challenges, this is a new development and differs from the other sectors in the government who have separate entities. Equally, there remains work still to be done in order to define how best IDEPA can support the Provincial Directorates and vice-versa. In practice, the reorganization remains unfinished business. The mission supports this reorganization, in particular when it offers the potential to reduce duplication of functions, create synergies and ownership. In view of the need to capture the lessons learned and document the experiences - opportunities and challenges - the mission suggests that IDEPA take a lead in preparing a workshop for sharing the experiences of current integrated structure and foresee how both artisanal fisheries and Aquaculture could potentially benefit, including the way forward.
28. The study of fisheries policies in Mozambique and IFAD's past and potential future contribution, highlighting on a range of issues where the Nampula and Sofala Bank projects contributed evidence, on the basis of which Government made important policy decisions; and also identifying a number of issues/areas where ProPESCA and IFAD could potentially support Government in addressing current and future policy challenges was concluded. During the meeting with the IDEPA Director, the mission learnt that this study brought about a substantive review to the sub-sector and has helped IDEPA management in many ways. For the way forward, IDEPA is willing to learn more in the areas of PPPP with focus to aquaculture. In addition to that, an assessment to e-SISTAFE (before and after) is another potential area that would benefit from IFAD support, looking in particular to the opportunities and challenges that this accounting tool offers for smoothening project implementation. IFAD-ICO to assist the project to identify PPPP programmes in the context of South South Cooperation (SSC) for learning and sharing experience.
29. **Houses for extension staffs.** Out of 26 targeted houses for extension staffs to be built by the Project, works are: i) completed for 10; ii) on-going for 5 (from 80 to 95% physical execution as reported by the Project) and iii) awaiting to be launched on 11 sites (4 are lacking site for construction and tendering process is on-going for the remaining). The mission visited the house in Nhabanga (Zonguene), where works have satisfactorily reached the level of 95% physical execution. According to the Project, the construction process in all awaiting sites is expected to be completed before the end of this year. The provision of standard design and

drawings has highly contributed to save time and money throughout the construction process of these houses.

30. **Research:** The Fisheries Research Institute (IIP) is working on topics related to fish resources available for artisanal fisheries, fish farming and environmental issues. So far 7 studies have been made regarding the resource situation and the reports have been transmitted to ProPesca. The reports contain information about the potential of different species groups available to be exploited by the artisanal fisheries. One study regarding crabs is still in process; another study to find alternatives to the use of beach seines is to be made in Inhassoro. The IIP has prepared a plan for restoring ecosystems, including mangrove, and will submit a proposal to ProPesca for financing. A workshop on demersal fish survey data analyses is planned. IIP is awaiting the arrival of the research vessel Fridtjof Nansen that will implement the survey.
31. **Knowledge Management:** The last mission agreed that KM function should be embedded in IDEPA's Documentation & Information Department in order to strengthen its capacity and define a KM plan to be implemented as soon as possible; however no progress in this regard was made since then.

Component 5: Nutrition Promotion

32. *This component is rated as **moderately satisfactory***
33. Implementation of the component has progressed since the last mission. A series of workshops has been carried out to coordinate service provider's interventions and to promote the harmonisation of the approach, and the knowledge sharing among teams. A baseline to measure the Minimum Dietary Diversity for Women of reproductive age (WDD-W) and Minimum Dietary Diversity of young children under two (MDD - YC) has been conducted in six provinces. The data (Dataset of nutrition baseline in ProPESCA will also be used as secondary data in the Integrated Food Security Phase Classification (IPC) study in Mozambique.) will be used to orient the sensitization sessions as well as to define the food promoted through home gardens and cooking demonstrations (either for balanced diversified nutrition menus and/or food conservation and transformation techniques). Service providers are active in the field, identifying and mobilising the target groups (mothers group at fisheries communities and adolescent girls groups at school) to engage in the nutrition promotion activities. The Service Provider in Zambézia has already reached some outputs: 51 CBOs mobilised, 329 women are actively participating in peer groups and receiving nutrition education, 45 teachers from 27 schools started nutrition campaigns. A total of 42 cooking demonstrations and 45 garden plots have been established; however there is a need to reorient this activity to promote specifically the food groups less consumed such as pulses rich in protein and Vitamin B, vegetables and fruits rich in Vitamin A, following the base line evidences.
34. Considering the current situation of the other two services providers, namely Misselo and MD consultants, there is a need to accelerate implementation in order to guarantee that at least the main outputs are achieved as expected without significant delays, which could lead to the achievement of the desired outcome: improving diet diversification of women at reproductive age and children under two. The mission agreed that SPs will increase management support for provincial teams and, at the same time, ProPESCA will contract technical experts to support implementation, as planned in the MDG1c design, mainly to enhance the capacity of the field team on social behaviour change communication. As discussed in the last mission, ProPESCA with MDG1c team will promote a training to use communication for behaviour change combined with Gender Action Learning System.

Agreed action	Responsibility	Agreed date
Launch the third round FIE	PCU/PROPESCA	May 2017
Launch the third round LoC	PCU/PROPESCA	May 2017
Prepare TORs for the TA to support FFP restructuring	FFP/PCU	Jun 2017
Nutrition service providers (Misselo and MD) need to accelerate implementation of nutrition activities and increase support to provincial teams.	Service Providers Misselo and MD/Seppa	Continuous
Contract of nutrition expert to provide technical assistance	PCU	May 2017
Field Exchange visit between nutrition service providers	PCU/ MDG1c	June 2017
GALS training to link gender, nutrition and SBCC	PCU/ MDG1c	June 2017

D. Project implementation progress

35. Project Management Performance is rated as **moderately satisfactory**.
36. The project management team has remained intact and as in the last supervision mission of 2016. The PCU has proactively responded to the new institutional arrangement (new IDEPA) without adverse effects on the overall project performance.
37. The Project Steering Committee (PSC) has continued to meet twice per year at national level, chaired by the Permanent Secretary MIMAIP and involving all national-level project stakeholders.
38. The performance of M&E is rated **moderately unsatisfactory**. ProPESCA continues to report progress at output level. Reporting at outcomes level continues to be a challenge and has not been systematically done by the project. Project management (including components managers) has committed to expedite this important element of project management with immediate effect. Project management has also committed to produce the first set of reports at outcome and impact levels during this financial year (2017) and in the next formal progress report.
39. **Coherence between AWPB & implementation** The Mission rates the coherence between AWPB and implementation as **moderately unsatisfactory**. The total execution of the 2016 AWPB reached only 38% of financial execution, significantly below target. For the year 2017, and as of May 2017, financial execution is below 10% of the financial targets. However the project has projected higher execution over the remaining seven months of the financial year which will take the level of execution to approximately 70%.
40. **Gender focus** is rated **satisfactory**. The gender strategy is embedded in all projects components, lessons learned have been drawn and key element of it are now included in the project exist strategy. Progresses in implementation show that activities continue to equally benefit men and women. This reflects their interest and participation in different segments of the fishery value chain where larger presence of women is found in fish handling, processing and trading sector. Disaggregated data on cumulative results on training activities show the following: (i) fishing technique in open sea (637 men and 42 women); (ii) fishing-specific business management (422 men and 51 women); fish processing, handling and trading of fresh fish (860 women and 2209 men); (ii) conservation and commercialisation of traditionally processed fish (1101 women and 2209 men), traders assisted in business management (men 475 and 327 women). Women have also benefited from introduction and access to fish conservation technologies:(i) ice production, particularly in remote areas, has resulted in reduced time and energy spent by women to transport ice; (ii) access to finance helped women traders to access technologies for fish conservation, thus contributing to reduction of losses, increase volume for sale and accessing more profitable markets. This has been possible having women organized in saving and credit groups (ASCAs), as well as women entrepreneurs

accessing special funds. The special fund for women's entrepreneurs so far has supported 66 projects proposal, mostly freezers and cool boxes for fish conservation.

41. Poverty focus is rated **satisfactory**: Majority of project direct beneficiaries are poor men and women from fishery communities operating on small scale level. Specific activities directed to the very poor consist in creation and support of credit and saving groups (ASCAs). This continues to be a pro-poor activity showing its relevance also for youth. A total of 928 groups were supported (746 new promoted and 182 strengthened) with 19.488 members (58% women), representing 65% of the overall target of 1,420 groups for 2016. During the period January–March 2017 some additional 337 new groups were promoted thus reaching out a major number of poor people (including women and young women). Furthermore, an innovative pro-poor methodology for creation of ASCAs: Saving for Change (SfC) has been adopted in Cabo Delgado. The methodology present innovative elements with potential for scaling up.
42. Effectiveness **of the targeting approach** is rated **satisfactory**: All project components continue to provide support to the different target groups (and sub-groups) according to their socio-economic categories and based on their involvement in the fishery sector. The target groups are overall poor, with internal differentiations in terms of poverty, gender, age. They include poor small scale fishermen and women, involved in fishing or trading as well as other key value chain actors such as: boat owners, ice processors, fish processors, traders. In line with self-targeting approach positive aspects of the targeting effectiveness are visible in all activities, in particular those for access to finance. Financial services promoted are relevant for all actors involved in the fishery value chain, with strong elements of inclusiveness for the very poor (i.e. saving and credit). Furthermore, in line with direct targeting approach, direct targeted interventions have been implemented to benefit exclusively women (i.e. fund for women's entrepreneurs).
43. **Innovation and learning** is rated **moderately satisfactory**. ProPESCA has explored new methodologies of training and capacity building, for instance adapted contents and methods of business development course and technologies to dry and smoke fish using resources available at growth pole level. ProPESCA promotes a series of innovations around fisheries technologies and value chain, however adoption of these innovations remains slow.
44. Efforts to systematically identify lessons from implementation should be identified and best practices and approaches should be highlighted, and specific examples of success need to be promoted.
45. **Climate and environment focus** is rated as **moderately satisfactory**. Coastal communities are in the frontline of climate change impacts, and are vulnerable to sea-level rise, extreme weather events such as storms and floods, coastal erosion and changing distribution of fish stocks. In order to minimise negative effects and increase target groups resilience to climate impacts ProPESCA has already conducted resource assessment to understand available fish stocks, ensure conservation of the aquatic environment and avoid overexploitation. In addition, the use of improved fishing boats and technology allows a shifting from coastal to offshore fishing. These innovations could also be integrated with the provision of GPS/mobile technologies which would allow products traceability, mapping of catchment areas and provision of timely forecast information. The project is also promoting the adoption of environmental friendly technologies (i.e. solar fish dryers, solar stoves an low fuel consuming vehicles).
46. Particular attention should be given to roads and buildings (markets and houses for extension staff). Given their scale and type, infrastructures targeted by the Project have minor implications with regards to environmental aspects. However, out of all targeted infrastructures, roads are more likely to be hit by climate change hazards such as floods and storms which regularly affect several Project areas. As emphasised by previous missions, proper design helps mitigating these hazards. Yet, it is noted that recommendations made to address these threats through appropriate design have not been taken into consideration by ANE. Additionally,

rainwater harvesting from buildings' rooftops might be considered as a potential improvement for water collection and use.

47. **Natural Resources management** is rated **moderately satisfactory**. ProPESCA benefits from the presence of the BFFS-funded grant *Strengthening Artisanal Fishers' Resource Rights Project* (PRODIRPA), at is seeking to benefit 7,000 beneficiaries in 14 growth poles within ProPESCA. Across the provinces of Nampula, Zambezia and Sofala activities will revolve around the trainings on Community Based Natural Resource Management, across Ministries, and targeting a numbers of Directorates such as ADNAP, DINAT, DINAB, DINOTER, DINAT and IDEPA itself. In doing so activities in the ProPESCA communities will revolve mainly on elaborating territorial management plans, but also on activities ranging from mapping of fishing grounds to the delimitation of communities, to quote some. The linkage between ProPESCA and PRODIRPA should be strengthened in the upcoming, taking advantage of the project period extension both projects have received, benefitting furthermore from their dual presence in IDEPA.
48. **Partnerships** - the performance **moderately satisfactory**. ProPESCA has been able to successfully follow up and maintain the successful partnerships previously established. The partnerships with commercial partnerships in the growth poles have been furthered and the work of GAPI and the Fisheries Development Fund (FFP) in guaranteeing regular access of beneficiaries and micro-finance institutions to financial services has been continuous. Furthermore, partnerships have continued also with ANE, EDM and FUNAE. Last, the presence of other relevant projects within IDEPA such as the World Bank financed SWIOFISH and FISH-CC both represent additional opportunities for the project to learn and share with other relevant programmes also working on fisheries development in Mozambique, focusing on livelihood generation activities, financial capacity, small markets, storage facilities, partnerships with private sector, etc.

Agreed action	Responsibility	Agreed date
Linkage between ProPESCA and PRODIRPA should be strengthened	PCU	Immediate
Efforts to systematically identify lessons from project implementation should be identified and best practices and approaches should be highlighted	PCU	On-going
Carry out study on the effectiveness of e-SISTAFE on project implementation	PCU	Dec 2017
Explore possibility of the 4Ps approach to aquaculture	PCU/IDEPA	Dec 2017
Next progress report to report on project outcomes	PCU	Immediate and Aug 2017

E. Fiduciary aspects Financial Management. The mission rates the quality of financial management as **moderately satisfactory**. The rating is based on the analysis of various aspects of the project's financial arrangements. The following aspects show increased quality of project financial management 1) staffing – the PROPESCA finance team is now fully staffed once again, with the project having replaced the accountant that had left the project in mid-2016. The team is qualified and dedicated, and has already accumulated several years of experience with management of IFAD projects; 2) internal controls – the mission noted no significant shortcomings in the internal control at the PCU level, as well as on the preparation of withdrawal applications, and bank reconciliations, which are carried out regularly. Review of internal control mechanisms at the various implementation partners will be carried out in a specific mission to be carried out before the end of the third quarter of 2017; 3) accounting – PROPESCA is fully integrated in e-SISTAFE, and the system is set up in such a way that the project does not need to operate a parallel accounting software. The system has further been tailored for the project and now generates balance sheets, which are needed for the audit of EC grants. However, the rating suffers from: 1) very low rate of financial execution and very late start-up of project implementation in the year 2017; 2) auditing arrangements – while

unqualified, the audit report for the year ended 2015 was submitted beyond the deadline of 30 June 2016, following the needed to extend the audit exercise due to issues with the auditors' opinions.

50. **Disbursement** is rated as **moderately satisfactory**. PROPESCA is currently in its 6th project Implementation year. Based on the sole IFAD loan, the mission rates the disbursement rate of the project as moderately satisfactory. As at 12 May 2017, IFAD has disbursed a total of SDR 10,304,655 (USD 15,137,789) of the total loan of SDR 13,850,000, which corresponds to a 74.4% disbursement rate. The disbursement rate has remained unchanged since the Supervision Mission of November 2016. The last WA for the IFAD loan (nr. 18) for the replenishment of the Designated Account was submitted in July 2016 for a total of USD 4,668,265. PROPESCA will soon submit WA 19 (for USD 4.5 million) before end of the first semester, which will bring total disbursement rate to around 90%, allowing for a revision upward of the disbursement rating to satisfactory.
51. The slow-down of disbursement of the IFAD loan is due in part to the fact that PROPESCA manages its Designated Account as a revolving fund, and disburses each time large funds that are then slowly absorbed in a considerable amount of time. Additionally, and as noted in the paragraph on execution of the AWPB, the very late start of activities in the year 2017 has also greatly compromised the project's disbursement rate. However, taking into consideration that an IFAD CPMT held on 22 February 2017 endorsed GoM's request for an extension of the project implementation period by 12 months, and considering the current disbursement rate, PROPESCA has the potential to reach project completion with 100% of the IFAD loan disbursed. As noted in the Supervision Mission of November 2016, GoM has also requested a reallocation of the IFAD loan categories as well as the allocation of the additional EUR 1,400,000 for the EU grant, as part of the amendment of the contribution agreement between IFAD and the EU. The revised financing agreement will thus capture all these amendments.
52. As at 9 May 2017, disbursement of the OFID loan remains at the same rate registered in November 2016 at only 31.6% percent (USD 4,270,728 against an allocation of USD 13,530,000). This low level of disbursement continues to be caused by significant delays in processing of disbursements by the OFID offices in Vienna. The latest WA submitted by PROPESCA (nr. 9 for a total of USD 623,024) has been processed by IFAD's Accounting and Controller's Division on 3 March 2017; however, OFID has not disbursed the amount yet. The IFAD Country Office will liaise with its counterparts in OFID for a rapid resolution of this issue.
53. As at 9 May 2016, disbursement of the EU grant also remains stationary at 62.7% disbursement rate (EUR 5,324,571 disbursed against a total allocation of EUR 12,390,000). It must be noted that the Delegation Agreement between IFAD and the EU FED/2013/313-281 amended on 19 April 2016 allocated additional resources to the project, bringing total amount of the EC grant to EUR 13,790,000. The Financing Agreement will be amended to reflect these additional resources. Additionally, the ICO has engaged with the EC Delegation in Maputo to request a reallocation of financing proceeds among project components and categories, to guarantee full exhaustion of grant financing proceeds. Nonetheless, PROPESCA is preparing WA 14 (for EUR 1.35 million) for the replenishment of the project account. This will bring the disbursement rate of the EU grant to 54%.
54. **Execution of AWPB 2016**. The AWPB for the year 2016 was budgeted at USD 24,479,654. Considering all sources of funding, the implementation of the annual work plan underperformed, with a total financial execution of USD 9,417,861, which corresponds to 38% of the budget. The underperformance of the budget implementation was due mainly to: 1) delays in disbursement of OFID loan, as noted in the paragraphs above; 2) a two-month freeze of funds in e-SISTAFE during revision of national budget by Government in May; 3) migration of both project staff and budget from the former IDPPE to IDEPA within GoM's integrated financial management information system e-SISTAFE.

55. Execution of AWPB 2017. The low level of execution of the 2017 AWPB is of particular concern. Total AWPB for 2017 was budgeted at USD 17,512,606. As at 31 March 2017, the level of financial execution of AWPB had reached only 2%, with a total amount of expenditures for the first quarter of only USD 432,264. The low level of execution was due to a three-month delay in the start of activities in the beginning of 2017 due to the need for the project to digitize the project work plan and budget in e-SISTAFE following the migration of the budget and staff profiles from IDPEE to IDEPA, as pointed out above. In particular, the profile of the Project Coordinator, who is responsible for authorization of expenditures in e-SISTAFE, was only activated in March 2017. As such, project financial execution in e-SISTAFE only started in end of March 2017. Nonetheless, PROPESCA accumulated large amounts of commitments during this period, as several contracts were still ongoing. It is thus expected that the project will be able to rapidly increase financial execution once PROPESCA processes all the payments that have been delayed due to the late start of financial execution.
56. Since project effectiveness, and up to 31 March 2017, the cumulative execution of the IFAD loan stands at 58% (USD 12,250,116 against allocation of USD 21,131,700), while for OFID loan and EU grant the percentage is 41% (USD 5,511,108 against an allocation of USD 13,530,000) and 33% (USD 7,446,628 against an allocation of USD 15,688,000). Cumulative financial execution at the same date for all financiers, including Government, is USD 26,779,757 (49% of total project costs USD 54,510,375).
57. **Review of SOE.** The Mission noted that no WAs have been submitted for justification of funds for the IFAD loan (latest WA is numbered 18, which was reviewed in the Supervision Mission of November 2016) and EC grant (latest WAs submitted are 12 and 13 for the replenishment of the Designated Account based on the project's AWPB for the year 2017). In the period following the latest Supervision Mission 2 WAs were submitted for the OFID loan: nr. 8 and 9 for justification and replenishment of the Designated Account. Considering the high level of decentralization of PROPESCA, whereby the payment supporting documentation is held in the offices of each of the implementing partners, the review of payment support documentation requires extensive travel to the provinces where project activities are implemented. As such, it was agreed that once PROPESCA submits the outstanding WAs for the IFAD loan and EC grant, ICO will conduct a specific Financial Management review mission before the end of the third quarter of 2017 that will sample SOEs across several provinces/implementing partners.
58. **Review of Procurement.** The mission rates the compliance with procurement as **moderately satisfactory**, based on the assessment of the Mission that took place in November 2016. As noted in the paragraph on review of SOEs, most of the procurement documentation (especially for civil works, electrification activities and other contracts for services) are not housed in the PROPESCA headquarters. The FM review mission that will take place before the end of the third quarter of 2017 will also review procurement arrangements across the provinces/implementing partners that will be visited.
59. Nonetheless, PROPESCA must still carry out an assessment of the real capacity of each implementing partner (ANE, EDM, ADNAP, IIP, MIREME, Provincial delegations of MIMAIP and others) to safely store all project original documentation for the required period of time. In case such capacity is not in place, it would be advisable that PROPESCA centralizes the storage of documentation in dedicated facilities in Maputo. As part of the portfolio-wide initiative to provide electronic archiving capabilities to all ongoing projects, PROPESCA has already procured the hardware and the installation of the e-archiving software is underway and PROPESCA should soon start the digitization of all the financial and procurement documentation.
60. **Compliance with loan covenants.** The mission rates the compliance with the loan covenants as **moderately unsatisfactory**. GoM is not compliant with the provision of the financing agreement, which establish that the proceedings of the EU grant shall not be used to pay taxes. As per the financial records submitted by the Project, total VAT that must be reimbursed by GoM as at 31 March 2017 amounts to EUR 61,464.

61. **Counterpart funds.** The Mission rates the amount and timeliness of counterpart funds as **moderately unsatisfactory**. As at 30 September 2016, total Government contribution stands at USD 1,571,904 (38%) against an allocation at appraisal of USD 4,160,675. Current level of Government contribution is falling behind compared with the financial execution of the all other financiers (58% for IFAD loan, 41% for OFID loan and 47% of EU grant). In 2016 and 2017 PROPESCA has requested GoM to reimburse VAT and taxes paid from the EU grant for a total of EUR 63,972. Total reimbursement made in 2017 amounts to EUR 2,508. As such, GoM must still reimburse a total of EUR 61,464.
62. **Audit.** Based on the assessment of the previous Supervision Mission, the Mission rates the timeliness and quality of audit as **moderately satisfactory**. The audit report for Financial Statements of the year ended 2015 were submitted beyond the deadline of 30 June 2016, following some issues with the quality of report submitted by the auditor. The audit of the Financial Statements for the year ended 2016 will start on 16 May 2017, and PROPESCA is on track to submit the reports to IFAD ahead of the 30 June 2017 deadline. It was agreed that the project would review closely the audit report to guarantee that it complies with all IFAD guidelines on project audits.

Agreed action	Responsibility	Agreed date
Submit WAs 19 (IFAD loan) and 17 (EC grant)	PCU	End of May 2017
Follow-up on delay of disbursement of OFID loan	ICO	End of May 2017
Amend Financing Agreement	IFAD	June 2017
Review SOE and Procurement	ICO	September 2017
Assess implementing partners ability to safely store financial and procurement documentation for 10 years following project closure	PCU	August 2017
Initiate electronic archiving	PCU	Jul 2017
Reimburse EUR 61,464 owed to EU grant	MIMAIP	June 2017
Submit audit report for 2016 Financial Statements	PCU	30 June 2017

F. Sustainability

63. **Institution building-** This is rated satisfactory. PROPESCA continues to contribute to capacity building of IDEPA and other key institutions in the parent Ministry at national and provincial levels, such as provincial departments of MAIP and districts to strengthen development of artisanal fishers. . The project has supported various training activities, provision of equipment and facilities to enable the key institutions at national level, provincial and districts to adequately respond to the diversity technical demands and challenges in the sector. As already observed, capacity building to community based institutions, such as ASCAs, CCPs and Fisheries Associations is crucial to ensure their sustainability and the project continues to provide this support.
64. **Empowerment and social sustainability.** This is rated satisfactory. All activities promoted have contributed to increase economic and social empowerment of communities involved, either targeting single individuals, households or strengthening collective action. Target groups have been capacitated to create and manage their own grassroots institutions and organisations. Women have also been organized in groups/associations and leadership trainings planned to empower women's leaders. Through the groups, beneficiaries have improved access to advisory and financial services as well as business opportunities. Further attention should be given to strengthening fishermen apex organisations and also the managerial and business orientation of those groups/associations. Formal registration as well as trainings (i.e. governance, representation, group's dynamics, record keeping, leadership, transparency and accountability, financial management, financial literacy trainings, but also managerial and entrepreneurial skills/capacities) are key to strengthen collective action of groups and help individual fishermen and women to achieve stronger bargaining power and marketing potential.

66. **Quality of beneficiary participation.** This is rated satisfactory. The project has recorded satisfactory engagement of beneficiaries (men, women and youths) in planning implementation of ProPESCA activities. In line with the self-targeting strategy there is evidence of beneficiaries' interest in project activities, in some cases resulting in exceeding the targets: i.e. fish processing, handling and trading show percentage of achievement between 106% and 147% in beneficiaries' participation, being 50% women. Services provided as well as location and time have been appropriated and no major limitations have been expressed by beneficiaries to access project services.
67. **Responsiveness of Service Providers.** This is rated as moderately satisfactory. The performance of entities contracted to provide services under the project has been mixed. While some service providers contracted to promote ASCA groups in the northern provinces already have experience and have introduced innovative services (such as the use of digital platforms to register groups and their activities) and implement an exit strategy that will ensure the continuation of services after the termination of contracts, others providers in the southern provinces are delayed in the implementation and risk to not reach targets. The same situation is faced by service providers for nutrition education, where one SP is very experienced but two other providers need guidance and counselling in order to carry out the planned activities.
68. **Exit Strategy.** This is rated moderately satisfactory. The project has prepared an Exit Strategy with clear and concrete targets and recommendations. The mission encourages the project to continue to review and update the exit strategy to ensure its continued relevance as the project moves towards completion and also taking into account the new completion date.
69. **Potential for scaling up.** This is rated satisfactory. As illustrated in the last supervision mission report, ProPESCA is itself a good example of scaling up, from the consecutive Nampula and Sofala Bank Artisanal Fisheries Projects. The activities conducted under ProPESCA reflect the lessons learned during these earlier phases and their expansion, and many of the approaches developed under the consecutive projects have become established elements of national policy for the fisheries sector. It is worth noting that IFAD percentage share of total contribution has not significantly increased over the three project phases and yet the overall project resource envelope has significantly increased because of contributions from other partners (approximately 60%).
70. **Fisheries technology.** This is rated **satisfactory**. Despite positive achievements in dissemination of fisheries technology, the continued expansion of these technologies will depend on the availability of resources (especially credit) for fishermen and women to continue to invest in their operations as well as the maintenance of these technologies by beneficiaries. It is evident that fishermen are now able to access more open seas fishing due to the introduction of these technologies and new boats. The training of boat builders and carpenters has reached the goal. Fishermen have been trained in open sea fishing. Similarly training of processors and traders of fish has reached 100% the target. It will be useful to monitor the performance of these training graduates to determine the impact of this training on their operations.
71. Piloting small-scale business with the use of motorized tricycles with iceboxes has been introduced in Zambezia, Nampula and Sofala. The impact of this activity should be monitored closely for possible scaling up.
72. **Infrastructure. This aspect is rated moderately satisfactory.** Economic infrastructure targeted by the Project can be sustained if design, supervision and construction works have satisfactorily been done, as a pre requisite. In particular, the physical condition of roads to be rehabilitated is likely to be affected as a result of technical weaknesses that exist throughout the rehabilitation process. In addition, road maintenance will continue to be a huge challenge especially after project completion. Roads that were rehabilitated a few years ago have not benefited from routine maintenance. This contributes to seriously depreciate their physical state hence, increase the rehabilitation cost with time. On the other hand, based on assessments done by previous missions (PROMER and ProPESCA), some districts have limited technical capacity and financial resources to maintain the rehabilitated roads. Budgets allocated by

central government are usually not adequate to ensure appropriate and regular maintenance works, despite the presence of an equipment pool provided to them. The increasing extension of rehabilitated road network is likely to increase existing burden and challenges faced by the districts in this regards and this should be monitored very closely.

G. Other Issues and recommendations

73. The project has delayed starting the implementing the e-archiving but they have now started to implement the system during the visit of this mission.

Agreed action	Responsibility	Agreed date
Review and revise the exit strategy	PCU	On going

H. Conclusion

74. Overall, the project progress is rated moderately satisfactory. This despite challenges related to disbursement through e-SISTAFE. The Rural Finance component is finally progressing well with the Risk Mitigation Fund also taking off after long delays. The only sub-component that is lagging behind is the Fund for Institutional Expansion (FIE) due to lack of uptake by MFIs. It appears that the product is not attractive for MPFIs and the project should consider reallocating the resources to a more attractive product in the project. The ASCAs continue demonstrate that they are the cornerstone of financial inclusion in underserved areas and promote the savings culture that is necessary to ensure sustainable financing of the fish value chain in the absence of formal financial institutions in these remote areas.
75. The M and E team needs also to speed up its work on analysis and reporting of project performance at outcome level. Observations from the field visit indicate an overall perception of acceptance of the project by beneficiaries especially in terms of improving the livelihoods of beneficiaries involved in the fisheries value chain in project areas. It is also evident that the availability of improved fishing vessels and equipment that allows fishermen to safely operate in the open sea combined with the availability of ice allows fishermen to increase the value and quantities of their catch.

Appendix 1: Summary of project status and ratings

Project 1517 [1100001517] Artisanal Fisheries Promotion Project – Draft

Basic Facts

Country	Mozambique		Project ID	1517 [1100001517]	Loan/DSF/Grant/ASAP FI No.	1000003952
Project	Artisanal Fisheries Promotion Project				Top-up Loan/DSF/Grant/ASAP FI No.	
Date of Update	18 November - 2016					
Supervising Inst.	IFAD					
No. of Supervisions	5	No. of Implementation Support/Follow-up missions	5			
Last Supervision	28-Nov-2014	Last Implementation Support/Follow-up mission	12 May 2017			

USD million Disb. rate %

Approval	15-Dec-2010			Total financing	58.61	
Agreement	24-Mar-2011	Effectiveness lag	3.3	IFAD Total	21.10	
Entry into force	24-Mar-2011	PAR value	-----	IFAD loan	21.10	74.4
First disbursement	18-Oct-2011			DSF grant		
MTR	03-Jul-2015	Last amendment	12-Aug-2014	IFAD grant		
Original completion	31-Mar-2018	Last audit	01-Sep-2016	ASAP grant		0
Current completion	31-Mar-2018			Domestic Total	7.68	
Current closing	30-Sep-2018			National Govern	4.42	38
No. of extensions	0			Dom. Fin. Inst.	2.20	0
				Local private	1.06	0
				External Cofinancing Total	29.84	
				European Union	16.30	62.7
				OFID	13.54	31.6

Project Performance Ratings

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

Republic of Mozambique
 Supervision Report ProPESCA - May 2017 - Main report
 Supervision report - Mission dates: 2-12 May
 Appendix 1: Summary of project status and ratings

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Supporting development of higher value fish	5	5	1. Institution building (organizations, etc.)	4	5
2. Improving economic infrastructure	5	4	2. Empowerment	5	5
3. Developing financial services	4	4	3. Quality of beneficiary participation	5	5
4. Institutional strengthening, policy initiatives&mn	5	4	4. Responsiveness of service providers	4	4
5. Nutrition development	4	4	5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	5	5

B.5 Justification of ratings

Quality of Financial Management has been downgraded due to the very low level of financial execution the AWPB 2017 (2% by the end of the Mission). Auditing arrangements have also contributed to the rating as the audit for the 2015 Financial Statements was submitted beyond the deadline of 30 June 2016 due to the need to extend the audit exercise due to auditor's shortcomings. Availability and timeliness of counterpart have also become an issue in 2017, as Government resources had not been made available as at May 2017. Quality and timeliness of audit receives a slight upgrade due to guarantees that audit report will reach IFAD before 30 June 2017, and assurances that the auditor will adhere more closely to the TORs.

The rating of **quality of project management** has remained stationary from last supervision mission. The Project Management Team continues to proactively respond to the changing institutional environment of the project. The **performance of M&E** however, as been downgraded due to the difficulties at project level to report at the outcome level, which still has not been done consistently. The **coherence between APV and implementation** remains moderately unsatisfactory, especially due to the low level of financial execution. The rating on **gender focus** remains unchanged, as PROPESCA has managed to embed the project's gender strategy in all project components and project exit strategy. The **effectiveness of targeting approach** is rated as satisfactory, as all project components continue to provide support to the different target groups according to their socio-economic categories and based on their involvement in the fishery sector. The **poverty focus** of PROPESCA has been upgraded from the previous rating due to the stronger engagement of project target group. Specific activities directed to the very poor consist in creation and support of credit and saving groups (ASCAs). This continues to be a pro-poor activity showing its relevance also for youth. **Innovation and learning** has been downgraded to moderately satisfactory. PROPESCA promotes a series of innovations around fisheries technologies and value chain, however adoption of these innovations remains slow.

Improving economic infrastructure has been downgraded to moderately satisfactory. While 460Km out of 576Km have been rehabilitated in phase I, phase II is delayed. In addition, the maintenance of roads built during phase I have also delayed. **Developing financial services** has been upgraded owing to the level of implementation of ASCAs promotion. In addition the Line of Credit is now fully operational. The Fund for the Promotion of Women Entrepreneurs (FPME) and Fund for the Promotion of Emerging Enterprises (FPPE) are also now disbursing funds. Regarding the **Institutional support**, the current downgrade is due to the unfinished reorganization of the implementing agency IDEPA. **Institution building** is rated satisfactory. PROPESCA continues to contribute to capacity building of IDEPA and other key institutions in the parent Ministry at national and provincial levels, such as provincial departments of MAIP and districts to strengthen development of artisanal fishers.

Overall Assessment and Risk Profile

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

Rationale for implementation progress rating

Rationale for implementation progress rating ProPESCA's implementation progress remains satisfactory The overall implementation status of the project is rated as **satisfactory**. The activities under the five project components are at different stages of implementation. Diverse achievements have been recorded in the past five years, and some of them are producing benefits to intended project beneficiaries and impacts in the overall artisanal fisheries sub-sector. The Project has rehabilitated 16 existing markets and 460 km of roads; constructed 5 houses for extension staff; supported connections to electricity in 4 fishing villages and installation of 3 solar systems in 3 rehabilitated markets. In addition, the project has set in motion a transformation of the artisanal fisheries sector, with increasing numbers of commercial boats using improved catch and other technology, and fishing further offshore for higher value fish. The boat builders, engine mechanics and fishers, all of whom have been trained by the project, are themselves expected to scale up this transformation. Progresses in implementation show that activities continue to equally benefit men and women and are overall satisfactory. Successful results are recorded in formation of credit and saving groups (ASCAs) while constrains have resulted in delayed implementation for other activities directed to women: (i) the level of accomplishment of pilot projects for women's groups/association is only 15% and (ii) the special fund for women's entrepreneurs so far has supported 66 projects proposals, lagging behind the target set.

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

Rationale for development objectives rating

ProPESCA is likely to achieve its development objectives. The planned interventions have potential for strengthening the artisanal fisheries value chains through linking artisanal fishers to markets, strengthening access to financial services and enhancing the capacity of artisanal fishers to interact with other actors in the artisanal fishing value chain to increase household incomes and physical assets.

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

Fiduciary aspects	The execution rate of the 2017 AWPB was only 2% by 31 March 2017. For the third consecutive year PROPESCA risks not reaching at least 50% of the execution rate of the AWPB by year end.
Project implementation progress	Financial execution has negatively affected implementation progress. There are some delays in the road rehabilitation, which should be immediately tackled to avoid the risk of not reaching targets by project completion.
Outputs and outcomes	The reporting on outputs is well underway, however in depth analysis on outcome-level results should be improved. Reporting on outcomes becomes paramount so that there is a clear view on the outputs and outcomes the project has been able to achieve so far.
Sustainability	Sustainability: PROPESCA is contributing to the capacity building of IDEPA and other key institutions, such as provincial departments of MAIP and districts to strengthen development of artisanal fishers. The project has supported various training activities, provision of equipment and facilities to enable the key institutions at national level, provincial and districts to adequately respond to the diversity technical demands and challenges in the sector. Capacity building to further strengthen the community based institutions, such as PCRs and CCPs is crucial to ensure their sustainability.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Payment of VAT from EU grant proceeds	GoM to reimburse any amount dues with immediate effect	Aug 2017	
Consistent underperformance of the AWPB financial execution in the past three years	IDEPA to guarantee availability of IFAD, OFID and EC financing as soon as e-SISTAFE is re-opened on January of each year.	Dec 2017	

Additional observations

Exit strategy. The project has prepared an Exit Strategy with clear and concrete targets and recommendations. The mission encourages the project to continue to review and update the exit strategy to ensure its continued relevance as the project moves towards completion and also taking into account the new completion date.

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

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Goal:			
Improve incomes and livelihoods of poor households involved in artisanal fisheries	<ol style="list-style-type: none"> 1. Households with improvement in household assets ownership index [R3] 2. Reduction in the prevalence of child malnutrition (%) [R3] 3. Households for which food security has improved (no) [R3] 4. Male/female literacy level (M: 64% F: 53%) [R3] 	<ul style="list-style-type: none"> • Quantitative baseline, mid-term, completion survey including household level. • Health centre statistics. • Qualitative studies to complement indicator-based data. 	Improve incomes and livelihoods of poor households involved in artisanal fisheries
Project Development Objective: Increase the volume of higher value fish on a sustainable basis and increase the returns obtained from traded fish			
Outcome 1: Increased catch of higher quality fish in coastal areas through diversification away from traditional in-shore fishing methods	<ol style="list-style-type: none"> 1. Fishing units that predominantly target higher value fish (no: 3,300 by PY7) 2. Quantity of fish caught by fishing units predominantly targeting higher value fish (84,000 mt/year by PY7) 3. Incremental value of fish sales obtained by fishers selling higher value fish (USD 49.3 million/year by PY7) 	<ul style="list-style-type: none"> • Quantitative baseline, mid-term, completion survey IIP catch and effort survey data. • Point-of-first-sale market records. • Fish feed plant production records. • Qualitative studies to complement indicators. • IDEPA/IIP fish prices survey data 	<ul style="list-style-type: none"> • Effective targeting includes poorer and vulnerable households. • Absence of negative local and national economic / social effects that overshadow project results
Output 1. Diversified, commercially viable fishing units with boats, gear and skills appropriate for operating in the open sea	<ol style="list-style-type: none"> 1.1 People trained in boat building (M+F: 110) 1.2 Boat drivers trained (M+F: 242) 1.3 Engine mechanics trained (M+F: 242) 1.4 Fishers trained in good fish handling practices (M: 2,492 F: 162) 1.5 Fishers trained in improved gear and fishing (M: 340 F: 23) 1.6 Fishers accessing business development services (M: 2,550 F: 104) 1.7 New/existing associations supported (no: 115) 	<ul style="list-style-type: none"> • Progress reports from extension workers and services providers providing training, technical advice. • Project monitoring registers on institutions (including contractors, associations, CCPs); training; infrastructure; financial support. • Qualitative studies to complement indicator-based data. 	A: Demand for higher quality fresh and frozen fish is sufficient and growing. • A: Key suppliers and services providers in the value chain are able to operate profitably. • A: Regulation/monitoring by fisheries institutions prevent over-exploitation of fish. • R: Unsustainable catch levels due to over-dimensioning of growth poles and lack of data on resource potential. • R: Restrictions that disrupt access to fish grounds and artisanal fishing operations.

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
<p>Outcome 2: Growth in the trade of higher value fish with increased profitability including small-scale operators in the value chain</p>	<p>4. Incremental production of ice (67,000 mt/year by PY7) 5. Quantity of fish traded in point-of-first-sale markets (3,500 mt/year) 6. Incremental value of sales obtained by traders selling dried fish (USD 10.5 million/year by PY7) 7. Incremental value of sales obtained by traders selling fresh fish (USD 17.5 million/year by PY7)</p>	<ul style="list-style-type: none"> • Quantitative baseline, mid-term, completion survey. - Point-of-first-sale market records. • Ice plant production records. • Fish feed plant production records. • Qualitative studies to complement indicators. • IDEPA/IIP fish prices survey data 	<ul style="list-style-type: none"> ▪ Absence of negative economic and social effects at local and national level that overshadow the results of the project. ▪ Correct targeting measures to reach the most poor and vulnerable people
<p>Output 2. Improved skills and organization to improve post-harvest utilization and maintain quality of fish</p>	<p>2.1 Traders/processors trained in handling, conservation, marketing (M: 3000 F: 1,616) 2.2 Fish fairs held (no: 150) 2.3 Traders/processors accessing business development services (M: 2,094 F: 1079) 2.4 New/existing inputs/trader associations supported (no: 58)</p>	<ul style="list-style-type: none"> • Progress reports from services providers providing training, technical advice, and associations' support. • Project monitoring registers on fairs and community based organizations (including associations, CCPs); • Qualitative studies to complement indicator-based data. 	<p>R: Insufficient ice utilization due to poor availability or for financial reasons</p>
<p>Output 3. Market-related infrastructure and input supply to ensure good quality fish handling and marketing under hygienic conditions</p>	<p>3.1 Ice plants and freezing/cold storage facilities established (no: 12) 3.2 Entrepreneurs with home freezers for ice production (M: 185 F: 93) 3.3 Point of first sale markets established (no: 13) 3.4 Market agents trained by type (M: 773 F: 380) 3.5 Small-scale processing units established (no: 16) 3.6 Motorized transporters for fish/inputs established by type (M: 141 F: 69) 3.7 Urban retail shops established (M: 15 F: 15) 3.8 Urban fish market facilities upgraded (no: 7)</p>	<ul style="list-style-type: none"> • Progress reports from contractors on market infrastructure works. • Progress reports from services providers providing training, technical advice, business development services, and associations' support. • Project monitoring registers on institutions (including contractors, associations, CCPs); training; infrastructure; financial support. • Qualitative studies to complement indicator-based data. 	<p>R: Insufficient ice utilization due to poor availability or for financial reasons</p>
<p>Output 3. Market-related infrastructure and input supply to ensure good quality fish handling and marketing under hygienic conditions</p>	<p>3.9 Electricity lines extended within growth poles (km: 185) 3.10 Electricity connections made (no) 3.11 Alternative power sources established by type (no: 8)</p>	<ul style="list-style-type: none"> - Progress reports from contractors on road works and social clauses. • EDM records on electricity connections. • ANE monitoring reports on contractor and road maintenance performance. • Project monitoring registers on 	<ul style="list-style-type: none"> • A: No undue shocks in electricity prices.

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
		institutions (including contractors); training; infrastructure. • Qualitative studies	
Output 4. Improved access between fishing centres, markets and the national roads network	4.1 Local contractors trained (no: 50) 4.2 Roads improved to all season standard by type of road (km: 500) 4.3 People benefitting from labour-based road works employment (M: 6,000 F: 2,000) 4.4 District staff trained in road maintenance aspects (M+F: 39) 4.5 Roads maintained to all season access (km: 2890)	Progress reports from contractors on road works and social clauses. • EDM records on electricity connections. • ANE monitoring reports on contractor and road maintenance performance. • Project monitoring registers on institutions (including contractors); training; infrastructure. • Qualitative studies	A: improved roads lead to the required increase in transport availability and reduction in transport costs. R: Districts do not give priority to maintaining unclassified roads during PescaAqua and after it ends.
Output 5. Community-based financial institutions with increased capacity for savings mobilization and lending	5.1 Staff of PCR promoters trained (M: 58 F: 57) 5.2 Member-based financial institutions supported by type (no: 1,846) 5.3 Number of active savers (M: 18,460 F: 18.460) 5.4 Number of borrowers (M: 9,231 F: 9,231) 5.5 Value of savings (USD 1.5 million) 5.6 Value of loans (USD 3 million) 5.7 Members of new solidarity groups joining RFAs supported under the project (M: 2,308F: 1,154) 5.8 People trained in functional adult literacy (M: 2,538 F: 2,538) 5.9 People trained in business planning and development (M: 9230 F: 9230) 5.10 Women entrepreneurs accessing pilot investment support fund (F: 1,000) 5.11 Value of pilot investment support grants (USD: 0.25 million) 5.12 Formal CBFS providers supported (13) 5.13 Value of matching grants to formal CBFS providers (USD 0.87 million)	• Progress reports from CBFI promoters. • Progress reports from financial institutions supported. • Project monitoring registers on institutions (including promoters, member-based financial institutions, formal financial institutions, promoters); training; financial support. • Qualitative studies.	• A: Conducive regulatory framework for financial sector operations. • A: Improved availability of financial resources and services stimulates the target group to respond to opportunities in the emerging value chain.

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Output 6. Private financial institutions actively involved in financing fisheries-related investments	6.1 Enterprises accessing matching grants / RMF loans (no: 220) 6.2 Value of matching grants / RMF loans disbursed (USD: 4.05 million) 6.3 New outlets of formal financial institutions by type (no: 30) 6.4 Value of matching grants to formal financial institutions (USD: 0.92 million) 6.5 Staff of formal financial institutions trained (M: 70 F: 50) 6.6 PCR members joining RFAs and SACCOs (M: 2,000 F: 1,000) 6.7 (ex)PCR members accessing enterprise development loans from formal financial institutions (M: 1,211 F: 519)	<ul style="list-style-type: none"> • Progress reports from CBF1 promoters. • Progress reports from financial institutions supported. • Project monitoring registers on institutions (including promoters, member-based financial institutions, formal financial institutions, promoters); training; financial support. • Qualitative studies. 	<ul style="list-style-type: none"> • A: Conducive regulatory framework for financial sector operations. • A: Improved availability of financial resources and services stimulates the target group to respond to opportunities in the emerging value chain.
Output 7. Increased institutional capacity to support resource management, production and marketing of higher value fish	7.1 New growth pole extensionists recruited, trained and equipped (M+F: 120) 7.2 District with fisheries administration established (no: 27) 7.3 Growth poles with resource potential assessment reports (no: 30) 7.4 Provincial and districts staff trained by gender and type (M/F)	<ul style="list-style-type: none"> • Progress reports from IDPPE delegates • Progress reports from contracted technical assistance • Project monitoring registers on institutions (government); training; financial support • Quantitative survey reports • Qualitative study reports 	<ul style="list-style-type: none"> • R: Lack of local regulation and resource management due to delays in setting up the district fisheries administration. • R: Policy/regulatory development emphasises conservation interests without adequately considering artisanal fisheries.
Output 8. Improved policy/legislative framework supportive of artisanal fisheries	8.1 Conducive and sustainable management policies, regulations and legislation introduced (no.)		
Output 9. Effective project management systems	9.1 Study, survey and strategy reports produced (no.) 9.2 AWPBs, progress and audit reports submitted on time (no: 21) 9.3 Disbursement rates as proportion of AR targets (100%) 9.4 Planning and review workshops/seminars conducted (no: 140) 9.5 Knowledge management and advocacy products created (no.)		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
OUTCOME 3: Household capacity to tackle malnutrition enhanced	40 % of households with dietary diversity improved		
Outputs: 3.1 Aggregates' ability to combat malnutrition enhanced	<ul style="list-style-type: none"> ▪ Demonstration gardens established (0/61) ▪ Persons trained in the establishment of vegetable gardens (6358/13500) ▪ Demonstration Kitchens established (236/700) ▪ People trained in appropriate cooking and preparation methods (5102/13500) 	<ul style="list-style-type: none"> -Qualitative survey reports • Quantitative study report • Periodic report of the project 	
3.2 Community mobilized to combat malnutrition	<ul style="list-style-type: none"> ▪ Community leaders trained on the importance of a healthy and balanced diet (120/xx) ▪ Nutrition programs disseminated through community radio (44/xx) 	<ul style="list-style-type: none"> -Qualitative survey reports • Quantitative study report • Periodic report of the project 	

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

Action Area	Action Agreed	Date	Whom	Progress
Project Implementation	Design new and realistic chronograms of all activities related to roads and markets to match with Project residual time	May 2017	ANE, PCU	
	Linkage between ProPESCA and PRODIRPA should be strengthened	Immediate	PCU	
	Efforts to systematically identify lessons from project implementation should be identified and best practices and approaches should be highlighted	On-going	PCU	
	Carry out study on the effectiveness of e-SISTAFE on project implementation	Dec 2017	PCU	
	Explore possibility of the 4Ps approach to aquaculture Next progress report to report on project outcomes	Dec 2017 Immediate and Aug 2017	PCU/IDEPA PCU	
Outputs	Launch the third round FIE	May 2017	PCU/PROPESCA	
	Launch the third round LoC	May 2017	PCU/PROPESCA	
	Prepare TORs for the TA to support FFP restructuring	Jun 2017	FFP/PCU	
	Nutrition service providers (Misselo and MD) need to accelerate implementation of nutrition activities and increase support to provincial teams.	Continuous	Service Providers Misselo and MD/Seppa	
	Contract of nutrition expert to provide technical assistance	May 2017	PCU	
	Field Exchange visit between nutrition service providers	June 2017	PCU/ MDG1c	
	GALS training to link gender, nutrition and SBCC	June 2017	PCU/ MDG1c	
Sustainability				
Fiduciary Aspects	Submit WAs 19 (IFAD loan) and 17 (EC grant)	End of May 2017	PCU	
	Follow-up on delay of disbursement of OFID loan	End of May 2017	ICO	
	Amend Financing Agreement Review SOE and Procurement	June 2017 September	IFAD ICO	

Formatted: Spanish (International Sort)

Formatted: Spanish (International Sort)

	Assess implementing partners ability to safely store financial and procurement documentation for 10 years following project closure	2017 August 2017	PCU
	Initiate electronic archiving	Jul 2017	PCU
	Reimburse EUR 61,464 owed to EU grant	June 2017	MIMAIP
		Ongoing	PCU
Other	Review and revise the exit strategy		

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

Component/ Sub-component or Output	Indicator	Unit	Period: Jan 2016 to March_ 2017			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Component 1 Supporting Development of Higher Value Fish								
Output 1. Diversified, commercially viable fishing units with boats, gear and skills appropriate for operating in the open sea								
1.1	People trained in boat building (M+F: 110)	people	63	0	0	126	110	115
1.2	Boat drivers trained (M+F: 242)	people	51	0	0	262	242	108
1.3	Engine mechanics trained (M+F: 242)	people	52	0	0	96	242	40
1.4	Fishers trained in good fish handling practices (M:2492 F:162)	people	114/0	0/0	0/0	203 / 0	2654	8
1.5	Fishers trained in improved gear and fishing (M:340 F:23)	people	313/0	0/0	0/0	637/42	363	187/183
1.6	Fishers accessing business development services (M:2550 F 104)	people	295/0	0/0	0/0	422/51	2654	17/49
1.7	New/existing associations supported (no:115)	group	37	1	3	143	115	123
Output 2. Improved skills and organization to improve post-harvest utilization and maintain quality of fish								
2.1	Traders/processors trained in handling, conservation, marketing fresh/dreeze &traditionally (M:3000; F:1616)	people	690/400	29/06	4/2	2209/860	4616	147/106
2.2	Fish fairs held (no: 150)	Fairs	9	1	11	64	150	43
2.3	Traders/processors accessing business development services (M:1,500 F 808)	People	295/ 0	0/ 0	0/0	475/327	2308	32/40
2.4	New/existing inputs/trader associations supported (no: 58)	group	40	4	10	48	58	83
Output 3. Market-related infrastructure and input supply to ensure good quality fish handling and marketing under hygienic conditions								
3.1	Ice plants and freezing/cold storage facilities established (no: 12)	number	0	0	0	8	12	67
3.2	Entrepreneurs with home freezers for ice production (185: 93)	people	0	0	0	0	278	0
3.3	Point of fist sale markets established (no: 13)	Number	17	2	12	12	13	92
3.4	Market agents trained by type (M: 670 F: 330)	group	-	-	-	24	-	-
3.5	Small-scale processing units established (no: 14)	Number	-	-	-	5	-	-
3.6	Motorized transporters for fish/inputs established by type (M: 122 F: 60)	transporters	-	-	-	3	-	-
3.7	Urban retail shops established (M: 15 F: 15)	retail shop	-	-	-	-	-	-
3.8	Urban fish market facilities upgraded (no: 7)	market	01	0	0	01	07	14
Component 2. Improving Economic Infrastructure								
Output 4. Improved access between fishing centres, markets and the national roads network								
4.1	Local contractors trained	People	-	-	-	-	50	-
4.2	Roads improved to all season standard by type of road (km:576)	km	257	33	13	405	576	70
4.3	People benefitting from labour-based road works employment (M 6923/ F 2308)	People	-	-	-	-	9231	-

4.4 District staff trained in road maintenance aspects (M+F: 39)	People	0	0	0	0	39	0
4.5 Roads maintained to all season access (km: 288)	km	346	0	0	70	288	24
Output 4 Electrification							
4.6 Power lines extended to the poles of growth (185)	km	17	1	6	62	185	34
4.7 Domestic electrical connections established	Number	-	-	-	-	-	-
4.8 Alternative sources of energy established (8)	Number	5	0	0	3	8	37
Component 3. Financial Services							
Output 5. Community-based financial institutions with increased capacity for savings mobilization and lending							
5.1 Staff of PCR promoters trained (M: 50 F: 50)	people	0	0	0	0	100	
5.2 Member-based financial institutions supported by type (no: 1,600)	people	30676	12856	42	12856	16000	80
5.3 Number of active savers (M: 16,000 F: 16,000)	people	15338/15338	5782/ 7135	38/47	5782/7135	16000	80
5.4 Number of borrowers (M: 8,000 F: 8,000)	people	1533/15338	5782/7135	38/47	5782/ 7135	16000	80
5.5 Value of savings (USD 1.3 million)	USD	0.56	0.36	64	0.36	1.300.000	28
5.6 Value of loans (USD 2.6 million)	USD	1.12	0.93	83	0.93	2.600.000	36
5.7 Members of new solidarity groups joining RFAs supported under the project (M: 2,000 F: 1,000)	people	-	-	-	-	3000	
5.8. New PCR groups created	1846	980	337	34%	1411	1846	39
5.9 Existing PCR supported		251	0	0%	290	-	44
Output 6. Private financial institutions actively involved in financing fisheries-related investments							
6.1 Enterprises accessing matching grants / RMF loans (no: 254)	number	-	4	-	28	254	11
6.2 Value of matching grants / RMF loans disbursed (USD: 3.5 million)	USD	-	93.000	-	213.000	3.500.000	
6.3 New outlets of formal financial institutions by type (no: 15)(30)	number	4	0	0	0	30	
6.4 Value of matching grants to formal financial institutions (USD: 0.8 million)	USD	0	0	0	0	800.000	
6.5 Staff of formal financial institutions trained (M: 36 F: 24)	People		0	0	0	60	
6.6 PCR members joining RFAs and SACCOs (M: 2,000 F: 1,000)	People	0	0	0	0	3000	
6.7 (ex)PCR members accessing enterprise development loans from formal financial institutions (M: 1,050 F: 450)	People	-	-	-	-	1500	
6.8 Entrepreneurs women accessing special funds	People	370	0	0	66	1154	6
Component 4. Institutional Strengthening, Policy Initiatives and Project Management							
Output 7. Increased institutional capacity to support resource management, production and marketing of higher value fish							

7.1 New growth pole extension workers recruited, trained and equipped (M+F: 120)	People	0	47	0	0	120	39
7.2 District with fisheries administration established (no: 27)	District	0	0	0	0	27	-
7.3 Growth poles with resource potential assessment reports (no: 30)	Growth poles	0	0		9	30	30
7.4 Provincial and districts staff trained by gender and type (145 M/F)	people	0	0	0	202/49	145	175
Output 8. Improved policy/legislative framework supportive of artisanal fisheries							
8.1 Conducive and sustainable management policies, regulations and legislation introduced (no.)	Policies instruments	-	-	-	-	-	
Output 9. Effective project management systems							
9.1 Study, survey and strategy reports produced (no 30.)	Number	0	0	0	4	30	13
9.2 AWPBs, progress and audit reports submitted on time (no: 21)	Number						
9.3 Disbursement rates as proportion of AR targets (100%)	USD						
9.4 Planning and review workshops/seminars conducted (no: 140)	Number	12	0	0	26	162	16
9.5 Knowledge management and advocacy products created	Number	-	-	-	-	-	-
Component 5 Nutrition Promotion:							
Output 3.1 Households ' ability to combat malnutrition enhanced							
10.1 Demonstration gardens established (210)	number	54	40	74	101	210	48
10.2 Persons trained in the establishment of vegetable gardens (10500/13500)	People	5130	525	10	6883	13500	66
10.3 Demonstration Kitchens established (700)(150)	number	198	119	60	355	700	227
10.4 People trained in appropriate cooking and preparation methods (18000)	people	1405	907	65	6009	3000	200
Output 3.2 Community mobilized to combat malnutrition							
10.5 Community leaders trained on the importance of a healthy and balanced diet (120)	People	84	80	95	80	120	67
10.6 Nutrition programs disseminated through community radio (44)(36)	Radio sessions	35	0	0	0	36	0

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

Table 5A: Financial performance by financier

Financier	Approved (USD '000)	Current (USD '000)	Disbursement (USD '000)	Per cent disbursed
IFAD loan	21,131,700.0	21,131,700.0	15,137,788.6	72%
OFID loan	13,530,000.0	13,530,000.0	5,905,269.0	44%
EC grant	15,688,000.0	15,688,000.0	9,964,786.0	64%
Government	4,160,675.0	4,160,675.0	1,552,137.0	37%
Total	54,510,375.0	54,510,375.0	32,559,980.6	60%

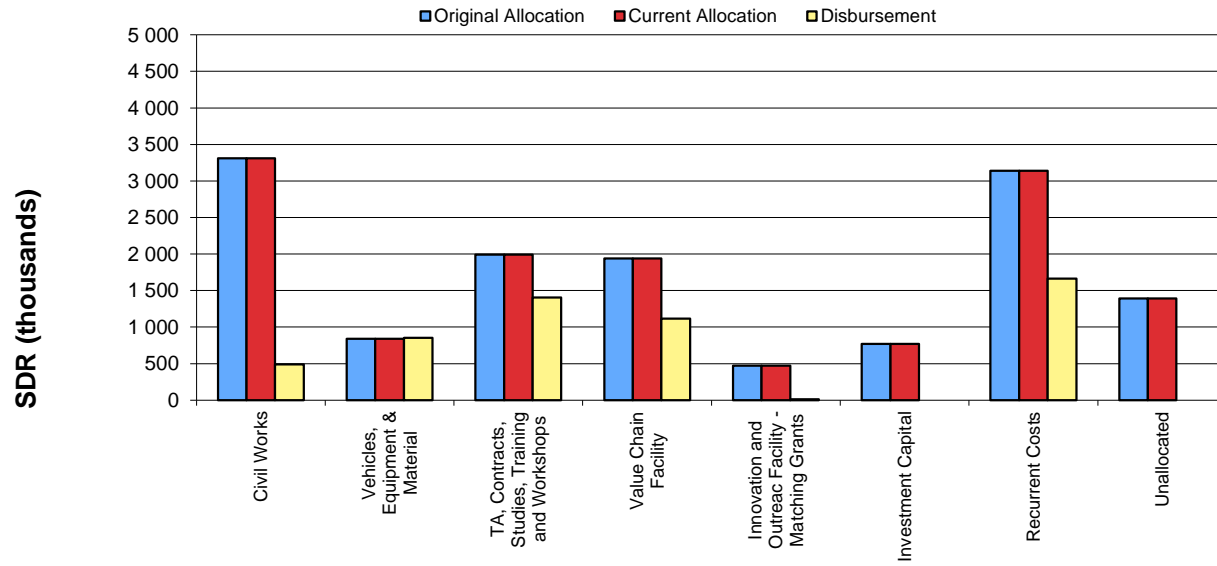
Table 5B: Financial performance by financier by component (USD '000)

Component	IFAD loan			OFID loan			EC grant			Government			Total		
	Current	Actual	%	Current	Actual	%	Current	Actual	%	Current	Actual	%	Current	Actual	%
Supporting Development of High Value Fish	3,658	4,500	123.0%	0	0	0.0%	8,002	2,213	27.7%	3,188	56	1.7%	14,849	6,769	45.6%
Improving Economic Structure	5,951	30	0.5%	13,314	5,497	41.3%	4,963	2,947	59.4%	472	1,469	311.0%	24,700	9,943	40.3%
Developing Financial Services	2,201	753	34.2%	0	0	0.0%	1,811	1,628	89.9%	113	0	0.1%	4,125	2,381	57.7%
Institutional Strengthening, Policy Initiatives and Project Management	9,322	6,966	74.7%	216	14	6.4%	684	300	43.9%	327	48	14.6%	10,549	7,328	69.5%
Nutrition Development	0	1	0.0%	0	0	0.0%	228	358	156.9%	61	0	0.0%	289	359	124.4%
Total	21,132	12,250	58.0%	13,530	5,511	40.7%	15,688	7,446	47.5%	4,161	1,572	37.8%	54,510	26,779	49.1%

Table 5C: Disbursement performance of IFAD loan as at 12 May 2017

Category Description	Original Allocation	Current Allocation	Disbursement	Balance
1 Civil Works	3,310,000	3,310,000	490,816.70	2,819,183
2 Vehicles, Equipment & Material	840,000	840,000	851,523.57	-11,524
3 TA, Contracts, Studies, Training and Workshops	1,990,000	1,990,000	1,404,190.26	585,810
4 Value Chain Facility	1,940,000	1,940,000	1,114,479.66	825,520
5 Innovation and Outreach Facility - Matching Grants	470,000	470,000	13,248.78	456,751
6 Investment Capital	770,000	770,000	0.00	770,000
7 Recurrent Costs	3,140,000	3,140,000	1,664,091.08	1,475,909
8 Unallocated	1,390,000	1,390,000	0.00	1,390,000
Advance Account	0	0	4,766,304.96	-4,766,305
Total	13,850,000	13,850,000	10,304,655.01	3,545,345

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



Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section E.2	The PCU key staff, including a Project Coordinator, a Financial Manager and an M&E/Knowledge Management Specialist, shall have been appointed in accordance with Schedule 1	Pre-disbursement	Complied	
Section E.3.A	Respective agreements between IDPPE and the Road Fund, ANE, EDM, FUNAE are delivered to and approved by IFA	Pre-disbursements under Category I	Complied	
Section E.3.C	The Subsidiary Agreement between the Ministry of Finance and the financial institution selected to manage the RMF shall have been approved by the Fund in draft; and a signed copy of such Agreement, shall have been delivered to the Fund.	Pre-disbursement under Category VI	Complied	On-going
Schedule 2	Proceeds of the EU grant to finance project activities 100% net of taxes	NA	Partially compliant	Project has used EU grant funds for the payment of taxes. Current amount to be reimbursed by GoM stands at EUR 61,464.
Schedule III - 1	Recruitment of additional extensionists. The Borrower shall ensure the appointment of 52 additional extensionists in the growth poles where the Project shall invest.	NA	Compliant	
Schedule III - 2	Insurance of Programme Personnel. The Borrower, through IDPPE, shall insure PCU personnel against health and accident risks to the extent consistent with its customary practice in respect of its national civil service.	NA	Compliant	.
Schedule III - 3	Maintenance of Market infrastructure. The Borrower shall ensure that the maintenance of market infrastructure (including roads)	On-going	Compliant	

	constructed and/or rehabilitated under the Project is carried out throughout the Project Implementation Period and continues after the Project Completion Date and that it shall provide necessary financing of such maintenance at the appropriate level.		
Schedule III - 4	Planning, Monitoring and Evaluation (PM&E). The PCU shall develop a PM&E system within 12 months from the	NA	Compliant

Appendix 7: Knowledge management: Learning and Innovation

Innovation and Learning:

76. **Innovation and learning** is rated **moderately satisfactory**. ProPESCA has explored new methodologies of training and capacity building, for instance adapted contents and methods of business development course and technologies to dry and smoke fish using resources available at growth pole level. ProPESCA promotes a series of innovations around fisheries technologies and value chain, however adoption of these innovations remains slow.
77. Efforts to systematically identify lessons from implementation should be identified and best practices and approaches should be highlighted, and specific examples of success need to be promoted. Briefly describe innovations adopted during implementation that were identified by the supervision mission. The description should identify the type of innovation (adoption, adaptation or creation), the context in which it is/can be applied (project, country, or portfolio), and its potential for scaling up or replication. Successful and less successful innovations can be included.
-