

Angola

Smallholder Resilience Enhancement Project

Mid-term Review

Mission Dates: 13/05/2024 21/06/2024

Document Date: 07/08/2024

Project No. 2000002071

Report No. 6948-AO

East and Southern Africa Division
Programme Management Department

Abbreviations and Acronyms

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ADRA:	Adventist Development and Rural Agency
AFAP:	Artisanal Fisheries and Aquaculture Project
ARP:	Agriculture Recovery Programme
AWPB:	Annual Work Plan and Budget.
CODESPA:	Codespa Foundation /NGO
COVID:	Coronavirus \Disease
CVs:	Curriculum Vitae
DA:	Designated Account
ECAs:	Escolas De Campo
EDA:	Agricultural Extension Development
EFA:	Economic and \Finnical Analysis3
ESM:	Extended Supervisory Mission
ESMPs:	Environmental and Social Management Plan
FAO:	Food and Agriculture Organisation
FCD:	Financial Controller's Division
FFS:	Farmer Field Schools
FM:	Financial Management
FMD:	Financial management Services Division
FOs:	Farmer Organisations
FY:	Financial Year
GALS:	Gender Action Learning System
GoA:	Government of Angola
HHs:	Households
IDA:	Agrarian Development Institute
IFAD:	International Fund for Agriculture Development
IFR:	Internal Financial Report
IIA:	Agricultural Research Institute
INCA:	Angolan Institute of Coffee Research
KAP:	Knowledge Attitudes and Practice
KM:	Knowledge Management
KZ:	Kwanza
LIA:	Lead Implementing Agency
M&E:	Monitoring & Evaluation
MINAGRIP:	Ministry of Agriculture and Fisheries
MIS:	Management Informatoion Services
MSPs:	Main Service Providers
MT:	Master Trainers
MTR:	Mid Term Review
ORMS:	Operational Results Management System
PC:	Project Coordinator
PHC:	Financial Accounting Module
PIU:	Project Implementation Unit

PPIU:	Provincial Project Implementation Unit
PRIMAVERA:	Enterprise Project Portfolio Management Software
REOI:	Request for Expression of Interest
RFPs:	Request For Proposals
RFQs:	Request For Quotations
RPSF:	Rural Poor Stimulus Facility
SADCP-C&H-SAMAP:	Smallholder Agriculture and Commercialization Project in Cuanza Sul and Huila Provinces
SCU:	Single Coordination Unit
SECAP:	Social Environmental and Climate Risk Assessment Procedures
SME:	Small Enterprises Enterprises
SREP:	Smallholder Resilience Enhancement Project
TA:	Technical Assistance
USD:	United States Dollars
VAT:	Value Added Tax
VFM:	Value for Money
WA:	Withdrawal Application

A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Potential problem
Country:	Angola	Environmental and Social Category:	Moderate
Project Name:	Smallholder Resilience Enhancement Project	Climate Risk Classification:	High
Project ID:	2000002071	Executing Institution:	Ministère de l'Agriculture
Project Type:	Rural Development	Implementing Institutions:	Ministère de l'Agriculture
CPM:	Custodio Mucavele		
Project Director:	not available yet		
Project Area:			

Approval Date:	28/10/2019	Last audit receipt:	27/06/2024
Signing Date:	15/07/2020	Date of Last SIS Mission:	21/06/2024
Entry into Force Date:	15/07/2020	Number of SIS Missions:	7
Available for Disbursement Date:	29/04/2021	Number of extensions:	0
First Disbursement Date:	17/05/2021	Effectiveness lag:	9 months
MTR Date:	13/05/2024		
Original Completion Date:	30/09/2026		
Current Completion Date:	30/09/2026		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	IFAD	\$29,755,000
	IFAD	\$21,745,000
Domestic Financing breakdown	Beneficiaries In-kind	\$6,500,000
	National Government	\$10,000,000
Co-financing breakdown,	To be determined	\$11,788,791
	Arab Bank for the Economic Development of Africa	\$0
	Agence française de développement	\$42,000,000
Project total financing:		\$121,788,791

Current Mission

Mission Dates: 13/05/2024 21/06/2024

Days in the field: 4

Mission composition: Custodio Mucavele, Country Director, Sara Kouakou, Lead Portfolio Advisor, ESA; Rikke Oliveira, Lead Global Technical Specialist, Land Tenure & NRM and SREP Project Technical Lead (PTL); Rouja Johnstone, Lead writer; Benjamim Tchiyevo, Country Programme Coordinator, IFAD (ESA), Project Management; James Sengul, Financial Management Expert; Paul Kadonya, Senior Regional Procurement Officer, ESA; Zira Mavunganidze Climate and Environment specialist; Joylyn Ngoro, Targeting, Gender, Youth and Nutrition Expert; Calisto Bias, Farmer Field School Expert; Titus Zayone, Monitoring and Evaluation Expert; Isaura Canda, Knowledge Management Expert.

Field sites visited: Namibe Province, Moçâmedes, Tombwa and Bibala Municipalities, Benguela Province, Dombe Grande, Chongoroi, and Cubal Municipalities

B. Overall Assessment

Key SIS Indicator #1	∅	Rating	Key SIS Indicator #2	∅	Rating
Likelihood of Achieving the Development Objective		3.54	Assessment of the Overall Implementation Performance		3.5

Effectiveness and Developmental Focus		4	Project Management		4
Effectiveness		3	Quality of Project Management		3
Targeting and Outreach		4	Knowledge Management		4
Gender equality & women's participation		3	Value for Money		3
Agricultural Productivity		4	Coherence between AWPB and Implementation		4
Nutrition		4	Performance of M&E System		4
Adaptation to Climate Change		4	Social, Environment, and Climate Standards requirements		4

Sustainability and Scaling-up		3	Financial Management and Execution		3
Institutions and Policy Engagement		3	Acceptable Disbursement Rate		2
Partnership-building		3	Quality of Financial Management		3
Human and Social Capital and Empowerment		4	Quality and Timeliness of Audit		4
Quality of Project Target Group Engagement and Feedback		3	Counterparts Funds		4
Responsiveness of Service Providers		3	Compliance with Loan Covenants		3
Environment and Natural Resource Management		4	Procurement		4
Exit Strategy		3			
Potential for Scaling-up		3			

Relevance		5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

1. IFAD and GoA conducted a joint Mid-Term Review Mission from 27 May to 5 July 2024, which aimed to: i) evaluate the performance and achievements of SREP against its objectives, outputs and outcomes, after the first three years of implementation; ii) review and validate key assumptions made at design, take stock of performance and reach agreements on the future direction of the project; iii) re-examine the relevance, efficiency and effectiveness of the project design and of the implementation approach, and iv) make necessary adjustments jointly between IFAD and the Government of Angola.
2. To evaluate the progress, a four-day field visit was organized. The following places have been visited: Namibe province, Moçâmedes, Tombwa and Bibala municipalities; Benguela Province, Dombe Grande, Chongoroi, and Cubal municipalities
3. The Mission held a one-day presentations workshop led by the project implementation team of IDA, with participation by implementing partners such as WFP and IIA the summarized their achieved targets to date and status of ongoing activities.
4. The mission follows on the previous Restructuring Mission on 10 to 21 July 2023 and the two Partial supervision missions in 2023 as recommended for Actual Problem Projects.
5. The Mission's preliminary findings were discussed with IDA during a pre-wrap up meeting held on 12 June 2024. The wrap-up meeting, chaired by the IDA Director, Felismino da Costa and co-chaired by the IFAD Country Director, Custodio Mucavele, was held on 13 June 2024.
6. The Mission extends its most sincere gratitude and appreciation for the high-level cooperation, commitment and courtesies extensive to the Government of Angola, the PMU, implementing partners and the program beneficiaries.

Key Mission Agreements and Conclusions

7. Based on the extensive field visits of beneficiaries and presentations and discussions with implementing partners, the mission has found that while SREP has achieved remarkable progress, due to the delays in execution, it is no longer a viable project in terms of achieving its objectives as per initial design and its remaining funds should be repurposed after an early closure of the project, foreseen for 31 March 2025.
8. However, despite SREP early closure, there is strong consensus among the mission team for the need to provide continuation of the initiated activities in order to capitalize on the existing investment in capacity development at community level and production infrastructure already in place.
9. Such continuation can be provided under another operational modality, through re-purposing of the remaining funds for the extension of the more successful SAMAP operation through Additional Financing.
10. An extension of SAMAP and the provision of AF (presented in the AM resulting from the same joint mission) can consolidate project impacts and operationalize an exit strategy, while at the same time allow to expand the SAMAP intervention to guide the successful conclusion of the on-going SREP interventions.

11. Technical Implementation Progress

12. **Component 1:** Institutional capacity building & rural infrastructure

13. **Subcomponent 1.1:** Strengthening capacity for improved services

14. This sub-component seeks to improve the delivery of agricultural extension and advisory services and other support services with a view to strengthen food and nutritional security, agricultural productivity and the resilience of targeted households. The target group for capacity-building interventions focuses on public extension staff and national NGOs that support the development of family farming. It also targets the human resource base of key advisory services with a mandate in climate change, nutrition, environmental management and animal health.
15. Since the last mission in December 2023, SREP has made significant progress in its efforts to improve the delivery of extension and advisory services through the training of government staff and the establishment and training of a network of extension workers covering all 36 target municipalities. Despite this progress, it is unlikely that SREP will be able to make up for lost time due to poor performance in the early stages of implementation and meet its target indicators for capacity building and institutional development set for the end of the project period.
16. Progress in the area of capacity building is evidenced by the fact that SREP trained 90 civil servants in the first quarter of this year, bringing the total number of civil servants who have benefited from the project's training courses from 257 in the July 2023 restructuring mission to a current cumulative total of 347 public employers. The topics covered in these 5-day training sessions included social and environmental safeguard policies, nutrition and FFS methodology. An IFAD-funded study-visit on animal production systems to the Cabinda Value Chain project, also took place, in which a total of 8 government technicians participated.
17. While this result represents a significant achievement, it is only 23 per cent of the target of training 1,500 civil servants set for the mid-term review (MTR). Given the short time left before the project closes, it is unlikely that SREP will meet the target of training 3,000 civil servants set in the PDR. The project's proposal to contract a service provider to plan, organize and deliver short-term training through workshops on relevant cross-cutting issues for staff of relevant public institutions should be considered if this activity is to be pursued under the new arrangements to ensure continuity with the activities initiated under the SREP.

18. SREP has also strengthened its extension network with the recruitment of 73 FFS Master Trainers, 2 for each of the 36 target municipalities, and 9 FFS Focal Points, one for each of the 7 target provinces and the other 2 for the project headquarters. These 73 FFS master trainers and 9 FFS focal points were recruited on the basis of their previous qualifications as FFS master trainers, which helped their integration into the project's activities and saved the project from devoting its resources to a specific FFS master training course, which would otherwise have taken a long time. The newly recruited focal points are expected to play an important role in supporting the work of the FFS master trainers and in providing direct assistance to the FFS facilitators and beneficiary farmers. It is therefore hoped that their work will continue to improve the quality of the project's extension services, with a positive impact on the quality of the project's FFS.
19. Both the 73 FFS Master Trainers and the newly recruited 9 FFS Focal Points have all received a 5-day refresher course on the FFS methodology provided by the project. The course was also used to provide participants with an introduction to the project, with a special focus on the project indicators and relevant cross-cutting issues, including climate change, environmental matters, nutrition and gender related issues.
20. At the time of the restructuring mission, the project had already delivered training courses to a total of 116 of the current 146 frontline extension workers, with the content of the courses focusing on FFS methodologies and other relevant technical issues. Since then, no additional progress has been reported regarding further training courses for frontline extension workers. SREP has also provided training courses for community-based FFS facilitators, who play a key role in supporting the project's technical extension team. In total, 707 of the current 730 FFS facilitators have been trained by the project, with women representing only 12.3% of the total number of trainees.
21. In order to strengthen the capacity of its extension network and facilitate implementation on the ground, the SREP had already started the process of hiring technical advisors with experience in FFS to be assigned to each of the 7 target provinces, as agreed in the restructuring mission. These technical advisors are intended to support IDA's provincial departments in the implementation of the SREP on a day-to-day basis. However, this recruitment process has never been completed and remains to be considered in the context of the ongoing initiative to integrate SREP activities into a new implementation modality.
22. **Subcomponent 1.2:** Investing in public rural infrastructure for resilience and market access
23. All the groundwork was carried out by IDA and UNOPs for the needs assessment in the project areas. The preparation of the MoU with UNOPS was at the budget negotiation stage, and then discontinued due to the withdrawal of AFD.
24. Activities planned under this sub-component are: Feeder Road rehabilitation and maintenance; Market Infrastructure and Stakeholder Platforms; Water Infrastructure - Small scale water harvesting structures; Small-Scale Irrigation schemes and Sustainable Land Management.
25. As part of these activities, the team visited the on-going installation of various irrigation equipment and solar pumps. Reportedly, 30 (out of the 36 in total) solar-powered irrigation pumps are under installment, with another 5 about to begin installation. The solar powered water pumps are distributed in SREP provinces as follows: Zaire (40), Uige (8), Cuanza Norte (5), Bengo (4), Benguela (6), Cunene (4), and Namibe (5), totalling 36. Noting that 6 of these are yet to be installed.
26. However, the team noted that the recommended hiring of the agribusiness consultants and the recruitment of the two service providers (one in the north and another in the south) to implement the activities of community development, NRMP and BDPs was not completed, due to the project cancellation notice and limited budget. This puts in jeopardy the long-term management and sustainability of these investments as there are no sub projects (business plans) in place to ensure the necessary vision and capacity.
27. The mission also noted with concern that in one of the sites visited there was ambiguity around ownership of the land where the solar water pump was installed, which is of high risk with regards to future ownership and use, thus highlighting some of the weaknesses of the operation.
28. In relation to the issue of irrigation infrastructure ownership and use, the mission also would like to highlight that while the technology was being provided, there are no water management groups being put in place to ensure that irrigation benefits and water management are ensured in a transparent and equitable manner, fully owned by the community. This puts into question the long-term sustainability of the intervention with regards to access to water.
29. Finally, In the context of nomadic communities in the South, where investments in equipment such as solar irrigation pumps have been made, the project needs to demonstrate a clear pathway for transition towards more sedentary lifestyles based on food security through continued production and water and food resources availability for humans and livestock alike, allowing the community to remain in the area and benefit from the project intervention. In this context, the need for socio-cultural transition is likely to present a challenge, and the maintenance of permanent infrastructure would require careful evaluation and tailored support not yet in place.
30. Other planned agribusiness investments in agricultural production, post-harvest and value addition processing equipment, transport, etc. have not yet been provided.
31. In preparation for project closure, all investments need to be mapped out, including the status of land ownership where pumps and other permanent infrastructure have been placed. No further investments should be made from now on.
32. **Component 2:** Family farming strengthening and investment
33. **Sub-component 2.1:Strengthening capacity for family farming**
34. This sub-component seeks to strengthen the capacity and skills of beneficiary farmers and their communities for improved food

and nutrition security, increased productivity and market access, and increased resilience to climate-related shocks. The Farmer Field School (FFS) is SREP's main approach to deliver extension services and reach households in the project's target communities.

35. SREP has already set up a fully operational extension network to reach and provide services to project beneficiaries in each of the 36 targeted municipalities. The current technical capacity to support the implementation of project FFSs consists of a total of 299 technicians, of which 36 are the heads of the EDAs (IDA office at municipal level), 36 are FFS municipal monitors, 72 are FFS master trainers (2/municipality), 9 are FFS focal points and 146 are frontline extension workers. The project's extension network also includes 730 community-based FFS facilitators, 14% (90) of whom are women.
36. With this technical capacity in place, SREP has cumulatively established a total of 1393 FFSs, up from 646 FFS groups at the time of the restructuring mission in July 2023. However, this result only represents 28% of the total 5000 FFSs that are expected to be established at the end of the project's life. This target for the end of the project will not be achieved in the limited time remaining until the closure of the SREP. However, in the context of the new SREP implementation arrangements, it is advisable to halve this target indicator for the number of FFSs, from 5,000 to 2,500, in order to ensure quality and build on the gains that have already been achieved.
37. The number of beneficiaries enrolled in the FFSs validated by the project now stands at 49858, up from 2,239 beneficiaries in the restructuring mission, thereby exceeding the 4,400 farmer-beneficiaries expected to be trained at the time of the mid-term review. The total number of participants in the validated FFS is, on average, 31 members/FFS, which is in line with the provision of the PDR. SREP has successfully provided start-up funds to a total of 584 validated FFSs, which collectively have 20229 participant members.
38. The project's FFS are at different stages of maturity, with 813 (58.4%) of the total FFSs in the first FFS learning cycle, around 40.7% (566) of FFSs in second FFS learning cycle and only less than 1% (13) of the remaining FFSs in the third FFS learning cycle. The first learning cycle concerns food security, where farmers are exposed to farm practices and technologies for increased crop production and yields, the second FFS learning cycle introduces crop diversification, while the third FFS is more concerned with market-related issues.
39. The project has introduced a series of integrated farm practices and technological options to tackle climate change, improve soil health, improve the management of natural resources, control pests and diseases, and to improve animal feeding and husbandry, among others. These yield-enhancing farming practices and technologies being tested on the FFS demonstration plots include early-maturing crop varieties, intercropping, crop rotation, mulching, composting, the use of natural species to control pests and diseases, the use of nitrogen-fixing species (mucuna pruriens, cowpea, beans, etc.), including agroforestry species such as Gliricidia sepium, Acacia spp, Leucena sp and others.
40. The yield advantage of improved technologies over traditional practices was clearly observed on the FFS plots during the mission's field visit. Some of the benefits of the farming practices that have been introduced include savings on seeds, a reduction in the workload and improvements in soil fertility and soil water conservation. While these farming practices and technologies address the constraints that participating farmers face on their own farmland, it remains to be seen to what extent they adapt and adopt the improved practices and technologies on their own farm plots. In this context, future interventions pursuing the continuity of activities initiated by the SREP should consider the need to conduct studies to determine the extent to which the improved practices and technologies introduced by the project are being adopted.
41. Farmers are also experimenting with the multiplication of fodder species for animal feeding, with the ultimate goal of reducing transhumance in the project's drought-prone areas in the southern provinces. While this is important, the need for water for livestock drinking should also be taken into account in interventions to reduce transhumance. To this end, the mission recommends that consideration be given to the possibility of drilling multi-purpose boreholes for livestock drinking, human consumption and irrigation of small vegetable gardens. This intervention should be implemented on a pilot basis, with priority for the project's target provinces in the south, where drought is a recurring phenomenon.
42. The project also introduced improved goat sheds as a demonstration of good breeding practices and for the multiplication of goats for distribution to FFS members and for the sale of breeding stock. The mission recommends that the project explore other uses for the goat pens, including their use as a center for the provision of services and the dissemination of good breeding practices.
43. One point that deserves attention concerns the fact that there are many farming practices and technologies being tested and promoted on most of the FFS plots that were visited by the mission. The concentration of a large number of farming practices and technologies in a single FFS can confuse farmers and compromise the quality, with consequences for the results that it is intended to demonstrate. The mission therefore recommends introducing only a few farming practices and technologies at a time in order to increase the level of adoption, and to match the number of practices and technologies to the level of the learning cycle: the lower the level, the fewer the practices and technologies.
44. **Component 3: Project Coordination and Management**

D. Overview and Project Progress

45. SREP's underperformance has attributed it to several factors notably, the fact that: (a) project commenced during the peak of COVID 19 pandemic; (b) complicated design; (c) capacity limitation of the implementing entities; (d) Lack of strategic leadership; (e) delayed recruitment of key project staff, consultant, and service providers; (f) unclear and overlapping roles; and (g) weak project coordination.

46. The mission found that in the last six months, since the last mission in December 2023, clear progress has been made towards implementation. SREP has improved its efforts to deliver extension and advisory services through the training of government staff and by establishing and providing training to a network of extension workers, covering all the 36 targeted municipalities.
47. Achievements were observed with regards to establishment of Farmer Field Schools, women focused nutrition training and basic community literacy classes, particularly in the South. The procurement and provision of production equipment, including irrigation and solar-powered pumps aimed at production increases has also moved forward across the project area and in the North FFS are gearing up towards cycle 3 that looks at commercialization.
48. However, despite the achievements in this short period of time, brought about by changes within Project Management and strong Government engagement, at this stage of the project lifecycle, SREP will not be able to make-up for the previous performance shortcomings and will be able to meet its targets for successful completion and outreach. Finally, considerable challenges remain with regards to fiduciary and financial performance that impact Project performance and reinforce the need for early project closure.
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Agreed Action	Responsibility	Agreed Date
PIM Update and customise SREP PIM as detailed in the Aide Memoire	PIU FMO,SCU FC	12/2021
Community Development, Recruit Community Development,	SCU	01/2022
PIM procurement Submit Procurement Chapter of PIM	Procurement	01/2022
Gender Study Conduct gender study	PIU	05/2022
Service provider on the nutrition Recruit a Service provider on the nutrition	PIU	05/2022
Gender Study Conduct Gender Study	PIU	09/2022
PIM Update the PIM to include the changes	PIU	09/2022
NGO for social mobilization Expedite the signing of the NGO for social mobilisation and roll out social mobilisation	PIU/IDA	10/2022
additional expertise for implementation of sub-component 1.2 Hire additional expertise for implementation of sub-component 1.2 particularly on small-scale irrigation and sustainable land management	PIU	10/2022
Hire additional expertise for infrastructure development Hire additional expertise for implementation of sub-component 1.2 particularly on small-scale irrigation and sustainable land management.	PIU	12/2022
Extension Training Obtain IDA's approval? And Deliver kick-off training courses for the remaining extension staff newly recruited	IDA/?PIU/FFS expert/PPIU	03/2023
Technical Assistance Streamline the Technical Assistance and studies and clarify whether the position or study is justified or not. Develop TOR for TAs and studies	PIU	05/2023
Restructuring Conduct the restructuring of SREP with the objective to facilitate the project operating more effectively, taking into account the prevailing circumstances.	IFAD/IDA/PIU/FDA	06/2023
Appoint highly experienced and qualified project coordinator and request inform IFAD for no objection (NO)	IDA	08/2023

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness **Rating: 3** **Previous rating: 3**

Justification of rating

52. The mission's evaluation of SREP's performance and achievements highlighted both progress and challenges. It noted improvements in extension and advisory services, Farmer Field Schools (FFS) establishment and training, and provision of production equipment. However, it also recognized that SREP is unlikely to meet its targets and objectives by the project cycle's end, maintaining a rating of moderately unsatisfactory effectiveness. The evaluation identified significant challenges in fiduciary and financial management, including issues with budget utilization, recurrent costs, internal controls, contract management, asset register, and external audit. These challenges impact project performance and necessitate urgent action. Given these findings, the mission recommended an early closure of SREP and a reallocation of the remaining funds. It suggested that the funds be used to extend the SAMAP operation through Additional Financing, which could consolidate and sustain SREP's achievements and capitalize on synergies between the two projects.
55. Finally, the mission agreed on a series of actions to be implemented before SREP's early closure. These actions, detailed in a table with deadlines and responsibilities, span technical, fiduciary, and procurement areas, as well as cross-cutting issues like nutrition, gender, climate adaptation, and knowledge management. This structured approach aims to ensure a responsible and effective transition.

Log-Frame Analysis & Main Issues of Effectiveness

53. Based on the logical farmwork results, annual speed of implementation increased considerably from reaching 24,372 HH in 12 months of 2023 to reaching 21,446 HH in first quarter of 2024. Overall, the project achieved 50% of the Mid-term outreach targets, representing 49,858 households reached through FFSs training in various topics, against the MTR target of 100,000 households.
54. Component 1. About 349 government-employed staff, representing 23% of MTR targets, have been trained by the project in FFS methodology covering different modules. Around 2285 households supported with improved access to water resources for production purposed, representing 23% of the MTR targets.
55. Component 2. Around 49858 persons trained in production practices and technologies through FFSs, representing an achievement of 125% of the MTR targets. About 7610 households participating in FFSs provided with targeted support to improve their nutrition, representing an achievement of 30% of MTR targets. Further, 35 households accessed production inputs and technological packages from the project.
56. The outputs for rural infrastructure to build resilience and enhance productivity and market access, and for ensuring improved profitability of farm and non-farm income generating activities to improve access to food have lagged.
57. Overall, SREP is likely to development of smallholders' skills and technologies for food and nutrition security. However, the project is not likely to cover the lost time and effectively deliver the lagging components. It is unlikely to achieve its development objective in the intended project lifetime.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Provincial Coordinators Re-instate the position of Provincial Coordinators recruited on a competitive basis	IDA/PIU	05/2023

Development Focus

Targeting and Outreach **Rating: 4** **Previous rating: 4**

Justification of rating

58. SREP established 1,391 Farmer Field Schools (FFS), reaching 49,858 households out of the midterm target of 100,000 (23,790M, 26,068F, 13,638 youth, 440 people with disabilities, and 354 ex-combatants), representing 50% of midterm target. While there has been an improvement, outreach has remained low. Focusing on 7 provinces and 36 municipalities, the project specifically targets minority groups in Namibie and Cunene province, with 240 FFS serving 3,480 households, mainly transhumance pastoralists. Ensuring alignment with Free, Prior, and Informed Consent (FPIC) principles is crucial in Namibie, for promoting community engagement, ownership, and sustainability while minimizing conflicts.

Main issues

59. SREP is targeting 7 provinces – 3 provinces in Southern Angola (Cunene, Benguela, Namibie) and 4 provinces in North (Zaire, Uige, Bengo and Cuanza Norte). The municipalities increased from the original 35 to 36 (22 and 14 municipalities in North and South respectively). The project is targeting 218,000 households (152,600 households in North and 65,400 households in South)

with at least 70% of the households falling in the sub-group of food insecure subsistence smallholder farmers and target group includes: 40% women, 26% youth, 5% PWD and 2% ex-combatants.

60. Moving forward, the project will focus on achievement of food and nutrition security in the drought-prone South, while piloting potential FFS commercialization in the North. As SREP will be needing prematurely in March 2025 and will be merged to SAMAP by that date, there is a need to finalise the recruitment of an international consultant - a social development consultant, and two national consultants. These consultants will train IDA technicians on targeting, social inclusion, and FPIC. Effective community mobilization through an NGO will be crucial, particularly in the South, targeting food-insecure households vulnerable to drought conditions.
61. Given the three-year remaining project duration and limited resources, SREP targets should be reviewed downwards in particular the number of FFS and the government technicians and other targets in the log frame.

Agreed Action	Responsibility	Agreed Date
Targeting implementation plan Develop a targeting implementation plan and document the targeting process	PIU	12/2022
Validation of targeting strategy Conduct a workshop on the validation of the targeting strategy with stakeholders, implementation partners to identify areas for adjustments to improve outreach to the poor and vulnerable	PIU	12/2022
Implement Free, Prior, and Informed Consent (FPIC) in Namibe Farmer Field Schools (FFS) to ensure community involvement and consent in project activities.	PIU/ community Development Officer	08/2024
Revise targets for SREP downwards to align with current project realities and ensure feasible and achievable goals.	PIU/M&E Specialist	08/2024

Gender equality & women's participation

Rating: 3

Previous rating: 4

Justification of rating

62. SREP design 40% women, 25% youth and 2% ex combatants and 5% people with disabilities. SREP has exceeded its target for female participation, with 26,068 females engaged out of 100,000 households participating in Farmer Field Schools (FFS), representing 65% at the MTR. Field visits during the mission confirmed high female participation across all visited FFS, such as Tulikwatisseco FFS (20F, 15M, and 5 youth), Di Mayo FFS (14F, 12M), Ekuatisso FFS in Namibe (18F, 10M), Twambela Kumwe (12F, 17M, 8 youth), and Mwicka in Cabal Municipality (30F, 5M). Females and males have gained knowledge in GAPs, nutrition while installation of solar pumps will alleviate workloads.

Main issues

63. However, the implementation of the Gender Action Learning System (GALS) approach through the FFS methodology, as anticipated in the Project Design Report (PDR), has not occurred. Interviews conducted during the mission revealed a lack of awareness among participants regarding Gender Equality and Women's Empowerment (GEWE). Additionally, the gender study intended to inform the needs of women and youth has not been realized. Despite these challenges, the project has made positive contributions to female representation and voice, notably through the appointment of women to management committees of FFS. For example, in Ecuatisso FFS in Namibie, two women hold positions on the management committee as Secretary and Treasurer. In many FFS visited by the mission, females were entrusted with the Treasurer position.
64. During interviews at Ekuatissoo FFS), women noted that the establishment of FFS had increased their workload. However, they emphasized that the benefits derived from FFS, such as improved knowledge and skills in Good Agricultural Practices, as well as enhanced food security and nutrition for households, outweighed this increased workload. Challenges highlighted by the women included the need for labour-saving technologies like wheelbarrows, hoes, and hose pipes. To address these challenges, the project is currently in the process of installing labour-saving technologies, including solar pumps and drip irrigation systems. These technologies aim to alleviate the workload of women and improve efficiency in agricultural activities within the FFS.
65. The project's impact on economic empowerment lacks straightforward evidence, particularly as many visited FFS are newly established. Women, who often lack land ownership, have limited decision-making power in agricultural activities, with men making decisions on resource allocation. There is a noticeable absence of focused efforts to address gender inequality in cultural norms, attitudes, and power dynamics, as reflected in the limited gender-sensitive indicators in the logframe. While the project adopts the gender strategy outlined in the Project Design Report (PDR), it lacks an elaborated action plan, resulting in a scarcity of activities targeting diverse gender groups such as youth, ex-combatants, and people with disabilities. At the Project Management Unit (PMU) level, there is no dedicated personnel responsible for gender equality and women's empowerment, with coordination currently managed by the Community Development Officer.

Agreed Action	Responsibility	Agreed Date
Gender Strategy Use the results of the gender study to develop the gender strategy	Social Development Expert	06/2023
Labour saving technologies Promote labour saving technologies to ease the workload on women	Social Development Expert	06/2023
Income generating activities Promote income generating activities for women and youth	Social Development Expert	06/2023
Mainstream gender and women empowerment/GALS training for extension staff in refresher training for training for extension and taring of facilitators	IFAD regional staff/ community development Officer	09/2024
Recruit the Social Inclusion Consultant to conduct TOT on IDA staff for GALS	PIU	12/2024

Agricultural Productivity

Rating: 4

Previous rating: 4

Justification of rating

66. 70. The SREP has introduced new yield-enhancing farming practices and technologies that show yield advantages over traditional farming practices. These improved technologies are being tried out on the project's FFS demonstration plots and the participating farmers recognize their importance to address the constraints they face on their own farmland. Farmers who participate in the project's FFSs and who have been exposed to these technologies have already acquired the knowledge and competencies needed for their use on their own farming plots. However, it remains to be seen whether or not the availability of resources can prevent their widespread use. In fact, while the inputs for the application of most of these technologies are affordable and readily available, some of the technologies can be resource-intensive (ex. Improved seeds, fertilizer, irrigation, etc), which may limit their application to more resource-endowed farmers and may require the development and implementation of a strategy for their widespread adoption. Although the project's interventions have good prospects for increasing productivity, the challenges posed to the widespread adoption of the technologies introduced by the project currently place agricultural productivity in the context of the SREP as moderately satisfactory (4).

Nutrition

Rating: 4

Previous rating: 4

Justification of rating

67. The project has excelled in its nutrition interventions, led by the project's community development officer within the PMU. To date, 349 out of 1,500 frontline extension workers, including 90 women, have been trained in nutrition through the Farmer Field Schools (FFS) methodology. These workers have begun implementing nutrition cooking demonstrations for FFS facilitators. The mission visit to Namibia revealed ongoing training for women facilitators from various FFS in food processing and preservation techniques. While these facilitators have yet to start nutrition training for FFS members using locally available materials, it is crucial for the project to establish well-equipped training facilities.

Main issues

68. During visits to various Farmer Field Schools (FFS), a range of processed foods was observed, including soups, cakes, breads, biscuits, and drinks, all made from locally sourced crops like cassava, sweet potatoes, carrots, garlic, onions, cassava leaves, sorghum, millet, beans, maize, watermelon, and pawpaw. Participants in the FFS program are cultivating diverse nutrient-rich and climate-resilient crop varieties. At Tulikwatisseco and De Maio FFS in Banguela, an admirable integration of goat rearing with crop cultivation is evident, expected to enhance nutrition through milk and meat provision. While cooking demonstrations were recently initiated, the project recognizes the need for additional time to extend training to all FFS members. Nonetheless, there is notable enthusiasm among FFS participants to engage in the training.
69. While progress has been made in various project aspects, there are areas for improvement, particularly in nutrition education and hygiene messaging. Ensuring access to clean water and sanitation at all Farmer Field School (FFS) sites is crucial. The original nutrition strategy emphasized community awareness campaigns and a school feeding program with technical assistance (TA), but implementation challenges remain, with the involvement of the World Food Programme (WFP) recommended. Despite this, successful Knowledge, Attitudes, and Practices (KAP) surveys have been conducted, guiding nutrition-focused activities. Collaboration with the Ministry of Health is evident in initiatives like those observed at Tulikwatisseco FFS, where hospital staff educate members on disease control.
70. Acknowledging the interconnectedness of nutrition, gender, and climate resilience, the project emphasizes promoting nutrient-rich, climate-resilient crops like sorghum, millet, and cassava. Training women in crop processing underscores the gender aspect. While food utilization has been prioritized, more focus is needed on nutrition education and behaviour change communication (SBCC). The project should expand cooking demonstrations and education, supported by WFP expertise, to all

Farmer Field Schools (FFS). Additionally, mass media campaigns and improved water and sanitation facilities are crucial. Lessons should be shared with stakeholders like the Ministry of Health and Education. While the school feeding program may not be feasible, schools should still be engaged in nutrition education. This comprehensive approach addresses diverse community needs effectively.

Adaptation to Climate Change	Rating: 4	Previous rating: 3
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Justification of rating

71. SREP demonstrates the implementation of multiple climate change adaptation measures, with the establishment of FFSs, the training of facilitators and extension staff and integrated crop and livestock farming. The project has enhanced capacity at various levels, impacting 49,858 families through sustainable practices and diversified crops. Despite these efforts, the project has brought only 2,537 ha of land under climate-resilient practices falling short of its mid-term target of 10,000ha. While the acquisition of solar pumps and the adoption of agroforestry and conservation agriculture have been positive, additional measures such as intensified training, community engagement, and improved resource access are needed to meet the project goals.

Main issues

72. **Implementation of identified adaptation measures:** The project has established 1393 FFs, which serve as centres for training farmers in sustainable agricultural practices and climate-resilient techniques. The provision of funds to these FFs and the training of facilitators ensure that adaptation measures are not only planned but also executed at the grassroots level. The establishment of solar-powered irrigation systems is another example of an effective adaptation measure being implemented to counteract water scarcity.
73. **Capacity to implement climate change adaptation:** There is evidence of capacity development to implement the climate change adaptation at various levels. The project has trained facilitators and government technicians, which enhances the capacity to provide technical assistance to farmers. The project report indicates that 707 facilitators and 82 new technicians on sustainable land and water use, soil conservation, and ecosystem restoration. Focus has been on improving crop species, integrated crop and livestock systems, crop rotation and diversification, composting and mulching. Additionally, the establishment of 1,393 field schools has been instrumental in disseminating the knowledge on climate adaptation activities to 49,858 families. The training programs have focused on promoting climate-smart agricultural practices, enhancing financial literacy, and improving overall community resilience to climate change. Moving forward the FFS could focus on already tested and proven technologies and demonstrate their effectiveness in FFS rather than focusing on research.
74. **Resilience because of implementing the project activities:** The resilience of livelihoods and systems is being built because of implementing the project activities. This aligns with the developmental objective of SREP to build resilience to climate change. The introduction of new agricultural practices, such as agroforestry and the use of climate-resilient crops, has improved agricultural productivity and reduced vulnerability to climate shocks. The formation and support of FFSs have also strengthened community organization and resource management, further contributing to resilience. The progress report indicates increase in productivity up to 15% in relation to the data calculated in the baseline study. The introduction of diversified crops and integrated crop and livestock system has potential to increase resilience.
75. **Land under climate resilience:** SREP has brought approximately 2,537 ha of land under climate-resilient practices, including agroforestry and conservation agriculture, significantly enhancing soil health and agricultural productivity. However, this falls short of the mid-term target of 10,000 ha and the final target of 21,000 ha. The project needs to employ measures of intensifying training programs, scaling up successful practices, strengthening community engagement, improving access to financial resources and quality inputs, and promoting innovative technologies like solar-powered irrigation and drought-resistant crops.
76. **Access to water:** The project has acquired 30 out of 36 solar pumps planned for efficient water use integrating commitment to environmental management with practical, resilient solutions benefiting 1145 households, 11% of midterm target. The solar powered water pumps are distributed in SREP provinces as follows: Zaire (40), Uige (8), Cuanza Norte (5), Bengo (4), Benguela (6), Cunene (4), and Namibe (5), totaling 36. Noting that 6 of these are yet to be installed. The current method of irrigation in the FFS plots is flood system. However, the efficiency of flood irrigation can be significantly improved, leading to better water management, reduced wastage, and enhanced crop yields. It is important to ensure efficient utilization of water by constructing appropriate canals and consider lining irrigation canals with impermeable materials to reduce seepage losses. Layouts and plans for new FFS sites will need to consider efficient utilization of water with durable systems installed.
77. **Access to climate information:** The project team and extension staff have been receiving climate information from INAMET through cell phones. However, the project lacked downscaled climate information which provides localized, high-resolution climate data that is essential for communities to effectively plan for and adapt to climate change impacts, enabling more precise and relevant decision-making for sustainable development. This could be considered as an essential activity going forward.
78. **Additional adaptation opportunities emerging during implementation:** The continuous monitoring and evaluation of project activities have identified new areas where adaptation measures can be expanded. For instance, the success of initial afforestation efforts has highlighted the potential for larger-scale tree planting initiatives. Additionally, the feedback from farmers and facilitators has led to the identification of new crop varieties and farming techniques that could be introduced to further enhance climate resilience.
79. **Scope for climate change mitigation in the project:** The use of solar-powered irrigation systems is a direct mitigation measure that reduces reliance on fossil fuels. Additionally, the afforestation and reforestation activities contribute to carbon sequestration, which is a crucial aspect of climate change mitigation. The integration of agroforestry practices also helps in capturing carbon and improving soil health, thereby contributing to broader climate change mitigation efforts. Solar-powered irrigation systems, illustrate the project's commitment to mitigation.

Agreed Action	Responsibility	Agreed Date
Access to climate information Develop a strategy to disseminate climate information together with INAMET and MINAGRIF	Climate environment specialist, INAMAT and MINAGRIF	06/2023
Climate vulnerability analysis Ensure recruitment of consultants to carry out vulnerability analysis to inform project adaptation measures and prioritise activities.	Climate environment specialist,	07/2023

b. Sustainability and Scaling up

Institutions and Policy Engagement **Rating: 3** **Previous rating: 3**

Justification of rating

80. The changes in the policy or institutional framework affecting the rural poor as a result of SREP-led policy engagement activities in Angola include training of 347 civil servants, which is 23% of the mid-term review target. This indicates a policy shift towards enhancing the capacity of government staff and NGOs to support family farming development. The recruitment of 73 FFS Master Trainers and 9 FFS Focal Points has strengthened the extension network, suggesting an institutional change in the delivery of agricultural services.
- The installation of solar-powered irrigation pumps and the lack of water management groups indicate a policy focus on infrastructure development but also highlight gaps in community ownership and sustainable management.
- The establishment of 1,393 FFSs out of a target of 5,000 shows a policy emphasis on education and training for farmers to improve food security and resilience to climate change. The introduction of integrated farm practices and technologies on FFS plots indicates a policy shift towards modernizing agriculture and enhancing productivity through innovation.

Main issues

81. The groundwork for needs assessment and the discontinuation of certain activities due to budget constraints reflect changes in investment priorities and challenges in implementing public rural infrastructure projects.
82. There are challenges in implementation, sustainability, and adoption that need to be addressed. The incomplete hiring process for technical advisors and the ambiguity around land ownership for installed infrastructure point to institutional challenges that need to be addressed for long-term sustainability. The need for studies to determine the extent of adoption of improved practices and technologies suggests a policy interest in understanding the impact of these interventions on farming practices.

Partnership-building **Rating: 3** **Previous rating: 3**

Justification of rating

83. The Smallholder Resilience Enhancement Project (SREP) in Angola has undertaken a multifaceted approach to engage with both national and international actors, aiming to bolster the agricultural sector's resilience and productivity. The project's efforts have been geared towards building robust linkages with the private sector, enhancing coordination with other organizations, and leveraging the knowledge and experience of various stakeholders to amplify its impact.
- In terms of fostering private sector linkages, the SREP has laid the groundwork for needs assessment and infrastructure investments, essential for drawing private sector interest. The installation of solar-powered irrigation pumps exemplifies a technology that can attract private sector participation due to its scalability and sustainability. However, challenges such as the withdrawal of key financial partners and project cancellation notices have underscored the need for stronger mechanisms to secure private investments.

Main issues

84. The project has also sought to enhance coordination and create synergies with governmental bodies and existing educational frameworks. This is evident in the training of civil servants and extension workers, aligning with national priorities, and the recruitment of Farmer Field School (FFS) Master Trainers and Focal Points, indicating an effort to integrate with Angola's agricultural extension services.
85. Furthermore, the SREP has leveraged external expertise through initiatives like the IFAD-funded study-visit to the Cabinda Value Chain project, which provided government technicians with valuable insights into animal production systems. Training courses on climate change, nutrition, and other cross-cutting issues reflect the project's commitment to incorporating a broad range of expertise and influence.
86. The results of these concerted efforts are tangible. The training of hundreds of civil servants and FFS facilitators has significantly enhanced local capacity. The establishment of over a thousand FFSs demonstrates progress in reaching target communities and improving their agricultural practices. Moreover, the introduction of integrated farm practices and technologies has had a positive impact on climate resilience and productivity.

87. Despite these achievements, the SREP faces ongoing challenges in securing private investments and ensuring the sustainability of its interventions. The project's experiences highlight the importance of continued efforts to strengthen partnerships and effectively leverage external resources for the benefit of Angola's rural poor.

Agreed Action	Responsibility	Agreed Date
Family farming capacity-building Identification of NGOs and production of a clear planning of next steps and responsibilities related to family farming capacity-building and training	PIU/SCU	12/2022

Human and Social Capital and Empowerment

Rating: 4

Previous rating: 4

Justification of rating

88. SREP has enhanced the capacities of poor rural women and men and their FFS organisations in environmental safeguards and social policies (40M, 32M and 8Youth); Nutrition (42M, 35F, 7 youth) and GAPs. In addition, a learning study visit was conducted for 8M and 8F to Cabinda for animal production systems. During the visit, to Dombe Gande municipality in Benguela Province, at Tulikwaatisecco and De Maio FFS the mission observed the integrated crop and goat production system.

Main issues

89. During the mission visit to the Farmer Field Schools (FFS) in Benguela, it was observed that the FFS members were constructing improved goat housing. This initiative aims to benefit households by providing meat, manure, milk, butter, and additional income from goat rearing. At Tulikwaatisecco FFS, 43 goats were purchased initially, with plans to increase the herd to 200 through breeding. Each FFS member will eventually receive a goat. The goats are being raised under zero grazing conditions, and farmers are encouraged to replicate and apply these goat management practices on their own farms.
90. Regarding nutrition, beneficiaries received training on balanced diet for the different age groups. During the mission visit, at Muika and Boa Esperanca in Cubal municipality, Benguela, the mission observed that the FFS facilitators had received training in culinary demonstration and various processed foods cakes, biscuits, soup made from sorghum, cassava, beans, watermelon, baobab, maize, sweet potato were on display showing what they had learned. At MTR, the total households provided with support to improve their nutrition were 4490 people (2316M, 2174F). The beneficiaries also improved their knowledge on environment safeguards and social management covering such topics as natural resources management, climate change mitigation, water conservation, community engagement and gender equality. At MTR, the households reporting improved access to water were 175 out of the end target of 150,000.
91. The number of people trained in production practices were 47732 out of the MTR target of 40000 people. Out of these, women trained in crop production consisted of 24846 out of the 16000 MTR target while the men trained in crop production consisted of 12329 out of the 24000 MTR target, and the youth consisted of 11538 out of the targeted 10000 youth at mid-term. The project established 1391 FFS, which are at various levels of the learning cycles: 813 are in the first cycle, 566 in the second cycle and 13 in the third cycle. The farmer field schools consist of 29 framers (12F, 17M and 8 youths) are engaged in diversified crop production including cassava, groundnuts, sorghum, millet, sweet potato, beans, tomato, cabbages, green leafy vegetables, cassava, maize, sesame among others. They have demonstration plots which utilises biological means for control of pests. Solar technology has been adopted for irrigation. The FFS have been taught how to calculate gross margins.
92. At all the FFS visited by the mission, the FFS management was made up of men, women and youth, however there were more men than women due to the low literacy levels among the women. At De Maio FFS consisting of 26 members (14F.12 M). the management committee consists of 2 males (president and vice president) and 2 females (treasurer, facilitator). At Mwika FFS, Cubal municipality, the management committee consists of 2 females (Treasurer and technical) and 4 males (president, vice president, secretary and facilitator). At Boa Esperanca FFS, in Cubal the secretary is female while the rest the management committee consist of males. It was not clear how the FFS members were involved in planning and the whole cycle of FFS activities.

Agreed Action	Responsibility	Agreed Date
Documentation of feedback Document feedback and integrate in M&E system	PIU	10/2022
Recruitment of Community Development facilitators Finalise the recruitment of experts to allow project implementation	PIU	12/2022
Recruitment of Community Development Facilitators Finalise the recruitment of experts to allow project implementation	PMU	06/2023

Quality of Project Target Group Engagement and Feedback

Rating: 3

Previous rating: 4

Justification of rating

93. The project lacks a comprehensive and specific plan for engaging the target group and gathering feedback throughout its lifecycle, but it demonstrates a commitment to conducting these activities with stakeholders, including local and national representatives, men, women, and youth. The mobilization phase, led by the community development officer with support from frontline extension agents, emphasizes engagement with Farmer Field Schools (FFS) as key community empowerment organizations.

Main issues

94. Efforts to ensure inclusivity and representation include targeting 50% women and 30 % youth participation quota and other marginalised groups, with particular focus on indigenous groups in Namibe province. Meetings are scheduled to accommodate the diverse work schedules and household commitments of participants, particularly women, who often attend with children. Sessions typically occur at the FFS meeting place ("jango"), which provides childcare facilities, though many women attend with children strapped to their backs. Most meetings are conducted in the local language to enhance accessibility for women and others with low literacy levels. Despite enrolling 707 FFS facilitators, primarily male due to lower female literacy rates, efforts are made to enhance engagement and feedback through gender-sensitive facilitation.
95. The project has not implemented free, prior, and informed consent procedures but utilizes participatory planning, monitoring, and evaluation, and includes women and other disadvantaged groups such as the elderly. Women and men have been empowered through their representation in project management committees, although female representation remains low. During a mission visit to Kuenda Tchiwa FFS in Namibe, a woman effectively communicated knowledge about biocide use and compost production, highlighting the benefits derived from these technologies.
96. SREP currently lacks a formal, written grievance redress mechanism (GRM). Such a mechanism is crucial as it enables target groups to voice complaints or report misconduct, facilitating prompt resolution of negative impacts. During the mission, an example of an effective GRM was shared, emphasizing its inclusion of government and IFAD whistleblower protection measures. Confidential reporting channels should be easily accessible to target groups to address grievances, including allegations of fraud, corruption, and sexual exploitation and abuse. The project's logframe includes indicators for target group engagement and feedback.

Agreed Action	Responsibility	Agreed Date
Document feedback Capture and document feedback received and integrate in M&E	PMU	12/2023
Empowering measures Employ empowering measures to allow for the participation of vulnerable groups	PMU	12/2023

Responsiveness of Service Providers

Rating: 3

Previous rating: 3

Justification of rating

97. Evaluating the responsiveness of service providers in the context of the Smallholder Resilience Enhancement Project (SREP) in Angola requires a multifaceted approach. Service providers, encompassing government agencies, NGOs, civil society organizations, and private sector entities, play a pivotal role in the project's success. Their responsiveness is gauged by their ability to meet the demands of rural clientele and execute their duties per the Terms of Reference promptly and professionally. In general, the service providers engaged in the SREP have shown a commendable level of responsiveness, delivering services that are timely and of good quality. Despite these positive indicators, challenges remain. The incomplete hiring process for technical advisors and the ambiguity surrounding land ownership for installed infrastructure suggest areas where service provider responsiveness could be improved. Additionally, the limited progress in further training courses for frontline extension workers since the last mission indicates a potential shortfall in meeting the project's targets.

Main issues

98. However, to ensure the effectiveness and sustainability of the services throughout the project's lifecycle, continuous monitoring and adaptive management are essential. Addressing the identified challenges will be crucial in maintaining the momentum and achieving the project's overarching goals of enhancing the resilience and productivity of Angola's rural poor.
99. The SREP has demonstrated a commitment to capacity building, as evidenced by the training of 347 civil servants within a set timeframe, reflecting both timeliness and professionalism. The establishment of an extensive network of extension workers across all target municipalities further underscores the project's dedication to responsive service delivery.
100. Quality service provision is evident in the comprehensive refresher courses offered to FFS Master Trainers and Focal Points, ensuring that the services align with the project's objectives and the beneficiaries' needs. The training content, focusing on FFS methodologies and technical issues, is relevant and of high quality, catering to the community's specific requirements.
101. A demand-driven approach is apparent in the recruitment process, which leverages existing expertise to integrate efficiently into the project's activities. The emphasis on gender inclusivity, particularly in the training of community-based FFS facilitators, showcases a response to the community's call for broader representation.

Justification of rating

102. SREP project has made progress in natural resources management through technician training programs, which have equipped over 530 technicians with skills in sustainable practices and climate resilience. Integrated agroforestry and agropastoral models introduced via FFs have diversified income sources for families, supported by technological innovations such as 30 solar pumps for eco-friendly vegetable production. While promoting organic pest control using neem, further research is advised for optimizing formulations and ensuring safe handling practices. Development of pending NRM plans remains important for enhancing resource sustainability, biodiversity conservation, and community empowerment. Geo-referenced data to be collected through GPS-enabled tablets will aid in mapping resources, monitoring land use changes, and prioritizing interventions effectively, showing the project's commitment to data-driven decision-making and environmental stewardship.

Main issues

103. **Natural resources management (NRM) Activities:** SREP has demonstrated advancements in NRM based on the progress report and field mission. A central component of this progress has been the comprehensive training programs aimed at technicians, which emphasized sustainable practices and climate resilience. Over 530 technicians were trained on various critical topics, including environmental safeguards, balanced nutrition, and productive integration, ensuring that they are well-equipped to guide producers in sustainable practices.
104. In promoting sustainable agricultural practices, the project has successfully implemented integrated agroforestry and agropastoral models. With regards to agroforestry the project has introduced intercropping with mucuna spp, sunhemp and pigeon peas. These models, introduced through the FFs, have potential to provide diverse range of activities and income sources for families. The introduction of technological packages and good practices has yielded a substantial increase in productivity levels. For instance, 30 solar pumps procured to support vegetable production, can significantly reduce the environmental impact compared to fossil fuel pumps.
105. **Pest control:** Pest have been identified as a major issue affecting production in all sites visited during the mission. The project is promoting the use of organic pesticides using neem which is highly recommended. However, further research can be done to choose the appropriate formulation based on the target pest and crop to ensure effective control of pesticides. It was observed during the mission that safety clothing was not used when applying pesticides, and although neem has low toxicity, the project is advised to convey the message on safe handling of chemicals.
106. **Natural resources plans:** The development of NRM plans for SREP is still pending. These plans are necessary to ensure the sustainable use of resources, enhance climate resilience, improve agricultural productivity, conserve biodiversity, and empower local communities. Focus on remaining timeframe is to develop NRM plans which involve the identification, elaboration, and execution of these plans to ensure sustainable use of resources and efforts done so far.
107. **Efficient utilization of water:** As already indicated under the climate adaptation section, it is important to ensure efficient utilization of water, avoid seepage losses and sustainable ground water utilization. The mission recommends the establishment of water management committees. Effective water management in communities is crucial to avoid conflicts and ensure efficient water utilization, supporting sustainable development and harmony among users.
108. **Data collection:** The acquired Tablets for M and E with GPS capabilities should be used for geo-referencing of project sites. Geo-referenced data is important for mapping natural resources, monitoring land use changes, identifying areas of degradation or improvement outstanding target, and assist the project in planning interventions. This information should guide to visualize spatial patterns and prioritize areas needing attention going forward. The climate and environment specialist should liase with M and E to collect the data with specific indicators for NRM incorporated in the M & E plan. The data should help explain how the NRM activities promoted are reducing pressure on the environment and changes in the landscapes

Justification of rating

109. The mission team assessed the sustainability of the Smallholder Resilience Enhancement Project (SREP) in Angola by examining three critical aspects: beneficiary ownership, government commitment, and the availability of funding: Beneficiary ownership is evident through the active participation of rural communities in the Farmer Field Schools (FFSs). The establishment of over a thousand FFSs and the training of hundreds of facilitators reflect the beneficiaries' engagement and investment in the project's outcomes. This sense of ownership is crucial for the continuity through SAMAP and sustainability of the agricultural practices. Government commitment to the project is shown by the significant number of civil servants trained, which demonstrates a dedication to building capacity within the public sector. However, the incomplete hiring process for technical advisors and the challenges faced in managing infrastructure investments raise concerns about the government's readiness to sustain the project's achievements without external support. The availability of funding is a concern, as indicated by the withdrawal of a key financial partner and the limited budget, which have affected the project's scope. While initial investments in infrastructure and technology have been made, the long-term funding, particularly for operation and maintenance, remains uncertain.

Main issues

110. A realistic exit strategy appears to be in development, as suggested by the proposal to adjust the target for the number of FFSs to

ensure quality over quantity. The recommendation for studies to assess the adoption of improved practices indicates that the project is considering how to measure and ensure its lasting impact.

Agreed Action	Responsibility	Agreed Date
Exit strategy Update of the exit strategy with several proposals based on realistic scenarios of project progress	PIU/SCU	06/2023

Potential for Scaling-up **Rating: 3** **Previous rating: 4**

Justification of rating

111. The Smallholder Resilience Enhancement Project (SREP) in Angola has laid a solid foundation for scaling its approach and innovations. The project’s alignment with national policies, government engagement, innovative practices, and community involvement are indicative of its potential to be adopted on a larger scale. The SREP’s initiatives are in harmony with national agricultural and rural development policies, which is a positive sign for integration into broader government programs. The training of government staff and the establishment of an extension network are significant steps that have engaged government bodies, suggesting that the project’s methodologies could be expanded within the public sector.

Main issues

112. Innovations such as integrated farm practices, technologies, and solar-powered irrigation pumps introduced by the SREP are not only effective in addressing the immediate challenges of climate change but also serve as models for other partners and organizations to emulate. The use of Farmer Field Schools as a platform for education and community engagement provides a replicable model for improving agricultural practices and food security, particularly among poor women and men and their organizations.

113. Despite these challenges, the SREP’s achievements may attract additional donor support, especially if the project can demonstrate effective use of funds and a significant impact on the target population. The development of a realistic exit strategy that includes a transition towards self-sufficiency for beneficiaries and a solid framework for government support is crucial for the long-term success and scalability of the project.

114. While the SREP is well-positioned to translate its approach and innovations on a larger scale, sustained efforts are needed to overcome the financial and operational challenges it faces. With continued government commitment and the engagement of new financial partners, the project has the potential to expand its impact and serve as a model for sustainable agricultural development in Angola and beyond.

c. Project Management

Quality of Project Management **Rating: 3** **Previous rating: 3**

Justification of rating

115. The project management of the Smallholder Resilience Enhancement Project (SREP) in Angola has shown a commendable appreciation and commitment to its development objectives. This is evident in the substantial efforts made to train civil servants, establish Farmer Field Schools (FFSs), and introduce innovative agricultural practices aimed at enhancing resilience and productivity among smallholder farmers.

125. The capacity of the project management to implement and adapt to changing circumstances is reflected in the significant milestones achieved in a very short time, such as the training of facilitators and the creation of an extensive network of extension workers. These achievements demonstrate not only the project’s ability to execute its planned activities but also its responsiveness to adapt its strategies in the face of financial and operational challenges.

Main issues

116. The stability of project management is an area that warrants attention. The incomplete hiring processes and the repercussions of financial partner withdrawals could potentially disrupt the continuity and consistency of leadership and service delivery. While the conditions of service for the project staff are not explicitly detailed, the ongoing training and recruitment efforts suggest a focus on building a robust human resource base.

117. The role of the Project Steering Committee is pivotal in resolving problems and guiding the project’s implementation. Although specific actions of the committee are not detailed in the information provided, the adjustments made to the project’s targets and strategies indicate a level of oversight and direction.

118. Furthermore, the mandatory annual assessment of these factors is essential to ensure that the project remains aligned with its development objectives. Regular evaluations will help identify areas that need improvement and confirm that the project management and steering committee are effectively leading the project towards its goals.

119. While the SREP in Angola has demonstrated a strong commitment to its development objectives, the need for ongoing assessment and attention to the stability of project management is clear. Ensuring the effectiveness of the Project Steering Committee in problem-solving and guiding the project is crucial for its continued success and the achievement of its long-term

goals. Regular annual assessments are vital for maintaining focus and making necessary adjustments for sustained progress.

Agreed Action	Responsibility	Agreed Date
Provincial Coordinators Re-instate the position of Provincial Coordinators recruited on a competitive basis	IDA/PIU	05/2023
Technical assistance Streamline the Technical Assistance and studies and clarify whether the position or study is justified or not. Develop TOR for TAs and studies	PIU	05/2023
Staff evaluation Commission an external performance evaluation for PIU staff	FIDA/IDA/AFD	05/2023
Technical assistance Streamline the Technical Assistance and studies and clarify whether the position or study is justified or not. Develop TOR for TAs and studies	PIU	05/2023

Knowledge Management

Rating: 4

Previous rating: 4

Justification of rating

120. Knowledge Management aims to increase the value of information and encourage interactive exchanges within the project. Due to the delayed initiation of many activities, few lessons learned have been shared. However, the project has created and distributed relevant materials containing information and knowledge about technologies through Field Schools, and more recently, via the Community Jango approach. This approach was observed during the mission to the municipality of Bibala in Namibe.

As a result of conducting regular implementation reviews and utilizing monitoring and evaluation (M&E) data, the project team has made necessary adjustments to enhance performance. Consequently, progress has been observed in implementing project activities within the visited areas.

The PIU has examined various aspects of implementation and is currently structuring the system for collecting, processing, and disseminating findings. Based on these analyses, a specific plan for Information, Communication, and Knowledge Management activities will be developed.

It is recommendable that the project implementation unit document optimal agricultural practices resulting from its implementation and record these practices to enhance learning and adaptation. Despite the early cancellation of the project, it is important that knowledge management activities are included in the 2024 Annual Work Plan Budget (AWPB).

Agreed Action	Responsibility	Agreed Date
KM plan Review and validate and implement the KM plan, and report on their implementation progress.	PIU	06/2023
MIS Speed up the establishment of the Management Information System (MIS) for effective information data management	PIU	08/2023
KM and Communications Strategy Include planned activities in the AWPB for 2024	PIU	12/2024
Mechanism for KM Reporting Prepare mechanism for capturing and reporting both past and present KM products produced, including lessons learned and success stories	PIU	12/2024

Value for Money

Rating: 3

Previous rating: 3

Justification of rating

121. The Smallholder Resilience Enhancement Project (SREP), designed to bolster the agricultural sector's resilience and productivity, is currently under scrutiny for its value for money — a measure of how effectively project resources are transformed into desired results. This assessment is crucial, especially as the project approaches its fourth year with only two years remaining

until completion.

The financial management and execution of the SREP have been deemed unsatisfactory. The initial disbursement was significantly delayed, and a substantial portion of the budget has been consumed by salaries and allowances, raising concerns about cost efficiency. The withdrawal of key financial partners has left an alarming financing gap, casting doubt on the project's ability to meet its objectives.

Main issues

122. The quality of financial management has been rated moderately unsatisfactory due to identified internal control weaknesses. Overspending in certain budget categories and expenditures without a designated budget line indicate a lack of precision in financial planning. The utilization rate under the IFAD Additional Financing loan appears reasonable against the reduced budget; however, the focus on operating costs may not directly contribute to the project's outcomes.
123. Accounting practices and financial reporting have shown deficiencies, with delays in submission and the need for updates in the accounting system. Significant internal control weaknesses, such as the absence of valid contracts for personnel and reliance on pro-forma invoices for payments, have been highlighted. These issues could potentially affect the project's value for money.
124. The government's financial contribution to the project falls short of its commitment, and in-kind contributions remain unvalued, further impacting the project's financial stability and sustainability.
125. In light of these challenges, it is evident that the SREP's capacity to convert resources into meaningful results is compromised. The project management must take immediate action to address these inefficiencies and improve the economic use of resources. With the project's early completion date looming, it is imperative to ensure that every dollar spent is directed towards achieving the development objectives, and regular annual assessments will be vital in steering the project back on course. The project's future success hinges on its ability to make necessary adjustments and demonstrate a clear, measurable impact on Angola's rural poor.

Coherence between AWPB and Implementation

Rating: 4

Previous rating: 4

Justification of rating

126. The implementation of the 2023 AWPB can be rated as moderately satisfactory. The project made substantial improvement in producing project outputs relative to previous supervision mission results in April 2023. Achievement of subcomponent 1.1 number of government-employed staff that received training increased from 8% to 26% between April and October 2023. sub-component 2.1 strengthening capacity for family farming through Farmer Field School training in production practices and/or technologies, achievement increased from 71% to 143% of the annual target of 19,000 persons trained. The project started implementing subcomponents 1.2 and 2.2, leading to an overall physical implementation progress of the 2023 AWPB of 43.61%. This compares to 16.7% FY2023 budget execution rate as of 30th September 2023. Given the above, the project can increase its likelihood of meeting AWPB targets by speeding up the implementation rate.

AWPB Inputs and Outputs Review and Implementation Progress

127. The mission reviewed the development process of the AWPB and its implementation. The development was participative, with involvement of stakeholders at local level, provincial, and national level, where the budget is approved and submitted to IFAD for NO. This process is essential in ensuring the quality of the AWPB.
128. The mission noted that, the approved AWPB was limited to activities that were implementable before partial cancellation of SREP resources in the course of the year. As a result of discussions with GoA during the mission, emphasizing the need the need to integrate SREP FFS activities in SAMAP project until March 2024, the mission recommends a review of the AWPB and align planned activities with the proposed timeline.

Performance of M&E System

Rating: 4

Previous rating: 4

Justification of rating

129. There has been progress in ensuring data quality, with coordination of data collection and reporting led by the M&E specialist at the PIU. Monthly reporting by implementing partners at provincial level implemented, which serves to ensure data consistency and overall monitoring of project activities. Terms of reference developed for training project staff, stakeholders and extension personnel at ground level in basic principles of M&E including data collection and reporting. The M&E and Finance specialists co- led the development of the 2024 AWPB, and development of quarterly progress reports.

M&E System Review

130. The project has made progress with implementation of M&E activities. However, some for further improvement have been identified.
131. **Minority groups data.** During field visit to Namib province, the mission identified minority groups (indigenous people) who are members of supported farmers filed schools but were not captured in the reports. The M&E system should integrate the capture of supported minority groups through project specific indicators to inform decision regarding appropriate interventions.
132. **Data consistency.** Further improvement in data quality is required, particularly for ensuring the consistency between AWPB physical targets and Logical framework annual targets. Teh mission recommend that during the revision of 2024 AWPB, the

annual project targets should be realistic for and aligned in the necessary project reporting tools including the Logframe.

133. **Quality of Project reports.** The project is consistent with elaborating project reports, such as monthly reports provided to the Implementing Agency, quarterly and semi-annual and annual reports made available to IFAD. These reports can be strengthened by including summary results at provincial levels in order to highlight province specific results of project implementation, which otherwise could be missed in the main progress report. In addition, the reports should trigger attention for project decision making.
134. The M&E recommendations from the previous mission have been implemented, which include distribution of tablets and providing training to users for efficient data collection and reporting, as well as induction of M&E assistants for Bengo and Cuanza Norte provinces, which is commendable. However, adequate time of M&E staff should be allocated to data processing, analysis and improve the quality of reports.

Social, Environment, and Climate Standards requirements	Rating: 4	Previous rating: 3
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Justification of rating

135. SREP has SECAP related documents at design such as the SECAP review note. The review note includes comprehensive environmental instruments, social impact studies, and general environment and social management plan. Despite the project having SECAP related documents, there are some operational shortcomings. These issues are related to constraints in resources, capacity during implementation resulting on some planned activities related to infrastructure not being implemented by MTR. The SECAP measures have been partially integrated into the Annual Work Plan and Budget, Project Implementation Manual, procurement processes, and monitoring plans.

SECAP Review

136. **Implementation of SECAP:** The SECAP measures are being partially implemented, in alignment with environmental and social safeguards. SECAP's contributions are evident in risk mitigation and opportunity enhancement. Integration of SECAP measures into planning and execution is ongoing, with progress in training, and promotion of sustainable practices. The project has developed effective partnerships and continuous training are pivotal in overcoming operational shortcomings and achieving project goals. However, the project was supposed to develop NRM plans and site specific Environmental and Social Management Plans (ESMPs) but they are still pending. An ESMP and NRM plans are crucial for identifying, mitigating, and managing the environmental and social impacts of a project, ensuring sustainability, regulatory compliance, and positive stakeholder engagement.
137. **Stakeholder involvement:** As recommended in past missions, the project lacks a stakeholder engagement plan, and the mission proposes that can be developed to promote stakeholder engagement. Stakeholder engagement is crucial for the project as it ensures inclusive decision-making, fosters community ownership, and enhances the sustainability and effectiveness of project outcome. The mission recommends that this be developed to ensure sustainability.
138. **Grievance redress mechanism:** A grievance redress mechanism was developed for the project which is important for information sharing and conflict resolution. Awareness has so far been done in the South with two training done already for technicians and chief in IDAS. However, awareness to beneficiaries is still pending. The project team has plans to raise awareness and start implementation in the North in June however, this activity has not been budgeted for. It is important to allocate resources to this important SECAP requirement.
139. **SECAP Training:** Three SECAP Trainings were in 2022 and 2023 done for the PIU and IDA with xxx trained on environment and social safeguards. However, further training for stakeholders is required to reduce negative impact and assure the project's long-term viability.
140. **Access to land:** According to design SREP activities have been designed to be implemented through Provincial Directorates and Municipal authorities where access to the land resources is determined. The project should avoid any conflicts related to land or conflicting claims. As seen on one FFs site land ownership is not clear. Any infrastructure development should apply the principle of free prior and informed consent.
141. **SECAP Procurement:** Efforts were done in integrating SECAP in procurement during the purchase of solar panels and infrastructure for the IDA staff.

d. Financial Management & Execution

Acceptable Disbursement Rate	Rating: 2.0	Previous rating: 3
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Justification of rating

142. Automated rating based on IFAD disbursement data is "unsatisfactory". SREP entered into force on 15 July 2020, but the first disbursement was on 17th May 2021. The project is currently in its 4th year of implementation, with only two years left to completion date. As of 31 May 24, IFAD disbursed EUR 10.94 million (41.75%) for IFAD Loan 2000003166 and USD 2.52 million (11.58%) for IFAD Additional Financing.

Main issues

143. Actual expenditures under IFAD Loan 2000003166 amount to EUR 10.83 million (41.33%) and 60% of the actual cost is utilized

under the category "salaries and allowances", which also represents 156% of actual allocated amount for this category. This is well above the IFAD thresholds, therefore WA 015 that included EUR 659,108.09 of recurrent costs was returned to the Borrower due to high recurrent costs. Currently the recurrent cost level in the IFAD system is 135.11%, which does not include the amount included in WA015. EUR 659 thousand that was paid from IFAD Loan 2000003166 should be refunded to IFAD project accounts and the accounting system should be updated accordingly. This extra cost should be financed by the government.

144. Actual expenditures under IFAD Additional Financing amount to USD1.4 million (6.3%), and 79% of total expenditures are for recurrent costs. The project already spent 25% of the total allocated amount under "salaries and allowances"
145. The returned WA015 is deleted from ICP by the project. This WA was returned due to overspending on recurrent costs, but also includes expenditures from other categories. The project should deduct the operating cost of EUR 659,108.09 and resubmit the WA to IFAD as soon as possible to justify expenditures incurred in other categories.
146. The project was designed with expected contribution of USD 40 million from BADEA and USD 42 million from Agence Française de Développement (AFD). However, AFD and BADEA withdrew their commitments. This has resulted a financing gap of USD 82 million and without their contributions, the project will not be able to achieve its development objectives. In addition, most of the utilization under IFAD financing is for recurrent costs and implementation in the field is limited. Based on the reasons stated above, the mission proposed early closure of the project.

Agreed Action	Responsibility	Agreed Date
<p>Submission of returned WA015 for financing instrument 2000003166:</p> <p>The project should deduct the operating cost of 659,108.09 Euros from the Withdrawal Application 015 and re-submit the WA to IFAD.</p>	Financial Management Specialist	07/2024
<p>Refund of excess amount spent on operating costs to the IFAD project account.</p> <p>The project should refund EUR 625,108.09 paid for operating costs from IFAD funds to IFAD project bank accounts. This amount should be recovered from government contributions and the accounting software should be updated accordingly.</p>	Financial Management Specialist	11/2024
<p>Submission of final Withdrawal Applications and refund of unused funds.</p> <p>The project should ensure that all WAs for justifications are submitted to IFAD by agreed early closure date of 31 December 2024, any unused balance will be refunded to IFAD and project bank accounts will be closed once the final audit cost is paid from the project account.</p>	Financial Management Specialist	12/2024

Fiduciary aspects

Quality of Financial Management

Rating: 3

Previous rating: 4

Justification of rating

147. The quality of financial management is rated as "moderately unsatisfactory" as several internal control weaknesses were identified during the MTR mission. There were also internal audit findings that highlighted internal control weaknesses and the project needs to address the internal audit findings as soon as possible to avoid ineligible expenditures.

Main issues

148. **Staffing.** There are two finance staff in the PIU, Luanda. There should be one finance staff in the each PPIUs. However, there is no finance assistant in Cunene, Bengo and Cuanza-Norte. Daily payments are prepared and processed by M &E and Project Coordinator. There is a lack of effective control over project resources by PIU.

149. **Budget.** AWPB has been reduced without taking into consideration actual expenditures incurred to date. This has resulted in overspending on some budget categories, such as consultancies and operating costs. In addition, the training category did not have a budget line, but there are expenditures under this category in 2024. The AWPB should be revised as soon as possible by considering actual utilization during the year. Budget utilization is 35% for IFAD Loan against the reduced budget of USD 1.26 M and 57% for IFAD AF, where the budget was reduced to USD 2.24 M. The actual utilization rate under IFAD AF seems reasonable against the reduced budget. However, majority of the utilizations under IFAD AF were for operating costs, which represented 27% of budgeted amount for the financial year.

150. **Accounting and Financial Reporting.** The project is using an integrated accounting software which is used by both PIU and PPIUs. The ERP system is able to generate IFRs with old IFAD templates and the project is in process of developing the new IFRs templates in the accounting software. IFRs are submitted to IFAD generally on time with some exceptions, but there are some delays in submission of withdrawal applications. Returned WA015 for Q3-23 yet to be re-submitted to IFAD. Bank reconciliations of the 3 provinces where there are no finance assistants were not recorded in the accounting software as of 31 March 2024. The project needs to ensure that the accounting system is up to date.

151. **Internal Controls.** The mission noted several internal control weaknesses including a lack of fixed asset controls in the provinces, incomplete fixed asset register, lack of oversight of provincial fiduciary process, lack of effective vehicle/motorcycle and fuel management, and poor-quality supporting documentation. Following issues are identified during FM review;

- There are no valid contracts for old extension workers and cleaning staff in provinces. However, they are still included in the payroll, and they have been receiving salaries from the project. The project informed IFAD that the original contracts have been extended, but the contracts have been waiting to be signed at IDA since last year. Since there are no valid contracts, the amounts paid to the above-mentioned personnel will be considered ineligible. The total amount is approximately AOA 190,554,327.86, and this amount should be refunded to the project account unless valid contracts are presented to IFAD. The exact amount paid to date will need to be confirmed by the project based on payroll reports and an equal amount will need to be refunded to the project account.
- Some expenditures were paid based on pro-forma invoices and actual invoices were not available (USD 113,259.79). The mission would like to highlight that a pro-forma invoice is not an actual invoice as it is only a type of quotation. Whereas the tax invoice is a registered bill and represents an actual sale and holds legal significance. These activities were also not included in the procurement plan and the IBAN number for the payment made to Luzolanada in the amount of USD 49,347.38 was different on the fund transfer letter, Pedido De Fondos and proforma invoice.
- Supporting documentation for the transactions must be improved, and the finance unit must ensure that standard forms are filled in and signed by all authorized signatories. All procurement-related payment request forms need to be signed by the procurement unit.
- The project is keeping the asset register in the accounting software and as per the project's asset register; SREPhas USD 3.1 M worth of assets, including 230 motorbikes and 39 vehicles. However, the mission noted that the asset register in the accounting software is still not up to date and missing essential information such as asset locations, custodian, user's position, and asset registration numbers. In addition, annual asset verification is performed by the internal auditor whose responsibility should be to evaluate the effectiveness of internal controls, ensure that operations comply with internal policies and procedures, and identify potential risks and make appropriate recommendations to improve operations. Internal audit report dated May 2024 highlighted that internal audit is carried out on project assets, including 7 project provinces and result of the audit showed that 23 out of 230 motorbikes were not present. The project should take immediate action on asset register, asset verifications and prepare an asset handover plan.
- Vehicle logbooks are not used by the project. There is GPS tracking system, but the system is not used effectively to monitor the use of vehicles. Old extension staff with motorcycles receive a monthly allowance of AOA 50,000 for fuel, and no supporting documents are required from the staff for fuel usage. Internal audit report also highlighted that GPS control should be used at province level to monitor the usage of fuel and location of the motorcycles.

Agreed Action	Responsibility	Agreed Date
<p>Improve the quality of external audit</p> <p>Management letter should include a follow-up of previous audit recommendations</p>	FMO	06/2024
<p>Submission of actual invoices for the payments made based on pro-forma invoices.</p> <p>Request the actual invoices from the suppliers for the payments made based on pro-forma invoices and provide justification about the payment that was made to different IBAN number. Original invoices must be presented to IFAD Financial Management consultant who will be in PIU for SAMAP supervision mission.</p>	Financial Management Specialist	06/2024
<p>Implement Audit Recommendations</p> <p>Ensure that previous year's audit recommendations are implemented.</p>	FMO	07/2024
<p>Provide valid contracts to IFAD for expired contracts</p> <p>The project to provide valid contracts for old extension workers and cleaning staff in provinces. If there are no valid contracts, the project is required to refund the amounts paid to all listed staff since the contract expire dates indicated in the contracts.</p>	Financial Management Specialist	07/2024
<p>Bank account reconciliations for 3 provinces.</p> <p>Bank reconciliations of the 3 provinces, where there are no finance assistants, are not recorded in the accounting system as of 31 March 24. Reconciliations should be requested from these provinces and the accounting system should be updated accordingly.</p>	Financial Management Specialist	07/2024
<p>AWPB revision.</p> <p>The AWPB should be revised by taking into account actual utilization during the year to avoid ineligible expenditures due to activities not being included in the AWPB and the agreed project closure date of 31 March 25. Revised budget should cover planned expenditures up to 31 March 2025.</p>	Financial Management Specialist/ Project Coordinator	07/2024
<p>Extension of the external audit contract.</p> <p>The audit contract to be extended or a new contract to be issued to accommodate the final external audit.</p>	Finance Management Specialist and Procurement	07/2024
<p>Follow up on internal audit findings.</p> <p>Follow up on internal audit findings, address all issues highlighted in the internal audit report and comply with all IFAD's FM requirements, including adequate supporting documentation.</p>	Financial Management Specialist	08/2024
<p>Update of the asset register / final asset verification / Formal asset handover plan.</p> <p>Asset register will be updated with all missing information such as custodians/users, position of the custodian, location of the assets, registration numbers and final asset verification will be performed prior to closure of the project. The project will also disclose updated asset register in the final audited financial statements. In addition, in order to facilitate the asset transfer process, an asset handover plan will be prepared and submitted to IFAD.</p>	Financial Management Specialist	12/2024

Quality and Timeliness of Audit

Rating: 4

Previous rating: 3

Justification of rating

152. The audit report was received on time and substantially complies with agreed terms of reference IFAD guidelines and acceptable auditing standards.

Main issues

Similar to previous years, SREP's 2023 audit was conducted by private audit firm - Deloitte & Touche Auditores, Lda in

153. Similar to previous years, SREP's 2023 audit was conducted by private audit firm Deloitte & Touche Angola, Ltd in accordance with ISAs. The auditors issued unqualified opinion with emphasis on matter about the low implementation level in the FY2023. Audit report was submitted to IFAD on time.
154. Management letter contained FY2023 audit findings as well as follow up 2022 recommendations. Out of the 7 recommendations by the auditor in 2022, 4 were found to be still outstanding as follows: (i) No review of expenses above 400 USD by project's procurement department (ii) delay in submission of personal income taxes to the Angolan Tax Authority (iii) misclassification and inadequacy of transactions in ERP system. For FY 2023, auditors noted 3 issues: (i) Incomplete details of assets in the fixed asset register (ii) payment of extensionists salaries for the months of Oct- Dec 2023 without valid contracts and (iii) Over expenditure (in comparison to budget) in the categories matching grant, operating costs and salaries and allowances despite slow project implementation.
155. Audit work is acceptable to IFAD as it meets the audit requirements outlined in IFAD's reporting and audit handbook for IFAD financed projects.

Counterparts Funds **Rating: 4** **Previous rating: 4**

Justification of rating

156. As per the financing agreement signed between IFAD and the Republic of Angola, the government committed to contribute US\$ 10 million for SREP. The government transferred AOA 566,715,809.59 (USD 1,058,241.77) to the government contribution account since inception to date, and the remaining balance in the government contribution account is AOA 60,808,780.61 (approximately USD 535.53 USD). Since most expenditures relate to salaries and allowances and these activities do not require government contributions, the total contributed amount is reasonable compared to implementation in the field.

Main issues

157. In-kind contributions from the beneficiaries and the Government are still not valued. The available balance in the government contribution account is only USD 535.53. The project should ensure that there are sufficient funds in the government contribution account to cover all expenditures until the early closure date of 31 December 2024.

Agreed Action	Responsibility	Agreed Date
Valuation of In-kind contributions. The project in-kind contributions should be valued/ calculated for government and beneficiaries and included in the final annual audit reports.	Financial Management Specialist/M&E	12/2024

Compliance with Loan Covenants **Rating: 3** **Previous rating: 4**

Justification of rating

158. The compliance of the borrower/implementing agency with the legal covenants of the Smallholder Resilience Enhancement Project (SREP) is a critical factor in evaluating the project's adherence to its agreed terms and its potential to achieve development objectives. Upon review, several areas of concern have been identified that suggest a level of non-compliance with these covenants. In light of these findings, the compliance rating of the borrower/implementing agency with the legal covenants due would be considered moderately unsatisfactory. This rating underscores the need for immediate corrective actions to address the areas of non-compliance and realign the project implementation with the agreed legal covenants. Regular monitoring and proactive measures are necessary to improve compliance and ensure the project's success in meeting its intended development outcomes.

Main issues

159. Firstly, the project has experienced significant delays in disbursement, which raises questions about the timeliness of financial execution, a key covenant in ensuring the project's momentum. Additionally, the budget management practices, particularly the excessive allocation for salaries and allowances, indicate a deviation from the financial management covenants set by IFAD.
1. Internal controls within the project also appear to be lacking, as evidenced by the absence of valid contracts for personnel and inadequate asset management practices. This lack of control points to non-compliance with covenants that demand effective project management and resource utilization.
 2. Furthermore, issues in financial reporting, such as delays in the submission of withdrawal applications and the need for updates in the accounting system, reflect potential non-compliance with covenants related to maintaining accurate and timely financial records.
 3. Procurement processes have also come under scrutiny, with payments based on pro-forma invoices and discrepancies in procurement documentation suggesting possible non-compliance with procurement-related covenants.

Procurement

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

Justification of rating

160. Overall procurement performance is Moderately Satisfactory. The Project has slightly improved the procurement performance, with 22% of planned procurement completed, 67% initiated and 1 activity (11%) for external audit services not initiated and the procurement process workflows in OPEN are updated. However, the two new signed contracts were not registered in the CMT. Other shortcomings observed in the evaluation process and one reviewed contract expired while delivery and installation of goods were ongoing. The mission urges the Project to urgently amend the contract retroactively and ensure delivery and installation is completed before the early closure date of the project.

Procurement Review

161. **Procurement Governance and Procurement Unit.** The Angolan Public Procurement law requires all Contracting Public Entities (CPEs) to comply with its provisions including establishment of necessary procurement structure. Notably, the Presidential Decree nr. 88/2018 of April 16 established Public Procurement Units (PPUs) and outlined the role of Project or Contract Managers, with Article 29 emphasizing harmonization of Procuring Entities' statutes with the Decree. The mission noted there is no Public Procurement Unit (PPU) in the Implementing Agency (IDA – Instituto de Desenvolvimento Agrário). As the procurement unit and governance structure is necessary in facilitating the smooth conduct of procurement for the project and the institution at large, the mission recommends IDA to take necessary actions to establish the PPU. IFAD will provide support for capacity building through the BUILDPROC program.
162. The mission commends the stability of the SREP procurement team, composed of one (1) Senior Procurement Specialist (Miguel Guedes), since September 2023 who also oversees procurement for SAMAP. He has more than 10 years of experience in Public Procurement within international funded projects, supported all IFAD financed Projects in Angola since 2020 and completed the IFAD funded BUILDPROC training in 2023. Mr. Guede is assisted by a Procurement Officer (Pedro Fernando Viriato) hired by the Project in 2023 and Ms. Makiesse Nzazi assigned from IDA in 2023. Mr. Viriato has experience in Public Procurement within donor funded projects and has started the BUILDPROC training in April 2024. Ms. Nzazi does not have training and experience in procurement and will be registered in the next cohort of BUILDPROC.
163. **Desk review of the programme's contracts portfolio in the Contract Monitoring Tool before the mission.** During the desk review of the contract monitoring tool (CMT) before the mission, it was noted that the two new signed contracts under the review period were registered in the CMT. No contracts were categorized as High or Substantial risk, one signed contract was prior review (for 2 solar pumps) and another one post review (for kits of extensionists). The rest of the 98 contracts in the CMT are staff contracts.
164. **SECAP risk management.** There are no SECAP procurement risks observed during the procurement review.
165. **Procurement Strategy/Procurement Planning Process.** The mission reviewed the 2023 and 2024 procurement plans (PPs) to assess consistency with the approved AWPBs (Annual Work Plan and Budget). The Project is using IFAD PP in OPEN with all key milestones of the procurement process as required, consistent with the AWPBs and thresholds in OPEN. The mission noted prolonged and delayed approval of the PPs. The 2023 PP was submitted to IFAD on 8th August, with a back-and-forth review process until IFAD No Objection on 22nd December 2023. The 2024 PP was submitted to IFAD on 26th January 2024, with a back-and-forth review process until IFAD No Objection on 11th April 2024. Only 9 activities approved (8 goods and 1 external audit services) worth USD 1,148,230.73. The PP realization rate during the review period is 22% (2 activities) contract signed, 67% (6 activities) ongoing and 11% (1 activity) for audit services not initiated.
166. **Processes and Procedures from Prequalification/Shortlisting to receipt of bids/ proposals.** The Project is using the Standard Bidding Documents issued by IFAD where the prohibited practices, IFAD's right to audit, and provisions for prior review (using OPEN system) are well covered. The issues noted at this stage include the issued RFQs (Request for Quotation) for goods had incorrect INCOTERMS 2010 version instead of the current version INCOTERMS 2020 and the 30 days delivery period indicated in the Purchase Orders (contracts) are not realistic. The mission urges the Project to ensure use of INCOTERMS 2020 and ensure a realistic delivery period so that delivery, installation, and payment can be made within the contract timeline.
167. **Processes and Procedures for Evaluation and Contract Award.** The Processes and procedures for evaluation and contract award applied by the Project exhibit consistency, transparency, fairness, and value for money. The evaluation processes follow the three stages, i.e., preliminary evaluation, technical evaluation, and financial evaluation and evaluation committees are formerly appointed in writing. However, the mission noted instances of non-compliance with the RFQ requirements in the evaluation process. For example, in one instance the RFQ required "Offerors must quote for all items. A partial quote will not be accepted." The mission noted all 3 quotations did not quote for all items, but the evaluation committee passed all quotations. The mission also noted technical evaluation on a Yes/No basis without explanatory notes for any non-compliance. The financial evaluation compared total read-out prices, while there were items not quoted by each of the 3 suppliers. The quotations were incomparable and for comparison purposes, the committee should have compared total prices of items quoted by all three suppliers. The mission urges the Project to ensure proper conduct of the evaluation.
168. **Contract Management and Administration and CMT data accuracy and timeliness.** The Mission noted 2 contracts have been awarded and signed during the review period, 1 for supply of solar pumps (delivery and installation ongoing) and the second one for supply of kits for extensionists (delivery and distribution completed and the supplier paid), total value of USD 198,803.73. The mission noted both contracts had very unrealistic delivery periods of 30 and 15 days respectively and which before completion of delivery, installation/distribution, and payment. In addition, the 2 signed contracts under the review period were not registered in the CMT. The mission noted contract management is well performed involving the relevant technical experts. The mission urges the Project to urgently make a retroactive amendment to the contract for solar pumps to ensure delivery, installation and payment is made within the contract timeline and update the CMT data by including the 2 signed contracts. The Project should ensure all pending contracts are completed before the early closure date.
169. **Records retention.** Record retention of the reviewed contracts did not reveal omissions. Each contract has a separate physical

file properly numbered and labelled and an electronic maintained by the Project. Most of the required documents are found in the file, except payment documents which were retrieved from Finance.

Agreed Action	Responsibility	Agreed Date
Contract administration Includes all signed contract within CMT updating data regularly	Procurement Officer	12/2023
Contract management and contract monitoring tool (CMT) Project to urgently do retroactive amendment to the contracts for solar pumps and kits for extensionists and include the contracts in the CMT.	Procurement Specialist	07/2024
Ongoing Procurement The Project to ensure all pending procurement are completed and contracts delivered before the early closure date 31 March 2025.	Procurement Specialist	03/2025
Procurement structure at IDA IDA to take necessary actions to establish the Public Procurement Unit (PPU).	IDA DG/ Management	03/2025

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 3.54	Previous rating: 3.62
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Assessment of the Overall Implementation Performance	Rating: 3.5	Previous rating: 3.5
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F. Relevance

Relevance	Rating: 5	Previous rating: 4
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Justification of rating

170. The Project's Development Objective (PDO) is to increase production and resilience of target farm households. This is to be achieved by strengthening cooperatives and associations, establishing Farmer Field Schools (FFSs) and agricultural and livestock development supported by capacity building and construction of basic supporting infrastructure. This remains relevant both in the context of the beneficiary communities as well as in the context of the country portfolio. Both the project approach and outcomes remain relevant

G. Project Modifications

Responsibility	Modification type	Description
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Responsibility	Modification type	Description
Cancellation	Cancellation	<p>The mission found that in the last six months, since the last mission in December 2023, clear progress has been made towards implementation. SREP has improved its efforts to deliver extension and advisory services through the training of government staff and by establishing and providing training to a network of extension workers, covering all the 36 targeted municipalities.</p> <p>Achievements were observed with regards to establishment of Farmer Field Schools, women focused nutrition training and basic community literacy classes, particularly in the South. The procurement and provision of production equipment, including irrigation and solar-powered pumps aimed at production increases has also moved forward across the project area and in the North FFS are gearing up towards cycle 3 that looks at commercialization.</p> <p>However, despite the achievements in this short period of time, brought about by changes within Project Management with the inclusion and training of IDA staff, positive impact on the training of new agricultural extension technicians and the preparation of family farmers for agribusiness, training in new agricultural practices and innovative technologies, increase in the number of Field Schools for Farmers and producers trained and delivery of reinforcement fund to ECAs, at this stage of the project lifecycle, SREP will not be able to make-up for the previous performance shortcomings to be able to meet its targets for successful completion and outreach.</p> <p>Due to the funding gap left by the BADEA financing and the unexpected interruption of the funds planned by the French Development Agency (AFD), totalling 82 million, which represents a considerable funding deficit to resolve the limitations in implementing the project, which increases the risk of not achieving the recommended objectives.</p> <p>Finally, considerable challenges remain regarding fiduciary and financial performance that impact Project performance and reinforce the need for early project closure or the consolidation of SREP Project activities and their integration into SAMAP.</p> <p>Based on the extensive field visits of beneficiaries and presentations and discussions with implementing partners, the mission has found that while SREP has achieved remarkable progress, due to the delays in execution, it is no longer a viable project in terms of achieving its objectives as per initial design and its remaining funds should be repurposed after an early closure of the project, foreseen for 31 March 2025.</p>

H. Lessons Learned

Coordination & Engagement

171. A key reason behind the early closure of the project has proven to be the ineffective project coordinator and some key PIU staff that have severely impacted performance and delayed delivery beyond recovery, leading to the recommended early closure of the project. Thus, stricter oversight of project coordination and capacity would be prudent to avoid future underperformance and act swiftly to remedy the situation by recommending the replacement of key management or other staff that prove to be a bottleneck to the satisfactory and timely delivery of the interventions.

Project Design

172. Despite the continuing relevance of the PDO, there is a need to reflect on a simpler and more targeted project design when extending coverage to communities with very different socio-cultural and economic circumstances. For example, in the South the nomadic pastoral communities need to focus more on establishing agricultural activities for food security and within a settlement where all-year round agricultural production will begin to take place. However, targeted interventions to adjust cultural and traditional agro-pastoral lifestyles and norms are fundamental to sustainability of project interventions.

173. At the same time, in the North, where communities have for many years engaged in agriculture an approach that aims to support the transition from food security towards market-oriented production and cooperative strengthening is appropriate. Thus, future designs should ensure that differences in terms of socio-economic and cultural circumstance are appropriately reflected in the design of targeted activities.

174. In addition, any investment in infrastructure, at community level, needs to be fully embedded in an appropriate institutional framework that ensures its sustainability in terms of operations and management, including associated costs and sharing of benefits.

175. Finally, a stronger value-chain and market-based approach should be applied to design of activities that aim to increase commercialisation.

Commitment & Leadership

176. From the start of the project until six months prior to the MTR, the project did not have clear government commitment from the Ministry of Agriculture in terms of leadership and removal of the ineffective project coordinator that had been put in place.

177. However, the current project progress can be attributed to the dedicated support from the Ministry of Finance, particularly through a designated focal point who expedites project-related requests within the ministry. Additionally, a Knowledge Management Officer, appointed by the Ministry of Agriculture and Forest, plays a crucial role in bridging communication between the project and the Ministry of Agriculture. To maintain strategic alignment and uphold effective governance, the Provincial Project Steering Committees meet annually, reinforcing the project's ongoing success and direction. Except for the Financial Manager, the SREP team has exhibited a commendable level of proficiency and capability in their respective roles.

Project design

178. SREP performance demonstrates that the project was ambitiously designed relative to the institutional implementation capacity. A major constraint to project effectiveness is the PIU's weak technical and managerial capacity. A combination of project complexity in terms of scope and a weak PIU affects implementation progress.

Coordination & Engagement Human Resources & Org. Capacity

179. Speedy onboarding of project technical experts is essential for ensuring effective implementation from kick-off. It took more than a year for SREP to onboard the FFS Specialist and the Civil Engineer, among other experts specified in the PDR. The lack of technical specialists in the first year of project implementation led to delays in kicking off essential activities and conducting relevant studies such as the baseline.

Coordination & Engagement

180. The Single Coordination Unit (SCU) has been instrumental to SREP at kick-off by preparing the conditions for the first disbursement. In addition, the SCU continues to support SREP in Procurement and M&E and Finance, including environmental and climate change aspects.

Learning from AFAP

181. Learning from AFAP, which had implementation experience similar to that of SREP before MTR, project restructuring resulted in more efficient implementation and successful closure, and the project has been considered one of the best at the regional level. SREP is undergoing implementation challenges resulting from multiple factors and is currently rated as an Actual Problem Project (APP) after two years of project implementation (in practice, considering the date of the first disbursement). Restructuring of SREP is likely to put the project on track and achieve expected results that may lead to a successful completion of the project

Procurement

182. Procurement is a joint action that requires sound coordination between technical and procurement staff in order to achieve

project objectives.

I. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
PIM Update and customise SREP PIM as detailed in the Aide Memoire	PIU FMO,SCU FC	12/2021
Community Development, Recruit Community Development,	SCU	01/2022
PIM procurement Submit Procurement Chapter of PIM	Procurement	01/2022
Gender Study Conduct gender study	PIU	05/2022
Service provider on the nutrition Recruit a Service provider on the nutrition	PIU	05/2022
Gender Study Conduct Gender Study	PIU	09/2022
PIM Update the PIM to include the changes	PIU	09/2022
NGO for social mobilization Expedite the signing of the NGO for social mobilisation and roll out social mobilisation	PIU/IDA	10/2022
additional expertise for implementation of sub-component 1.2 Hire additional expertise for implementation of sub-component 1.2 particularly on small-scale irrigation and sustainable land management	PIU	10/2022
Hire additional expertise for infrastructure development Hire additional expertise for implementation of sub-component 1.2 particularly on small-scale irrigation and sustainable land management.	PIU	12/2022
Extension Training Obtain IDA's approval? And Deliver kick-off training courses for the remaining extension staff newly recruited	IDA/?PIU/FFS expert/PPIU	03/2023
Technical Assistance Streamline the Technical Assistance and studies and clarify whether the position or study is justified or not. Develop TOR for TAs and studies	PIU	05/2023

Restructuring Conduct the restructuring of SREP with the objective to facilitate the project operating more effectively, taking into account the prevailing circumstances.	IFAD/IDA/PIU/FDA	06/2023
Appoint highly experienced and qualified project coordinator and request inform IFAD for no objection (NO)	IDA	08/2023
Development Effectiveness		
Targeting implementation plan Develop a targeting implementation plan and document the targeting process	PIU	12/2022
Validation of targeting strategy Conduct a workshop on the validation of the targeting strategy with stakeholders, implementation partners to identify areas for adjustments to improve outreach to the poor and vulnerable	PIU	12/2022
Provincial Coordinators Re-instate the position of Provincial Coordinators recruited on a competitive basis	IDA/PIU	05/2023
Gender Strategy Use the results of the gender study to develop the gender strategy	Social Development Expert	06/2023
Labour saving technologies Promote labour saving technologies to ease the workload on women	Social Development Expert	06/2023
Income generating activities Promote income generating activities for women and youth	Social Development Expert	06/2023
Access to climate information Develop a strategy to disseminate climate information together with INAMET and MINAGRIF	Climate environment specialist, INAMAT and MINAGRIF	06/2023
Climate vulnerability analysis Ensure recruitment of consultants to carry out vulnerability analysis to inform project adaptation measures and prioritise activities.	Climate environment specialist,	07/2023
Implement Free, Prior, and Informed Consent (FPIC) in Namibe Farmer Field Schools (FFS) to ensure community involvement and consent in project activities.	PIU/ community Development Officer	08/2024
Revise targets for SREP downwards to align with current project realities and ensure feasible and achievable goals.	PIU/M&E Specialist	08/2024
Mainstream gender and women empowerment/GALS training for extension staff in refresher training for training for extension and taring of facilitators	IFAD regional staff/ community development Officer	09/2024
Recruit the Social Inclusion Consultant to conduct TOT on IDA staff for GALS	PIU	12/2024
Sustainability and Scaling up		

Documentation of feedback Document feedback and integrate in M&E system	PIU	10/2022
Family farming capacity-building Identification of NGOs and production of a clear planning of next steps and responsibilities related to family farming capacity-building and training	PIU/SCU	12/2022
Recruitment of Community Development facilitators Finalise the recruitment of experts to allow project implementation	PIU	12/2022
Recruitment of Community Development Facilitators Finalise the recruitment of experts to allow project implementation	PMU	06/2023
Exit strategy Update of the exit strategy with several proposals based on realistic scenarios of project progress	PIU/SCU	06/2023
Document feedback Capture and document feedback received and integrate in M&E	PMU	12/2023
Empowering measures Employ empowering measures to allow for the participation of vulnerable groups	PMU	12/2023
Project Management		
Provincial Coordinators Re-instate the position of Provincial Coordinators recruited on a competitive basis	IDA/PIU	05/2023
Technal assistance Streamline the Technical Assistance and studies and clarify whether the position or study is justified or not. Develop TOR for TAs and studies	PIU	05/2023
Staff evaluation Commission an external performance evaluation for PIU staff	FIDA/IDA/AFD	05/2023
Technical assistance Streamline the Technical Assistance and studies and clarify whether the position or study is justified or not. Develop TOR for TAs and studies	PIU	05/2023
KM plan Review and validate and implement the KM plan, and report on their implementation progress.	PIU	06/2023
MIS Speed up the establishment of the Management Information System (MIS) for effective information data management	PIU	08/2023
KM and Communications Strategy Include planned activities in the AWPB for 2024	PIU	12/2024

<p>Mechanism for KM Reporting</p> <p>Prepare mechanism for capturing and reporting both past and present KM products produced, including lessons learned and success stories</p>	PIU	12/2024
Financial Management & Execution		
<p>Contract administration</p> <p>Includes all signed contract within CMT updating data regularly</p>	Procurement Officer	12/2023
<p>Improve the quality of external audit</p> <p>Management letter should include a follow-up of previous audit recommendations</p>	FMO	06/2024
<p>Submission of actual invoices for the payments made based on pro-forma invoices.</p> <p>Request the actual invoices from the suppliers for the payments made based on pro-forma invoices and provide justification about the payment that was made to different IBAN number. Original invoices must be presented to IFAD Financial Management consultant who will be in PIU for SAMAP supervision mission.</p>	Financial Management Specialist	06/2024
<p>Contract management and contract monitoring tool (CMT)</p> <p>Project to urgently do retroactive amendment to the contracts for solar pumps and kits for extensionists and include the contracts in the CMT.</p>	Procurement Specialist	07/2024
<p>Submission of returned WA015 for financing instrument 2000003166:</p> <p>The project should deduct the operating cost of 659,108.09 Euros from the Withdrawal Application 015 and re-submit the WA to IFAD.</p>	Financial Management Specialist	07/2024
<p>Implement Audit Recommendations</p> <p>Ensure that previous year's audit recommendations are implemented.</p>	FMO	07/2024
<p>Provide valid contracts to IFAD for expired contracts</p> <p>The project to provide valid contracts for old extension workers and cleaning staff in provinces. If there are no valid contracts, the project is required to refund the amounts paid to all listed staff since the contract expire dates indicated in the contracts.</p>	Financial Management Specialist	07/2024
<p>Bank account reconciliations for 3 provinces.</p> <p>Bank reconciliations of the 3 provinces, where there are no finance assistants, are not recorded in the accounting system as of 31 March 24. Reconciliations should be requested from these provinces and the accounting system should be updated accordingly.</p>	Financial Management Specialist	07/2024
<p>AWPB revision.</p> <p>The AWPB should be revised by taking into account actual utilization during the year to avoid ineligible expenditures due to activities not being included in the AWPB and the agreed project closure date of 31 March 25. Revised budget should cover planned expenditures up to 31 March 2025.</p>	Financial Management Specialist/ Project Coordinator	07/2024
<p>Extension of the external audit contract.</p> <p>The audit contract to be extended or a new contract to be issued to accommodate the final external audit.</p>	Finance Management Specialist and Procurement	07/2024

<p>Follow up on internal audit findings.</p> <p>Follow up on internal audit findings, address all issues highlighted in the internal audit report and comply with all IFAD's FM requirements, including adequate supporting documentation.</p>	Financial Management Specialist	08/2024
<p>Refund of excess amount spent on operating costs to the IFAD project account.</p> <p>The project should refund EUR 625,108.09 paid for operating costs from IFAD funds to IFAD project bank accounts. This amount should be recovered from government contributions and the accounting software should be updated accordingly.</p>	Financial Management Specialist	11/2024
<p>Submission of final Withdrawal Applications and refund of unused funds.</p> <p>The project should ensure that all WAs for justifications are submitted to IFAD by agreed early closure date of 31 December 2024, any unused balance will be refunded to IFAD and project bank accounts will be closed once the final audit cost is paid from the project account.</p>	Financial Management Specialist	12/2024
<p>Valuation of In-kind contributions.</p> <p>The project in-kind contributions should be valued/ calculated for government and beneficiaries and included in the final annual audit reports.</p>	Financial Management Specialist/M&E	12/2024
<p>Update of the asset register / final asset verification / Formal asset handover plan.</p> <p>Asset register will be updated with all missing information such as custodians/users, position of the custodian, location of the assets, registration numbers and final asset verification will be performed prior to closure of the project. The project will also disclose updated asset register in the final audited financial statements. In addition, in order to facilitate the asset transfer process, an asset handover plan will be prepared and submitted to IFAD.</p>	Financial Management Specialist	12/2024
<p>Ongoing Procurement</p> <p>The Project to ensure all pending procurement are completed and contracts delivered before the early closure date 31 March 2025.</p>	Procurement Specialist	03/2025
<p>Procurement structure at IDA</p> <p>IDA to take necessary actions to establish the Public Procurement Unit (PPU).</p>	IDA DG/ Management	03/2025

Angola

Smallholder Resilience Enhancement Project

Mid-term Review

: Logical Framework

Mission Dates: 13/05/2024 21/06/2024

Document Date: 07/08/2024

Project No. 2000002071

Report No. 6948-AO

East and Southern Africa Division
Programme Management Department

Smallholder Resilience Enhancement Project

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members							Reference studies and HH surveys	Baseline; MTR; End-line	PIU/ SCU	Extreme climate change shocks do not occur
	Household members		500 000	1 090 000		142 060	13.033				
	1.a Corresponding number of households reached							Reference studies and HH surveys	Baseline; MTR; End-line	PIU/ SCU	
	Households	0	100 000	218 000		28 412	13				
	1 Persons receiving services promoted or supported by the project							Reference studies and HH surveys	Baseline; MTR; End-line	PIU/ SCU	
	Males	0	60 000	130 800		12 489	9.5				
	Females	0	40 000	87 200		15 923	18.3				
	Young	0	25 000	54 500		5 372	9.9				
Total number of persons receiving services	0	100 000	218 000		28 412	13					
Project Goal Contribute to improved household food and nutrition security of targeted communities	No. of HH reporting improved food security as measured by Food Insecurity Experience Scale (FIES)							Baseline study, MT and impact assessment	Baseline; MTR; End-line	PIU/ SCU	Extreme climate change shocks do not occur
	Non-women-headed HHs	0	29 400	106 820							
	Households	0	42 000	152 600							
	Women-headed HHs	0	12 600	45 780							
Development Objective Increased productivity and resilience of targeted households	HH report a 30% increase in agriculture productivity for selected food crops							Project M&E system, Production and yields survey, Specific technical and activity report	Annual	PIU/ SCU	A).Extreme climate change shocks do not occur; (R).population increases may jeopardize sustainability of management systems
	Households		40 000	112 000							
	No. of HH report a > 50% increase in resilience score							Specific technical and project activity reports	Annual	PIU/ SCU	
	Female-headed HHs	0	9 000	31 380							

Results Hierarchy	Indicators							Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility				
	Male-headed HHs		21 000	73 220										
	Households		30 000	104 600										
	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)													
	Women-headed households		13 914	34 784										
	Households (number)		34 784	86 960										
	Households (%)		40	80										
	Household members		175 520	438 800										
Outcome 1 Strengthened institutional capacity to deliver services to enhance food security, productivity and resilience	No. of family farmers reporting use of climate information services							Specific technical and project activity reports	Annual	PIU/SCU	(R) GoA unable to recruit the additional extension staff needed to ensure effective project delivery			
	Number of farmers	0	20 000	49 000										
	Males	0	12 000	29 000										
	Females		8 000	19 600										
	Young		5 000	12 250										
	Not Young													
	2.2.1 Persons with new jobs/employment opportunities							COI Survey	Baseline, Midline, Endline					
	Males			5 460										
	Females			3 640										
	Indigenous people													
	Young			2 275										
	Total number of persons with new jobs/employment opportunities			9 100										
	Persons with disabilities													

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
	No. of family farmers reporting regular use of advisory and support services							Specific technical and project activity report	Annual	PIU/SCU	
	Number of farmers		40 000	125 000							
	Males		24 000	75 000							
	Females		16 000	50 000							
	Young		10 000	31 250							
	Not Young										
	1.2.8 Women reporting minimum dietary diversity (MDDW)										
	Women (%)										
	Women (number)										
	Households (%)										
	Households (number)										
	Household members										
	Indigenous										
	Women-headed households										
Output 1.1 Technical, organizational and managerial competencies of advisory and support service staff improved	No. of government-employed staff participating in training programmes run by the project during the period under review							Project M&E system	Annual	PIU/SCU	
	Number of staff		1 500	3 000	82						
	Males		900	1 800	66						
	Females		600	1 200	16						
	1.1.8 Households provided with targeted support to improve their nutrition							Project M&E system	Annual	PIU/SCU	
	Total persons participating		205 472	109 000	3 120	3 570	3.3				
	Males		26 803	65 400	568	784	1.2				
	Females		178 669	43 600	2 552	2 786	6.4				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
	Households		44 672	109 000	3 120	3 570	3.3				
	Household members benefitted		223 361	545 000	15 600	17 850	3.3				
	Young					0					
Outcome 2: Rural infrastructure to build resilience and enhance productivity and market access	No. of households with improved access to water, land and road infrastructure							Project M&E system	Annual	Extreme climate change shocks do not occur	Extreme climate change shocks do not occur
	Households		15 000	40 000							
Output 2.1: Identification, prioritization construction/ rehabilitation of feeder roads	2.1.5 Roads constructed, rehabilitated or upgraded										
	Length of roads					0					
Output 2.2. Land sustainably managed under climate resilient practices	3.1.4 Land brought under climate-resilient practices										Project resources are mobilised accordingly
	Hectares of land				2 525	2 537					
Output 2.3 Water infrastructure managed under climate resilient practices	No. of households reporting improved access to water resources for productive and domestic use							Specific technical and project activity reports	Bi-annual	PIU/SCU	Extreme climate change shocks do not occur
	Households		10 000	30 000	1 110						
	Non-women-headed HHs										
	Women-headed HHs										
Outcome 3. Farming families acquire skills and technologies for food and nutrition security, enhanced resilience/ productivity and market access	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices							Specific technical and project activity reports	Bi-annual	PIU/SCU	
	Total number of household members										
	Households										
	Households										
	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)										
	Households (number)										
	Households (%)										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
	Household members										
Output 3.1 Family farmers, technical, organizational and managerial competencies Improved	1.1.4 Persons trained in production practices and/or technologies										
	Total number of persons trained by the project				21 446	49 858					
	Men trained in crop				11 301	27 384					
	Women trained in crop				10 145	22 474					
	Young people trained in crop				8 267	13 639					
	Total persons trained in crop				21 446	49 858					
Output 3.2 Improved households' nutrition status	1.1.8 Households provided with targeted support to improve their nutrition							Specific technical and project activity reports	Annual	PIU/SCU	
	Total persons participating				3 120	7 610					
	Males				568	2 884					
	Females				2 552	4 726					
	Households				3 120	7 610					
	Household members benefitted				15 600	38 050					
Outcome 4 Improved profitability of farm and non-farm income generating activities to improve access to food	No. of HH reporting 30% increase in percentage of agriculture output sold in market							Specific technical and project activity reports	Annual	PIU/SCU	(R) Cultural factors could hinder the long-term uptake of GAP technologies
	Households		30 000	80 000							
Output 4.1 Family farmers are investing in improved production and marketing	1.1.3 Rural producers accessing production inputs and/or technological packages										
	Males					10					
	Females					25					
	Young					15					
	Total rural producers					35					

Angola

Smallholder Resilience Enhancement Project

Mid-term Review

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

Mission Dates: 13/05/2024 21/06/2024

Document Date: 07/08/2024

Project No. 2000002071

Report No. 6948-AO

East and Southern Africa Division
Programme Management Department

Appendix 1: ^(OBJ)Financial: actual financial performance by financier; by component and disbursements by category

Table 2A: ^(OBJ)Financial performance by financier as of 31 May 2024 – (USD ‘000)

Financier	Appraisal (USD ‘000)	IFAD Disbursements (USD ‘000)	Per cent disbursed
IFAD loan	29 755	12 137	41.75%
IFAD loan - AF	21 745	2 518	11.58%
Beneficiaries (in-kind)	6 500	0	
Government	10 000	1 058	10.58%
AFD	42 000	0	0.00%
BADEA	40 000	0	0.00%
Total	150 000	15 713	10.48%

Table 2B: ^(OBJ)Financial performance by financier by component as of 31 May 2024 (USD ‘000)

Component	IFAD Loan (2000003166)			IFAD AF Loan (2000004103)			Government			Beneficiaries		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Component 1- Institutional Capacity Building	14 522	2 996	20.63%	10 932	343	3.14%	7 925	706	8.90%	617	0	-
1.1 Strengthening capacity for improved services to family farmers	7 664	2 849	37.18%	6 063	343	5.66%	1 130	706	62.44%	0	0	-
1.2 Investing in public rural infrastructure for resilience and market access	6 859	147	2.14%	4 869	0	0.00%	6 795	0	0.00%	617	0	-
Component 2- Family farming strengthening and investment	9 646	405	4.20%	6 848	18	0.27%	1 215	112	9.22%	5 883	0	-
2.1 Strengthening capacity for family farming	6 350	405	6.38%	4 508	18	0.41%	1 068	112	10.48%	112	0	-
2.2 Investing in family farming	3 296	0	0.00%	2 340	0	0.00%	147	0	0.00%	5 771	0	-
Component 3- Project coordination, monitoring and assessment	5 587	8 898	159.26%	3 965	1 036	26.14%	860	241	27.99%	0	0	-
3.1 SREP Project Implementation Unit	3 674	7 241	197.09%	2 608	1 036	39.74%	733	241	32.84%	0	0	-
3.2 Single Coordination Unit/Portfolio Implementation Facility	1 913	1 657	86.62%	1 357	0	0.00%	127	0	0.00%	0	0	-
Total	29 755	12 300	41.34%	21 745	1 398	6.43%	10 000	1 058	10.58%	6 500	0	0.00%

Table 2B: ^(a)Financial performance by financier by component as of 31 May 2024 (USD '000)

Component	BADEA			AFD			CUMULATIVE		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Component 1- Institutional Capacity Building	36 603	0	-	18 828	0	-	89 427	4 045	4.52%
1.1 Strengthening capacity for improved services to family farmers	0	0	-	8 394	0	-	23 251	3 898	16.76%
1.2 Investing in public rural infrastructure for resilience and market access	36 603	0	-	10 434	0	-	66 177	147	0.22%
Component 2- Family farming strengthening and investment	0	0	-	14 672	0	-	38 264	535	1.40%
2.1 Strengthening capacity for family farming	0	0	-	9 659	0	-	21 697	535	2.47%
2.2 Investing in family farming	0	0	-	5 013	0	-	16 567	0	0.00%
Component 3- Project coordination, monitoring and assessment	3 397	0	-	8 500	0	-	22 309	10 175	45.61%
3.1 SREP Project Implementation Unit	3 397	0	-	5 589	0	-	16 001	8 518	53.23%
3.2 Single Coordination Unit/Portfolio Implementation Facility	0	0	-	2 911	0	-	6 308	1 657	26.27%
Total	40 000	0	0.00%	42 000	0	0.00%	150 000	14 756	9.84%

Table 2C: ^(a)IFAD loan disbursements (EUR, as of 31 May 2024)

Category Description	Allocated	Disbursed	Pending WA (15)	%	Available Balance as per IFAD System
Civil Works	5 500 000.00	0.00		0.00%	5 500 000.00
Grants and Subsidies	3 900 000.00	285 468.58	25 700.73	7.32%	3 614 531.42
Goods, services and inputs (Including Vehicles and Consultancies)	6 200 000.00	2 712 020.45	72 820.64	43.74%	3 487 979.55
Salaries and allowances (Including operating costs)	4 200 000.00	5 674 634.51	659 108.09	135.11%	-1 474 634.51
Training	3 300 000.00	460 332.79	98 849.85	13.95%	2 839 667.21
Authorized Allocation	0.00	1 807 267.95		0.00%	-1 807 267.95
Unallocated	3 100 000.00	0.00		0.00%	3 100 000.00
	26 200 000.00	10 939 724.28	856 479.31	41.75%	15 260 275.72

Table 2D: IFAD loan Additional Financing disbursements (USD, as of 31 May 2024)

Category Description	Allocated	Disbursed	Pending WA	%	Available Balance as per IFAD System
Works	4 400 000.00	0.00		0.00%	4 400 000.00
Grants and subsidies	3 100 000.00	18 475.13		0.60%	3 081 524.87
Goods, services and inputs	5 000 000.00	23 511.50		0.47%	4 976 488.50
Salaries and allowances	4 400 000.00	962 679.74		21.88%	3 437 320.26
Training	2 600 000.00	116 320.79		4.47%	2 483 679.21
Authorized Allocation	0.00	1 397 200.84		0.00%	-1 397 200.84
Unallocated	2 245 000.00	0.00		0.00%	2 245 000.00
	21 745 000.00	2 518 188.00		11.58%	19 226 812.00

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Appendix 2: Physical progress measured against AWP&B

Mission Dates: 13/05/2024 21/06/2024

Document Date: 07/08/2024

Project No. 2000002071

Report No. 6948-AO

East and Southern Africa Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: 01 January to 30 April 2024			Cumulative Actual	MTR Target	%	Comments	
			AWP &B	Act ual	%					
Component 1. Institutional capacity building& rural infrastructure										
	Sub-component 1.1.: Strengthening capacity for improved services.	Activity 07. Deployment of the extension team – Purchase and distribution of 300 PPE kits to extension staff	num ber	300	300	100%				
	Sub-component 1.2. / Output 2.3.: Water infrastructure managed under climate resilient practices	Activity 03. Capacity building for climate change – Purchase and installation of 36 solar powered water pumps	num ber	36	30	83%			30 solar powered pumps installed, 6 are to be installed.	
		No. of households reporting improved access to water resources for productive and domestic use	num ber	9965	1110	11%		11%		
Component 2 / Outcome 2.: Family Farming Strengthening and Investment										
	Sub-component 2.1 / Output 3.1 Family farmers, technical, organizational and managerial competencies Improved	Activity 17. Training of smallholders and members of the community – establishment of Farmers Field Schools (FFSs)		900	809	80%				
		1.1.4 Persons trained in production practices and/or technologies	numbe r	11588	2144 6	185%	49858	4000 0	125 %	Of the 49858 people trained, 23790 are men, 26068 are women and 13639 are young people.
	Sub-component 2.2 / Output 2.2.: Investment in family farming	Activity 19: Agricultural Diversification and productivity enhancement - Acquisition of agricultural and livestock inputs	Numb er			30%				
		1.1.3 Rural producers accessing production inputs and/or technological packages	numbe r	17520	0	0%	45000	35	0%	The contracting process for the suppliers in progress with expectation to deliver the service in August 2024

Component 3. Project Coordination and Management Investment								
	Activity 22. Purchase of vehicles and equipment				80%			
	Purchase of computers / Laptops	number	50		185%			The tender has been launched and is currently in the evaluation phase, for award and signature of the contract and delivery The computers will benefit all EDAs and IDA Provincial and Central Departments
	Purchase of printers	number	40					
	Activity 24. Surveys, studies, and Audits - External Audits	number	2		50%			2023 Audit conducted and report in finalization stage

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Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 13/05/2024 21/06/2024

Document Date: 07/08/2024

Project No. 2000002071

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Appendix 3: Compliance with legal covenants: status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B6	There shall be a Designated Account opened in EUR in a bank acceptable to IFAD for receiving and holding respectively the IFAD loan.	Continuous	Complied	
Section B7	<p>a) There shall be two programme accounts in Angola Kwanza and in EUR respectively for programme operations in a bank acceptable to the Fund for IFAD proceeds</p> <p>b) Bank accounts at province to manage expenditure at local level.</p> <p>c) Bank account opened to receive government counterpart funds</p>	Continuous	Complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B9	IFAD loan financing cannot be used to pay taxes	Continuous	Complied	
Section C2	The following are designated as additional grounds for suspension of the right of the Borrower to request disbursement			
a)	Removal of the Project Manager and other key staff from the project without prior consultation with IFAD		Complied	
Section E 1	The following are designated as additional general conditions to precedent to withdrawal			
a)	Obtain IFAD No Objection to the final version of the PIM	Precedent to withdrawal	Complied	
b)	Establish a Single Coordination Unit (SCU)	Precedent to withdrawal	Complied	
c)	Appointment of Project Manager and Finance officer	Precedent to withdrawal	Complied	
Schedule 1				
Par 7	Establish a PIU embedded in the SCU established by IDA for the day to day management and		Complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	coordination of SREP			
Par 8	Establish four provincial PIU to manage provincial activities		Complied	One PPIU established in each of the seven implementing provinces
Par 10	Establish Project Steering Committees and related bodies at national and provincial levels to provide oversight to SREP		Complied	
Schedule 3				
Par 1	Procure and install accounting software within 6 months of entry into force	Jan 2022	Complied	
Par 2	Establish a Monitoring and Evaluation System within 12 months of entry into force	July 2022	Complied	Monitoring and evaluation has been developed by SCU
Par 3	SREP to develop and implement a gender strategy. Apply the quota system for women and youth and access to SREP economic benefits	Jul 2022	Partly complied	SREP commissioned a gender study whose result will be used to develop a gender strategy. The women and youth quota is being applied.
Par 4	Programme to be implemented in compliance with IFAD's Social	Continuous	To be monitored during	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	Environmental Climate Assessment Procedures (SECAP)		implementation	

The above sections/covenants are illustrative; if applicable to your project the contents of which are common to all Financing Agreements, ensure that the references to the Financing Agreement are correct. Covenants specific to your project should be added to this table.

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Appendix 6: Procurement

Mission Dates: 13/05/2024 21/06/2024

Document Date: 07/08/2024

Project No. 2000002071

Report No. 6948-AO

East and Southern Africa Division
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Annex 6 Procurement Review Report

Smallholder Resilience Enhancement Project (SREP)

Mid-Term Review (MTR) Mission

27 May – 7 July 2024

Paul M. Kadonya

I. Executive Procurement Summary of the main MTR Mission report (Parts I and II are for public disclosure)

- 1. Procurement Governance and Procurement Unit.** The Angolan Public Procurement law requires all Contracting Public Entities (CPEs) to comply with its provisions including establishment of necessary procurement structure. Notably, the Presidential Decree nr. 88/2018 of April 16 established Public Procurement Units (PPUs) and outlined the role of Project or Contract Managers, with Article 29 emphasizing harmonization of Procuring Entities' statutes with the Decree. The mission noted there is no Public Procurement Unit (PPU) in the Implementing Agency (IDA – Instituto de Desenvolvimento Agrário). As the procurement unit and governance structure is necessary in facilitating the smooth conduct of procurement for the project and the institution at large, the mission recommends IDA to take necessary actions to establish the PPU. IFAD will provide support for capacity building through the BUILDPROC program.

The mission commends the stability of the SREP procurement team, composed of one (1) Senior Procurement Specialist (Miguel Guedes), since September 2023 who also oversees procurement for SAMAP. He has more than 10 years of experience in Public Procurement within international funded projects, supported all IFAD financed Projects in Angola since 2020 and completed the IFAD funded BUILDPROC training in 2023. Mr. Guede is assisted by a Procurement Officer (Pedro Fernando Viriato) hired by the Project in 2023 and Ms. Makiesse Nzazi assigned from IDA in 2023. Mr. Viriato has experience in Public Procurement within donor funded projects and has started the BUILDPROC training in April 2024. Ms. Nzazi does not have training and experience in procurement and will be registered in the next cohort of BUILDPROC.

- 2. Desk review of the programme's contracts portfolio in the Contract Monitoring Tool before the mission.** During the desk review of the contract monitoring tool (CMT) before the mission, it was noted that the two new signed contracts under the review period were registered in the CMT. No contracts were categorized as High or Substantial risk, one signed contract was prior review (for 2 solar pumps) and another one post review (for kits of extensionists). The rest of the 98 contracts in the CMT are staff contracts.
- 3. SECAP risk management.** There are no SECAP procurement risks observed during the procurement review.
- 4. Procurement Strategy/Procurement Planning Process.** The mission reviewed the 2023 and 2024 procurement plans (PPs) to assess consistency with the approved AWPBs (Annual Work Plan and Budget). The Project is using IFAD PP in OPEN with all key milestones of the procurement process as required, consistent with the AWPBs and thresholds in OPEN. The mission noted prolonged and delayed approval of the PPs. The 2023 PP was submitted to IFAD on 8th August, with a back-and-forth review process until IFAD No Objection on 22nd December 2023. The 2024 PP was submitted to IFAD on 26th January 2024, with a back-and-forth review process until IFAD No Objection on 11th April 2024. Only 9 activities approved (8 goods and 1 external audit services) worth USD 1,148,230.73. The PP realization rate during the review period is 22% (2 activities) contract signed, 67% (6 activities) ongoing and 11% (1 activity) for audit services not initiated.
- 5. Processes and Procedures from Prequalification/Shortlisting to receipt of bids/proposals.** The Project is using the Standard Bidding Documents issued by IFAD where the prohibited practices, IFAD's right to audit, and provisions for prior review (using OPEN system) are well covered. The issues noted at this stage include the issued RFQs (Request for Quotation) for goods had incorrect INCOTERMS 2010 version instead of the current version INCOTERMS 2020 and the 30 days delivery period indicated in the Purchase Orders (contracts) are not realistic. The mission urges the Project to ensure use

of INCOTERMS 2020 and ensure a realistic delivery period so that delivery, installation, and payment can be made within the contract timeline.

6. **Processes and Procedures for Evaluation and Contract Award.** The Processes and procedures for evaluation and contract award applied by the Project exhibit consistency, transparency, fairness, and value for money. The evaluation processes follow the three stages, i.e., preliminary evaluation, technical evaluation, and financial evaluation and evaluation committees are formerly appointed in writing. However, the mission noted instances of non-compliance with the RFQ requirements in the evaluation process. For example, in one instance the RFQ required “Offerors must quote for all items. A partial quote will not be accepted.” The mission noted all 3 quotations did not quote for all items, but the evaluation committee passed all quotations. The mission also noted technical evaluation on a Yes/No basis without explanatory notes for any non-compliance. The financial evaluation compared total read-out prices, while there were items not quoted by each of the 3 suppliers. The quotations were incomparable and for comparison purposes, the committee should have compared total prices of items quoted by all three suppliers. The mission urges the Project to ensure proper conduct of the evaluation.
7. **Contract Management and Administration and CMT data accuracy and timeliness.** The Mission noted 2 contracts have been awarded and signed during the review period, 1 for supply of solar pumps (delivery and installation ongoing) and the second one for supply of kits for extensionists (delivery and distribution completed and the supplier paid), total value of USD 198,803.73. The mission noted both contracts had very unrealistic delivery periods of 30 and 15 days respectively and which before completion of delivery, installation/distribution, and payment. In addition, the 2 signed contracts under the review period were not registered in the CMT. The mission noted contract management is well performed involving the relevant technical experts. The mission urges the Project to urgently make a retroactive amendment to the contract for solar pumps to ensure delivery, installation and payment is made within the contract timeline and update the CMT data by including the 2 signed contracts. The Project should ensure all pending contracts are completed before the early closure date.
8. **Records retention.** Record retention of the reviewed contracts did not reveal omissions. Each contract has a separate physical file properly numbered and labelled and an electronic maintained by the Project. Most of the required documents are found in the file, except payment documents which were retrieved from Finance.
9. Overall procurement performance is **Moderately Satisfactory (4)**. The Project has slightly improved the procurement performance, with 22% of planned procurement completed, 67% initiated and 1 activity (11%) for external audit services not initiated and the procurement process workflows in OPEN are updated. However, the two new signed contracts were not registered in the CMT. Other shortcomings observed in the evaluation process and one reviewed contract expired while delivery and installation of goods were ongoing. The mission urges the Project to urgently amend the contract retroactively and ensure delivery and installation is completed before the early closure date of the project.

II. Agreed actions (public)

Actions	Responsibility	Deadline	Status
Contract management and contract monitoring tool (CMT). Project to urgently do retroactive amendment to the contracts for solar pumps and kits for extensionists and include the contracts in the CMT.	Procurement Specialist	June 2024	Agreed
Ongoing Procurement. The Project to ensure all pending procurement are completed and contracts delivered before the early closure date 31 March 2025.	Procurement Specialist	March 2025	Agreed
Procurement structure at IDA. IDA to take necessary actions to establish the Public Procurement Unit (PPU).	IDA DG/ Management	March 2025	Agreed

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Appendix 7: Integrated Project Risk Matrix (IPRM)

Mission Dates: 13/05/2024 21/06/2024

Document Date: 07/08/2024

Project No. 2000002071

Report No. 6948-AO

East and Southern Africa Division
Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	Moderate	Moderate
<i>Fragility and Security</i>	<i>Low</i>	<i>Low</i>
<i>Macroeconomic</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Governance</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Political Commitment</i>	<i>Moderate</i>	<i>Low</i>
Sector Strategies and Policies	Substantial	Moderate
<i>Policy Development and Implementation</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Policy alignment</i>		<i>No risk envisaged - not applicable</i>
Environment and Climate Context	Substantial	Substantial
<i>Project vulnerability to climate change impacts</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Substantial</i>
Project Scope	Substantial	Moderate
<i>Technical Soundness</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Relevance</i>	<i>Substantial</i>	<i>Low</i>
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
<i>Monitoring and Evaluation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Implementation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
Project Financial Management	Substantial	Substantial
<i>Project External Audit</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project Accounting and Financial Reporting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Internal Controls</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Budgeting</i>	<i>High</i>	<i>High</i>
<i>Project Organization and Staffing</i>	<i>Substantial</i>	<i>Substantial</i>
Project Procurement	Substantial	Moderate
<i>Public Procurement Processes</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Capability in Public Procurement</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Legal and Regulatory Framework</i>	<i>Moderate</i>	<i>Low</i>
Environment, Social and Climate Impact	Substantial	Moderate
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Greenhouse Gas Emissions</i>		<i>No risk envisaged - not applicable</i>
<i>Physical and Economic Resettlement</i>	<i>Moderate</i>	<i>Low</i>
<i>Community health, safety and security</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Labour and Working Conditions</i>		<i>No risk envisaged - not applicable</i>
<i>Indigenous People</i>		<i>No risk envisaged - not applicable</i>

Risk Category / Subcategory	Inherent risk	Residual risk
<i>Cultural Heritage</i>		<i>No risk envisaged - not applicable</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Low</i>
Stakeholders	Substantial	Moderate
<i>Stakeholder Grievances</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Stakeholder Engagement/Coordination</i>	<i>Substantial</i>	<i>Moderate</i>
Overall	Substantial	Moderate

Country Context	Moderate	Moderate
<i>Fragility and Security</i>	<i>Low</i>	<i>Low</i>
<p>Risk:</p> <p>According to the latest World Bank classification in 2023, Angola is not currently classified as a fragile state and no insecurity has been reported. Therefore, the risk identified below has low impact on the project.</p> <p>"Angola's economic base remains narrow (with oil accounting for over 95 percent of total export revenue, 52 percent of government revenues and 30 percent of GDP in 2016) with significant economic, social and environmental fragilities as exposed by the international oil price shocks, the outbreak of malaria, yellow fever epidemics, and cyclical droughts and floods in Southern Angola. Anticipated economic vulnerabilities in the aftermath of COVID-19, recession and mass unemployment threaten to further complicate the country's fragility and security. It is likely that weak governance structure and institutions to respond effectively to these shocks will undermine the capacity of the Government and local communities to realize the full potential of the agricultural sector in the country and to sustain the benefits of the investments to be made by the Project"</p>	Low	Low
<p>Mitigations:</p> <p>In the medium and long term, IFAD will continue engagement and support Government's bold steps at the policy level to foster economic diversification, by refocusing economic growth towards the agriculture sector as well as private sector development. In the Short and medium term, SREP will focus on building the resilience and sustainability of smallholders through community development around FFS, improved linkages to markets, improved environmental management in farming activities, promotion of soil and water conservation measures to address the issues of land degradation, etc.</p>		
<p>Risk:</p> <p>Angola's economic base remains narrow (with oil accounting for over 95 percent of total export revenue, 52 percent of government revenues and 30 percent of GDP in 2016) with significant economic, social and environmental fragilities as exposed by the international oil price shocks, the outbreak of malaria, yellow fever epidemics, and cyclical droughts and floods in Southern Angola. Anticipated economic vulnerabilities in the aftermath of COVID-19, recession and mass unemployment threaten to further complicate the country's fragility and security. It is likely that weak governance structure and institutions to respond effectively to these shocks will undermine the capacity of the Government and local communities to realize the full potential of the agricultural sector in the country and to sustain the benefits of the investments to be made by the Project.</p>	Low	Low
<p>Mitigations:</p> <p>In the medium and long term, IFAD will continue engagement and support Government's bold steps at the policy level to foster economic diversification, by refocusing economic growth towards the agriculture sector as well as private sector development.</p>		

Macroeconomic	Substantial	Moderate
<p>Risk:</p> <p>Angola's economy has undergone a modest recovery since the height of the coronavirus pandemic, and the economic outlook is positive. The EIU is projecting a real GDP growth of 3.5% in 2023, up from 3% in 2022. The removal of COVID-19 related restrictions, the lagged impact of macroeconomic reforms, and the government's efforts to diversify the economy boosted non-oil growth, especially in agriculture and services. The country has vast mineral and petroleum reserves, and its economy is among the fastest-growing in the world. The projected growth will be supported by the still high international oil prices. But a combination of a weakening kwanza and subsidy cuts is reviving expectations of persistently high inflation.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>The continuing high world oil prices will result in low external financing needs during the projected period (2023-26), making the country comfortable to make debt repayments while the positive economic outlook makes debt rollovers seamless. The fact that project funds will be designated in foreign currency will serve as a hedge against the expected inflationary pressures</p>		
<p>Risk:</p> <p>Due to low oil price environment, there is scarcity of foreign currency and emergence of a black exchange market where the parallel exchange market rate is double the official exchange rate, eroding the purchasing power of the loan proceeds in operational account denominated in AO, and resulting in inability for the Project to cover the cost of delivery for planned outputs.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Adequate planning and execution of funds flow from Designated Account in USD to Operational Account in AOA will be put in place to minimize the adverse impact of currency depreciation.</p>		
<p>Risk:</p> <p>In response to high inflation rates, reflecting the impact of strong exchange rate depreciation and higher domestic fuel prices due to the phasing out of fuel subsidies, the National Bank of Angola (BNA) and the Commercial Banks will continue to raise the policy interest rates and lending interest rates respectively, making access to credit more costly and/or shifting lending to short term maturities and leading to reduced investment by smallholder farmers and agribusinesses in production and productivity improvement.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Through the implementation of matching grant facility, SREP will secure participation of financial institutions to crowd in financing from them into project's beneficiaries' sub-proposals (SP) and business plans (BP). The driving concept of the MG is to provide a "smart subsidy". Given this driving concept, grant plus grantee contribution will normally equal at least 40% of the SP/BP; the remaining must be borrowed from a PFI. This will in many cases establish a relationship between the grantee and the PFI that will remain intact after the MG has expired. Hence, rather than returning to SREP or a similar programme for a grant, the grantee should, for all intents and purposes, have a relationship with a lender and no longer require the smart subsidy provided by the MG. On the supply side, SREP will support PFI's capacity building, including training for bankers to understand the value proposition of financing family farming and agribusinesses, and provide some incentives to attract them into small-scale agricultural financing.</p>		

<p>Risk:</p> <p>In the short and medium term, and pending ongoing efforts to diversify the economy and address, constraints on government revenue arising from the low oil price environment and the devastating impact of COVID-19 will continue to exacerbate the impact of domestic and external shocks on macroeconomic policies (e.g. resulting in high inflation, low foreign exchange reserves, large fiscal deficits, debt distress), reducing economic growth and undermining government capacity to mobilize counterpart funding, and significantly impacting market dynamics of value chains, including market prices and profit margins for project target groups.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Through IFAD investment support the GoA to achieve economic diversification, investing in non-oil sectors such as agriculture, mining, and manufacturing to reduce dependency on oil. Additionally, promoting small and medium enterprises (SMEs) by providing support and incentives can foster innovation and job creation. In terms of market and value chain development, it is essential to strengthen market infrastructure to support efficient market operations and reduce transaction costs. Furthermore, promoting the integration of local producers into global value chains can enhance competitiveness.</p>		
<p>Risk:</p> <p>Due to low oil price environment, there is scarcity of foreign currency and emergence of a black exchange market where the parallel exchange market rate is double the official exchange rate, eroding the purchasing power of the loan proceeds in operational account denominated in AO, and resulting in inability for the Project to cover the cost of delivery for planned outputs.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Adequate planning and execution of funds flow from Designated Account in USD to Operational Account in AOA will be put in place to minimize the adverse impact of currency depreciation.</p>		
<p>Risk:</p> <p>In response to high inflation rates, reflecting the impact of strong exchange rate depreciation and higher domestic fuel prices due to the phasing out of fuel subsidies, the National Bank of Angola (BNA) and the Commercial Banks will continue to raise the policy interest rates and lending interest rates respectively, making access to credit more costly and/or shifting lending to short term maturities and leading to reduced investment by smallholder farmers and agribusinesses in production and productivity improvement.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Through the implementation of matching grant facility, SREP will secure participation of financial institutions to crowd in financing from them into project's beneficiaries' sub-proposals (SP) and business plans (BP). The driving concept of the MG is to provide a "smart subsidy". Given this driving concept, grant plus grantee contribution will normally equal at least 40% of the SP/BP; the remaining must be borrowed from a PFI. This will in many cases establish a relationship between the grantee and the PFI that will remain intact after the MG has expired. Hence, rather than returning to SREP or a similar programme for a grant, the grantee should, for all intents and purposes, have a relationship with a lender and no longer require the smart subsidy provided by the MG. On the supply side, SREP will support PFI's capacity building, including training for bankers to understand the value proposition of financing family farming and agribusinesses, and provide some incentives to attract them into small-scale agricultural financing.</p>		
<p>Governance</p>	Substantial	Moderate

<p>Risk:</p> <p>Angola scored 33 points out of 100 on the 2022 Corruption Perceptions Index reported by Transparency International. Since 2017, Angola embarked in serious fight against corruption, which helped the Angola improve its position in ranking. Thus, the country still has a long way to go to create an environment of comfort with regard to governance and accountability of government/project resources.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>The following steps will be undertaken: a) establishment of Provincial Governance Committees (PGCs) and these will include representatives from traditional and community leaders as well as civil society; b) ensure that the project puts in place an operational and effective Internal Audit function; c) through the implementation of IFAD's Framework for Operational Feedback from Stakeholders, more inclusive governance, transparency and accountability in development processes, including in associated grievance redress mechanisms, will be fostered. Information about the existence and functioning of such mechanisms will be made readily available to all stakeholders. Further, information regarding whistle-blower protection measures, and confidential reporting channels will be widely accessible in order to receive and address grievances appropriately, including allegations of fraud and corruption, and sexual exploitation and abuse.</p>		
<p>Risk:</p> <p>Despite the improvements in governance and accountability, lack of capable institutions in the country undermine the emergence of high standards to prevent fraud and corruption (e.g. Angola ranks low at 146th out of 180 countries surveyed in 2019 in the Corruption Perception Index from Transparency International), which could potentially lead to elite capture and inefficient allocation of project's resources, leading to reduced benefits to and impact on targeted beneficiaries.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>(i) Provincial Governance Committees (PGCs) will be established including representatives from traditional and community leaders as well as civil society; (ii) Under the leadership of PGCs, an Oversight Agent (Specialized Firm) will be recruited with a mandate to conduct systematic independent review of the beneficiary selection, SP/BP preparation and appraisal process, grant approval processes etc. to ensure that all procedures, criteria were applied in a fair and transparent manner; (iii) Through the implementation of IFAD's Framework for Operational Feedback from Stakeholders, more inclusive governance, transparency and accountability in development processes, including in associated grievance redress mechanisms, will be fostered. Information about the existence and functioning of such mechanisms will be made readily available to all stakeholders. Further, information regarding whistle-blower protection measures, and confidential reporting channels will be widely accessible in order to receive and address grievances appropriately, including allegations of fraud and corruption, and sexual exploitation and abuse.</p>		
<p>Political Commitment</p>	Moderate	Low
<p>Risk:</p> <p>Angola has been politically stable since the end of the civil war in 2002. On 24th August 2022, Angola held its fifth general elections; the incumbent political party was retained in power. Thus, there is less risk about a drastic change of the key policy direction"</p>	Low	Low
<p>Mitigations:</p> <p>Implement the project through existing government institutions at the national and provincial levels and provide capacity building support, where needed, with regard to institutions and the policy environment.</p>		

<p>Risk:</p> <p>The likelihood for political instability remains low in Angola. However, due to challenging political environment with the ongoing deterioration of the macroeconomic and social conditions on account of the oil price collapse, weak governance and COVID-19, there is high potential for political turnover and changing political priorities, which could result in longer delays for approval of key decisions required at the highest levels of Government (e.g. for project's entry into force and first disbursement, provision of counterpart funding). Ultimately, this could undermine the timely and successful implementation of the Project.</p>	Substantial	Low
<p>Mitigations:</p> <p>With the opening of its country presence in Angola, IFAD will leverage on the Agricultural Sector Working Group and built on its credibility as a trusted partner to engage in policy dialogue, stressing the relevance of SREP to the national development policies and strategies, in particular the Government Agenda for economic diversification through the transition of family farming from subsistence to commercial agriculture.</p>		
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<p>Sector Strategies and Policies</p>	Substantial	Moderate
<p>Policy Development and Implementation</p>	Substantial	Moderate
<p>Risk:</p> <p>Government's approach for development of family farming through free land preparation, distribution of inputs and farm implements for smallholder famers is unsustainable and not adequately resourced, due to the country's limited fiscal space, and could potentially create disincentives for agribusiness actors and other private actors to engage in marketing of agricultural inputs and provision mechanisation services. If the transition between emergency, recovery and longer-term development needs is not properly managed, this could create a dependency syndrome (mind-set of receiving free inputs from Government), leading to unsustainable results in terms of increased production and productivity beyond the life of the project.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>(i) A good M&E system will be used to identify households struggling with the transition. These will be supported by the proven individual household mentoring approach to assist them in overcoming the dependency syndrome; (ii) IFAD will leverage the Agricultural Sector Working Group to engage in evidence-based policy dialogue for adoption and harmonization of tested intervention approaches to support transition from emergency, recovery and long-term development.</p>		

<p>Risk:</p> <p>There are promising efforts underway to realign agricultural policies, aimed at boosting competitiveness and sustainability. These initiatives are paving the way for a more robust agricultural sector. Additionally, exciting projects are in progress to enhance agricultural productivity and market access. With continued investment in infrastructure, technology, and capacity building, the sector is poised for significant growth and development.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Mitigations:</p> <ol style="list-style-type: none"> 1. Strengthening Institutional Capacity: Enhance the capabilities of governmental and non-governmental organizations involved in agriculture through training and capacity-building programs. This will help address bureaucratic inefficiencies and improve coordination among stakeholders. 2. Climate-Resilient Practices: Promote the adoption of climate-resilient agricultural practices, such as drought-resistant crops, efficient water management systems, and integrated pest management. These practices can help mitigate the impact of climate-related risks. 3. Infrastructure Development: Invest in rural infrastructure, including roads, storage facilities, and irrigation systems. Improved infrastructure will facilitate better market access and reduce post-harvest losses. 4. Financial Support and Incentives: Provide financial incentives and support to farmers for adopting sustainable agricultural practices. This could include subsidies for eco-friendly technologies and access to affordable credit. 5. Public-Private Partnerships: Encourage collaboration between the public and private sectors to leverage resources and expertise. Public-private partnerships can drive innovation and investment in the agriculture sector. 6. Policy Coherence and Integration: Ensure that agricultural policies are coherent and integrated with other national policies, such as those related to climate change, water management, and rural development. This will create a more holistic approach to agricultural development. 7. Monitoring and Evaluation: Establish robust monitoring and evaluation frameworks to track the progress of policy implementation and make necessary adjustments. This will ensure that policies remain effective and responsive to changing conditions 		
<p>Policy alignment</p>		<p>No risk envisaged - not applicable</p>
<p>No specific risk identified at this time. SREP is well aligned with country's agenda for diversification of the economy through agricultural development, and there is strong commitment from Government to transforming family farming, the process which SREP supports.</p>		
<p>Environment and Climate Context</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Project vulnerability to climate change impacts</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk:</p> <p>With Southern part of Angola more prone to climatic events (such as droughts and intermittent floods) and the Northern regions also increasingly experiencing adverse impacts from late onset and early cessation of rains and prolonged dry spells, Climate models predict Angola will experience more extreme weather events, an expansion of arid and semi-arid regions, seasonal shifts in rainfall, localised floods, increased wildfires, and sea level rise; these will noticeably result in the reduced length of growing seasons and increased incidence of pest and diseases, which will adversely affect the achievement of PDO to increase agricultural/livestock production and productivity.</p>	<p>Substantial</p>	<p>Moderate</p>

<p>Mitigations:</p> <p>Climate sensitive technologies such as drought tolerant varieties, water harvesting, forestation/revegetation of the catchment areas of the irrigation schemes and diversified livelihoods will be supported to contribute to building the resilience of communities. The input supply systems be developed and incorporated in the seed production activities to promote community multiplication areas of selected varieties or commercial multiplication.</p> <p>SREP will also contribute to the improved use of climate information services both by the extension services, who advise farmers and also by the smallholders themselves. The starting point will be improved climate data collection that will entail a strengthening of the agro-meteorology network in collaboration with National Institute of Meteorology and Geophysics (INAMET). Data analytical capacity will also need to be enhanced both in INAMET and Ministry of Agriculture and Forestry (MINAGRIF). Participatory approaches for climate information services will promote the use of climate information at the farm level. The climate information will include both the future projections and historic trends analysis. Since the problem of climate change is crosscutting, the IFAD will also collaborate with a diversity of stakeholders that have operations in the country to curb the negative effects of climate change on infrastructure and build resilience in Angola.</p>		
<p>Risk:</p> <p>The project is vulnerable to environmental conditions, which includes soil deterioration and erosion, which can arise from agricultural practices that do not employ soil conservation strategies, resulting in decreased land fertility and productivity over time. Water shortage, particularly in drought-prone areas, is a result of inefficient water management, which influences crop irrigation and overall agricultural production. The loss of biodiversity owing to agricultural expansion and intensification can impact ecological services that impact agriculture. Excessive or incorrect use of pesticides and chemicals increases the danger of soil and water contamination, which can harm both the environment and people.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>To mitigate these risks, several targeted measures are being implemented. Sustainable land management practices, such as the use of cover crops, are introduced to prevent soil erosion and maintain soil health. Efficient water use is promoted through improved irrigation systems and multipurpose water harvesting techniques, coupled with training farmers in water conservation practices to ensure sustainable water use. Biodiversity conservation efforts include integrating agroforestry practices, preserving natural habitats, and promoting biodiversity-friendly farming methods. Farmers are trained in integrated pest management and the safe handling and application of chemicals to reduce the negative impacts of pesticide use, with organic farming practices being encouraged where feasible. Environmental Social and Climate Management Plans (ESCMP) was developed and will be complemented with awareness and training programs on best environmental management practices, monitoring to manage environmental risks effectively.</p>		
<p><i>Project vulnerability to environmental conditions</i></p>	<i>Substantial</i>	<i>Substantial</i>
<p>Risk:</p> <p>The vagaries of the weather and inadequate land and water management have accentuated soil erosion and land degradation in the country, which has resulted in increased sedimentation in streams and water points (which are crucial for the agro-pastoral system), a decrease in soil depth and fertility, diminishing soil organic matter and a reduction in its water and nutrient holding capacity. With the increasing expansion of land under unsustainable agricultural practices, the overgrazing of rangelands and deforestation (due to charcoal production, land clearing for agriculture and uncontrolled fire), soil erosion and land degradation will continue to expand, leading to adverse impact on agricultural/livestock production and productivity.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>The Project will analyse and minimise negative impacts through site specific Environmental and Social Management Plans (ESMPs). Selective clearing of project sites, controlled excavation, controlled transportation of raw materials, organic farming, reforestation, preservation of protected plant species, use of alternative sources of energy, use of environmental friendly technologies, will be promoted through awareness and training on best practices. The capacity building activities and awareness campaigns for farmers will be delivered through Farmer Field Schools (FFSs) while more technical training on environmental management will be provided for Agricultural Development Institute (IDA) and Ministry of Environment (MINAMB) Departments at provincial and municipal level. Training will also cover waste management practices, safe handling of agrochemicals, improved pest management, improved storage, improved soil and water conservation measures and natural resources management. Soil and water conservation measures will be promoted to address the issues of land degradation. Attention will be given to low-cost soil and water conservation measures and famer-assisted natural regeneration of grass, shrubs and trees on communal and cultivated land and the establishment of grazing exclusion areas. Rangeland development will focus on ecosystem-based rehabilitation around the water points in the South where agro-pastoral systems are predominant.</p>		
<p>Risk:</p> <p>In the northern provinces, which are primarily rain-fed cereal regions, there are significant annual fluctuations in rainfall. These fluctuations pose a substantial risk to agricultural productivity. Similarly, the southern provinces are vulnerable to extreme weather events such as droughts and floods, which negatively impact agricultural activities.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>Include the expansion of climate-smart agricultural practices such as agroforestry and conservation agriculture, which enhance soil health and increase carbon sequestration. Sustainable water management practices are being promoted through improved irrigation systems and multipurpose water harvesting, aimed at reducing water wastage and improving resilience to climate variability. A targeted adaptation assessment will be developed to guide in selection of suitable climate adaptation options.</p>		
<p>Project Scope</p>	Substantial	Moderate
<p>Technical Soundness</p>	Substantial	Moderate
<p>Risk:</p> <p>Project design is technically complex and includes activities in different municipalities/provinces that are spread over a wide geographical area and are not easily accessible. Design did not adequately incorporate lessons learned in regards to limited human capital and institutional capacities for implementation at country level, which could result in serious project management issues and lead to low overall implementation performance in delivering the outputs and outcomes expected towards achievement of PDO.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>(a) A sequencing approach to implementation will be adopted. SREP will be implemented over a period of six years, concentrating on priority areas within the target municipalities where there is high population density and higher incidence of vulnerable households. In the north, implementation will start in two provinces (Uige and Cuanza Norte) and eight municipalities will receive intensive support. In PY2 another five municipalities within these same provinces will be added. In PY3, a further two provinces (Bengo and Zaire) will be added, with implementation in eight municipalities. In the south, implementation will begin from PY1 in the three provinces simultaneously, starting in the same municipalities where ARP is being implemented. (b)The Project Implementation Unit (PIU) will be supported by Four Provincial Project Implementation Units (PPIUs). In the four northern provinces, two Provincial Units will be set up; one in the town of Mbanza Congo covering Bengo and Zaire region; and another in the town of Uige covering the Uige and Cuanza Norte region. For the south, two more Provincial Units will be set up in Benguela and Namibe. The units will be located in EDA offices. Given the distances involved, three sub-unit offices will similarly be set up in the provinces where there is no project representation.</p>		
<p>Risk:</p> <p>Project design was informed by limited analytical work as it adopts the Farmer Field Schools (FFS) extension methodology, a technology transfer approach that has been adopted and up-scaled by the Government nationwide, without a rigorously generated evidence of its effectiveness and impact after years of implementation. Growing concerns by some development partners over noticeable weaknesses of FFS in fostering household adoption of improved practices and in reaching the most vulnerable households in the country are likely to result in the emergence of alternative extension methods (e.g. digital extension platforms), requiring more flexibility and proactivity for change from Government. Without this flexibility and capacity to adapt quickly, project target groups will not be reached with productivity-enhancing technologies for increased production and enhanced resilience.</p>	Moderate	Low
<p>Mitigations:</p> <p>After consultation and dialogue with MINAGRIF, represented by the Institute for Agricultural Development (IDA), it has been agreed that an evaluation study will be conducted to assess the effectiveness and efficiency of FFS. This study is funded conducted by AFD and IFAD and will generate rigorous evidence and lessons to inform scaling-up, improvement and/or adoption of complementary approaches to maximize learning of good agricultural/husbandry practices and adoption of new technology packages.</p>		
<p>Risk:</p> <p>Co-financing of sub-projects through revolving fund schemes and matching grants might potentially leave out the poorest and most vulnerable among target beneficiaries, including women and youth, as they might not have the capacity to bring own contribution and mobilize loan from PFI, excluding them from project support to investment, leaving them behind and leading to non-inclusive rural transformation.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Criteria will be developed to insure inclusion of the ultra-poor and other beneficiary groups that would include more direct financial support (e.g. in the form of (un)conditional cash transfers and/or in-kind assistance may be more appropriate). Consideration will also be given to eliminating the requirement of co-financing for such vulnerable groups, as they may be unable to fulfil it.</p>		

<p>Risk:</p> <p>Component 2 was slow to commence, and its implementation has remained partial and with mixed results. However, the BDS provider has achieved an impressive number of sub-project designs albeit the need for some improvements in terms of quality and preparation for potential financing</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Collate the created business plans and analyse the proposals to identify different business models that demonstrate the different production and commercial activities that have been designed. This modelling should centre around the value chains and production systems of the business to demonstrate various investment scenarios, and how these deal with seasonality of cash flows, risks and mitigation and the particularities of sub-sectors such as livestock, poultry, and crops, and the production and commercial context of each province.</p>		
<p>Risk:</p> <p>Unlike projects funded by other development partners in Angola (e.g. MOSAP II by the World Bank) that does not require participation of financial institution (PFI) for financing SP/BP, SREP's approach to providing investment support acknowledges that matching grants are not suitable for business financing and market development; they should be considered as a catalyst for smallholder famers to progressively access formal financial services as part of the phasing-out strategy of the project. Hence, in cases where obtaining a working capital and/or investment loan from a PFI forms an integral of part of the financing plan of the SP/BP, the first tranche disbursement of the matching grant will be subject to the approval of the envisaged loan by the identified PFI. However, due to deeply rooted financial institution's negative perception about smallholder producers/FOs' credit worthiness, their mobilisation to co-finance sub-projects would likely take several years to expand and allow for progressive graduation of targeted farmers/FOs to access developed financial services, which will result not only in many approved SP/BP not being provided with adequate investment support, but also in low uptake of matching grant, compromising the achievement of PDO.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Cessation of Category III Credit and Guarantee Funds, accompanied by the redirection of USD 1,200,000 to Category II - Grants and Subsidies, currently being executed by the service provider JMJ. This reallocation is recommended to optimize the use of resources and ensure the project's objectives are met in a timely and effective manner. The team believes that this repurposing of funds will allow for a more focused and impactful application of the project's resources, ultimately benefiting the intended recipients and enhancing the overall success of the project.</p>		
<p>Project Relevance</p>	Substantial	Low

<p>Risk:</p> <p>In the last supervision mission, the project relevance is rated highly satisfactory. The project is effectively addressing its objectives and making a positive impact, which suggests its high relevance and success in today's context. Development Objective Relevance: The Development Objective remains highly relevant in today's context and aligns well with IFAD's and the country's development strategies. The project's commitment to developmental objectives and strategic partnerships is commendable and likely to contribute to a lasting influence on the policy and institutional landscape.</p> <p>Project Approach Relevance: The project approach, including the technical proposal, implementation arrangement, target area, and population, continues to be relevant for addressing the development problem identified at the design stage. The project has facilitated the involvement of smallholder farmers in policy processes, particularly through the strengthening of farmer cooperatives, which are evolving into small businesses and providing services to their members and communities.</p> <p>Results Achievement: The project is achieving significant results. It has made substantial progress in training farmers on best agronomic practices through Farmer Field Schools (FFSs), with 53,169 family farmers trained, representing 89% of the target. Additionally, 215 IDA/MINAGRIF technicians were trained, exceeding the target by 43%. The dissemination of climate-resilient technologies has reached 65% of the target, indicating successful delivery of outputs and outcomes, such as increased crop production and yields, particularly among those adopting new agricultural practices.</p>	Substantial	Low
<p>Mitigations:</p> <p>During the implementation support mission of August 2020, it was agreed that Project will limit its free distribution of inputs to the support requested by the Government under COVID-19 response. Project's resources allocated for Increased Production and Commercialization (component 2), should be used to support FOs (and their members) and other agribusiness actors who have bankable subproject (SP) proposals/business plans (BPs) with clear prospects of linkages to input and output markets. Further, it was emphatically reiterated that analysis of market opportunities should be carried out before investing in production systems, and training on business and marketing aspects should complement production-oriented training.</p>		
<p>Institutional Capacity for Implementation and Sustainability</p>	Substantial	Moderate
<p>Monitoring and Evaluation Arrangements</p>	Substantial	Moderate
<p>Risk:</p> <p>There are scarcity of competent M&E Expert in the country and limited integration of project's M&E system in the MINAGRIF's weak and inefficient M&E processes and systems, resulting in a limited ability for the Project to monitor, validate, analyse and communicate results, capture lessons and use them to adjust implementation and take corrective actions in a timely manner, or to inform future investment for sustaining benefits to smallholder farmers.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>SREP will collaborate with other projects/programmes under the MINAGRIF to provide the Ministry with required support for upgrading its M&E processes and systems. The M&E Expert with international experience be recruited under the Single Coordination Unit (SCU) will be tasked with insuring better integration of SREP's M&E system in the MINAGRIF's to increase its relevance in supporting evidence-based policy making.</p>		
<p>Implementation Arrangements</p>	Substantial	Moderate

<p>Risk:</p> <p>The project is undergoing restructuring to simplify its complexity and implementation arrangements, including the attribution of responsibility for construction of feeder roads to the local governments after the pulling out of BADEA. The restricting process reduces will reduce the risk below, which were earlier identified.</p> <p>“The Project involves three financiers (AFD, BADEA) with different investment priorities focusing on different components/subcomponents, different disbursement procedures and/or reporting requirements. It includes different levels of Government and activities that spread over a wide geographic area in seven provinces from the North to the South. Low level of human capital, limited institutional implementation capacities in the MINAGRIF and less familiarity with procedures of all the financiers may result in management challenges and low degree of coordination to support implementation arrangements and synchronization of funding from different financiers, leading to delays in implementation and limited complementarity between project subcomponents to maximise impact on beneficiaries.”</p>	Substantial	Moderate
<p>Mitigations:</p> <p>(i) IFAD has been entrusted with the day to day oversight of the project implementation while ensuring that AFD and BADEA are fully briefed and consulted prior to taking any major implementation decision. BADEA’s financing focuses exclusively on public rural infrastructure (feeder road rehabilitation). For AFD and IFAD who co-finance some components/sub-components, these two have signed a co-financing agreement to coordinate the administration of their co-financier loans and advise each other on the matters concerning the project. This agreement defines terms whereby IFAD will act as the main interface between the Borrower and the Parties during the whole implementation phase of the Project. For example, AFD will follow the IFAD procurement procedures; the review of withdrawal applications will be initially conducted by IFAD but disbursement will be done by AFD directly. BADEA will be using their own procurement and disbursement procedures. (ii)The approach of clustering municipalities will reduce the risk of dispersed activities. In addition the improved mobility of the EDA and the Service providers will improve the reach of the Project Capacity building and technical assistance/training will be provided to IDA and other governmental agencies including MINAMB staff at provincial and municipality level to enable them play an important roles in planning, coordination/management, supervision, monitoring and overseeing.</p>		
<p>Risk:</p> <p>Considering the recurrent difficulties in project implementation in Angola due to the limited human capital and institutional capacities, Project design places less demands on PIU and PPIUs (which are lightly staffed) and more emphasis on partnerships with other stakeholders (IDA/EDA, NGO) coupled with their capacity building and appropriate incentives for effective implementation and scaling-up. However, due to the time required and the multiplicity of factors to be addressed for upgrading the capacities of these service providers, in the short and medium terms there is a high likelihood that the resources and capacity of these key stakeholders will be stretched, particularly as donor support for the country is expanding, resulting in delayed and ineffective implementation of project interventions.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>Mitigations: (i) Project will be implemented in sequencing mode over six years, concentrating on priority areas within the target municipalities where there is high population density and higher incidence of vulnerable household. A gradual approach will be used to establish operational modalities, train staff, set up and implement farmer field schools, engage with communities and screen/evaluate micro and subprojects and develop partnerships and coordination arrangements. Given the capacity limitations and the need to closely involve and empower communities and FOs to ensure longer term sustainability, the approach will focus initially on (i) capacity building of extension workers and service providers (IDA and NGOs), (ii) a planning process that identifies sites and appraises infrastructure; and (iii) investments in infrastructure and community, group and household activities. An interim review of SREP will be conducted after two years of operations to inform decisions on expansion to additional municipalities. A mid-term review will be undertaken in year 4. (ii) A cadre of specialised international TA will be necessary to provide effective support to IDA staff, local NGOs and the private sector throughout project implementation. (iii) SREP will hire two main service providers under a multi-year results-based contract. These providers will establish teams located in the targeted provinces (one team in the North another in the South) comprised of different fields of expertise. The main service providers should have international expertise and demonstrated capacity to manage large contracts. They will be associated with competent national service providers, if available.</p>		
Project Financial Management	Substantial	Substantial
Project External Audit	Moderate	Moderate
<p>Risk:</p> <p>Risk of failure to meet IFAD audit requirements leading to misrepresentation and non compliance to financing agreement:</p> <p>The project submitted two audit reports to date and the first audit reports was submitted with significant delay (5.5 months delay).</p> <p>The audit report for the FY2022 was submitted on time, but the quality of the audit needs improvement. There were no proper follow ups on previous year's audit recommendations.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>(i) Ensure that previous year's audit recommendations are implemented. (ii) Submit to IFAD the draft TORs for final audit for No Objection. (iii) Management letter should include a follow-up of previous audit recommendations . (iv) Timely submission of final audit reports.</p>		
Project Accounting and Financial Reporting	Substantial	Moderate
<p>Risk:</p> <p>Risk that financial reporting is incomplete and therefore reports do not reflect project expenditure and financial progress:</p> <p>(i) IKC from beneficiaries and Government has not been valued and recorded yet. (ii) Lack of disclosure of all required financial reports and information in the audited financial statements. (iii) Bank reconciliations of the 3 provinces where there are no finance assistants were not recorded in the accounting software as of 31 March 2024, which increases the risk of incomplete data in the accounting software.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>(i) Valuation of IKCs and disclosing them in the financial reports. (ii) Improve disclosures in the annual financial statements to ensure all IFAD requirements complied. (iii) Bank reconciliations of the 3 provinces where there are no finance assistants should be collected frequently and the cash book should be updated regularly to ensure that accounting records are up to date.</p>		
<p>Project Internal Controls</p>	Substantial	Substantial
<p>Risk:</p> <p>Risk of loss of assets and loss of control over other project resources.</p> <p>(i) Lack of fixed assets controls in the provinces - assets may not be traceable as details in fixed asset register are incomplete. (ii) Lack of supervisory controls (iii) Lack of oversight of provincial fiduciary processes. (iv) ERP not regularly interrogated and fixed assets register in the system not up-to date. (v) Missing valid supporting documentation for transactions, which is also highlighted in the internal audit report. (vi) lack of effective vehicle/motorcycle and fuel management.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>(i) Timely implementation of internal and external audit recommendations and supervision mission findings (ii) Improved asset and fuel management. Update of the asset register, ,perform asset verification, prepare the formal asset handover plan. (ii) Maintaining valid/adequate supporting documents for all payments. (iv) Improved supervisory/ oversight controls at province level (v) Follow up on internal audit findings, address all issues highlighted in the internal audit report and comply with all IFAD's FM requirements, including adequate supporting documentation</p>		
<p>Project Funds Flow/Disbursement Arrangements</p>	Substantial	Substantial
<p>Risk:</p> <p>Risk of liquidity challenges leading to failure of project to meet its commitments and slow down of implementation. Distortion of financing allocation from different financiers necessitating project restructuring or early closure of the project: (i) The project was designed with expected contribution of USD 40 million from BADEA and USD 42 million from Agence Française de Développement (AFD). However, AFD and BADEA withdrew their commitments. This has resulted a financing gap of USD 82 million and without their contributions, the project will not be able to achieve its development objectives. In addition, most of the utilization under IFAD financing is for recurrent costs, which resulted over daft in recurrent costs under the IFAD Loan 1, and implementation in the field is limited. (ii) SOE sampling showed that there are weaknesses in keeping adequate supporting documents for payments. (iii) Government in-kind contributions are not valued yet by the project and this increases the risk of under reporting of government contributions. (iv) Beneficiary contributions are under the category grants and subsidies, goods, services and inputs and they are yet to be valued. this increases the risk of under reporting of beneficiary contributions.</p>	Substantial	Substantial

<p>Mitigations:</p> <p>(i) Early closure of the project as project will not be able to meet its development objectives without contributions from AFD and BADEA, and the implementation is very slow for the activities that are financed by IFAD.</p> <p>(ii) Compute and report GoA and beneficiary IKC since inception to date and report them under the notes to the financial statements in the final audit report.</p> <p>(iii) Refund of excess amount spent on recurrent costs to IFAD project account.</p> <p>(iv) Improve supporting documentations for payments.</p>		
<p>Project Budgeting</p>	High	High
<p>Risk:</p> <p>Risk of failure to absorb allocated funds by project completion, thereby failing to achieve targets and meeting of project objectives and risk of ineligible expenditure:</p> <p>(i) The AWPB for FY2024 was submitted with delay and revised during the year due to planned early closure of the project. However, the AWPB has been reduced without taking into consideration actual expenditures incurred to date. This has resulted in overspending on some budget categories. In addition, the training category did not have a budget line at all, but there were expenditures under this category in 2024, which is increasing the risk of ineligible expenditures as some expenditures may not be covered by approved AWPB.</p> <p>(ii) Budget utilization is low with 35% for IFAD Loan 1 against the reduced budget of USD 1.26 million and 57% for IFAD Additional Financing, where the budget was reduced to USD 2.24 million. The actual utilization rate under IFAD Additional Financing loan seems reasonable against the reduced budget. However, majority of the utilizations under IFAD AF were for operating costs, which represented 27% of budgeted amount for the financial year. Recurrent costs are high, which means funds allocated to investment activities are being used for recurrent costs.</p> <p>(iii) New ERP system is configured to track expenditure variance. Actual vs budget reports are reported to IFAD as part of the quarterly IFRs. However, no actions being taken to address bottlenecks that result low budget execution.</p>	High	High
<p>Mitigations:</p> <p>(i) The AWPB should be revised by taking into account the actual utilization during the year to avoid ineligible expenditures due to activities not being included in the AWPB. The revised budget should be covering up to agreed project closure date of 31 March 25 and be submitted to IFAD for no objection.</p> <p>(ii) Enter the detailed AWPB in the accounting software and monitor actual utilization at least quarterly. Take action on bottlenecks slowing the implementation.</p> <p>(iii) Effective monitoring of recurrent costs.</p>		
<p>Project Organization and Staffing</p>	Substantial	Substantial

<p>Risk:</p> <p>Risk that staff numbers are insufficient to facilitate segregation of duties, especially at the Provincial level:</p> <p>(i) There is a Finance Specialist and an Accountant in the PIU located in Luanda and 4 Finance Assistants in the provinces (Zaire, Uige, Benguela and Namibe). Some assistants are recruited at entry level. There are no finance staff in Cunene, Bengo and Cuanza-Norte. In these provinces, daily payments are prepared and processed by M & E and project coordinator. Finance files for bank reconciliations from these provinces are brought back to Luanda office and the team in the PIU records them in the system and performs reconciliations. Original documents are sent back to the provinces.</p> <p>(ii) Annual Performance evaluations are not linked to any KPIs and there are no comments about the strengths and weakness, which will guide staff to improve their capacity.</p> <p>(iii) The project FM staff are not responsive and implementation of the recommended activities are generally slow. In addition, there is a lack of monitoring/collecting adequate supporting documentation and safeguarding project assets.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>(i) Performance evaluations should be linked to set KPIs and the contracts should be extended based on satisfactory performance.</p> <p>(ii) All reconciliations should be requested from the provinces where there is no finance staff on a regular basis and the accounting system should be updated accordingly.</p> <p>(iii) FM staff must ensure that adequate supporting documents are available and payment requests are approved by authorized staff before processing any payment.</p> <p>(iv) Improve the asset management arrangements to ensure safeguarding of assets.</p>		
<p>Project Procurement</p>	Substantial	Moderate
<p>Public Procurement Processes</p>	Moderate	Moderate
<p>Risk:</p> <p>Due to high competition for scarce competent Procurement Specialists in the country and their high turnover rate, the Executing Agency may recruit less qualified staff or fail to retain most qualified ones, leading to poor handling of procurement processes and market structures (methods, planning, bidding, contract award and contract management), and resulting in prolonged procurement processes, misuse of project funds or sub-optimal implementation of the project and achievement of its objectives.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The Single Coordination Unit (SCU) will be responsible for the overall coordination of the IFAD programme portfolio implemented through MINAGRIF. The SCU will be staffed by a team comprising a Senior Financial Controller and a Senior Procurement Officer, who will support capacity development of IFAD-supported project management staff in fiduciary issues. A Portfolio Implementation Facility (PIF) will be established to provide technical support needed for strengthening the management and fiduciary capacity of IFAD's programme, as recommended by IFAD's CSPE.</p>		
<p>Capability in Public Procurement</p>	Substantial	Moderate

<p>Risk:</p> <p>Angola has updated its legal and regulatory framework in 2020, with the aim of modernizing its public procurement system. The law 41/20 has expanded its scope to : administrative concession contracts, including concessions for public works, public services and the use of public properties, and contracts' formation, which implementation is possible thanks to private and public partnership. It also takes into account contracts by state enterprises and public enterprises receiving grants or any operations carried out with state funds. The law introduced two new procedures such as dynamic electronic procedures and urgent procurement procedures. The values of public procurement contracts have also been updated. Two new Procurement Procedures: Emergency Procurement Procedure and Electronic Dynamic Procedure.</p> <p>However, though the previous 2016 Procurement law opens the possibility for creation of specialized procurement units within the contracting entities, there are weaknesses in the internal control system of the Executing Agency. Adequate human, institutional capacity and practices have not been developed within the MINAGRI to conduct review and ensure that all procurement processes that are to be submitted for prior review to IFAD are carried out in compliance with the law, with integrity and in a manner that optimize value for money, resulting in adverse impacts to the development outcomes of the Project.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>The establishment of Portfolio Implementation Facility (PIF) will support the SCU by sourcing International/ Regional Technical Assistance to set up implementation frameworks and systems and provide on the job training to Angolan counterparts. The PIF will also support national counterparts through training, mentoring and establishment of portfolio management systems in MINAGRI (in administration and day-to day management, M&E/result reporting, Financial Management and Procurement).</p>		
Accountability and Transparency	Substantial	Moderate
<p>Risk:</p> <p>Risk 1: The public procurement system has the oversight of a dedicated body, Serviço Nacional da Contratação Pública (SNCP). However, there are weaknesses in the internal control system, with the public procurement oversight body (SNCP) intervening in transactions as a decree adopted in 2014 gives responsibility to SNCP to review all procurement processes that are to be submitted for prior review to the Minister of Finance; this makes oversight arrangements (including the handling of complaints regarding, for example, SH/SEA and fraud and corruption) inadequate to safeguard the integrity of project procurement and contract execution, leading to the unintended use of funds, misprocurement, SH/SEA, and/or execution of project procurements outside of the required time, cost and quality requirements.</p> <p>Risk 2: There are no established and clear procurement complaints management system, no specific independent and competent local authority responsible for investigating allegations. The Procuradoria-General da República de Angola investigates frauds but is not an independent government body. These factors, coupled with low PCI score for the country (indicative of a negative public sector perception by experts and business executive in terms of corruption), can affect competition, resulting in low interest in bidding opportunities by the commercial operators and participation of the same bidders', fostering an environment of corruptions and fraudulent practices that remain unaddressed with procurings increasingly executed outside of cost and quality requirements.</p> <p>Risk 3: There is a procurement Portal but it is not updated regularly. SNCP produces statistics on the system but the information is not complete, as it relies on information provided by the contracting entities (not all provide information). As a result, for IFAD-supported projects under MINAGRIF, there are no public data or available information and databases/records maintained for contracts, including data on what has been procured, value of procurement and award. This result in low competition rate amongst bidders and relatively low interest in the projects procurement opportunities, leading execution of project procurements outside of the required time, cost and quality requirements.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>1: Leverage on Development Partners Group to engage in policy dialogue and advocate for the Creation of an internal control mechanism that would avoid the implication of SNCP in transactions. 2: Strengthened review of the submitted cases to ensure full compliance and transparency; All tenders to mandatorily include IFAD's provisions on Preventing Corruption and Fraud Policy and eligibility of winners to be verified against the cross-debarment of the other MD. 3: All project contract awards will be made publicly available, as well as all the project annual procurement statistics. Publication of the annual procurement plans on the National Procurement portal will be mandatory for all IFAD-supported projects in the country.</p>		
<p>Risk:</p> <p>Risk(s): The internal and external control framework is weak. The Court of Auditors carries out its audits in a yearly cycle as set out in the applicable regulations but due to personnel and resource shortage not every contracting entity is covered each year. Although internal audit should be a continuous process, the IGF lacks resources and capacity in procurement and its reviews are not consistent and systematic. Although the SNCP has a reasonable level of capacity, it conducts few post-reviews for contract entities every year due to resource constraints. There is limited scrutiny of public procurement processes and decisions Civil Society Organizations. This may threaten the integrity of public procurement system and pose a risk to achieving value for</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Ensure the project is audited annually by external independent auditors.</p>		
<p>Legal and Regulatory Framework</p>	Moderate	Low
<p>Risk:</p> <p>Angola has updated its legal and regulatory framework in 2016 and 2020, with the aim of modernizing its public procurement system). However, inadequate arrangements for oversight to safeguard the integrity of project procurement and contract execution, as well as limited institutional capacity and inadequate practices (including compliance with the laws) at the Executing Agency level, do not foster an environment for a conduct of procurement by the Project in a manner that optimizes value for money with integrity.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Leverage on SCU/PIF to support MINAGRIF's compliance with existing legal and regulatory framework by building its capacity and improving its practices in public procurement.</p>		
<p>Risk:</p> <p>The procurement legal framework has established the main methods of procurement for goods, services and works, and the conditions for their use. However, the law does not distinguish consulting services from other services and it does not provide selection methods for consulting services. Evaluation of consulting services is therefore subjected to the same procedure as goods and other services. There is a risk that the assessment of quality as the most critical factor for selection of consulting services may not be accorded due regard in the evaluation process. There is no Standard Bidding Document for international competitive bidding as the same document is used for both NCB and ICB. e-procurement has not yet been implemented although the law prescribes rules for the operation and use of electronic platforms by the public contracting entities.</p>	Low	Low

<p>Mitigations:</p> <p>A full set of SBDs should be developed. In the meantime, the Project shall use the IFAD SBDs.</p> <p>Fully automate all procurement processes to increase transparency. Publish all procurement opportunities and contract awards in the Public Procurement Portal to centralize and allow free access to public procurement information by all stakeholders. Project to use IFAD OPEN system to process procurement activities</p>		
<p>Risk:</p> <p>Existence of Standard Bidding Documents for Goods, Works and Services There is no reliable record/database for monitoring procurement management.</p>	Low	Low
<p>Mitigations:</p> <p>to be addressed</p>		
<p>Environment, Social and Climate Impact</p>	Substantial	Moderate
<p><i>Vulnerability of target populations and ecosystems to climate variability and hazards</i></p>	<i>Substantial</i>	<i>Moderate</i>
<p>Risk:</p> <p>SREP will support agricultural intensification (with use of agrochemicals such as fertiliser, pesticides, etc.) and construction of livelihood supporting infrastructure (feeder roads rehabilitation and market infrastructure, water infrastructure and small-scale irrigation). Implementation of these activities may result in undesirable consequences on the environment including water contamination, soil degradation, deforestation and wildlife conflicts at particular sites, leading to significant increase and exposure or vulnerability of target populations' livelihoods, ecosystems, economic assets or infrastructure to climate variability and hazards, and thus defeating the purpose and DO of the Project.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Localised environmental impacts will be managed and minimised, if required, through the implementation of best practices and environmental and social management plans (ESMPs). Feeder road rehabilitation and market infrastructure investments will be designed, constructed and operated under adequate environmental and social standards. Environmental management, monitoring and mitigation capacities will be developed through awareness and training on best practices and preparing site management plans. Training will cover waste management practices, safe handling of agro-chemicals, improved pest management, improved storage, improved soil and water conservation measures and natural resources management. Potential conflicts with wildlife fauna may occur at particular sites and the drafted EMSP will be finalised during early stages of implementation. The awareness and capacity building activities for farmers will be delivered through FFSS while more technical training will be provided for IDA/EDA and MINAMB Departments at provincial and municipal level. SREP should follow IFAD's Complaints Procedure to resolve concerns and complaints with respect to alleged non-compliance of its environmental and social policies and mandatory aspects of its Social, Environmental and Climate Assessment Procedures. These are laid out in detail in IFAD's webpage: https://www.ifad.org/web/guest/accountability-and-complaints-procedure</p>		
<p><i>Greenhouse Gas Emissions</i></p>		<i>No risk envisaged - not applicable</i>
<p>Not identified at this time and will be reassessed during implementation.</p>		
<p><i>Physical and Economic Resettlement</i></p>	<i>Moderate</i>	<i>Low</i>

<p>Risk:</p> <p>Due to recurrent events of drought, scarcity of water and overgrazing, Project's interventions to support pastoralism and agricultural intensification in the Southern part of Angola (where land tenure system is complex and where households base their livelihoods predominantly on rearing livestock) may result in increased levels of latent and existing conflicts over land and natural resources, negatively impacting the ability of individuals and communities to achieve food security/increase production and enhance their resilience.</p>	Moderate	Low
<p>Mitigations:</p> <p>After years of experience working in pastoralism areas, IFAD has developed and made available "How to do Notes" to support project designers and implementers on how to prevent land use conflicts in these areas. These materials will be used to train local officials and SREP implementers, provide them with guidance on how they can promote conflict resolution or transform conflicts into positive outcomes, build peace and improve governance for land tenure issues so that conflicts are likely to take place.</p>		
<p>Community health, safety and security</p>	Substantial	Moderate
<p>Risk:</p> <p>SREP will support promotion of intensive agricultural practices involving use of agrochemicals and pesticides. Without proper training of beneficiaries on the proper use of these products, an overuse could contaminate water and affect community health and safety.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Training on proper use of agrochemicals and pesticides will be conducted for IDA/EDA extension workers as well as for groups of farmers around farmer field schools (FFS). International standards for food safety should be included in the FFS curriculum.</p>		
<p>Labour and Working Conditions</p>		No risk envisaged - not applicable
<p>Not identified at this stage. Assessments will be conducted during implementation</p>		
<p>Indigenous People</p>		No risk envisaged - not applicable
<p>Not identified at this time and will be reassessed during implementation.</p>		
<p>Cultural Heritage</p>		No risk envisaged - not applicable
<p>Not identified. There is no cultural heritage of historical, religious or cultural significance identified in the project's areas of intervention.</p>		
<p>Resource Efficiency and Pollution Prevention</p>	Substantial	Moderate
<p>Risk:</p> <p>The increased use of agrochemicals will contribute to soil and water (surface and groundwater) contamination with hazardous pollutants. Maintenance of irrigation infrastructures such as small dams and canals will generate dredged materials whose disposal may result in soil contamination with hazardous pollutants threatening people, ecosystem services and the environment at the local levels.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>To mitigate this risk the project aims to encourage organic farming, and limit the use of Agro-chemicals. Capacity building in safe handling of agrochemicals and also use of protective gear through awareness training & workshops. Measures, such as improved water management, safe handling of agrochemicals and waste management, use of appropriate drainage structures will be promoted through the FFSs. The project will promote IPM methodologies, which are based on ecological understanding guides learning on pests to minimise pesticide use and maximise natural control. The ESMPs will also provide mitigation actions and capacity development opportunities for beneficiaries.</p>		
<p>Biodiversity Conservation</p>	Moderate	Low
<p>Risk:</p> <p>SREP will support agricultural intensification (with clearing of land and use of agrochemicals such as fertiliser, pesticides, etc.) and construction of livelihood supporting infrastructure (feeder roads rehabilitation and market infrastructure, water infrastructure and small-scale irrigation). Implementation of these activities will result in loss of biodiversity, alteration of the physiochemical structure of the area, destabilizing the ecosystem services and increasing vulnerability of smallholder's livelihoods.</p>	Moderate	Low
<p>Mitigations:</p> <p>The infrastructure development will be micro and small-scale in non-sensitive locations. However, feasibility studies will be conducted before construction of infrastructure, by ecologists, and ecosystem conservation projects will be promoted. ESMF will be strengthened in areas such as biodiversity, domestic energy sources, and water management. Deforestation will be controlled through agroforestry and afforestation efforts. Better land and water-use planning as part of integrated environmental management will contribute to increase resilience. The learning in the FFS will be based on understanding agro-ecological principles, enhancing ecosystem services and using natural resources in a sustainable manner, rangelands management and soil conservation are thematic areas that will be explored and worked. Local based management plans will need to be developed and include disaster risk reduction (drought and floods), appropriate management of inputs, management of fragile ecosystems and biodiversity species relevant for conservation.</p>		
<p>Stakeholders</p>	Substantial	Moderate
<p>Stakeholder Grievances</p>	Substantial	Moderate
<p>Risk:</p> <p>Due to limited knowledge and experience among IFAD staff, consultants, project staff, and senior government representatives from lead project executing agencies on how to set up and operate grievance redress mechanisms, there is a likelihood that grievance/complaint redress processes (including with respect to allegations of non-compliance with IFAD's E,S,C standards, fraud, corruption, or SEA) will be inefficient, leading to unaddressed stakeholder complaints that may undermine the benefits of a meaningful and continuing engagement and feedback from populations targeted and their representatives throughout the project cycle.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Through the high-level implementation plan of IFAD's Framework for Operational Feedback from Stakeholders, training activities will be undertaken to build the capacities of IFAD staff, Project staff and senior government representatives from lead project executing agency to effectively and consistently implement improved practices aimed at enhancing stakeholder engagement and feedback in the context of IFAD-supported operations. Special attention will be given to how to set up functional grievance redress processes that are socially inclusive and allow Project's target groups to voice complaints or report wrongdoing and facilitate timely resolution of potential or realized negative impacts arising in connection with the design and implementation of the Project.</p>		

<p>Risk:</p> <p>Due to limited awareness and accessibility of targeted groups to information regarding project, government and IFAD whistle-blower protection measures, and confidential reporting channels (especially in contexts where societal norms may discourage reporting of complaints for fear of retribution or retaliation), there is a risk that allegations of fraud and corruption, sexual exploitation and abuse will not be received, limiting the potential of proactive engagement and feedback from key stakeholders on enhancing the Project's relevance, ownership, impact and sustainability.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>As part of capacity building on how to set up and operate inclusive and accessible grievance redress mechanisms, special emphasis will be put on the following two elements: (i) information about the existence and functioning of such mechanisms should be readily available to all stakeholders, with special attention to raising the level of understanding of more vulnerable segments of communities served, e.g. by providing clear and understandable information on how to channel grievances, and processes and timelines for handling and responding to grievances submitted; (ii) information regarding whistle-blower protection measures, and confidential reporting channels should be widely accessible in order to receive and address grievances appropriately, including allegations of fraud and corruption, and sexual exploitation and abuse.</p>		
<p>Risk:</p> <p>Due to limited knowledge and experience among IFAD staff, consultants, project staff, and senior government representatives from lead project executing agencies on how to set up and operate grievance redress mechanisms, there is substantial likelihood that grievance/complaint redress processes (including with respect to allegations of non-compliance with IFAD's E,S,C standards, fraud, corruption, or SEA) will be inefficient, leading to unaddressed stakeholder complaints that may undermine the benefits of a meaningful and continuing engagement and feedback from populations targeted and their representatives throughout the project cycle</p>	Substantial	Moderate
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<p>Mitigations:</p> <p>As part of capacity building on how to set up and operate inclusive and accessible grievance redress mechanisms, special emphasis will be put on the following two elements: (i) information about the existence and functioning of such mechanisms should be readily available to all stakeholders, with special attention to raising the level of understanding of more vulnerable segments of communities served, e.g. by providing clear and understandable information on how to channel grievances, and processes and timelines for handling and responding to grievances submitted; (ii) information regarding whistle-blower protection measures, and confidential reporting channels should be widely accessible in order to receive and address grievances appropriately, including allegations of fraud and corruption, and sexual exploitation and abuse.</p>		
<p>Stakeholder Engagement/Coordination</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>Because some Development partners and donors (UN Agencies, AfDB, EU, World Bank) have interest or involvement in similar operations in the same areas, and due to relatively weak coordination and harmonization mechanisms among Government departments as well as among development partners in the country, there is a risk of some duplication and/or inconsistency of approaches, resulting in less buy-in from stakeholders (.g. with government, project target groups, civil society organizations, implementing partners, private sector, including financial intermediaries) on project objectives, delivery of interventions approaches and promotion of sound environmental and social practices.</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>Building on its successful partnership with the World Bank and the FAO in the country, IFAD has expanded this partnership with the AFD and BADEA in the design and financing of this Project. With the opening of a country office in Angola, IFAD will support revitalization of the Agriculture Sector Working Group at the country level and strengthen its engagement with the UN System for greater coordination and harmonization. IFAD's country presence will also strengthen its country-level policy engagement through evidence-based policy dialogue, based on its experience at country, regional and international level. The implementation of IFAD's new Framework for Operational Feedback from Stakeholders will also promote proactive engagement and feedback from key stakeholders and contribute to enhancing project's relevance, ownership, impact and sustainability.</p>		
<p>Risk:</p> <p>Because some Development partners and donors (UN Agencies, AfDB, EU, World Bank) have interest or involvement in similar operations in the same areas, and due to relatively weak coordination and harmonization mechanisms among Government departments as well as among development partners in the country, there is a risk of some duplication and/or inconsistency of approaches, resulting in less buy-in from stakeholders (.g. with government, project target groups, civil society organizations, implementing partners, private sector, including financial intermediaries) on project objectives, delivery of interventions approaches and promotion of sound environmental and social practices.</p>	<p>Moderate</p>	<p>Low</p>

Mitigations:

Building on its successful partnership with the World Bank and the FAO in the country, IFAD has expanded this collaboration to include the AfDB, AFD, and BADEA. The in-country IFAD Country Director will chair the Agricultural Sector Donor Group, aiming to revitalize the Agriculture Sector Working Group at the country level and enhance its engagement with the UN System for greater coordination and harmonization. Additionally, IFAD's presence in the country will strengthen its policy engagement through evidence-based policy dialogue, leveraging its extensive experience at the country, regional, and international levels.

The implementation of IFAD's new Framework for Operational Feedback from Stakeholders will also promote proactive engagement and feedback from key stakeholders and contribute to enhancing project's relevance, ownership, impact and sustainability.