
President's report

Proposed loan

Multiphase adaptive programme - Phase 1

Republic of Angola

**Sustainable Development for Subsistence Family
Farmers Programme**

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Action: The Executive Board is invited to approve the recommendation contained in paragraph 77.

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Map of the programme area



 The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 23-09-2024

Financing summary

Initiating institution:	IFAD
Borrower:	Republic of Angola
Executing agency:	Ministry of Agriculture and Forestry (MINAGRIF)
Total multiphase programme cost:	US\$132.00 million
Total first phase cost:	US\$73.00 million
Amount of IFAD loan 1 (performance-based allocation system [PBAS]):	US\$33.54 million
Terms of IFAD loan 1:	Ordinary terms: Up to 30 years, including a grace period of up to 8 years, within an average repayment maturity of 18 years, subject to interest at a rate equal to the IFAD Reference Interest Rate including a variable spread.
Amount of IFAD loan 2 (Borrowed Resource Access Mechanism [BRAM]):	US\$5.00 million
Terms of IFAD loan 2:	Ordinary terms: Up to 30 years, including a grace period of up to 8 years, within an average repayment maturity of 18 years, subject to interest at a rate equal to the IFAD Reference Interest Rate including a variable spread.
Contribution of borrower:	US\$7.57 million
Contribution of beneficiaries:	US\$1.62 million
Financing gap:	US\$25.26 million (for first phase only)
Total multiphase programme IFAD financing ceiling (not including first phase):	US\$59.00 million
Amount of IFAD climate finance:	US\$28.98 million (of which US\$0.83 million is a climate top-up)
Cooperating institution:	IFAD

I. Context

A. National context and rationale for IFAD involvement

National context

1. **Political and economic context.** Since the end of its civil war in 2002, the Republic of Angola has experienced significant political changes, and despite recent progress in combating corruption, the country still faces challenges related to governance inefficiencies. Angola's economy is heavily dependent on oil, leading to volatility due to fluctuating global oil prices. Efforts to diversify the economy have been ongoing, but challenges remain, including high inflation and economic instability.
2. **Social context.** Angola faces high levels of poverty and inequality, with a Gini coefficient score of 51.3, one of the highest in the world. Youth unemployment stands at 58 per cent. Social protection programmes have been implemented, though progress is slow.
3. Angola is in a post-conflict transition, focusing on economic diversification and social stability. Conflict sensitivity, especially around natural resources governance, is critical to building resilience. Over half of Angola's population lives on less than US\$2.15 per day, particularly in rural areas. Angola faces significant food security challenges due to high dependency on food imports, climate change and increased intensity of extreme weather events (particularly drought), with efforts to boost food security focusing on improving agricultural productivity and supporting smallholder farmers. Only 10 per cent of Angola's arable land is cultivated, with rural land still contaminated by minefields. Smallholder farmers produce around 80 per cent of all agricultural products. Revitalizing smallholder agriculture is crucial for diversifying the economy and increasing food security.
4. The National Development Plan 2023–2027 focuses on promoting economic diversification, reducing inequality and modernizing infrastructure. Key policy gaps include stronger social protection measures and effective diversification strategies. The Long-term Development Strategy for Angola (2025) aims to reduce poverty and enhance food security through rural development and agricultural support, emphasizing sustainable development and rural empowerment. The national climate change strategy aims to build resilience and promote sustainable environmental practices.
5. Angola's development involves key players such as the African Development Bank, World Bank and United Nations agencies.

Special aspects relating to IFAD's corporate mainstreaming priorities

6. The Sustainable Development for Subsistence Family Farmers Programme (PRODESA) addresses several mainstreaming themes, including nutrition, youth, and climate finance. The programme integrates mandatory indicators from the IFAD core indicator framework at the output and outcome levels, as specified in the programme's logical framework. In line with IFAD's mainstreaming commitments, PRODESA has been validated as:
 - ☒ Including climate finance
 - ☒ Nutrition-sensitive
 - ☒ Youth-sensitive
 - ☒ Including adaptive capacity

Rationale for IFAD involvement

7. IFAD's involvement in PRODESA addresses key challenges faced by smallholder farmers in eastern Angola, including food and nutrition insecurity, climate vulnerability, and limited market access. The programme is aligned with Angola's

National Development Plan, which emphasizes economic diversification and rural development. IFAD's expertise in climate-resilient agriculture, capacity-building and farmer field schools (FFS) will enhance the programme's effectiveness. PRODESA targets underserved areas, leveraging existing projects and employing a participatory planning process to ensure tailored interventions. The multiphase adaptive programme (MAP) approach allows for learning and adaptation, ensuring sustainable development. PRODESA focuses on vulnerable groups, including women, youth and the San people (a nomadic Indigenous group), promoting inclusive growth. IFAD's strong partnerships, alignment with national and international goals, and integrated development approach uniquely position it to successfully implement PRODESA, enhancing agricultural productivity, building resilience and fostering inclusive economic growth.

B. Lessons learned

8. **Inclusive targeting.** Effective targeting engages vulnerable groups. PRODESA will finance literacy classes, nutrition education, and promote women's economic empowerment in the development of micro, small and medium-sized enterprises. It includes a subcomponent for the San people, addressing their unique needs. Lessons from the Smallholder Resilience Enhancement Project (SREP) and the Smallholder Agriculture Development and Commercialization Project in Cuanza Sul and Huila Provinces stress the importance of inclusive targeting.
9. **Climate change adaptation and land access.** Sustainability requires prioritizing climate adaptation and land management. PRODESA will formalize land-use rights before investments, ensuring long-term sustainability and growth.
10. **Farmer field school approach.** The FFS approach enhances technical capacities, social empowerment and the adoption of improved practices. PRODESA will leverage this approach, supporting groups in becoming commercial cooperatives and managing community funds.
11. **Multi-stakeholder engagement and market linkages.** Engaging public institutions, the private sector, NGOs and community groups is essential for effective value chain engagement. PRODESA aims to create commercial linkages, driving improved practices and returns on investments.
12. **Project design simplicity.** A clear structure and interlinkages between components are crucial. PRODESA's design ensures well-sequenced and manageable activities, addressing complexity issues faced by SREP.
13. **Government capacity-building.** Strengthening government institutions through capacity-building for agri-extension and management is central to PRODESA, which is aligned with lessons from IFAD's portfolio.
14. **Synergies with other investments.** PRODESA will coordinate with other donor-funded initiatives, ensuring complementary investment strengths and priorities.
15. **Lessons leading to the use of the multiphase adaptive programme.** The MAP approach allows for a structured intervention over 11 years, enabling learning and adaptation. The first phase builds capacities and the second phase scales successful interventions, ensuring flexibility and responsiveness. A longer-term approach is expected to attract cofinanciers, and thereby meet ambitious financing targets.

II. Programme description

A. Objectives, geographical area of intervention and target groups

16. The **goal** of PRODESA is to improve the food and nutrition security of smallholder farmers in the target area and increase their agriculture-derived income by enabling them to connect to agrifood markets.
17. The **programme development objective** is to improve the food and nutritional security and income of smallholder farmers and ethnic minority groups while enhancing their resilience to climate change impacts (such as drought), and other shocks and stressors. This is achieved through building production know-how, supporting farmers in accessing agrifinance, and investing in market-oriented activities facilitated by targeted entrepreneurial support and local infrastructure investments.

General plan for the second phase of the MAP

18. Phase 2 of PRODESA will build on the achievements of phase 1, focusing on expanding successful interventions to additional municipalities, increasing the number of FFS and agropastoral field schools (APFS), and enhancing market access for smallholder farmers. It will involve larger-scale infrastructure projects, policy reforms, and long-term strategies for climate adaptation and resilience.

Length of phases

First phase: Mid-2025 to mid-2030 (5 years)

Overall MAP: 2025 to 2036 (11 years)

Programme area

19. PRODESA will cover the provinces of Cuando Cubango, Moxico, Lunda Norte, Lunda Sul and Bié. These provinces were selected based on several criteria, including the incidence of poverty and vulnerability to food and nutritional insecurity, the impact of climate change such as variable rainfall patterns and severity of drought, the level of current investment in areas underserved by investment, the opportunity for synergies with other interventions, and the lack of coverage by other IFAD projects.

Agroecological characteristics

20. The PRODESA intervention areas in Angola encompass diverse agroecological zones. **Cuando Cubango South Province** features low population density, poor road connectivity, and semi-arid conditions with sandy soils. **Cuando Cubango North and Moxico** have better road infrastructure and water resources but lack irrigation systems. **Lunda Norte and Lunda Sul** experience high rainfall and practice slash-and-burn agriculture. **Bié** benefits from abundant water resources and advanced farming practices due to previous interventions. The **San community** in Cuando Cubango and Moxico relies on hunting and gathering, and faces food insecurity due to forest degradation. These zones require tailored interventions for sustainable development.

Target groups

21. Poor smallholder and agro-pastoralist households are economically and socially vulnerable, food- and nutrition-insecure, and grow subsistence crops. The San people, as hunter-gatherer groups, have unique livelihood needs. Women and youth represent 50 per cent and 30 per cent of programme participants, respectively. Minority groups include persons with disabilities and ethnic minorities.

Key characteristics and vulnerabilities

22. The most vulnerable group (C.1)¹ is made up of poor households with limited access to land, water and assets, and very poor farming families, small-scale agro-pastoralists, landless heads of households and minority groups. Smallholder farmers with low productivity (C.2) face limited economic opportunities, with priority given to households headed by poor young people and women. Local economic actors (C.3) consist of cooperatives and microenterprises and small businesses involved in market supply chains.

Estimated size of target group

23. PRODESA targets a total of 96,350 households, encompassing 462,480 people, of whom 50 per cent are women, 30 per cent youth, and 5 per cent minority groups.

B. Components, outcomes and activities

24. **PRODESA** aims to reduce multi-dimensional poverty among rural populations in Angola. The programme is divided into three main components:
25. **Component 1: Resilient agricultural farming and livelihood systems.** This component focuses on increasing local food production and addressing climate vulnerability. It includes:
- **Community mobilization and participatory planning for resilience** – engaging communities in planning activities to identify risks and opportunities, and developing community resilience project action plans;
 - **Technical training using FFS/APFS** – building farmers' capacities in climate-resilient practices, nutrition-sensitive farming and sustainable land management. This involves training sessions, demonstration fields and the establishment of community funds (*caixa comunitária*); and
 - **Supporting the San people** – enhancing the resilience and livelihoods of the San hunter-gatherer communities through climate-adaptive livelihood activities and sustainable forest management.
26. **Component 2: Improved connectivity and access to markets.** This component aims to strengthen market access and integration for smallholder farmers and cooperatives. It includes:
- **Supply chain structuring and linkage to markets** – building business management capacities, developing business plans, and facilitating access to agrifinance through a two-tier cofinancing mechanism; and
 - **Public investments in market-access infrastructure** – upgrading rural roads and bridges to improve transportation and reduce post-harvest losses. This also includes constructing storage and processing facilities to enhance market access.
27. **Component 3: Institutional strengthening, policy support and implementation support services.** This component supports the technical aspects of the programme and ensures effective implementation. It includes:
- **Institutional strengthening and policy support** – enhancing the capacities of local institutions through training programmes, logistical support and policy reforms. This involves developing strategies for climate adaptation, land titling, and sustainable agricultural practices; and
 - **Programme coordination and implementation support services** – providing administrative, procurement and financial management support to ensure smooth execution. This includes establishing a programme

¹ See PRODESA design report for details.

management unit (PMU) and provincial implementation units for decentralized management.

C. Theory of change

28. The proposal aims to achieve the desired results through a structured pathway connecting inputs, outputs, outcomes and impacts, based on a logical framework and theory of change.
29. **Inputs.** Resources and activities include financial support from IFAD, the Government and cofinanciers; human resources in the form of project staff and technical experts; infrastructure; training and capacity-building; and technical assistance from various organizations.
30. **Outputs.** Immediate results include community resilience programme action plans; farmers trained in climate-resilient practices; established FFS and APFS; improved infrastructure; business plans developed for cooperatives and micro, small and medium-sized enterprises; and facilitated access to finance.
31. **Outcomes.** Medium-term results include increased agricultural productivity; enhanced market access; strengthened community capacities; improved food security and nutrition; increased income for farmers and cooperatives; and enhanced climate resilience.
32. **Impacts.** Long-term results include reduced multi-dimensional poverty; sustainable agricultural development; a vibrant local agro-economy; and improved quality of life through better food security, nutrition and incomes.
33. **Assumptions.** Key assumptions include sufficient demand for training, tailored support, adequate implementation capacity, accessible financial resources, stable market demand, community participation and consistent government support.
34. **Contribution to overall MAP objective.** The MAP approach allows for learning and adaptation between phases, ensuring sustainable agricultural development and improved livelihoods for smallholder farmers and ethnic minority groups.

D. Alignment, ownership and partnerships

35. The programme contributes to the country's Sustainable Development Goals through sustainable agricultural development, resilience-building and market integration. Key contributions include reducing multi-dimensional poverty by improving agricultural productivity, increasing income, and enhancing climate resilience. It addresses food security by increasing the production of diverse and nutritious crops and promotes women's economic empowerment and gender equality through targeted training and inclusion in decision-making processes. PRODESA fosters decent work and economic growth by enhancing market access and business development skills, supports climate action through climate-resilient practices, and contributes to life on land by supporting sustainable land management and forest conservation.
36. The programme is aligned with IFAD's strategic objectives and supports Angola's National Development Plan and the Medium-Term Development Plan for the Agrarian Sector.

E. Costs, benefits and financing

Programme costs

37. The planned total cost of this multiphase adaptive programme is estimated at US\$132.00 million. The total cost of the first phase is US\$73.00 million, with IFAD financing of US\$38.54 million, the Government contributing US\$7.57 million, and beneficiaries contributing US\$1.62 million. There is a financing gap of US\$25.26 million. For the second phase, the ceiling for IFAD financing is set at US\$59.00 million.

38. First phase activities in component 1 (resilient agricultural farming and livelihood systems), component 2 (improved connectivity and access to markets), and subcomponent 3.1 (institutional strengthening and policy support) are counted as climate finance. As per the multilateral development banks' methodologies for tracking climate adaptation and mitigation finance, the total amount of IFAD climate finance for the first phase is estimated as US\$28,983,000.

Table 1

First phase costs by component and subcomponent and financier

(Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>IFAD loan 1 (PBAS)</i>		<i>IFAD loan 2 (BRAM)</i>		<i>Beneficiaries</i>			<i>Borrower</i>			<i>Financing gap</i>		<i>Phase 1 total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
1. Resilient agricultural farming and livelihood systems														
1.1 Participatory community planning for resilience	2 649	9.6	-	-	-	-	-	-	184	2	-	-	2 833	4
1.2 Technical training using FFS/APFS for increased production, resilience and nutrition	25 683	71.5	4 347	86.9	637	345	60.5	151	2 039	29	-	-	33 203	45
1.3. Supporting the San people through livelihood and forest management and conservation interventions	132	-	-	-	-	-	-	-	79	1	1 229	4.9	1 440	2
Subtotal	28 464	84.9	4 347	86.9	637	345	60.5	151	2 303	32.4	1 229	4.9	37 476	51.3
2. Improved connectivity and access to markets														
2.1 Supply chain structuring and linkage to markets	1 669	6.0	-	-	641	-	39.5	-	610	8	8 284	32.8	11 205	15
2.2 Public investments in market-oriented infrastructure	433	1.6	-	-	-	-	-	-	1 427	19	8 991	35.6	10 851	15
Subtotal	2 102	6.2	-	-	641	-	39.5	-	2 037	27	17 276	68.4	22 057	30.2
3. Institutional strengthening, policy support and implementation support services														
3.1 Institutional strengthening and policy support	527	1.9	-	-	-	-	-	162	93	3	846	3.3	1 628	2
3.2 Programme coordination and implementation support services	2 450	8.9	653	13.1	-	-	-	746	2 077	37	5 914	23.4	11 840	16
Subtotal	2 977	8.9	653	13.1	-	-	-	907	2 170	41	6 760	26.8	13 467	18.45
Total	33 544	46.0	5 000	6.8	1 279	345	2.2	1 058	6 510	10.4	25 264	34.6	73 000	100

Table 2

First phase costs by expenditure category and financier

(Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD loan 1 (PBAS)</i>		<i>IFAD loan 2 (BRAM)</i>		<i>Beneficiaries</i>			<i>Borrower</i>			<i>Financing gap</i>		<i>Phase 1 total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Investment costs														
A. Works	3 173	23.4	-	-	187	345	3.9	-	1 898	14.0	7 954	58.7	13 558	18.6
B. Consultancies														
1. Agropastoral/Farmers Field School	10 950	84.0	1 234	9.5	-	-	-	-	849	6.5	-	-	13 033	17.9
2. Business development services	1 530	16.3	-	-	-	-	-	-	610	6.5	7 249	77.2	9 390	12.9
3. Other technical assistance	3 345	48.2	-	-	-	-	-	-	451	6.5	3 149	45.3	6 945	9.5
Subtotal	15 825	53.9	1 234	4.2	-	-	-	-	1 911	6.5	10 398	35.4	29 368	40.2
C. Equipment and goods														
1. Vehicles and equipment	660	41.9	86	5.5	-	-	-	549	278	52.6	-	-	1 573	2.2
2. Goods, services and inputs	7 885	72.7	1 817	16.8	451	-	4.2	-	556	5.1	137	1.3	10 846	14.9
Subtotal	8 545	68.8	1 903	15.3	451	-	3.6	549	835	11.1	137	1.1	12 419	17.0
D. Training and workshops	3 203	64.3	921	18.5							860	17.3	4 984	6.8
E. Grants and subsidies	1 375	41.2	290	8.7	641		19.2				1 035	31.0	3 342	4.6
Total investment costs	32 121	50.4	4 347	6.8	1 279	345	2.5	549	4 644	8.2	20 384	32.0	63 670	87.2
Recurrent costs														
A. Salaries and allowances	1 214	17.0	653	9.2	-	-	-	69	461	7.5	4 726	66.4	7 123	9.8
B. Operating costs	208	9.4	-	-	-	-	-	441	1 405	83.7	154	7.0	2 207	3.0
Total recurrent costs	1 422	15.2	653	7.0	-	-	-	509	1 866	31.4	4 880	52.3	9 330	12.8
Total	33 543	45.9	5 000	6.8	1 279	345	2.3	1 058	6 510	10.3	25 264	34.6	73 000	100

Table 3

First phase costs by component and subcomponent and programme year (PY)

(Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>PY1</i>		<i>PY2</i>		<i>PY3</i>		<i>PY4</i>		<i>PY5</i>		<i>PY6</i>		<i>Phase 1 total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>
1. Resilient agricultural farming and livelihood systems													
1.1 Participatory community planning for resilience	1 240	24.5	1 593	15.2	-	-	-	-	-	-	-	-	2 833
1.2 Technical training using FFS/APFS for increased production, resilience and nutrition	582	11.5	4 242	40.5	11 455	56	11 616	52.8	4 813	39.1	494	19.0	33 203
1.3. Supporting the San People through livelihood and forest management and conservation interventions	46	0.9	95	0.9	697	3	341	1.5	256	2.1	5	0.2	1 440
Subtotal	1 869	36.9	5 930	56.5	12 152	59	11 957	54.3	5 069	41.2	499	19.2	37 476
2. Improved connectivity and access to markets													
2.1 Supply chain structuring and linkage to markets	542	10.7	1 308	12.5	2 714	13	3 412	15.5	2 621	21.3	607	23.4	11 205
2.2 Public investments in market-oriented infrastructure	51	1.0	1 074	10.2	3 131	15	4 274	19.4	2 261	18.4	60	2.3	10 851
Subtotal	594	11.7	2 383	22.7	5 844	28	7 687	34.9	4 883	39.7	667	25.6	22 057
3. Institutional strengthening, policy support and implementation support services													
3.1 Institutional strengthening and policy support	486	9.6	265	2.5	377	2	207	0.9	191	1.6	102	3.9	1 628
3.2 Programme coordination and implementation support services	2 109	41.7	1 909	18.2	2 172	11	2 164	9.8	2 153	17.5	1 332	51.2	11 840
Subtotal	2 595	51.3	2 174	20.7	2 548	12	2 371	10.8	2 344	19.1	1 434	55.2	13 467
Total	5 058	6.9	10 487	14.4	20 545	28.1	22 014	30.2	12 296	16.8	2 600	3.6	73 000

Financing and cofinancing strategy and plan

39. There is a financing gap of US\$25.26 million for the first phase. The Government of Angola has written to IFAD requesting additional resources under the Borrowed Resource Access Mechanism (BRAM) to fill this gap, or it may be sourced through subsequent IFAD funding cycles. Opportunities are also currently being explored with the Adaptation Fund and others. For the second phase, which has a financing ceiling of US\$59.00 million, along with additional IFAD resources from subsequent cycles, cofinancing will also be sought from partners such as the African Development Bank, the European Union and climate funds such as the Adaptation Fund and the Global Environment Facility.
40. PRODESA is financed by IFAD, the Government of Angola and the programme beneficiaries. Additionally, parallel financing from the African Development Bank will support rural infrastructure investments.

Disbursement

41. There will be separate designated accounts in United States dollars for each financing instrument, with corresponding operating accounts in Angolan kwanza managed by the PMU. Each provincial implementation unit will have a sub-account to receive funds from the operating accounts. Funds will be disbursed based on submission of quarterly interim financial reports and will not be used for payment of taxes and duties.
42. Beneficiary contributions will be managed through dedicated beneficiary accounts. Financial operations will adhere to IFAD's anticorruption policies and guidelines.

Summary of benefits and economic analysis

43. Key benefits include increased agricultural productivity through FFS and APFS, where farmers will adopt climate-resilient practices, leading to higher yields and diversified production. Additionally, improved infrastructure, such as roads and bridges, will reduce post-harvest losses and facilitate market access, increasing farmers' income. Institutional strengthening through capacity-building for local institutions and policy support will ensure sustainable agricultural practices and better governance.
44. **The economic analysis** of PRODESA indicates strong financial viability and economic returns. Individual farm models show positive net present values (NPVs), ranging from US\$325 to US\$2,792, while collective models range from US\$15,882 to US\$38,815. The programme's economic internal rate of return is 29 per cent, with an NPV of US\$122.8 million over 20 years, indicating robust economic benefits even under various risk scenarios.

Exit strategy and sustainability

45. Boosted by the use of the MAP approach, the exit strategy ensures sustainability beyond implementation, focusing on creating lasting impacts for target communities.

III. Risk management

A. Risks and mitigation measures

46. The overall inherent and residual risk rating for PRODESA is substantial.

Table 4

Overall risk summary

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	Substantial	Substantial
Sector strategies and policies	Moderate	Moderate
Environment and social context	Moderate	Moderate
Programme scope	Low	Low
Institutional capacity for implementation and sustainability	Substantial	Substantial
Financial management	Substantial	Substantial
Programme procurement	Substantial	Substantial
Climate impact	Substantial	Substantial
Stakeholders	Moderate	Moderate
Overall	Substantial	Substantial

B. Environment and social category

47. PRODESA is categorized as moderate, indicating less severe, site-specific and reversible impacts. It involves agricultural production, infrastructure development and capacity-building, with mitigation measures such as climate-smart agriculture, rainwater harvesting, and disaster-resilient infrastructure. Environmental impacts include water scarcity, soil erosion, land degradation and loss of biodiversity. Social impacts relate to the vulnerability of Indigenous Peoples, community health risks and labour migration. Mitigation measures include promoting climate-smart agriculture, installing rainwater-harvesting systems, developing disaster-resilient infrastructure, promoting agroforestry, ensuring inclusive participation of Indigenous Peoples, and raising awareness on communicable diseases. PRODESA complies with IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) and relevant policies, with an ethnic minority plan for the San community ensuring alignment with their culture and aspirations, including Free, Prior and Informed Consent (FPIC).

C. Climate risk classification

48. Climate risk classification is substantial. PRODESA involves agricultural production, infrastructure development, and capacity-building, with mitigation measures such as climate-smart agriculture, rainwater harvesting, and disaster-resilient infrastructure. Emphasizing community engagement will ensure that activities are relevant and responsive to local needs. While impacts are possible, they are not expected to be significant or irreversible, aligning with national priorities and supportive policies.

D. Debt sustainability

49. Angola's external debt has been a significant concern due to its reliance on oil exports. Over the years, debt has increased substantially, driven by borrowing for development projects, volatile commodity prices, the COVID-19 pandemic and widening public deficits. This has reduced investor confidence. Hindered economic growth followed, further impacted by Angola's exit from the Organization of the Petroleum Exporting Countries (OPEC) in December 2023 over production quota disputes.

Potential future of IFAD financing for subsequent phases

50. IFAD funding for the second-phase ceiling of up to US\$59.00 million may be sourced through subsequent PBAS cycles and/or through the BRAM (under financing terms to be determined and subject to internal procedures).

IV. Implementation

A. Organizational framework

Programme management and coordination

51. To ensure implementation readiness, IFAD and the Government will undertake key actions upon programme approval. The country team will quickly provide access to start-up facilities, nominate staff for the start-up financing facility, and ensure that funds are available for initial activities. Baseline surveys will be promptly conducted to gather essential data. Key staff for the PMU will be independently recruited, ensuring competitive selection for the positions of project coordinator, finance manager, and monitoring and evaluation manager. The annual workplan and budget (AWPB) and an 18-month procurement plan will be prepared, outlining planned activities, budget allocations and procurement processes.

Financial management, procurement and governance

52. The financial management (FM) of PRODESA will be centralized. The majority of FM functions will be performed at the PMU, which will be located in Saurimo, Lunda Sul Province. The PMU will have overall oversight responsibility for financial management.
53. The FM arrangements will be linked with other ongoing IFAD projects managed by the Institute for Agricultural Development. The programme will leverage the experience and systems already in place for these projects, ensuring consistency and efficiency in FM practices, including adequate internal controls.
54. PRODESA will use advanced accounting software to maintain project accounts and generate financial reports to ensure adherence to international standards. The programme will integrate its FM arrangements with national systems to the extent possible.
55. The accounting and financial reporting framework for the grant activities is set out in the FM annex of the programme implementation manual to mitigate risks. Other mitigation measures will include competitive recruitment, internal audits and the development of a comprehensive FM manual detailing internal control arrangements.
56. Financial statements will be prepared in accordance with the International Public Sector Accounting Standard under the cash basis of accounting and will be audited by a private external audit firm acceptable to IFAD, in accordance with International Standards on Auditing. The audit reports will be submitted to IFAD within six months after the end of each financial year. The audit terms of reference will be subject to IFAD's no objection.
57. **Procurement arrangements.** Procurement under PRODESA will be carried out in accordance with procurement Law No. 41/20 of 23 December 2020 and subsequently updated public procurement regulations, to the extent that they are consistent with IFAD's project procurement guidelines. In the case of contradictions between national regulations and IFAD guidelines, IFAD guidelines will take precedence.
58. **Extent of reliance on the country's procurement systems.** The programme will use national procurement systems where feasible but will rely on IFAD's standard bidding documents for international competitive bidding and consulting services.

59. **Risk-based plan to monitor and review procurement activities.** Regular monitoring and updates of procurement plans will ensure effective implementation. Contract management plans and systems will be established to implement contracts in line with good procurement practices.

Target group engagement and feedback and grievance redress

60. PRODESA will employ several modalities to ensure that organizations responsible for delivering programme-supported interventions are held accountable. These mechanisms are designed to be proportionate to the nature and scale of the programme, ensuring effective engagement and feedback.
61. Regular progress reports will be shared with the programme steering committee, provincial steering committees and other relevant stakeholders. These reports will include detailed information on implementation, financial management and any challenges encountered.

Grievance redress

62. A robust grievance redress mechanism (GRM) will be established to address any complaints or concerns raised by stakeholders. The GRM will include clear procedures for submitting, reviewing and addressing grievances in a timely manner. Information about the GRM will be widely disseminated to ensure accessibility.

B. Planning, monitoring and evaluation, learning, knowledge management and communications

63. **Programme planning.** The planning process will be participatory and decentralized, starting with the AWPB. Community members, local leaders and stakeholders will be involved to ensure alignment with local needs. The AWPB will be consolidated at municipal, provincial and national levels, ensuring coherence with national development goals.
64. **Monitoring and evaluation.** The monitoring and evaluation (M&E) system will capture quantitative and qualitative data against targets. A management information system will facilitate data management, with layers for data storage and processing, and a web-based dashboard interface.
65. **Learning.** The programme will implement mechanisms for continuous improvement. FFS and APFS will test and validate sustainable practices, generating knowledge to be shared among stakeholders. Workshops and training programmes will provide insights into practical challenges and community dynamics.
66. **Communications.** Regular progress reports will be shared and the programme will use local radio stations, social media platforms and a digital platform to communicate and interact with the target population.

Innovation and scaling up

67. The integration of planning, M&E, learning and communications systems will support scaling up successful interventions. The documented best practices and lessons learned will provide a foundation for expanding programme activities to additional municipalities. The management information system will facilitate tracking of progress across different phases of the programme.

C. Implementation plans

Implementation readiness and start-up plans

68. Upon programme approval, the IFAD country team will quickly provide access to start-up facilities and nominate staff for the start-up financing facility. Baseline surveys will be promptly conducted to gather essential data. Key staff for the PMU will be independently recruited, ensuring competitive selection for key positions. The AWPB and an 18-month procurement plan will be prepared. A strategic implementation plan for the five-year period will be developed. Additionally, a

capacity assessment of implementation partners will be conducted, with onboarding support and training provided at all levels.

Supervision, phase assessment and completion plans

69. **Periodical supervision and implementation support missions.** IFAD will conduct regular missions to ensure effective execution. These missions will include field visits, meetings with project staff, beneficiaries and stakeholders, and a review of programme documentation. Findings and recommendations will be documented in supervision reports shared with the PMU and relevant stakeholders.
70. **Annual supervision missions.** IFAD will conduct annual missions to review the programme's progress, financial management, procurement processes and overall performance.
71. **Implementation support missions.** IFAD may conduct further implementation support missions as needed. These missions will provide technical assistance, capacity-building, and problem-solving support to the PMU and implementing partners, based on needs and emerging challenges.
72. **Phase assessment.** A comprehensive assessment of phase 1 will be conducted in year four. This assessment will evaluate the programme's progress, effectiveness and impact, considering government priorities and targets set in the phase 1 logical framework. Key indicators such as funds disbursement, outreach and production capacity-building will be crucial.
73. **Completion plans.** At the end of phase 1, a programme completion report (PCR) will be prepared, documenting achievements, challenges, lessons learned and overall impact. The PCR will assess sustainability and provide recommendations for future interventions, which will be shared with all stakeholders to inform future project designs and policy decisions.

V. Legal instruments and authority

74. A financing agreement between the Republic of Angola and IFAD will constitute the legal instrument for extending the proposed financing to the borrower. A copy of the negotiated financing agreement is attached as appendix I.
75. The Republic of Angola is empowered under its laws to receive financing from IFAD.
76. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

77. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on ordinary terms to the Republic of Angola in an amount of thirty-three million five hundred and forty-three thousand United States dollars (US\$33,543,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on ordinary terms to the Republic of Angola in an amount of five million United States dollars (US\$5,000,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Executive Board delegates authority to the President² to approve additional financing to the Republic of Angola in an amount of up to fifty-nine million United States dollars (US\$59,000,000) to finance the subsequent phase of the multiphase adaptive programme with the overall programme objective as described herein and subject to the presentation of a satisfactory assessment of the previous phase and upon such terms and conditions to be established and agreed upon.

Alvaro Lario
President

² In accordance with the procedures set out in document [EB 2024/142/R.25](#).

Negotiated financing agreement

Sustainable Development for Subsistence Family Farmers Programme

(Negotiations concluded on 9 June 2025)

FINANCING AGREEMENT

Loan No: _____

Loan No: _____

Project name: Sustainable Development for Subsistence Family Farmers Programme ("PRODESA" / "the Project")

Republic of Angola (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower has requested loans from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

WHEREAS the Borrower has undertaken to provide additional support, financially or in kind that may be needed to the Project;

WHEREAS the Project will be implemented as a Multiphase Adaptive Programme (MAPs) in accordance with the Multiphase Adaptive Programme Approach document approved by IFAD's Executive Board on its 142nd session;

WHEREAS, the Fund has agreed to provide financing for the Project.

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. This Agreement comprises the following: the Main Document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide two loans (the "Financing") to the Borrower, which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. A. The amount of Ordinary Loan 1 is thirty three million five hundred and forty three thousand United States dollars (USD 33 543 000).
B. The amount of Ordinary Loan 2 is five million United States dollars (USD 5 000 000).

2. The Loan 1 and Loan 2 will be granted on ordinary terms and shall be subject to interest on the principal amount outstanding of the Loan at a rate equal to the IFAD Reference Interest Rate including a variable spread, payable semi-annually in the Loan Service Payment Currency, and have a maturity period of 25 years, including a grace period of 8 years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.

3. The Loan Service Payment Currency shall be in USD.

4. The first day of the applicable Fiscal Year shall be 1 January.

5. Payments of principal and interest shall be payable on each 15 February and 15 August.

6. There shall be two Designated Accounts in USD for the exclusive use of the Project, opened in a commercial bank acceptable to IFAD. The Borrower shall inform the Fund of the officials authorized to operate the Designated Accounts.

7. There shall be corresponding Project Account(s) in Angolan Kwanza (AOA), to receive funds from the designated accounts. These accounts will be managed by the Project Management Unit (PMU).

8. The Borrower shall provide counterpart financing for the Project, in-cash and in-kind, in the amount of seven million five hundred sixty-eight thousand United States dollars (USD 7 568 000), of which six million five hundred and ten thousand United States dollars (USD 6 510 000), shall be the in-kind contribution. The in-kind contribution shall cover costs relating to waiving the estimated taxes on the Project costs and recurrent expenditure, while the cash contribution shall cover cost related to the estimated custom duties and financing the general recurrent costs of the Project.

Section C

1. The Lead Project Agency shall be the Ministry of Agriculture and Forests of the Republic of Angola (the "MINAGRIF").

2. A Mid-Term Review shall be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

3. The Project Completion Date shall be the fifth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.

4. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower's procurement regulations, to the

extent such are consistent with the IFAD Project Procurement Guidelines. In case of contradictions between national regulations and IFAD guidelines, IFAD guidelines will take precedence.

Section D

1. The Fund shall administer the Financing and supervise the Project.

Section E

1. The following is designated as additional grounds for suspension of disbursements:
 - (a) The Project Implementation Manual ("PIM") and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.
2. The following is designated as additional grounds for cancellation of disbursements:
 - (a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 consecutive months without justification subsequent to the first eighteen (18) months from the entry into force of the Agreement.
3. The following are designated as additional specific conditions precedent to withdrawal:
 - (a) The Borrower shall submit the final external audit report for the Smallholder Resilience Enhancement Project (SREP) and refund any outstanding amounts for smooth closure of the SREP.
 - (b) The IFAD no objection to the Project Implementation Manual (PIM) shall have been obtained.
 - (c) The Key Project personnel have been appointed as per Schedule 3 section 12 of this Agreement.
 - (d) Financial Management Information System has been procured and installed.
4. This Agreement is subject to receipt of a legal opinion by the Attorney General's Office and a visa from the Court of Account.
5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Minister of Planning
Rua 17 de Setembro, Cidade Alta, Luanda
Republic of Angola

Copy to:

Minister of Finance
Rua Major Kanhangulo, IMOB
Business Tower 1356, Ingombota, Luanda
Republic of Angola

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

Copy to:

The Country Director
International Fund for Agricultural Development
Condominio Rosalinda, Edificio 1B da ONU, 4 Andar
Estrada Direita da Samba-Futungo de Belas-Luanda Angola

The Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

REPUBLIC OF ANGOLA

Vera Daves de Souza
Minister of Finance

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Alvaro Lario
President

Date: _____

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Target Population.* The Project shall benefit poor smallholder and agro-pastoralist households. 50% of the Target Population shall be women, 30% youth, and 5% minority groups. The latter includes people with disabilities and ethnic minorities.
2. *Project area.* The Project will cover the provinces of Cuando-Cubango, Moxico, Lunda Norte, Lunda Sul, and Bié (the "Project Area").
3. *Goal.* The goal of the Project is to improve the food and nutrition security of smallholder farmers in the Project area and increase their agriculture-derived income by enabling them to connect to agri-food markets.
4. *Objectives.* The objective of the Project is to improve the food and nutritional security and income of small-scale farmers and ethnic minority groups while enhancing their resilience capacities to climate change and other shocks and *stressors*.
5. *Components.* The Project shall consist of the following three Components:
 - 5.1. *Component 1: Resilient Agricultural Farming and Livelihood Systems.* This component focuses on increasing local food production and addressing vulnerabilities to climate change. It includes:
 - *Community Mobilization and Participatory Planning for Resilience:* Engaging communities in planning activities to identify risks and opportunities and developing Community Resilience Project Action Plans (CRPAPs).
 - *Technical Training using FFS/APFS:* Building farmers' capacities in climate-resilient practices, nutrition-sensitive farming, and sustainable land management. This involves training sessions, demonstration fields, and the establishment of community funds (caixa comunitaria).
 - *Supporting the San People:* Enhancing the resilience and livelihoods of the San hunter-gatherer communities through climate-adaptive livelihood activities and sustainable forest management.
 - 5.2. *Component 2: Improved Connectivity and Access to Markets.* This component aims to strengthen market access and integration for smallholder farmers and cooperatives. It includes:
 - *Supply Chain Structuring and Linkage to Markets:* Building business management capacities, developing business plans, and facilitating access to agri-finance through a two-tier co-financing mechanism.
 - *Public Investments in Market-Access Infrastructure:* Upgrading rural roads and bridges to improve transportation and reduce post-harvest losses. This also includes constructing storage and processing facilities to enhance market access.
 - 5.3. *Component 3: Institutional Strengthening, Policy Support and Implementation Support Services.* This component supports the technical aspects of the Project and ensures effective implementation. It includes:
 - *Institutional Strengthening and Policy Support:* Enhancing the capacities of local institutions through training programs, logistical support, and policy reforms. This involves developing strategies for climate adaptation, land titling, and sustainable agricultural practices.

- *Project Coordination and Implementation Support Services:* Providing administrative, procurement, and financial management support to ensure smooth project execution. This includes establishing a Project Management Unit (PMU) and Provincial Project Implementation Units (PPIUs) for decentralized management.

II. Implementation Arrangements

6. *Lead Project Agency (LPA).* The LPA shall be the MINAGRIF.

7. *Project Management Unit (PMU).* The Project Management Unit will be based in Saurimo, the capital city of Lunda Sul province. To ensure effective representation in Luanda, an IDA Focal Person from the Ministry of Agriculture and Forest (MINAGRIF) staff will be appointed as a Liaison Officer for PRODESA-related matters. The Lead Project Agency will conduct a competitive recruitment process for a Project Manager/Coordinator, who will be appointed by the Minister of Agriculture and Forest. The Project Manager/Coordinator will be responsible for administrative, financial, and human resources responsibilities, and will lead a team of experts forming the PMU.

8. *Technical Steering Committee (TSC).* The Technical Steering Committee, chaired by the Institute of Agrarian Development (IDA) Director and composed of members from the PMU, government ministries, provincial entities, educational and research institutions, NGOs, international organizations, donors, and other stakeholders, will be established to ensure the successful delivery of capacity-building and policy support activities. This committee will meet quarterly with implementing partners and stakeholders, playing a crucial role in coordinating efforts, sharing insights, and ensuring alignment with project goals. Additionally, in a decentralized setup, this committee will serve as a mechanism for IDA to be actively overseeing the implementation of the project.

9. *Provincial Governance Committees (PGCs).* PGCs, will be led by each provincial Governor or his delegatee, of the beneficiary province which include representatives from provincial directorates, traditional and community leaders as well as civil society, shall be established. The PGCs is responsible for the localized implementation of the project and ensuring that it meets the specific needs of the province. This involves providing support and guidance to the project implementation teams to address local challenges and ensure smooth execution. Additionally, this structure will intervene on behalf of the project with the national structure in case of blockages imposed by intermediate structures, ensuring that any obstacles are effectively managed and resolved.

10. *Monitoring and Evaluation (M&E).* The M&E system shall capture quantitative and qualitative data against targets. A Management Information System (MIS) shall facilitate data management, with layers for data storage, processing, and a web-based dashboard interface.

11. *Knowledge Management.* The Project shall implement mechanisms for continuous improvement. Farmer and Agropastoral Field Schools (FFSs and APFSs) shall test and validate sustainable practices, generating knowledge to be shared among stakeholders. Workshops and training programs shall provide insights into practical challenges and community dynamics. The documented best practices and lessons learned shall provide a foundation for expanding Project activities to additional municipalities. The MIS shall facilitate tracking progress across different phases of the Project.

12. *Project Implementation Manual.* The Borrower shall prepare a comprehensive Project Implementation Manual, together with an Annual workplan and Budget (AWPB) and the associated procurement plan and terms of reference for various service providers to be procured, and to ensure implementation readiness. The AWPB shall be consolidated at municipal, provincial, and national levels, ensuring coherence with national development goals. Any revisions to the PIM and AWPB shall require prior approval by the Fund.

Schedule 2

Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loans and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

	IFAD Loan 1 Amount (Expressed in USD)	IFAD Loan 2 Amount (Expressed in USD)	Percentage (Net of Taxes, Government and Beneficiary contributions)
1. Works	2 860 000		100%
2. Consultancies	14 240 000	1 110 000	100%
a) <i>Agropastoral/ Farmers Field School</i>	9 850 000	1 110 000	
b) <i>Business development services</i>	1 380 000		
2 <i>Other technical assistance</i>	3 010 000		
3. Training and Workshop	2 880 000	830 000	100%
4. Equipment and Materials	7 690 000	1 710 000	100%
5. Grants and Subsidies	1 240 000	260 000	100%
6. Salaries and allowances	1 280 000	590 000	100%
7. Unallocated	3 353 000	500 000	100%
TOTAL	33 543 000	5 000 000	

(b) The terms used in the Table above are defined as follows:

- (i) The category "Consultancies" broken down to sub-categories and includes consultancy costs relating to Farmers Field Schools, Business Development Services, and other technical assistance.
- (ii) The category "Equipment and materials" includes costs relating to equipment, vehicles, goods, services and inputs.
- (iii) The category "Salaries and Allowances" also includes operating costs.

2. Disbursement arrangements

(a) Start-up Costs. Withdrawals in respect of expenditures for start-up costs in goods and services, consultancies, salaries and allowances categories incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 500 000. Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

(b) Disbursements will be made based on quarterly Interim Financial Reports and in line with the Project Financial Management and Financial Control Arrangements Letter (FMFCL).

(c) IFAD Loans will not be used to finance taxes and duties.

Schedule 3

Special Covenants

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within 6 months of entry into force of the Financing Agreement, the Project shall procure and install a customized accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.
2. Within six (6) months of entry into force of the Financing Agreement, the Project, where relevant, will enter into Memorandum of Understandings (MoU) with implementing partners that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.
3. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
4. *Final audit report.* The final audit report shall be submitted to IFAD by the Project's financial closure date.
5. *Gender.* The Borrower shall ensure that gender equality and women's empowerment are mainstreamed in all Project activities, in line with IFAD's gender policy and applicable national laws, with at least 50% of PRODESA beneficiaries being women. The Borrower will implement the Gender Action Learning System (GALS) methodology in Farmer Field Schools (FFS) and Agropastoral Field Schools (APFS) to promote gender equality and empower women.
6. *Vulnerable People Concerns.* The Borrower shall ensure that the concerns of people with disabilities, minority groups and people living with HIV/AIDS are given due consideration in implementing the Project and, to this end, shall ensure that:
 - (a) the Project is carried out in accordance with the applicable provisions of the relevant vulnerable peoples national legislation;
 - (b) vulnerable people are adequately and fairly represented in all local planning for Project activities;
 - (c) vulnerable peoples' rights are duly respected;
 - (d) vulnerable peoples' communities, participate in policy dialogue and local governance;
 - (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject are respected;
 - (f) The Project will not involve encroachment on traditional territories used or occupied by vulnerable communities.
7. *Land tenure security.* The Borrower shall ensure that land tenure and land-use rights are respected and strengthened in Project activities in accordance with national legislation and international best practice.
8. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.

9. Sexual Harassment, Sexual Exploitation and Abuse. The Borrower and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse.

10. Use of Project Vehicles and Other Equipment. The Borrower shall ensure that:

- (a) all vehicles and other equipment procured under the Project are allocated to the PMU and other implementing partners for Project implementation;
- (b) The types of vehicles and other equipment procured under the Project are appropriate to the needs of the Project; and
- (c) All vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.

11. IFAD Client Portal (ICP) Contract Monitoring Tool. The Borrower shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the contract data is updated on a quarterly basis during the implementation of the Project.

12. The Key Project Personnel are: project coordinator, procurement manager, finance manager, monitoring and evaluation manager, farm field school specialist, infrastructure specialist, community development and social inclusion specialist, access to finance manager, climate change and environment specialist, business development specialist, land governance and titling specialist, liaison officer, and internal auditor. In order to assist in the implementation of the Project, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded to the PMU in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Project Personnel is subject to IFAD's prior review as is the dismissal of Key Project Personnel. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Project's circumstances.

II. SECAP Provisions

1. The Borrower shall carry out the preparation, design, construction, implementation and operation of the Project in accordance with the nine standards and other measures set forth in the Updated Social, Environmental and Climate Assessment Procedures (SECAP 2021 Edition) of IFAD, and with all applicable laws and regulations of Angola.

2. For Projects presenting moderate social, environmental and climate risks, the Borrower shall carry out the implementation of the Project in accordance with the measures and requirements set forth in the Social and Climate Management Frameworks (ESCMFs) and Environmental, Social and Climate Management Plans (ESCMPs) and Free, Prior and

Informed Consent (FPIC) Plans or , FPIC Implementation Plans, , Pesticide Management Plans,, , taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).

3. The Borrower shall not, commence implementation of any works where resettlement or compensation is involved unless all Project-affected persons have been duly compensated or resettled in accordance with national law and SECAP requirements.

4. The Borrower shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Project stakeholders and interested parties in an accessible place in the Project-affected area, in a form and language understandable to Project/-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

5. The Borrower shall ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Project with the standards, measures and requirements set forth in the SECAP 2021 standards and the applicable Management Plan(s), if any.

6. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Project implementation that, with respect to the relevant IFAD Project:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Project-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Project-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Borrower activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death,

serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Project workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

7. The Borrower shall ensure that SECAP processes are respected by the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to always ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

8. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Project and propose remedial measures. The Borrower will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

9. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	CI 1: Persons receiving services promoted or supported by the project	0	48175	96350	Project M&E System	Semi-annual	Project M&E Unit	Government implementation capacities are strengthened throughout the project. Government rural development policies are oriented towards poverty reduction and support the regional agricultural development. Women (50%) Young People (30%) PWD (5%). Average HH size (4.8)
	CI 1.a: Corresponding number of households reached	0	48175	96350	Project M&E system	Semi-annual	Project M&E Unit	
	CI 1.b: Estimated corresponding total number of households members	0	231240	462480	Project M&E system	Semi-annual	Project M&E Unit	
Project Goal: Contribute to reducing multi-dimensional poverty among rural population in the east and South of Angola	Multidimensional Poverty Index (MPI) reduced	76%	70%	65%	Impact Survey - Alkire-Foster Method	Baseline, Midterm, Endline of Project	Project M&E Unit / consultancy firm	Continuity of public policies and programs that support rural poverty reduction. Absence of major economic disruptions.
Development Objective: Improve food and nutritional security and income of small-scale farmers and ethnic minority groups in the South and East of Angola while enhancing their resilience capacities	Households reporting an increase of at least 20% in their	0	28905	48175	Project M&E System / Survey reports	Baseline, Midterm, End of Project	Project M&E Unit / consultancy firm	Policies and incentives favour sustainable agricultural practices. The economic crisis shows improvement. Increase in resilience Index (50%). Increase in income (80% of project targets)
	Households reporting an increase in incomes	0	38540	77080	Project M&E System / Survey reports	Baseline, Midterm, End of Project	Project M&E Unit / consultancy firm	
Outcome 1: Resilient Agricultural Farming and Livelihood Systems	CI 3.2.2: Households reporting adoption of environmentally sustainable and climate- resilient	0	28905	48175	COI / Impact Survey	Baseline, Midterm, End of Project	Project M&E Unit / consultancy firm	Policies and incentives favour resilient agricultural practices. Dry spells and precipitations remain in the current variability range. Target population willingness to own and adopt supported production and nutrition interventions. Adoption of climate- resilient technologies and practices (50% of project target); Adoption of new/improved inputs (90%); Reduced water shortage (78% of FFS beneficiaries); and increase in production (70% of FFS beneficiaries)
	CI 1.2.2: Households reporting adoption of new/improve	0	10733	42930				
	CI 1.2.3: Households reporting reduced water shortage vis-à-vis production needs	0	0	37206				
	CI 1.2.4: Households reporting an increase in production	0	16695	33390				
	CI 1.2.8: Percentage of women reporting minimum dietary diversity (MDDW)	0%	40%	50%				
Output 1.1: Community resilience plans developed	Number of Communities resilience project action plans	0	310	310	Project M&E system	Annual	Project M&E Unit	Active community participation and ownership. About 715 HH of the San community
	CI 3.1.1: Groups supported to sustainably manage	0	357	715				
Output 1.2: Technical training using Agropastoral/Farmer fields schools for increased production, resilience and nutrition	Government employed staff trained in project related fields	0	65	129	Project M&E system	Annual	Project M&E Unit	Good synergies are established between State level rural advisory services and FFS/APFS. Total Staff trained (129 staff). Nutrition (98), FFS methodology (98), GALS (31) FFS/APFS total (1,590). FFS (1,550), APFS (40). Farmers trained 47,700. Livestock (1,200), crop (46,500)
	Farmer Field Schols and Agro-pastoral Field Schools	0	795	1590				
	FFS graduated into cooperatives ready for commercial	0	54	543				
	CI 1.1.4: Persons trained in production practices and/or technologies	0	23850	47700				
	CI 1.1.3: Rural producers accessing production inputs	0	23850	47700				
	CI 1.1.2: Farmland under water-related infrastructure	0	2152	4304				
Output 1.3: Land access and ownership by San nomadic groups, and indigenous knowledge integration within modern forest	CI 1.1.8: Households provided with targeted support to	0	48175	96350	Project M&E System	Annual	Project M&E Unit	Policy instruments favor IPs land access and ownership
	CI 1.1.1: Beneficiaries gaining increased secure access to land	0	357	715				
Outcome 2: Improved connectivity and access to markets	CI 2.2.6: Households reporting improved physical access to markets, processing and storage				COI / Impact Survey	Baseline, Midterm, End of Project	Project M&E Unit / consultancy firm	Availability of technical capacity and ability to engage TA. Active participation of women and young people. Appetite by financial institutions to provide credit exit. Physical Access to: Markets (50% of FFS producers supported with roads): Storage, and processing facilities (70% and 66% of 250 FOs receiving matching grants, respectively). Increase in profits (40% of cooperatives with financed BPs) Effective implementation of Business Development services. Supported cooperatives are able to present convincing BPs for financing and provide employment. About 5 employees per 627 cooperatives.
	Households reporting improved physical access to markets	0	6375	12750				
	Households reporting improved physical access to storage facilities	0	1750	3500				
	Households reporting improved physical access to processing facilities	0	1650	3300				
	CI 2.2.2: Supported rural enterprises reporting an increase in profit	0	125	251				
	CI 2.2.5: Rural producers' organizations reporting an	0	44	439				
	Cooperatives supported in component 2 accessing credit	0	314	627				
	CI 2.2.1 Persons with new jobs/employment opportunities	0	1568	3135				
Output 2.1: Structured supply chain linked to markets	CI 2.1.2: Persons trained in income-generating activities or business management	0	7840	15680	Project M&E	Annual	Project M&E Unit	Successful implementation of component 1.
Output 2.2: Improved market-access infrastructure	CI 2.1.5: Roads constructed, rehabilitated or upgraded	0	250	500	Project M&E system	Annual	Project M&E Unit	Communities support the infrastructure rehabilitation. Thefts and damages to infrastructure are limited to low levels. 500KM of roads and 50 bridges

Outcome 3: Institutional Strengthening, Policy Support and Implementation Support Services	Policy 3: Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment	0	1	1	COI / Impact Survey	Baseline, Midterm, End of Project	Project M&E Unit / consultancy firm	Sustained policy focus on economic diversification, agriculture and rural development About 60% of project targets are satisfied with project services and can decision making.
	SF 2.1: Households satisfied with project-supported services	0	28905	57810	COI / Impact Survey			
	SF 2.2: Households reporting they can influence decision-making of local authorities and project-supported service providers	0	28905	57810	COI / Impact Survey			
Output 3.1: Agricultural sector policy supported, and knowledge products promoted	Policy 1: Policy-relevant knowledge products completed	0	2	3	Project M&E system	Annual	Project M&E Unit	Availability of institutional capacity

Integrated programme risk matrix

Risk Categories and Subcategories	Inherent	Residual
Country Context		
Political Commitment	Moderate	Moderate
Risk: The change of the Government after general Elections may result in policy changes.		
Mitigations: In order to maintain institutional memory: (i) engage with government institutions to ensure smooth transition; (ii) Engage Provincial and municipal committees		
Governance	Moderate	Moderate
Risk: Angola moved from 146 th in 2019 to 121 st in 2023 out of 180 in the corruption Perception Index. Despite the improvements in governance and accountability, lack of capable institutions in the country undermines the emergence of high standards to prevent misuse of project resources.		
Mitigations: (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.		
Macroeconomic	Substantial	Substantial
Risk: Angola's economy grew by 1.2% in 2021 and 3% in 2022 after contracting by 5.4% in 2020. However, the economy faced challenges in 2023, with GDP growth at 1%. The 2022 modest GDP growth was spurred by a sharp increase in the oil price. Angola has exited OPEC in December 2023 over production quota disputes. ³ Reforms have targeted macroeconomic stability and governance, but the economy suffered a slow-down in oil exports and increase in debt service and fuel subsidies due to a 40% currency depreciation in May-June 2023. Inflation surged to 24% in early 2024, driven by food prices.		
Mitigations: PRODESA will support the governments' effort towards economic diversification to reduce dependence on oil. ² For 2024, the IMF forecasts 3% GDP growth, driven by non-oil sector performance. Inflation is expected to remain high at		

22.3% ⁴ , and the project will include monitor closely impacts on unit costs to take timely decision on eventual needs for budget revisions also considering eventual gains from the exchange rate.		
Fragility and security	Moderate	Moderate
Risk: According to the fragile state index (FSI) Angola scored 85.5 over 120, ranking 38 th of 179 countries in 2024, with a -1.8 points improvement over the last 10 years. Angola is not on the WB FY24 List of countries with Fragile and Conflict-affected Situations. However, there are pockets of instability in Lunda Norte, that the project will avoid targeting. Main courses of fragility are high income inequalities, high dependency on the oil sector, corruption and organised crime. For fragility caused by climate change please see the climate change section		
Mitigations: The government is taking measures to reduce corruption and financial crimes and has recovered approximately USD\$11 billion the last three years after 715 criminal prosecutions for corruption, fraud, embezzlement and other financial crimes. PRODESA will support economic diversification policies of the government by focusing on the agricultural sector in provinces where this sector has traditionally been neglected. It will also support reducing economic inequalities by targeting poor and vulnerable groups in rural areas.		
Sector Strategies and Policies		
Policy alignment	Low	Low
Risk: The country approved a new National Development Plan (2023-2027) in 2023, that PRODESA is aligned to.		
Mitigations: PRODESA is in particular aligned with the second pillar of the National Development Plan emphasizing the need to raise food security levels and access to a balanced diet, increase national production and employment, reduce inequalities and making the country less dependent on the outside. Realignment with eventual specific emerging priorities will be ensured at MTR.		
Policy development & implementation	Moderate	Moderate
Risk: The Angola 2004 Land Law sets out a governance framework where the overall land ownership is with the state, MINADER and the Geodesic and Catographic Institute of Angola (GCIA) as well as provincial governments can issue concession, and communities can obtain a “perpetual right of useful customary domains” recognizing the crucial role traditional leaders (soba) play in land governance and conflict resolution in rural areas. However, policies for concessions and issuing of the perpetual rights of useful customary domains are not clear and the 2004 Law lacks implementation leaving most rural communities, cooperatives and farmers without land titles. This makes them vulnerable to loss of farmland in some areas and prevent them from accessing loans. There is no specific policy and strategy on nutrition and food security. Whenever there is a lack of rain, population of the affected area suffer from food insecurity. There is a national drought resilience framework, but it needs concrete implementation on the ground.		

Mitigations: The project will support: (i) provincial and community governments in implementing land governance policies providing tenure security and titles for rural communities, cooperatives and small-scale farmers; (ii) the implementation of the national drought resilience framework at the municipal level in the drought prone Cuando Cubango south including actions for community drought preparedness; (iii) concrete actions on nutrition and food security coherent and aligned with good governance.		
Environment and Climate Context		
Project vulnerability to environmental conditions	Moderate	Moderate
Risk: PRODESA faces several environmental risks that threaten agricultural productivity and community livelihoods. The recurring droughts in the southern region reduce water availability, significantly impacting crop yields and food security. Soil erosion and land degradation, driven by unsustainable agricultural practices, deforestation, and slash and burn practices further exacerbate the vulnerability of the land and loss of biodiversity due to habitat destruction, and weakens ecosystem services crucial for farming		
Mitigations: To mitigate these risks, the PRODESA project will facilitate participatory community diagnostic of the health and threats to their ecosystems sustaining their farming activities based on which sustainable land and water and regenerative practices will be included in the curricula of FFS and AFPS. Water scarcity will be addressed by establishing rainwater harvesting and small-scale irrigation systems and promoting the use of drought-tolerant crops, alongside providing training in sustainable water management practices. Soil erosion and degradation can be mitigated by introducing agroforestry practices, adopting soil conservation techniques like terracing and crop rotation, and promoting sustainable land management. In areas where slash and burn is common, FFS will include training in alternative practices and the sustainability and productivity benefits of maintaining vegetation cover in farming landscapes and using mulching and soil conservation techniques.		
Project vulnerability to climate change impacts	Substantial	Substantial
Risk: The PRODESA project in Angola is highly vulnerable to the impacts of climate change, which pose significant risks to agricultural productivity and rural livelihoods. One of the primary risks is the increasing frequency and intensity of droughts, particularly in southern regions, which results in water scarcity and reduced crop yields. This water shortage severely impacts subsistence farming, limiting the availability of water for both irrigation and livestock. In addition to drought, extreme weather events such as heatwaves, floods, and storms are becoming more common due to climate variability and increased intensity of events, leading to soil erosion, damage to infrastructure, and the destruction of crops. These events disrupt farming activities and can cause long-term damage to soil fertility and land productivity. Increasing climate variability increases the unpredictability of seasonal weather patterns, making it difficult for farmers to plan agricultural activities, thereby increasing the risk of crop failure. Lastly, the loss of biodiversity and ecosystem services due to climate change, such as the reduction in natural pollinators and		

changes in soil quality (due to prolonged drought conditions), further exacerbates the vulnerability of the agricultural systems.		
Mitigations: To mitigate the risks posed by climate variability, the PRODESA project will implement several targeted strategies. First, the promotion of climate-smart agriculture practices through FFS and APFS, such as conservation agriculture, mulching, and the use of drought-resistant crop varieties, will help farmers maintain productivity during periods of water scarcity. Installation of rainwater harvesting systems and small-scale irrigation infrastructure will improve water availability for crops and livestock, reducing dependence on unreliable rainfall. To address the risks of extreme weather events, disaster-resilient infrastructure such as storm-resistant storage facilities and reinforced irrigation systems should be developed. Flood risk isolating communities in the rainy season will be mitigated through the construction of wooden bridges and upgrading of roads to ensure connectivity as well as flood control measures, such as building embankments or levees, and by planting vegetation increase water filtration and reduce soil erosion. Promotion of agroforestry and reforestation will help restore biodiversity and enhance ecosystem services, including natural water retention and soil stabilization.		
Project Scope		
Project relevance	Low	Low
Risk: The project objective and activities addressing the increasing risks and vulnerability to climate change and food insecurity and poverty in underserved rural areas of Angola is highly relevant and responds to the government's current priorities.		
Mitigations: If a new government should be elected the project objectives, approach and expected outcomes will be discussed with the new authorities and any realignment with new policies will be done.		
Technical soundness	Moderate	Moderate
Risk: The proposed technical solutions and activities have been identified based on needs, challenges and opportunity analysis as well as consultations with future project stakeholders in the five provinces including government, FFS groups and cooperatives as well as private sector and NGO representative. The technical solutions also incorporate lessons learned from on-going and previous projects.		
Mitigations: To continue securing technically soundness during project implementation IDA/EDA capacities have been assessed and activities requiring additional technical expertise and experience will be implemented with the support from service providers (e.g. FFS implementation in all provinces except for Bie, the activities with the San people, and support for supply chain and linkage to markets.		
Institutional Capacity for Implementation & Sustainability		
Implementation arrangements	Substantial	Substantial
Risk: Capacity of some of the implementing agencies is low. The ability to recruit and retain staff is weak and, as such, the rate of staff turnover tends to be high.		

Mitigations: Undertake a capacity needs assessment and a corresponding capacity development plan in order to appropriately address the underlying capacity gaps. For the high staff turnover, the presence of a Single Coordination Unit becomes, especially, important; it provides expertise that continues to support projects until the vacant positions get filled.		
Risk: Lack of clear service provider arrangements has resulted in delays and suboptimal performance due to misaligned expectations and responsibilities.	Moderate	Moderate
Mitigations: Establish detailed contracts and agreements that outline the specific roles, responsibilities, and expectations of each service provider. This helps ensure everyone is on the same page. Set up regular meetings and communication channels to discuss progress, address issues, and align expectations. This can include weekly check-ins, status reports, and collaborative platforms.		
Risk: Non-competitive recruitment processes have sometimes resulted in the selection of less qualified personnel, affecting project performance.	Substantial	Substantial
Mitigation: Adopt a competitive recruitment process that includes advertising positions widely, using multiple channels to attract a diverse pool of candidates. Develop detailed job descriptions that clearly outline the required qualifications, skills, and experience for each position.		
Risk: Centralized decision-making by Institute of Agrarian Development (IDA) has led to delays and inefficiencies, as PMUs lacked the autonomy to make timely decisions.	Substantial	Substantial
Mitigation: <ul style="list-style-type: none"> • Empower Project Management Units (PMUs) with greater autonomy to make decisions within their scope. This can be achieved by delegating authority for certain types of decisions to PMUs. • Establish clear guidelines and decision-making frameworks that outline the boundaries within which PMUs can operate autonomously. This ensures consistency while allowing flexibility. • Provide regular training and capacity-building programs for PMU staff to enhance their decision-making skills and ensure they are well-equipped to handle their responsibilities. • Set up efficient communication channels between IDA and PMUs to facilitate quick consultations and approvals when needed. This can include dedicated liaison officers or communication platforms. • Implement performance monitoring systems to track the outcomes of decentralized decisions and ensure accountability. This helps identify areas for improvement and maintain quality standards. • Create feedback mechanisms that allow PMUs to report challenges and successes in their decision-making processes. This helps IDA understand the impact of decentralization and make necessary adjustments. 		

M&E arrangements	Moderate	Moderate
<p>Risk: The institutional capacity to implement the Monitoring and Evaluation and Knowledge Management, and recruitment delays for M&E and KM specialists are of concern. Particularly, qualified M&E specialists from the domestic labour force are easily absorbed under an environment of increasing number of Development Programmes. This may translate into implementation delays for M&E and KM activities.</p>		
<p>Mitigations: The project will kick-off with support from the teams of the other IFAD projects managed by IDA (in particular the SAMAP team), especially in monitoring and evaluation activities while the project recruits the M&E specialist. IDA will also ensure assessment of the project's capacity gap throughout its implementation period and devise mechanisms for capacity development while providing continuous support to the project in M&E and KM.</p> <p>Training for key project staff and annual refresher sessions on M&E, will be essential for developing local institutional capacities. The training package should comprise a module on Knowledge management.</p>		
Procurement		
Legal and regulatory framework		
<p>Risk: 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>	Substantial	Substantial
<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 (Compras Publicas) to centralize and allow free access to public procurement information by all stakeholders. Project to use IFAD OPEN system to process procurement activities.</p>		
Institutional Framework and Management Capacity	Substantial	Substantial
<p>Risks:</p> <p>The roles and responsibilities of the Procurement Regulatory Agency are well defined, but the Agency is not autonomous. There is possible conflict of interest between the functions and</p>		

powers of SNCP. For example, the role of reviewing and clearing procurement transactions of all Procuring Entities under "power" conflicts with "functions" of regulation, monitoring, and oversight and complaints handling. Procurement is not recognized as a career in the Civil Service.		
<p>Mitigations: Increase funding to the Procurement Regulatory Agency to enable it to carry out its functions effectively.</p> <p>In collaboration with relevant stakeholders, SNCP should develop the curriculum for training of procurement cadre and implementing mechanisms for certifying the specialists within contracting authorities responsible for conducting public procurement.</p>		
Public Procurement and Operations and Market Practices	Moderate	Moderate
<p>Risk(s): Procurement decisions are not based on market analysis and risks due to the absence of market scoping to determine procurement planning strategy. There are no approval thresholds for contract amendments and information regarding contract awards is limited. The private sector is not adequately sensitized to effectively participate in public procurement opportunities hence impacting competition and value for money.</p>		
<p>Mitigations: Adopt a risk-based approach to procurement planning and develop a project procurement strategy to guide procurement planning.</p> <p>Ensure an effective contract administration and management system. Project to maintain an updated record of all contracts in CMT.</p> <p>Use of the project website to publish procurement opportunities and contract awards to make information available for performance monitoring. Establish contract management plans and systems to implement contracts in line with good procurement practice. Arrange periodic stakeholder/supplier conferences. Periodically update project procurement strategies to identify emerging trends and risk mitigation measures.</p>		
Accountability, Integrity and Transparency of the Public Procurement System		
<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</p>	Moderate	Moderate

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 money.		
Mitigations: Ensure the project is audited annually by external independent auditors.		
Assessment of Project Complexity	Moderate	Moderate
Risk(s): Some components of the project involve procurement of works/infrastructure which are complex and inter dependent procurements, requiring proper sequencing and co-ordination. Since the Implementing Agency does not have adequate procurement capacity and experience, there is a risk that lack of proper sequencing and co-ordination may delay project implementation. . The project is classified with moderate social and environmental risks and substantial climate risk.		
Mitigations: Project to carry out adequate planning and coordination to facilitate efficient implementation in the various regions and among implementing partners. Procurement of high value and complex contracts will be carried out by the PMU procurement unit, and it will be closely monitored. Implementation of procurement by IP's will be limited to non-complex items. The Project will use IFAD standard SECAP clauses in contracts		
Assessment of Implementing Agency Capacity	Moderate	Moderate
Risk(s): The IA has the necessary facilities to carry out the expected procurement activities for the Project, but it does not have inhouse personnel as it relies on procurement support by the Ministry of Agriculture. Moreover, the procurement staff of the Ministry do not have adequate experience in procurement of donor funded projects and they are not certified procurement practitioners. The IA does not have a Procurement Strategy to address the project complexity, IA's internal capacity and experience as well as market supply capacity and risks. There is absence of a contract management system. Contract monitoring is weak. Information regarding contract awards and monitoring is limited. There are no approval thresholds for contract amendments. There are no contract management plans in place for complex and high value contracts, there are no procedures to guide contract variations and procurement thresholds are discretionary. There are no reliable records for monitoring procurement management. Key procurement and contract information such as contract awards, and contractual correspondence is missing from		

files. Original contracts are stored on open files and not in a fire-proof place. There is a risk of losing original documents, due to misplacement, damage, wilful extraction from the file or in case of fire outbreak.		
<p>Mitigations:</p> <p>In the medium term, the IA should establish a procurement department with qualified procurement staff and support them to enrol for the IFAD BUILDPROC course to build skills on good procurement practices and familiarize themselves with IFAD procurement procedures.</p> <p>A Procurement Unit will be established for the Project and be staffed with qualified and experienced Procurement Officer and an Assistant. The engagement of procurement staff will require IFAD no objection.</p> <p>Project to use the PPS prepared during design and update it annually. Project to establish contract implementation plans or internally documented procedures and maintain an updated record of all contracts in CMT and ensure close monitoring of all awarded contracts.</p> <p>Maintain consolidated procurement files with contract management records. Retain copies of contractual correspondence on file. Original contracts should be kept in secured office storage.</p>		
Financial Management		
Overall	Substantial	Substantial
Organization and Staffing	Substantial	Substantial
Risk (s): Delays in recruitment of qualified and experienced financial management (FM) staff. Newly recruited FM staff may not have the relevant knowledge about IFAD's financial management procedures and delays in capacity building may negatively affect the project implementation and lead to ineffective internal controls and oversight management.		
<p>Mitigations:</p> <p>(i) Recruitment of FM staff on a competitive basis, subject to IFAD's no objection, and each staff member to complete the IFAD e-learning training within 3 months of date of appointment. IFAD to provide FM trainings and technical support at start-up and during the implementation; (ii) The annual performance evaluations to be based on set KPIs included in the PIM to ensure that staff capacity is maintained at an acceptable level. The extension of contracts will be based on satisfactory performance confirmed by performance evaluations.</p>		
Budgeting	Substantial	Substantial
Risk(s): (i) Low budget credibility and weak control over financing sources during budget preparation may result in failure to absorb allocated funds and achieve targets or overspending on approved categories; (ii) Delays in preparation of annual budgets and a lack		

of effective budget monitoring, which may lead to delays in implementation.		
Mitigations: (i) Preparing annual budgets in a timely manner, submitting them to IFAD no later than sixty (60) days before the beginning of the relevant year, and monitoring the budget at least quarterly to ensure that all implementation bottlenecks are resolved in a timely manner; (ii) Effective monitoring of available funds by category and preparation of budget taking into account the historical trend of exchange rate fluctuations and inflation level in the country to avoid overspending.		
Funds flow/disbursement arrangements	Substantial	Substantial
Risk(s): (i) Lack of sufficient counterpart contributions to pay duties at early stages of the project may lead to liquidity issues and cross-financing; (ii) Late start-up due to capacity-related delays and fulfilment of disbursement conditions, including delays in opening the project bank accounts; (iii) Risk of inadequate FM capacity to properly manage the financial management tasks, including timely preparation and submission of Interim Financial Reports (IFRs) and Withdrawal Applications, which could lead to delays in disbursements and liquidity shortages.		
Mitigations: (i) Upon entry into force of the financing agreement (FA) and based on the 18-month budget prepared at design, request the counterpart funds from the MoF to ensure that sufficient funds are available to pay duties on goods and equipment; (ii) Ensuring that FM positions are filled with sufficient capacity to perform required tasks and that the first disbursement conditions are fulfilled in a timely manner. If any capacity gaps are identified, capacity-building training should be organized.		
Internal controls	Substantial	Substantial
Risk(s): (i) IDA is currently implementing two ongoing IFAD projects, however there are some weaknesses with regards to internal controls, asset, and oversight management, which may lead to ineligible expenditures and non-compliance with IFAD procedures; (ii) The Government internal audit agency does not have the sufficient capacity to conduct internal audits and follow up on audit recommendations. They may also not be able to issue acceptable reports; Lack of adequate internal audit arrangements, timely internal audits and effective follow-up on internal audit findings may increase the risk of funds not being used for their intended purposes.		
Mitigations: (i) Development of a comprehensive FM Manual with internal control arrangements including sections for eligibility of expenditures, segregation of duties, approval lines, required supporting documentation, asset and fuel management, and IFAD's anti-corruption policy; Development of capacity building plan to improve the capacity of FM staff; Implementation support during the implementation and semi-annual supervisions by the PMU, Luanda Sul. (ii) The internal audits will be carried out semi-annually by the internal auditor who is performing the audits for the ongoing IFAD portfolio and the status of the audit recommendations to be included in the quarterly interim financial reports;		

Accounting and financial reporting	Substantial	Substantial
Risk(s): (i) SIGFE, the government accounting software will not be able to generate reliable financial information and reports as per the project activities and IFAD requirements; (ii) Risk of delays in submission of quarterly IFRs and unaudited financial statements.		
Mitigations: (i) Ongoing IFAD projects are using the PHC CS advanced Africa accounting system, which is adequate as per IFAD's requirements. PRODESA will be using the same accounting software under the same license. Installation of the software will be the first disbursement condition; (ii) Project's annual financial statements will be submitted to IFAD within four months after the financial year-end and the quarterly IFRs will be submitted to IFAD within 30 days after the quarter end.		
External audit	Substantial	Substantial
Risk (s): (i) Supreme Audit Institution (Tribunal de Contas de Angola) does not carry out audits consistently and comprehensively. There is a lack of risk-based approach in PFM systems and information about the scope and the methodology of audits carried out by the Supreme Audit Institution (SAI); (ii) Risk of late submission of audit reports and insufficient coverage by auditors, which may lead to non-compliance with the IFAD General Conditions.		
Mitigations: (i) The project's financial statements to be audited by an independent audit firm acceptable to IFAD in accordance with international standards on auditing (ISA); (ii) Early engagement of external audit firm and the submission of audit reports to IFAD within 6 months after the end of each financial year; (iii) The audit TORs to be cleared by IFAD. A well-defined audit scope that targets the specific areas where risks are most likely to be present.		
Environment, Social and Climate Impact		
Biodiversity conservation	Moderate	Moderate
Risk(s): Angola faces loss of natural habitats due to agricultural expansion, mining, slash and burn practices and deforestation, which threatens the ecosystems that support biodiversity. As more land is cleared for farming, critical habitats for wildlife and plant species are destroyed, leading to a decline in biodiversity. Additionally, unsustainable farming practices, such as overgrazing and excessive use of synthetic chemical inputs, can degrade the land and water resources, negatively impacting species diversity and the health of ecosystems. The introduction of monoculture farming also poses a risk by reducing the variety of plant species, which can disrupt ecological balance and reduce the resilience of agricultural systems. Climate change exacerbates these risks by altering habitats and making ecosystems more vulnerable to invasive species, pests, and diseases, further threatening biodiversity.		
Mitigations: To mitigate biodiversity conservation risks, the PRODESA project will implement a range of sustainable practices. First, promoting agroforestry and integrating trees into agricultural systems to support habitats while providing additional benefits such as soil stabilization and water		

conservation. Sustainable soil management practices, including crop rotation, intercropping, and alternatives to synthetic chemical inputs (biological pest control, organic fertilizers), will protect biodiversity, preserve soil health and prevent degradation of ecosystems. Avoiding agricultural activities in protected areas and their buffer zones and establishment of community forest areas in agricultural landscapes will conserve critical habitats and connectivity for wildlife. FFS and APFS will include awareness-raising among farmers and communities about the importance of biodiversity conservation to ensure the sustainability of these mitigation measures. Lastly, monitoring biodiversity indicators regularly will allow the project to assess the effectiveness of conservation efforts and adapt strategies as needed.		
Resource efficiency and pollution prevention	Low	Low
Risk(s): Increase in agricultural production including the production intensity could be based on resource use inefficiency and synthetic agrochemicals causing pollution and risks to biodiversity, soil health, aquatic ecosystems and as such the long-term agricultural productivity. The availability of water resources is high in most of the provinces covered by the project except in Cuando Cubango south, however with adoption of irrigation technologies efficient use of water resources needs to be ensured. Poor water management practices may periodically deplete local water sources. Inefficient energy use, particularly in the mechanization of agriculture, may contribute to higher greenhouse gas emissions, exacerbating the impacts of climate change. Improper waste management from farming activities, including the disposal of pesticide containers and organic waste, can increase pollution levels and pose health risks to both humans and wildlife.		
Mitigations: The PRODESA project will promote sustainable resource management practices in FFS and APFS. In terms of water use, implementing efficient irrigation techniques such as drip irrigation or rainwater harvesting will reduce water wastage and ensure more sustainable water usage. Encouraging the adoption of integrated pest management (IPM) and organic farming practices will minimize reliance on chemical inputs, thereby reducing soil and water contamination. The use of bio-fertilizers and composting will also enhance soil fertility while mitigating pollution risks. To address energy inefficiency, the project will promote the use of renewable energy sources, such as solar-powered irrigation pumps, which will reduce greenhouse gas emissions and lower the project's carbon footprint. Proper waste management systems will be established to ensure the safe disposal of hazardous materials, such as pesticide containers, and the composting of organic waste. Training and capacity-building initiatives will be conducted as part of FFS/APFS and business development services to raise awareness among farmers about resource efficiency and pollution prevention strategies, ensuring long-term sustainability of agricultural and business practices. The project will encourage the adoption of circular economy principles to maximize resource use and minimize waste throughout the agricultural value chain.		
Cultural heritage	Low	Low

Risk: There is a very low risk that PRODESA will be implemented in areas of cultural heritage sites where it could cause loss of resources of historical, religious or cultural significance. The risk that women may be prevented from participating due to patriarchal norms is also low, as the project will sensitize communities on the benefits of women participation using GALS		
Mitigations: The targeting strategy will ensure that PRODESA will not target cultural heritage sites for its interventions. The strategy will also ensure that women are directly involved in project activities and to benefit from participation. The M&E system will collect sex and age disaggregated data to monitor the performance of the targeting strategy.		
Indigenous Peoples	Moderate	Moderate
Risk: There is potential risk that PRODESA may cause physical, social, or economic impacts on indigenous peoples, or in threats to or the loss of resources of historical or cultural significance to them. Minority ethnic tribes exist in Cuando Cubango, consisting of the San, estimated to account for 0.1 per cent of Angola population and located in Huila and Cunene, Moxico and Cuando Cubango		
Mitigations: PRODESA has incorporated a small subcomponent for the San people to make sure they are not left behind starting with a community planning process applying the FPIC principles. Project activities will only be done with them after their consent and ensuring alignment with their culture and aspirations. In general, the role out of the project in all communities starts with an inclusive participatory planning process to seek consensus on what project activities they want to engage in and how they want to/are organised in FFS/APFS groups and cooperatives with whom capacity building and investment will be made. An ethnic minority plan will be developed by an independent consultant and will define the costs, roles and responsibilities, monitoring and evaluation of the measures to be taken within the project. It will confirm the grievance redress mechanism in place. The plan will be approved by IFAD. The ethnic minority plan will outline the actions and recommend measures responding to the ethnic minorities' needs and barriers, including the need for the free, prior and informed consents.		
Community health and safety	Moderate	Moderate
Risk: Angola is vulnerable to outbreaks of malaria, cholera, zika. Communicable diseases account for 50% of recorded mortality. Malaria is a public health concern, and a major cause for morbidity, mortality and loss of production. More than half the population has inappropriate latrines; almost a third of the population practice open defecation. Three quarters of the population in rural areas lack safe drinking water sources. The high level of malnutrition is a concern. The project area also has landmines that are in general well mapped. Mitigations: PRODESA will promote nutrition sensitive agriculture, supply safe drinking water and sanitation facilities and collaborate with partners to raise awareness on communicable diseases. PRODESA will work with Government mines agency to ensure project activities will not take place in sections with known presence or risk of land mines. The project participants will be		

trained in landmine safety measures to ensure safety of community and field teams.		
Labour and working conditions	Low	Low
Risk: Young labour- forces consisting of men and women have been forced to migrate to urban areas in search of better opportunities, due to lack of services, economic opportunities and connectivity in rural areas, and climate shocks such as prolonged drought. The elderly, child-headed households and people living with HIV/AIDS that are dependent on such labour have become more vulnerable in light of these negative drivers.		
Mitigations: PRODESA will act as an incentive for the young men and women to return to the villages and engage in project activities to increase their incomes, food and nutrition security. There will be creation of employment through the construction of infrastructure and employment in agriculture.		
Physical and economic resettlement	Low	Low
Risk: No risk envisaged		
Mitigations:		
Greenhouse gas emissions	Low	Low
Risk: Agricultural activities, particularly those involving livestock production, deforestation, and the use of chemical fertilizers, are major sources of GHG emissions, including methane (CH ₄), nitrous oxide (N ₂ O), and carbon dioxide (CO ₂). Deforestation for agricultural expansion leads to the loss of carbon sinks, as trees and forests that absorb CO ₂ are removed. Use of synthetic fertilizers and poor soil management practices increase nitrous oxide emissions, a potent greenhouse gas. Livestock, especially cattle, contribute to high levels of methane emissions through enteric fermentation. Furthermore, the use of fossil fuel-powered machinery in farming and transportation increases CO ₂ emissions, further exacerbating climate change impacts.		
Mitigations: To mitigate the risks associated with GHG emissions, the PRODESA project will implement several agricultural practices aimed at reducing emissions and enhancing carbon sequestration. Agroforestry and reforestation efforts can help restore carbon sinks by planting trees, while preserving existing forests will prevent further emissions from deforestation. The project will promote conservation agriculture techniques in FFS, such as minimal tillage, crop rotation, and cover cropping combined with the use of compost, to improve soil health and soil carbon, and reduce the need for synthetic fertilizers, thereby cutting down on nitrous oxide emissions. To reduce emissions from livestock, the project will introduce improved livestock management practices, such as optimizing feeding regimes to reduce methane production and rotational grazing to prevent land degradation. The project will promote the use of renewable energy sources, such as solar-powered equipment, and encouraging energy efficiency in farming operations.		
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Substantial
Risk(s): The target populations and ecosystems in the PRODESA project areas are highly vulnerable to climate variability and hazards, posing significant risks to livelihoods, food security, and environmental sustainability. Droughts are a frequent hazard,		

<p>particularly in the southern regions, leading to water scarcity, crop failures, and the loss of livestock. This threatens the food security of smallholder farmers who rely heavily on rain-fed agriculture. In contrast, flooding during intense rainy seasons can result in soil erosion, the destruction of crops, and damage to critical infrastructure, further disrupting agricultural activities. Climate variability also leads to unpredictable weather patterns, which complicate planting schedules and reduce agricultural productivity, increasing the vulnerability of the already minority rural populations. Ecosystems such as forests, wetlands, and grasslands are increasingly degraded due to deforestation, unsustainable farming practices, and the loss of biodiversity, which reduces their capacity to buffer climate impacts. This degradation heightens the exposure of both communities and ecosystems to the impacts of climate hazards, such as extreme heat, storms, and changing rainfall patterns.</p>		
<p>Mitigations: Mitigation Measures To mitigate the risks posed by climate variability and hazards, the PRODESA project will adopt an integrated approach that strengthens the resilience of both target populations and ecosystems. Climate-smart agriculture practices should be promoted to reduce vulnerability to drought and other climate shocks. These include the use of drought-tolerant crop varieties, improved irrigation techniques such as drip irrigation, and water conservation strategies like rainwater harvesting. To prevent flood damage, soil conservation techniques such as terracing, contour farming, and the construction of drainage systems should be implemented to reduce runoff and erosion. Ecosystem-based approaches, including reforestation and agroforestry, will restore degraded landscapes, enhance biodiversity, and increase the capacity of ecosystems to mitigate the effects of extreme weather events. Strengthening early warning systems for extreme weather, along with providing real-time climate information to farmers, will help communities better anticipate and respond to climate variability. Building disaster-resilient infrastructure, such as elevated grain storage facilities and reinforced irrigation systems, will protect livelihoods during climate hazards. Community training and capacity building on climate risk management will empower local populations to adopt adaptive practices and ensure the long-term sustainability of both agricultural and ecosystem-based interventions.</p>		
Stakeholders		
Stakeholder engagement/coordination	Moderate	Moderate
<p>Risk(s): Effective stakeholder engagement and coordination are critical for the success of the PRODESA project, but there are several risks that could undermine this process. One key risk is lack of communication and collaboration between various stakeholders, including government agencies, local communities, non-governmental organizations (NGOs), and private sector actors. Poor coordination may lead to overlapping responsibilities, delays in project implementation, and inefficient use of resources. Another risk is limited participation from local communities, particularly minority groups such as women, youth, and indigenous populations, which could result in interventions that do not align with local needs and priorities. The fragmentation of institutional roles and the absence of clear leadership may hinder</p>		

the establishment of effective partnerships, leading to gaps in service delivery and a lack of accountability. There is also the risk that stakeholders may have conflicting interests or priorities, creating friction and slowing down decision-making processes. Insufficient capacity among local stakeholders, such as farmer groups or local authorities, can hinder meaningful engagement and their ability to contribute to the project's success.		
<p>Mitigations: Mitigation Measures</p> <p>The PRODESA project will develop a comprehensive stakeholder engagement strategy that clearly outlines roles, responsibilities, and channels for communication among all parties involved. Regular multi-stakeholder meetings should be held to ensure open dialogue, share updates, and align objectives across different groups. Establishing a central coordination body or appointing a dedicated project coordinator will help streamline activities and prevent duplication of efforts. To ensure inclusive participation, the project should prioritize engagement with minority groups by creating specific platforms for women, youth, and indigenous populations to voice their needs and contribute to decision-making processes. Capacity-building initiatives for local stakeholders, including training programs and workshops, will empower them to actively participate and take ownership of the project's interventions. Conflict resolution mechanisms should be put in place to address any disagreements that arise between stakeholders, ensuring that differing interests are managed constructively. Collaborative frameworks or memorandums of understanding (MOUs) should be established to formalize partnerships and maintain accountability among stakeholders throughout the project's lifecycle. By fostering transparent and inclusive stakeholder engagement, the project can reduce the risks associated with coordination challenges and ensure successful implementation.</p>		
Stakeholder grievances	Moderate	Moderate
<p>Risk(s): Escalation of unresolved grievances can lead to dissatisfaction and a breakdown of trust between stakeholders, particularly between local communities and project implementers. If stakeholders, especially vulnerable groups such as smallholder farmers, women, and youth, feel their concerns are not being addressed, it may lead to opposition or resistance to the project's activities, causing delays in implementation or, in extreme cases, project abandonment. Lack of transparency in decision-making and resource allocation may lead to perceptions of unfair treatment, exacerbating tensions among stakeholders. Conflicting interests between different group such as community members, government bodies, and private sector actors could also result in disputes if not properly mediated. These grievances, if left unmanaged, can damage the project's reputation, strain relationships, and lead to a loss of local support.</p>		
<p>Mitigations: PRODESA project will establish a grievance redress mechanism (GRM) that is accessible, transparent, and responsive to the concerns of all stakeholders. This mechanism will include clear procedures for submitting, reviewing, and addressing grievances in a timely manner, with dedicated personnel assigned to handle grievances at both community and project levels.</p>		

Regular stakeholder consultations will be conducted to allow community members and other stakeholders to raise concerns and receive feedback on project progress. Ensuring transparency in decision-making and resource allocation by sharing information openly with all stakeholders can reduce the likelihood of perceived injustices and build trust. Capacity-building initiatives should be implemented to train local stakeholders on conflict resolution and grievance management, empowering them to address issues locally before they escalate. By promoting inclusive participation and ensuring that marginalized groups are actively engaged in the grievance process, the project can ensure that all voices are heard and respected.		
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Phase assessment criteria

The decision to move to the second phase will be based on discussions with the Government about their updated priorities based on changes to local context, as well as the performance of the project during the first phase.

The assessment will take place during a dedicated interphase mission conducted during the final year of the first phase. This IFAD-led mission will involve consultations with the Government, beneficiaries and other stakeholders about the updated prioritised, changes in context and project performance. Key stakeholder to be involved will be the PMU, other ministries, implementing partners, and other donor partners operating in the project areas. The IFAD Team will comprise of specialist in key technical areas and mainstreaming themes (particularly nutrition given the project is Nutrition Sensitive). The subsequent supervision mission report will provide recommendations for whether to move to the second phase and for how this second phase should be shaped.

The assessment criteria to be assessed are outlined in Table 1 below. The quantitative outcome performance indicators will be measured as part of a completion survey for the first phase to be completed six months before the completion of the first phase. In the table, a threshold of 70% of the pre-defined logframe target has been achieved, given that the assessment of these indicators will be done before the project completion.

These criteria are informed by the following guiding questions:

- *What does a successful first phase look like?* A successful first phase should reflect both strong project management as well as effectiveness. The activities will have been implemented in a timely manner and should have achieved the targets for key output and outcome indicators included in the logframe.
- *What fundamental elements are needed to start implementing the subsequent phase?* The second phase will involve consolidating production-related support across the five provinces, and expanding commercialisation-related support to the areas of the five provinces not covered under the first phase. Thus, the fundamental elements for a second phase are firstly that the production-related support under the first phase has been sufficiently rolled-out and achieved the desired productivity outcomes so that beneficiaries are adequately prepared for the consolidated production support under the second phase. In addition, to prepare beneficiaries for additional commercialisation-related support under the second phase, again it requires that the first phase had the desired outcomes for production (so that farmers have the desired surplus to sell at required quantity and quality), and that Producer Organisation have been adequately capacitated and professionalised so that they are well placed to take advantage of the commercialisation-related support under the second phase.

Table 1. Assessment criteria and rationale

Criteria	Rationale	Means of measurement
Are the project objectives still relevant in the current context?	Informs decision about whether it is still worthwhile to continue with the current project focus based on changes to context and Government priorities. Also allows for insights on the specific shape of the support provided in the second phase.	Discussions with Government, beneficiaries and other key stakeholders
70% of target achieved at assessment point for the following logframe indicators:		
- Disbursement ratio (%)	Indicator of project management performance.	IFAD systems
- Persons receiving services promoted or supported by the project (incl. specific targets for women and youth) (#)	Key performance indicators to justify moving to a second phase. These are a mix of output and outcome indicators that show whether the project was rolled-out in a timely manner, was able to reach the desired beneficiaries, and achieved the desired outcomes that would pave the way for the roll-out of the second phase.	Project M&E system
- Households reporting an increase in production (%)		Phase 1 Completion Survey
- FFS graduated into cooperatives ready for commercial farming (#)		Project M&E system
- Rural Producer Organisations reporting an increase in sales (#)		Phase 1 Completion Survey
- Persons trained in production practices and/or technologies (#)		Project M&E system