

Document: EB 2015/LOT/P.2
Date: 11 March 2015
Distribution: Public
Original: English

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Investing in rural people

President's report

Proposed loan to the Republic of Angola for the Artisanal Fisheries and Aquaculture Project

Note to Executive Board representatives

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Abbreviations and acronyms

| | |
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| AFAP | Artisanal Fisheries and Aquaculture Project |
| ECP | Strategy to Combat Poverty |
| ENSAN | National Strategy for Food and Nutrition Security |
| GEPE | Office for Studies, Planning and Statistics |
| IPA | Institute for the Development of Artisanal Fisheries and Aquaculture |
| PCU | project coordination unit |

Map of the project 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 delimitations of frontiers or boundaries, or the authorities thereof.

Republic of Angola

Artisanal Fisheries and Aquaculture Project

Financing summary

| | |
|----------------------------------|---|
| Initiating institution: | IFAD |
| Borrower: | Republic of Angola |
| Executing agency: | Ministry of Fisheries |
| Total project cost: | US\$12.1 million |
| Amount of IFAD loan: | SDR 7.91 million (equivalent to approximately US\$11.1 million) |
| Terms of IFAD loan: | Blend terms, subject to interest at a fixed rate of 1.25 per cent in addition to a service charge of 0.75 per cent per annum on the principal amount outstanding with a maturity period of 25 years, including a grace period of 5 years, starting from the date of approval by the Executive Board |
| Cofinancier(s): | Although not included as part of this project proposal, parallel grant financing is being finalized from the European Community in the amount of EUR 10.0 million. |
| Contribution of borrower: | US\$1.0 million |
| Appraising institution: | IFAD |
| Cooperating institution: | Directly supervised by IFAD. |

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed loan to the Republic of Angola for the Artisanal Fisheries and Aquaculture Project, as contained in paragraph 40.

Proposed loan to the Republic of Angola for the Artisanal Fisheries and Aquaculture Project

I. Strategic context and rationale

A. Country and rural development and poverty context

1. Angola is located in south-western Africa and is bordered by the Atlantic Ocean to the west, Namibia to the south and the Democratic Republic of the Congo and Zambia to the north and east, respectively. It is the third-largest country in sub-Saharan Africa, covering an area of about 1.2 million square kilometres. Because no population census has been conducted since 1970, population estimates must be relied on and currently range between 16 and 18 million people, of whom some 41 per cent live in rural areas. Angola is one of Africa's most resource-rich countries, representing sub-Saharan Africa's second-largest oil producer, after Nigeria, and the world's fourth-largest producer (in value) of diamonds. The country also possesses a wealth of other natural resources, including minerals, water, agriculture, forestry and fisheries.
2. Angola became independent from Portugal in 1975 after 14 years of fighting, but was then immediately engulfed in one of Africa's most prolonged civil conflicts, between the Popular Movement for the Liberation of Angola (MPLA) and the National Union for the Total Independence of Angola (UNITA). Peace seemed imminent in 1992 when national elections were held, but fighting was renewed when UNITA rejected the election results. A new peace agreement, the Lusaka Protocol, was signed in 1994, but war resumed in 1998. In April 2002, a ceasefire was called following the death of the UNITA leader, Jonas Savimbi; and on 21 November 2002, the Government and former rebels signed a peace agreement that definitively ended the Angolan Civil War.
3. After almost four decades of war, much of the country's economy had collapsed, infrastructure was destroyed, institutions were weakened or no longer functioning, the society was polarized, an estimated 4 million people were displaced, poverty was rampant, and the newly created political process was fragile. Over the last 12 years since signing the peace accords, the Government, together with its national and international partners, has developed and implemented programmes to restore order and security, revitalize the economy, restore basic social services and rehabilitate basic infrastructure. The political process appears to have stabilized, and in the latest election (August 2012), the MPLA party of President Jose Eduardo dos Santos won over 72 per cent of the vote.
4. Angola ranks 148th out of 186 countries on the Human Development Index (HDI) (2012), an improvement when compared with its 2004 HDI ranking of 166th out of the 177 countries. However, despite the progress made, poverty remains prevalent throughout much of the country. An estimated 68 per cent of the population live below the poverty line, and 15 per cent of households live in extreme poverty. Poverty is more entrenched in rural areas where 94 per cent of households are categorized as poor. Other indicators also point to the difficult conditions in the country as a whole: (i) 38 per cent of the population lack access to safe water

sources; (ii) only 30 per cent of the population have access to government health facilities; (iii) life expectancy at birth is estimated at 47 years (2010), among the lowest in the world; (iv) despite major efforts at educational reform, about 75 per cent of teachers have never received any relevant training; (v) only 54 per cent of enrolled children complete the primary level; and (vi) Angola ranks 106th out of 134 countries in the gender gap index (2009).

B. Rationale and alignment with government priorities and RB-COSOP

5. The Government is fighting poverty on various fronts through (i) its 2005 Strategy to Combat Poverty (ECP); (ii) its 2009 National Strategy for Food and Nutrition Security (ENSAN); (iii) poverty alleviation activities including in its national annual plans; and (iv) resources earmarked in each municipal budget for implementation of annual local plans to combat poverty, including rural development. The Government continues to allocate more than 30 per cent of its budget to improving social conditions, a figure projected to increase over the next five years.
6. The ECP's main goal is to halve the country's poverty level by 2015 and to consolidate peace and national unity through sustained improvement in the living standards of all Angolans. The main priorities identified in the ECP are (i) the reconstruction of infrastructure; (ii) increased access to education, health and other basic services; and (iii) decentralization of governance structures. The ECP highlights rural development, with a focus on improving food security and revitalizing the rural economy. Key proposed actions are (i) strengthening the production capacity of the traditional sector, particularly food crops and fisheries; (ii) relaunching rural commerce; (iii) sustainably managing natural resources; and (iv) reorganizing the legal framework and public institutions. Priority actions are to be guided by the following basic principles: (i) a focus on smallholders; (ii) the importance of community participation; (iii) the concentration of planning, implementation and monitoring at the municipal level; (iv) complementary activities with donors, the private sector and NGOs; (v) specific targeting of women, including access to land; and (vi) HIV/AIDS treated as a cross-cutting concern.
7. The goal set out in the ENSAN is to ensure that, at all times, all Angolans have physical and economic access to adequate quantities of a variety of good-quality food to enable them to contribute to the human, economic and social development of the country. The main policy priorities are to: (i) increase and diversify agriculture and sustainable fish production to improve the well-being of the population; (ii) improve access to food; (iii) diminish levels of malnutrition; and (iv) guarantee basic sanitation, and food and drinking water quality. Both the ECP and the ENSAN are reflected in the Government's National Development Plan (2013-2017).
8. Parallel to these efforts, the Government is also making considerable headway with promoting decentralization through several complementary initiatives: (i) the Integrated Municipal Programme for Rural Development and Poverty Alleviation; (ii) the transfer of health services to the municipal level; and (iii) the creation of consultation and social dialogue councils. In addition, the National Development Plan includes measures that reinforce the integrated vision of development, as evident in the newly launched Rural Villages Requalification Programme. The multidimensional nature of poverty, recognized in the ECP and in Angola's human development indicators, suggests that livelihood and food security improvements alone will not be enough to sustainably overcome poverty and maintain households in rural areas. Opportunities for active citizenship, local participation in governance processes and access to quality social services (health, education, water and sanitation) are also needed and can help free up time for productive activities.

9. The proposed Artisanal Fisheries and Aquaculture Project (AFAP) will promote community development planning that will (i) strengthen inclusive and participatory processes; (ii) facilitate the involvement of communities in local-level decision-making bodies; (iii) introduce a culture of saving and improved financial management at the household and the micro, small and medium enterprise levels through the promotion of savings groups; and (iv) strengthen local organizations not only as delivery mechanisms for fishing assets and services but also as more effective facilitators of a holistic development process within the fishing communities.
10. The project will complement various ongoing interventions in the country, particularly: (i) the World Bank-funded Market Oriented Smallholder Agriculture Project in Malange Province; and (ii) the African Development Fund's Fishery Sector Support Project dealing with marine and coastal fisheries, which also could potentially cofinance national inland fishery interventions. In addition, the Food and Agriculture Organization of the United Nations, which is currently involved in other fisheries activities in Angola, will likely be a partner in AFAP implementation.
11. IFAD has worked in Angola, and specifically in the fisheries sector, since 1991 and is therefore in a strong position to be an effective partner to Angola as it addresses its rural development challenges. The Fund also has considerable experience in economic and institutional development in rural areas. Through AFAP, IFAD will promote bottom-up approaches for rural development, centred on the capacity-building of grass-roots organizations. It will also contribute to strengthening central and local institutions following a thorough needs assessment. In addition, to ensure effective project implementation, IFAD will tap into its experience from other projects in the region (e.g. the Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors (PROSUL) and the Artisanal Fisheries Promotion Project (ProPESCA), both in Mozambique).

II. Project description

A. Project area and target group

12. The project will be implemented in four provinces in Angola's central-north region: Bengo, Cuanza Norte, Luanda and Malange. Component 1 (inland artisanal fisheries development) will cover two areas: communes north of the Cuanza River, between Dondo (Cuanza Norte) and the mouth of the Cuanza River (Luanda); and communes traversed by the Dande and Bengo Rivers, in Bengo and Luanda. Both areas have a large number of lakes, some of which are seasonally or permanently linked to those rivers. All fishing communities are located around the lakes and along the rivers. The component will target an estimated 15,000 people, or about 10,000 fishers and 5,000 processors and small traders.
13. Component 2 (small-scale aquaculture development) will be implemented in the provinces of Bengo, Cuanza Norte and Malange. It will initially focus on Malange and later expand to suitable areas in the other two provinces. The component will target about 800 families, or 724 families engaged in small-scale family fish farming, 62 in aquaculture as emerging farmers, and 14 as semi-commercial fish farmers. Geographically, some 678 will be from Malange, 79 from Cuanza Norte and 43 from Bengo.

B. Project development objective

14. The project's goal is to reduced poverty in artisanal inland fishing and small-scale fish-farming households in target communities. Its development objective is improved food security and nutrition among artisanal inland fishing and fish-farming households. The project design has incorporated a number of activities that address climate change issues as they affect fisheries and aquaculture, the project's two technical components.

C. Components/outcomes

15. The project comprises two technical components:
 - (a) **Component 1: Inland artisanal fisheries development.** The project will promote inclusive and sustainable inland fisheries sector development and management contributing to strengthened livelihood strategies at the household level;
 - (b) **Component 2: Small-scale aquaculture development.** The project will promote inclusive and sustainable small-scale aquaculture sector development and management contributing to strengthened livelihood strategies at the household level.
16. To achieve the outcomes of both components, the project will support activities that
 - (i) strengthen institutional capacity (national, provincial, local/extension services);
 - (ii) improve community participation in economic and wider local development processes;
 - (iii) increase the quantity and quality of fish produced and sold on a sustainable basis; and
 - (iv) improve market-related infrastructure.

III. Project implementation

A. Approach

17. **Target groups.** The project will conduct a mapping study to determine areas suitable for aquaculture development. A service provider, in cooperation with extension workers, will then decide on the target group within each community, which should include woman-headed households, young and old people, people with illnesses, and other disadvantaged and vulnerable groups.
18. **Aquaculture development strategy.** The project will work with the target groups to identify areas where there is potential for aquaculture development, and then introduce small-scale aquaculture to improve rural communities' nutritional status and food security. As the project progresses, it will encourage family fish farmers to increase their production (for example by applying better technology or by enlarging their pond surface area) in order to have surplus produce to sell on the market. It is expected that some farmers will invest profits from fish sales back into their fish farm (e.g. in improved fish food or more ponds built by hired labour), "naturally" growing their small subsistence activity into a more commercial enterprise.

B. Organizational framework

19. The Ministry of Fisheries will be responsible for policy and legislative initiatives relevant to the project, and will make institutional adjustments in sector administration and provide broad project oversight. A national project oversight committee will be established to guide project planning and implementation, provide high-level advice, review and approve annual workplans and budgets, review implementation progress and impact, and address key issues. Project coordination and management will be delegated to the Institute for the Development of Artisanal Fisheries and Aquaculture (IPA), which will establish a project coordination unit (PCU) responsible for programming, budgeting, resource allocation, and monitoring and evaluation. In addition, the Ministry of Fisheries will coordinate with the provincial governments of the four participating provinces, with other government bodies, and with NGOs, private firms and individuals implementing non-core project activities. The Ministry of Finance will play an important supporting role: it will be responsible for the financial supervision of the project; coordinate with the local authorities, at provincial, municipal and communal levels, to ensure that project objectives and outcomes are achieved; and maintain a dialogue with IFAD, particularly on policy and legislative matters.

C. Planning, monitoring and evaluation, and learning and knowledge management

20. All project activities will be carried out through the joint and coordinated efforts of IPA project staff, community facilitators (from the service provider), functional literacy trainers and other stakeholders at the community level. All activities will be jointly planned and regularly monitored with communities against targets and expected results.
21. The project's monitoring and evaluation system will be its main management tool for tracking implementation progress and results. It will generate quality data that will enable IPA and the Ministry of Fisheries to monitor the project, and it will also provide information on the development of inland fisheries and aquaculture in the project area for use at higher government levels. The system will allow IPA to participate more effectively and knowledgeably in national science councils, and in national and international forums on rural livelihoods and rural development, food security, nutrition and poverty reduction, contributing to the existing knowledge base, planning and policy discussions. The AFAP experience will feed into wider regional learning on community-driven development, particularly the development of adequate rural microfinance systems.

D. Financial management, procurement and governance

22. **Financial management.** The project's financial management will be coordinated by IPA through its Financial Management Directorate (DAF/IPA). The PCU will be responsible for administrative management, finance and accounting, budget planning and cash flow, procurement and payments from project accounts. As appropriate, the Ministry of Fisheries/Office for Studies, Planning and Statistics (GEPE), together with the Ministry of Finance, will provide budget estimates, mobilize counterpart funds, supervise, make disbursements and provide other support needed for DAF/IPA to conduct the project's financial management. IPA already has some experience of working with projects funded by development partners since it is implementing the African Development Bank-financed Fisheries Sector Support Project.
23. **Procurement.** The project will follow national procurement procedures to the extent that these are consistent with IFAD's project procurement guidelines. In this regard, the PCU will be aided by an experienced procurement specialist recruited along with all other PCU staff. A financial procedures manual will (i) set out the operational procedures for procurement, management of contracts and payment of receipts; (ii) describe a contract monitoring system; and (iii) give guidelines for the creation of a records management system and registry of procurement records. IFAD will provide support in the project's first year to avoid possible delays in project implementation.
24. **Internal and external audit.** The PCU will contract an internal auditor to ensure compliance with audit requirements. All accounts, including the designated account and statements of expenditure for each fiscal year, will be audited by qualified and experienced independent external auditors acceptable to IFAD. The consolidated annual financial statements will be compiled by the PCU/IPA within three months after the end of each fiscal year and the audited financial statements will be submitted within six months as per the IFAD Guidelines on Project Audits.
25. **Governance.** Internal controls will be ensured through the establishment of separate functions, reconciliation of accounts, supporting documentation requirements and different approval levels depending on expense amounts. In an effort to strengthen internal controls, the PCU will produce, and attach to the project implementation manual as an annex, project financial management procedures specifying detailed arrangements for the flow of funds, roles and responsibilities, and procedures.

E. Supervision

26. IFAD will directly supervise all phases of the project jointly with the Government and in-country partners.

IV. Project costs, financing, benefits

A. Project costs

27. Total project costs, including physical and price contingencies, are estimated at US\$12.1 million (see table 1). Physical and price contingencies make up 13 per cent of the total project costs; the foreign exchange component is estimated at US\$0.8 million; and taxes are estimated at US\$0.7 million.

Table 1

Project costs by component
(Thousands of United States dollars)

| Component | IFAD loan | | Borrower/counterpart | | Total | |
|-----------------------|---------------|--------------|----------------------|-------------|---------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| 1. Inland fisheries | 5 208 | 89.3% | 627 | 10.7% | 5 835 | 48.1% |
| 2. Aquaculture | 2 335 | 89.3% | 279 | 10.7% | 2 614 | 21.5% |
| 3. Project management | 1 875 | 95.8% | 83 | 4.2% | 1 958 | 16.1% |
| Unallocated | | | 1 732 | 100.0 | 1 732 | 14.3% |
| Total | 11 149 | 91.9% | 989 | 8.1% | 12 138 | 100.0% |

B. Project financing

28. The project will be financed by IFAD and the Government of Angola. The IFAD loan amounts to US\$11.1 million (92 per cent of total project costs). The Government's contribution is estimated at US\$1.0 million (8 per cent of total project cost) and will cover actual costs, taxes and duties. Parallel financing is expected from the European Commission in the form of a EUR 10 million grant. Table 2 provides a summary by category of the proposed financing plan; the table, for now, does not reflect European Commission grant funding.

Table 2

Project costs by expenditure category and financier
(Thousands of United States dollars)

| | Government | | IFAD loan | | Total | |
|---|------------|------------|---------------|-------------|---------------|--------------|
| | Amount | % | Amount | % | Amount | % |
| Investment costs | | | | | | |
| 1. Works | 52 | 3.5 | 1 429 | 96.5 | 1481 | 12.2 |
| 2. Equipment and materials ^a | 71 | 13.5 | 454 | 86.5 | 525 | 4.3 |
| 3. Training ^b | 477 | 13.6 | 4 297 | 91.0 | 4774 | 39.3 |
| 4. Consultancies ^c | 80 | 10.4 | 692 | 89.6 | 772 | 6.4 |
| 5. Salaries and allowances ^d | 268 | 11.5 | 2 054 | 88.5 | 2322 | 19.1 |
| 6. Operating costs | 41 | 7.7 | 491 | 92.3 | 532 | 4.4 |
| 7. Unallocated | 0 | 0.0 | 1 732 | 100.0 | 0 | 14.3 |
| Total | 989 | 8.1 | 11 148 | 91.9 | 12 100 | 100.0 |

^a Equipment and materials comprises vehicles, boats, motorcycles and equipment

^b Training comprises training, studies, meetings and workshops.

^c Consultancies comprises local and international technical assistance

^d Salaries and allowances comprises project staff and IPA staff.

C. Summary benefit and economic analysis

29. Financial and economic analyses were carried out to assess: (i) the financial viability of the interventions at the beneficiary level; and (ii) the likelihood of adopting the proposed project interventions. The financial models including family fish farmer, emerging fish farmer, semi-commercial fish farmer, canoe fishing, plank boat fishing and enterprise models (including traditional processing and fresh

fish trading) generally show positive financial returns for the proposed aquaculture and fishery rural economic activities, with the financial internal rate of return ranging from 34 to 237 per cent.

30. The economic analysis shows an economic internal rate of return (EIRR) of 12.3 per cent. A sensitivity analysis was undertaken to assess the impact on economic returns against changes in output (fish price) and key input prices (ice and feed prices). The analysis shows that the project's main economic profitability indicators are more sensitive to changes in the benefits than to changes in the costs. The production models are more or less equally sensitive to a risk of 10 per cent increase in production cost as to a 10 per cent benefit decrease, resulting in a negative net present value (NPV). With a two-year delay, the EIRR is still positive at 7.2 per cent, but the NPV slips into a substantial negative of 1,125.

D. Sustainability

31. Factors contributing to the long-term sustainability of project outcomes are the following: (i) the Government's long-term commitment to addressing rural development, poverty alleviation and food and nutrition security, and recognition of the importance and role that the inland fisheries and aquaculture subsectors play in achieving the stated policy objectives and actions; (ii) adoption of a precautionary approach to fisheries development capable of being replicated elsewhere in Angola; (iii) empowerment of communities that will lead to their greater involvement in local-level planning and management and decision-making processes; and (iv) knowledge management activities providing the opportunity to generate and disseminate project-related experiences and lessons learned to other institutions in Angola and beyond.

E. Risk identification and mitigation

32. The major risks identified in the project are the following: (i) project-supported activities may contribute to overexploitation of the resource in the absence of baseline information, a monitoring programme and fishery management actions; (ii) market demand may be insufficient to absorb the incremental fish production derived from project interventions; (iii) the absence of climate-change data may impede the assessment of impacts related to climate change; (iv) there may be limited government institutional capacity in the sector; (v) service providers may not be present in the project area; and (vi) fiduciary risks may exist. The Transparency International score for Angola is 2.3 and IFAD's Rural Sector Performance Assessment E(ii) indicator for accountability, transparency and corruption in rural areas is 2.75, both indicative of high risk. Use of the Government's Integrated Financial Management System has benefits in terms of budgetary control but risks that funds may be slow to be released unless the coding is accurate. The overall financial management risk at design has been assessed as high largely because this is the first time IPA and IFAD are working together and understanding will need to be built. Mitigation measures include: (i) adopting a precautionary approach towards the expansion of fishing operations; (ii) ensuring that institutional capacity is strengthened and that participation in local development processes is improved; (iii) engaging the private sector to implement some aspects of the project (e.g. hatcheries); (iv) maintaining continued policy dialogue between government and IFAD; (v) using internationally accepted standards for financial reporting, and for internal and external audits; (vi) implementing off-the-shelf accounting software; (vii) preparing a project implementation manual; (viii) seeking support from international technical assistance; (ix) recruiting suitably skilled staff with IFAD'S prior no objection; and (x) installing proper record-keeping and back-up processes.

V. Corporate considerations

A. Compliance with IFAD policies

33. The proposed project is consistent with key IFAD policies and strategies, in particular with its policies on targeting, rural finance, gender, and the environment, and with its knowledge management and scaling-up strategy.

B. Alignment and harmonization

34. This project is fully aligned with government policies and priorities as outlined in the ECP and ENSAN policy documents. Investments in fishery development will improve participating households' livelihoods and food security (addressing the three pillars of food security – food availability food access and food use).

C. Innovations and scaling up

35. The project will introduce relevant innovations and capacity-building, and offer products/services that meet the needs and use the capacities of the different social groups, age groups, and men and women. Such an approach will allow beneficiaries to participate according to their needs and capacities, and progress at their own pace. In terms of scaling up, the project has significant potential for widening coverage to a larger and more diversified programme; the African Development Bank, the European Union and the World Bank have expressed interest in developing a common approach and possibly cofinancing the promotion of the fisheries and the wider agricultural and rural sectors.

D. Policy engagement

36. Support for a policy dialogue on fisheries and aquaculture development will be central to this project. This will include support for policy dialogue between IFAD and the Government through national and international technical assistance that will address one or more of the following issues: (i) updating of the country's aquaculture development strategy, (ii) formulation of new aquaculture regulations with special attention to the characterization and regulation of small-scale aquaculture and the introduction of exotic fish species; (iii) development of incentives for aquaculture; and (iv) policy compliance and law enforcement.

VI. Legal instruments and authority

37. A project 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 an annex.
38. The Republic of Angola is empowered under its laws to receive financing from IFAD.
39. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VII. Recommendation

40. 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 blend terms to the Republic of Angola in an amount equivalent to seven million nine hundred and ten thousand special drawing rights (SDR 7 910 000), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze
President

LOAN NO. _____

PROJECT FINANCING AGREEMENT

Artisanal Fisheries and Aquaculture Project

between the

REPUBLIC OF ANGOLA

and the

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Signed in

on _____

FINANCING AGREEMENT

Loan Number: _____

Project Title: "Artisanal Fisheries and Aquaculture Project" ("the Project")

(the "Borrower")

and

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

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

hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this 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, as may be amended 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.

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

Section B

1. The amount of the Loan is seven million nine hundred and ten thousand Special Drawing Rights (SDR 7 910 000).

2. The Loan shall be subject to interest on the principal amount outstanding at a fixed rate of 1.25 per cent and shall have a maturity period of twenty five (25) years, including a grace period of five (5) years, and in addition a service charge of 0.75 per cent, starting from the date of approval by the Executive Board.

3. The Loan Service Payment Currency shall be the United States Dollar (USD).

4. The Fiscal Year shall be each period beginning on 1 January and ending on 31 December.

5. Payments of principal, interest and service charge shall be payable on each 15 May and 15 November.

6. There shall be a Designated Account denominated in USD opened by the Borrower in a commercial bank in Angola acceptable to the Fund, through which the proceeds of the Loan shall be channelled. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.

7. There shall be a Project Operations Account denominated in Angolan Kwanza (AOA) opened by the Lead Project Agency in a commercial bank in Angola acceptable to the

Fund, to receive and hold the financing transferred from the Designated Account. The Borrower shall inform the Fund of the officials authorized to operate the Project Operations Account.

8. There shall be a Project Counterpart Account denominated in AOA and opened by the Lead Project Agency in the National Bank of Angola to receive the Borrower's counterpart funds. The Borrower shall provide counterpart financing for the Project in the amount of nine hundred and eighty nine thousand United States Dollars (USD 989 000). The counterpart financing provided by the Borrower shall cover the payment of duties and taxes related to the Financing and the salaries of the project staff of the Institute for the Development of Artisanal Fisheries and Aquaculture (IPA).

Section C

1. The Lead Project Agency shall be the Ministry of Fisheries (MdP) of the Borrower.
2. The following are designated as additional Project: The Ministry of Finance of the Borrower and the IPA.
3. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement.

Section D

The Loan will be administered and the Project supervised by the Fund.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:
 - (a) The Project Implementation Manual (PIM), or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund, and the Fund has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the Project, and the Borrower has not taken any measures to remedy the situation; and
 - (b) The Project Coordinator and/or the Financial and Administration Manager of the Project Coordination Unit (PCU) have been appointed or removed from the Project without prior consultation with the Fund.
2. The following are designated as additional conditions precedent to withdrawal:
 - (a) The Designated Accounts and the Project Operations Accounts shall have been duly opened by the Borrower;
 - (b) The Project Coordinator and the Financial and Administration Manager of the PCU shall have been duly appointed with the acceptance of the Fund;
 - (c) The Lead Project Agency shall have submitted the Project Implementation Manual (PIM) to the Fund for approval prior to its adoption. The PIM will include a section on financial management policies, procedures, chart of accounts and fixed asset and inventory control;
 - (d) The Lead Project Agency shall have implemented an off-the-shelf Project accounting software, acceptable to the Fund, which is capable of tracking

expenditure by expense category, Project component and financier at all Project levels.

3. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower/Recipient:

Minister of Finance
Ministry of Finance
Largo da Mutamba
CP 1235
Luanda
República de Angola

Copy to:

Direcção Nacional do Tesouro
Largo da Mutamba
CP 1235
Luanda
República de Angola

Ministry of Fisheries
Avenida Quatro de Fevereiro, no.30
Edifício Atlântico
CP 83
Luanda
República de Angola

For the Fund:

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

This Agreement, dated _____, has been prepared in the English language in six (6) original copies, three (3) for the Fund and three (3) for the Borrower.

REPUBLIC OF ANGOLA

Authorized Representative

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Kanayo F. Nwanze
President

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Project Area.* The Project will be implemented in four provinces in Angola's central-north region: Bengo, Cuanza Norte, Luanda and Malange.
2. *Target Population.* The Project shall benefit an estimated 15 800 people, or about 10 000 fishers and 5 000 *processors* and small traders, 724 families engaged in small-scale family fish farming, 62 in aquaculture as emerging farmers, and 14 as semi-commercial fish farmers, in the Project Area.
3. *Goal.* The Project goal is to contribute to poverty reduction in artisanal inland fishing and small-scale fish-farming households in target communities.
4. *Objective.* The Project objective is to improve food security and nutrition among *artisanal* inland fishing and fish-farming households.
5. *Components.* The Project shall consist of the following Components: Component 1 – Inland Artisanal Fisheries Development; Component 2 – Small-scale Aquaculture Development; and Component 3 – Project Management.

5.1. Component 1: Inland Artisanal Fisheries Development

The objective of the Component is to achieve an inclusive and sustainable development and management of the inland fisheries sub-sector which, once proven, could be replicated in other provinces. To achieve this outcome, the Project shall support the following outputs and their respective activities:

Output 1.1: Strengthening the Institutional Capacity. To achieve this output, the Project shall support the following activities:

- Strengthening the IPA extension services for artisanal fisheries;
- Conducting a census of inland artisanal fisheries;
- Assessing existing fishing potential in the Project area;
- Establishing a monitoring programme of artisanal fisheries;
- Preparing participatory fisheries management and development plans; and
- Strengthening the institutional capacity of the Borrower to address climate change issues.

Output 1.2: Improving Community Participation in Economic and Wider Local Development Processes. A service provider will be contracted by the Project to support individual communities during the course of the Project's first three years, covering the activities described below. Under this specific output, the Project shall support:

- Public awareness-raising activities emphasizing HIV/AIDS, climate change and sustainable use of the resource base, the danger and avoidance of mines, basic gender concepts, and food security;

- Nutrition education. The Project shall undertake a nutrition education intervention. It will include a study on local food consumption patterns, food taboos, weaning practices and local cooking preferences, participatory assessment of critical nutritional problems at the community level (especially for children), the transmission of basic nutrition concepts, facilitating the understanding of critical areas of importance in nutrition, the discussion of food taboos;
- The preparation of community development plans. The Project shall contract a service provider who will work with communities to prepare community development plans to be formally submitted to the Municipal Government;
- The establishment or strengthening of groups for enhanced thrift and financial management skills in those participating communities expressing demand for the village level microfinance institutions;
- Functional literacy training for selected individuals in the community; and
- Training related to basic business skills for selected members of the community.

Output 1.3: Increasing the Quantity and Quality of Fish Produced and Sold on a Sustainable Basis. Under this output, the Project shall support the following activities:

- Market studies. A fisheries and aquaculture market study will be carried out at the start of the Project and followed-up at mid-term and end-of project;
- Training of fishers, fish processors and traders in fish handling, conservation and marketing techniques and good practices. In addition, specific training will be organized for fishers on topics such as boat maintenance, net construction, net selectivity, net repair, safety on board, etc.;
- Income generating livelihood activities. The Project shall make available good quality ice to the target group and promote good practices for its usage. The use of gas-powered home freezers to keep ice and eventually fish in major production areas without electricity will be demonstrated together with proper fish containers. For fish processing, the Project will support part of the construction of improved smoking kilns, improved drying racks and eventually solar dryers and use of proper individual storage facilities;
- Production of training materials; and
- Radio/TV broadcast programmes.

Output 1.4: Improving Market-Related Infrastructure. Under this output, The Project shall support the following activities:

- The construction of handling/processing facilities in selected landing sites along lakes. The Project shall support the construction of a number of simple buildings (to be provided with running water, sanitation and, possibly, storage space) in selected fishing communities, to ensure proper working conditions to fish processors;
- The improvement of selected sites of markets with loading and unloading facilities along major rivers with landing ramps and market buildings (equipped with running water, sanitation, storage space, electricity, retail area, surface drainage and solid waste disposal); and
- The spot-improvement of tertiary roads. The Project will support spot-improvement of a selected number of tertiary roads.

5.2. Component 2: Small-scale Aquaculture Development

The objective of the Component is to support the Borrower's priorities for the aquaculture sub-sector in the provinces of Malanje, North Cuanza, Norte and Bengo. To achieve this outcome, the Project shall support the following outputs and their respective activities:

Output 2.1: Strengthening the Institutional Capacity. To achieve this output, the Project shall support the following activities:

- The strengthening of aquaculture extension services. The Project shall support IPA by contracting a senior aquaculture specialist to support aquaculture development in Malanje and to train Project staff. The Project shall also provide budget support to guarantee salaries for new extension workers during their first year with IPA;
- The design and implementation of an aquaculture pond monitoring system. The Project shall support the establishment of an aquaculture pond monitoring system that will be expanded over time to cover post-harvest losses and also provide information about climate variability and climate change impacts; and
- Policy dialogue with regard to fisheries and aquaculture development. The Project shall support policy dialogue between IFAD and the Government through national and international technical assistance that would address fisheries and aquaculture development.

Output 2.2: Improving Community Participation in Economic and Wider Local Development Processes. To achieve this objective, the Project shall support:

- The selection, organization and capacity building of community groups to serve as the basis to support further Project interventions. Once the group of potential fish farmers in a community has been selected, this activity shall support the group's organization to serve as the nucleus from which further aquaculture development can be promoted and coordinated; and
- Addressing community needs while forming aquaculture groups and savings groups to promote thrift and improved financial management skills.

Output 2.3: Increasing the Quantity and Quality of Fish Produced in Fish Ponds and Sold on a Sustainable Basis. To achieve this objective, the Project shall undertake:

- Mapping studies and community selection. The Project shall implement a mapping study to identify areas with high potential for aquaculture development, followed by community/participant selection based on socio-economic criteria and other criteria;
- Training and technical support of farmers;
- Distribution of pond construction and pond stocking kits;
- Promotion of aquaculture management practices for long lasting and sustainable pond production;
- Aquaculture inputs study; and
- Cage farming study.

Output 2.4: Ensuring that Hatchery Infrastructure Effectively Provides Project Clients with Required Inputs. To achieve this output, the Project shall support the following activities:

- The Rehabilitation of the Malanje fish hatchery. The Project shall transform the tilapia fish hatchery in Malanje into a unit for improved tilapia fingerling production and as a provincial training centre; and
- The Construction of a feed mill.

5.3. Component 3: Project Management

A PCU shall be responsible for coordinating the implementation of the Project activities. The work of the PCU team shall be divided between the direct execution of activities that are related with IPA core responsibilities and the selection, contracting and supervision of service providers in charge of other activities dealing with social and community development. Additionally, the PCU Project Coordinator, with the assistance of IPA, shall ensure that an effective coordination mechanism is established with the provincial, municipal and communal administrations in the Project area. The PCU shall also be responsible for operational aspects related to financial management and procurement. The PCU will be composed of: (i) the Project Coordinator, (ii) a fishing technology specialist, (iii) an aquaculture specialist, (iv) a community development specialist, (v) a monitoring and evaluation (M&E) specialist, (vi) a Financial and Administration Manager, (vii) a procurement specialist, (viii) an accountant, (ix) an administrative assistant and (x) drivers, and boat operators. The Project Coordinator shall have direct responsibility for team members and their performance and shall report directly to the GD of IPA.

II. Implementation Arrangements

6. *Lead Project Agency*

6.1 *Designation.* The Ministry of Fisheries (MdP) of the Borrower, in its capacity as the Lead Project Agency, shall have the overall responsibility for the implementation of the Project.

6.2 *Responsibilities.* The MdP shall be responsible for the supervision of the Project, for chairing the POC and for ensuring the consistency of the Project with the policies of the Borrower. The MdP shall be responsible for policy and legislative initiatives that pertain to the Project and for promoting institutional adjustments in the sector administration, as well as for coordination with relevant ministries and provincial governments. The MdP shall also be responsible for ensuring that counterpart funds and agreed contributions from the Borrower are duly budgeted. The Finance Department of MdP shall be responsible for giving final approval to requests to IFAD for 'no objection' regarding the Annual Work Plan and Budget (AWPB), Procurement Plan and contracts.

Project coordination and management functions shall be delegated to the IPA, which shall establish a PCU responsible for programming, budgeting, resource allocation, and monitoring and evaluation.

7. *The Institute for the Development of Artisanal Fisheries and Aquaculture (IPA)*

The implementation of the Project shall be undertaken by the IPA. The IPA is an institution subordinated to the MdP with administrative and financial autonomy. It is headed by a GD, who is assisted by two deputies. The GD is also assisted in his (her) duties by a Directory Board and a Technical Advisory Council. The IPA has the overall responsibility for promoting the development of artisanal fisheries and small-scale

aquaculture in Angola and thus for the Project. The IPA shall establish a PCU to work under the supervision of the GD of IPA. The central departments of IPA shall ensure that project implementation reflects the objectives defined by the Government for the sector.

The Directory Board of IPA shall dedicate four working sessions per year to monitor the progress of the Project. These sessions shall: (i) review Project implementation progress, (ii) decide on any corrective measures that may be required to achieve Project targets and (iii) review all the subjects and information to be presented to Project Orientation Committee (POC), including AWPBs and procurement plans and the progress reports of execution of the Project.

8. *Project Coordination Unit*

A PCU shall be set up within the IPA in Luanda. This PCU shall be tasked with coordinating, programming, budgeting, allocating resources, monitoring and providing information for the evaluation of the Project and its management. The PCU shall undertake the coordination and implementation of all Project activities. The IPA representations in the provinces shall implement the core activities with the support of IPA central departments and the PCU.

9. *Project Orientation Committee (POC)*

9.1. *Establishment and Composition.* The Lead Project Agency (MdP) shall establish a national POC. The POC shall be chaired by the MdP, and its membership shall include representatives from agencies that are directly involved in the implementation of the Project, including: (i) the Minister of Fisheries, (ii) the Secretary of State of Fisheries, (iii) a representative of the Ministry of Finance, (iv) the Financial and Planning directors of MdP, (iv) the GD and the heads of the executive departments of IPA and (v) representatives of the provincial governments. In addition, a representative of IFAD and the Project Coordinator would be invited to participate as non-voting members.

9.2. *Responsibilities.* The main responsibilities of POC shall be: (i) guiding Project implementation strategy and supervising Project planning, (ii) reviewing AWPBs and procurement plans before they are submitted to IFAD and (iii) examining the progress in implementation and impact of the Project. The POC shall also discuss and provide guidance on any issues that may be considered relevant for the success of the Project. The POC shall meet twice a year and additionally whenever necessary.

10. *Provincial Coordination Meetings.*

In order to achieve proper coordination with provincial governments in each of the four provinces where the Project develops activities, the Project Coordinator shall ensure that coordination meetings are held at each of the four provincial levels. These meetings shall serve to formulate the AWPBs and prepare the annual reports on the progress of the Project. These meetings shall involve the provincial directors of Agriculture and Fisheries (Cwanza Norte, Malange and Luanda) and Fisheries (Bengo and Luanda), municipal administrator(s) and comuna administrators, IPA provincial representatives, the Project Coordinator, selected PCU staff and representatives from the fishing communities. Meetings will be held twice a year.

11. *Service Providers.* The Project, through the PCU, shall outsource the execution of Project activities to service providers within the public and private sectors, including international and national non-governmental organizations. These service providers shall be contracted through competitive government procedures and based on renewable performance based contracts. The Project Coordinator shall develop specifications and sign performance contracts with these service providers, specifying the activities to be

undertaken, expected outcomes, the obligations and rights of each party, time frames, deadlines for submitting reports and indicators for monitoring and evaluation.

12. *Mid-Term Review.* (a) The Lead Project Agency and the Fund shall jointly carry out a review of Project implementation no later than the end of the third year of the Project (the "Mid-Term Review") based on terms of reference prepared by the Borrower and approved by the Fund. Among other things, the Mid-Term Review shall consider the achievement of Project objectives and the constraints thereon, and recommend such reorientation as may be required to achieve such objectives and remove such constraints.

(b) The Borrower shall ensure that the agreed recommendations resulting from the Mid-Term Review are implemented within the agreed time frame and to the satisfaction of the Fund. Such recommendations may result in modifications to the Project or cancellation of the Financing in conformity with Section 8.03 paragraph c) of the General Conditions.

13. *Project Implementation Manual.* The Lead Project Agency shall finalize the Project Implementation Manual (PIM) and obtain the Fund's no-objection to the final version of the PIM no later than six (6) months after the entry into force of this Agreement. The PIM shall include, among other things:

- (a) terms of reference and implementation responsibilities of all Project staff and all likely service providers and Project parties,
- (b) criteria for the performance appraisal of the Project staff and service providers,
- (c) project operational, financial management and accounting policies and procedures, including eligibility criteria and modalities for Project financing, procurement, participatory planning, monitoring and evaluation system and procedures, including the Results and Impact Management System (RIMS), and
- (d) implementation modalities for all Project Components.

14. *Monitoring and Evaluation (M&E).* The Lead Project Agency shall establish an M&E system by the end of the first year of the Project, in accordance with the RIMS. The M&E system shall be based on a baseline study that shall be undertaken by the Lead Project Agency within the first six months of the Project. The M&E system of the Project shall be participatory and shall be used as a management tool. Interim monitoring reports shall be sent to the Fund. These reports shall contribute to the certification of the work completed by service providers and Project staff in order to assess their performance and decide whether or not to renew their contracts. The M&E system shall collect and analyze the necessary information concerning the:

- (a) quantitative and qualitative performance of Project activities,
- (b) technical and financial implementation of Project activities,
- (c) financial appraisal of investment costs,
- (d) participation of beneficiaries and
- (e) data management and update.

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 Loan and the allocation of the amounts of the Loan to each Category and the percentages of expenditures for items to be financed in each Category:

| Category | Loan Amount Allocated (expressed in SDR) | Percentage* |
|-----------------------------|---|-------------|
| I. Works | 1 010 000 | 100% |
| II. Equipment and Materials | 320 000 | 100% |
| III. Training | 3 050 000 | 100% |
| IV. Consultancies | 490 000 | 100% |
| V. Salaries and Allowances | 1 460 000 | 100% |
| VI. Operating Costs | 350 000 | 100% |
| Unallocated | 1 230 000 | |
| TOTAL | 7 910 000 | |

* In all cases, the percentage of expenditures to be financed will be 100% net of taxes and net of counterpart contribution for the salaries of the IPA staff.

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

"Equipment and Materials" comprise vehicles, boats, materials, motorcycles and other equipment.

"Training" comprises training, studies, meetings and workshops.

"Consultancies" comprise local and international technical assistance.

"Salaries and Allowances" comprise personnel costs for the Project Staff of the PCU and the staff of the Institute for the IPA.

2. *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs in all categories incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of SDR 300 000.

Schedule 3

Special Covenants

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. *Project Personnel.* Professional staff of the PCU shall be contracted, under procedures acceptable to the Fund, on an open, transparent and competitive basis and have qualifications and experience commensurate with their duties. Any discrimination based on gender, age, ethnicity or religion shall be prohibited in the recruitment of Project staff, in accordance with the laws in force in the territory of the Borrower. The recruitment and removal of professional staff shall be subject to the notification of the Fund.
2. *Gender.* The Borrower shall ensure that gender concerns shall be mainstreamed in all Project activities *throughout* the Project Implementation Period. The Borrower shall also ensure that women beneficiaries shall be represented in all Project activities and that they receive appropriate benefits from the Project outputs.
3. *Taxes.* The Borrower shall, to the fullest extent possible, exempt the proceeds of the Loan from all taxes. Any taxes and duties paid by the Project shall be reimbursed by the *Borrower*.
4. *Internal Auditor.* An internal audit service provider, acceptable to the Fund, shall be recruited by the Project, in accordance with appropriate terms of reference, to assist in the production of (minimally) semi-annual internal reports that will be shared with the Fund. The semi-annual *internal* reports shall provide an audit trail from the detailed transactions to the Project financial reporting by expense category, Project Component and financier.

| Logical framework Narrative Summary | Key Performance Indicators* | Means of Verification | Assumptions (A) / Risks (R) |
|---|--|--|---|
| Goal: Poverty reduced in artisanal inland fishing and small-scale fish-farming households in target communities | <ul style="list-style-type: none"> ▪ 15,800 households receiving services from the project of which 9,980 associated with productive activities (fishing, fish processing and trading) and 5,820 associated with community development 4,300 HH out of poverty by project end | Baseline survey End of project assessment Health sector rapid assessments Impact assessment surveys Beneficiary database | (A) Long term political engagement, economic stability (A) Natural disasters do not impact local livelihoods and local food security strategies (A) Government assumes investment for social services |
| Project Development Objective: Improved food security and nutrition among artisanal inland fishing and fish-farming households | <ul style="list-style-type: none"> ▪ 15,800 HH experience a reduction in the prevalence of chronic malnutrition from 29.2% to 25% ▪ 4,700 HH (30% of HH receiving project services) experiencing an improvement in dietary diversity index | Baseline survey End of project assessment Special project studies Impact assessment surveys Beneficiary database | (A) Prices remain within foreseeable inflation (R) Absence of service providers in project areas (R) Weak FM capacity in implementing agency. |
| Component 1: Inland Fisheries | | | |
| Outcome 1: Inclusive, sustainable inland fisheries sector development and management contributing to strengthened livelihood strategies at household level | <ul style="list-style-type: none"> ▪ 3,300 fishermen, processors and traders reporting production/yield or sales increase ▪ 10,000 households with 30% increase in income levels ▪ 1 market and 5 processing facilities functioning | Baseline survey End of project assessment IFAD supervision reports Project statistics | (A) Continued access to land by small-scale fish-farmers/traders/farmers (A) Industrial fishing has limited effect on artisanal fisheries (R) Local authorities fail to manage project support infrastructure |
| Output 1.1: Institutional capacity strengthened (national, provincial, local / extension service) | <ul style="list-style-type: none"> ▪ Fisheries monitoring system in use in inland fishing areas between project year three and the end of the project ▪ 30 IPA staff trained in 3-4 of the following subjects: fish technology and fisheries management, outreach, climate change, gender, social issues and HIV/AIDS* | Baseline survey End of project survey Field staff reports Progress and annual reports Service provider reports Final report on the vulnerability and risk assessment and climate change adaptation proposal | (A) Effective coordination between the Ministry of Fisheries and other ministries (A) Good receptivity and effective involvement on the part of community members (A) Sound collaboration at community level between stakeholders and local authorities (A) Receptivity to good practices on the part of fishermen and other stakeholders (R) Delays in the recruitment and positioning of extension workers and other staff in the field |
| Output 1.2: Improved community participation in economic and wider local development processes | <ul style="list-style-type: none"> ▪ 60 climate change vulnerability assessments carried out ▪ 60 community development plans included in municipal government plans ▪ 60 communities targeted with awareness raising and educational interventions on climate change, gender, food security nutrition, mine detection and HIV/AIDS ▪ 20 communities in contiguous areas covered with 20 Savings | Three monthly reports of service providers | (R) Delays in decision taking concerning proposed management measures (R) Delays in construction and supply of |

* All targets to be revised after the completion of the baseline survey when Project-specific data becomes available. All indicators will be disaggregated by gender (men/women or men headed household/women headed household. Other activity related indicators will be collected by project implementers to track targeting effectiveness, and results obtained by men and women targeted), age and target group where relevant.

| | | | |
|--|---|--|--|
| | Groups, properly trained in financial management skills and supervised by specialized service providers and operating actively at project end | | equipment (R) Delays in the appointment of staff to operate the new facilities |
| Output 1.3: Increased quantity and quality of fish produced and sold on a sustainable basis | <ul style="list-style-type: none"> ▪ 3,000 people trained in fish production practices/technologies along the fish production chain* ▪ 10,000 people trained in functional literacy* ▪ 5,600 people trained in post-production, processing and marketing* | | |
| Output 1.4: Improved market related infrastructure | <ul style="list-style-type: none"> ▪ 40 Km of roads constructed / rehabilitated ▪ 5 market, processing facilities constructed/rehabilitated ▪ 30 villages with improved transport routes | | |
| Component 2: Aquaculture | | | |
| Outcome 2: Inclusive, sustainable small-scale aquaculture sector management & development contributing to strengthened livelihood strategies at household level | <ul style="list-style-type: none"> ▪ 960 fish-farming households reporting production / yield increase ▪ 960 households with 30% increase in income levels* | Baseline survey End of project assessment IFAD supervision reports Project statistics | (A) Continued access to land by small-scale fish-farmers/traders/farmers (A) IPA assumes extension agents as part of operational costs after two years (A) Good governance practices in place |
| Output 2.1: Institutional capacity strengthened (national, provincial, local / extension service) | <ul style="list-style-type: none"> ▪ Aquaculture monitoring system in use in target areas between project year three and the end of the project ▪ 20 government officials/staff trained in aquaculture management, outreach, climate change, gender, mines, social issues and HIV/AIDS* | Baseline survey End of project survey Field staff reports Hatchery reports Progress and annual reports Service provider reports | (A) State institutions execute maintenance of infrastructure (R) Existing policy constraints impede achievement of component outcome (R) Government does not have resources to sustain hatchery and milling station infrastructure improvements after close of project. (R) Difficulties to define effects of CC. (R) Limited institutional capacity in CC in project institutions could impede achievement of objectives. |
| Output 2.2: Improved community participation in economic and wider local development processes | <ul style="list-style-type: none"> ▪ 10 climate change vulnerability assessments carried out ▪ 10 community development plans included in municipal government plans ▪ 5 communities in contiguous areas covered with 5 Savings Groups, properly trained in financial management skills and operating actively at project end ▪ 10 communities targeted with awareness raising and educational interventions on climate change, gender, food security nutrition, mines and HIV/AIDS | Three monthly reports of service providers | |
| Output 2.3: Increased quantity and quality of fish produced in fish ponds and sold on a sustainable basis | <ul style="list-style-type: none"> ▪ 960 fishponds supported by the project* ▪ 1,300 people trained in aquaculture production, processing, marketing and functional literacy* | | |
| Output 2.4: Hatchery infrastructure provides project clients with required inputs | <ul style="list-style-type: none"> ▪ 1 million fingerlings produced and distributed to farm-fishing households | | |