



Fisheries, Coastal Resources and Livelihood Project

FishCORAL

STATUS OF IMPLEMENTATION AS OF DECEMBER 2016

A. Background

1. The Fisheries, Coastal Resources and Livelihood Project (FishCORAL) was proposed by the DA-BFAR in 2012 for the sustainable management of coastal resources and to improve the quality of life of local natural resources-dependent communities within the coastal areas. The International Fund for Agricultural Development (IFAD) agreed to provide loan and grant funds to support of the Project.
2. All the necessary approvals for loan negotiations were secured by the DA-BFAR.

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| NEDA Board Approval | 17 October 2014 |
| Forward Obligational Authority from DBM | 06 March 2015 |
| Monetary Board Approval-in-Principle | 16 April 2015 |
| Special Authority from the President | 26 June 2015 |

3. The Loan Financing Agreement was signed in October 2015 and the Entry into Force (loan effectivity) date on the same date. The Project was issued the Monetary Board approval on 23 December 2015 and Legal Opinion of the Department of Justice on 27 January 2016.

B. Loan Financing Agreement and Withdrawal of Loan Proceeds

4. The Loan Financing Agreement was signed on 26 October 2015 with Loan No. 2000001258. The Entry into Force was issued on the same date. Department of Finance (DOF) submitted to IFAD on 28 April 2016 the specimen signatures of the designated officials authorized to withdraw the loan proceeds. Simultaneously, the requirements for opening of the dollar account were being completed. The Project requested for assistance of the Department of Finance to facilitate the opening of the dollar account for the loan proceeds in March 2016. The account was opened on 22 April 2016 at the Bangko Sentral ng Pilipinas (BSP).
5. The first withdrawal application (WA) for the loan proceeds was submitted to IFAD on 04 May 2016. The initial advance of the loan proceeds was deposited to the BSP dollar account on 16 June 2016 while the converted loan proceeds were deposited to the peso account at the Land Bank of the Philippines (LBP) on 27 June 2016.
6. Simultaneously, the four BFAR Regional Offices (ROs) of Regions V, VIII and Caraga have initiated the opening of accounts with the LBP for the loan proceeds and GPH funds. Initial funds for the regions were deposited to their respective LBP accounts by August 2016.

7. Transfer of funds to the ARMM has to be supported by a Tripartite Memorandum of Agreement (MOA) among the Department of Agriculture, BFAR-ARMM and the Office of the Regional Governor (ORG) as defined in the FishCORAL Project Document. The MOA was finalized and signed by the BFAR-ARMM Regional Director in July and has been sent to the ARMM-ORG for review and signing in August. The MOA was reviewed by the ARMM-ORG with requests for submission of official project documents such as approved Annual Work Plan and Budget (AWPB) for ARMM and the Project Steering Committee (PSC) Resolution on approval of project documents. The ARMM Governor signed the MOA on 12 October 2016 while signing by BFAR and DA was completed and notarized on 14 November 2016. Processing of the transfer of the loan and GPH funds was completed in December 2016.

C. Grant Financing Agreement and Withdrawal of Grant Proceeds

8. The Grant Funds to finance capacity development and technical assistance in support of Project implementation was approved by the IFAD Executive Board on 15 December 2015. The Grant Financing Agreement was then submitted for approval of the Government of the Philippines (GPH). DOF commented that the Grant costs in the FA were in the US dollar currency while the Special Authority from the Office of the President specified that the IFAD funds will be in Euro instead of US Dollar which was requested by IFAD during negotiation. DOF recommended that IFAD should change the currency to Euro. The IFAD Philippine Country Office referred the matter to their Main Headquarters and revisions to the FA were included.
9. The FishCORAL Grant Financing Agreement (FA) was signed by IFAD on 29 April 2016 and by the DOF Secretary on 17 May 2016 under Grant No. 2000001275.
10. Simultaneously, the requirements for the opening of the grant account were started in March 2016 and the dollar account was opened on 10 June 2016 at the BSP.
11. The letter of DOF to IFAD on the DA-BFAR authorized signatories was submitted in September 2016 thus completing the required documents for the withdrawal of the grant funds. The 1st WA was sent to IFAD Headquarters on 21 October 2016 and the initial advance was deposited in November 2016. Transfer of funds to the Regional Project Management Offices (RPMO) was processed but deposit to the RPMO accounts was deferred to January 2017.

D. Opening of the GPH Counterpart Funds

12. Coordination with the Bureau of Treasury (BTr) was undertaken on the opening of accounts for the GPH counterpart funds and was completed in March 2016 with the GPH funds lodged at the LBP. Transfer of funds was processed and deposited to the RPMO accounts by September 2016.

E. Start-Up Activities

13. Several workshops were conducted by the Project Support and Coordination Office (PSCO) in order to accomplish the necessary documentation for start-up, to orient the BFAR central and regional officers on the Project, and initiate activities at the regional level.
 - a. Pre-Implementation Workshop, 10-11 December 2014, BFAR Conference Room, Quezon City
 - b. Start-Up Workshop, 16-17 September 2015, Rembrandt Hotel, Quezon City
 - c. RbME/RIMS¹ Training for IFAD-Assisted Projects, 12-16 October 2015, Baguio City
 - d. Planning Workshop, 5-6 November 2015, Rembrandt Hotel, Quezon City
 - e. IFAD Loan Administration and Supervision Workshop, 1-4 December 2015, Lohas Hotel, Clark Freeport Zone, Pampanga
14. The PSCO and RPMOs at the four BFAR Regional Offices were created through the issuance of Special Order No. 1069, series of 2015 signed by the DA Secretary dated 16 November 2015.

F. FishCORAL Project Launching

15. Preparations were undertaken for the official launching of the FishCORAL Project starting November 2015 with Region VIII as the host region. The FishCORAL Launching Ceremony was held on 19 January 2016 at the Hotel Alejandro in Tacloban City. Guests included the fisherfolk representatives and LGUs of the targeted 38 municipalities/cities in Region VIII as well as invited fisherfolk representatives and LGUs from Regions V, XIII and ARMM. Regional government agencies and other institutions sent their officials and representatives. BFAR Regional Directors and officers of the 3 ROs also attended. Approximately 200 guests were present during the ceremony.
16. The guests were requested to show their support to the Project by signing on the Stakeholders' Commitment board. The ceremony was capped by messages of support from the fisherfolk representatives of Regions V, VIII and Caraga.

G. Project Steering Committee (PSC)

17. The creation of the Project Steering Committee (PSC) was initiated in October 2015 with requests for representatives from concerned agencies: DBM, DENR, DILG, NEDA, Mindanao Development Authority (MINDA) and ARMM Government. The PSC is chaired by the DA Secretary and co-chaired by the Undersecretary for Fisheries (concurrent BFAR Director). The Undersecretary for Policy and Planning was also requested to be a PSC member.
18. The First Meeting of the PSC was held on 19 February 2016 at the Hotel Rembrandt, Quezon City. PSC Resolution No. 1 was presented to the PSC representatives on the approval of the FishCORAL documents: (1) Project Implementation Manual (PIM); (2) Multi-Year Plans and Indicative Budget (MYPIB); (3) 2016 Annual Work Plan and Budget (AWPB); and (3) 2016 Annual Procurement Plan (APP). There were

¹ RbME – Results-based Monitoring and Evaluation; RIMS – Results and Impact Management System

recommendations from the PSC representative to revise some provisions in the resolution. After finalizing the document, the agency representatives unanimously approved the resolution during the meeting. The Resolution was signed by Secretary Proceso J. Alcala on 15 March 2016 while the signing by the PSC members was completed by April 2016.

19. PSC Resolution No. 1 and approved Project Documents were submitted to IFAD on 08 April 2016. The “no objection letter” (NOL) was issued by IFAD on 10 May 2016.

H. Setting-up of the PSCO and RPMOs

20. Contracting of the administrative staff for the PSCO at the BFAR Central Office was completed in January 2016 while contracting of the PSCO technical staff was started in March 2016 with the approval of the purchase request and publication in the Philippine Government Electronic Procurement System (PhilGEPS). Key PSCO officers was started in July 2016 and was completed in December 2016. Contracting of the procurement specialist under the grant proceeds was completed in June 2016 while the institution and GAD officer was completed in November 2016 while hiring process for the two remaining positions is ongoing. Contracting of personnel for the Regional Project Management Offices (RPMO) in BFAR Regions V, VIII and Caraga was completed in September 2016. For ARMM, selection of key personnel has been completed and contracts was awarded in December 2016 after the signing of the Tripartite MOA.
21. Contracting of the 120 community facilitators have been initiated by the RPMOs. The number of community facilitators (CF) is determined by the covered barangays with a ratio of 1 CF to 10 barangays. Contracting was completed by September 2016 with a total of 27 CFs for Region V, 60 CFs for Region VIII and 15 CFs for the Caraga Region. For ARMM, selection of CFs has been completed and contracts was awarded by December 2016 with the signing of the Tripartite MOA.

I. Operational Activities

22. The PSCO conducted a Mid-year Planning Workshop on 08-09 June 2016 in Quezon City to discuss the plans and targets for the 2nd Semester. Issues and concerns and were raised on the targets, procurement, fund utilization and reporting. The workshop was attended by officers of the BFAR Central Office, PSCO and BFAR Regional Offices of Regions V, VIII, Caraga and ARMM.
23. A Loan Disbursement Workshop was conducted by the PSCO on 20-21 July 2016 at the Rembrandt Hotel in Quezon City to familiarize the regional financial officers and focal persons with the IFAD disbursement procedures of the loan and grant proceeds as it relates to the government procedures under the Government Accounting Manual (GAM).
24. The BFAR Regional Offices of Regions V, VIII and Caraga conducted separate Project Orientation Workshops for the incoming RPMO staff and community facilitators and for municipal/city LGUs in order to: (i) introduce the RPMO officers and community facilitators; (ii) present the overall and 2016 Project plans and budget; (iii) clarify issues and concerns; and (iv) prepare their respective workplans for the remainder

of 2016. ARMM conducted its an orientation workshop for Illana Bay in December 2016 while two workshop batches will be conducted for Sulu and Basilan in January 2017.

25. FishCORAL conducted its 2017 Planning Workshop on 25-28 October 2016 at the Great Eastern Hotel, Quezon City to prepare the 2017 AWPB and APP and Budget Execution Documents (BEDs), APP and Project Procurement Management Plan (PPMP) for submission to DBM. The AWPB and APP for the PSCO and RPMOs will be consolidated, will have to be approved by the PSC and IFAD to facilitate the replenishment of the loan and grant proceeds by 2017.
26. Profiling and validation activities are being undertaken by the community facilitators for the following areas: (i) 271 barangays of Region V; (ii) 500 barangays of Region VIII; (iii) 147 barangays in the Caraga Region; and (iv) 180 barangays in ARMM. Profiling activities includes status of: (a) CRM plan updating/formation; (b) coastal and habitat assessment for proposed resource rehabilitation projects; (c) MFARMC activation; (d) law enforcement group formation; (e) assistance to people's organization formation/reactivation; and (f) identification and site assessment of livelihood projects.
27. The FishCORAL RPMO of Caraga Region conducted an inter-agency meeting for the formation of the Regional Coordination and Steering Committee (RCSC) held on 15 December 2016 at the Watergate Hotel, Butuan City. The RSCS will serve as a policy and institutional advisory committee to facilitate convergence for the effective and efficient delivery of the various agencies' services to support Project implementation.

J. IFAD 1st FishCORAL Project Supervision and Implementation Support Mission

28. IFAD fielded its 1st FishCORAL Project Supervision and Implementation Support Mission on 02-22 October 2016 to: (i) assess the progress of Project implementation in relation to its start-up activities; (ii) to identify implementation issues and bottlenecks; and (iii) to discuss and agree on a set of actions to resolve identified constraints and improve project implementation.
29. The kick-off meeting of the Mission was conducted on 03 October 2016 attended by the BFAR Director, Assistant Directors, BFAR Central and FishCORAL officers. The Mission Team was headed by Mr. Graeme Macfadyen and IFAD officials.
30. The PSCO facilitated the Project visits of the Mission to Regions V, VIII and ARMM from 3-9 October 2016 and the arrangements for the wrap-up meeting.
31. The Wrap-Up Meeting was held on 14 October 2016 chaired by the BFAR Assistant Director for Administrative Services and attended by partner agencies (DILG, MinDA, NEDA, DA-SPCMAD), BFAR Regional Directors and RPMO Heads, BFAR Central and PSCO officers. The Mission discussed the results of the consultations and field visits and presented the draft Aide Memoire for approval of BFAR and IFAD. The Mission gave a rating of "moderately satisfactory" to the FishCORAL Project.

L. Memorandum of Agreement with the LGUs

32. Conduct of FishCORAL orientation have been undertaken for the 103 municipalities while attendance to the Sangguniang Bayan (SB) meetings to lobby for the endorsement of the MOA with the LGUs were undertaken for Regions V, VIII and Caraga. For ARMM, they have started LGU orientation on the FishCORAL and MOA review for 23 municipalities.
33. The memoranda of agreement (MOA) with the 103 local government units are in various stages of completion. A total of 75 LGUs (73%) have signed the MOAs with corresponding Resolutions approved by their Sangguniang Bayan (SB). The remaining 28 MOAs are for review/signature of the LGUs. *Annex 1* shows the status of MOAs with the LGUs.
34. Part of the orientation and planning activities of the RPMO and the community facilitators is to gather information on the status of bay management council formation.

K. Procurement of Equipment and Vehicles

35. The bidding process for the procurement of three lots of equipment (IT, office and audio-visual) for the PSCO and vehicles for the PSCO and the RPMOs of Regions V, VIII, XIII and ARMM was started in March 2016. There were failures of bidding for the equipment and vehicles for the PSCO. The 2nd bidding was started in June 2016 and awarded in November 2016 upon issuance of prior review by IFAD. Deliveries were made in November for the vehicles. The status of procurement is attached as *Annex 2*.
36. Region VIII has the largest area coverage among the four regions with four bays/gulfs, 4 provinces, 38 municipalities and 500 barangays. The Regional Office started the procurement of three lots of equipment (IT, office and audio-visual) for the RPMO, 4 Provincial Fisheries Offices (PFOs) and 38 LGUs in March 2016 and completed the bidding in July 2016. The Project submitted the documents to the IFAD requesting for their “no objection letter” or NOL before proceeding with the awarding of the contract. The NOL for the equipment was issued in August, contracts were awarded in September and deliveries by October and November 2016.
37. The bidding process for the procurement of equipment for Region V was completed with the IFAD NOL was issued in December 2016. The contract was awarded and the equipment delivered in December 2016.
38. For Caraga Region, the bidding process is on-going upon issuance of the IFAD NOL in November 2016.
39. The preparation of the design of the fishery hatchery in Tiwi, Albay and equipment requirements for the hatcheries in Regions VIII, Caraga and ARMM are on-going.

40. Validation is on-going on proposed sites for the bay management council and multi-purpose buildings (BMCMPB) and watch towers in Regions V, VIII, Caraga and ARMM.

M. Formation of Bay Management Councils

41. For Region V, the RPMO initiated a Round-Table Dialogue on 25 November 2016 among the LGUs of the 14 municipalities of Albay Gulf for the formation of the Albay Gulf Management Council, the 1st for the FishCORAL Project. To formalize the council, an ordinance or resolution will be presented on the next council meeting. The Legaspi City LGU was appointed as the Council Chairperson during the meeting.

N. Gender and Development

42. The workplan for the institutionalization of Gender and Development (GAD) across all Project activities was discussed and prepared by the GAD specialist with the regional GAD officers for inclusion in the 2017 AWPB. Preparatory GAD workshops are being conducted at the regional level.

Problems and Bottlenecks

1. The withdrawal application for the grant funds was deferred due to the change of the signatories for the GPH (BFAR Director and DOF Secretary) after the elections. BFAR submitted the authorized signatories to DOF on 07 September 2016 while the letter to IFAD was sent by DOF on 28 September 2016.
2. The transfer of funds to BFAR-ARMM has taken longer than the other three regions due to the requirement of having a tripartite MOA. In the past, BFAR Central Office has transferred regular funds to BFAR-ARMM but the MOA only requires two signatories. In addition, the signing threshold for funds issued by DA entailed revision of the MOA which will now be signed by the DA Secretary.
3. Delay in the receipt of the initial advance for the grant proceeds affected the recruitment of the consultants. The Project prioritized the hiring of the procurement specialist in July 2016 and the Institutions/GAD specialist in November 2016. Hiring of other consultants is on-going.
4. In a few areas, partisan politics affects selection of beneficiaries for the livelihood projects. However, the formation of an inter-agency Regional Coordination and Support Committee will ensure an impartial evaluation.

Issues and Concerns

There are emerging issues and concerns raised during the planning workshops summarized below:

1. The on-going conflict in Sulu and Basilan particularly in the areas of coverage of FishCORAL may hamper or delay project activities near the Abu Sayyaf Group (ASG) territories in Jolo and Patikul, Sulu, and in Basilan.
2. There were recommended amendments to the Special Order on the designation of officers to the RPMO.
3. BFAR Region VIII RPMO started clustering the target 500 barangays to be assigned to the CFs. However, for barangays that have a larger population/area and are located in the islands, there are anticipated difficulties in covering the ten barangays by one CF. There is a request for additional CFs with the cost to be charged to the savings accrued by the region for the delay of one month in contracting and allowance for travel. Since it is programmed that on Year 2 the ratio will be one CF to seven barangays so that additional CFs will be hired, it was agreed that the RPMO will hire the necessary number of CFs within its budget. The other RPMOs will be advised to consider hiring additional CFs as necessary, particularly ARMM which covers a wider area in the Sulu Sea.
4. The computation of limiting P100,000 per livelihood project does not conform to the standardized costing of fisheries projects being implemented by BFAR under its regular budget. For the meantime, the Project will adopt the standardized costing for proposed livelihood projects within the allocated budget for each region. PSCO will also consult with IFAD to increase the amount when appropriate and revisions to the target number of livelihood projects.
5. Contracting for the Participatory Resource and Social Assessment (PRSA) was deferred pending agreement to the manner of contracting on whether to contract just one firm for all 11 bays or the Regional Offices will contract institutions for their respective bays. Contracting will commence upon completion of the revised TORs.
6. Delays were encountered in consultation meetings/ workshops due to conflicts in the schedule of the local executives and officers.