



Investing in rural people

## Aide memoire

Republic of Philippines

FishCORAL Project

Supervision Mission: 2 to 14 October 2016

### A. Introduction<sup>1</sup>

1. The Fisheries, Coastal Resources and Livelihood (FishCORAL) Project was approved at IFAD's Executive Board in September 2015. The total project financing is US\$ 43.74 million comprised of: an IFAD loan of EUR 27.31 million (approximately US\$ 29.42 million); an IFAD grant of US\$ 0.69 million; Government contributions of US\$ 6.12 million; and counterpart contributions by Local Government Units (LGUs) of US\$ 5.64 million and communities of US\$ 1.33 million. The Project became effective on the 26 October 2015, implementation started on 2 January 2016, and the project completion date is 31 December 2020. The goal of the Project is to reduce poverty in the target coastal communities of the 11 target bays in Regions V, VIII and XIII and the Autonomous Region of Muslim Mindanao (ARMM) by 5% from the mean poverty incidence of 42%. The project's objective is that the following specific development results will be realised by the end of the Project: (a) annual income of participating fishing community households increased by 10% from baseline; and (b) employment of women engaged in income generating activities increased to 40% from the baseline of 20%. The Project has three investment Components: (i) Coastal Resource Management; (ii) Livelihood Development; and (iii) Project Management and Coordination.
2. A Supervision Mission was undertaken from 2 to 14 October 2016 to review the performance and implementation progress of the Project. The mission's objectives were to: (i) assess the progress of project implementation in relation to its start-up activities; (ii) identify implementation issues and bottlenecks; and (iii) discuss and agree actions to resolve identified constraints and improve project implementation.
3. The supervision mission was conducted in close collaboration with key project stakeholders, and the mission team consulted with: the Bureau of Fisheries and Aquatic Resources (BFAR) project staff and contractors at national and regional levels; Governors, Mayors and Municipality and City staff in LGUs in the regions; and communities and People's Organisations (POs) at the *barangay* (village) level. The mission undertook field visits to: Region VIII (Eastern Visayas) with consultations in Tacloban, Lawaan municipality, *barangay* Guinob-an (in Eastern Samar), Tanauan municipality, *barangay* Bislig (in Tanauan, Leyte), and *barangay* Cogon (in Palo, Leyte); Region V (Bicol) with consultations in Naga city, Pasacao municipality, Legazpi city, and *barangay* Lamba (in Legazpi); and the Autonomous Region in Muslim Mindanao (ARMM) with consultations in Cotabato city and *barangay* Sarmiento (Parang, Maguindanao). Pre-wrap up and wrap-up meetings were held on the 12 and 14 October 2016. This Aide Memoire reflects the discussion and decisions at the wrap-up meeting.

### B. Overall assessment of project implementation

4. The overall assessment of project implementation is rated as *moderately satisfactory* and the likelihood of achieving development objectives is considered as *moderately satisfactory* according to IFAD's performance assessment methodology<sup>2</sup>.

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<sup>1</sup> Mission composition: Graeme Macfadyen, Team Leader and Fisheries Specialist; Yolando Arban, Institutional Development/Project Management Specialist; Shankar Kutty, Procurement Specialist, IFAD Rome; Zidni Marohombsar, Financial Management Specialist; and Jing Pacturan, Philippines Country Programme Officer. Tawfiq El-Zabri, Programme Officer, joined the mission from 11 October and participated in the wrap-up meeting. The mission was supported by Ms. Vivian Azore, Country Programme Assistant, Philippines.

5. Project start-up has been slow during the first year and the project has effectively only been operational for a couple of months. The loan Financing Agreement (FA) was signed on the 26 October 2015, but various stages of approval required by government agencies meant that the first withdrawal application (WA) for the loan proceeds was not submitted to IFAD until 4 May 2016. The initial advance of the loan proceeds was deposited to the dollar account at the *Bangko Sentral ng Pilipinas* (BSP) on 16 June 2016 while the converted loan proceeds were deposited to the BFAR peso account at the Land Bank of the Philippines (LBP) on 27 June 2016. The grant FA, while approved by the IFAD Executive Board on 15 December 2015 was not signed by IFAD until 29 April 2016 and by the Department of Finance (DoF) Secretary until 17 May 2016, due to clarifications and the need for consistency between the currency of the grant FA and the Special Authority from the Office of the President. The dollar account for the grant was opened at the *BSP* on 10 June 2016. The letter from DoF to IFAD with information on the Department of Agriculture (DA)-BFAR authorized signatories was submitted in September 2016 thus completing the required documents for the withdrawal of the grant funds. As a result, initial funds for three of the four Regions were not deposited to their respective project accounts until August 2016. Fund transmission to the ARMM is still awaiting final approval of a Tripartite Memorandum of Agreement (MoA) between the Department of Agriculture (DA), BFAR-ARMM and the Office of the Regional Governor.
6. From project commencement up to 30 September 2016, the cumulative disbursement rate based on IFAD's data was 14% for the IFAD loan, and 0% for the IFAD grant. However actual use of funds by the project as of 30 September 2016 was 0.2% of the IFAD loan, 0% of the grant, and 0.2% overall. Coordination with the Bureau of Treasury (BTr) on the opening of accounts for the government counterpart funds was completed in March 2016 with the government funds lodged at the LBP. Use of the government contribution up to 30 September 2016 was 0.3% of the total amount planned over the lifespan of the Project. LGU counterpart funds and Peoples Organisations (PO) contributions have not yet been made or recorded given the early stage of the project.
7. The delays in availability of funds have meant that the Project has not yet achieved any outputs or outcomes for either Component 1 or Component 2, and funds have primarily been used for staffing and start-up workshops. Progress in recent months since the project effectively became operational has however been good, and much of the groundwork has been laid for an acceleration of project implementation. Some positions remain to be filled, but most BFAR project staff and contractual staff have now been nominated/recruited both in the Project Support and Coordination Office (PSCO) in Manila, and in three of the four Regional Project Management Offices (RPMOs) (in Regions V/Bicol, VIII/Eastern Visayas and XIII/Caraga). For the ARMM, staff recruitment and contracting is dependent on the signing of the Tripartite MoA and transfer of funds. The PSCO organised an official launch of the project on 19 January 2016 and a number of planning and orientation workshops. The Project Steering Committee (PSC) has been established and held its first meeting on 19 February 2016, and procurement of equipment and vehicles for the PSCO, RPMO and LGU project offices is underway but not yet completed. RPMOs in Regions V, VIII and XIII have also begun to sensitise LGUs about the project.
8. Implementation of fiduciary processes and controls are considered acceptable. The Project is in the process of facilitating MoAs between BFAR and the LGUs for project implementation. These MoAs need to detail the fiduciary responsibilities and obligations of LGUs and communities. The Project will also have to clarify and align funds flow and community Financial Management (FM) guidelines in the Project Implementation Manual (PIM) along with processes and procedures for partnership with PO's, allowing the communities to undertake simple procurement for the livelihood component, linked to simple performance measures that are validated periodically.

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<sup>2</sup> IFAD performance ratings are: highly satisfactory (6), satisfactory (5), moderately satisfactory (4), moderately unsatisfactory (3), unsatisfactory (2), and highly unsatisfactory (1).

## C. Outputs and outcomes

9. **Component 1. Coastal Resource Management.** Progress to date is considered to be *moderately satisfactory* in recognition of both the early stage of the project's real implementation and its potential to achieve the intended outcome if implemented successfully. The intended outcome from the Component is "*Fishing communities adopted sustainable management of fishery and coastal resources*". The intended outputs are discussed below.
10. **Output 1: Capabilities of LGUs and fishing communities to enforce sustainable management of fishery and coastal resources established.** There has been little progress on this output. The existence and institutional/operational strength of Bay Management Councils (BMCs), Fisheries and Aquatic Resource Management Councils (FAMRCs) at various LGU levels (i.e. barangay, municipality/city, province), and Fisheries Local Enforcement Teams (FLETs), is very variable. The extent to which LGUs have delineated municipal waters and zoning ordinances and had them approved by local *Sangguniang Bayan*, and registration and licensing of fishers, also varies between LGUs. As the Project intends to strengthen these institutions and activities and to create integrated FARMs at the bay-level, it is recommended that the PSCO (with the support of the RPMOs to provide the necessary information) create and maintain a project-wide database of information on the BMCs, FARMs, FLETs, municipal waters and zoning ordinances, and registration/licensing. The database should include a qualitative assessment of the functionality of the institutions using criteria such as the frequency and dates of meetings, funding levels, etc.; and be constructed to allow for analysis (for example using pivot tables in excel) of the status and progress by municipality/city, bay, and Region. This will allow the Project to track changes, analyse performance, and identify key priority areas of necessary support. The database could also be part of the project's Management Information System (MIS) (discussed later).
11. Planned project investments under this output include boat engines and equipment for FLET patrol boats, construction of a BMC building in each of the 11 bays within the project area, watchtowers in all 103 municipalities/cities, and 11 fish landing facilities<sup>3</sup>.
12. The Project should ensure that LGUs fully justify the provision of engines and equipment based on existing assets for fisheries patrols and other ongoing BFAR support, and that MoAs between BFAR and the LGUs provide sufficient detail about the provision of operational and maintenance costs to safeguard the use of project investments in support of project outcomes. The procurement general specifications for engines should be reviewed if necessary to provide for engines of sufficient horse power to be effective for fisheries patrols, and provide separate specifications for engines and equipment.
13. The BFAR engineer has prepared generic designs for the BMC buildings (which should be adapted to meet the specific needs and conditions in the Regions). RPMOs will need to ensure that there is: (i) full agreement over locations for the buildings so that these are acceptable to all LGUs in each bay (and not just the LGU where the BMC is to be constructed); (ii) clarity of land title; and (iii) assurances and safeguards about capacities and budgets for their maintenance and operation by the LGUs; and (iv) agreement about whether and when to handover buildings to LGUs according to capacities.
14. While watchtowers at the municipality/city level may serve as a deterrent to infringements and help to reduce fuel costs on patrols, the supervision mission is not convinced that there is a strong justification for them in all locations, especially given the potential need to provide electricity for radio communications and lights and for LGUs to fund people to man them. RPMOs should therefore critically examine their justification by each LGU, and adopt a flexible approach recognising that some LGUs may be provided with them and others not.

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<sup>3</sup> Note that the fish landing facilities were moved from component 2 as proposed in the project design, to component during as part of the review process by the National Economic Development Authority (NEDA) prior to the loan negotiation.

15. Investment in fish landing facilities are identified as jetties in half of the bays and timber ports in the other half. As with the watchtowers, the mission recommends a studied and selective approach to identification and funding of fish landing facility investments (indeed the design also highlights that they may not be essential). The RPMOs should critically re-examine their justification, and adopt a flexible approach to funding if necessary, potentially freeing up funds for other purposes (for example for Component 2). The mission considers that funds may be better used in support of livelihood projects or infrastructure more directly supporting group-based livelihood enterprises such as seaweed solar driers, food-grade fish drying facilities, etc..
16. **Output 2: Municipal/city and bay-wide fishery and coastal resources management and investment plans implemented.** The PSCO has prepared draft Terms of Reference (ToR) for Participatory Resource and Social Assessments (PRSA) in the Regions, which will inform the project's work in supporting the development of Coastal Resource Management (CRM) plans at LGU level, as well as the investments in habitat rehabilitation under output 3 (see below). The current draft ToR do not provide important information to inform Component 2. The mission recommends that the ToR are re-examined and broadened to allow for better background and baseline information in support of Component 2, and are informed by other available information (e.g. manuals and project reports) on conducting participatory assessments.
17. The CRM plans at municipality/city level (typically renewed every three years) are variable in terms of their existence, quality, implementation, and funding. The Project has begun to sensitise LGUs in some Regions about the project's planned activities to engage with LGUs on improving the CRM plans and ensuring that they reflect an ecosystems-based approach to fisheries management (and sufficiently integrate social and economic issues as well as environmental aspects of resource management and development). The PSCO should (with the support of the RPMOs to provide necessary information) create and maintain a project-wide database of information on the CRMs with key information, including the dates at which CRMs come up for renewal, to help the project prioritise which LGUs should be supported and when.
18. **Output 3: Habitats for fishery and coastal resources rehabilitated and established.** Little progress has been made on this output so far. It will be critical that investments in habitat and resource rehabilitation (for example in coral reef, seagrass and mangrove rehabilitation, and fish sanctuaries) are sufficiently informed by the PRSAs discussed above, and based on good consultation with LGUs and communities. Fishermen's POs should be involved in the implementation and subsequent maintenance/protection of project investments where possible. Any rehabilitation of mangroves should be completed in consultation with the Department of Environment and Natural Resources (DENR).
19. **Component 2. Livelihood Development** is rated as *moderately satisfactory*, considering implementation progress to date but recognising both the early stage of the project's real implementation and its potential to achieve the intended outcome if implemented successfully. The expected outcome is: *Income of fishing households in target coastal communities increased through sustainable engagement in diversified livelihood activities*. There are two outputs, discussed separately below.
20. **Output 1: Fishing households organized into livelihood groups.** This output will support or reactivate suitable existing POs and form new groups as needed. It is estimated that a total of around 117,000 fisherfolk including women, youth and indigenous peoples will benefit from livelihood development. Community Facilitators (CFs), staff of BFAR, LGUs through the Municipal/City Agriculture Office (M/CAO), and other agencies such as the Department of Trade and Industry (DTI) will assist the livelihood groups. As designed, direct beneficiaries for livelihood projects are registered POs<sup>4</sup> and their membership. Groups within the POs will be able to propose livelihood projects. There is some contradiction and uncertainty between the FA, the project logframe, and the project document as to whether all *barangays* need to be targeted for Component 2 (and recommendations are made later).

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<sup>4</sup> POs can be registered with the Security and Exchange Commission (SEC), Department of Labour and Employment (DOLE) or the Cooperative Development Authority (CDA).

21. To facilitate work with the POs, the Project has recruited 120 CFs since January 2016: 60 in Region VIII, 27 in Region V, 15 in Region XIII, and 19 in the ARMM. In the case of the ARMM, the CFs are not yet contracted pending the tripartite MoA. Excluding the ARMM, on average each CF covers 9 *barangays* but some cover as many as 15 and others as few as five. The current assignment of *barangays* per CF is based on the number of *barangays* per bay which can be reached easily by a CF. Per design a CF should cover between 5-7 *barangays*.
22. While most of the Regions are still in the process of orienting the CFs about the Project and establishing linkages with LGUs, one Region visited by the mission (Region VIII) has already started the process of social investigation in prioritized *barangays*. This has included profiling the *barangay* and the POs, coastal resource mapping, and some initial livelihood identification. The mission considers that starting with pilot *barangays* is a wise approach for gaining a foothold for project investments and for learning as the project rolls out to other *barangays*. However more emphasis was given to the LGU's preferences rather than on the criteria as indicated in Appendix 2 and Working Paper 3 of the Project Design Report (PDR). Field visits suggest that the LGUs have socio-economic, demographic and PO profile data for each target *barangay*. The mission also noted that social investigations already completed have used different modalities, with differing use of participatory approaches, and that there is no standardised information guide for CFs to use in sensitising LGUs and POs about the Project.
23. Considering the intention and processes involved in this output, the Project should (i) complete the *barangay*/PO profiling and finalize the criteria for livelihood project readiness and eligibility which will be used to select *barangay* and POs (e.g., legally registered, with a bank account, having some savings, capacity to provide counterpart, with previous experience of individual and group based economic activities, good track record from previous projects funded by other agencies and donors); (ii) prepare guidance on how to introduce the project to LGUs and POs (e.g. overall objectives, general philosophy regarding partnership and sustainability, different components, eligible items, ineligible items, beneficiary obligations, etc.); and (iii) come-up with a guide for a participatory social mobilization, livelihood identification, and PO strengthening with corresponding training for CFs. These improvements in approach should be incorporated in the PIM, and assignment of CFs needs to be reconfigured (see later discussion).
24. ***Output 2: Livelihood projects (fishery and non-fishery) with corresponding climate-proofed infrastructure/ facility support implemented.*** There has been little progress on this output so far; and none of the rural infrastructure or livelihood projects have been submitted for project review and approval. Rural infrastructure projects, such as hatcheries and seaweed driers, were pre-identified in the project design but need validation with the communities, POs, and LGUs. Critical is for such investments to: (i) support the PO / household livelihood projects (meaning it may be necessary to wait for the livelihood projects to be agreed before the most appropriate infrastructure can be identified); (ii) adopt climate-proofed designs and corresponding cost estimates; and (iii) specify clearly agreed arrangements for their ownership, management and operations to ensure sustainability<sup>5</sup>.
25. With regards to livelihoods projects to be supported, the PIM identifies 13 livelihoods/enterprise models<sup>6</sup> with technical information for implementation. As of the time of the mission, these have not been subjected to extensive consultation processes with the communities, POs, and fishing households. Alternative non-fishing livelihoods and enterprise models have not yet been fully identified and could be considered, but fisheries-related projects that increase the value of the catch (but that don't provide fishing inputs that would exacerbate fishing capacity/pressure), should also be considered for their merits. Key issues are: (i) while the PIM identifies five basic criteria for livelihood identification, there needs to be more technical, market-oriented and financial viability assessment tools and participatory methods to facilitate selection and

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<sup>5</sup> The project may pursue management contract arrangements with third parties such as the private sector or cooperatives that possess the track record to manage such infrastructure.

<sup>6</sup> The project design pre-identified nine livelihood and enterprise models as having potential and the PIM selected five common livelihoods (i.e., seaweed farming, mud-crab fattening, aqua-silviculture, oyster/mussel culture, fish processing) for all the Regions.

decision-making by the communities and POs. Clarity also needs to be provided to RPMOs that non-marine-based livelihood activities can be included if carefully justified to address issues around seasonality in incomes from fisheries; (ii) the PRSAs to be completed shortly must ensure a participatory approach; and (iii) the guidelines on the budget for livelihood projects need review and potential refinement so as to ensure that funds provided for individual livelihood projects are sufficient to establish viable financial activities<sup>7</sup>.

26. Other issues and related recommendations for the Project to consider are: (i) within the POs, a selection procedure is needed (and again should be included in the PIM) for priority fishing households that will benefit from project funds first; (ii) budget complementation<sup>8</sup> and financing from government agencies and private financial institutions should be explored and included in the project proposals and viability appraisal procedures; and (iii) using the preliminary list of identified livelihood projects in the PIM, the RPMO should prepare value chain-based products and market appraisal that will guide the identification of fundable project inputs at the level of the PO and the fishing households. The full mission report will provide some guidance on a sample matrix of products and project inputs.
27. **Component 3 Project Management and Coordination.** The implementation of this Component is considered to be *moderately satisfactory* with Project Management reviewed under Section D below.

Agreed actions <sup>9</sup>	Responsibility	Agreed date
1. Re-examine the justification for investments in watchtowers and fish landing centres under Component 1 based on a case by case basis, and re-programme funds if appropriate	PSCO and RPMOs	31 December 2016
2. Establish and populate (and then maintain as part of the project's Management Information System) a project-wide database of information on the BMCs, FARMs, FLETs, municipal waters and zoning ordinances, fisher registration/licensing, CRMs, and POs	PSCO and RPMOs	31 January 2017 (Regions V, VIII, and XIII) 31 March 2017 (ARMM)
3. Finalise the ToR for the PRSA so that assessments provide the baseline and planning needs of the Project across Component 1 and 2	PSCO	15 November 2016

## D. Project implementation progress

28. **Project Management** is *moderately satisfactory*. The Project has established management and coordination offices at the national and regional levels, which are well integrated with the BFAR institutional structure. The PSC was organized in October 2015, chaired by the DA secretary, and in its first meeting in February 2016 approved: (i) the PIM; (ii) the Project's Multi-Year Plan and Indicative Budget (MYPIB); (iii) the 2016 Annual Work Plan and Budget (AWPB); and (iv) the 2016 Annual Procurement Plan (APP). IFAD provided 'No Objection' by email for these documents as it recognises the validity of email for such purposes. Most of the key PSCO officers were hired in the first half of 2016, and the process for designation of the Project Director was underway at the time of the mission.
29. The RPMOs in the four Regions have been established with BFAR organic staff designated to constitute the staffing requirements as BFAR's counterpart. Hiring of contracted staff in all Regions is almost complete with the exception of the ARMM. A total of 49 organic staff are

<sup>7</sup> The Grouper Net Cage project identified in the PIM estimates a total project investment of Php 560,950 for 15 project participants which means the project fund required is considerably high at Php37,396 per participant. This amount excludes the beneficiary labour costed at PhP 224,380 and trash fish counterpart by the participants or beneficiary of Php432,000 or a total of PhP 656,380. While the cost and returns computation appears profitable this project appears to be capital intensive that will benefit only a few households.

<sup>8</sup> ARMM Health, Education, Livelihood, Peace and Governance and Synergy programme has funding support for poor households that include fishing households. MFIs and rural banks can provide financing support for viable projects with clear markets. Provincial LGUs will be another source of funding complementation.

<sup>9</sup> The full mission report will provide an additional table of all 'softer' recommendations in the Aide Memoire that are not included as the most important 'Agreed Actions'.

- assigned by BFAR to assist project implementation in Regions V, VIII and the ARMM, while a total of 136 contracted staff were recruited for project operations in the same Regions. Except for the ARMM which is still awaiting the conclusion of the tri-partite MOA, BFAR organic and contracted staff were provided with a three-day orientation about the Project.
30. At the municipal level, municipal/city Project Management Offices (M/CPMO) are not yet been established. But in Regions V, VIII and XIII the Project is beginning to engage with the LGUs and to some extent the *barangays*. Critical in this regard is the need to agree the MoAs between BFAR and the LGUs outlining arrangements and obligations of both parties for implementation of the Project. Some limited project orientation has been provided to target LGUs in Regions V, VIII and XIII, and in Region VIII 30 of the necessary 38 MoAs between BFAR and the LGUs have been signed. An important section of the MoA is the responsibility of the LGUs to establish a M/CPMO. As these M/CPMOs will assist/participate in the preparation and implementation of CRM and PO livelihood investment proposals, it is important that MoAs between DA/BFAR and the target municipal/city LGUs are completed in the last quarter of 2016 and the PMOs established (this process make take longer in the ARMM). The PSCO should prepare and maintain a list of all MoAs between BFAR and LGUs by bay and Region for inclusion in the Management Information System (MIS).
  31. Regional Coordination and Support Committees (RCSCs) have not yet been formed in accordance with the FA, and based on guidance in the PDR regarding their composition. RCSCs will provide critical support and technical assistance to the Project based on the representation by related agencies (e.g. DTI, Department of Science and Technology [DOST], Philippine National Police [PNP]), especially with regards to sharing of information about other livelihood development initiatives, and the technical and financial review of livelihood projects to be proposed. RCSCs should be established in the four Regions during the last quarter of 2016. The PSCO should facilitate this with requests to relevant national agencies that their regional officials be involved in the RCSCs.
  32. A key issue for project management is the Project's wide coverage of 1,098 coastal *barangays* spread over 103 municipalities/cities in 14 provinces, with limited livelihood investment funds and numbers of community facilitators (CFs). To address this constraint, recognising the need for careful poverty and gender targeting, it is recommended that project management should focus on beneficiary POs that will most benefit from livelihood projects rather than necessarily establishing a livelihood sub-project in each *barangay* i.e. some *barangay* may receive no support under Component 2 (but all would remain part of Component 1), while others may receive support for more than one PO. It is further suggested that livelihood projects should be implemented in two main phases: phase 1 over 2017-2018 would cover 50% of the target beneficiaries, and phase 2 in 2018-2019 would cover the remaining target beneficiaries (planning for phase 2 should however start by 2018 so that project investments can be made in the livelihood projects early in 2019 to give the project sufficient time to work with the POs). The Project should strive to work as quickly as possible during phase 1 with POs already showing readiness and complying with targeting criteria, to introduce livelihood projects on a pilot basis to get the Project moving.
  33. To ensure effective and efficient interactions among the CFs to address the day to day operations, it is further recommended that CFs be organized as a team per bay, and be assigned according to bay LGU governance arrangements and the phasing of livelihood projects. As the current BFAR Provincial Fishery Officers (PFOs) are not available full-time to assist the Project, supervisors should be selected on a competitive basis to act as bay CF team leaders (with CFs encouraged to apply), reporting to the livelihood officers in the RPMOs. Each RPMO should prepare a management strategy for phasing and teaming of staff. The ToR for the livelihood officers should be reviewed and expanded at the end of 2016 to ensure a sufficient focus on marketing aspects of enterprise activities, with specific training in marketing for such staff provided if necessary to enable them to fulfil this function, or recruitment of new personnel if necessary.

34. The CFs play a critical role in ensuring successful implementation of the Project. Project management should make all efforts to reduce turnover of CFs, through available and appropriate mechanisms such as ensuring monthly meetings with the RPMOs, review of salaries and benefits (such as insurance) and travel allowances, provision of uniforms to increase their credibility with the LGUs and communities, and provision of project-specific training and capacity development. At the same time, RPMOs should be stringent in their review of CF performance at the end of 2016, and should not renew contracts for under-performing CFs, as recruiting and training new CFs early in 2017 to replace non-performing ones will have less of a negative impact now than later on. Performance measures should be clearly articulated in the CF's contracts and provide for a 3 months trial period.
35. Finally, the project should consider the use of mechanisms to improve implementation performance at the RPMO/LGU level. Such mechanisms could include a 'reward' approach to the project funding allocated to Bays/LGUs (through/via RFMOs) for project investments in livelihood projects, whereby LGUs performing well are allocated additional funding for livelihood projects (not cash incentives) over and above yearly core/initial allocations. Clear criteria for assessing performance would need to be established (and could be weighted for importance and include rates of disbursement, LGU financial contributions, and timeliness of reporting).
36. **Coherence between AWPB and Implementation** is rated as *unsatisfactory* given physical and financial progress compared to the approved AWPB. The Project has recruited and hired contractual staff and community facilitators. The PSCO has initially transferred funds totalling US\$ 321,000 (PhP 15 million) to RPMO's V, VIII and XIII; and will provide additional funds to the RPMO's in accordance with their projected expenditures. The Office of the Regional Governor (ORG) of ARMM signed the MoA during the mission. The PSCO should follow up the DA Secretary's approval of the MoA to enable ARMM to commence with its planned project activities and disbursements.
37. **Monitoring and Evaluation (M&E)** is rated as *moderately unsatisfactory* as not yet established at all levels. The Project has still to hire an M&E officer for the PSCO, and the mission concurs with the PSCO's proposal that the M&E/KM position should be split into two positions (using savings from other areas to pay for two full-time salaries) given the specific and different requirements of these functions. In this regard, the mission recommends that the PSCO prepares a ToR for M&E and for KM separately for concurrence by IFAD and hires both officers. The national and RPMO M&E officers, together with other relevant PSCO and RPMO staff should conduct a workshop to detail the arrangements for the Project's MIS and M&E plan as this has not yet been prepared. The MIS should be based on and structured around the project logframe, with the possibility to present data by bay and Region with accumulated totals over time and available in real time with updates provided by the RPMOs<sup>10</sup>. Subsequent steps should include: (i) drafting of the Project's M&E manual (to be included in the PIM), to include data capture and reporting forms; (ii) development and deployment of the e-based MIS/M&E system; (iii) linking of the MIS/M&E system with the DA/BFAR's and the National Economic Development Authorities (NEDA's) reporting requirements, and, (iv) conduct a series of capacity building activities at national, regional and field levels. The project's MIS/M&E system should be established and functional during the first quarter of 2017. The use of grant funding for a service contract to advance these issues could be considered.
38. The mission observed that: (i) there are some differences between the information contained in the project logframe and the FA; (ii) that the PRSA will be critical in generating important baseline data; (iii) that the RIMS survey conducted in 2014 may not serve to provide high quality baseline data considering the methodology it adopted and the non-inclusion in the sample frame of *barangays* in Region VIII devastated by Typhoon Haiyan; (iv) and that the logframe could be significantly improved to ensure that there is clarity for all indicators which can be measured and collected, and detailed technical guidance about the means of

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<sup>10</sup> See as an example the weekly dashboard prepared by the IFAD-funded CCDP in Indonesia: [http://ccdp-ifad.org/mis2/weekly-2016-eng.php?periode\\_awal=2016-04-25&periode\\_akhir=2016-05-01](http://ccdp-ifad.org/mis2/weekly-2016-eng.php?periode_awal=2016-04-25&periode_akhir=2016-05-01)



verification (for example how is it planned to assess how institutions/POs to be supported by the Project have been 'strengthened' and 'sustained', what is meant by 'sustainably operated', how are 'profits' to be defined, etc.). It should be a priority of the PSCO M&E officer to be recruited shortly to address these issues.

39. **Gender Focus** is assessed as *moderately satisfactory*. The Project is an active member of the IFAD-Philippines Gender Network, and gender focal people have been identified in the PSCO and the RPMOs. The Project is beginning to gather data on the gender breakdown of PO membership, and the mission observed high levels of awareness about the importance of gender targeting. As POs are gradually identified for project support, capturing this data needs to become systematic so that progress against project targets for female beneficiaries can be monitored on an ongoing basis. The Project is also recording the gender balance of its own staff, and data in the staffing directory of key staff in the PSCO and RPMOs provided to the mission show that of the 101 staff in the directory 62% are women (exceeding the stated project target of 30%). In addition, from the total of 120 CFs, 66% are women. The PSCO should prepare a specific gender strategy for the Project, as this is currently lacking in the PIM. The Harmonized Gender Checklist guidelines from NEDA, the Philippine Commission on Women (PCW), and the Official Development Assistance Gender and Development Network 2<sup>nd</sup> edition, can guide the project in developing the gender strategy.
40. **Poverty focus** is *moderately satisfactory*. The project design identified and targeted 1,098 coastal villages with high poverty incidence, but the PIM does not included prioritization criteria, selection process and phasing of project-support in *barangays* that will benefit from the project investments under Components 1 and 2, based on poverty criteria. This needs a critical review in order to come up with clear and realistic poverty targeting, especially for the livelihood projects to be supported under component 2. As the project investments under component 2 will be carried out through the POs, it is suggested that, aside from the four criteria<sup>11</sup> of the beneficiary target groups (the POs), other factors that may be considered for the *barangay* identification and prioritisation are those with POs and household members with; (i) high magnitude of poor households; (ii) high number of poor households that have not benefitted from other government and donor projects; (iii) high number of poor households with limited income sources; and (iv) levels of daily or monthly incomes (the lesser, the more priority).
41. **Effectiveness of targeting approach** is assessed as *moderately satisfactory*. For 2016, 110 *barangays* of the 1,098 are identified for project coverage. The PIM also identified 771 coastal *barangays* and 771 POs as the focus of the first 2 years of project support, and another 327 POs in the 3<sup>rd</sup> year of project implementation. These figures appear to be sporadic and not based on clear selection and prioritization procedures. In view of the limited funds in Component 2 it is suggested that the project formulates component-based targeting that will cover the appropriate number of *barangays* in Component 1 and the realistic number of POs (and fishing household members) in Component 2. The factors that may be considered for the targeting are: the available project budget from both loan proceeds and Government of Philippines (GPH) sources, the readiness of the LGUs to provide counterpart for Component 1 and in support or on behalf of the PO for Component 2, the capacity of the POs to undertake projects, the number of CFs, the effective reach of CF versus the *barangays* to be covered, the security situation in some project areas<sup>12</sup>, and the presence of local institutions that can complement the project investments, especially in Component 2 (e.g., other GPH projects, rural banks, government banks, MFIs, private sector). The mission observed the target number of beneficiaries specified in the design for Component 2 may be unrealistic given the funds provided, and may require review by the Mid Term Review.

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<sup>11</sup> Current criteria in the PIM are: i) subsistence or marginal fishing households (men and women) who may or may not yet be members of a PO; ii) female-headed households; iii) out-of-school youth; and, iv) Indigenous People in Regions 13 and ARMM.

<sup>12</sup> For ARMM the RPMO may consider a two-phased approach with the Illana Bay as priority for phase 1 and Sulu Bay for phase 2.

42. **Innovation and learning** is assessed as *moderately satisfactory* based on the potential of the Project to demonstrate innovation and learning in both components. The Project is expected to contribute to learning around successful models of participatory and consultative bay-level CRM, incorporating an ecosystems approach to fisheries management, and LGU financing for effective law enforcement. The Project also has the potential to show-case innovation in PO livelihood projects. Working in different types of locations (with different geographical characteristics, target species, marketing arrangements, and partnerships), should serve to generate lessons that will be useful to inform future replicability and scaling up. For both components it is critically important that the Project draws on existing lessons learned to inform project implementation strategies. There are a number of earlier or existing projects and activities in the country focussing on resource management and livelihood development, and other institutions (academic, government, and non-government organisations [NGOs]) also working towards similar objectives as the Project. Drawing on existing innovation and learning can be achieved through a strong focus on partnerships (as discussed below).
43. **Climate and environment focus** is considered as *moderately satisfactory*. Component 1 has a strong focus on environmental improvements through bay-wide CRM, and investments in habitat and resource rehabilitation. The project design places a particular focus on an analysis of natural disaster risks and climate change concerns. The Project will work in areas affected by typhoon Haiyan/Yolanda in November 2013, and requires all investments such as the BMC buildings, watchtowers and livelihood projects to specifically consider the expected impacts of climate change and the risks of natural disasters. While some project activities (such as the provision of patrol boat engines) may increase carbon emissions, any resulting negative impacts in terms of climate change are negligible given the scale of inputs to be provided. The potential for the Project to increase the incomes of beneficiaries in the POs will also serve to increase their adaptation to the impacts of climate change.
44. **Partnerships** are rated *moderately satisfactory* and work of the RPMOs at this stage of implementation is focused on establishing partnerships with LGUs and POs, rather than with other institutions. Except for the ARMM, RPMOs have already provided orientation workshops with targeted LGUs at the municipal, city and provincial levels, and to some extent focus group discussions with POs in some *barangays*. As already discussed, Region VIII is fairly advanced on this aspect as they have already signed 79% of the targeted MoAs with LGUs. Once the RCSCs are established, the Project will establish partnerships with other government agencies such as DTI, DOST, and PNP. And as the livelihood projects are developed, the Project has to expand its partnerships with other development partners assisting the fisherfolk in the project area, such as the Sustainable Livelihood Program of the Department of Social Welfare and Development (DSWD), MFIs, and business development service providers.
45. **Knowledge Management (KM)** is *moderately satisfactory* and largely confined to photographic documentation of project start-up activities. In the immediate term, the Project should: (i) ensure that appropriate KM products, such as photographic documentation, capture the 'before project' situation so as to assist later with documenting project impacts (this is being done in some cases already); (ii) establish and maintain a comprehensive project website, to include a MIS system as already discussed, including all progress and performance data, project related publications, guidelines and training documents; (iii) initiate the use of Whatsapp and/or other social media within the project team(s); and (iv) develop KM products in the form of leaflets/brochures outlining the project's objectives and components which can be used to assist with sensitisation of LGUs, POs, and other partners about the Project. Over time the Project should also consider: (i) organizing trainings and coaching clinics under both Components; (ii) organizing exchange visits to support knowledge diffusion and peer-to-peer learning among RPMOs; and (iii) once implementation successes are realised, actively engage in media outreach (print, TV and radio), document success stories in brochures and videos, and participate in international and national conferences and workshops.

Agreed actions	Responsibility	Agreed date
4. Ensure MoAs signed between BFAR and all LGUs that the project will work with	RPMOs	31 December 2016 (Regions V, VIII, and XIII) 31 March 2017 (ARMM)
5. Establish the project's website, MIS and M&E arrangements	PSCO	31 March 2016
6. Finalise recruitment of all project staff	PSCO and RPMOs	31 December 2016
7. Revise the PIM	PSCO	31 December 2016
8. Establish RCSCs in all four Regions	RPMOs	31 December 2016
9. Adopt a differentiated approach to targeting for project implementation, with all <i>barangay</i> supported for Component 1 but not necessarily for Component 2, and with phasing of component 2 livelihood projects to target half of the beneficiaries in 2017 and 2018, and the remainder from 2019	RPMOs	Ongoing

## E. Fiduciary aspects

46. **Financial Management (FM)** is *moderately satisfactory*. The Project FM system is considered adequate. The BFAR follows government financial systems, rules and regulations for project transactions. Organic officers and contractual staff are assigned at the national and regional offices to perform project FM functions. The RPMOs have however yet to fill the positions for Finance Officers and Finance Assistants, and must ensure that they submit monthly financial reports on time (by the 3<sup>rd</sup> of every month). BFAR should also consider assigning project bookkeepers under the Regional Accountant. The municipality/city staff and community facilitators are also expected to assist in maintaining adequate FM arrangements at the LGU and *barangay* levels.
47. **2016 AWPB**. US\$ 7.47 million (Philippine Pesos [PhP] 317.21 million) in loan proceeds and counterpart funds were budgeted for 2016. Actual use funds by the project as of 30 September 2016 was 1.6% of the IFAD loan, 2.1% of government counterpart contributions, 0% of the grant, and 1.7% overall. During the mission, the Project formulated a catch-up plan for the 2016 AWPB that shows projected financial accomplishment of 75% or PhP 239.35 million by the end of June 2017. The 2017 budget, to be discussed at the project planning workshop planned for October 2016, should be reflective of lessons learned from absorption of the 2016 budget and what activities will roll over into 2017.
48. **Disbursement** is rated as *moderately satisfactory*. An advance of US\$ 4.3 million (PhP 200.66 million) from the loan's authorised allocation was credited to the Designated Account in May 2016. The Project made an application to IFAD for a WA from the grant account during the mission. The Project needs to adopt IFAD's SMART Statement of Expenditure (SOE) process, and this will require training of the RPMO staff by the PSCO.

**Table 1: Loan and Grant Disbursement (to 30 September 2016)**

Source of Funds	Allocated amount	Disbursed	%	Balance
IFAD Loan	EUR 27,310,000	EUR 3,873,874	14%	EUR 23,436,126
IFAD Grant	US\$ 690,000	US\$ 0	0%	US\$ 690,000

49. **Counterpart funds** are rated as *moderately satisfactory*. The GPH has appropriated and allotted US\$ 1.03 million (PhP 43.87 million) in counterpart funding for 2016, which remains valid for obligations until the end of 2017. As of 30 September 2016, US\$ 65,000 (PhP 2.77 million) was obligated or contracted and US\$ 17,000 (PhP 795,000) was actually disbursed. There were no reported LGU contributions as of the mission. In Region VIII, some LGUs are

believed to have made commitments in the Annual Investment Plan (AIP) of their annual budget for the financial year (FY) 2017. However, there are concerns as to whether LGUs in the ARMM can actually provide the required counterpart funding. Communities will be oriented accordingly of the required PO counterpart funding for the livelihood projects. The Project has to undertake appropriate measures to effectively mobilize, monitor and report LGU and community counterpart funds. Of critical importance is the need to ensure that MoAs between BFAR and the LGUs contain sufficient detail about counterpart contributions required. Partnership agreements with POs must detail beneficiary contributions.

**Table 2: Cumulative government and beneficiary contributions (to 30 September, 2016)**

Government contributions (in US\$)		
Expected 5 year contributions	Actual	% against expected 5 year contributions
6,120,000	17,000	0.3%
LGU contributions (in US\$)		
Expected 5 year contributions	Actual	% against expected 5 year contributions
5,640,000	0	0%

50. **Compliance with loan covenants**<sup>13</sup> is *moderately satisfactory*. Most covenants of both the loan and grant covenants are being complied with, but the mission highlights the need to: (i) establish the RCSCs; (ii) engage with the National Peoples Commission for Indigenous Peoples if indigenous peoples are found to live in any of the target coastal communities; (iii) establish MoAs between BFAR and all project-LGUs; (iv) maintain a project monitoring and information system; and (v) provide project personnel with insurance against health and accident risks.
51. **Procurement** is rated as *moderately satisfactory*. Procurement is in accordance with the approved Procurement Plan, which is being updated and revised. While there have been some minor setbacks/delays due to the late start of the project and failed procurement processes, procurement is undertaken in accordance with the provisions of the Republic Act (RA) 9184 and its implementing rules and regulations, consistent with IFAD's Procurement Guidelines. IFAD prior review requirements are being adhered to. Procurement records are well maintained and filed.
52. Savings generated as a result of the competitive bidding processes could be reprogrammed by the Project based on the identified and justified needs to finance additional equipment or it could be reprogrammed after the Mid Term Review (MTR). In light of the fact that costs for some equipment items may exceed those originally intended, it may be sensible for the PSCO to retain any savings on other equipment until the MTR rather than allowing RPMOs to use savings to purchase additional equipment. Likewise the Project may wish to consider using savings under the Rural Infrastructure allocations for Components 1 and 2 on livelihood projects, with the MTR to consider any re-allocations of cost categories in the FA that might be necessary at that stage from such changes.
53. For Rural Infrastructure under Components 1 and 2, the project design makes it clear that: (i) the construction of BFAR-operated hatcheries should only be financed, if there are no other sources of fingerlings, either from private sector or State University and college-operated facilities<sup>14</sup>; (ii) investment will be based on an assessment of the demand for fingerlings for viable fish culture on a regional basis.
54. PSCO, RPMO and CF positions financed from IFAD resources must be competitively selected based on sound recruitment and selection processes, reflecting the content of The Republic Act No. 2260 in relation to family members. The key positions in the PCSO and RPMO while not referenced as individuals consultants are technically long term positions under contract for the

<sup>13</sup> Assessment is made of compliance with the general conditions of the Financing Agreement.

<sup>14</sup> BFAR should ensure that the hatcheries are financially viable and self-sustaining. Operating the facilities through public-private partnership could be considered to ensure sound business management and sustainability.

duration of the project (subject to extension on a yearly basis based on performance) and hence subject to the conditions on the procurement as stated in the revised letter to borrower. Recruitment undertaken by the transfer of existing contractual staff of BFAR to PSCO, RPMO and CF positions through non-competitive processes should be specifically referenced in a request for no objection, clearly articulating the basis for the selection, and demonstrating the skills and merits of the recruitment with adequate justification.

55. In the context of expediting the Project due to delays in the start-up, the PSCO and RPMOs should advance a vast majority of its major civil works procurement under component 1 in 2017. This would ensure that planning, design, procurement and contracting is completed in 2017, with the physical construction for component 1 investments undertaken and completed between 2017 and 2018.
56. PSCO and RPMO should advance the process of procurement of motorcycles for Provincial Fisheries Officers (PFO) and LGUs in order to ensure mobility of the staff to undertake project activities as soon as possible. The PCSO, RPMOs, and the LGU's should ensure that clear mechanisms are in place to compensate PSO and LGU staff from its counterpart resources for the operations and maintenance of these vehicles for project related activities.
57. The PSCO should develop a detailed manual outlining processes and procedures incorporating appropriate risk mitigation measures to engage PO's as project partners, empowering communities to undertake simple procurement for the livelihood projects under Component 2, coupled with capacity support of the POs. This would transfer and establish ownership over the assets and increase accountability for results. However, should the procurement involve equipment (variable specification) which may not be available in the surrounding markets, then the procurement should be undertaken by the RPMOs or the PSCO based on the relevant specifications and availability of equipment in the associated regional and national markets.
58. **Audit** is rated as *moderately satisfactory*. The Commission on Audit (COA) will perform an annual audit of the Project early in 2017 covering the Calendar Year 2016. The ToR for the project audit are incorporated in the PIM (Annex 5). The Project intends to discuss and agree the ToR with the national and regional auditors, including pertinent audit matters.

Agreed actions	Responsibility	Agreed date
10. Fill vacant positions for Regional Finance Officers and Regional Finance Assistants	RPMOs	30 November 2016
11. Signature by the DA Secretary of the MoA with ARMM	DA-BFAR	30 November 2016
12. Coordinate a date for the annual project audit to be completed by COA	PSCO and RPMOs	31 December 2016

## F. Sustainability

59. **Institutional Sustainability.** The prospects for the institutional sustainability of the Project are considered *moderately satisfactory*. Institutional sustainability will be strongly impacted by the exit strategy which will need to be developed towards the end of the Project. However the mission observed good ownership of the Project by BFAR at the national and regional levels, and integration of the project into the BFAR institutional structure and planning processes. While early in the project and not all Regions have engaged fully with LGUs, the mission also observed good levels of enthusiasm for the Project by municipal and city LGUs and their staff (mayors, governors, and fisheries/agriculture officers) providing encouragement about potential sustainability. At the *barangay* level, sustainability of the POs supported, formed and strengthened by the Project will be dependent on: (i) the quality of technical and community mobilisation support provided until the end of the Project; (ii) the development of successful modalities for the livelihood projects; (iii) the successful incorporation of PO representatives into

- the integrated FARMCs; and (iv) incorporation of CRM activities and funding requirements into LGU planning and budgeting processes.
60. **Empowerment and social sustainability** is rated as *moderately satisfactory*. In some Regions, the CFs have started to work with communities for coastal resource appraisal but more specific project tools on community facilitation, PO organizing and strengthening, livelihood identification, project prioritization and proposal templates are still to be developed in order to aid empowerment and social sustainability. While most CFs that have already been hired have previous community facilitation and organizing experience, the project needs to prepare uniform facilitation tools and instruments that can be customized as necessary to meet the specific needs of the communities in the Regions. Capacity building of RPMO staff and CFs should be planned and budgeted to ensure social sustainability.
61. **Economic/Financial, Technical, and Environmental Sustainability**. These aspects of sustainability, will be able to be more fully assessed once meaningful investments by the Project have been made. For component 1, environmental sustainability will largely be dependent on the success of the project in the institutional sustainability of the integrated FARMCs and BMCs to be supported by the Project, while financial sustainability will depend on the arrangements identified to cover the costs of fisheries enforcement. For component 2 sustainability will be critically dependent on the preparatory work done over the coming year to ensure that the livelihood projects are financially and technically sustainable.
62. **Quality of beneficiary participation** is assessed as *moderately satisfactory*. In Regions V, VIII and XIII, the CFs have in some cases consulted with key community leaders in the preparation of the preliminary coastal resource appraisals, but it is early in the project to assess beneficiary participation. Nevertheless the mission observed a high level of interest by the intended LGU and PO beneficiaries in participating in the Project. The PRSAs to be completed in the coming months should be utilized in the conduct of more intensive community / PO and LGU consultations in order to generate inclusive and effective participation in the project activities, including the identification of livelihood activities and infrastructure support.
63. **Responsiveness of service providers** is rated as *moderately satisfactory*. The Project is already using service providers in the form of contractual staff at PSCO and RPMO levels. The mission was impressed with the enthusiasm of most contractual staff. The Project proposes to monitor such service providers, and all CFs for example are recruited on yearly rolling contracts subject to review, which will help to maintain quality. Other short term expertise will be utilised by the project on a needs-basis, for example to complete the PRSA, conduct coaching clinics with POs, and carry out specific studies as necessary. The Project may also wish to consider using service providers for some knowledge management outputs.
64. **Exit Strategy** is rated as *moderately satisfactory* given the early stage of the Project and recognising that the project design requires that 18 months before the completion date, the PSCO work closely with all implementing agencies and fishing communities to finalise an exit strategy and sustainability plan for review by IFAD. This strategy should contain (i) specific mechanisms to ensure sustainability of the investment and activities supported by the Project after the end of the Project; (ii) a summary of the benefits from the project's investments, major policy and operational issues and lessons learned; and (iii) recommendations for technical and budgetary support from national government agencies or LGUs and administrative arrangements after the Project.
65. **Scaling up** is rated as *moderately satisfactory* given the early stage of the Project but recognising that the project design ensures that the Project will test sustainable approaches to CRM and livelihood developments, for the government and other agencies to learn lessons from for potential scaling-up. During the Project, lessons learned and innovation should be captured to assist with scaling up. If the Project is successful as anticipated this should help attract funding to provide for scaling up after project completion.

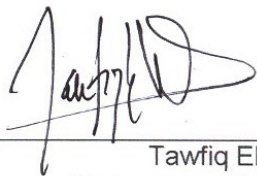


## G. Other

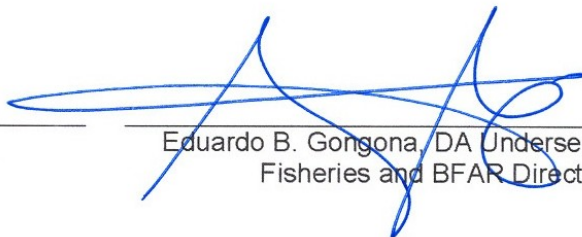
66. **Impact** is rated as *moderately satisfactory* given the early stage of the Project but recognising the potential of the project to generate significant impacts in the form of reduced poverty and malnutrition, increased incomes and employment. The emerging success of the Project as assessed against project outcome and impact indicators will need to be first measured just prior to the MTR so that impacts can be reported in the MTR.
67. **Policy impact** could relate to both coastal resource management and livelihood development in coastal communities. Ensuring policy impact is maximised will rely partly on ensuring that project successes of the CRM and livelihood models tested are captured and documented in KM products in a way that makes project successes accessible to policy makers.

## H. Conclusion

68. The original project design anticipated a seven-year project, with the previous Government administration finally agreeing to a five-year project as reflected in the FA. One year has elapsed since the Project became effective with only limited progress due to recent government elections and time-consuming administrative and preparatory processes, and there has been very low use of the first withdrawal to cover expenditure anticipated in the 2016 AWPB. To support acceleration in implementation in the coming months, project staff have formulated a catch-up plan for the 2016 AWPB. However, in order to allow the new administration sufficient time to effectively execute the planned activities to ensure that project impacts are realised as expected by the end of the Project, the mission recommends that the Government consider requesting IFAD for an amendment of the duration of the Project to better reflect the original design. This would allow the Project to realistically plan for successful implementation.
69. The immediate focus of project activities, to be reflected in the 2017 AWPB, should be to: (i) move quickly on planning for implementation of the infrastructure investments (while recognising that the Project will need to review the proposals contained in the project design and make a number of strategic choices about the most effective use of funds); and (ii) ensure robust technical and financial due diligence of the PO livelihood projects – careful assessment now of PO needs and the technical and financial viability of these projects will be critical for the ultimate success of the Project. The mission also highlighted: (i) the importance of putting in place MoAs between BFAR and all the LGUs that will partner with the Project; (ii) some amendments/additions to the PIM which will need to be made to reflect the recommendations of the mission; and (iii) the need for careful targeting in the selection of *barangay* and POs to be supported in component 2, and for a phased approach to this component.
70. A short implementation support mission by IFAD is proposed for March 2017, and the next supervision mission will take place around September 2017.
71. IFAD and the Government of the Republic of Philippines endorse the findings of the mission as laid out in this Aide Memoire.



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Eduardo B. Gongona, DA Undersecretary for  
Fisheries and BFAR Director

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14 October 2016

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14 October 2016