



Investing in rural people

## **Philippines**

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### **Fisheries, Coastal Resources and Livelihood Project**

#### **Mid-term Review**

#### **Main report and appendices**

Mission Dates: 12 March-20 April 2018

Document Date: 30/07/2018

Project No. 1100001548

Report No. 4832-PH

Asia and the Pacific Division  
Programme Management Department

## Abbreviations and Acronyms

AGMC	Albay Gulf Management Council
AIP	Annual investment Plan
AO	Agriculture Officer
APP	Annual Procurement Plan
ARMM	Autonomous Region of Muslim Mindanao
ARG	ARMM Regional Government
AWPB	Annual Work Plan and Budget
BAC	Bids and Awards Committee
BFAR	Bureau of Fisheries and Aquatic Resources
BMC	Bay Management Council
BMMB	Bay Management and Multi-purpose Building
BSP	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)
BTr	Bureau of Treasury
CAAR	Consolidated Annual Audit Report
CDA	Cooperative Development Authority
CoA	Commission on Audit
CF	Community Facilitator
CRM	Coastal Resource Management
CY	Calendar Year
DA	Department of Agriculture
DBM	Department of Budget and Management
DENR	Department of Environment and Natural Resources
DILG	Department of Interior and Local Government
DoF	Department of Finance
DOLE	Department of Labour and Employment
DOST	Department of Science and Technology
DSWD	Department of Social Welfare and Development
eNGAS	electronic National Government Accounting System
FA	Financing Agreement
FARMC	Fisheries and Aquatic Resource Management Council
FLET	Fisheries Law Enforcement Team / <i>bantay-dagat</i>
FOA	Forward Obligational Authority
FY	Financial Year
GPH	Government of the Philippines
ha	hectares
IFAD	International Fund for Agricultural Development
IGDS	Institutional and Gender Development Specialist

IGO	Institutional and Gender Officer
IR	Implementing Rules
LBP	Land Bank of the Philippines
LGU	Local Government Unit
MAO/CAO	Municipal / City Agricultural Office
M/CPMO	Municipal/City Project Management Office
MDP	Municipal Development Plan
MFI	Micro-Finance Institution
MinDA	Mindanao Development Authority
MIS	Management Information System
MoA	Memorandum of Agreement
MPIU	Municipal Project Implementing Units
MTR	Mid Term Review
MYOA	Multi-Year Obligational Authority
MYPIB	Multi-Year Plan and Indicative Budget
NEDA	National Economic Development Authority
ORG	Office of the Regional Governor
PCRA	Participatory Coastal Resource Assessments
PDR	Project Design Report
PFO	Provincial Fisheries Officer
PhP	Philippine Peso
PMO	Project Management Office
PNP	Philippines National Police
PO	People's Organisation
PSC	Project Steering Committee
PSCO	Project Support and Coordination Office
RPMO	Regional Project Management Office
RPRSA	Rapid Participatory Resource and Social Assessment
RRA	Regulations of Republic Act
SEC	Security and Exchange Commission
SOE	Statement of Expenditure
ToC	Theory of Change
ToR	Terms of Reference

## A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Not at risk
Country:	Philippines	Environmental and Social Category:	C
Project Name:	Fisheries, Coastal Resources and Livelihood Project	Climate Risk Classification:	not available yet
Project Id:	1100001548	Executing Institution:	Bureau of Fisheries and Aquatic Resources
Project Type:	Fisheries	Implementing Institutions:	Department of Agriculture
CPM:	Omer Zafar		
Project Director:	Eduardo Gongona		
Project Area:	Region 5, Visayas, Region 13 and ARMM		

Approval Date	15/09/2015	Last audit receipt	07/09/2017
Signing Date	26/10/2015	Date of Last SIS Mission	20/04/2018
Entry into Force Date	26/10/2015	Number of SIS Missions	4
Available for Disbursement Date	01/05/2016	Number of extensions	0
First Disbursement Date	25/05/2016	Effectiveness lag	1 month
MTR Date	12/03/2018		
Original Completion Date	31/12/2020		
Current Completion Date	31/12/2020		
Financial Closure	not available yet		

### Project total financing

<b>IFAD Financing breakdown</b>	IFAD: KfW loan	\$29,956,000
<b>Domestic Financing breakdown</b>	Local Government	\$5,636,000
	Beneficiaries	\$1,328,000
	National Government	\$6,125,000
<b>Co-financing breakdown,</b>		
<b>Project total financing</b>		<b>\$43,045,000</b>

### Current Mission

Mission Dates:	12 March-20 April 2018
Days in the field:	21
Mission composition:	Tawfiq El-Zabri, Team Leader Jerry Pacturan, IFAD CPO and Livelihood specialist Jens Kristensen, Value chains expert Hilly Ann Roa-Quiaoit, Marine science and fisheries specialist Zidni Marohombsar, FMD's Financial management expert Arthur Tantuan, Procurement Specialist Yolando Arban, Project Management and Safeguards Mildred Delos Reyes, M and E and Knowledge Management (NEDA Representative)
Field sites visited:	Region 5, 8, 13 and ARMM

## B. Overall Assessment

<b>Key SIS Indicator #1</b>	<b>Ø</b>	<b>Rating</b>	<b>Key SIS Indicator #2</b>	<b>Ø</b>	<b>Rating</b>
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

<b>Effectiveness and Developmental Focus</b>	<b>Ø</b>	<b>Rating</b>	<b>Project Management</b>	<b>Ø</b>	<b>Rating</b>
Effectiveness		3	Quality of Project Management		4
Targeting and Outreach		4	Knowledge Management		4
Gender equality & women's participation		5	Value for Money		3
Agricultural Productivity		4	Coherence between AWPB and Implementation		3
Nutrition		4	Performance of M&E System		4
Adaptation to Climate Change		4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)		4

<b>Sustainability and Scaling-up</b>	<b>Ø</b>	<b>Rating</b>	<b>Financial Management and Execution</b>	<b>Ø</b>	<b>Rating</b>
Institutions and Policy Engagement		3	Acceptable Disbursement Rate		2
Partnership-building		4	Quality of Financial Management		3
Human and Social Capital and Empowerment		4	Quality and Timeliness of Audit		4
Quality of Beneficiary Participation		4	Counterparts Funds		5
Responsiveness of Service Providers		4	Compliance with Loan Covenants		5
Environment and Natural Resource Management		4	Procurement		4
Exit Strategy		4			
Potential for Scaling-up		5			

<b>Relevance</b>		<b>4</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

The mid-term review of the Fisheries, Coastal Resources and Livelihoods Project (FishCORAL) was undertaken from 05 to 26 March 2018; and an MTR re-calibration workshop to internalise the findings took place from 16 to 20 April in Manila. FishCORAL's goal is to reduce poverty in poor coastal communities, contributing to a reduction of poverty incidence by 5 percent, from a baseline of 42 percent. The design envisaged that FishCORAL would support fishing communities' in adopting sustainable management of fishery and coastal resources that increase overall stocks, and supports fishing households in diversifying their livelihood activities. The project operates in coastal areas of four regions: (1) the Autonomous Region of Muslim Mindanao, (2) Caraga in Northeastern Mindanao, (3) the Eastern Visayas, and (4) Bicol in Southern Luzon. More than 180,000 poor households living along 11 selected bays would benefit from the project's two components: (i) coastal resource management and (ii) livelihood development.

The MTR objectives were to: (i) examine project progress, against previous IFAD/NEDA recommendations; (ii) re-assess the design framework and project strategy; and (iii) make recommendations to ensure that FishCORAL can meet its objectives, including adjustments to the project design. The mission discussed its findings at a meeting with senior FishCORAL staff and BFAR regional offices on 23 March 2018 and presented these to BFAR, NEDA and other partners at a wrap-up meeting chaired by BFAR Assistant Director Sammy A. Malvas on 26 March 2018.

Mission findings were drawn from field visits and consultations undertaken in seven bays across four regions. The mission branched into 3 sub-teams: an *avant garde* fiduciary team that visited all four regions (to review financial management, implementation arrangements, staffing, and social and environmental safeguards); and two technical teams, each visiting two of the four regions. The teams consulted a wide range of stakeholders and implementing partners: Government agencies in Manila; national, regional and provincial personnel of BFAR; local Government authorities (municipality and *barangay* levels); input suppliers, traders and processors of marine commodities; NGOs; universities; and rural youth and fisherfolk.

The mission expresses its appreciation to the Government of the Philippines, FishCORAL's Project Support and Coordination Office (PSCO) and BFAR's regional offices, for their cooperation, hospitality and the excellent organisation of mission activities.

### Key Mission Agreements and Conclusions

**Implementation Strategy.** The mission and BFAR agreed on changes in project implementation strategy. First, the CRM interventions at municipal level shall focus on rehabilitation and protection activities that will directly impact on the outcome targets of the project. Activities such as mangrove rehabilitation which is a mandate of the DENR with sufficient budgetary support in-place, infra support such as watch towers and jetty ports, provision of boats for LGUs and small fishers that are covered by BFAR local budgets outcomes shall may be replaced with investment activities critical for increasing direct benefits to households. Project staffing requirements at national and regional project offices and staff deployment approach at bay level shall be reviewed and adjusted.

Second, each of the 11 bays covered by the project will prioritize the cultured fishing species and commodities with available cost effective technologies. SME fish growers, buyers and processors and rural financial services providers should be involved in the identification, design and financing of the investment requirements of the species and commodities underpinned on the gaps and opportunities in the value chain.

**Investment Planning.** In this spirit a strategic investment plan for highest potential species and commodities in each of the bays shall be formulated that focuses on the coastal resource management requirement, industry investments and livelihood support activities and resource requirements for the small fishers. Based on the strategic investment plans needed to ensure economies of scale (e.g., production, processing, transport, input supply, hatcheries and nurseries) the project will issue call for proposals to interested and willing to invest SME buyers and processors in commercial transactions with small fisher producers and their organizations. Along with the call for proposals, the project shall link with financial service providers to provide liquidity requirements such as working capital and logistics (e.g., refrigeration and storage tanks for transport; ice makers; baling equipment; warehousing) for both producers and traders/processors. Qualified and competent NGOs, private firms and individuals that can provide BDS activities (e.g., financial management, contract negotiations, etc.) shall be included in the announcement for the call of proposals.

**Project Teams.** The mission also recommends the re-tooling of project teams to improve quality of technical advisory services, especially under the livelihoods component and in organizing fishers around strategically selected market opportunities. This shall involve re-visiting of the Community Facilitator (CF) working arrangements and their backstopping.

### Reallocation and Extension.

The agreed changes and actions seek to improve the efficacy of project delivery based on observed implementation challenges and some design weaknesses. These changes do not change the project scope but do justify a reallocation of funds towards livelihoods investments, technical assistance and trainings. The BFAR programming workshop has revisited project costs in consultation with IFAD. BFAR now needs to submit to IFAD a corresponding reallocation and loan amendment request. The programming workshop also considered options for introducing a results-based budgeting

system, whereby regions, bays and municipalities that progress further or faster in CRM and pursuing sustainable fishing industry can justify access to a larger share of the budget, implying that budgets will not be set geographically but rather will be allotted according to results areas.

## D. Overview and Project Progress

### Overall implementation progress

There has been significant progress in delivering project services in the last quarter of 2017 and the first months of 2018. Yet, implementing teams have tended to compartmentalize the different activities; and there seems to be little of the synergistic, intra- and cross-component effects envisaged at project design. So far, accomplishments have been registered only at the level of activities and outputs; and not at outcome (or behavioural and systems) levels. Reefs continue to be at high levels of threat from local activities. Facing harvest rates exceeding the maximum sustainable yield, primary reef fish species are showing signs of overfishing. Failure to stop these trends will likely lead to stock collapses, throwing ecosystems further out of balance and threatening reef health, food security, and climate resilience for already vulnerable populations.

### Likelihood of achieving the development objectives

The reduction of project duration at the last stage of project approvals indicated an ambitious approach and strong commitment by BFAR to deliver rapid results to fishing communities. After 2.5 years of implementation experience, all stakeholders now recognize that the shortened execution period with the same results targets has proven to be overambitious and unrealistic. BFAR and IFAD therefore agreed to the need for a 1 year extension without any increase in project budget.

### Fiduciary aspects

Key risks are: the failure of beneficiaries (LGUs and communities) to be able or willing to provide 10% counterpart funding, as required, although the ability to provide contributions in kind, and the signing of MoAs between BFAR and the LGUs should alleviate this risk. Other risks are mis-procurement of items, if proper due diligence is not placed on whether investments are really needed/demand or if operational and maintenance plans are not put in place for project investments.

### Project implementation progress

Under component 1, FishCORAL has made some effort to provide the management tools, resources and capacity to assist LGUs and fishing communities to manage their fisheries sustainably. But these nascent efforts have not yet led to significant changes in fishing outcomes, particularly as social and legal tolerance for overfishing and for destructive fishing practices (including in and around marine protected areas) continues to prevail. The extraordinary pressures on coastal ecosystems have not yet been documented through the requisite Participatory Resource and Social Assessment (PRSA), but was evident during the MTR field visits to coastal communities, where governance and enforcement of protections are weak and inconsistent. Further, overfishing reduces the resilience of coral reef systems to withstand typhoons, acidification and other climatic effects, with additional knock-on effects of reduced natural barriers, diminished food security, and even higher economic vulnerability of fisher communities.

FishCORAL has begun to deliver some support to economic activities through the livelihood component. However, this support has not been at the scale, concentration or speed needed to provide fisher households with the ability to support themselves and their families without maintaining, or indeed increasing, their fishing effort. The absence of economic alternatives to capture fishing require fishers to focus on coping with short-term gains that overshadow the long-term benefits of conserving and sustainably using their marine resources. It is the mission's assessment that the creation of attractive economic opportunities outside of capture fisheries or through sustainable capture remains a real opportunity, but requires commitment of project implementers to identifying and building partnerships with private sector actors who have shared interests with fisher communities. Private sector actors with good track record and market penetration seek productive resources that are sustainably managed, in order to preserve a precious source of income.

### Outputs and outcomes

**Coastal Resources Management (CRM) component** At mid-term, CRM is rated *moderately satisfactory* (4) against the expected outcome that fishing communities adopt sustainable management of fishery and coastal resources that increase overall stocks. There are some indications that governance of municipal waters has improved, as demonstrated by (i) the formulation/updating of 28 CRM plans (27% of target), (ii) adoption of fishing ordinances by 14 local government units, or LGUs (14%), (iii) operation of 51 municipal-based Fisheries Law Enforcement Teams (FLETs; 50% accomplishment) and (iv) management of 2,991 hectares of fish sanctuaries (60%). While FOs managing fish sanctuaries have reported increases in fish *stocks* therein, fishing communities visited by the mission report stable or a decrease in fish *catch*. A systematic review of the outcomes of coastal resource management against a baseline situation could not be generated since the Participatory Resource and Socio-economic Assessment (PRSA) has only been initiated in 2 bays; and not yet contracted in the 9 other bays.

Accomplishment of the outcome target requires a holistic and synchronized implementation of project activities, contributing to joint management by neighbouring local governments (municipalities and *barangays*) with the resident fishing communities. Instead, uncoordinated implementation of CRM activities has been a common feature across regions. Further, municipal and barangay administrations are at diverse levels of CRM accomplishments, from relatively advanced to low progress. In some, attention has been directed towards the creation and strengthening of FLETs, while the CRM Plan is put aside. Thus, while progress towards target outputs is moderate, there is limited progress towards desired outcomes. The status of the four primary outputs is detailed below.



*Established capabilities of LGUs and fishing communities to enforce sustainable management.* While a number of activities have been implemented to support LGU law enforcement and regulatory activities, they remain too limited in scale and in scope to secure the target outcome by FishCORAL's scheduled completion date; and the provision of necessary equipment for patrolling is still not completed.

*Bay-wide Management Councils (BMCs).* The Project has been successful in creating the Bay-wide Management Councils except for one bay. Legal instruments have been successfully obtained (e.g., Memorandum of Agreement). Efforts seem to have been focused on organizational development, with the FishCORAL team essentially mobilising some of the council members and acting as secretariat.

In an ideal situation, BMCs would establish financial self-sufficiency and sustainability through member contributions; and would put in place working modalities that can ensure continuity in the face of high turnover of members (LGU representatives) or of secretariat personnel. In terms of functions, BMCs would focus on harmonizing fishery regulations that collectively protect marine resources and improve livelihood outcomes, such as mesh-size, minimum size catch, mandates for bay-wide FLETs, FLET sharing scheme and honoraria, et cetera. Bay-wide plans can be invaluable for addressing common issues and problems as well as for developing strategic activities or programs and corresponding budgetary support, instead of ad-hoc and uncoordinated LGU CRM Plans.

To build the social and organisational capital of the councils, FishCORAL should identify and cultivate BMC champion(s) that have the competencies and resources to ensure active consultation and collective action among BMC members. FishCORAL can support the champions, and demonstrate interconnectivity within the bay, by providing science-backed information. Scientific studies (e.g., oceanographic characteristics of the bay to identify Source and Sink Reefs for networks of protected areas in the bay) in support of fishery ordinances, and informing better management and protection of fishing species sought by the market should be supported in collaboration with LGUs, academia and private sector participants. Such studies can help secure buy-in from LGUs, and encourage LGU contributions towards joint action plans, operational self-sufficiency of the council secretariats, and as counterpart financing to mobilise external funding. Another means of promoting champions and shared or mutual benefits is to engage BMC members in peer reviews as part of the project monitoring and evaluation process, both within a bay as well as between different bays in a region.

*Fisheries Law Enforcement Teams and Fisheries and Aquatic Resources Management Councils (FARMC).* The project has placed much attention on the strengthening of existing FLETs through trainings and capability building, with a view to enforcing fishery ordinances and regulations. This includes the deputation of more wardens (deputized fishery wardens, or DFWs; up to 20 to 30 DFWs per LGU). Unfortunately, this increase in number of wardens has been accompanied by a drastic drop in honorarium and allowances (from 4 to 5 thousand Filipino Pesos a month to less than 300 Pesos per month), as LGUs reduce the pay to reflect the increased number of wardens.

*Municipal/city and bay-wide fishery and CRM plans implemented.* To date, only 23% of participating LGUs have adopted CRM plans. Although the preparation of CRM Plans is now being organized in all regional offices, these plans may still require 2, or more, years of public deliberations before local governments will effectively adopt them. No new infrastructure investments are to be considered, funds shall be used to support livelihood sub-projects.

*Habitats for fishery and coastal resources rehabilitated and established.* FishCORAL targets the establishment and sustainable management of fish sanctuaries, mangroves, sea grass and coral reefs, and rehabilitation of existing sites. The project is already supporting improved management of 2,991 hectares of fish sanctuaries (60% accomplishment). In the mission's estimation, establishing or rehabilitating sites at the scale and pace originally envisaged would not significantly contribute to increased hard cover and fish density. A focus on rehabilitating or expanding existing fish sanctuaries, with emphasis on management, protection and enforcement, would harness efforts towards high quality results that can better effect the overall fish stock. Existing coral reef sanctuaries where there is improved management (with a plan, enforcement increased with operational patrolling plan) are therefore to be prioritized. Adjacent coral reefs can also be selected for protection, and so can sites outside coral reefs if they are closely linked with fisher livelihoods, e.g. sea grass with rabbitfish.

**Recommendations.** The mission suggests that combined efforts on resource planning and management, protection, and enforcement by the participating LGUs is urgently needed. BFAR shall need to ensure that concerted efforts are placed across activities to increase hard cover and fish density in the coral reefs. FishCORAL will need to revise its approach to focus on existing fish sanctuaries; and simultaneously apply management, protection and enforcement. These fish sanctuaries, or marine protected areas, would also serve as the benchmark sites to determine project impact at project end.

FishCORAL should work on increasing the honorarium of the DFW from the LGU. Since this is a critical need for enforcement, it should be raised by the FARMC to the attention of the LGU. Ensure insurance coverage and hospital support in case of need while doing enforcement. Established operational plan for enforcement and sharing-scheme in the fees collected from apprehension and violations. Territorial Police or Maritime police should lead enforcement and patrolling activities together with the communities, e.g., FOs, FARMCs, especially in apprehending and filing cases.

CRM plans will be drafted or updated to become CRM Investment Plans. Thus, pending the drafting, adoption and integration in the Municipal Development Plan, project should also work on the inclusion of CRM activities and support in the Annual Investment Plans of the LGU for succeeding years. Priority programs, projects and activities in CRM should be ensured fund allocations either in the MAO or MENRO budgets while there is still no budgetary line item on CRM.

**Livelihood Development** is rated as moderately unsatisfactory (3). The project has reached 24,250 members (13% of

the total outreach targets) in 688 fisherfolk organizations (FOs); and has approved 393 (or 49%) of the livelihood proposals developed with those 688 FOs. The approved livelihood proposals are projected to support around 6,700 households when fully implemented. The PSCO reports that at present 215 FOs have received equipment; all the remaining investments are at various stages of procurements and delivery. A few trainings have been provided to FOs and their members.

A large number of the 393 approved investments are simply too micro and likely not sustainable during the medium term (2-4 years). Likewise, they will not generate the economic return to the participating HH estimated at project appraisal. Most investments and clusters of investments are also too small to make it interesting for private sector investment or linkages related to upstream and downstream activities: processing, marketing, supply of inputs, technical advice, financial services etc.

In addition to the formation of new POs, the project has assisted POs towards: (i) affiliating or upgrading to cooperatives; (ii) capacity building for organisational and financial management; (iii) linkage to markets and financial institutions. Capacity building intended towards human and social empowerment for POs and fishing households are mainly carried out through organizational and technology trainings, with some sporadic on-field observation and learning activities. In part due to lack of economies of scale, these efforts have not produced the desired results to ensure sustainability.

Similarly, capacity building efforts for both POs and households will need to refocus towards a market-driven and industry-based approach, addressing only those fishing species and commodities that will provide substantial income improvement to small fishers. Organisational capacity building and technical trainings for POs will also need to be strengthened following well-formulated training and mentoring curricula, *with* strict time lines for implementation, which should be open for participation of households that are not PO members, ensuring optimum management and return from FishCORAL investments. Engagement of service providers (both governmental organizations and private) and financial services providers should be based on a value chain framework that identifies the gaps and opportunities for project investments and promotes private sector participation.

**Recommendations.** The MTR mission recommends that FishCORAL commission Bay Wide Strategic Investment Plans (BWSIP) to identify the highest potential cultivated marine commodity for each bay, with attention to required size of clustering of investments to generate economies of scale that attracts collaboration with the private sector. The BWSIP shall identify:

- Required investments in primary production, postharvest/processing, transportation, input supply, hatcheries and nurseries in order to reach the required scale
- Financial institutions interested in providing financial service to fisher households, including reasonable priced credit, or equity support to FOs;
- Private sector SMEs interested to co-invest in postharvest/processing facilities and to engage in contract production of marine cultured commodities
- Technical assistance for production, postharvest handling/processing and safety standard (HACCP; GMP; ISO) and GAQP
- Domestic and export markets and buyers.

The scanning and identification of private sector SMEs shall also identify potential SME partners that are interested to enter into production and technical advisory agreements with fisher households. These SMEs shall be engaged and tasked with contracting households for production quantity and quality; procurement of necessary material and inputs for the contracted households, financed by the project through matching grants and through households' debt financing;

## E. Project implementation

### a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 3	Previous rating: 3

#### Justification of rating

The project targets the poorest and most vulnerable producers in the Philippines, and scores high on relevance. Although there has been significant progress in delivering project services in the last quarter of 2017 and the first months of 2018, implementing teams have tended to compartmentalize the different activities; and there seems to be little of the synergetic, intra- and cross-component effects envisaged in the project strategy. So far, accomplishments have been registered only at the level of activities and outputs; and not at outcome (or behavioural and systems) levels. Reefs continue to be at high levels of threat from local activities. Facing harvest rates exceeding the maximum sustainable yield, primary reef fish species are showing signs of overfishing. Failure to stop these trends will likely lead to stock collapses, throwing ecosystems further out of balance and threatening reef health, food security, and climate resilience for already vulnerable populations.

#### Log-Frame Analysis & Main Issues of Effectiveness

While important progress is now being made, no emerging outcomes could yet be discerned, nor can they be reasonably expected under the current project strategy and implementation modalities. The project objective (of having coastal communities sustainably manage their fishery and coastal resources generating livelihoods to 188,00 households in over 1000 barangays) is unlikely to be achieved by the scheduled project end, 31 December 2020. IFAD and BFAR therefore agreed that a change in project strategy and an extension of project duration is necessary for attaining the project objective. These agreed adjustments aim to secure adequate scale of penetration to allow for improved market access, introduction of demonstrated and remunerative mari-culture and fish farming technologies, and adopt a value chain approach with emphasis on cold storage, ice facilities, and private sector partnerships. Many of these changes were already underway during the second phase of the mission, as their immediate execution does not require amendments in official documents, but will require reallocation in due course to match changes in projected expenditure patterns.

Development Focus		
Targeting and Outreach	Rating: 4	Previous rating: 4

#### Justification of rating

The fisherfolks consistently posted the highest poverty incidence among the basic sectors in 2015 (Philippine Statistical Authority). In the same year the four regions covered by the Project were among the top five regions that had the highest poverty incidence; thus, the Project has a well targeted poverty focus in terms of geographic and sectoral approach. To improve the Project's outreach, the PIM for livelihood has expanded its beneficiaries to include individual fishers or fishing households who reside within the project target area. Aside from encouraging women participation, the project also tracks participation of the youth and indigenous peoples (IPs). Of the total 24,250 individuals reached by the project so far, 40% are women, 4% IPs, and 9% youth.

#### Main issues

The project aims to reduce poverty incidence for 1,098 coastal communities located in 11 bays in Regions V, VIII, Caraga and ARMM. Fisherfolks in these fishing communities and the provinces where they are located have high poverty incidence as reported by the Philippines Statistical Authority (PSA) in 2015. More so, the municipal waters in these 11 bays face pressures of diminishing fishery and marine resources for several reasons including climatic changes, but more so because of weak fishery and coastal resources' governance and law enforcement. Inclusion of all coastal barangays or communities within the 103 municipalities for CRM activities has no related issues. However, there are some targeting issues related to livelihood.

The livelihood component of the project takes an inclusive approach to include all fisherfolks listed in the Fishery Registry (FishR). The FishR categorization focuses on gender and the livelihood related to fishery, but not on poverty. The livelihood PIM while has reference in reaching out the poor fisherfolks, it has not included in its criteria or methodology to reach the poor households. Though fishing communities exhibit high poverty incidence, it cannot be also denied that there better off fishing households in the target communities. To reach the objective of contributing to poverty reduction in the coastal communities, it is recommended that the Project prioritize target areas and poor households. In the absence of standardized poverty assessment tools, the Project may use the results of the PSA's poverty small area estimates (2015) in determining poor municipalities, the DILG's community-based monitoring system (CBMS) in determining poor barangays, and the DSWD's national household targeting system for poverty reduction (NHTS-PR) in determining poor households.

The project has a high target of 188,000 households of which 90,596 households (48% of the total outreach) should have

increased their income through participation in 2,586 livelihood projects. The current approach of granting livelihood projects through FOs could not achieve the targeted households, as there are 35 average members per FO. Assuming that all 1,098 barangays will have a recipient FO for livelihood projects, only 38,430 households (42%) will be reached. The FO-based approach in reaching project beneficiaries should be revisited and modified (Note: Approach to resolve this issue is discussed under the livelihood component). In addition, there is also a need to track the remaining 97,404 households who may not have directly benefitted from the livelihood projects but may have indirectly benefitted from jobs created and through the outcomes of good and fishery and coastal resource governance and enforcement.

The issue of double counting as to number of households reached has not been clearly resolved during MTR. In the second supervision and implementation support mission, it was noted that some FOs have both husband and wife counted as individual project beneficiaries; hence, the 24,250 FO members cannot be directly into the number households. The number of households reached is less. It is recommended that the Project should start counting the households, not just the individual members of FOs.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Development Effectiveness</b>		
<b>Set up tracking system for households' reach</b> The project has to come up with a reliable system of tracking individuals and households reach without double counting. Further, this system should be able to distinguish direct and indirect project beneficiaries.	PCSO with RPMOs	05/2018

**Gender equality & women's participation** **Rating: 5** **Previous rating: 4**

**Justification of rating**

Women participation in this project is noticeable. Of the total 24,250 members in 688 FOs, 40% are women. Of the total, 7,491 members in the leadership position, 41% are women. This is a remarkable achievement as generally those engaged in fish capture and culture are men. As observed, the increase of women membership and leadership in FOs was due to FishCORAL project which ensured a high level of women participation. Women positions in project staffing is high with 55% women among the 207 contracted staff and 59% women among the BFAR regular staff on the ground. Of the 140 community facilitators (CFs), 55% are women. The Project has gender and institution development specialists at the PSCO and RPMOs.

**Main issues**

While the Project has reached substantial outreach in terms of women participation in its activities and has increased women decision making in fisherfolk organizations, the community facilitators (CF) as well as the gender and institution development specialists (GIDS) find it very difficult to achieve two indicators in the Project logframe, namely, (i) 50% in the membership of fisherfolk organizations are women, and (ii) 50% of livelihood projects are for women. The 50% women participation in fisherfolk organizations is a very high target considering that those mostly engaged in fish capture and culture are men; however, women dominate in the fish vending and processing activities. The second indicator, while commendable in terms of ensuring women benefiting from livelihood projects, is impossible to attain. In Caraga, out of 161 fisherfolk organizations under the Project, only 11 or 6% are women organizations implementing livelihood projects. Other regions have not reported yet on the extent of livelihood projects mainly for women, but the statistics may more or less the same. The Project and the Mission recommend that the indicators and targets be revisited in the revision of the logframe and come up with a more meaningful and realistic.

The Project also tracks youth and indigenous people's (IP) participation. It is also recommended to track gender disaggregation of the youth and IPs reached by the Project.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Development Effectiveness</b>		
<b>Reduce some targets and revise some indicators</b> In the revision of the logframe, reduce the target of women membership in fisherfolk organisations to at least 40% (Magna Carta of Women, RA 9710) and revise indicators to a more meaning and easy to measure4 e.g. number of project-supported livelihood/enterprise projects with women leadership position.	PCSO, RPMOs	03/2018

**Agricultural Productivity** **Rating: 4** **Previous rating: 4**

### Justification of rating

With the limited numbers of implemented livelihood, investments it is not possible to assess productivity based on production results. However based on the limited provision of high quality technical assistance it is likely that the productivity will only reach 60% of potential productivity.

### Main issues

The present level of training and technical advisory service is inadequate and likely leading to underperformance of the commodities supported under the livelihood investments. The investments are not making use of new innovative technology, which would contribute to competitiveness of the commodities supported under the investments and ensure long-term sustainability

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Development Effectiveness</b>		
<b>Improved technical advisory services to HH</b> To achieve the potential productivity, The SMEs engaging HH to undertake contractual production are going to provide direct technical training. In case additional TA is required, it is proposed that the project hire a roving TA to provide technical training for all clusters with a region.	Project	04/2018
<b>Introducing Innovative Technologies</b> The project will support demonstrations to introduce new technology driving the competitiveness	Project	04/2018

### Nutrition

**Rating: 4**

### Justification of rating

The project is expected to contribute to the reduction of malnutrition in its target areas. There is no way to gauge the impact of the Project at midterm as it has not yet conducted midline studies. Nutrition awareness raising has not been considered necessary as part of the project strategy; as the main impact on nutrition shall be through improved incomes and livelihoods. The contribution of FishCORAL to a reduction of malnutrition can be determined by assessing child malnutrition at midline and comparing this to project completion studies.

### Adaptation to Climate Change

**Rating: 4**

**Previous rating: 4**

### Justification of rating

Component 1 has a strong focus on environmental improvements through its focus on CRM, and investments in habitat and resource rehabilitation, and the project design places a particular focus on an analysis of natural disaster risks and climate change concerns. Procurement guidelines being used require investments to consider/avoid potentially negative environmental effects of investments, and plan for disaster risk. There are opportunities, identified by the MTR, for livelihood projects to generate income while simultaneously supporting environmental benefits. 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 should be negligible given the scale of inputs to be provided. The potential for the Project to increase the incomes of beneficiaries in the POs, not yet realised, will also serve to increase their adaptation to the impacts of climate change.

### Main issues

FishCoral is designed where there are targeted mangroves, sea-grasses and coral reefs for rehabilitation or protection. The focus should be now on existing coral reef Fish Sanctuaries (FS) that will contribute greatly to the desired outcome. Although, there is some management of fish sanctuaries, management, protection and enforcement must be simultaneously applied. These FS will be the benchmark site for monitoring (now midterm) and end of project to determine impact of interventions. However, the project can still choose non-corals FS if it can support fisheries livelihood. Enforcement and management in the appropriate habitat ecosystem of the fishery commodity will need to be done anyways to make the fish investment and trade viable. Likewise, if expansion of existing FS is desired, this should include adjacent ecosystems like mangroves and seagrass. To improve habitats and resources, FishCoral has to strengthen existing FLETS, while only half are operational. The utility of the Baywide Management Councils (BMC), with only 8 operational should be maximized in harmonizing measures that would improve the costal environment and resources (e.g. minimum size catch fishery commodity). But, no unified ordinance has been adopted to date. Thus, while there is important progress, contribution to increased hard cover and fish density in the coral reefs is limited and has potential for improvement

## b. Sustainability and Scaling up

**Institutions and Policy Engagement**

**Rating: 3**

**Previous rating: 4**

### Justification of rating

Municipal LGUs are the local institutional partners in the implementation of the CRM component in partnership with small fishers peoples organizations (POs) and most bays have had CRM projects in previous ODA projects (e.g., ADB CRMP, FSP & FRMP; USAID ECOFISH; AECID SUMACOR). The project needs to build on the successes and lessons learned from these projects in order to effectively implement the CRM activities with results. While the project activities supporting LGUs on coastal resource planning and management, protection and rehabilitation, local policy formulation and law enforcement are in progress, outputs however are generally delayed and outcomes are not yet observable.

### Main issues

- *Project staff technical capacity and support on CRM is variable across all regions. Most LGUs are still to develop or update their CRM plans, bay wide management plans and operations manual.*
- *Regional CRM officers were only recently recruited. There is no CRM officer at PSCO.*
- *The PRSA is very much delayed with only one region able to submit a draft report early in 2018. The other 3 regions are still in the process of procuring service providers.*
- *Involvement of BFAR technical offices and experts on CRM and fishery technology requires greater participation*
- *Bay-wide approach has been accepted and pursued; yet priority policy formulation and law enforcement has not been prioritized as basis for concerted action across the bay.*

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Sustainability and Scaling Up</b>		
<b>Conduct of PRSA.</b> ARMM, Eastern Visayas and Bicol should procure the PRSA providers and to commence their work not later than 60 days after the MTR	PSCO, RPMOs	04/2018

**Partnership-building**

**Rating: 4**

### Justification of rating

Partnerships with LGUs on CRM planning, coastal resource rehabilitation and law enforcement is moderately satisfactory. Partnerships with private sector as markets, processors and business development services providers on the livelihood component needs to be pursued more proactively in regard to high value fishery commodities that have lucrative market potentials. Livelihood and enterprise management design of approved projects should be revisited in order to ensure ownership and interest from household members and a more appropriate role of their respective POs. Collaboration with relevant government agencies such as DTI, DOST, DENR, DSWD, FDA, etc. are in varying degrees across the regions and needs to be systematically approached by the project for both CRM and livelihood components.

### Main issues

- *Project has relied on BFAR fishery production technologies and the PO-based model of livelihood implementation thereby limiting private sector participation in identification and design of market-responsive and profitable sub-projects for supporting small fishers.*
- *The intervention provided by CIP FoodSTART+ on value chain and market appraisals was limited to a few staff. Among those trained, there was limited utilization of knowledge and tools.*
- *Lessons learned from previous fishery projects (e.g., BFAR's CRMP and FRMP; AECID's SUMACOR; USAID's ECOFISH) were not taken into consideration in the implementation of the CRM and livelihood components (e.g., the role of the MFARMC in local policy formulation; stronger community participation for sustained fishery law enforcement; building on previous MPAs and investments; livelihood projects that are not scalable, etc.)*
- *With most project staff having no previous experience in enterprise management and in mobilizing financial institutions (coops, rural and government banks), financial services was left out in the business planning process.*

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Sustainability and Scaling Up</b>		
<b>Contracting and Contract Management of Service Providers</b>	PSCO and RPMOs	06/2018
<b>Implementation of the BWSIP</b> The results of the BWSIP should be the basis for engaging partnerships from various stakeholders.	PSCO and RPMOs	06/2018

**Human and Social Capital and Empowerment**

**Rating: 4**

**Previous rating: 4**

**Justification of rating**

The Project has mobilized 24,250 fisherfolk organizations through reactivating/forming fisherfolk organizations. It has also encouraged the operation of 51 municipal-based Fisheries Law Enforcement Teams (FLETs) and has been successful in creating or reactivating 10 bay-wide management councils. These organizations are key in the management of coastal and marine resources as well as in the development of livelihood projects. Strengthening the capacities of these bodies has just started.

**Main issues**

The mission still observed mixed community understanding about the Project. While those met see the importance of protecting the coastal and marine resources, there is less understanding of the link between improved resource management under component 1 and livelihood activities. This can be due to the lack of synchronized approach in implementing the CRM and livelihood activities, and a weak information, education and campaign (IEC) materials and activities about the project. Though there was a publication of FAQ about the Project, this was not translated into local language/dialect which could be easily understood by the communities. In addition, IEC has been limited to project orientation and training. This can partly due to the lack of KM officer (only one at the PSCO which left the project in November 2017) and the absence of dedicated KM officers/staff at the RPMOs.

A total of 3,615 fisherfolks (49% women) were provided training or orientation related to CRM and livelihood. The number is about 15% of the total members of FOs reached by the project. Training to FOs is quite limited in ARMM and in Region V. In Region VIII, livelihood training focuses on technical aspects like bangus deboning, mussel and oyster culture and. Region Caraga, takes a modular approach in training the FOs with 6 modules focused on self and group awareness and the other 2 modules relate to livelihood. Regions VIII and Caraga include in their FO activities savings mobilization to help strengthen FOs and enable them to pursue self-capitalisation and income-generating opportunities. Region Caraga has advanced in terms of generating savings from FO members, with a total of PhP 161,000 savings generated helping the members respond to capitalisation needs. The modular approach in Caraga can be improved and upscaled to stress on enterprise-based FO development and strengthening and it can be used project-wide.

Of the 688 FOs assisted by the Project, 32 are registered with the Cooperative Development Authority (CDA), 27 with the Securities and Exchange Commission (SEC), 413 with the Department of Labor and Employment (DOLE), and the remaining 216 FOs are on the process of registration. As per government regulation, only those registered are eligible for Project funds. Further, only those registered with CDA or SEC can directly engage in business. It is imperative that part of the capacity building of the FOs is to register them with government bodies, and whenever possible gear for registration with CDA or SEC. Another approach is to link informal groups with existing cooperatives in the area which may act as the "big brother" to these groups.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Sustainability and Scaling Up</b>		
<b>Develop systematic approach in capacitating FOs</b> Review and improve the Caraga modular approach of training FO members. The curriculum can be a combination of awareness and technical aspects related to enterprise development (e.g. oyster culture) and financial management (e.g. simple book keeping). Aside from classroom type methodology utilise other approaches like “peer to peer” learning, coaching, mentoring, “learning visits”.	PCSO with RPMOs	04/2018
<b>Continue registration of FOs</b> Whenever possible, register the FOs with CDA or SEC so that they have the personality to engage in enterprises. In due consideration of time remaining for project implementation, another approach is to link the DOLE registered or the informal groups with established cooperatives which provide better services to their members.	PCSO with RPMOs	11/2018

<b>Quality of Beneficiary Participation</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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**Justification of rating**

Participation of project beneficiaries is mainly through their membership in the FOs. FO members participated in the identification or livelihood projects and a few joined in the development of livelihood proposals. In the preparation of livelihood proposals, mainly FO officers are involved. Some FOs have already received equipment like upright freezers which are barely a few months old. Operation of these equipment is on its initial stage; thus, it is too early to gauge the quality of the operation and maintenance of the facilities received by the FOs.

**Main issues**

The mission noted that most FOs organized or reactivated themselves primarily to access the project’s livelihood projects. This is the usual motivation why fisherfolks gather themselves in an organization. This is not a critical issue in community mobilisation as long as there are no long delays in the delivery of livelihood projects and there are continuing awareness and organizational strengthening activities provided to the FOs. In areas where savings mobilisation has been promoted, FOs’ attention is not primarily focused on the delivery of project’s livelihood, but on initiating activities like lending for members’ small capitalisation. The issues raised by the FOs visited is concentrated on when to implement the identified livelihood projects. Their inquiry showed impatience and a lack of information on the procurement status of the livelihood project. It is recommended that in such cases, the CFs should regularly update the FOs on the procurement status of their livelihood proposals.

<b>Responsiveness of Service Providers</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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**Justification of rating**

Project has worked with numerous organizations (e.g., national government agencies, LGUs, NGOs and private sector, academic institutions) on both CRM and livelihood activities which are mostly at exploratory stages and, except for LGUs with moderately satisfactory responsiveness, requires clear terms of engagement. LGUs act as procuring entities[1] in providing selected CRM and livelihood activities but are mostly delayed with non-responsive tender budgets, MOAs and CAFs still not perfected and with some LGUs having weak procurement capacities. Engagement of service providers (both governmental and private) and financial services providers should be based on a value chain framework that identifies the gaps and opportunities for project investments and private sector participation.

**Main issues**

- *Other than the LGUs, active engagement of prospective partners, using a value chain lens, has not been pursued due to weak understanding of the project design and insufficient competencies of project staff.*



<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Sustainability and Scaling Up</b>		
<b>Adoption of BWSIP in all bays</b> This will be the basis for partnering and engaging service providers (e.g., national government agencies, qualified enterprise development oriented NGOs, SMEs and private sector, academic and research institutions)	PSCO and RPMOs	11/2018

**Environment and Natural Resource Management**

**Rating: 4**

**Previous rating: 4**

**Justification of rating**

There are no significant changes in the current practices to contribute to improving environment and resources. There is moderate progress towards the management of environment and natural resources, but they remain too limited in scale and in scope to secure the target outcome. In the 103 municipal waters, accomplishments vary from 60% of managed fish sanctuaries (totalling 2991 ha); 50% operational FLETs; 14% adopted fishing ordinances; and, 27% CRM plans formulated/updated. No bay-wide fishery regulations have been enacted. The necessary paraphernalia for protection and enforcement are still to be procured -- overall showing little direct contribution to the desired improved habitat and resources.

**Main issues**

FishCORAL has made some effort to provide the management tools, resources and capacity to assist LGUs and fishing communities to manage their fisheries sustainably. But these nascent efforts have not yet led to significant changes in fishing outcomes.

Accomplishment of the outcome target requires a holistic and synchronized implementation of project activities, contributing to joint management by neighbouring local governments (municipalities and barangays) with the resident fishing communities. Instead, discordant and uncoordinated implementation of Coastal Resource Management (CRM) activities has been a common feature across regions.

The continuing depletion of fisheries resources suggests that combined efforts on resource planning and management, protection, and enforcement by the participating Local Government Units (LGUs) is urgently needed. The municipal and barangay administrations are at diverse levels of CRM accomplishments, from relatively advanced to low progress. To date, only 23% of participating LGUs have adopted CRM plans. Although the preparation of CRM Plans is now being organised in all regional offices, these plans may still require 2, or more, years of public deliberations before local governments will effectively adopt them.

On the other hand, the Bay-wide plans can be invaluable for addressing common issues and problems and for developing strategic activities or programs and corresponding budgetary support, instead of ad-hoc and uncoordinated LGU CRM Plans. While the project has been successful in creating the Bay-wide Management Councils, efforts seem to have been focused on organizational development, with the FishCoral team essentially mobilising some of the council members and acting as secretariat. Ideally, these BMCs should focus on harmonizing fishery regulations that can better effect the overall fish stock and sustainably manage the resources and habitats.

The project is already supporting improved management of 2,991 hectares of fish sanctuaries (60% accomplishment). FishCORAL targets the establishment and sustainable management of fish sanctuaries, mangroves, sea grass and coral reefs, and rehabilitation of existing sites. But in the mission's estimation, establishing or rehabilitating sites at the scale and pace originally envisaged would not significantly contribute to increased hard cover and fish density.

FishCORAL will need to revise its approach to focus on existing fish sanctuaries; and simultaneously apply management, protection and enforcement. These fish sanctuaries, or marine protected areas, would also serve as the benchmark sites to determine project impact at project end.

The project, with a view to enforcing fishery ordinances and regulations, has successfully created new members in the Fishery Law Enforcement Team (FLETs) and strengthening existing ones through trainings and capability building. This

includes the deputation of more wardens (deputized fishery wardens, or DFWs; up to 20 to 30 DFWs per LGU). Unfortunately this increase in number of wardens has been accompanied by a drastic drop in honorarium and allowances (from 4 to 5 thousand Filipino Pesos a month to less than 300 Pesos per month), as LGUs reduce the pay to reflect the increased number of wardens. This might compromise the new focus on rehabilitating or expanding existing fish sanctuaries.

CRM activities must be complementary. BFAR shall need to ensure that concerted efforts are placed across activities to increase hard cover and fish density in the coral reefs. Environmental protection can be achieved with enforcement; protected habitats can rehabilitate; and, fishing stocks will increase; all these coordinated under the over-arching CRM of the LGU.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Sustainability and Scaling Up</b>		
<b>Seagrass Rehabilitation</b> Phase down any rehabilitation or expansion to seagrass unless related to FIT.	PSCO and RPMOs	04/2018
<b>Construction of BMC Building &amp; Watchtower</b> Construction of the buildings and watchtower will be stopped for CY 2018 Budget Allocation.	PSCO	04/2018
<b>Mangrove Rehabilitation</b> Phase down any rehabilitation or expansion to mangroves unless related to FIT.	PSCO and RPMOs	04/2018
<b>Annual Investment Plans with CRM activities</b> Project should work on the inclusion of CRM activities and support in the Annual Investment Plans of the LGU for 2019 and 2020, either in the MAO or MENRO budgets.	RPMOs with LGUs	06/2018
<b>Adoption and Updating of CRM Plans</b> CRM plans need to be developed/updated (at municipal level). Strategies will differ per region but should be participatory and integrated in the Municipal Development Plan.	RPMOs with LGUs	07/2018
<b>Streamlining Coastal Resource Management</b> LGUs and especially municipality governments should be the focus of CRM activities, using AIPs as cost centers & drawing on POs, FLETs. Focus for LGUs shall be on MFO enforcement and fish sanctuaries. Compensation for deputy wardens and FLETs need to be assured.	RPMOs with LGUs	12/2018
<b>Strengthen Bay-wide Management Councils</b> BMCs should establish full-time secretariat and work on organisational strengthening. It should increase and ensure member contributions and work on dispute resolution trainings. Identify and complement a BMC champion. Provide technical support towards uniformed/unified municipal fisheries ordinances (MFOs). Utilize studies and science to technically – backed its fishery measures and baywide management, set up peer review M&E	BFAR Management with PSCO and RPMOs	12/2018

**Exit Strategy**

**Rating: 4**

**Previous rating: 3**

**Justification of rating**

CRM plans at municipal LGU level and the bay wide management plans are still being carried out in all project sites and

need to incorporate a project exit strategy that takes into consideration the lessons learned from previous CRM projects (ODA and locally funded) and current issues and challenges in the project sites. Livelihood projects need to be market driven within a value chain approach to support profitable enterprises for the small fishers which by itself will serve as the exit strategy for sustained livelihoods and enterprises of beneficiaries. Fishers Organizations are primarily organized for social objectives and need to identify their economic role and niche in the value chain upon which they would base their sustained activities and exit strategy from the project.

#### Main issues

- *Implementation approach has to shift towards being market driven and within a value chain framework.*

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Sustainability and Scaling Up</b>		
<b>Exit strategy plans be incorporated in the BWSIP and in the CRM plans of the LGUs and the Bays</b>	PSCO and RPMOs	06/2018

**Potential for Scaling-up**

**Rating: 5**

**Previous rating: 4**

#### Justification of rating

The current CRM activities and investments are limited at LGU level with some progress at bay wide level. CRM plans and law enforcement activities are sporadic and not well organized. While there exist marketable and high value fishery commodities in all the bays, the project's livelihood support to the fishers is insignificant to generate substantial incomes and limited to production inputs and small fishing technologies. Using a market driven approach the current livelihood activities requires better design to attain economies of scale that will warrant significant investments on better post-harvest and processing equipment, storage and logistics and rural finance services in order to penetrate better paying markets that will generate substantial incomes to the small fishers.

#### Main issues

*There is significant scope of scaling up project successes in view of the relevance of project modalities in additional communities within the 11 existing bays and in the many other bays and fisher communities throughout the country. Currently, a large number of the 393 approved investments are too small to secure the necessary penetration and positioning in the market and to make it interesting for private sector investment or linkages upstream and downstream.*

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Sustainability and Scaling Up</b>		
<b>Adoption of the BWSIP</b>	PSCO and RPMOs	07/2018

### c. Project Management

**Quality of Project Management**

**Rating: 4**

**Previous rating: 3**

#### Justification of rating

Establishment of project managements and coordination bodies at all levels has been completed. At the municipal levels, project management offices/implementing units (MPMO/MPIU) are established. Regional Coordination and Support Committees (RCSCs) in Regions V, VIII are now organized with participation of the FARMCs. At the municipal level there are still MPMOs/MPIUs not fully functional with some memorandum of agreements (MOA) not signed yet by all parties which prevents some LGUs to proceed with procurement. Ten of the 11 bay-wide management councils (BMCs) are established of which eight are operating. Impact of BMCs on improving the governance of municipal waters could not be determined yet as these management bodies are newly organized or reactivated.

#### Main issues

Implementation on the ground is driven by the regional project management offices (RPMO) which gets its directive in funds disbursement from the BFAR national office. In the last quarter of 2017 funds disbursement has dramatically increased. This fast tracking of funds disbursement requires a good catch up plan strategy and higher level of staff competency in the delivery of sustainable sub-projects on the ground. Upon quick review of the capability of 207 (55% women) contracted Project staff and 86 (59% women) BFAR regular staff assigned to support the Project, competency is high on the CRM component, but low on the livelihood component. Similarly, most of the 140 (54% women) community facilitators (CF) exhibit high difficulty in facilitating the livelihood projects. More than one third of them have less than two years experience in their work assignment (meaning they got their experience from the Project). Staff turnover in 2018 is

high (18%) having 38 contracted staff with two regional project coordinators leaving the project. Reasons for separation were related to salary rates, getting permanent positions at BFAR and other agencies, and non-renewal by management. As experienced by RPMOs, except for procurement and to a degree financial management, guidance from the Project Support and Coordination Staff (PCSO) which has a total of 15 (60% women) contracted staff and (71% women) BFAR staff is inadequate. There are still signs of key staff at the national and regional levels displaying (i) lack of flexibility in delivering results rather than activities; (ii) insufficiency in providing leadership and support to deliver results. There were critical recommendations during the second SIS mission to improve staffing capacity not fully complied with.

Project interventions appear as separate activities rather than coherent set of interventions with complementarity. Results delivery seemed dispersed and staff find lack of synchronization of component activities as well as with funds disbursement. RPMO staff and CFs are spread so thinly with CFs mainly responsible for an average of eight barangays. There is also difficulty in communication and feedbacking from the field to regional with several layers of supervision and administrative procedures.

The mission observed that CFs generally had only limited prior experience in organizing and strengthening enterprise-based FOs around market-driven approaches and private sector linkages. This places a burden on PSCO's and RPMOs', who similarly have comparative advantages in coastal resource management but not in fisheries industry and trade. In this context, to beef up FishCORAL results delivery, the mission has recommended that organizing households around entrepreneurial activities is best handled by qualified service providers (e.g. NGOs, private sector). There are two modalities which qualified CFs dedicated to Component 2 can be utilised in such a framework, either (i) as staff of selected service providers; or (ii) retained as part of the RPMOs but backstopped and coordinated by the contracted service provider.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Project Management</b>		
<b>Reconfigure staff assignment</b> Adopt a multi-disciplinary team approach to execute the CRM and Livelihood component. Where NGOs or private sector are engaged in enterprise-based organizing/strengthening, adopt any of the two modalities discussed under Main Issues in supervising CFs.	RPMOs with PSCO	04/2018
<b>Assess staff capacity</b> Review the capacity of the contracted staff according to CRM and Livelihood component requirements and determine where they could best contribute in achieving the project results.	BFAR management with PSCO and RPMOs	04/2018
<b>Strengthen bay management team (BMT) approach</b> A team of CFs can be assigned to each bay with a Bay Coordinator as supervisor. This team can be sub-divided into sub-teams for Components 1 and 2. Their assignment is not necessarily on a per barangay basis. For better management, big bays can be further clustered into manageable unites (e.g. bay clustering in Region VIII, and clustering Sulu Seas into Sulu side and Basilan side). The BMT will be supported by a multi-disciplinary team at the RPMOs. The process includes simplifying communication and administration protocols.	RPMOs with PSCO	11/2018

## Knowledge Management

Rating: 4

Previous rating: 4

### Justification of rating

A key requirement for ensuring sustainable use of fisheries and aquatic resources is to upgrade knowledge and technical capacities of various public and community stakeholders. In this regards the FishCORAL knowledge management plan needs further development and budgetary resources to establish anchors for multistakeholder learning processes. The plan should aim to support peer reviews and learning at different levels, including exchange visits; identification and dissemination of replicable technologies that reduce costs and/or improve productivity; capturing and sharing innovations demonstrated elsewhere in the Philippines or globally that can contribute to FishCORAL outcomes; and learning from implementation challenges and successful project fishery project experiences in the Philippines and elsewhere. This learning agenda and innovation testing includes some risk taking and bringing in international technical advice. The FishCORAL grant should be used exclusively to leverage such testing, customization and replication activities, potentially in partnership with knowledge and innovation facilitators such as DOST and the University of Philippines Foundation.

### Main issues

KM accomplishments so far include development of project brochure. Frequently Asked Questions (FAQs) Booklet.

Coralline Newsletter Issue No. 1 Community Facilitator's Guide, Lobster Rearing Best Practices infographics, Style Guide, documentation of lessons learned and updating of IFAD-FishCORAL portal and Facebook page which were already accounted during the last mission conducted in September 2017. The project website remains under construction and cannot viewed live by public. The KM outputs (such as FAQ project Brochure) provided to RPMOs were not yet fully utilize at the community level and no specific budget allocated in the previous AWPB for KM-related activities (e.g. reproduction) and even for CY 2018. Meanwhile, the is newly-hired KM officer at PSCO joined the project early this year (February 2018) as the previously KM officer resigned in November 2017.

During the last mission in September 2017, the Team recommended and reflected as one of the agreements for RPMO to develop a Knowledge Management Framework and Strategy/work plan for the Project. The KM plan provided was revised during the MTR mission to come up with a clearer vision how KM would contribute to better performance of the project and to achieve the intended results. The revised KM strategy/work plan now have clearer statement of its objective, communication strategies, approaches and processes. It also reflects the activities and outputs it aimed to accomplish with the 10 months (March to December 2018) with corresponding budget estimate worth PhP3.51 million which includes reproduction of IEC material, among others. For CY 2018, in addition to regular documentation of project milestone and operation, KM activities would include generation of case studies on BMC formation and People Organization's strengthening, project briefer using to local dialect for better understanding and designing billboard with maps to showcase project coverage. The mission team suggested document the running pilot initiative in municipalities or small bay to demonstrate how GPS-enabled chips can provide information on boats movement around the sanctuaries and protected areas (e.g., Smart Tract Project in Mindoro being promoted by BFAR, World Wildlife Fund and Navama) and use of GPS enable cameras or for FLETS or use cellular or satellite networks to plot GPS coordinates and visually depict vessel routes or explore other new affordable technologies to help monitor health of coastal resources. The team also proposed to PSCO to develop progress dashboard on FishCORAL website, explore use of smartphones for M&E, technology transfer solutions and develop simple SMS-based market price information system. Other information relevant to particularly on livelihood component is to develop a simple and easy to understand guide on investing to specific livelihood project (similar to DTI's "Gabay sa Pagnenegosyo" or Guide for starting a business for Dried Fish).

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Project Management</b>		
<b>Allocation of budget in the AWPB to support KM related-activities</b>	PSCO	12/2018
<b>Develop a simple and easy to understand guide on investing to specific livelihood project similar to DTI's "Guide for starting a business for Dried Fish, etc)</b>	PSCO	12/2018
<b>Develop progress dashboard on FishCORAL website</b>	PSCO	12/2018
<b>Document a running pilot initiative in municipalities or small bay to demonstrate how GPS-enabled chips can provide information on boats movement around the sanctuaries and protected areas</b>	PSCO	05/2019
<b>Develop simple SMS-based market price information system</b>	PSCO	05/2019

#### **Value for Money**

**Rating: 3**

#### **Justification of rating**

At this stage of implementation, the project has not succeeded in notching transformative change. However the implementation arrangements in place allow for a rapid recalibration of project strategy and activities. Subject to the timely implementation of agreed changes, there is significant scope for FishCORAL to demonstrate very high value for money in the coming 12 months.

#### **Coherence between AWPB and Implementation**

**Rating: 3**

**Previous rating: 3**

#### **Justification of rating**

There has been an improvement in pace and planning but there remain important shortfalls in delivering the AWPB, including the key requirements for a participatory stock assessment and establishment of bay-wide mechanisms.

#### **AWPB Inputs and Outputs Review and Implementation Progress**

The project needs to recalibrate its targets to take into account the recommendations made by the MTR as well as

the time remaining. BFAR is already advised to initiate procedures for requesting project extension, which require extensive consultations with NEDA, DBM, DOF and ICC; and are therefore of lengthy duration. Adequate human resources should be assigned to ensure timely execution.

**Performance of M&E System** **Rating: 4** **Previous rating: 4**

**Justification of rating**

The project has already a full time and separate M&E Officers at PSCO and all RPMOs. The PSCO conducted one-on-one orientation for the newly hired M&E officer in ARMM but attending formal training or workshop on M&E is highly recommended to have better appreciation of M&E tools and techniques. Although the PSCO already provided the M&E guideline and m&e data capture templates, a close coordination and further coaching and mentoring are highly encouraged to better improve the m&e related activities and reporting.

**M&E System Review**

Among the common issues raised during the mission were: (a) delayed submission of accomplishment report from CF up to PSCO due to poor internet connection in some areas, multi-tasks activities being carried out by Community Facilitators and the distance of CFs assigned area; and (2) accuracy and completeness of report submitted by CF to RPMO and later to PSCO. Delays in the submission of reports could result in the deviation of information reflected on report at regional level compared to PSCO due to unaccounted accomplishment/information. Similarly, incomplete and inaccurate data could damage the integrity of the report. For areas with poor internet connection, it is advised to set a schedule and proceed to nearest area (e.g., town proper) with good internet connection, explore other means to provide updates (e.g., use of 4G-cellular phone with possible complementary load from project fund, provide report during the conduct of monthly meeting with RPMOs, someone consolidate like Bay coordinator). For regions 5, CARAGA and ARMM it is advised to hire/designate a bay coordinator to gather and consolidate CFs accomplishments and other important data capture as well as validating report's content in terms of accuracy and completeness. Meanwhile, Region 8 have already a designated bay coordinator. Feedback mechanism in terms of quality/accuracy and completeness of reported accomplishment and other important information must be put in place in all level (PSCO down to community facilitators. In addition, a tracking system to monitor the submission of report and mechanism to enforce timely submission should be develop/established at all levels (e.g., shared to PFO who sign the daily time record of CFs). It was observed during the mission, the reports are mainly focus on status of accomplishment with some discussion of issues/bottlenecks there is limited effort to process, consolidate and analyse the data specially from the m&e reports and other data capture such profile (municipal, barangay, people's organization, beneficiary), FishR and BoatR, etc. For example, project accomplishment against its target as of December 2017, there was easy access information on why the targets were not met, what are the issues/concerns that hinder the implementer to reach it set targets and the proposed action to be taken or taken to resolve the issues/concerns. It is a crucial information in order to have a clearer picture of assessing the project performance in terms of achieving the desire result. It could also provide guidance in identify what are the bottlenecks that need to be resolve either at the Steering Committee at the national or regional level in not possible at the RPMO level. It will be good source of information for knowledge management to explore in bridging the gap of knowledge (production and market information, new technological innovation, lending scheme, etc). it is also a good source to capture best practices and lessons learned.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Project Management</b>		
<b>Establish tracking system to monitor the submission of report and mechanism to enforce one-time, accurate and complete submission of report at all levels</b>	PSCO, RPMO, BC, CF	12/2018
<b>Established system of documenting implementation issues/bottleneck and monitoring of actions to be taken for its resolution to complete desired output and with respect to achievement of project development objective</b>	PSCO, RPMO, BC, CF	12/2018

**Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)** **Rating: 4**

**Justification of rating**

There was no SECAP undertaken by the Project. On the social side, as already discussed under targeting and outreach and gender and women empowerment, the Project has consciously in taken into account gender, IP, and youth concerns in its PIM, AWPB and in its M&E. There are also provisions in the PIM that pay attention to climate change and in the case of Regions V and VIII to vulnerabilities due to natural disasters. The current M&E system has not reflected climate change vulnerabilities and their effects to the Project activities. This concern will be reflected in the M&E system.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Project Management</b>		
<b>Inclusion in the M&amp;E system tracking of CC indicators</b> The current logframe will be revised and once of the indicators that will be included is related to climate change (CC). Further, the assumptions/risks should reflect also the vulnerabilities that Region V and VIII faces, and to some extent, the other Regions as well. The M&E system should now reflect the mitigating actions done by the Project to address CC and other related CC indicators	PCSO and RPMO	05/2018

## d. Financial Management & Execution

### Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
<b>Domestic Financing breakdown</b>	Local Government	\$5,636,000	\$0	0.0%
	Beneficiaries	\$1,328,000	\$0	0.0%
	National Government	\$6,125,000	\$1,891,000	30.9%

### Acceptable Disbursement Rate

Rating: 2

Previous rating: 2

### Justification of rating

As of the MTR mission in March 2018, IFAD records show disbursements of EUR 5.26 million (including EUR 3.87 million in advances to the loan imprest account) or 19.26% for the Loan, and 34.78% for the Grant, pertaining only to the balance of its imprest account of US\$ 240,000. Financial accomplishment is considerably lower than expected for a Project in its 3rd year of implementation. 2 years and 5 months have lapsed since the Loan's effective date of 26/10/2015, while the Grant has been effective from 17/05/2016. The slow disbursement in project funds is mainly attributable to component and procurement issues encountered in project implementation. The last Withdrawal Applications submitted to and processed by IFAD were in Dec 2017 for the Loan, and October 2016 for the Grant.

### Main issues

Actual loan proceeds utilized have totaled US\$ 2.8 million or 9% as of 31 December 2017, while US\$ 707 thousand (11%) in GPH counterpart and US\$ 45 thousand (6%) in grant funds were also expended. Issues in the actual delivery of project components, including procurement have mainly caused slow utilization of project funds. MTR mission has proposed important changes in project strategies, implementation, and activities such as flexible allocation system responsive to each bay's delivery pace.

Planned expenditures and cost estimates should be revisited, and annual budgetary requirements need to be realigned accordingly taking into consideration also the Project's absorptive capacity. The remaining amount of the Forward Obligational Authority (FOA) issued for FishCORAL to cover loan requirements and required GPH counterpart funds from 2019 to 2020 totaled Php 427.369 million. The Project can also consider in cost realignment the lapsed appropriations in loan proceeds and GPH counterpart from 2016 to 2017 totaling Php 71.387 million, which may still be requested for use in succeeding years. Likewise, the Project's approved 2018 budget of Php 365 million (Php 308 million or US\$ 6.2 million in loan proceeds and Php 57 million or US\$ 1.1 million in GPH counterpart) would have to be subjected to any revision.

Implications to budget authorizations of any modifications in the allotment of loan proceeds and GPH counterpart, and reallocation of expenditure categories must be thoroughly considered and addressed in constant consultation and coordination with oversight agencies particularly, the Department of Budget and Management (DBM), and the NEDA.

Disbursement is expected to progress in the year to come as prior years' commitments or unpaid obligations from 2016 and 2017 totaling Php 578 million (US\$ 11.6 million) will have to be disbursed during the current year [Php 494 million (US\$ 9.8 million) from the loan and Php 77 million (US\$ 1.5 million) from GPH counterpart funds]. National budget reforms are recently being implemented such as one year validity of annual appropriations and transition to cash-based budgeting, wherein the Project is required to obligate and is urged to fully execute its annual budget within the same period.

There are SOEs for the Loan totaling Php 53.79 million (US\$ 1.15 million) from September to December 2017 in process at the PSCO during the MTR mission. A Withdrawal Application is still to be submitted for grant expenditures of Php 2.17 million (US\$ 45 thousand). The PSCO was reminded to submit quarterly WAs. It was also agreed with the RPMSOs to submit monthly SOEs to PSCO within 10 days after the end of each month to ensure timely review and consolidation by

the latter.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<p><b>Submission of WAs and SOEs to IFAD</b></p> <p>Submit WA replenishment to IFAD for SOEs covering the months of September to December 2017 equivalent to US\$1.2 million and US\$ 45 thousand, respectively. Subsequent submissions of WAs and SOEs should be done on quarterly intervals once 90 days have lapsed from the submission of the previous WA, or withdrawal amount is at least 30% of the advance in accordance with the LTB. RPMOs will submit monthly SOEs to PSCO within 10 days after each month-end for review and consolidation.</p>	PSCO Finance	04/2018
<p><b>Revision of budgetary requirements</b></p> <p>Re-assess project component costs and realign remaining loan and GPH counterpart funds covered by the issued FOA in consideration of the changes determined during the MTR mission. Submit to IFAD the revised budgets, together with any request for reallocation among loan and grant categories. Consult with the DBM regarding implications to budget authorizations and required actions. BFAR-CO will also facilitate training on the shift to cash-based budgeting.</p>	BFAR-CO, PSCO, and RPMO Finance	04/2018

## Fiduciary Aspects

**Quality of Financial Management**

**Rating: 3**

**Previous rating: 3**

### Justification of rating

Project financial management still needs further enhancements based on the fiduciary risk and FM performance assessment conducted during the MTR mission. Fiduciary processes and controls remain generally acceptable. However, moderate shortcomings were noted in FM aspects of staffing, budgeting, funds flow and controls on project assets. Project Management agreed on proposed recommendations to enable prompt resolution of FM-related issues, and emerging concerns, such as the anticipated increase in volume of financial transactions and risks of idle funds and long-outstanding advances at the RPMOs and LGUs. The Project will have to regularly inspect project assets to ensure its sustained use by intended recipients. The eNGAs is already being implemented at all RPMOs.

### Main issues

- a). There were backlogs in the preparation and submission of financial reports and requirements at the RPMOs. A significant increase in financial transactions is anticipated, as commitments from 2016-2017 of Php578 M have to be realized on top of 2018 approved budget of Php365 M. Budget reforms require BFAR to utilize annual budgets within the same period. Hiring of additional finance assistants at the PSCO and RPMOs is strongly recommended.
- b). RPMOs V, VIII, and CARAGA have obligated project funds to LGUs for procurement and implementation of various sub-projects. There were uncertainties and inconsistencies in the manner of releasing funds to LGUs. A total of Php74.896 M was forecasted for immediate release to LGUs. Risks and concerns were discussed regarding project liquidity, idle funds at the LGUs, and delay in liquidation of advances. It was agreed that project funds would be released to LGUs based on actual progress billings from contractors for civil works, and full invoices from suppliers for livelihood and CRM subprojects. There were also issues raised regarding certain LGUs at Region V. Agreements with LGUs should be enforced and/or amended accordingly, and closely monitored for status of obligated and released funds. Loan proceeds transferred to LGUs in Region V and Region CARAGA totalled Php9.736 M and Php2.620 M, respectively. There were no transfers yet by RPMO VIII.
- c). There have been delays in the signing of MOA between DA-BFAR and BFAR-ARMM. The MOA for BFAR-ARMM CY2018 worth Php71.693 M in loan proceeds and Php13.125 M in GPH counterpart is still pending. Also, prior year budget of Php75.104 M has still to be transferred. MOAs should be approved on a more timely basis. BFAR-ARMM will submit quarterly liquidation reports to BFAR-CO Accounting. Releases to RPMOs should be based on realistic cash programs.
- d). Some equipment purchased by RPMOs V and CARAGA still has to be transferred to LGUs and/or communities. The Project will have to ensure timely distribution, and regular inspection of project assets for the sustained use for intended purposes only.
- e). There were delays in the payment of invoices due to untimely submission of invoices and incomplete supporting



documentation of vouchers from end-users. Project should ensure timely payment processing and settlement of invoices by requiring end-users to promptly forward to finance staff the disbursement vouchers and invoices with the complete required documents.

f). Based on the review of SOEs, the Project is withholding and charging 5% of the 12% VAT to GPH counterpart while the remaining 7% is being charged to loan proceeds. The Project also withholds income tax and charges the same to GPH counterpart. It was clarified with the PSCO and RPMOs that VAT must be charged to GPH counterpart while income tax can be charged to loan proceeds. The Project agreed to observe proper payment of taxes in accordance with the FA and IFAD's policy on taxes. Procedures on future tax payments were discussed. As agreed for previous transactions, actual VAT billed in invoices and withheld income tax payments will be reconciled in order to determine any difference to be refunded to the loan account. Additionally, considering budget authorizations, the equivalent amount in GPH counterpart should be earmarked for payment of future expenditures that are eligible for financing using loan proceeds

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<p><b>Timely submission of quarterly IFRs</b></p> <p>Submit to IFAD the IFR for the quarter ending 31 March 2018, which is due by 15 May. The Project is required to submit IFRs at quarterly intervals within 45 days after the period-end in accordance with the latest revision of the LTB in September 2017. RPMOs will submit financial statements to PSCO for consolidation within 15 days after each calendar quarter. The quarterly IFRs should include an aging analysis of all fund releases to RPMOs and LGUs</p>	PSCO and RPMO Finance	04/2018
<p><b>Proper payment of taxes</b></p> <p>Reconcile previous tax payments made and refund to IFAD. Eligible expenditures to be financed by the loan and grant should always be net of tax per the Financing Agreements. Project needs to prepare and submit analysis of ineligible tax payments that have to be verified by COA and IFAD</p>	PSCO	04/2018
<p><b>Monitoring of obligated and released project funds to LGUs</b></p> <p>Enforce implementation of signed agreements with LGUs and resolve any issues related to the utilization of obligated and released project funds. Require refund of released funds by LGUs with unresolved issues. Maintain an aging analysis of all funds released to LGUs.</p>	RPMOs	04/2018
<p><b>Full complement of organic and project-hired finance staff</b></p> <p>Hire additional Finance Assistants at PSCO and RPMOs. Recruit replacement for the Finance Officer of RPMO CARAGA whom has resigned recently. Ensure proper onboarding of newly engaged organic and project finance personnel</p>	PSCO and RPMOs	05/2018
<p><b>MOA with BFAR-ARMM</b></p> <p>Approve MOA between BFAR-ARMM and DA-BFAR for its 2018 allocation. RPMO-ARMM will submit quarterly liquidation to BFAR-CO Accounting. Maintain an aging analysis of all funds released to all RPMOs.</p>	PSCO	05/2018

**Quality and Timeliness of Audit**

**Rating: 4**

**Previous rating: 4**

**Justification of rating**

Audit report submitted beyond 69 of due date.

**Main issues**

The audit work was submitted with some delay but was otherwise acceptable, most expected items have been provided.

**Counterparts Funds**

**Rating: 5**

**Previous rating: 4**

## Justification of rating

As of 31 December 2017, 78% of the cumulative scheduled GPH counterpart of Php 117.340 million per the FOA was released to the Project: Php 88.247 million in Notice of Cash Allocations (NCAs); and another Php 3.162 million in withheld taxes charged to government funds remitted to the BIR through Tax Remittance Advice (TRA).

## Main issues

Although around US\$ 1.8 million or 31% in GPH counterpart funds was disbursed and made available to the Project as of 31 December 2017, only US\$ 707,000 was actually utilized (11% of the total required GPH counterpart). This has been due to the delays in the implementation of project components that resulted to the reversion of Php 50.854 million to the Bureau of Treasury (BTr), Php 45.647 million of which were reverted in 2016. Nonetheless, the Project may still request for the reverted funds in the succeeding years.

The Project has established and disseminated to community facilitators the procedures in reporting LGU and community counterpart contribution, but is still collecting data pertaining to prior years of 2016 and 2017 as of the MTR mission. It was agreed that the community facilitators would provide monthly reports of actual LGU and community counterpart contributions to the RPMOs, which would be then forwarded to the PSCO for consolidation.

<b>Compliance with Loan Covenants</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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## Justification of rating

Project has complied almost all critical sections in the financing agreement. Upon the recommendation of the second supervision mission, the Project has acted on Section 7.06 of the FA with regards to the use of project-procured equipment, facilities, and vehicles, and Section 7.11 with regards to the need for insurance cover for project personnel including the CFs. However, some delays were experienced in complying with the AWPB and APP submission 60 days before the relevant year.

## Main issues

As experienced by all IFAD projects in the country, it is difficult to submit the annual work plan and budget and procurement plan to IFAD 60 days before the relevant year. FishCORAL project could not prepare the AWPBs and APPs by October for CY 2017 and 2018 because the 2015 and 2016 funds could be used as continuing funds for the succeeding years. Unutilized funds could only be determined by the end of the year to have a realistic AWPB of using continuing funds. For 2018 and succeeding years, continuing funds are no longer allowed based on the government's budget reform program. However, ARMM will still have continuing funds for 2018 and 2019 with the same difficulty to prepare by October of the current year for the AWPB and APP of the succeeding year. In addition, annual assessments as prelude to AWPB and APP exercises are usually done by December.

It will be more realistic to submit the AWPB and APP by the end of January of the calendar year, i.e. for 2019 AWPB and APP will be in January 2019.

## Procurement

<b>Procurement</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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## Justification of rating

Across the four project regions, there is a need to improve the planning and management of procurement. This requires identifying needed and/or viable CRM and Livelihood sub-projects, determining a market-competitive sub-project cost, and increasing proficiency of procurement execution. In this regard, there is a need to review existing technical specifications, program of works or terms of reference of specific procurement activities, as the case may be.

## Procurement Review

At the outset, only CARAGA was able to procure a service provider for the conduct of the PRSA, engaging the services of Mindanao State University-Nawaan Campus for an agency-to-agency procurement. The other regions are still in various stages of conducting procurement activities. It is observed that the decentralized procuring units need continuing assistance from the project central team on the procurement of consulting services. The need for such assistance is highlighted by the MTR's call for a business-oriented approach to the local fish industry, and to the engagement of the private sector in providing technical assistance and training to the project beneficiaries.

On procurement duration, CARAGA Region was most proficient among the four regions, with a 46 days average to complete a procurement activity. The average period to complete procurement activities across the project regions vary significantly, with a national average of 92 calendar days. In this regard, the RPMOs are encouraged to take advantage of the legal authority under the 2016 Implementing Rules and Regulations of the Government Procurement Reform Act (Republic Act 9184) that authorizes procurement short of award, especially in light of the national government drive to implement a cash based budgeting system in 2019.

There have been instances of failure to secure prior IFAD prior no-objection before commencement/awarding of

procurement activities for first of each kind procurement per region. The APP and the associated procurement/contract register must be recognized as an important tool which procuring entities will constantly review, monitor and update. Due to concerns that the sub project costs in both CRM and Livelihood components may no longer reflect market prices, RPMOs are re-examining technical specifications/program of works/terms of reference and adjust their costing in the 2018 AWPB to minimize possibility of bid failures. Proficiency in procurement is expected to improve given the hiring of a procurement officer per region.. In this regard, there is a need for closer collaboration between the procurement officers and the regional BAC to increase efficiency.

<b><i>Agreed Action</i></b>	<b><i>Responsibility</i></b>	<b><i>Agreed Date</i></b>
<b>Financial Management &amp; Execution</b>		
<b>Procure services of PRSA service provider</b>	RPMO 5,8 and ARMM	05/2018

## F. Relevance

Relevance

Rating: 4

### Justification of rating

The project development objective, that is, coastal communities sustainably manage their fisheries and coastal resources generating livelihood benefits for fishing household, remains relevant in today's context and with IFAD and Philippine development strategies. IFAD's strategy in the Philippines is focussed on helping the poorest groups of people in the rural areas; and places high importance on women and indigenous peoples living in fragile and vulnerable ecosystems, coastal fishers and poor smallholders and the landless.

### Main issues

Meanwhile, the Philippine Government, as stipulated under the Philippine Development Plan 2017 to 2022 specifically identified the following strategies which support the project development objectives: (a) improve Agriculture, Forestry, Fisheries (AFF) productivity within the ecological limit by (i) facilitating the use of appropriate farm and fishery machinery and equipment, (ii) strengthening the extension system (the process of linking AFF stakeholders to extension workers) that can provide the stakeholders with technical assistance and capacity building activities, and, (iii) pursuing an ecosystems approach to fisheries management; (b) increase AFF-based enterprise by (i) diversifying into commodities with high value-adding and market potential, and (ii) expanding AFF-based enterprises through new and innovative production and marketing schemes; (c) increase stakeholders' access to value chain by (i) physically linking production areas to markets through road and rail-based transport, inter-island water transport and logistics system, (ii) organizing small farmers and fisherfolk into formal groups and farms into clusters to create economies of scale (the lessening of costs due to an increased level of production), (iii) providing capacity building for small farmers and fisherfolk on value-adding activities, and (iv) provide non-farm livelihood options, especially to seasonal farm and fishery workers, whose incomes are irregular and who are vulnerable to shocks; (d) increase farmers' and fisherfolk's access to innovative financing by (i) increasing the number of small farmers and fisherfolk that are provided with agricultural insurance, and (ii) providing the small farmers and fisherfolk easy access to affordable formal credit; (e) increase AFF stakeholders' access to technology by (i) raising investments in research and development (R&D) for production and post-harvest technologies, and (ii) enhancing the capacity of small farmers and fisherfolk to use better and new technologies; (f) increase and protect the access of small farmers and fisherfolk to land and water resources by completing the delineation of municipal waters.

### Main issues:

- *Discordant and uncoordinated approach on CRM that needs improvement for combined efforts on resource planning and management, protection, and enforcement by the participating LGUs.*
- *Staff competencies that need to be substantially improved with private sector support and participation; and staff deployment needs adjustment.*
- *Limited participation of agencies and institutions that have expertise and resources on CRM, scientific researches and extension, livelihoods and industry development including rural finance services.*

## G. Lessons Learned

### Responsive Baywide Management Councils

The Project has been successful in creating the Bay-wide Management Councils except for one bay. Legal instruments have been successfully obtained (e.g., Memorandum of Agreement). Since the BMCs are mostly in nascent stage, efforts are still focused on organizational development, with the FishCoral team essentially mobilising some of the council members and acting as secretariat.

It is basic for the member LGU to contribute annually as stipulated in the binding legal agreement. In some BMCs, the funds are held by the LGU of the elected LGU-Treasurer or an assigned LGU. The agreed contribution ranged from P50,000 to as high as P200,000 per LGU.

Baywide plans ideally are crafted from the consolidation and integration of the member LGU CRM Plans. However, these plans are not available.

#### Lessons Learned:

*Utility of BMCs.* BMCs should focus on harmonizing fishery regulations that collectively protect marine resources and improve livelihood outcomes, such as mesh-size, minimum size catch, mandates for bay-wide FLETs, FLET sharing scheme and honoraria, et cetera. The utility of the 11/12 Baywide Management Councils (BMC), although only 8 are operational should be maximized to improve the coastal environment and resources.

*Operational BMC.* The FishCoral should put in place working modalities that can ensure continuity in the face of high turnover of members (LGU representatives) or of secretariat personnel. Eventually it should establish an administrative office with fulltime staff to make it operational. The Council can opt to become a SEC-registered Project Management Office (PMO), with fulltime staff paid from the member contributions; or, it can exist with a team of organic staff from the Regional BFAR office that serve as regular Secretariat. A duly authorized alternate of the LCE in the BMC must be obtained to ensure continuity of work with the unavailability of the LCE. This representative must have a certain level of authority to approve or decide in BMC matters.

*Financial sustainability of BMC.* BMCs should establish financial self-sufficiency and sustainability through member contributions. This fund can be used as leverage for other funders e.g. private sector or funding agencies. The budget allocation for all member LGUs must be secured, if possible for the year 2018. A SEC-Registered independent entity of any LGU should be ideal to handle the council funds, if appropriate.

*Baywide Plans.* In lieu of using the LGU CRM Plans, the BMCs can work instead on baywide common issues and problems and come up with strategic activities and programs and corresponding budgetary support. This can serve as a 3- or 5-year Medium Term Baywide Coastal Management Plan.

*BMC Champion.* To build the social and organisational capital of the councils, FishCORAL should identify and cultivate BMC champion(s) that have the competencies and resources to ensure active consultation and collective action among BMC members. FishCORAL can support the champions.

Another means of promoting champions and shared or mutual benefits is to engage BMC members in peer reviews as part of the project monitoring and evaluation process, both within a bay as well as between different bays in a region.

*Science-backed Information on interconnectivity.* FishCoral can demonstrate the interconnectivity within the bay by providing science-backed information. Scientific studies (e.g., oceanographic characteristics of the bay to identify Source and Sink Reefs for networks of protected areas in the bay) in support of fishery ordinances and better management and protection of fishing species sought by the market should be supported in collaboration with the LGUs, academia and private sector participants. Such objective and factual studies can help secure buy-in from LGUs towards the bay-wide

approach, and encourage LGU contributions towards joint action plans, operational self-sufficiency of the council secretariats, and as counterpart financing to mobilise external funding.

## **Operationalizing FLET-FARMC-MAO in Tandem**

A major factor to the success of CRM is the enforcement of fishery ordinances and regulations. Fortunately for FishCORAL, all the partner LGUs have existing FLETs and FARMC (Fisheries and Aquatic Resources Management Council). The Project has given greater attention on strengthening the existing Fishery Law Enforcement through trainings and capability building. But, this is exemplified so far only in Region 8 with a 92% accomplishment, while the rest have strengthened only around 35% of its FLETs.

In cognizant of the need for more fishery wardens, FishCoral has also successfully enabled the deputization of more wardens in some LGUs of up to 20-30 deputies including women. However, this success sort of backfired because the corresponding support from the LGU in terms of honoraria has not been secured.

Usually, LGUs have around 4-5 long-standing DFWs at a monthly honorarium of P4000-5000 with a Job Order status (e.g. Prieto Diaz, Region 5 & San Agustin, CARAGA). With the addition of wardens, the newly deputized wardens get P300/month because the LGU allocation is not enough to cover the increase numbers of wardens. In an extreme case, a newly deputized warden gets P150 in the entire year (e.g. San Agustin for LGU budget of 36,000 for 20 members).

If the new wardens are given P300/month, this is not sufficient to ensure commitment in their enforcement work. Volunteerism yes is driving these wardens to protect the environment, but at the end of the day, the pressure to provide for the basic needs of the family will overcome this zeal. This is the glaring dilemma that all our wardens faced in enforcement.

### **Lesson Learned:**

FishCORAL should work on increasing the honorarium of the DFW from the LGU. Since this is a critical need for enforcement, FishCORAL should work with the FARMC to raise this matter to the LGU. Enforcement and protection are basic functions of the LGUs and the FARMC should drive this point across to the LGU. Therefore, the municipal FARMCs should be strengthened on its lobbying skills to successfully recommend the financial support for coastal enforcement and the needs of the FLETs.

The deputization of more wardens should be accompanied by a corollary budget support from the LGU to provide honoraria for these new deputies. There should be established operational plan for enforcement and sharing-scheme in the fees collected from apprehension and violations. Insurance coverage and hospital support must be ensured in case of need while doing enforcement. Partnering with the territorial Police or Maritime in patrolling is advised especially in apprehending and filing cases.

A good incentive to LGUs working and implementing CRM might influence the LGUs. The planned performance-based budget allocation of the FISHCORAL project after midterm is a good scheme to enable the LGUs to work more.

## **FISHCORAL Benchmark Sites for Monitoring**

Ideally, at the start of the project, sites should have already been identified for monitoring the desired impact of increased hard coral cover and fish catch that would redound to increase income.

However, more than halfway of the project there are still no benchmark sites, thus, the project as well has lost these "potential" impacts of the initiatives at the start of the project, which cannot be measured anymore. So in assessing the outcome, the project has a grey area from the start of the initiatives that is lost, so that benchmarking is only after the start of these efforts;

### **Lesson Learned:**

These sites, we can call benchmark sites for assessment (baselining) at start of and end of project (end output) for the desired outcome of 15% increase in hard coral cover, 15% increase in fish density in coral reefs and a 10% increase in fish catch. These monitoring sites should have the concerted effort of management, enforcement and protection to achieve the desired increase.

Three (3) sets of areas should be established for monitoring: for hard coral cover; for fish density in coral reefs and for increased fish catch. So, a coral reef site (for HCC and fish density) and a selected fishing community (for CPUE) must be established per LGU, the soonest possible.

There are set of tools for the biophysical monitoring and socio-economic assessment which demands different methodology, sampling size and different targets of sampling. However, the baselining for fish catch is not covered in the TOR for PRSA. Fish catch should be quantitative measurement, not qualitative. Employ standard CPUE studies.

In Coral Reef sites, for start and end of project monitoring, in each site, permanent blocks or markers should be installed and be revisited at EOP. Compare inside and outside MPAs.

In the TOR, the service providers will be working with the BFAR and LGU personnel. Now, at the start of baseline assessments, built-in capability building of the LGU-BFAR composite team should be done with academe experts and baywide composite team. This can then be the baywide monitoring team, comprise of LGU-BFAR and Academic proponent at baseline and EOP and continued by the LGU-BFAR team. This will also ensure the sustainability in the M&E efforts after the project. To reduce observer's error common in assessments, the same Proponent for the baseline assessment should be hired for the EOP assessment. But, this is not in the existing TOR and should be revised.

## **CRM Plans vis-à-vis Annual PPAs**

Most of the LGU partners in the FishCORAL have existing CRM Plans created from past interventions. The project needs to update these plans or draft new ones for those none.

But, the success of this target ranged from high of 95% in Region 8 to a low 40% in Region 13. Generally, there was no movement due to the pending results of the PRSA to update the ecological profile of the CRM Plans. However, other regions were successful in using other secondary available data to update the CRM plans.

The mission found that more than half of the LGUs have not adopted CRM plans. At midterm, two-thirds of the participating LGUs are without adopted CRM plans (27% accomplishment on CRM Plans). Although strategies are now being planned out in each region (e.g. participatory write shop, workshops, updating, etc.), it might take the rest of the project duration to finally have an adopted CRM Plan.

### **Lesson Learned:**

CRM plans will be drafted or updated to become CRM Investment Plans. Once the CRM Plan is adopted, it will have its regular line budget and annual allocations as part of the Annual Investment Plan (AIP) of the LGU. However, drafting and adoption of CRM Plans is a political and social process that takes time.

If Project cannot fast-track all CRM plans by Dec 2018, it will miss the window for the 2019 budget allocation. Thus, pending the drafting, adoption and integration in the Municipal Development Plan, project should also work on the inclusion of CRM activities and support in the Annual Investment Plans of the LGU for budget years 2019 and 2020. Priority programs, projects and activities in CRM should be ensured fund allocations either in the Municipal Agriculturist Office (MAO) or Municipal Environmental & Natural Resource Office (MENRO) budgets while there is still no budgetary line item on CRM.

## **Too focused on the component outputs, Losing sight of the Outcome**

CRM component of FishCORAL emphasizes the importance of joint management of the local governments with the local fishing communities and the impact on their livelihood. The expected outcome is that fishing communities adopted sustainable management of fishery and coastal resources that increase overall stocks. □ Thus, there is a need for a synchronized implementation of activities. However, the project managements in all regions tend to compartmentalize the different components, thus, there is no synergism as it was designed. In some, attention is on creation and strengthening of FLETs but the CRM Plan is put on aside. Since this is midterm of the project, it should be a concerted effort on management, protection, enforcement and planning in each of the LGU initiatives on CRM.

A simple inventory of the CRM coverage of each region (see Table 1 for details) shows that the accomplishments are very uneven among the targets as well as across regions. In a region, there is success in creating BMCs; but only a quarter of existing Fishery Law Enforcement Teams (FLETs) are strengthened; not all MFARMCs are operational; most CRM plans are yet to be updated but pending overdue PRSA; drafting of CRM Plans is still in planning stages; less than a quarter of the targeted mangroves areas have been rehabilitated, while none at all for seagrasses; only some existing fish sanctuaries are enforced while too much attention is given on the procurement of buoys.

**Lesson Learned:**

All of the different components in CRM are important. But, if the project loses perspective in one, there is the risk of not achieving the outcome. The approach should be on a concerted effort of management, protection, enforcement and planning in each of the LGU initiatives on CRM. Likewise, CRM as well must support the fishery livelihoods of the bay areas.

A focus on rehabilitating or expanding existing fish sanctuaries, with emphasis on management and enforcement, would harness efforts towards a few high quality results that can better effect the overall fish stock. Existing coral reef sanctuaries where there is improved management (with a plan, enforcement increased with operational patrolling plan) are therefore to be prioritized. Adjacent coral reefs can also be selected for protection, as can sites outside coral reefs if they are closely linked with fisher livelihoods, e.g. sea grass with rabbitfish.

**CRM Implementation**

Accomplishment of the CRM outputs and outcomes targets requires a holistic and synchronized implementation strategy, contributing to joint management by neighbouring local governments (municipalities and *barangays*) with the resident fishing communities. Combined efforts on resource planning and management, protection, and enforcement by the participating LGUs is needed. BFAR needs to ensure that concerted efforts are placed across activities to increase hard cover and fish density in the coral reefs. FishCORAL will need to revise its approach to focus on existing fish sanctuaries; and simultaneously apply management, protection and enforcement. These fish sanctuaries, or marine protected areas, would also serve as the benchmark sites to determine project impact.

**Fisheries Industry and Trade Implementation Approach**

The dispersed efforts of small amounts of support to POs are unlikely to help fishers identify their most economical strategies; nor to achieve the required size of clustering of investments to generate economies of scale that attracts investment/partnership of private sector. BWSIPs are needed to identify the highest potential cultivated marine commodity for each bay. They should identify required investments in primary production, postharvest/processing, transportation, input supply, hatcheries and nurseries to warrant required scale; rural financial services to fishers, including reasonable priced credit, or equity support to FOs; private sector SMEs interested to co-invest in postharvest/processing facilities and to engage in contract (fish) farming; technical assistance for production, postharvest handling/processing and safety standards; and, domestic and export markets.

**Livelihoods Implementation**

A large number of the investments are too small and will not have a long lasting effect on poverty reduction. One fish pen provides sufficient income for one household, but not if several households have to share, also affecting efficiency of managing the unit. It is necessary to cluster production of single commodities in order to generate economies of scale, linkage to markets, linkages to financial institutions, and input supply. This also facilitates formation of groups, an advantage for introducing standards and rural finance services and scaling up and commercial partnerships with markets (buyers and processors).

**H. Agreed Actions**

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
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<b>Development Effectiveness</b>		
<p><b>Reduce some targets and revise some Indicators</b></p> <p>In the revision of the logframe, reduce the target of women membership in fisherfolk organisations to at least 40% (Magna Carta of Women, RA 9710) and revise indicators to a more meaning and easy to measure4 e.g. number of project-supported livelihood/enterprise projects with women leadership position.</p>	PCSO, RPMOs	03/2018
<p><b>Improved technical advisory services to HH</b></p> <p>To achieve the potential productivity, The SMEs engaging HH to undertake contractual production are going to provide direct technical training. In case additional TA is required, it is proposed that the project hire a roving TA to provide technical training for all clusters with a region.</p>	Project	04/2018
<p><b>Introducing Innovative Technologies</b></p> <p>The project will support demonstrations to introduce new technology driving the competitiveness</p>	Project	04/2018
<p><b>Set up tracking system for households' reach</b></p> <p>The project has to come up with a reliable system of tracking individuals and households reach without double counting. Further, this system should be able to distinguish direct and indirect project beneficiaries.</p>	PCSO with RPMOs	05/2018
<b>Sustainability and Scaling Up</b>		
<p><b>Seagrass Rehabilitation</b></p> <p>Phase down any rehabilitation or expansion to seagrass unless related to FIT.</p>	PSCO and RPMOs	04/2018
<p><b>Construction of BMC Building &amp; Watchtower</b></p> <p>Construction of the buildings and watchtower will be stopped for CY 2018 Budget Allocation.</p>	PSCO	04/2018
<p><b>Mangrove Rehabilitation</b></p> <p>Phase down any rehabilitation or expansion to mangroves unless related to FIT.</p>	PSCO and RPMOs	04/2018
<p><b>Conduct of PRSA.</b></p> <p>ARMM, Eastern Visayas and Bicol should procure the PRSA providers and to commence their work not later than 60 days after the MTR</p>	PSCO, RPMOs	04/2018
<p><b>Develop systematic approach in capacitating FOs</b></p> <p>Review and improve the Caraga modular approach of training FO members. The curriculum can be a combination of awareness and technical aspects related to enterprise development (e.g. oyster culture) and financial management (e.g. simple book keeping). Aside from classroom type methodology utilise other approaches like "peer to peer" learning, coaching, mentoring, "learning visits".</p>	PCSO with RPMOs	04/2018
<p><b>Exit strategy plans be incorporated in the BWSIP and in the CRM plans of the LGUs and the Bays</b></p>	PSCO and RPMOs	06/2018

<p><b>Annual Investment Plans with CRM activities</b></p> <p>Project should work on the inclusion of CRM activities and support in the Annual Investment Plans of the LGU for 2019 and 2020, either in the MAO or MENRO budgets.</p>	RPMOs with LGUs	06/2018
<p><b>Contracting and Contract Management of Service Providers</b></p>	PSCO and RPMOs	06/2018
<p><b>Implementation of the BWSIP</b></p> <p>The results of the BWSIP should be the basis for engaging partnerships from various stakeholders.</p>	PSCO and RPMOs	06/2018
<p><b>Adoption and Updating of CRM Plans</b></p> <p>CRM plans need to be developed/updated (at municipal level). Strategies will differ per region but should be participatory and integrated in the Municipal Development Plan.</p>	RPMOs with LGUs	07/2018
<p><b>Adoption of the BWSIP</b></p>	PSCO and RPMOs	07/2018
<p><b>Adoption of BWSIP in all bays</b></p> <p>This will be the basis for partnering and engaging service providers (e.g., national government agencies, qualified enterprise development oriented NGOs, SMEs and private sector, academic and research institutions)</p>	PSCO and RPMOs	11/2018
<p><b>Continue registration of FOs</b></p> <p>Whenever possible, register the FOs with CDA or SEC so that they have the personality to engage in enterprises. In due consideration of time remaining for project implementation, another approach is to link the DOLE registered or the informal groups with established cooperatives which provide better services to their members.</p>	PCSO with RPMOs	11/2018
<p><b>Streamlining Coastal Resource Management</b></p> <p>LGUs and especially municipality governments should be the focus of CRM activities, using AIPs as cost centers &amp; drawing on POs, FLETs. Focus for LGUs shall be on MFO enforcement and fish sanctuaries. Compensation for deputy wardens and FLETs need to be assured.</p>	RPMOs with LGUs	12/2018
<p><b>Strengthen Bay-wide Management Councils</b></p> <p>BMCs should establish full-time secretariat and work on organisational strengthening. It should increase and ensure member contributions and work on dispute resolution trainings. Identify and complement a BMC champion. Provide technical support towards uniformed/unified municipal fisheries ordinances (MFOs). Utilize studies and science to technically – backed its fishery measures and baywide management, set up peer review M&amp;E</p>	BFAR Management with PSCO and RPMOs	12/2018
<b>Project Management</b>		
<p><b>Reconfigure staff assignment</b></p> <p>Adopt a multi-disciplinary team approach to execute the CRM and Livelihood component. Where NGOs or private sector are engaged in enterprise-based organizing/strengthening, adopt any of the two modalities discussed under Main Issues in supervising CFs.</p>	RPMOs with PSCO	04/2018

<p><b>Assess staff capacity</b></p> <p>Review the capacity of the contracted staff according to CRM and Livelihood component requirements and determine where they could best contribute in achieving the project results.</p>	<p>BFAR management with PSCO and RPMOs</p>	<p>04/2018</p>
<p><b>Inclusion in the M&amp;E system tracking of CC indicators</b></p> <p>The current logframe will be revised and once of the indicators that will be included is related to climate change (CC). Further, the assumptions/risks should reflect also the vulnerabilities that Region V and VIII faces, and to some extent, the other Regions as well. The M&amp;E system should now reflect the mitigating actions done by the Project to address CC and other related CC indicators</p>	<p>PCSO and RPMO</p>	<p>05/2018</p>
<p><b>Strengthen bay management team (BMT) approach</b></p> <p>A team of CFs can be assigned to each bay with a Bay Coordinator as supervisor. This team can be sub-divided into sub-teams for Components 1 and 2. Their assignment is not necessarily on a per barangay basis. For better management, big bays can be further clustered into manageable unites (e.g. bay clustering in Region VIII, and clustering Sulu Seas into Sulu side and Basilan side). The BMT will be supported by a multi-disciplinary team at the RPMOs. The process includes simplifying communication and administration protocols.</p>	<p>RPMOs with PSCO</p>	<p>11/2018</p>
<p><b>Establish tracking system to monitor the submission of report and mechanism to enforce one-time, accurate and complete submission of report at all levels</b></p>	<p>PSCO, RPMO, BC, CF</p>	<p>12/2018</p>
<p><b>Allocation of budget in the AWBP to support KM related-activities</b></p>	<p>PSCO</p>	<p>12/2018</p>
<p><b>Develop a simple and easy to understand guide on investing to to specific livelihood project similar to DTI's "Guide for starting a business for Dried Fish, etc)</b></p>	<p>PSCO</p>	<p>12/2018</p>
<p><b>Established system of documenting implementation issues/bottleneck and monitoring of actions to be taken for its resolution to complete desired output and with respect to achievement of project development objective</b></p>	<p>PSCO, RPMO, BC, CF</p>	<p>12/2018</p>
<p><b>Develop progress dashboard on FishCORAL website</b></p>	<p>PSCO</p>	<p>12/2018</p>
<p><b>Document a running pilot initiative in municipalities or small bay to demonstrate how GPS-enabled chips can provide information on boats movement around the sanctuaries and protected areas</b></p>	<p>PSCO</p>	<p>05/2019</p>
<p><b>Develop simple SMS-based market price information system</b></p>	<p>PSCO</p>	<p>05/2019</p>
<b>Financial Management &amp; Execution</b>		
<p><b>Timely submission of quarterly IFRs</b></p> <p>Submit to IFAD the IFR for the quarter ending 31 March 2018, which is due by 15 May. The Project is required to submit IFRs at quarterly intervals within 45 days after the period-end in accordance with the latest revision of the LTB in September 2017. RPMOs will submit financial statements to PSCO for consolidation within 15 days after each calendar quarter. The quarterly IFRs should include an aging analysis of all fund releases to RPMOs and LGUs</p>	<p>PSCO and RPMO Finance</p>	<p>04/2018</p>

<p><b>Submission of WAs and SOEs to IFAD</b></p> <p>Submit WA replenishment to IFAD for SOEs covering the months of September to December 2017 equivalent to US\$1.2 million and US\$ 45 thousand, respectively. Subsequent submissions of WAs and SOEs should be done on quarterly intervals once 90 days have lapsed from the submission of the previous WA, or withdrawal amount is at least 30% of the advance in accordance with the LTB. RPMOs will submit monthly SOEs to PSCO within 10 days after each month-end for review and consolidation.</p>	PSCO Finance	04/2018
<p><b>Proper payment of taxes</b></p> <p>Reconcile previous tax payments made and refund to IFAD. Eligible expenditures to be financed by the loan and grant should always be net of tax per the Financing Agreements. Project needs to prepare and submit analysis of ineligible tax payments that have to be verified by COA and IFAD</p>	PSCO	04/2018
<p><b>Monitoring of obligated and released project funds to LGUs</b></p> <p>Enforce implementation of signed agreements with LGUs and resolve any issues related to the utilization of obligated and released project funds. Require refund of released funds by LGUs with unresolved issues. Maintain an aging analysis of all funds released to LGUs.</p>	RPMOs	04/2018
<p><b>Revision of budgetary requirements</b></p> <p>Re-assess project component costs and realign remaining loan and GPH counterpart funds covered by the issued FOA in consideration of the changes determined during the MTR mission. Submit to IFAD the revised budgets, together with any request for reallocation among loan and grant categories. Consult with the DBM regarding implications to budget authorizations and required actions. BFAR-CO will also facilitate training on the shift to cash-based budgeting.</p>	BFAR-CO, PSCO, and RPMO Finance	04/2018
<p><b>Full complement of organic and project-hired finance staff</b></p> <p>Hire additional Finance Assistants at PSCO and RPMOs. Recruit replacement for the Finance Officer of RPMO CARAGA whom has resigned recently. Ensure proper onboarding of newly engaged organic and project finance personnel</p>	PSCO and RPMOs	05/2018
<p><b>MOA with BFAR-ARMM</b></p> <p>Approve MOA between BFAR-ARMM and DA-BFAR for its 2018 allocation. RPMO-ARMM will submit quarterly liquidation to BFAR-CO Accounting. Maintain an aging analysis of all funds released to all RPMOs.</p>	PSCO	05/2018
<p><b>Procure services of PRSA service provider</b></p>	RPMO 5,8 and ARMM	05/2018

Fisheries, Coastal Resources and Livelihood Project

Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2017)	Cumulative Result (2017)	Cumulative Result % (2017)	Source	Frequency	Responsibility	
<b>Outreach</b>	1.b Estimated corresponding total number of households members										
	Household members										
	1.a Corresponding number of households reached										
	Non-women-headed households			90596							
	Women-headed households										
	1 Persons receiving services promoted or supported by the project										
	Indigenous people										
	Males			124397	5959	5959	4.8				
	Not Young										
	Non-Indigenous people										
	Young				100	100					
	Females			124398	3984	3984	3.2				
	Groups receiving project services										
	Group				361	361					
<b>Goal</b> Contribute to reduce poverty in target coastal communities/ ecosystems in Regions V, VIII, XIII and ARMM	Decreased poverty incidence by 5% from baseline of 42% (mean poverty incidence)							RIMS+ Impact survey. NSCB FIES survey. LPGPMS. CBMS.			Controlled/managed calamity/disaster in the target coastal communities.
	Poverty incidence	42		37							

	Increased ownership of household assets by 20% of baseline for the targeted 54357 poor households						RIMS+ Impact survey. NSCB FIES survey. LPGPMS. CBMS.		
	Increased ownership of household assets			20					
	Decreased child malnutrition (ages 0-5 years) by 4% from baseline of 24.4%						RIMS+ Impact survey. NSCB FIES survey. LPGPMS. CBMS.		
	Child malnutrition (ages 0-5 years)	24.4		20.4					
<b>Objective</b> Realize increase in annual income of participating community households and employment of women engaged in income generating activities	Annual income of participating fishing community households increased by 10% of baseline						RIMS+ Impact survey. Outcomes surveys. LGU budget/ finance document. LGPMS.		
	Annual income increased			10					
	Employment of women engaged in income-generating activities increased to 40% from baseline of 20%						RIMS+ Impact survey. Outcomes surveys. LGU budget/ finance document. LGPMS.		
	Employment of women engaged in income-generating activities	20		40					
<b>Outcome</b> Fishing communities adopted sustainable management of fishery and coastal resources	Fish density in coral reefs increased by an average of 15% from baseline						RPRSA result. Project M&E. LGU annual financial report.		LGUs, DENR and other agencies are vigilant in protecting and rehabilitating natural resources (ridge to reef).
	Fish density in coral reefs increased by an average			15					
	Hard coral cover improved in selected sample protected areas where scientific sampling of coral takes place by an average of 15% from baseline						RPRSA result. Project M&E. LGU annual financial report.		
	Hard coral cover improved			15					

<b>Output</b> Capabilities of LGUs and fishing communities to enforce sustainable management of fishery and coastal resources established	103 municipal/city FLETs (Fishery Law Enforcement Team) and 103 municipal/city FARMCs (Fisheries and Aquatic Resource Management Councils) formed, strengthened and sustained						Project M&E. LGU records. NAMRIA record on delineation. Law enforcement records.			National/local laws/ordinances favour the protection and rehabilitation off the municipal fisheries and coastal resources.
	Municipal/city FARMCs formed, strengthened and sustained			103						
	Municipal/city FLETs formed, strengthened and sustained			103	20	20	19.4			
	11 bay management councils formed, strengthened and sustained with their bay-wide fishing ordinances implemented						Project M&E. LGU records. NAMRIA record on delineation. Law enforcement records.			
	Bay management councils formed, strengthened and sustained			11	7	8				
	103 LGUs (Local Government Unit) implementing fisheries and Coastal Resource Management plans and ordinances						Project M&E. LGU records. NAMRIA record on delineation. Law enforcement records.			
	Number of LGUs implementing plans and ordinances			103						
	103 LGUs delineated municipal waters with accompanying zoning ordinances						Project M&E. LGU records. NAMRIA record on delineation. Law enforcement records.			
	Number of LGUs delineated municipal waters with accompanying zoning ordinances			103						
	103 sets of patrol boat equipment for surveillance sustainably operated						Project M&E. LGU records. NAMRIA record on delineation. Law enforcement records.			
	Number of patrol boat			103						

	11 climate proofed bay management, multi-purpose buildings constructed and maintained with 103 climate proofed watch towers constructed and maintained			103				Project M&E. LGU records. NAMRIA record on delineation. Law enforcement records.			
	Watch towers constructed and maintained										
	Buildings constructed and maintained			11	1	1	9.1				
	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks										
	Groups supported										
<b>Output</b> Municipal/city and bay-wide fishery and coastal resources management and investment plans implemented	103 LGUs formulated/updated multi-year CRM and fishery management/investment plans which are integrated into the CLUP(Comprehensive Land Use Plan) /MDP(Municipal Development Plan) and AIP							Project M&E. LGU records. LGU Annual Investment Plans.			LGU leadership support to fishery/CRM development.
	Number of LGUs formulated/updated multi-year CRM and fishery management/investment plans			103							
	11 bay-wide multi-year CRM and fishery management/investment plans adopted by LGUs involved							Project M&E. LGU records. LGU Annual Investment Plans.			
	Management/investment plans adopted			11							
	1.1.4 Persons trained in production practices and/or technologies							Project M&E. LGU records. LGU Annual Investment Plans.			
	Not young people trained in fishery				72	72					
	Non indigenous people trained in fishery										
	Women trained in fishery				40	40					
	Young people trained in fishery										
	Men trained in fishery				22	22					
Total persons trained in fishery											
Indigenous people trained in fishery											



	New or existing rural infrastructure protected from climate events (US\$' 000/Km)						Project M&E. LGU records. LGU Annual Investment Plans.			
	Value									
<b>Output</b> Habitats for fishery and coastal resources rehabilitated and established	Critical mangrove areas rehabilitated and managed sustainably						Project M&E. LGU records.			LGU leaderships support fishery / CRM protection and rehabilitation. Laws/ordinances support protection and the sustainable management of the municipal fisheries/coastal resources.
	Hectares of land			1100						
	21,456 ha of established and delineated or rehabilitated fish sanctuaries managed sustainably						Project M&E. LGU records.			
	Hectares of land			21456						
	3,814 ha of rehabilitated/protected sea grass beds managed sustainably						Project M&E. LGU records.			
	Hectares of land			3814						
	22 marine species stock enhancement projects implemented						Project M&E. LGU records.			
	Projects implemented			22						
	5,200 units of supplemental artificial reef deployed						Project M&E. LGU records.			
	Units of supplemental artificial reef deployed			5200						
	5,150 ha of fish sanctuary provided with delineation markers						Project M&E. LGU records.			
	Hectares of land			5150						
<b>Outcome</b> Income of fishing households in target coastal communities increased through sustainable engagement in diversified livelihood activities	Fishing households involved in fishery enterprises increased to 30% from a baseline of 20%, (30% are women from a baseline of 20%) in 103 target municipalities and cities						RIMS + Impact Survey. Outcome Survey. Project M&E. LGU records.			No major financial shocks that affect the growth of livelihood enterprises.
	Fishing households involved in fishery enterprises increased (Females)	20		30						
	Fishing households involved in fishery enterprises increased	20		30						
	One micro-enterprise established per coastal barangay operating.						RIMS + Impact Survey. Outcome Survey. Project M&E. LGU records.			
	Micro-enterprise established									

<b>Output</b> Fishing households organized into livelihood groups	4,158 groups generating profit from aquaculture and marine enterprises, including seaweed farms, fish culture, fish processing and other fishery- related enterprises (50% of members are women).						Project M&E. Group/cluster financial records.			Continued willingness of fishing and other poor hhs in coastal communities to work collectively in livelihood groups/clusters.	
	Groups generating profit from aquaculture and marine enterprises			4158							
	Females										
<b>Output</b> Livelihood projects (fishery and non-fishery) with corresponding climate-proofed infrastructure/facility support implemented	Bureau of Fisheries and Aquatic Resources (BFAR) fully operational hatchery assisted						Project M&E. LGU records.			LGU leadership continuing support to allocate timely counterpart funds.	
	BFAR fully operational hatchery assisted			1							
	Community-based hatchery development and enhancement facilities established						Project M&E. LGU records.				
	Facilities established			7							
	2.1.6 Market, processing or storage facilities constructed or rehabilitated						Project M&E. LGU records.				
	Storage facilities constructed/rehabilitated			515							
	Mobile ice makers and chest freezers managed sustainably						Project M&E. LGU records.				
	Chest freezers managed			294							
	Mobile ice makers managed			49	80	80					163.3
	Fish-landing facilities constructed.						Project M&E. LGU records.				
	Facilities constructed (linear meters)			4825							
	50% of the livelihood projects will be implemented by women						Project M&E. LGU records.				
	Livelihood projects implemented by women			50							



Investing in rural people

## **Philippines**

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### **Fisheries, Coastal Resources and Livelihood Project**

#### **Mid-term Review**

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

Mission Dates: 12 March-20 April 2018

Document Date: 30/07/2018

Project No. 1100001548

Report No. 4832-PH

Asia and the Pacific Division  
Programme Management Department

**Appendix 1: Financial: Actual financial performance by financier; by component and disbursements by category  
(31 December 2017)**

**Table 1A: Financial performance by financier (in US\$ '000)**

<b>Financier</b>	<b>Approval (USD '000)</b>	<b>Current (USD '000)</b>	<b>Disbursements (USD '000)</b>	<b>Percent disbursed</b>
<b>IFAD loan</b>	<b>29,960</b>	<b>29,960</b>	<b>5,931</b>	<b>19.80%</b>
<b>IFAD grant</b>	<b>690</b>	<b>690</b>	<b>240</b>	<b>34.78%</b>
<b>Government</b>	<b>6,126</b>	<b>6,126</b>	<b>1,891</b>	<b>30.89%</b>
<b>LGU</b>	<b>5,637</b>	<b>5,637</b>	<b>0</b>	<b>0.00%</b>
<b>Community</b>	<b>1,328</b>	<b>1,328</b>	<b>0</b>	<b>0.00%</b>
<b>Total</b>	<b>43,741</b>	<b>43,741</b>	<b>8,062</b>	<b>18.43%</b>

**Table 1B: Financial performance by financier by component (in US\$ '000)**

Component	IFAD Loan			IFAD Grant			Government			LGU			Community			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
<b>Component 1.</b> Coastal Resources Management	18,411	2,596	14.1%	212	15	7.1%	2,517	346	13.7%	2,715	0	0.0%	128	0	0.0%	23,982	2,957	12.3%
<b>Component 2.</b> Livelihood Development	11,333	163	1.4%	478	30	6.3%	1,754	14	0.8%	1,200	0	0.0%	1,200	0	0.0%	15,965	207	1.3%
<b>Component 3.</b> Project Management and Coordination	217	49	22.6%	0	0	0.0%	1,855	347	18.7%	1,722	0	0.0%				3,793	396	10.4%
<b>TOTAL</b>	<b>29,960</b>	<b>2,808</b>	<b>9.4%</b>	<b>690</b>	<b>45</b>	<b>6.5%</b>	<b>6,125</b>	<b>707</b>	<b>11.5%</b>	<b>5,637</b>	<b>0</b>	<b>0.0%</b>	<b>1,328</b>	<b>0</b>	<b>0.0%</b>	<b>43,741</b>	<b>3,560</b>	<b>8.1%</b>

**Table 1C-1.a: IFAD loan disbursements (in EUR '000)**

<b>Category description</b>	<b>Original Allocation</b>	<b>Revised Allocation</b>	<b>Disbursements</b>	<b>Percent Disbursed</b>	<b>WAs pending</b>	<b>Balance</b>	<b>Percent Utilized (incl. pending WAs less AA)</b>
<b>A. Civil Works</b>	<b>2,070</b>	<b>2,070</b>	<b>0</b>	<b>0.00%</b>	<b>42</b>	<b>2,028</b>	<b>2.03%</b>
<b>B. Goods/Services</b>	<b>15,400</b>	<b>15,400</b>	<b>555</b>	<b>3.60%</b>	<b>321</b>	<b>14,524</b>	<b>5.69%</b>
<b>C. Consultancies</b>	<b>9,840</b>	<b>9,840</b>	<b>831</b>	<b>8.45%</b>	<b>566</b>	<b>8,443</b>	<b>14.20%</b>
<b>D. Authorized Allocation (AA)</b>	<b>0</b>	<b>0</b>	<b>3,874</b>		<b>0</b>	<b>-3,874</b>	
<b>Total</b>	<b>27,310</b>	<b>27,310</b>	<b>5,260</b>	<b>19.26%</b>	<b>929</b>	<b>21,121</b>	<b>8.48%</b>

**Table 1C-1.b: IFAD loan disbursements (in US\$ '000)**

<b>Category description</b>	<b>Original Allocation</b>	<b>Revised Allocation</b>	<b>Disbursements</b>	<b>Percent Disbursed</b>	<b>WAs pending</b>	<b>Balance</b>	<b>Percent Utilized (incl. pending WAs less AA)</b>
<b>A. Civil Works</b>	2,271	2,271	0	0.00%	52	2,219	2.29%
<b>B. Goods/Services</b>	16,895	16,895	656	3.88%	399	15,840	6.24%
<b>C. Consultancies</b>	10,794	10,794	975	9.03%	702	9,117	15.54%
<b>D. Authorized Allocation (AA)</b>	0	0	4,300		0	-4,300	
<b>Total</b>	<b>29,960</b>	<b>29,960</b>	<b>5,931</b>	<b>19.80%</b>	<b>1,153</b>	<b>22,876</b>	<b>9.29%</b>

**Table 1C-2: IFAD grant disbursements (in US\$ '000)**

<b>Category description</b>	<b>Original Allocation</b>	<b>Revised Allocation</b>	<b>Disbursements</b>	<b>Percent Disbursed</b>	<b>WAs pending</b>	<b>Balance</b>	<b>Percent Utilized (incl. pending WAs less AA)</b>
<b>C. Consultancies</b>	<b>690</b>	<b>690</b>	<b>0</b>	<b>0.00%</b>	<b>45</b>	<b>645</b>	<b>6.52%</b>
<b>D. Authorized Allocation (AA)</b>	<b>0</b>	<b>0</b>	<b>240</b>		<b>0</b>	<b>-240</b>	
<b>Total</b>	<b>690</b>	<b>690</b>	<b>240</b>	<b>34.78%</b>	<b>45</b>	<b>405</b>	<b>6.52%</b>





Investing in rural people

## **Philippines**

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### **Fisheries, Coastal Resources and Livelihood Project**

#### **Mid-term Review**

#### **Appendix 2: Physical progress measured against AWP&B**

Mission Dates: 12 March-20 April 2018

Document Date: 30/07/2018

Project No. 1100001548

Report No. 4832-PH

Asia and the Pacific Division  
Programme Management Department

## Appendix 2: Physical progress measured against AWP&B

Component / Activity	Performance Indicators(By Gender)	Measurement	Appraisal (Total)	Cumulative Achievement		Balance	
				No.	%	No.	%
<b>GOAL</b> Contribute to the reduced incidence of poverty in the coastal communities of the eleven target bays in Regions V, VIII, XIII and ARMM.	Increased ownership of household assets by 22% from baseline for the 60% of targetted poor households	% household asset ownership increased	22%	0%	0%	0	100%
	Decreased child malnutrition (ages 0-5 years) by 4% from baseline of 24.4%.	% decreased on child malnutrition	4%	0%	0%	0	100%
	Reduced poverty incidence by 5% from the baseline of 42% (mean poverty incidence)	% of poverty incidence reduced from baseline of 42%	5%	0%	0%	0	100%
<b>DEVELOPMENT OBJECTIVE</b> Coastal communities sustainably manage their fishery and coastal resources generating livelihood benefits for fishing households.	Annual income of participating fishing community households increased by 10% from baseline.	% of annual income increased	10%	0%	0%	0	100%
	Employment of women engaged in income generating activities increased to 40% from baseline of 20%.	% of women employed in income generating activities increased	20%	0%	0%	0	100%

<b>CRM OUTCOME</b> <b>Fishing communities adopted sustainable management of fishery and coastal resources.</b>	Fish density in coral reefs increased by an average of 15% from baseline.	% of fish density increased	15%	0%	0%	0	100%
	Hard coral cover improved in selected sample protected areas where scientific sampling of coral takes place by an average of 15% from baseline.	% of hard coral cover improved	15%	0%	0%	0	100%
<b>LD OUTCOME</b> <b>Income of fishing households in the target communities increased through sustainable engagement in diversified livelihood activities.</b>	Fishing households involved in fishery enterprises increased to 30% from a baseline of 20% (30% are women from a baseline of 20%).	% of fishing households with increased income	30%	0%	0%	0	100%
		% of livelihood projects headed by women	30%	0%	0%	0	100%
	One microenterprise established per coastal barangay operating.	No. of micro-enterprises established	1 098	0%	0%	1 098	100%
<b>PMC OUTCOME</b> <b>BFAR and LGUs delivered Project services on time and to the satisfaction of coastal communities.</b>	Implementation is completed within project period without cost overrun.	% of project activities completed	100%	0%	0%	100%	100%
	75% or more of target fishing households satisfied with services provided	% satisfaction of target fishing households	75%	0%	0%	75%	100%
<b>CRM OUTPUT 1.1</b> Capabilities of LGUs and fishing communities to enforce sustainable management of fishery and coastal resources established.	103 municipal/city FLETs and 103 M/C FARMCs formed, strengthened and sustained.	No. of FLETs formed	103	72	70%	31	30%
		No. of FLETs strengthened / functional or operating	103	51	50%	52	50%
		No. of M/C FARMCs strengthened	103	14	14%	89	86%

	11 BMCs formed, strengthened and sustained with their bay wide fishing ordinances implemented	No. of BMCs formed	11	10	91%	1	9%
		No. of bay-wide agreement/ alliance signed	11	7	64%	4	36%
		No. of BMCs strengthened / functional or operating	11	8	73%	3	27%
	103 LGUs implementing fisheries and CRM plans and ordinances.	No. of basic fishery ordinances formulated and approved	103	39	38%	64	62%
		No. of CRM plans formulated/ updated	103	28	27%	75	73%
		No. of CRM plan ordinances approved and implemented	103	14	14%	89	86%
	103 LGUs delineated municipal waters with accompanying zoning ordinances.	No. of LGUs assisted on delineation	103	32	31%	71	69%
		No. of muns/cities assisted in the zoning ordinances approval	103	1	1%	102	99%
	121 sets of patrol boat engine/ equipment for surveillance sustainably operated.	No. of patrol boat / marine engine	121	120	99%	1	1%
No. of patrol boat equipment procured		121	-	0%	121	100%	
No. of patrol boats maintained/ funded		121	-	0%	121	100%	

	11 climate proofed bay management and multi-purpose buildings (BMMB) constructed and maintained with 103 climate proofed watch towers constructed and maintained.	No. of BMMB constructed	11	1	9%	10	91%
		No. of watch towers constructed	103	11	11%	92	89%
CRM OUTPUT 1.2 Municipal/city and bay-wide fishery and coastal resources management and investment plans implemented.	103 LGUs formulated/ updated multi-year CRM and fishery management/ investment plans which are integrated into the Municipal/ City Development Plan (MDP/ CDP) and Annual Investment Plans (AIPs)	No. of multi-year CRM and fishery management/ investment plans formulated/ updated	103	3	3%	100	97%
		No. of CRM plans and fishery management/ investment plans integrated to the MDP/ CDP and AIPs.	103	1	1%	102	99%
	11 bay-wide multi-year CRM and fishery management/ investment plans adopted by LGUs involved.	No. of plans formulated by BMC	45	-	0%	45	100%
		No. of LGUs adopting the plan	103	-	0%	103	100%
	11 jetty ports constructed	No. of facilities constructed	11	-	0%	11	100%
	CRM OUTPUT 1.3 Habitats for fishery and coastal resources rehabilitated and	1,100 ha of critical mangrove areas rehabilitated and managed sustainably.	No. of ha of mangrove areas rehabilitated	100	122	11%	978
% of survival rate			80%	-	0%	80%	100%

established.	21,456 ha of established and delineated or rehabilitated fish sanctuaries managed sustainably.	No. of has. established/delineated/rehabilitated for fish sanctuaries	955 <sup>4</sup>	2991	60%	964 <sup>1</sup>	40%
	3,815 ha of rehabilitated/protected sea grass beds managed sustainably.	No. of ha of seagrass beds declared as protected areas	815 <sup>3</sup>	7.3	0%	808 <sup>3</sup>	100%
	22 marine species stock enhancement projects implemented.	No. of projects implemented	22	5	23%	17	77%
	5,200 units of supplemental artificial reef deployed.	No. of artificial reefs deployed	200 <sup>5</sup>	-	0%	200 <sup>5</sup>	100%
	5,150 ha of fish sanctuary provided with delineation markers.	No. of has. with fish sanctuary markers	936 <sup>3</sup>	2991	76%	945	24%
CRM OUTPUT 1.4 Technical support of 1 PSCO, 4 RPMOs, 14 PFOs and 103 LGUs to the communities.	Technical support to communities provided	No. of communities provided with technical support	098 <sup>1</sup>	-	0%	098 <sup>1</sup>	100%
LD OUPUT 2.1 Fishing households organized into livelihood groups.	People's Organizations (PO) and other groups generating profit from fishery enterprises (50% of members are women, 10% are youth and include IPs in	No. of livelihood projects approved and implemented	586 <sup>2</sup>	92	4%	494 <sup>2</sup>	96%
		No. of livelihood projects generating profit	017 <sup>2</sup>	-	0%	017 <sup>2</sup>	100%

	Region XIII and ARMM).	% of participating women involved in microenterprises	50%	-	0%	50%	100%
		% of youth involved in microenterprises	10%	-	0%	0	100%
		No. of IPs involved in microenterprises	-	967	#DIV/0!	(967)	#DIV/0!
LD OUTPUT 2.2 Livelihood fishery projects with corresponding climate-proofed infrastructure / facility support implemented.	1 BFAR fully operational hatchery assisted.	No. of hatchery fully operational	4	-	0%	4	100%
	7 community based hatchery development and enhancement facilities established.	No. of communal hatcheries established	7	-	0%	7	100%
	515 communal seaweed solar dryer with storage constructed.	No. of dryers constructed	515	2	0%	513	100%
	49 mobile ice makers and 294 chest freezers managed sustainably.	No. of ice makers provided	49	-	0%	49	100%
		No. of ice makers operational	49	-	0%	49	100%
		No. of chest freezers provided	399	101	25%	298	75%
		No. of chest freezers operational	268	83	31%	185	69%
	50% of livelihood projects will be implemented by women.	No. of livelihood projects implemented by women	1 009	-	0%	1009	100%
PMC OUTPUT 3.1 Project management structures, systems, procedures, at all levels	100% of MOAs between BFAR and LGUs and other implementing agencies signed and implemented	No. of MOAs approved and implemented	103	79	77%	24	23%

established	All manuals and guidelines prepared and completed	% of manuals and guidelines completed	100%	1	100%	-	0%
PMC OUTPUT 3.2 Project managed in a timely, cost-effective, transparent and in a gender and a culturally sensitive manner	Timely, efficient, and gender and culturally responsive M&E activities conducted	M&E reports submitted	100%	0	40%	1	60%
	Annual dissemination of project lessons learned/ knowledge derived	Report on project lessons learned completed	5	3	60%	2	40%
	At least 30% of the Project staff are female.	% of female staff designated / contracted	30%	0	100%	-	0%



## **Philippines**

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### **Fisheries, Coastal Resources and Livelihood Project**

#### **Mid-term Review**

#### **Appendix 3: Compliance with legal covenants: status of implementation**

Mission Dates: 12 March-20 April 2018

Document Date: 30/07/2018

Project No. 1100001548

Report No. 4832-PH

Asia and the Pacific Division  
Programme Management Department

**Appendix 3: Status of Compliance with Financing Agreement Covenants**

FA Covenant	Status of Compliance	Issues/Recommendations
<p>Schedule 1, Project Description, No. 5 – AWPB and APP submission 60 days before relevant year.</p>	<p>2016                      Submission – March 18, 2016                      NOL – May 9, 2016</p> <p>2017                      Submission - May 23, 2017                      NOL – June 12, 2017</p>	<p>It was difficult to prepare the AWPB by October in 2015 and 2016 because the funds can be used as continuing funds for the succeeding year. However, the unutilized funds can only be determined by the end of the year to have a realistic AWPB of continuing funds as required by IFAD.</p> <p>For 2018 and succeeding years, continuing funds are not allowed based on the budget reform program. However, ARMM will still have continuing funds with the same difficulty to prepare by October of the current year.</p> <p>It will more realistic to submit the AWPB and APP by the end of January.</p>
<p>Schedule 3, Special Covenants, No. 1 Private Sector</p>	<p>The Project has not engaged with the private sector as implementing partners and service providers.</p>	<p>It is not clear what is the implication in the event that the Project was unable to engage the private sector.</p>