

FishCORAL Implementation Support Mission 4, 7-14 December 2018

Background and Objectives of the Mission

1. A mid-term review was conducted to FishCORAL on 12-26 March 2018. As a result of this mission, there were two major modifications introduced for the implementation of the (i) coastal resource management (CRM) component, and (ii) livelihood component. 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. Second, each of the 11 bays covered by the project will prioritize the cultured fishing species and commodities with available cost-effective technologies. Right after the mission, there were series of workshops and consultations undertaken by the project to better understand the project modifications. Among the results of the post MTR preparatory activities was the preparation of matching grant guidelines to effect the second implementation strategy modification.
2. The implementation support mission (i) reviewed the project's compliance of the MTR agreed actions; (ii) assessed the progress in implementing the two strategy modifications; (iii) identified bottlenecks in implementing the modified strategies especially the use of matching grants; and (iv) recommended on how to improve the mechanics of implementing the two major strategies.
3. The mission findings are drawn from the interaction with the staff at the Project Support and Coordination Office (PSCO) and the Regional Project Management Offices (RPMO) of Region V, Caraga and ARMM, and with local government units (LGUs) and officers and members of fisherfolk organizations (FOs) in two project sites in Camarines Sur, Region V and another two project sites in Maguindanao, ARMM. A meeting with the staff of RPMO Caraga was conducted on 04 December; kick-off meeting attended by BFAR and Project staff on 07 December; and a wrap-up meeting with the BFAR management and Project staff on 14 December. Field visits were from 08-13 December 2018. The PSCO staff joined in all the field visits.
4. The mission¹ expresses its thanks to the FishCORAL staff and the LGUs and FOs visited for their cooperation, hospitality and excellent organisation of mission activities.

Findings and Recommendations

5. The findings of this mission focus on three areas: (i) Coastal Resource Management, (ii) Livelihood Development, (iii) Project Management. Status of compliance with the MTR agreed actions is attached as Appendix 1.
6. At MTR, it was noted that project objective (of having coastal communities sustainably manage their fishery and coastal resources generating livelihoods to 188,000 households in over 1000 barangays located in 103 municipalities) is unlikely to be achieved by the scheduled project end on 31 December 2020. The target of 90,596 households (48% of the total outreach) should have increased their income through participation in livelihood projects is also high. It was agreed that a change in project strategy and an extension of project duration are necessary for attaining the project objective. Likewise, achieving the 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 are difficult to achieve. It was also agreed to revise some indicators and targets in the logframe.
7. As of end of November 2018, the project reported a total reach of 6,033 households which is higher

¹ Member of the Mission: Yolando C. Arban, Special Adviser, IFAD Philippines Country Office; Gumercindo Tumbali, Livelihood Specialist.

than the reported 24,250 individuals reached at MTR, or around 4,850 hhs at 5 members per household. The current reach is still way behind achieving the 188,000 hh targets. As the project is currently scheduled to end by 31 December 2020, it is becoming more imperative for BFAR management and project staff to act immediately on the agreed actions and recommendations of the MTR mission.

8. Coastal Resource Management. As recommended during the MTR, the project has to assist participating LGUs in their coastal resource planning and management, protection, and enforcement. This is to ensure that concerted efforts are placed across activities to increase hard cover and fish density in the coral reefs. Project activities under this component will concentrate on: (i) CRM plans which will be drafted or updated to become CRM Investment Plans; (ii) existing fish sanctuaries with LGUs/FOs applying management, protection and enforcement; and (iii) law enforcement and patrolling activities within the municipal waters.

9. Of the 103 targeted municipal local government units, 44 LGUs (42% accomplishment) have completed or updated their CRM plans, and three of the 44 CRM plans have been integrated into the Municipal Development Plans. It is expected that the remaining CRM plans will be completed by the first quarter of 2019.

10. The project has distributed markers to 89 fish sanctuaries covering 3,478 has. There may be more fish sanctuaries (FSs) in the 11 bays which the project can also invest on. As reported by fisherfolks during the field visits, fish sanctuaries have contributed much in the increase of fish density. The project has also assisted in the formation/strengthening of 66 FLETs and 86 FARMCs from a target of 103 municipalities. The project has modified bay-wide management by clustering two big bays into two management councils (Leyte Gulf, Sulu-Basilan Bays), thus envisioning 13 bay-wide management councils (BMCs) in 11 target bays. Currently, there are 10 BMCs.

11. While the participatory resource and socio-economic assessments (PRSA) have been completed in the two bays in Region Caraga in the first semester of 2018, the PRSAs in the other nine bays have not commenced. The PRSAs in the eight of the bays in Region V, VIII and Illana Bay of ARMM are on the final stages of procurement, and are expected to complete by the first half of 2019. Meanwhile, MSU-Bongao which the project has been negotiating with for the PRSA in the Sulu-Basilan Seas has some internal issues to continue the engagement, thus, it is imperative for the project to negotiate immediately with MSU-Sulu for the PRSA in Sulu-Basilan Seas.

12. Based on the recommendations of the MTR, the following are reiterated and further endorsed:

| Issues | Recommendations |
|---|--|
| <p>Completion of PRSA. As agreed at MTR, the PRSA in ARMM, Region V and VIII should have commenced their work not later than 60 days after the MTR. Aside from delayed conduct of PRSA, having different base years (Caraga-2018, Regions V, VIII, ARMM - 2019) may pose a problem in measuring project-wide impact.</p> | <p>Immediately negotiate with MSU-Sulu to conduct the PRSA for Sulu-Basilan Seas. Designate a focal person in each region (Regions V, VIII and ARMM) to monitor the completion of PRSA by June 2019. The Project Coordinator to oversee the completion of PRSA contracts by all regions in June 2019. PCSO to also contract immediately a consultant to consolidate the PRSA reports for a project-wide baseline information.</p> |
| <p>Completion of CRM plans. The CRM plans are seen as key documents to guide coastal resource and fishery management in every MLGU, as well as basis for inclusion in the annual investment plans. The CRM plan is a good instrument for continuity coupled by funds allocation on a yearly basis.</p> | <p>Give more attention in providing support to LGUs to complete or update their CRM plans by the first quarter of 2019. Investments in the CRM plans can be lobbied for inclusion in the legislative and executive agenda for the upcoming administration after the May 2019 local elections. As observed by the mission, a good example of acted CRM plan was found in the MLGU of Sipocot, Camarines Sur.</p> <p>In developing the CRM plans, it is recommended to have simple formats which can be easily complied by less capable LGUs, e.g. some ARMM LGUs.</p> |

| Issues | Recommendations |
|--|---|
| <p>Focus on FSs management, protection and enforcement. Supporting existing fish sanctuaries was found by the mission to have a quick turnaround in increasing fish density and hard cover corrals.</p> | <p>Come up with a cohesive strategy on how to support the FSs aside from the distribution of delineation markers. The strategy should be crafted with municipal LGU leading, and with fishing organizations and communities actively participating. This can be taken from the existing or ongoing CRM plans. The implementation of the FS management, protection and enforcement plan should be led either by the FO or the LGU with FishCORAL supporting.</p> |

13.Livelihood Development. There was considerable progress in the implementation of livelihood projects in the different regions. Fifty-eight livelihood projects were reported to be operational as at the time of this mission. A number of these are very small processing enterprises (e.g. bangus deboning) which are implemented through collective approach by the fisherfolk organizations. As observed in previous missions and during the MTR, these are micro enterprises implemented collectively with very negligible returns and unsustainable operations that will not redound to household income increase of participating fisher households. There are other equally small livelihood projects that involved the production of mud crab and seaweed growing in Maguindanao. Although these are group-managed at the start-up stage, the FOs plan to replicate these through individual household operations. This approach will have better chances of increasing household incomes. The project is commended for pursuing the individualized household livelihood operations in Maguindanao but is also advised to adopt this approach to the rest of the project sites using the matching grants guidelines as agreed during the MTR.

14. It was reported during this mission that the approved livelihood proposals in 2018, involving the production of seaweeds, groupers and lobsters, are to be operated by individual households. The supply of key inputs for the enterprises (bangus for deboning enterprise, crablets for the mud crab production) was reported to be an issue in the enterprises visited. This is specifically problematic in the crab production enterprise since the staggered release of crablets in the same pond may result in cannibalism, despite of available technologies on pond management that can prevent the problem.

15.It was recommended in the MTR that the Fishery Industry Strategic Investment Plans (FISIP, formerly BWFIP) should identify cluster of investments, including input supply, to achieve economies of scale that may attract private sector partners. The completion of the FISIP should be given priority. At the same time, the project should speed up the identification and scanning of interested SMEs and allocate project investments for the matching grant (MG) to attract these SMEs to invest in the production of inputs for promising livelihood projects.

16.Most of the FOs interviewed do not have capital and have not started generating contributions from the members. In addition, these FOs are not bankable because they lack the experience, track record and management capacities that are usually required by lending institutions. In previous missions it was also consistently pointed out that the hired project staff, while most are technically adept in social organizational formation and basic fishing technologies, the majority however don't have actual experience in business development and management. The latter is critical in understanding and assisting fisherfolks in organizing and managing sustainable fishery enterprises. It is worth reiterating that earlier missions have ascertained that there are financial institutions (e.g., micro finance institutions, rural banks) within the project areas that are already lending and willing to lend more to fishery enterprises that have clear markets, and that traders are ready to step in to assist fishing households in marketing quality products with appropriate volume. It is recommended that the project takes advantage of these potential areas of partnership offered by the private sector that can ensure the growth and sustainability of the promising micro enterprises that have been initiated with project investments. To actualize business partnerships between and among fishers, financing institutions, SME buyers/processors, the project should pay urgent attention to the following (i) conduct of matching sessions among producers (FOs and fishing households), financing institutions, and markets/traders involved in the value chains of the promising fishery related enterprises, (ii) pursue necessary follow-up activities, and other activities like registrations, certifications, etc; and the (iii) immediate engagement of business development services (BDS) providers to facilitate the necessary processes; and, (iv) hire/engage experienced technical advisers on business development from the market as pointed out in

previous missions.

17. The PSCO has initially mapped selected fishery-related value chains and identified SMEs/traders that may be able to provide services in the consolidation and marketing of the produce of the micro/small enterprises. However, since these livelihood projects are still in their infancy stage, the project should focus on capacity building activities in ensuring that production/processing protocols are geared towards the requirements of the market for quality product. Efforts should also be initiated for the clustering of these small producers of the same commodities to achieve the scale. Further sharpening of the selection process for the private sector partners/SME must be pursued to ensure that the benefits of the partnership accrue to the fishing households. The benefits in the market economy do not voluntarily favour the vulnerable groups like the fishing households. Thus, care should be exercised by the project in engaging traders. Social entrepreneurs should be harnessed by the project in engaging partnerships along the value chain of the commodities supported by the project.

18. Appropriate livelihood development trainings were pursued by the field staff. Forty (40) training activities were reported to have been conducted with a total of 3,124 participants. Of interest was the conduct of the Aquaculture Business School (ABS) which was conducted for one FO in Brgy. Matuber, Datu Blah Sinsuat, Maguindanao. The training had apparently empowered the members who attended the FGD during the mission, as shown by how they responded to the question about management, finance and marketing aspects of their newly-started enterprises. It is recommended that the ABS be adopted for all FOs involved in promising enterprises, not necessarily on the regular 16-week structure of this learning school. Selected modules that enhance the business orientation of the FOs, such as those that relate to enterprise budgeting with cost & return analysis, requirements for production of quality products, clustering of small producers to achieve required quantity, and effective marketing, should be conducted immediately. The strategy should culminate in operational business partnerships with other actors in the value chain. Further, the training should be conducted per FO, instead of the usual technique of putting together selected officials of FOs in one training. This shift will ensure that a critical mass of the FO members will be trained and common orientation cultivated, resulting in quality engagement of organization members.

19. The FO officers and members met during the missions exhibited high interest and are determined to sustain their livelihood projects assisted by the project. However, it was reported by some of the FOs that the initial high number of members who were engaged in the beginning has dwindled during growing stage of the enterprise. The tentative responses about the financial status and other aspects of their enterprise suggest that the FOs and their members have not yet fully grasped the intricacies of their enterprise. They have not generated the policies, systems and procedures (PSP) that govern their relationships, and do not practice recording transactions. These may imply weaknesses in the strategies in the formation of FOs that are now engaged by the project. This mission reiterates the MTR recommendation for the project to hasten the engagement of qualified NGOs or private sector business development service providers to provide training and coaching to strengthen these FOs.

20. Based on the MTR recommendations and this mission observations, the following recommendations are put forward:

| Issues | Recommendations |
|---|---|
| Completion of the FISIP to intensify the scanning of appropriate enterprises | Urgently pursue the completion of the FISIP with the assistance of qualified resource persons from the private sector to inject the market orientation in the identification of the enterprises with the highest potential for generating income for the fishing households. As also agreed in the previous missions, the hiring of regional business development specialists in lieu of a national CTA can assist the FISIP process. |
| Identification and support for livelihood projects directly benefitting fishing households | Through the FISIP, alternative livelihood for the FOs may be initiated by the project which should be directly implemented by the households. This type of enterprises could immediately effect income increase rather than those group-implemented enterprises. Although these types of projects are promising, the contribution to household |

| | |
|--|---|
| | incomes will be delayed since most of the FOs are still accumulating capital, thus will not be able to distribute profits in the near term. |
| Use of matching grant (MG) to improve input supply for livelihood projects and identification of social entrepreneurs in the fishery sector | The project should explore the use of MG to attract fishery-related SMEs to invest in production of inputs to boost the availability of the input supply for promising livelihood projects. However, selection of the private partners should also be done with care to ensure the benefits derived from the partnership will accrue to the fishing households. Social entrepreneurs, where available, involved in the fisheries sector should be identified and be encouraged to assist in the input supply and marketing segments of the value chain for the fishery FOs. |
| Implementation of ABS for all POs that have initiated enterprises | Conduct the ABS for all FOs involved in promising enterprises. This may be implemented not in the regular 16-week structure of the learning school. Selected modules may be conducted immediately, such as those that related to enterprise budgeting with cost & return analysis, production of quality products, and marketing. The training should be conducted per FO to ensure that a critical mass of the members is trained. |
| Provision of training and coaching for the strengthening of POs | Prioritize the engagement of qualified NGOs in the training and coaching to strengthen the FOs that are implementing livelihood enterprises. The coaching should result in the generation of the policies, systems and procedure (PSPs) guiding the relationships within and among O members, and in maintaining the practice of recording the transactions in the implementation of individual and group enterprises. |

21. Project Management. Immediately after the MTR, there were series of workshops and consultations to review and assess the targets per region, drafting the matching grant guidelines, and posting calls for interest to undertake the bay-wide fishery investment strategic investment plan (FISIP). There were also consultations with the Department of Agriculture (DA) and the National Economic and Development Authority (NEDA) with the latter providing the necessary documentation needed. While the preparatory works have been done, there is no significant progress in actualizing the modifications introduced during the MTR. The project is still oriented on the old logframe targets and is catching up to implement the deliverables under the pre-MTR strategies. Further, it has not submitted yet the documents required by NEDA to review the proposed project modifications.

| Issues | Recommendations |
|--|--|
| <p>Immediate completion and submission of GoP requirements for project modifications.</p> <p>As agreed between NEDA and the project, all required documents for reallocation and extension should have been submitted to NEDA by October 2018 for processing. However, the project has not completed the forms required by NEDA. As agreed during MTR, the review of the documents by NEDA and by the DA clearing house should have started by mid of 2018. Further delay in the processing of the documents will undermine acting on the proposed changes in project strategy to achieve the development objectives.</p> | <p>Request IFAD immediately to use the grant funds to hire a resource person to assist the project in preparing the required documents for review by the DA clearing house and NEDA. All the necessary documents should be submitted to DA clearing house and NEDA by the second week of January 2019. The project should also prepare an action plan which should be submitted to IFAD and BFAR by 17 December on supervising and monitoring the processing of the documents.</p> |

| | |
|---|--|
| <p>Staffing/management reconfiguration in relation to project strategy changes.</p> <p>The refocusing of the CRM and livelihood strategies except for the reallocation of funds, project extension, and reduction of targets do not require DA and NEDA reviews. Enhancing the strategies can proceed, thus, the project should act immediately on the recommendations related to project staffing and assignment.</p> | <p>Assess the capacity of project staff by end of December 2018 vis-à-vis the requirements of the CRM and Livelihood components enhanced strategies. In the assessment of staff, use standardized assessment formats and procedures. In doing this exercise the project is reminded to observe the processes as indicated in the PIM and should be in consonance to Section 7.11., IFAD Agricultural Development Financing (i.e. ensuring continuity of project staff). As agreed in the MTR, implement the bay management team (BMT) approach.</p> <p>The project has also to hire immediately experienced business development specialists as pointed out in previous missions and concurred by the project management / PSCO. .</p> |
| <p>Contract management.</p> <p>There are contractors who have not delivered the services/supplies as stipulated in the contract (e.g. in Caraga supply of motorcycles, various fishery equipment and inputs were not delivered even after the MTR thought NTP was issued 17 December 2017). Action to terminate the contract was acted only on 15 November 2018. Other cases of delayed delivery and non-functionality of the equipment were already reported which affected the operations of the enterprises assisted.</p> | <p>Assign a staff in every RPMO to monitor all contracts. Should there be deviation in the contract, e.g. timing and quality, he/she should advise project management to take appropriate action immediately as provided in RA 9184 and in the contract.</p> |
| <p>Expanding the list of project beneficiaries both in the CRM and livelihood/enterprise chain.</p> <p>The number of project beneficiaries may still increase given that the counting has been limited to members of the FOs assisted, those trained, and to some extent those that used project facilities. Counting of beneficiaries should also include those that benefit from CRM activities and those participants who are engaged in the enterprise chain – from production to marketing.</p> | <p>Expand the definition of project beneficiaries to include households in the fishing communities who benefit from the enterprise chain and from CRM activities (either directly or indirectly). Project should issue guidelines to M&E staff in tracking the beneficiaries.</p> |
| <p>Monitoring the use of project vehicles, facilities and equipment.</p> | <p>As pointed out in previous missions, the project should also monitor the use of project vehicles, equipment and facilities as intended (Section 7.06. IFAD General Conditions for Agricultural Development Financing). In the MoA between the Project and LGUs/FOs a provision should specify concrete action should there be abuse, misuse, or unuse of vehicles, equipment and facilities. The project is also reminded to observe Section 7.17. IFAD General Conditions for Agricultural Development Financing that all Project facilities and vehicles shall bear the name and insignia of the Fund and otherwise identify the Project as being financed by the Fund.</p> |

Conclusion

22. The project has two more years to implement its activities to achieve its development objectives. Guided by the agreements and recommendations of the MTR, in the next couple of months, the project should concentrate on (i) completing the documentary requirements for funds reallocation, extension and reduction of some targets; (ii) urgently refocus CRM and livelihood development strategies as recommended and agreed in the MTR; and (iii) retrofitting project staffing and management mechanisms per MTR agreements.

Yolando C. Arban (sgd)
Mission Leader / IFAD Special Adviser
Date: 20 December 2018

Jessica Munoz (sgd)
FishCORAL National Coordinator, PSCO
Date: 27 December 2018