

## Aide-Memoire

### I. Mission Objectives and Key Conclusions

#### a. Background and objectives of the mission<sup>1</sup>

1. The FishCORAL project is executed by the Department of Agriculture/Bureau of Fisheries and Aquatic Resources (DA/BFAR). It has a total project cost of USD 43.045 million composed of an IFAD loan of EUR 27.31million or approximately USD 29.956 million, an IFAD grant of USD 0.60 million; national and local government counterpart funds of USD 12.38 million; and beneficiary contributions estimated at USD1.25 million. IFAD financing became effective on 26 October 2015, with original project completion date of 31 December 2020 and a financial closing date of 30 June 2021. On 29 December 2020, Government requested for one year extension which was subsequently approved by IFAD on 19 January 2021. The Project Completion Date (PCD) is extended to 31 December 2021 and Financial Closing Date (FCD) to 30 June 2022.
2. The overall goal is to reduce poverty in poor coastal communities, improve food and nutrition security and increase household incomes in the Philippines. This will be achieved by building fishing communities' capacity to sustainably manage fishery and coastal resources and by ensuring sustainable engagement in diversified livelihood activities in the target coastal areas of four regions: Bangsamoro Autonomous Region in Muslim Mindanao, Caraga in Northeastern Mindanao, Eastern Visayas, and Bicol in Southern Luzon. More than 180,000 poor households living in coastal areas will benefit from the project.
3. Conducted mostly through remote / virtual meetings and selected field visits in Region Caraga, the mission (i) reviewed the accomplishments and progress and targets of 2020 based on the approved Annual Work Plan and Budget (AWPB) and Annual Procurement Plan (APP); (ii) assessed the status of the agreed actions of the SISM and ISM in 2020; (iii) identified implementation issues and bottlenecks; and (iv) agreed with DA and BFAR management on a set of actions to improve project implementation in the remaining ten (10) months of the Project. The mission was participated by the PSCO, the regional project management offices, DA-Special Projects Coordination and Management Assistance Division (SPCMAD) staff, selected project beneficiaries, representatives of local government units (LGU) and relevant government line agencies including the BARMM Ministry of Agriculture, Fisheries and Agrarian Reform (MAFAR).
4. Key findings, issues and recommendations listed herein were discussed and agreed upon with the Project team, DA-BFAR, DA-SPCMAD, BARMM-MAFAR, National Economic and Development Authority (NEDA) during the remote wrap-up meeting on 01 March 2021 chaired by DA Undersecretary Cheryl Marie Natividad-Caballero. Details of the findings and agreed actions are documented in the relevant sections of the main report. The mission expresses its sincerest thanks to DA and BFAR FishCORAL management and staff, LGUs and communities for their warm welcome and high participation during remote meetings and in the field visits and for the excellent mission coordination.

#### b. Key mission conclusions

5. **Disbursement.** As of the mission, IFAD has disbursed 70.03% of the approved loan financing equivalent to USD 20.982 million (including outstanding advances to the Designated Account of USD 6.396 million). IFAD grant disbursements remain at USD 435 thousand or 63.09% (including advances to Designated Account of USD 240 thousand). With the project completion date extended to December 31, 2021, loan disbursement and actual utilization of only 58.30% as at end of FY2020 is expected to improve. Authorized loan budget for FY2021 of Php 116.726 million (USD 2.432 million) plus net outstanding obligations from previous years anticipated to be delivered and/or competed in FY2021 of Php149.48 million (USD 3.114 million) and actual utilization of LGU fund transfers could increase loan utilization rate to approximately 81%. Overall financial performance of 2020 AWPB is at 85.48% obligated and 53.56% disbursed.
6. **Summary of physical progress.** Overall weighted physical achievement (OWPA) as of December 2020 is at 77.62% from a 64.52% performance in 2019. Performance contribution in 2020 is at 13.10% to the overall targets. This leaves a high percentage target for 2021 at 22.8% (20.53% for component 1; 1.22% for component 2, and 1.03% for project management).



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7. For Coastal Resource Management (CRM), Project successfully established 98% FARMCS and FLETS active in policy and enforcement, respectively, with around 85% LGUs supporting the various activities using mostly the 78% constructed watch towers as observational platforms. Project has 35 adopted CRM Plans where 6 are implemented and 29 integrated in the Local Government Unit (LGU) Annual Investment Plan (AIP). 44 Plans (38%) are still due for adoption while 24 are to be finished. Thirteen BMCs were formed with its own buildings but all without management plans. Protection/ rehabilitation of resources only achieved less than half of its targets, mangroves (40%), seagrasses (15%), fish sanctuaries (30%) and AR (44%), all without management plan and most without budget support.

8. For Livelihood Development (LD), Project has organized and implemented 716 FO livelihood and enterprise projects with varying levels of achievement in terms of profit and incomes by using the Aqua-based Business School (ABS)-Gender with Climate Change (GCC) methodology and some clustering and commodity consolidation models. This component has reached only 28% of target of 2,586 enterprises. Project has made good progress in supporting the formation of women-led/managed community savings mobilization in various regions with total savings reaching Php 12.7 million which is being utilized for social, educational and livelihood activities.

9. **Key issues and way forward.** Over the last ten months of implementation the following are the key issues and challenges. For **CRM**: i) the continuity and sustainability of BMCs requiring LGU annual budgetary contribution and other sources of financing; ii) FARMCS and FLETS, equipment and facilities financed by the Project require sustained LGU budgetary support; iii) completion, adoption and integration of CRM plans into the LGU AIPs; iv) preparation of management plans for the rehabilitated FSs, mangroves and seagrass; vi) carry out a follow-up PRSA for selected bays as input to the Project Completion Review (PCR).

10. For **Livelihood Development**: i) with 28% achievement for FO enterprises, the Project needs to act with urgency and efficiency to adopt a better and more effective project-wide strategy building on the successful cases of using the ABS-GCC methodology and clustering/consolidation approach; and, ii) to ensure continuity and sustainability of the sub-projects, FishCORAL should vigorously pursue a multi-stakeholder and convergence approach that brings in public and private institutions for various business development services needs such as financing, insurance, technology, agrifishery extension and market access; and, iii) capacitate the savings and credit groups to finance and diversify their services for livelihood/enterprise activities both at downstream and upstream levels of the value chain. For both components, DA/BFAR management should phase in the involvement of regular staff to begin to undertake the functions of Project staff for a smooth transition of project activities over the next 10 months.

11. **Targeting and outreach.** Of the total target of 188,000 households (HHs), the project reported an outreach of 106,590 HH (56%). Actual number of household (HH) beneficiaries directly receiving services from the project is at 22,283 HHs, 25% of the 90,596 direct HHs. Of the 22,283 HHs, 5,112 (23%) are female headed HHs. The Project also accounted outreach of 2,676 youths and 968 indigenous peoples. Total HH outreach may increase between 60 to 70% by the end of the project, however, direct HH outreach may fall within the 40%-50% range. To increase outreach in the remaining implementation period, Project needs to act with urgency for an improved approach of implementing the livelihood development component.

12. **Project closure.** The project has to start the project completion review (PCR) process consisting of the following: i) procurement and conduct of a follow-up PRSA and the end-line outcome/impact survey to be completed not later than 31 December 2021; and, ii) procurement short of award for the preparation of the PCR whose contents include the thematic studies (building on the lessons learned), EFA (economic and financial analysis) and overall project accomplishments using the results of the PRSA2 and end-line outcome/impact survey. The full PCR should be carried out in January 2022 and due for submission to government and IFAD not later than April 2022 as required for the project completion mission before the financial closure date of 30 June 2022.

## II. Overview and Project Progress

### a. Progress by components

#### Coastal Resources Management (CRM) Component

13. The component will support fishing communities adopt sustainable management of fishery and coastal resources that increase overall stocks. It aims to restore and protect the coastal resources through: i) enhancement of local law enforcement by strengthening LGUs, conducting training and providing necessary equipment; ii) formulation and implementation of municipal CRM plans ; iii) rehabilitation of resources, mangroves, seagrasses,



coral reefs and establishment of fish sanctuaries; and iv) establishment of support infrastructure.

14. CRM interventions successfully established 98% FARMCS and FLETS active in policy and enforcement, respectively, with around 84% LGUs supporting its activities, honoraria and surveillance patrol boats, using mostly the 78% constructed watch towers as observational platforms. The Project has made 35 adopted CRM Plans where 6 are implemented and 29 integrated in LGU AIP. There are still 44 Plans due for adoption while 24 Plans are to be finished. Baywide, 2 more of 11 targeted BMCs were formed with its own buildings, however, all without management plans. The protection/ rehabilitation of resources only achieved less than half of its targets, mangroves (40%), seagrasses (15%), fish sanctuaries (30%) and AR (44%), all without management plan and most without budget support. It is only in Region 8 where 100% of its 38 LGUs have annual budget allocation for enforcement, fisheries sanctuaries and coastal livelihood despite the absence of the CRM Plans.

**Output 1: Capabilities of LGUs and fishing communities to enforce sustainable management of fishery and coastal resources established.**

15. **Fishery Law Enforcement Teams.** FLETs established reached 101/103 target and all are operational and provided with capacity building support. FLETs conduct enforcement operations some with local security agencies creating visible impacts in the apprehensions resulting in reduction of illegal, destructive fishing activities and even commercial encroachment. Overall, a substantial 87 (84%) LGUs have annual FLET budget support ensuring their continuity and sustainability, with 100% LGU support for Region 8 and BARMM. The Project should attend to the remaining 16 LGUs since FLET members are volunteers and no regular budget allocated. Changes in LGU leadership puts at risk the continuity of meagre honoraria that some FLET members receive.

16. **LGU Patrol Boats.** Many of the LGUs have utilized the 116 patrol boats from the Project for fishery law enforcement activities to protect the coastal environment. 88 of the boats have provisions for the maintenance and operational costs. These boats have strengthened the FLET resulting in increased apprehensions especially illegal encroachment in some municipal waters. Like the FLETs, the continued use and sustainability of the boats and surveillance equipment require regular budget for operational and maintenance costs in the remaining LGUs.

17. **Watch Towers.** 80 of the 103 (78%) watch towers were constructed, fully turned-over only for Region 8 and BARMM (except for 1 unit due this March) and 60% for Region Caraga. Region 5 planned for a turn-over of all 22 watch towers this March to the BMCs because the original one-time ceremonial turn-over got cancelled due to pandemic restrictions. Watch towers are being utilized for enforcement as observational platform for surveillance operations by the FLET and local police force resulting to reduction of illegal fishing activities, highly utilized (from 83-88%) in Regions 8, Caraga and BARMM. Some watchtowers are not conducive for enforcement, e.g., difficulty in access due to steepness, location is eroded, too close to the waters, too far to observe the coast while some situated behind thick vegetation that affects visibility. LGUs have to address these considering, except Region 8 LGUs, most have no budget for maintenance which needs to be assured beyond the Project life.

18. **Fishery Aquatic and Resource Management Councils (FARMCs).** 101 of the target 103 FARMs were established and strengthened. FARMCs have been working with the Municipal Council in making recommendations, contributing their inputs in the preparation of CRM plans, drafting fishery ordinances to ensure proper management and protection of coastal resources that will enable increase production of fishery and marine products. Some FARMCS are also members of the Baywide Alliance. FARMCs need to be institutionalized in local governance and local development councils for their continued participation in managing the coastal resources of respective LGUs.

**Combined Outputs 1 & 2: Municipal/city and bay-wide fishery and coastal resources management and investment plans implemented.**

19. **CRM and LGU Annual Investment Plans (AIPs).** Overall, only 35 CRM plans were completed and adopted, where only 6 are implemented, 4 in Region 8 and 1 in each Region 5 (Prieto Diaz) and Caraga (Bislig), none implemented in BARMM. The remaining 29 Plans have only been integrated in the LGU AIP/MDP.

20. More than half at 68 out of 103 LGUs still have no adopted CRM Plans, because 44 (43%) are still due for adoption while 24 (23%) are still for completion. Finalizing CRM plans is still high in Region 5 (71%), but lower for Region 8 (21%). Both CARAGA and BARMM have completed formulation of their plans, so will focus on the adoption (48-56%) and integration in the AIP (39-52%), respectively.

21. BARMM however has a total of Php 20M annual budget allocation for 11 of its LGUs intended for CRM. Likewise, in Caraga and Region 8, majority to all of its LGUs, respectively, have annual budget allocation for enforcement, fisheries sanctuaries and coastal livelihood despite the absence of the CRM Plans. In the remaining 10 months, Project needs to finish formulating the CRM plans and lobby for its adoption.



**22. Baywide Management Councils (BMCs).** 13 BMCs were established each with corresponding Bay Management and Multipurpose Buildings (BMMBs) financed by the Project. Two BMCs (CCAUSE and BBDA) have mobilized annual contribution from their LGU members ranging from Php 100,000 to 200,000 per LGU which enabled these BMCs to hire their respective full time staff. In Guian/Eastern Samar, the 7 Alliance BMC is operational with a local foundation (GDFI) as its secretariat. Some BMCs have adopted a system of LGU alternate hosting which is not sustainable. Project needs to work on the continuity and sustainability of BMCs as the coordinating and governance platform for law enforcement, management and protection of the bay's coastal resources and implement an ecosystem approach in its baywide strategies.

**23. BMC Plans.** While there are no firmed up BMC plans among the 13 BMCs, 3 BMCs in Region 8, CARAGA and BARMM have already enacted their respective bay wide unified fishery ordinance (UFO). There are established baywide-level FLET and FARMC in some BMCs in Region 8 and Region Caraga. Project needs to support the BMCs for the development of their respective plans and ensure that each BMC would have a set of staff that will implement such plans.

**24. Municipal waters delineation.** Region 8 has completely delineated their respective municipal waters (38 LGUs), followed by Caraga at 83% (15/18) and Region 5 at 58% (14/24). BARMM has delineated only 2 out of 23 LGUs because they have to adopt to the new policy in their area from 12 km to 15 km extent of the municipal waters. BMCs have facilitated delineation of municipal waters among LGU members to be able to exercise full jurisdiction and prevent encroachment over their waters. The Project still needs to resolve 33% of 103 LGUs over the remaining project period, especially those with boundary conflicts.

### **Output 3: Habitats for fishery and coastal resources rehabilitated and established**

**25. Fish Sanctuaries.** Only 30% (7,726 out of 21,456) FSs have been established, provided with markers and supporting ordinances. In Region Caraga and BARMM, the FSs have been observed to have high social acceptance, while in Region 8 and BARMM, some have anecdotal information of increasing stocks. Only Regions 8 and Caraga have successfully arranged for annual budget and management plans for all its 73 FSs. For the rest, there are no supporting budget nor management plan for these established FS which will put at risk on their sustainability. Project needs to establish more FS and include budgetary support in AIP or CRM Plan for the maintenance and sustainability of these FSs.

**26. Mangroves rehabilitation.** 433 out of 1,100 hectares (40%) targeted critical mangrove areas have been rehabilitated. Each Region are way below half of their targets, except for Region 8 that covered almost 50%. Rehabilitation through planting of 1.2 M propagules has relatively high survival rate from 67-80%. There are already rehabilitated mangroves perceived to have increases in other organisms, probably as the breeding grounds/shelter for other species. All regions still drafting a management plan, Region Caraga in partnership with DENR's Community Environment and Natural Resources Office (CENRO), Caraga State University and the FOs for 100 hectares in Cabadbaran, Agusan del Norte; and, BARMM through the Bantay Kalikasan (Environment Watch) Teams. In Region Caraga, the BMC CCAUSE sustained protection in LGU Bayabas. Surigao del Sur building on past 3 ordinances supporting the rehabilitated mangroves. Local ordinances and management plans to protect and regulate the use and harvesting of mangroves still needs to be developed.

**27. Seagrass rehabilitation and protection.** Only 2 regions (BARMM and CARAGA) have seagrass beds protection with a low overall project-wide accomplishment at 15% or 516 out of 3,814 hectares. Still there is perceived increase in the coastal assets in the seagrass bed already in BARMM. Likewise, BARMM have 6 Ordinances approved on the role of seagrass beds in the blue economy integrating it into carbon trading. Increase of sea cucumber, crustaceans and seaweeds have been observed in the protected seagrass beds. Protecting seagrass beds should be given attention in the remaining ten months through availability of LGU budget support and corresponding management plan for these protected areas.

**28. Artificial Reefs (ARs).** 2,299 of 5,200 ARs or 44% have been deployed in only 2 regions. The major bulk of ARs is in BARMM (2,152 units) which already showed increase fish density and coral recruitment on the blocks. Less than a hundred units are deployed in Region 5 (97 units) but these are within the established Fish Sanctuaries. The markers of the ARs which are critical to show where they are deployed are always subject to storms, so there is a need strengthen the deployment of these markers that can withstand the strong waves and winds.

**29. Stock enhancements.** A total of 14 stock enhancement projects were implemented out of the targeted 22 marine species stockings. Of the 64% stocks enhancement of the project, the species ranged from bangus (milkfish), blue crabs, mangrove crablets, sea horse, sea cucumber, sea urchin, abalone and giant clams. These are either stocked into the natural environment, through sea ranching or in floating/ submerged cages from natural stocks or cultured hatcheries stocks. In Balud, Masbate Island (Region 5), 5% increase in catch of blue swimming crabs has been recorded by the Municipal Agriculture Office (MAO). BARMM has conducted catch monitoring and

recapture in crablets and abalone. There was no monitoring in most of project sites but anecdotal information showed increase stocks after enhancement. Some of the cages were not climate-proofed so were destroyed in storms and strong waves. Project needs to ensure proper monitoring and climate proofing improvement of the stock enhancement investments.

**30. Key issues and way forward.** With ten months left for implementation, the Project and DA/BFAR needs to address within this period and beyond the Project life: i) the continuity and sustainability of BMCs through LGU annual budgetary contribution and other sources of financing; ii) FARMs and FLETs continue to operate with LGU budgetary support; iii) completion, adoption and integration of CRM plans into the LGU AIPs; iv) patrol boats, equipment and facilities are supported with operations and maintenance budget by the LGU; v) formulate management plans for the rehabilitated FSs, mangroves and seagrass; vi) conduct a follow-up PRSA for selected bays as input to the PCR and ensure all technical studies and data from the Project are handed over to BFAR, LGUs and academic institutions for utilization and continued updating; and, v) phase in the involvement of BFAR regular staff to begin to undertake the functions of Project staff for a smooth transition of project activities.

| Agreed Actions   | Responsibility | Deadline    |
|--|----------------|-------------|
| Make the Baywide Management Councils operational, fixed the annual member contribution, hire fulltime staff or arrange seconded staff from Regional BFAR and LGU members, draft to adopt baywide management plan and at least one approved unified fisheries ordinance.  | RPMO, LGUs     | 31 Dec 2021 |
| Integrate the adopted CRM Plans into AIP/ MDP and finish formulating the remaining CRM Plans into adoption.  | RPMO, LGUs     | 31 Dec 2021 |
| Arrange a fixed allocation/ lumpsum in the annual LGU budget for enforcement covering FLETs honoraria, maintenance patrol boat & watch tower; Monitor utility of these infra for enforcement using simple template; Adopt the operational enforcement plan; Complete the turnover of all infrastructure and supporting equipment from FishCORAL to the LGUs. | RPMO, LGUs     | 31 Dec 2021 |
| Formulate management plans for established FS, mangroves and seagrasses, include in the enforcement and secure annual budget allocation, make and adopt ordinances on harvest regulations including ARs and stock enhancement.   | RPMO, LGUs     | 31 Dec 2021 |
| Finalize formal agreement for regular assessment with the BFAR Regional Office with NFRRI and with partner academe in the areas as part of their R&D and volunteers from NGOs or other partners.   | PCSO, RPMO     | 31 Dec 2021 |

### Livelihood Development (LD) Component

31. This component aims at supporting the livelihoods of fishing households in the target coastal communities who will be constantly engaged in diversified sources of income. Interventions are categorized as (i) fisherfolks organization (FO) formation and strengthening, (ii) livelihood sub-projects development and implementation, (iii) infrastructure and equipment support for livelihood development; and, (iv) provision of business development support services.

32. Overall, while the outputs have been relatively low, livelihood sub-projects (SPs) were implemented and developed FO enterprises with varying levels of achievement in terms of profit and incomes by using the Aqua-based Business School (ABS) methodology and some clustering and commodity consolidation models. Project has supported the formation of women-led and managed community savings mobilization for various regions with total savings reaching Php 12.7 million. The services of these savings groups are mainly on financing the social needs of households yet there is opportunity to integrate the savings mobilization activities to finance the livelihood and enterprise activities at FHH and FO level.

33. As of December 2020, LD has reached only about 28% from a target of 2,586 enterprises The project needs to urgently catch up by improving/intensifying strategies of more effective approaches (i.e. clustering and consolidation, the aqua-based school), and focusing on commodities that can efficiently engage more FO and

household-based enterprises within the supply/value chain.

### Output 1: Fishing households organized into livelihood groups

34. As of 31 December 2020, the Project established 716 FO enterprises with a reach of 21,613 FHH comprising of 264 in Region 8 (27.6%), 171 in Region Caraga, 142 in Region 5 and 139 in BARMM. Of the target 2,586 livelihood proposals, 1,095 have been approved by the project short of 14 to reach the target of 1,109 FO enterprises. With 1,109 FO enterprises, the Project aims to achieve 25,413 FFH by the end of the project, which means an additional 393 FO enterprises comprising about 3,800 FHH<sup>2</sup>.

35. There is relatively low percentage of enterprises generating profits and still lower levels of households with increased incomes; varying across regions. In Region 5, 26 MEs or 32% are generating profit; 2,382 FHHs increased income of 0.13%. Region 8, 56 microenterprise generating profit or 21%, 278 FHH with increased income of at least 10%; BARRM, 78 microenterprise or 56% are generating profit, FHH with 10% increased income. Region Caraga accounts for relatively higher percentage due to the established seaweeds export market link in Metro-Manila. 88 livelihood projects or 51% are already generating income in more than 2 production cycles. 40 seaweed FOs earn Php20,000-25,000/cycle average household income earned; and Fishpot group households (47 FOs) earn Php2500-Php3,000/ month.

| Region   | Target Enterprises | Enterprises, Dec 2020 | Percentage of target (%) | New enterprises, 2021 | Cumulative Total Enterprises | Percentage of Target (%) | Target fisherfolk households, FHH (direct), 2021 |
|----------|--------------------|-----------------------|--------------------------|-----------------------|------------------------------|--------------------------|--|
| Region 5 | 589                | 142                   | 24.1                     | 31                    | 173                          | 29.4                     | 2,982  |
| Region 8 | 957                | 264                   | 27.6                     | 131                   | 395                          | 41.3                     | 12,774   |
| CARAGA   | 470                | 171                   | 36.4                     | 25                    | 196                          | 41.7                     | 4,746  |
| BARRM    | 570                | 139                   | 59.0                     | 206                   | 345                          | 60.5                     | 4,911  |
| Total    | 2,586              | 716                   | 27.7                     | 393                   | 1,109                        | 42.9                     | 25,413   |

36. The low percentage of enterprises generating profit and low percentage of FHH with income increases are due to the following: most FO enterprises have not reached the maturity level for profit generation due to challenges with supply inputs, delays in the provision of needed support facilities and equipment, disruptions in production due to typhoons, undeveloped markets, inadequacy of capital or enterprise resources, inadequacies in business capabilities; and, the two year delay in BARMM due to structural changes.

37. To improve the performance in the next 10 months, the regional teams planned to expand the reach by establishing additional 393 FO enterprises that will achieve 43% of target enterprises benefitting directly 25,413 HHs. The approach will focus on commodities with high enterprise viability potential and market links that can effectively increase the target outreach. This includes clustering and consolidation, the ABS-GCC methodology, and continued support for business capability building and other support services. The following are the experiences that should serve as models for project-wide adoption:

- a. **Clustering and consolidation.** The CARAGA dried seaweeds consolidation for a big Manila export market has provided evidence of the processes and outputs: (i) horizontally integrating to cluster several FO enterprises, and vertically integrating (consolidation) to supply in bigger volume an export market; (ii) learning from the various types of technological, market and institutional innovations (i.e. provision of business development services, financing, logistics support). These will need to be carefully understood by the FishCORAL implementing teams of facilitators with strong participation by the BFAR regular staff to effectively adopt the clustering and consolidation approach in the other regions.
- b. **Aqua-based Business School (ABS) – Gender and Climate Change (GCC).** This model is designed as a capacity building methodology in developing / improving enterprise at the community level where fisherfolk learn business processes, attitude and behaviour change in organizing and starting a commodity-based enterprise. As of December 2020, there were 37 ABS FOs with 846 enrolees (73% women); 179 graduates in Region 8 that launched at least 12 aqua-based and 1 crop-based product in 2019. While the project has experienced a drop-out rate of 16% due to internal issues and differences within the organization, non/indirect involvement of enrolees in the livelihood projects, and seemingly failure of the enterprise to operate, such can be good basis for improving the approach for the ongoing set of ABS FOs and in improving the ABS-GCC curriculum for expansion FOs.

### Output 2. Livelihood fishery projects with corresponding climate-proofed infrastructure and facility

<sup>2</sup> The mission notes that this is a very conservative estimate of about 10 FHH members only per FO which is rather low based on current membership per FO. Project should revisit this number and aim for more FHH outreach.

## support implemented

38. **Facility and equipment provision.** The project has provided equipment in fishery production, processing and postharvest to local government units and FO beneficiaries. These facilities and equipment resulted in improved supply of fingerlings with the provision of one (1) hatchery per region; improved the quality and shelf-life of marine and fish products with the provision of 184 solar dryers (180 for seaweeds; 4 for fish drying); reduced postharvest losses with the use icemakers (25 units), freezers (193 units, upright; 71 chest freezers, 8 blast freezers, provided). The acclimatization facility and harvesting platform provided in Region 8 resulted in less stress and improved post-shipment survival of the marine product through acclimatization. It made monitoring and harvesting of bangus relatively easier. Region Caraga seaweeds FO was provided with 1 baling machine that made the postharvest activity in marketing seaweed more efficient.

39. **Facilities and processing centers.** The provision of processing facility improvements (e.g. 7 stainless steel working tables) in Jiabong (Region 8) mussel processing contributed to improved product quality; a hygienic and pleasant working environment. Mussel value addition has increased markets beyond the region, reaching Metro Manila and other areas. 12 Processing Centers (i.e., 1 in Region 8; 11 in BARMM) were constructed and turned over to the recipient LGU (Jiabong municipality) and FOs in BARMM that are mostly into fish processing (i.e., Basilan 8 FOs; Sulu 2 FOs; Maguindanao 1 FO). Three seaweed warehouses were also constructed, turned over to FOs in BARMM, one each in Basilan, Maguindanao and Sulu.

40. **The community savings and credit groups (SCGs).** There are 73 on-going SCGs with 2,342 members (57% are women) with about Php 12.7 M savings. These groups continued to grow as self-help capital formation scheme mainly for social, educational and disaster related needs (e.g. typhoon damage, needs during pandemic) and some for livelihood activities. The evidence in CARAGA has been particularly of value for sharing with other regions and community groups. Most FOs in CARAGA FishCORAL project are into savings mobilization through relevant skills training in financial aspects of business; and organizational strengthening for business management, value formation and business ethics. Diligent monitoring and mentoring strategy is also key to the strength and stability of these groups.

41. **Key issues.** Considering the remaining short duration of implementation, the following needs to be addressed:

- i) the livelihood development component has reached only 28% of target FO enterprises of 2,586, and thus there is need to catch up for this component by modifying and intensifying strategies with more effective approaches and focusing on commodities with established markets, and that can efficiently include more FOs and/or household-based enterprises;
- ii) the approaches/strategies that have proof of concept in enterprise development in the FishCORAL project are clustering and consolidation, and the aqua-based business school (ABS); and,
- iii) business development support services such as financing, insurance, agrifishery extension and market access are critical needs of for the growth, maturity and success of the enterprises; the Project needs to mobilize various institutions and programs to support the FO beneficiaries.

42. **Way forward.** The next 10 months is a critical period to be able to deliver the project outputs and achieve the intended outcomes. As agreed with the mission, the following are the key action points for implementation.

- a) **Focused commodities.** For 2021, each region has identified focused commodities for clustering and consolidation with target number of FOs: Region 5 – seaweeds, grouper, dried danggit and bangus (31 FOs); Region 8 – seaweeds, tilapia, grouper, green mussel, lobster, sea cucumber, bangus, (128 FOs); CARAGA - seaweeds, fishpot, dried fish and lobster (25 FOs); and BARRM- seaweeds, dried fish and aqua-silviculture (206 FOs). Project needs to firm up these selected regional focus or priority fishery/aqua-based commodities, and review their approved proposals or business plans based on relevant existing supply chain/value chain studies for these commodities; and if necessary carry out rapid supply/value chain assessments to be able to identify the required interventions that are doable in the next 10 months;
- b) **ABS-GCC.** To provide an effective tool for achieving the required outreach, the Project will continue to use the methodology. The ABS-GCC curriculum has already been tested to show results and should provide the building block for the clustering and consolidation strategy for commodities that have scaling-up potentials and strong and attractive markets. Emerging platforms of implementing ABS such as School-on-the Air (SOA in Caraga), BFAR-LGU partnership in extension-livelihood projects (Region 8), and web-based mentoring can enhance adaptation.
- c) **Consolidation and scaling up.** To consolidate and scale up commodity-based enterprises through clustering and consolidation and with the ABS-GCC as capacity building methodology, the Project should adopt the clustering and consolidation approach started in the seaweed industry yet cognizant of the

location-specificity of certain critical factors (e.g. logistics, socio-cultural bounds of governance and relationships), the critical factors such as partnerships (i.e. access to business support services, sustainability), institutions (e.g. financial), and markets; and the related key roles of facilitators and champions in the enterprise/value chain development process; usually in longer value chains; identify and use existing FOs that will scale-up the enterprise reach at all levels of the supply chain; and, identify new FOs that will be trained with the ABS approach towards clustering.

- d) **Sustainability.** In addition to the ABS-GCC and clustering approaches, the Project needs to pursue the following in order to sustain the established and ongoing livelihoods and enterprises financed by FishCORAL: i) complete the inventory of facilities and equipment, and assist the LGU and FO beneficiaries to develop operations/maintenance plan to sustain their functioning after the project; ii) savings mobilization will need to be integrated in the business capability and skill building training-mentoring across the regions; and, a simple guide that can be used Project-wide should be quickly developed; iii) facilitate the provision of crop insurance to FOs and FHH that have not been covered yet with PCIC insurance; lobby with PCIC for a modified scheme for FOs with collective enterprises; and, iv) tap financial institutions (i.e., banks, cooperatives, MFIs) and other government agencies with financial services to provide financing and advisory services to FOs and FHH; facilitate the expansion of financing to FOs and FHH that have already been provided initial financing to include other members and FOs.

| Agreed Actions   | Responsibility | Deadline      |
|--|----------------|---------------|
| Assess the existing and planned new FO enterprises and identify the FOs that can be integrated in the clustering and consolidation approach; and develop the implementation plan   | PSCO, RPMO     | 30 March 2021 |
| Strengthen partnership with LGUs and public and private support service providers for the continued support of non-ABS FO enterprises for sustainability   | RPMO           | 31 Dec 2021   |
| ABS: Continue and strengthen the existing ABS FOs/POs through completing the cycle to launch their enterprises; and provision of required post-ABS support. Apply relevant ABS curriculum in enterprise improvement in the clustered and non-ABS FOs/POs | RPMO           | 31 Dec 2021   |
| Develop the operational scheme for improved capital formation through access to private micro-finance institutions, self-help community savings mobilization, and other viable means   | PSCO, RPMO     | 31 Dec 2020   |
| Facilitate the provision of crop insurance to FOs and FHH that have not been covered yet with PCIC insurance; lobby with PCIC for a modified scheme for FOs with collective enterprises.   | PSCO, RPMO     | 31 Dec 2021   |

## b. Procurement

43. **Procurement progress.** The Project implemented the 2019 Procurement Plan (PP) until 31 December 2020. It continues to implement the 2020 PP because its budget validity is extended until 31 December 2021. Procurement activities under the 2021 PP is just starting. Due to the pandemic, the mission noted that procurement activities under the 2019 and 2020 PPs mainly progressed during that latter half of 2020. As consolidated as of December 2020, fifty nine percent (59%) of the total amount of programmed procurements were obligated consisting of sixty six percent (66%) under the 2020 PP and fifty two percent (52%) under the 2019 PP. Remaining 48% programmed procurements under the 2019 PP can no longer be procured.. There is urgent need to evaluate what procurement packages will still be procured under the 2020 and 2021 PP and undertake procurement with dispatch. Procurement processes reviewed are generally compliant with the national procurement law. The Project faces challenges on contract management with Php46.9M worth of contracts with lapsed delivery/completion periods. P35.8M have partial deliveries/completion while Php11.1M have no deliveries. Implementation support was provided by the Mission on contract management. BARMM procurement need focal attention as most programmed procurements under the 2021 proposed PP will be undertaken by a single Bids and Awards Committee that handles all regular and project procurements for the Ministry of Agriculture Fisheries and Agrarian Reform (MAFAR).

44. **Procurement planning.** The 2020 PP is aligned with the latest approved AWPB. It is updated to conform with latest IFAD Procurement Plan (PP) template. It is prepared and updated consistently and accurately and is based on consultative and collaborative processes. It has a summary page with an AWPB reference column, methods and thresholds are entered correctly. All completed procurements carried out are in the PP, as consistent with the Financing Agreement and the Letter to the Borrower. However, the consolidated 2020 PP and the individual PPs of the procuring regions are not easily and publicly accessible and need to be posted in the BFAR website to



demonstrate transparency and promote participation and competition.

45. For the 2021 PP, fifty seven percent (57%) of the total procurement allocation will be implemented by BARMM MAFAR. There is urgent need to evaluate what procurement packages need to be procured under both the 2020 and 2021 PPs and undertake procurement with dispatch. The mission notes that procurement efficiency of BARMM in 2020 has deteriorated from an average of 26 calendar days in 2019 to 90 calendar days in 2020 from posting of the invitation to bid/request for quotation to rendition of resolution to award. A Regular Bids and Awards Committee (RBAC) was constituted in January 2021. However, its membership lacks the experience and need technical capacity assistance in undertaking procurement. Given the tight timelines in the remaining months of project implementation, the Project needs to give focal attention to BARMM procurements. Like the other procuring entities, this entails closely monitored preparation and approval of business plans/proposals and Purchase Requests. The project has a self imposed deadline to complete such processes by end of March 2021 until June 2021. Considering the volume of procurements in BARMM MAFAR, it is recommended that a separate Bids and Awards Committee for FishCORAL procurements be created with focused assistance from the PSCO Procurement Specialist.

46. **Procurement process.** Ongoing and completed procurement processes were generally compliant with Philippine procurement law and consistent with IFAD Project Procurement Guidelines including the Letter to the Borrower. Processes and procedures applied, from initiation of procurement process to evaluation and contract award, exhibit consistency, fairness, value for money and competition. A formal Procurement Requisition thru Purchase Requests reviewed and approved initiate the process. Procurement methods proposed in the PP are used. From evaluation to award, processes and procedures applied by the Lead Project Implementing Agency and its procuring regional entities mostly exhibited consistency, fairness, value for money and competition. Under the 2020 PP, despite the pandemic, RPMOs 5, 8 and 13 have been efficient in completing programmed procurements with approved Purchase Requests from posting to approval of the resolution to award. However, the mission notes that RPMO 13 has been particularly most efficient even from pre-procurement to approval of resolution to award. RPMO 13 had an average of six (6) days to approve a Purchase Request from pre-procurement as compared to 61 days by RPMO 5. Across the regions, Project only needs to be consistent in ensuring that bidder Self-Certification Forms are submitted by bidders in their bid documents and submitted quotations.

47. **Contract award and management.** In general, Project procuring entities have sound processes, procedures and systems in place for administration, supervision and management of contracts. Contract formats are consistent with bid documents and/or other legal templates. However, attaching the IFAD contract self-certification forms in Purchase Orders (small value contracts not more than Php1Million) is not widely practiced across procuring entities. Contracts are signed by Project/Government authorities. As applicable, warranties, guarantees (advance payment, performance, retention) and insurance are available or valid. Considering that the project is on its last ten months of implementation amid a pandemic and its accompanying movement restrictions, it is critical for the project to manage delays by suppliers and contractors in performing their contractual obligations. There are twenty five (25) suppliers/contractors with delayed/no delivery contracts nine(9) of them with at least two contracts. Contracts worth Php46.9M have lapsed delivery/completion periods of which P35.8M have partial deliveries/completion while Php11.1M have no deliveries. The RPMOs need to terminate the 2019 contracts where suppliers have completely defaulted in their obligations and blacklisting order issued. Delayed contracts with partial deliveries under the 2019 and 2020 PPs need to be seriously evaluated if they need to be terminated.

| Agreed Actions   | Responsibility | Deadline      |
|--|----------------|---------------|
| Complete/terminate supply/construction contracts under the 2019 and 2020 Procurement Plans with partial deliveries/accomplishment as warranted | RPMOs          | 30March2021   |
| Terminate supply/construction contracts under the 2019 and 2020 Procurement Plans with no deliveries/accomplishment                            | RPMOs          | 30 March 2021 |
| Complete posting of Requests for Quotation/Invitations To Bid under the 2020 and 2021 Procurement Plans  | RPMOs          | 30 June 2021  |
| Create of Special Bids and Awards Committee for FishCORAL Projects in BARMM  | BARMM-MAFAR    | 30 March 2021 |
| Provide procurement technical capacity to MFAR RBAC  | PSCO           | 10 March 2021 |
| Upload Project Procurement Plan in BFAR website  | PSCO and RPMOs | 22March2021   |
| Execute Contract Self Certification Form for each awarded contract under 2020 and 2021 Project Procurement Plans                               | RPMOs/PSCO     | Continuous    |

### c. Financial Management and Execution

48. **Disbursement.** As of the mission, IFAD has disbursed 70.03% of the approved loan financing to the Project equivalent to USD 20.982 million (including outstanding advances to the Designated Account of USD 6.396 million). IFAD had recently recovered USD 904 thousand from Withdrawal Application (WA) No. 17, while WA Nos. 18 and 19 totalling USD 1.925 million is currently pending ICP approval and WA No. 20 for USD 954 thousand is being processed presently at PSCO. IFAD grant disbursements remain at USD 435 thousand or 63.09% (including advances to Designated Account of USD 240 thousand).

49. With the project completion date extended to December 31, 2021, loan disbursement and actual utilization of only 58.30% as at end of FY2020 is expected to improve. Authorized loan budget for FY2021 of Php 116.726 million (USD 2.432 million) plus net outstanding obligations from previous years anticipated to be delivered and/or competed in FY2021 of Php149.48 million (USD 3.114 million) and actual utilization of LGU fund transfers could increase loan utilization rate to approximately 81%. Although the Project is committed to fully utilize available budget, the Project is advised to strictly manage fund liquidity in order to facilitate IFAD's early recovery of outstanding advances to the designated account while ensuring availability of adequate loan proceeds at the operating units for use in project implementation. The mission is requiring the Project to formally submit a realistic recovery plan based on a feasible disbursement forecast that is acceptable to IFAD before any WA is processed for payment. Based on initial projections and recovery plan drafted during the mission, the Project will need USD 3.450 million in IFAD loan replenishments in FY2021 including the WAs in process in ICP. The outstanding balance of designated account by the end of FY2021 is estimated at USD 1.728 million and recovery of advances is intended to be completed by April 30, 2022.

50. **Quality of financial management.** Moderate shortcomings in financial management continue to exist specifically the long outstanding fund transfers to LGUs. The Project, through the concerned RPMOs, is advised to take more concrete measures or definitive actions in order to immediately resolve any unutilized or unliquidated balances at LGUs and prevent any further delay in the actual return of funds and/or in liquidation procedures. The balance of fund transfers to LGUs totalled Php 61.321 million (USD 1.196 million) as of the mission. PSCO, nonetheless, has still to review and record Php 29.127 million in utilization reports received from LGUs through the RPMOs. Moreover, Project should closely monitor status of outstanding payables, budgeted activities, and projected disbursements and to promptly resolve any arising issues affecting liquidity, funds flow, utilization and disbursements.

51. **Quality and timeliness of audit.** IFAD had previously accepted the re-submitted CY2019 Project Audit Report that was raised during the August 2020 mission. The Project needs to ensure proper and timely coordination with the Commission on Audit (COA) to obtain a satisfactory audit opinion for the CY2020 Project Audit Report that is due on June 30, 2021 together with the Management Letter. Also, the Project is reminded to submit CY2020 unaudited project financial statements on or before April 30, 2021.

52. **Counterpart funds.** Government counterpart funding is not likely to cause significant issues as Php 45.172 million is authorized for use in FY2021 from current (re-appropriations) and continuing budgets. However, out of total allotment of Php 250.838 million made available for the Project as at Dec 31, 2020, actual cumulative disbursement is only Php 185.340 million (USD 3.702 million) or 60.50% of the appraised GPH counterpart of Php 259.967 million (USD 6.120 million) caused by the current pace of project implementation. GPH counterpart is also being committed to cover winding-up activities but the Project should be able to adequately consider all the necessary costs in BFAR's budget proposal for FY2022 such as the conduct of PCR.

53. Significant improvement is still to be reported as to actual LGU equity and beneficiary contributions with disbursement rates of only 27.70% and 33.21%, respectively. PSCO is still gathering actual data for project reporting. The Project should also be able to effectively assist LGUs and beneficiaries reasonably achieve appraised equity of USD 4.616 million and contributions of USD 1.152 million.

54. **Compliance with loan covenants.** In general, the Project has complied with loan covenants that have become due. In relation to the 2019 lapsed contracts with partial or no deliveries, the Project is reminded to comply with Sec. 7.010a(ii) of the IFAD General Conditions for the Borrower to carry out the project in accordance with procurement and work schedules.



| <b>Agreed Actions</b>  | <b>Responsibility</b> | <b>Deadline</b> |
|--|-----------------------|-----------------|
| Submit Recovery Plan and disbursement projections to IFAD.   | PSCO                  | March 12, 2021  |
| Submit project unaudited financial statements to IFAD.   | PSCO                  | April 30, 2021  |
| Submit satisfactory CY2020 Project Audit Report to IFAD.   | PSCO                  | June 30, 2021   |
| Completely account for all fund transfers to LGUs (i.e., funds actually returned to RPMOs and/or utilization or liquidation reports submitted to PSCO) | PSCO, RPMOs           | June 30, 2021   |

#### **d. Project Management**

55. **Quality of Project Management.** With the extension of project completion to 31 December 2021, in the next ten months FishCORAL management at all levels will have to: (i) complete the key CRM and livelihood activities and establish additional 393 FO livelihood/enterprise projects; (ii) provide technical support to FOs with livelihood projects that have greater impact and chances of continuity, (iii) prepare exit strategies and facilitate the handover of project facilities and equipment to FOs, LGUs and BFAR, and (iv) initiate project completion review activities. More technical support should be provided by project management to BARMM as the bulk of funds and activities are in that region which was affected by a delayed project implementation for 2 years and which was further interrupted with BARMM's restructuring.

56. **Reduction in project staffing.** Current project staffing is at 204 (91 hired staff, 113 BFAR regular staff), 59% women. The 2021 staffing is reduced by 16% compared to 242 in 2020. Significant reduction is in the hired staff (129 in 2020 to 91 in 2021) particularly among community facilitators (CFs), from 37 in 2020 to 18 in 2021. Regions 13 and BARMM have no CFs, however, Region Caraga shows confidence that even without CFs, monitoring of FishCORAL activities will be undertaken by LGUs. Substantial reduction of staff at the regional levels is seen in BARMM (38%), Region 8 (19%), Region 5 (12%). There is also a reduction by 13% in the assignment of BFAR regular staff in Region 8 to the project; whereas Region Caraga and BARMM posted increase in the number of regular staff to the project (50% to 54% respectively). In BARMM, the significant drop is the absence of CFs (24 CFs in 2020, none in 2021). As BARMM has still high targets to achieve as well as very remote covered barangays, BARMM project management office (RPMO) has to hire community facilitators by 15 March 2021.

57. Decrease in the number of staff started in 2020 with a 37% cut compared to 2019 staffing. The four recommended actions in the previous mission to mitigate the limited staffing remain valid, namely: (i) involve the LGUs in providing extension and monitoring activities; (ii) tap fishery commodity supply chain experts to assist in focused commodities; (iii) increase the assignment of BFAR regular staff for the project, (iv) increase logistical support, e.g. travel and communication to project staff. Active involvement of the LGUs in the extension services to FOs and in monitoring of livelihood activities now become more imperative as the project is about to close. Effective involvement of BFAR regular staff should increase as they have to assume the full responsibility of project continuity.

58. **COVID 19 challenges.** Though there is easing of restrictions in travel and physical interactions in project areas, enforcement of health and safety protocols vary from LGU to LGU which delay the implementation of project activities. Delays are felt in activities like training, delivery of materials and equipment, and marketing of FO commodities. This situation has been a "new normal" in 2020 and will continue in 2021. Delivering the 2021 targets amidst the CoVID 19 restrictions coupled with reduced staff is a test for creative and adaptive management styles to ensure results.

59. Connectivity and communication remain a big challenge in this project though this was pointed out as key response to CoVID 19 challenges in the previous mission. In 2020, there were travel and communication allowances provided to project staff, however, this has reduced in 2021 due to budgetary constraint. Inter-regional and national to regional office interactions were informal using free social media platforms: e.g., FB messenger. There was no investment on platforms (e.g., zoom) to ensure stronger virtual interactions among regional management officers and with national officers. The project should invest on a steady interactive digital platform and should review the travel/communication support provided to staff (e.g., Caraga provides two vehicles to project staff instead of one).

60. **Other threats and opportunities.** Bays along the Pacific areas in Regions 5, 8 and Caraga are frequently

hit by typhoons (average of 20 typhoons in the country) which cause damages to project investments. Mission field visits in Region Caraga were re-scheduled due to typhoon "Auring" (Dujan). Typhoons are continuing threats to project investments. This situation also provides an opportunity to coordinate with national and local government agencies and to prepare fishing communities for disaster response. Another threat is the upcoming 2022 national and local elections which may divert the attention of government officials for their re-election. On the other hand, this is also an opportunity for the project to fast track the implementation of sub-projects using the Mandanas-Garcia ruling. These situations require strong coordination and advocacy skills of project managers and staff in working with national and local government officials.

**61. New modalities of management.** There were promising initiatives done in 2020 for interproject sharing. The PSCO national project coordinator started a monthly virtual meeting with regional project managers . discussing on progress and solutions There were also information interactions among M&E/MIS officers, Livelihood officers, and Gender and Institutional Development specialists. This virtual interactive mode of solutions sharing should be formalized, regularized and supported by a digital interactive platform effective March 2021. Thematic interactive meetings can be conducted at least on a monthly basis with National Project Coordinator and PSCO specialists leading the discussions and agreeing on actions.

**62. Guidance from PSCO.** Supervision of and strategic guidance from the PSCO to regional project management offices should be proactively pursued in the next ten months to ensure implementation of the agreed actions in this mission. Central management should be keen on regional staff's expectation to the PSCO which is mainly on the smooth transfer of funds to regional offices. Nevertheless, one regional office expressed technical assistance from PSCO on Value Chain, scoping on financial institutions and DA/BFAR programs that could sustain FO enterprises, and further support in defining sustainability mechanisms and strategic direction of the project. In this respect, the PSCO should assess its competency to provide strategic guidance to project regional management offices, and should there be some gaps, it should tap the expertise of BFAR Central management officers or outside resource persons.

**63. Value for money.** For CRM, the performance is moderately satisfactory with infrastructure and facilities investments mostly delivered and operational. Habitats for fishery and coastal resources were rehabilitated or established such as mangroves and sea grass, fish sanctuaries and deployment of artificial reefs. Management structures such as the BMCs, FARMCs and FLETs are also active and functioning despite the limited financial support from among the LGU members. CRM and bay-wide unified fishery ordinances have been prepared and are being implemented. The LD component on the other hand is moderately unsatisfactory with an accomplishment only of 28% of the target 2,586 enterprises. While the RPMOs have approved 1,095 enterprise project proposals only 766 have been implemented. There is relatively low percentage of enterprises generating profits and still lower levels of HHs with increased incomes; varying across regions, except for Region Caraga where the seaweeds aggregation enterprise has linked with export markets in Tacloban and Metro Manila resulting in 40 seaweed FOs earning Php20,000-25,000/cycle of average HH income earned.

**64.** Project's financial and procurement performance for the two components corroborates the above findings. The 2020 AWPB provided allotment of Php 54.0 million and Php 52.5 million for CRM and LD components, respectively, for both loan and GPH counterpart. The Project obligated Php 49.6 million or 91.92% for CRM and Php 45.0 million or 85.69% for LD. Actual disbursements as of December 31, 2020 was Php 38.3 million or 70.90% of the CRM budget and Php 19.5 million or 37.17% of the LD budget. On procurement activities, of the target Php 164,236,000.00 the actual performance was only worth Php 92,126,939.00 or 56%.

**65. Coherence between AWPB and implementation.** As of 31 December 2020, the calculated overall weighted physical achievement (OWPA) is at 77.62% from a 64.52% performance in 2019. Performance contribution in 2020 is at 13.10% to the overall targets. This leaves a high percentage target for 2021 at 22.8% (20.53% for component 1, 1.22% for component 2, and 1.03% for project management). There was difficulty in accounting the physical performance of the 2020 AWPB which was a combination of the current and continuing funds and LGU fund transfer budgets with some having physical targets while other activities have no targets. Among those targeted, the project was doing well in the purchase and delivery of equipment and facilities like construction of watch towers, solar dryers, establishment of stock enhancement sub-projects, delivery of patrol boats, delineation markers, ice makers. However, they project fared poorly in the formulation of bay-wide ordinances, conduct of PRSA, adoption of CRM plans, and FO enterprise strengthening. Overall financial performance of 2020 AWPB is at 53.56% disbursed or 85.48% obligated.

**66. Project Logframe (LF).** The Project's LF submitted to the NEDA-Investment Coordinating Committee (ICC) for project's one-year extension is the same original logframe approved by the NEDA Board at design stage. This action confirms that the progress of achieving the original targets, though some of them are too high, should be tracked by the M&E system. However, there are some issues in the formulation of indicators in the original logframe that have to be corrected for M&E purposes. Some of these concerns are: (i) some indicators have actually two

indicators (e.g. 11 bay management councils formed, strengthened and sustained with their bay wide fishing ordinances implemented which could be further broken down as to (i) number of BMCs formed and strengthened, and (ii) number of bay-wide fishing ordinances implemented; (ii) some indicators contained both output and outcome indicators (e.g. 11 bay management councils formed and strengthened is an output indicator while bay wide fishing ordinances implemented is an outcome indicator; (iii) some output indicators are outcome indicators: (e.g. 11 bay-wide multi-year CRM and fishery management/ investment plans adopted by LGUs). To correct the above, the Project has to expand this logframe for M&E purposes, in preparation for the project completion reporting. This can be done through a virtual-based workshop by PSCO and regional M&E officers/staff by March 2021. Thereafter, data entry in the logframe indicator tracking sheet should be adjusted.

67. **M&E System.** The project's M&E system is already established. It has regular reporting timelines, standard formats of reporting, and responsibility centers for data gathering. Some data capture forms like the livelihood tracking template and beneficiary tracking systems using Google Sheets are implemented. The data capture forms are progressive providing flexibility in the type of data collected, but at the same time are prone to repetitive data collection. Descriptive data is captured in another template which reduces efficiency in data collection and aggregation. This can be improved by including descriptive data in the data capture form to allow single data collection process. Gaps in the data collection and aggregation can be improved by linking data collection tools to the MIS to automate the process and remove manual encoding which may be subject to human error/s.

68. Reporting of outcomes started in 2019 and has not been systematically managed. In 2019, there was an outcome survey, but was not pursued in 2020 as the project was considering an end-line survey; however, extension of the project was approved in December 2020, thus end-line survey will be conducted in the last quarter of 2021. During the mission, each project regional offices reported project outcomes in varied indications. The anecdotal outcome results can be synthesized by the project M&E officers/staff for common outcome measurement and can be inputs in improving the Project's Theory of Change in preparation for the project end-line survey and completion studies. This exercise should be concluded in April 2021.

69. **Management Information System (MIS).** The IFAD Country Office supported the review of the information system of the project. A copy of the MIS assessment report is provided to the Project for reference. The current project information system utilizes free cloud-based services for data storage provided by Google and uses Google Sheets as the information system software. The use of google and google sheets have their advantages (e.g. free cloud-based storage) and also disadvantages (e.g. full control of the data is not with the project). Based on MIS standards, the current project information system is still at Office Automation Systems (OAS) stage which is aimed at improving the efficiency of the staff who need to process data and information.

70. To transform the current information system into an MIS, the OWPA tool can be utilized as a platform for data analysis and to feed management for decision making. To move forward, issues related to OWPA should be resolved especially those related to project's logframe such as: (i) OWPA sequencing of components and activities is different from the logframe, (ii) some items in the LogFrame components and activities e.g. FLET are not in the OWPA; (iii) some component descriptions in the OWPA are not exactly the same as in the LF which can have an effect on the performance indicators; (iv) some units of measurement in the OWPA do not coincide with the performance indicators in the logframe e.g. Livelihood Development outputs. There are also technical issues related to OWPA: (i) important information such as percent accomplishment and weights are not displayed up front, (ii) weights do not total to 100%, (iii) fixed targets have become moving targets while the other listed activities have no targets, (iv). less than 100% accomplishment is not reflected although disbursements have already been made and recorded. Overall, there is a need to revisit the way weighted percentages are computed and assigned and for management to value the use of OWPA for decision making.

71. To implement the recommendations of the MIS review, FishCORAL management agreed to continue the services of a consultant who conducted the assessment in an intermittent basis (March-May 2021) to guide the M&E Officers and MIS specialists in setting up an MIS to aid management in its decision making, to support project completion reporting, and in migrating the FishCORAL data/information to the DA/BFAR's information system.

72. **Knowledge Management.** FishCORAL has an elaborate Knowledge Management (KM) Strategy/Plan prepared in 2017/2018, which lays out the strategic direction, approaches, deliverables and the responsibilities and roles of different project institutions in KM process. The Mission observed that KM implementation has closely followed that framework and it has been well coordinated both at the national project level and in the respective regions, ensuring the timely production of most of the envisaged outputs. Among the deliverables produced are project briefers, videos, radio programmes, posters, billboards, infographics, factsheets, case studies, all which have contributed to increased awareness about the project activities, disseminating data and results and the lessons and success stories.

73. **Communications and application of knowledge.** The project has employed different strategies to expand

its communication outreach including translating knowledge products to local dialects, effective use of social media, interactive dashboard on project's website and other online platforms, workshops and social events and published news articles and/or press releases by the formal media. Social media and online platforms are particularly proving as effective communication media to target the youth beneficiaries. Besides, the project has produced a number of Learning and Monitoring Guides and Manuals on CRM, ABS and Livelihoods activities. The project has evidently made good progress in the knowledge management attributes, however the Mission observed that most effort has gone to knowledge generation, packaging and dissemination while there is need to investigate whether the beneficiaries and the change agents are fully applying the knowledge products to improve practices.

74. Two key challenges were experienced in KM delivery in the ensuing period; inadequate KM personnel in some of the regions and limited movements and interactions due to COVID-19, both which have reduced the KM implementation pace and outputs. To fully achieve the KM targets during the remaining period, the project should focus on the following; (i) Continue with the planned capture and documentation of lessons learned, good practices, innovations and success stories from the field; (ii) Conduct thematic studies and case studies that will feed into PCR (iii) Produce Policy Briefs based on the lessons, knowledge and information generated (iv) Increased effort with dissemination and depository of the knowledge products, including on the FishCORAL website, social media, workshops and other public forums. Relevant reports, data and printed materials should be shared with RPMOs, DA, BFAR and FIMC and/or libraries; (v) Assess and enhance the application of knowledge products to promote change in practices.

**75. Participatory Rapid Resource and Socio-Economic Assessment (PRSA).** Conduct of PRSA in the 11 bays is almost complete with the Sulu Seas expected to be concluded this year. The PRSAs were accomplished in different timelines: 2018, 2019 and 2020. Utilization of the study results was mainly to provide data for CRM planning. Aside from planning, PRSA results were intended to provide benchmarks in assessing the contribution of CRM activities in improving the coastal and fishery resources. The project finds difficulty in utilizing the results in assessing CRM interventions due to the proximity of dates in the conduct of the studies with project completion. To measure the improvement in coastal resource management, it was agreed that PRSA 2 will be sampled only in bays which completed the assessments in 2018 and 2019 and that PRSA2 assessment will focus only on coastal and fishery resources. The ToR for PRSA2 will be revised by PSCO as part of the project completion review and will be submitted to IFAD for no objection not later than 30 March 2021.

**76. Project completion.** The project has to start a project completion review (PCR) by the second half of 2021. The objectives of the review process are to: (i) promote accountability, (ii) reflect on project performance and draw lessons learned especially in future project design and programming, (iii) draft appropriate post-project strategy or sustainability plan, and (iv) identify opportunities for scaling-up best practices (See IFAD's Guide for PCR). A PCR report will be prepared by the project which will serve as the document for review by an IFAD project completion review mission team in 2021. PSCO will prepare a PCR process plan which may be submitted to IFAD for technical assistance by April 2021.

77. The Project has also to draft Terms of Reference (ToR) for the conduct of (i) end-line outcome/impact survey, (ii) thematic studies, and (iii) economic and financial analysis (EFA) review. The project may learn from CHARM2 Scale Up Project in preparing PCR ToRs and in organizing a PCR process. . Initially, four thematic studies were identified namely: Baywide management council, ABS, fish sanctuaries, and seaweed clustering model, In addition, the Project has to strengthen its beneficiary profiling databases which will serve as the sampling universe for the end-line outcome/impact studies. The ToRs should be submitted to IFAD for No Objection by April 2021.

**78. Requirements of social, environmental and climate assessment procedures (SECAP).** FishCORAL was designed and approved when SECAP was not yet a requirement. Thus, neither SECAP nor its relevant instrument such as Environmental and Social Management Plan (ESMP) were prepared to guide the project on how to mitigate emerging environment, social and climate risks from project interventions. Considering the limited time left until project completion, the mission focused on evaluating how the project has identified environmental, social and climate risks notably for the sub-projects, and how mitigation measures towards these risks were planned and implemented. For Component 2, the mission was informed that risks towards proposed project activities as well as the mitigation measures have been identified and included in the business plan (BP). Upon review of selected plans, it appears that such BP does not adequately assess the potential environmental, social and climate risks, and the mitigating measures proposed were not strong enough to address these risks. It was also not clear whether the risks management plan is part of the criteria to appraise the proposed sub-project. The mission suggested that risks management plan including practical mitigating measures should be strengthened in the upcoming BPs and that risks management should be one of the core indicators for appraising sub-projects.

79. In the last supervision mission, there were reported cases of indigenous peoples' (IP) participation in project activities, specifically in Regions 13 and BARMM; thus free and prior informed consent (FPIC) complying the

requirements of the Indigenous People's Rights Act (IPRA) should be carried out. As validated with NCIP of Caraga, there are 386 IPs reached by the project and the FPIC certification is on the process. In BARMM, there are 582 IPs. The project should consult with the the Ministry of Indigenous Affairs for the FPIC certification process.

| <b>Agreed Actions</b>   | <b>Responsibility</b>                | <b>Deadline</b> |
|---|--------------------------------------|-----------------|
| Hire sufficient number of CFs in BARMM for facilitate the livelihood projects in the targeted areas   | BARMM RPMO                           | 15 March 2021   |
| BFAR Regional Directors and BARMM MAFAR to issue a new special order with an updated list of organic staff deployed to the Project with corresponding TORs for the transition phase   | PSCO and BFAR RDs                    | 30 March 2021   |
| Formalize and regularize thematic meetings between PSCO and RPMOs and inter RPMOs   | PSCO and RPMOs                       | 15 April 2021   |
| Procure a steady platform for virtual meetings  | PSCO                                 | 15 April 2021   |
| Elaborate the logframe for M&E purposes and subsequently adjust the figures in the logframe indicators tracking template  | PSCO and RPMO M&E/MiS officers/staff | 15 March 2021   |
| Engage the services of the MIS consultant reviewing the project's MIS to assist the Project in implementing the recommendations of the project MIS review report  | PSCO                                 | 15 March 2021   |
| Prepare a PCR plan and ToRs for the following: (i) PRSA2 for selected bays, (ii) end-line outcome/impact survey, (iii) EFA analysis, (iv) thematic studies and submit the ToRs to IFAD for no objection   | PSCO                                 | 30 April 2021   |
| Complete the FPIC process of IP participation in Regions 13 and BARMM   | RPMO 13 and BARMM                    | 15 May 2021     |
| Implement all KM activities in 2021 AWPB for capture and documentation of lessons learned, good practices, innovations and success stories from the field; thematic studies and case studies and produce 3 Policy Briefs  | PSCO, RPMOs                          | 31 Dec 2021     |
| Implement all KM activities in 2021 AWPB for dissemination and depository of the knowledge products, including sharing with RPMOs, DA, BFAR and FIMC and/or libraries; Assess and enhance the application of knowledge products to promote change in practices. | PSCO, RPMOs                          | 31 Dec 2021     |
| Include/strengthen risk management plan including practical mitigating measures in the upcoming business plans and ongoing business with improved business plans  | PSCO, RPMOs                          | 31 Dec 2021     |

### III. Effectiveness and Development Focus

80. **Targeting and outreach.** Of the total outreach of 188,000 HHs, the project reported an outreach of 106,590 HHs (56%) which is lower than the total outreach of 110,794 HHs reported in 2019. Actual number of HH beneficiaries directly receiving services from the project is at 22,283 HHs, 25% of the 90,596 direct HHs. Of the 22,283 HHs, 5,112 (23%) are female headed HHs. The Project also accounted outreach of 2,676 youths and 968 indigenous peoples. Total HH outreach may increase between 60 to 70% by the end of the project, however, direct HH outreach may fall within the 40%-50% range. Increasing direct HH outreach can be through modifying the livelihood approaches like linking fisherfolks to financial institutions; clustering approach for promising enterprises to encourage fisherfolk participation in value chain; e.g. seaweeds; and increasing membership in savings organizations. Further, the Total Project Reach (TPR) tracking guide should be reviewed incorporating Mission suggestions

81. **Gender equality and women's participation, including youth and IPs.** Women accounted for a substantial number of beneficiaries. Of the 29,450 fishing HHs reached by the Project, 34% of which are women, 10% are youth, and 4% are IPs. Project also made a significant contribution to addressing gender needs and achieving GEWE, addressing all three gender policy objectives:

- a) **Economic empowerment:** 42% of leaders are women in FOs contributing to representation and meaningful participation in economic decision-making. The project has reported equal access to productive resources as evidenced by actively participating in Coastal Resource Management (CRM) activities and

production for their livelihoods by women, youth and IPs. Based on the discussion during the mission, it is clear that target groups including women, youth and IPs have the ability and skills to participate in the project's livelihood activities, including but not limited to markets, production, processing of products, marketing etc. As a result of Saving Mobilization Clubs, Women are more empowered to buy for themselves and reinvest in livelihood activities and their family's basic needs, pay tuition fees for their children, and buy household items.

**b) Voice and representation:** The Project has contributed in promoting women, youth and IP membership in fishing organizations. There are 365 of the 862 or 42% fishing organizations that the Project has formed or reactivated. The women members of which are at 40%, 7% are youths, and 6% are IPs in FOs. 24% of BMC members are women and 2% are youth; moreover, 38% of holding executive positions comprises of 38% women and 13% youth. Women can facilitate meetings and are pro-active in all forums reactivated or developed by projects. They are able to lobby with the partners for securing and claims of indemnity for free insurance to PCIC, securing requirements and submission of registration to different registering agencies. Women have a high participation rate in activities of the People's Organization such as meetings and any other activities related to livelihood, CRM activities such as coastal clean-up, mangrove planting, and others. Women are also active members of the fishery advisory and policy-making body (FARMC); 20% of the members are female, 18% are youth, 0.29% are IPs and 21% of FARMC Leaders are women.

**c) Equitable workloads:** Due to project interventions, there are many successful stories of women entrepreneurs, women management of fish sanctuaries, enhanced women participation across the fishery value chains and women in leadership position in FARMC, FOs, and BMCs etc. Women are taking up non-traditional role and working actively outside the household chores. The project has facilitated the development of women as economic agents with enhanced decision-making power. This has also resulted in many regions in shared parenting and sharing of household chores. The project is encouraged to target men/households in the regions and encourage them to move towards a more equitable distribution of workloads at the household level, especially towards shared parentings. The project can consider involving women in technology demonstrations and applications in order to assess and ease workloads; develop skills and improve access to services to improve the well-being of women and other family members (nutrition training, maternal health care, health services); work with rural communities to move towards a more equitable distribution of workloads between women and men and promote labour-saving technologies for activities performed by women in relation to marketable commodities, as well as other household tasks. This is key to ensure gender-related impacts are likely to be sustainable beyond the life of the project.

**82. Procedures and resource allocations were appropriate:** The project has mainstreamed gender equality and social inclusion in the responsibilities of all Project staff. There is a dedicated gender staff at PMU and regional level. Women constitute more than 50% of the PMU staff. The project is monitoring targeting performance, beneficiary tracking, and gender related aspects and has developed a collection and analysis of sex- and age-disaggregated data. Caraga region has good level of community participation in the monitoring of livelihood, enterprises and savings groups activities

**83. Gender considerations were mainstreamed in implementation processes:** In project implementation, Bureau of Fisheries and Aquatic Resources (BFAR), both at the national and regional level; and Local Government Units (LGUs) Gender Focal persons are actively involved. The project has taken specific measures to ensure that women, young people and marginalized groups have the opportunity to express their opinions (such as key informant interviews or meeting women and men separately). This also includes women, youth, and IP visibility in different participatory avenues (IECs, meetings, fora, symposia) and participation in law enforcement and habitat management.

| Agreed Actions  | Responsibility                                | Deadline      |
|---|---|---------------|
| Review the TPR guide and thereafter improve outreach data collection  | PSCO and RPMOs                                | 15 April 2021 |
| Integrate gender and social inclusion in ToRs of all Impact Studies   | Institutions and Gender Specialist (IGS) & PC | 31 Dec 2021   |
| Linking of Savings Groups to robust and pro-poor Financial Institutions for financial access & project sustainability   | PSCO & RPMOs                                  | 31 Dec 2021   |
| Focused efforts on equitable distribution of workload in FHH across the regions through use of labor saving technology, improving access to services to improve the well-being of women and other family members (nutrition training, maternal health care, health services and mentoring at household level for equitable sharing of household chores) | Institutions and Gender Specialist (IGS) & PC | 31 Dec 2021   |



**84. Agricultural productivity.** On CRM, stock enhancements seemed to be already observed in the anecdotal increase in natural stocks, including in the deployed AR. For livelihoods, there has been improvement in the number of livelihood projects, which have completed their first and second production cycles, increased productivity and quality of produce. Data on actual results of those completed are systematically collected by the FOs with support from the CFs and collated by the Regional Livelihood Officers, who have developed and implemented a livelihood monitoring tool. CARAGA has increased volume and quality of seaweed, and improved lobster culture; Region 8 and Region 5 completed more than two cycles of bangus due to improved fingerlings supply resulting from the provision of hatcheries; and, Region 8 for improvements in grouper, lobster, and longline culture of mussel and bangus. Productivity in value adding of mussel, oyster, fish and seaweeds processing show highly promising results in CARAGA and Region 8. BARRM has shown improved productivity in seaweeds and mudcrab production, and in cassava yield and value-adding: a crop-based enterprise of three FOs that offer supplemental income to address risks of pure aqua-based livelihood.

85. There are no technical data to support the reported stock enhancement except for a few sites. This requires a quantitative analysis of the contribution of the enhancement to fisheries. The project must conduct a technical assessment of selected enhancement project in each region which should be included in the PRSA2. BARRM can already pilot and demonstrate with the technical data on the results of the stocks enhancement. For livelihoods, anecdotal evidence on increased production for the species supported by the Project has been shared across regions from LGU and fisherfolk beneficiaries. Some areas have documented and quantified results, but with limitations in a number of livelihoods. Project still needs to improve and finalize the monitoring tool and complete the data sets and analyse them against the initial assumptions of the respective Business Plans such as expected productivity, sales and incomes.

**86. Adaptation to climate change.** The resiliency of Project's coastal communities to climate change is enhanced with the protection of the natural habitats, on coral reefs and mangroves as natural ecological buffers against climate hazards. The mangroves rehabilitation through the planting of 1.2 M propagules has a high survival of 72%, which in time will build this mangrove stand buffering against climate related hazard. This natural green belt in the coast will reduce the climate risk impact of stronger storm surge amplified by the sea level rise and intense typhoons that is frequent especially in Regions 5, 8 and 13. An increase of the coral cover at 15% means a healthier coral reef that will provide stronger natural buffers that reduces the wave energy as it reaches the coast. However, only 30% (7726 ha) of the targeted Fish Sanctuaries have been established with only 44 FS with management support in only 2 Regions. There is no data yet if these FS have been effective in improving the health cover of the corals, still to be determined in the PRSA2 in some sites.

87. Other climate adaptation measures adopted are: (i) construction of watchtowers using concrete materials which is more resilient towards typhoon or storm surge; (ii) the adoption of Aqua-based Business School with Gender and Climate Change perspectives (ABS-GCC) which has improved the awareness of project beneficiaries on climate change-related risks and increased their capacities to manage their livelihoods and enterprises; (iii) environment-friendly solar dryers spread through the focused regions that significantly improved product quality; (iv) the use of submersible cages in bangus and other specie culture to reduce risks and damages of extreme weather; and, (v) crop insurance coverage for FHH livelihood projects that minimize losses from natural calamities.

#### **IV. Sustainability and Scaling Up**

**88. Institutions and policy engagement.** The formation of BMCs, formation/strengthening of FARMCs, establishment of FLETs have strengthened the rural institutions of poor fisherfolk communities to participate in local governance at provincial, municipal and barangay levels. The CRM plans, BMC Unified Fishery Ordinances and inclusion of CRM plan in the AIP are by themselves localized policies that further strengthened the capacity of communities and enabled a multi-stakeholder approach in managing and protecting the coastal resources. A number of policy issues that requires policy development and engagement with relevant institutions refer to: (i) development of a national industry road map for lobster; (ii) policy modification of insurance coverage for collective enterprises; (iii) BMCs as building blocks for the Fishery Management Area (FMA) framework and Agri Industrial Business Corridor programs of DA; and, (iv) use of the ABS-GCC curriculum in BFAR's regular operations in fisherfolk communities.

**89. Partnership building.** Project has facilitated partnerships with academic, government and private institutions to support the coastal communities and FO beneficiaries. Business development support services were extended to most livelihood FOs in technological (DOST, Caraga State University for blue swimming crab studies), commercial interventions (DTI), financing and funding support (Land Bank of the Philippines, MFIs, DOLE, DSWD, DOST, CDA), and insurance (PCIC). Private institutions (e.g., MFIs, seaweed processors and export companies, food chains, cooperatives) have significantly driven the growth of the seaweeds industry, and other emerging sectors like the dried fish, grouper and lobster, and processed mussel and oyster among others. The convergence of these different

institutions contributed to the establishment, strengthening and expansion of livelihood enterprises.

**90. Human and social capital and empowerment.** All the 13 BMCs established have started to implement ecosystem approach in its baywide strategies and unified ordinances to protect the coastal resources and environment. FARMCs and FLETs were established and capacitated and actively participating in policy formulation and law enforcement. However, there is no fulltime staff in all of the BMCs, except for CCAUSE and BBDA. BFAR and FishCORAL should explore a tentative arrangement of deploying its organic staff in tandem with the LGUs to support the management of the BMCs until such time that BMCs have mobilized LGU contributions for the hiring of full time staff. On livelihoods, FOs have been trained in various production related and organizational strengthening programs and the use of ABS-GCC has effectively improved the FOs business management skills and enabled their respective enterprises to access better paying markets and improved their productivity and product quality. Project needs to consolidate and expand the use of ABS-GCC for ongoing ABS FOs and for expansion FOs.

**91. Quality of project target group engagement and feedback.** There are active and strong FLETs and FARMCs in most of the project areas that have contributed significantly in the enforcement of protection and policies for protection and even adoption of plans, respectively. BMC members consisting of LGU representatives and fisherfolk leaders are active in BMC/CRM-related activities. For livelihoods, many FOs have reached better levels of organization, and members are more participative contributing their own resources in the initial operations of livelihood projects. With project's facilitation, beneficiaries have participated and organized savings and credit groups, without external grants. These FOs are now enabled to engage more in savings mobilization and implementation of more intensive postharvest and marketing engagements. Project's feedback mechanism has been informal. FO members voice their complaints during FO meetings which are relayed by FO leaders to Project staff. FO members also express their complaints during supervision missions. There were reported cases that FOs also communicated directly to RPMOs for actions on their complaints. Region Caraga has good level of community participation in the M&E system.

**92. Responsiveness of service providers.** The service providers were responsive in terms of the PRSA, finishing up the field work within a year and submission of a reports a few months after. They have followed standard survey methods for the assessments. These are all done by technical experts from state universities in the area. Their results have been utilized by the project in drafting CRM plans (Leyte Gulf), used in FS management plans (Eastern Samar), for the establishment of coral nursery units for AR deployment (Illana Bay) and even in RPIA analysis for poverty and livelihood (Asid Bay). For procurement, in general most suppliers awarded with contracts under the 2020 Procurement Plan were able to complete deliveries. Out of 143 contracts there were 103 contracts with completed deliveries. Fifteen (15) contracts are still within the delivery period with the rest either partially delayed or with no deliveries. Most deliveries have been accepted without reports of noncompliance with technical specifications.

**93. Environment and natural resource management.** Project support on governance and law enforcement activities (e.g. municipal water delineation, establishment of FARMCs and FLETs, patrols) as well as CRM planning have generally resulted in improved capacities of the government in managing coastal and marine resources as well as combatting illegal activities. These and combined with resource management and rehabilitation activities have contributed in the improvement of ecological condition of such ecosystems. Anecdotal increase of some species have been noted (e.g. fish, sea cucumber and blue swimming crab) indicating improved habitat upon project implementation in these ecosystems. The project has also made good progresses on capacity building activities. Trainings on Good Aquaculture Practices and Good Manufacturing Practices/Sanitary Standard Operating Procedures (GMP/SSOP) were undertaken to raise awareness and enhance capacities of farmer and fisherfolk beneficiaries on the good aquaculture practices and proper waste management and sanitation in product processing.

94. All increases in the natural stocks in these rehabilitated and protected habitats in the project are for now anecdotal evidence, from fish sanctuaries, rehabilitated mangroves, seagrass beds, deployed artificial reefs and the stock enhancements. The project needs to conduct a technical assessment in selected sites in each region in the upcoming PRSA2.

**95. Exit strategy.** Project has prepared a draft exit and sustainability plan covering CRM, Livelihood Development and post-project Program Management. The plan needs to be improved and should be more comprehensive to account for all the project investments as indicated earlier in Components 1 and 2. In finalizing the plan, the BFAR regular staff should start to phase in to ensure ownership by the agency. With the eventual implementation of the Mandanas-Garcia Law in 2022, BFAR should work closely with the LGUs to provide technical support and capacitate the LGUs to design, plan and implement livelihood and enterprise projects and continue supporting the FishCORAL livelihood investments.



96. **Lessons learned.** FishCORAL has gathered and learned very useful lessons over its implementation period, including experiences with its approaches, results achieved and from the knowledge and information generated. The Lessons will continue to be updated with new information especially from the thematic and case studies that will be undertaken in the remaining period and which will be captured more comprehensively in the PCR. Four key areas of lessons learning are; i) BMCs as a governance platform for coastal resource management protection and law enforcement; ii) ABS-GCC as a building block methodology for micro-enterprise development leading to a value chain approach to scale-up competitive fishery species and commodities; iii) Coastal resource management with a multi-stakeholder plan embedded into the LGU AIP and a management structure through the Fisheries and Aquatic Resource Management Councils (FARMCs) with empowered FOs; iv) Clustering and consolidation of production and marketing of fishery and coastal resources products to benefit more fisherfolks and, iv) Savings and credit groups (SCG) sustains the interest of fisherfolks, empowers women and generates internal capital for FHH social, educational and livelihood financing requirements.

97. **Potential for scaling up.** The DA Senior Management has laid out the overall exit plan for the project comprising of the following: (i) The recent Fishery Management Areas (FMA) thrust of the DA/BFAR will build on the experiences and lessons of the BMCs, and the BMCs will form part of the FMAs; (ii) Agri/Fishery-Industrial Business Corridors will be established in each FMA; (iii) Agri-Business Incubators will be established in the industrial business corridors with ABS-GCC as a capacity building component, in partnership with other government agencies such as TESDA and DOST. For this plan, a legislative bill championed by the Department of Agriculture has been submitted and being deliberated in the Philippine national congress.

98. IFAD and the Government of the Philippines represented by the DA/BFAR endorse the findings and agreed actions of the supervision and implementation support mission (SISM).



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International Fund for Agricultural Development

(IFAD)

Date signed: 05 March 2021



Cheryl Marie Natividad-Caballero

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(DA)

Date signed: 9 March 2021