



Investing in rural people

Fisheries Coastal Resources and Livelihoods Project (FishCORAL)

Implementation Support Mission, 04 to 11 October 2021

Aide-Memoire

I. Mission Objectives and Key Findings

A. Background and main objectives of the mission

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 through remote / virtual meetings the mission¹ (i) reviewed the overall project implementation progress and financial status, including disbursement performance and budget projections until the completion date of 31 December 2021 and for the loan closure period from January–June 2022; (ii) reviewed the status of implementation of actions agreed at the February 2021 supervision and implementation support mission and agree on ways forward for the remaining completion period; (iii) reviewed the overall plan for the Project Completion Report (PCR) and agree with the project on the milestones; and, (iv) reviewed the progress of the household end-line and resource appraisal surveys and lessons learning activity and agree with actions moving forward.

4. The mission was participated by the Project Support and Coordination Office (PSCO), the regional project management offices, DA-Special Projects Coordination and Management Assistance Division (SPCMAD) and Project Development (PDS) staff and relevant government agencies, i.e., NEDA, DILG, including the BARMM Ministry of Agriculture, Fisheries and Agrarian Reform (MAFAR).

5. Key findings, issues and recommendations listed herein were discussed and agreed upon with the Project team and DA-BFAR, during the remote wrap-up meeting on 11 October 2021 chaired by DA Undersecretary Cheryl Marie Natividad-Caballero. Details of the findings and agreed actions are documented in the relevant sections of the report. The mission expresses its sincerest thanks to DA and BFAR FishCORAL management and staff for their participation during the remote meetings.

B. Key mission findings

6. **Loan Disbursements.** As of the mission, IFAD has disbursed 76% of the approved loan financing of USD 29.960 million to the Project equivalent to USD22.880 million (including outstanding advances to Designated Account of USD 5,040,596.21). A total of USD1.355 million in justification of loan advances had been approved by IFAD this year. IFAD grant disbursements totalled USD 446.8 thousand (including outstanding advances to Designated Account of USD 194,054.74) or 65% of approved grant of USD 690 thousand. With pending withdrawal applications for IFAD processing and activities still to be completed in December 31, 2021, plus eligible winding up costs in 2022, it is estimated that the Project will be able to utilize USD 22.615 million from the loan or 75% and USD 375.2 from the grant or 54%.

7. **Coastal Resource Management (CRM) Component.** All of the targeted 103 CRM Plan have finally been formulated (except 1 LGU in Region 8). There is a significant increase in the adopted CRM Plans (55% at 57 Plans) to support CRM

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work, with remaining 45 Plans (44%) for adoption. Only BARRM has been successful in integrating all its CRM Plans in the AIP and the Municipal Development Plans. Many of the regions have CRM Plans integrated in the AIP to ensure its annual budget allocation, including regular FLETS honoraria and operational/maintenance costs for CRM work. All fish sanctuaries (FS) have approved management plans in Regions 5 and 8, while being drafted for the rest of protected areas. The regions have been able to arrange for the partnerships with regional BFAR on the regular assessment and monitoring of these protected sites. Only 1/13 BMC has an approved baywide management plan, CCAUSE in CARAGA. Region 8 already enacted their bay wide unified fishery ordinances. Only 3 BMCs have been able to mobilize the annual contribution from their LGU members and arranged for its management staff, respectively.

8. **Livelihood Development.** As of the mission, the total Fishing Households (FHH) reach for this component has decreased to 20,443 compared to 21,613 FHH from the February 2021 mission. In terms of livelihood and enterprise groups as of September 2021, 1,209 of 1,109 of committed target enterprises in the February 2021 mission was achieved (109%) but which is still way below compared to the project overall component target of 4,158 groups² generating profit from aquaculture and marine enterprises, including seaweed farms, fish culture, fish processing and other fishery-related enterprises (50% of members are women).

9. Provision of various livelihood support on input materials and supplies, equipment, financing and facilitation of crop insurance coverage, ABS and technology trainings have increased. While enterprise reach was relatively high for the period in review, enterprises generating profits are only 53% in BARRM; 23% in Bicol; 10% in Region 8; and mostly engage in the clustering and consolidation with developed and assured markets (i.e. seaweeds, bangus, dried fish, grouper, mussel). Region Caraga figured 81% generating profit having established market agreement with a Metro Manila exporter for dried seaweeds in Hinatuan. Community Savings and Mobilization have continued to increase the groups accumulated savings and piloting of culture-sensitive CSMs was introduced in BARRM. Partnerships with LGUs and public and private business support service providers have helped significantly in resource mobilization and technical interventions.

10. **Exit Strategy and Sustainability Plan.** In the February 2021 SISM the Project has prepared a draft exit strategy and sustainability guide covering CRM, Livelihood Development and post-project Program Management. The same guide was presented during this mission by the PSCO and supplemented with presentations from the RPMOs each with varying outline and content. As suggested during the previous mission, the guide needs to be turned into a plan and should be improved comprehensively to account for all the project investments in Components 1 and 2 and sustainability strategies for the continuation of project activities and benefit streams after project closure to ensure the durability of changes and impacts brought about by the project. The PSCO should take the lead and responsibility in preparing a uniform template of the plan, and guide the RPMOs in preparing their regional plans that will be consolidated at Project level.

11. **Project Completion Report (PCR).** As of the mission the Project is still in the procurement stage for the household end line survey and Participatory Resource Assessment 2 (PRSA2). These studies are key inputs to the PCR that will be prepared in early 2022 in time for the IFAD PCR Mission not later than May 2022. The Project aims to complete the procurement process for these two studies by mid-October and for the contracted service provider to complete these two studies in February 2022. With a very tight study period, the Project needs to speed-up the on-going procurement process and ensure close supervision of the conduct of the surveys. The PCR report that will be submitted in 2022 should include the Economic and Financial Analysis (EFA) and the PCR narrative report following IFAD guidelines. The Project needs to procure the PCR report preparation together with the EFA without delay to be able to complete the procurement procedure, short of award, not later than 31 December 2021.

12. **Completion of Project Activities by 31 December 2021.** During the mission, the tight timeframe for all the activities required for project completion were highlighted. In this regard, the PSCO with DA-BFAR supervision, will take immediate action without delay to expedite the award and implementation of remaining contracts and complete outstanding actions.

II. Status of the agreed actions from the February 2021 SISM and Way Forward Actions for the Remaining Period

A. Project Components

Component 1: Coastal Resources Management (CRM)

13. **CRM Component.** All of the targeted 103 CRM Plan have finally been formulated (except 1 LGU in Region 8). There is a significant increase in the adopted CRM Plans (55% at 57 Plans) to support CRM work, with remaining 45 Plans (44%) for adoption. Only BARRM has been successful in integrating all its CRM Plans in the AIP and the Municipal Development Plans. Many of the regions have CRM Plans integrated in the AIP to ensure its annual budget allocation, including regular FLETS honoraria and operational/maintenance costs for CRM work. All fish sanctuaries (FS) have approved management plans in Regions 5 and 8, while being drafted for the rest of protected areas. The regions have been able to arrange for the partnerships with regional BFAR on the regular assessment and monitoring of these protected sites. Only 1/13 BMC has an approved baywide management plan, CCAUSE in CARAGA. Region 8 already enacted their bay wide unified fishery

² At design the target was 5,632 but was adjusted in the MTR to 4,158 as agreed between IFAD and DA BFAR. NEDA's figures however in the approved logframe is 4,454. This needs to be resolved to be able to adopt the figure that is acceptable to IFAD, DA BFAR and NEDA in the Project Completion Report (PCR).

ordinances. Only 3 BMCs have been able to mobilize the annual contribution from their LGU members and arranged for its management staff, respectively.

14. Baywide Management Councils (BMCs). All BMCs are operational, each with its corresponding Bay Management and Multipurpose Building (BMMBs), presently housing its management team and baywide-integrated FLETS in some bays. Some BMCs have already enacted their bay wide unified fishery ordinances. BARMM has one adopted UFO pending signature.

15. As of the mission, only one BMC (CARAGA CCAUSE) has an approved baywide management plan, however still pending signing, thus not accounted in the national inventory as of this mission (see Supplemental CRM Table). Region 8 and CARAGA BMCs have already drafted the management plans. The rest of the BMCs have not formulated bay-wide management plans that is approved and adopted by the member LGUs. Some have set strategic planning to address this (Region 5 and BARMM). In lieu, Region Caraga BMCs have approved 3-5 years Work and Financial Plans and Institutional Plans while working on the baywide plans. Region 5 BMCs also have approved Manual of Operations (pending Asid Gulf) to facilitate its management work.

16. Some BMCs (Region 8) have already enacted their respective bay wide unified fishery ordinances (UFO) or their commonly agreed integrated fish ordinance; some have finished drafting for final legal review and approval (Region 5 and CARAGA). BARMM has a pending adopted UFO, waiting for one more LGU approval. One BMC in Region 8 (ALSBACK) has strengthened its institutional status by successfully registering as a SEC entity.

17. Only three BMCs have been able to secure and mobilize the annual contribution from their LGU members: Ragay Gulf in Region 8 and 2 CARAGA BMCs: CCAUSE and BBDA, with PHP 2.2M and PHP 2.984M, respectively. The rest have at least approved the annual LGU allocations and will focus to ensure the collection before end of project. BARMM has problems in securing all the LGUs contribution as some have very low IRA. Region Caraga and BARMM have been successful in setting up the management team for their BMCs. Region Caraga BMC funds have been utilized to make these BMCs operational with hired management team (Executive Director, Administrative and Finance Personnel) that have been contracted and renewed to August 2022. BARMM, on the other hand, has successfully designated and seconded four (4) FRMD regular employees to the BMCs with a supporting MAFAR Special Order. The project has to use this last quarter to slowly transition and turned-over the work to the BMC management team for the continuity of the role of the BMCs in baywide coastal management.

18. The Project needs to focus much of its attention and effort in the last 3-months to finish the baywide management plan in each BMC and have it approved by the management board before end of project. To secure the LGU financial allocation for its operations and hiring of management team by end of project.

19. CRM Plans Formulation and Adoption. A total of 102/103 Plans have been formulated (except one LGU in Region 8). But this number is based on the regional data that is however not yet synchronized to the national data with only 83% instead of 99% accomplishment (see Supplemental CRM Table). From the 81 targeted for formulation in Feb 2021, this has been 100% accomplished by September 2021. Further, there has been a significant increase in the number of adopted CRM Plans to support CRM work at 55% adopted (57) CRM Plans, with remaining 45 Plans (44%) for adoption. More effort for adoption needed in Region 5 (16/24) and Region 8 (20/38), while at relatively lower numbers in CARAGA (6/18) and BARMM (4/23).

20. The remaining quarter will focus on the continuing lobbying and facilitation for the adoption of the remaining plans, with a priority on those LGUs with higher success of adoption. Many of the regions have CRM Plans integrated in the AIP to ensure its annual budget allocation. BARMM has been successful in integrating all its CRM Plans in the AIP as well as the Municipal Development Plans. The other regions should continue to work on ensuring the integration for the adopted plans in the AIP for 2022 onwards.

21. Fishery Law Enforcement Teams Honorarium. Project has successfully arranged for the LGU support of the established FLETS with annual allocation of financial assistance in the form of honorarium. Region 5 LGUs have fixed this for the 5-year financial plans for CRM. All LGUs in BARMM have allocated honoraria, also known as Barangay Peacekeeping Action Team (BPAT). CARAGA has been successful in all LGUs (17) with FLETS, except for Butuan City's delayed approval due to pandemic restriction. In the last remaining quarter, the Project should focus in firming up the annual LGU support, to make it uniform among LGUs, if possible, especially for those with meagre allocations. One LGU (Libmanan) have increased it to 400%. Ensure its regular and sustain annual allocation in the LGU budget, not just for 2022. In relation, there is a need to consolidate the data on the apprehensions of illegal fishers since start of project and determine the trend in reduction of illegal, destructive fishing activities and commercial encroachment over the entire project period.

22. Management Plans of Protected/ Rehabilitated Areas. There has been significant improvement on the management plans for these protected areas. All the Fish Sanctuaries (FS) in Region 8 and Region 5 have existing management plans. Region 8 have incorporated the plans in its corresponding ordinances, with the inclusion of the seagrass beds in these FS. Budget allocation for the maintenance of the 73 existing sanctuaries in Region 8 has been included in the AIP of the 26 LGUs (ranging PHP 100T – PHP 1M). There are 3 FS management plans for approval in BARMM. Likewise in Region 5, all 24 FS have the 'Fish Sanctuary and Marine Reserve Management Plans, together with 11 mangrove and 5 seagrass management plans will be turned over to the LGUs and fisherfolk organizations. In CARAGA, there is a specific formulation for the 100-hectares mangrove management of Cabadbaran City. The work in the last quarter should focus in finalizing the plans as well

as strengthening the protection of each, ensuring the LGU support on its management plan and budget for its sustainability.

23. Finalize formal agreement for regular monitoring. The regions have been successful in the coming up with the partnership arrangements for the regular assessment of the protected areas, the stocked species and aquaculture/mariculture investments. Regional Project Offices will execute agreement before end of project. Region 5 project sites will be assessed by the Regional Office Fisheries Resources Management (FRM) Team. Region 8 has arranged with two regional units of BFAR: (1) FRM Section of the Fisheries Management Regulatory to monitor the fish habitats; and, (2) Enforcement Division and the Environmental Monitoring Unit of the Regional Integrated Fisheries Laboratory (RIFL) to monitor the mariculture/aquaculture projects. BARMM has arranged for a Special Order to cover the regular assessment with the FRMD of the MAFAR.

24. Delineation of Municipal Waters. In this mission, there was one agenda that surfaced cutting across the regions that is beyond the control of the project - conflicts on the delineation of the municipal waters that can only be resolved by the authorized agency, NAMRIA. BARMM has not been able to delineate as it needs NAMRIA's assistance within its newly formed BARMM region. About 10 LGUs in Region 5 are in boundary conflicts that need the assistance of NAMRIA to resolve. Only CARAGA has been successful in its delineation of municipal boundaries but must focus on finishing up the delineation of its 4 remaining LGUs with provincial- and municipal-levels disputes delayed due to the pandemic. Region 8, although successfully delineated all its 38 LGUs, still needs the technical description from NAMRIA to get its ordinances. Unless these are secured by Region 8, the 38 LGUs cannot be counted yet, which also will result in changes in the national tally from only 36 LGUs for delineation increasing to 75 LGUs (see Supplemental CRM Table).

25. FISHCORAL Project will make an official brief on the issues and problems in this project, forward to the Inter-Agency TWG on boundary delineations through BFAR. The Department of Agriculture can authorize this mapping agency to resolve boundary conflicts of the LGUs after end of project.

Way forward for the remaining period

26. For the remaining implementation period of 2.5 months, the Project needs to strongly focus on strengthening the operations of the BMCs by finishing its management plans, securing the annual financial LGU support, adopting its baywide ordinances and setting up the management team. The CRM interventions need to be sustained by the partner LGUs, so a focus on the adoption of the CRM plans and the institutionalization of its financial support allocation in the AIP, to include the management and budget for the established protected areas (FS, mangroves and seagrass habitats).

Agreed Actions	Responsibility	Deadline
<i>BMCs.</i> Finalize and finish all remaining Baywide Coastal Management Plans and have it approved by respective Baywide Management Councils (BMC); Secure the financial contributions of the other LGU members and setup the management operations team for those BMCs without one.	RPMO, LGUs	Dec 2021
<i>LGUs.</i> Continue the adoption of the remaining 45 CRM plans (44%), focus on those LGUs with a high success rate of success of approval by end of project. Make arrangements with each LGU for the institutionalization of the LGU support for CRM (honoraria, operational & maintenance cost, etc) as regular items in the AIP.	RPMO, LGUs	Dec 2021
<i>Protected Sites.</i> Firmed-up the arrangements with the LGUs on the established protected FS, mangroves, and seagrasses, in terms of the approval of formulated management plans, inclusion of the site in the enforcement operations and securing its annual budget support.	RPMO, LGUs	Dec 2021
<i>Data Collection.</i> Collect all necessary data and information on the observed impacts of increase stocks of the protected sites, established AR and stock enhancements, even anecdotal; organized the apprehensions records; get documents on FARMCs contributions in policies.	RPMO	Dec 2021
<i>Regular Monitoring.</i> Formalize the agreement for regular monitoring of the identified regional departments of BFAR with the partner LGUs. Continue to explore and come up with agreements with local partner academes in the regular monitoring of the protected sites as part of the SUCs R&D work.	RPMO	Dec 2021
<i>Boundary Delineation.</i> FISHCORAL Project makes an official Brief for NAMRIA that describes the issues and conflicts on the delineation of the municipal waters in the project sites to submit to inter-agency TWG on delineation in BFAR to resolve boundary conflicts of remaining LGUs after end of project.	PCSO, RPMO	Dec 2021

Component 2: Livelihood Development (LD)

27. As of the mission, the total Fishing Households (FHH) reach for this component has decreased to 20,443 compared to 21,613 FHH from the February 2021 mission. In terms of livelihood and enterprise groups as of September 2021, 1,209 of 1,109 of committed target enterprises in the February 2021 mission was achieved (109%) but which is still way below compared to the project overall component target of 4,158³ groups generating profit in various sub projects/enterprises on aquaculture, marine product processing, ecotourism investments and non-fishery livelihoods.

28. For the rest of project period, CARAGA has committed 64 additional approved enterprises with a thousand FHH beneficiaries; Region 8, 121 enterprises with 739 FHH beneficiaries; BARRM, 79 enterprises (44 in cluster and consolidation; 35, non-cluster; 936 FHH beneficiaries). The latter has assistance commitment from MAFAR staff, trained in July in the ABS-GCC enterprise development approach.

29. Livelihood enterprises generating profits are only 53% in BARRM; 23% in Bicol; 10% in Region 8; and mostly engage in the clustering and consolidation with developed and assured markets (i.e. seaweeds, bangus, dried fish, grouper, mussel). Region Caraga figured 81% generating profit having established market agreement with a Metro Manila exporter. Most enterprises are start-ups that need continued and more business support services for technical and commercial interventions; to become part of the sustainability plan. Typhoons hit the lobster (biggest), grouper and seaweed clusters in Region 8, Region 5 and CARAGA. The latter two had insurance claims, and grouper bounced back due to the project's mini-nursery in Region 5. Most of BARRM's clusters are new, and had data collection constraints.

30. Progress has been significant with the Aqua-based Business School (ABS) with 40 ABS groups; with 11 ABS groups completing the Business Launch; and the rest scheduled this October-November; expected 1,340 graduates in all; 73% of which are women. The ABS enterprises are mainly value-adding business where many contribute to FHH/community resilience; having additional income from processing; important supplement during slack fish catch or monsoon months. Women empowerment is reportedly strong; enterprise mind-setting and environment/climate change consciousness were noted among FHH and facilitators. Community Savings Mobilization (CSM) took further strides with the Region Caraga groups' accumulated savings of Php 23.1M (Php 9.6M, current savings); Region 8 COMSCAs at Php 1.8M; and BARMM piloting a culture-sensitive CSM with 14 pilot FOs.

Region	Target commitment, in Feb. 2021	Enterprises, September 2021	Percentage of committed target (%)	Target Fisherfolk households (FHH), direct, Feb. 2021	FHH reach, Sept. 2021	Percentage of target (%)
Region 5	173	193	112	2,982	4,169	140
Region 8	395	596	151	12,774	8,754	68
CARAGA	196	134	68	4,746	1,942	41
BARRM	345	286	83	4,911	5,578	114
Total	1,109	1,209	109	25,413	20,443	80

31. **Clustering and consolidation strategy.** In Region 8, the clusters include 5 commodities (seaweeds, bangus, mussel, lobster, grouper) involving 31 FO enterprises; 3 commodities (mangrove crab, dried fish, dried seaweeds) in BARRM with 142 FOs; 6 commodities (seaweed, lobster, fishpot, fresh squid, bangus, dried fish) in CARAGA with 79 FOs; and 3 commodities (seaweeds, dried fish, bangus) in Region 5 with 49 FOs. Most of these FOs have been producing and engaging with their existing or initially linked markets but no contracted marketing agreements have been forged except the seaweeds industry cluster in CARAGA that established market with a Metro-Manila exporter. Supply chain issues (quality, stability, volume), organizational and market links, as well as logistics in the dried seaweeds clusters in Region 5, Region 8, and BARMM still have to be addressed to be able to commit marketing agreements.

32. CARAGA seaweeds FOs were particularly strengthened through increased availment of capital with MAFISCO (i.e. 90% of Hinatoan seaweed producers) that increased production/supply for market commitments; and continued monitoring in the effective use of facilities like the solar dryers, warehouse, and baling system; as well as continuing monitoring-mentoring for improvements in business capabilities, quality and volume of the emerging clusters. In Region 8, the bangus, lobster, seaweed clusters have been scaled up with 31 FOs involved. 5 new FOs of the 65 approved for clustering are already producing dried seaweeds.

33. There are on-going support services to address challenges like the SEAFDEC technical support to BARMM mudcrab clusters (5 sub-clusters in Illana Bay, 2 sub-clusters in Basilan, 3 sub-clusters in Sulu); and dried fish cluster training in Basilan by the Ministry of Trade, Industry and Tourism (MTIT). In CARAGA and Region 8, continuous monitoring and mentoring of the clustered FOs have been done especially in the assurance of quality and supply of produce (bangus, grouper, lobster, mussel). The dried fish and seaweeds clusters benefited significantly from the provision of solar dryers, and the technical assistance for quality produce and appropriate packaging from BFAR and DTI.

³ Refer to earlier footnote no. 2.

34. Input access and supply issues of the bangus clusters in Region 5, Region 8 and CARAGA have been addressed by the full rehabilitation of the regional hatcheries. A grouper and lobster acclimation facility in Guiuan, 2 bangus harvesting platforms in Tacloban, and 1 concrete pond rehabilitated in Guiuan significantly helped these clusters to make some progress. In CARAGA, the provision of 9 ice makers/ blast freezers, 131 freezers, and the 2 jetty ports (269 linear meters). In BARRM, 80 still dryer and 3 warehouse were constructed, and 147 chest freezers provided.

35. **Strengthening of partnerships for the sustainability of livelihoods/enterprises.** All regions continued activities to strengthen partnerships with local government units (LGUs); government agencies like the DTI, DOST, DOLE, DSWD and SUCs (e.g. CARAGA State University, Region 13 and Bicol University, Region 5); cooperatives for financing; and the private sector for markets. LGUs helped support capacity building (i.e. trainings, logistics needed) and technical assistance during monitoring-mentoring activities.

36. CARAGA successfully linked about 90% of seaweeds FOs in Hinatoan with MAFISCO to finance their seaweeds enterprise that significantly aided seaweeds production and increased supply to the export market. BARMM strengthened partnership with the Ministry of Agriculture, Fisheries and Agrarian Reform (MAFAR) by facilitating the training of the ABS-GCC approach among representative of the organic BARMM provincial staff. MTIT, MSWD and MOST have also been on board to assist the enterprises as to their respective service mandates. Region 8 further strengthened partnership especially with DTI in improving packaging/labelling, business skills build-up, and product promotions; DOLE in registration and some facilities support; DOST in food safety, water quality testing, and Food and Drug Administration (FDA) inspection and License to Operate (LTO) assistance to processing enterprises. Two GMP-compliant processing facilities were provided. The Motiong Women's Association mussel processing of different variants has been given already a license to operate that enables product entry in bigger markets like malls.

37. **Continuing and strengthening of ABS FOs' enterprises.** A total of 40 ABS groups with a total of 1,340 enrollees have been conducted: BARMM with 9 ABS groups (219 enrollees); Region 5, 7 groups (97 enrollees); CARAGA, 7 groups (73 enrollees); and Region 8, 17 groups (11 groups- Cycle 1, 681 enrollees; 6 groups-Cycle 2, 270 enrollees). Only 11 ABS groups in Region 8 completed Cycle 1 with 179 graduates and completed the Business Launch; with 6 ABS groups in Cycle 2 scheduled for Business Launch in November; the rest of 23 Cycle 1 ABS groups also scheduled between October-November. About 72% of the enrollees are women; mostly engaged in value-adding and product selling, and the males mostly in the supply chain component or production.

38. With the pandemic protocols strictly implemented, virtual trainings and mentoring became the main modality in all regions with limited face-to-face follow-ups and mentoring where necessary. CARAGA piloted School-on-the-Air (SOA) module sessions that increased reach beyond the regular 7 ABS groups both in attendees and resource persons. Testing of innovations and critical mentoring, however, needed some face-to-face sessions. In Region 8, product samples for consumer testing were earlier sent for feedback; collected and presented during the Stakeholders' Validation Workshop where business development support service providers, ABS group representatives and facilitators convene in a common venue; 1 day per ABS group; preceding the business launch.

39. With most ABS groups done with the value chain assessment and innovations testing modules (Modules 4 and 5), the enrollees are building up skills in accessing business development support agencies; many having support from the DTI, DOST, DOLE and research institutions. Region 8 has conducted test marketing in social media platform with more advanced products, and in local market outlets or direct selling; similarly with other regions on local market selling.

40. Mainly anecdotal, the regions reported positive outcomes of the ABS, to include significantly improved enterprise mindset; diverse set of business/enterprise skills, understanding of supply-market dynamics, addressing technical (i.e. production, post-production, value-adding, product quality) and commercial (e.g. packaging/labelling, market links, consumer/market testing for refinements), consciousness of climate change and building resilience (e.g. fish-farm system in value addition, diversification, rehabilitation/conservation of coastal resources to sustain aquatic supply for enterprises); and good exposure to value chain assessment for enterprise decisions, accessing business support services. Importantly, the participation of 72% women in ABS enterprises empowered them to generate supplemental income that reduces economic and food vulnerability of fishing households, as well as building self-confidence and self-worth among housemakers waiting for a good or bad fish catch.

41. **Operational scheme for improved capital formation.** In BARMM, a culturally-sensitive community savings mobilization (CSM) scheme has been adopted; incorporating the concept of Islamic financing, intended for Muslim communities/fisherfolk organizations (FOs). 14 pilot FOs are implementing the scheme. In CARAGA, 59 Saving Mobilization Clubs have saved Php 23.1 M total savings since 2018: Php 9.6 M as current savings, providing access to capital to fishing investments; benefitting 2,078 fisherfolks. 8 FOs have been linked to Micro Finance Institutions (MFIs) and other support services. In Region 8, 21 COMSCA groups generated Php 1,879,999.23 in savings that can be used for enterprise capital.

42. Documenting and sharing of case reports/studies on the different modalities of the community savings mobilization scheme (CSM) in the FishCORAL project can significantly help improve the practices and effectiveness of CSM. Project needs to come up with a simple framework to guide the writing of cases.

43. **Crop Insurance.** In Region 5, 85 enterprises of 62 groups were insured; 156 FHH received indemnity of Php 1.4M (i.e. seaweeds, aquasilviculture) arising from typhoon damages. In CARAGA, FOs were linked with the respective LGUs to apply for the insurance coverage. Most recipients of insurance are the seaweeds producers in Loyola, Hinatoan, Surigao del

Sur. 103 Fishing Household availed of the indemnity claim of PCIC. In BARMM, PCIC insurance orientation was facilitated in the provinces of Maguindanao, Lanao del Sur and Basilan; initially most FOs availed individual insurance. In Region 8, only 12 out of accumulated 44 claims since 2019 were availed due to PCIC budget deficiency for 2021. FishCORAL has built-up experiences especially in support of MSE development among resource-poor fisherfolks in disaster-prone environments that can be a basis to propose for review and amendments to the PCIC coverage and procedures. Project may also explore private sector / cooperatives-based crop insurance system that are available in the market. This requires national level policy reform initiative and should not be left to the regions.

Way forward for the remaining period

44. **Focus on doables that ensure profitability and sustainability.** While continuing with the improvements of enterprise start-ups, the next 2.5 months should focus on the critical doables that contribute to sustainability. These include (i) strengthening of partnerships for commitment, (ii) markets, and (iii) facilitation/provision of business support services. Committed partnership is essential for the continuing improvement and innovation of the enterprises, and fast track the needed support services for improvements in innovations and market establishment. In particular, partnership with local government units (LGUs) should have firm written commitments (e.g., council resolution; memorandum of agreement) that forms part in the exit strategy; assuring support in view of the full implementation of the Mandanas-Garcia ruling in 2022. Partnership with government agencies (i.e. DTI, DOST, DOLE, DSWD, DAR, BARMM counterparts) including academe and research institutions (e.g. Caraga State University, Bicol University, SEAFDEC) needs firming up for the provision of business development services, technical assistance, and market linkages. Market agreements/arrangements for clustered commodities and readily marketable products should be secured; while market testing through social media and local markets continue for all products.

45. **Organizing a Final Event.** Most ABS groups will conduct the Business Launch in October-November where key and potential markets, business development support (BDS) providers and stakeholders are invited. The non-ABS and clustered enterprises can join this business launch to become the Final Event of FishCORAL enterprise to introduce and promote the products and innovations to the wider market. This event helps secure commitment for markets and BDS. This can be done with the Department of Trade and Industry, which usually organizes trade fairs during this period; or with the site LGU/other agencies that support enterprise promotions. With tight schedule and the pandemic, the final event can focus on the basics include the arrangement with agencies/LGU (for procedure, resource-sharing/logistics, activity schedule), preparation of products (i.e. quality assurance, packaging/labelling), and standard preparation for enterprise/product introduction/promotion (i.e. enterprise poster, product information flyer, business card). All livelihood facilitators have been trained in the ABS process; the inclusion of non-ABS enterprises can be facilitated.

Agreed Actions	Responsibility	Deadline
Firm up the partnerships with relevant LGUs and BDS providers (GOs, NGOs, finance, private sector) in a formal setting (e.g. suggested Final Event for enterprises)	RPMO, BFAR Region FishCORAL staff	November 30
Intensify monitoring-mentoring of ABS groups in product improvement and BDS services to prepare and conduct the business launch/final event.	RPMO, CFs	November 1 st week
Establish concrete market arrangements and strategy for the clustered commodities and mature enterprises	RPMOs, LEDO	November 30
Continue monitoring and mentoring of all enterprises and assess opportunities, needs and gaps to strengthen enterprises and to provide inputs in finalizing the draft enterprise sustainability plan.	RPMO, LEDO, CFs	December 15
Fast track the delivery and transfer of project investments (e.g. facilities, vehicle, supplies) for the enterprises	BFAR region, RPMO, LEDO	October 30
Finalize the sustainability plan in collaboration with PSCO and public-private partners.	RPMO, PSCO, BFAR, FOs, PSCO	December 15

B. Monitoring and Evaluation

46. **Project Logframe (LF).** In the last 6 months, the Project staff have worked on the recommended actions from the February 2021 SISM Aide Memoire. This included several workshops to address issues with the original logframe including (i) composite indicators, (ii) no clear distinction between output and outcome indicators and (iii) the need to formulate additional indicators to adequately reflect project results. As a result of the workshops and follow-up activities, a Theory of Change and indicator tree process for the Project was developed. This helped to understand the causal linkages in the Project design and to distinguish between output and outcomes (immediate outcomes i.e. as a direct result of the project, intermediate outcomes that result from the immediate outcomes) and contribution to longer term impact. On the basis of these analyses, an Elaborated LogFrame (ELF) was prepared. The ELF now separates indicators that have different means of measurement and additional indicators to reflect the progress of the Project towards its outcomes have been incorporated.

47. However, there was no adjustment of the targets from the original Project LF and the targets remain as submitted to the NEDA-Investment Coordinating Committee (ICC) at design, mid-term and for the project's one-year extension. The consequence of not recalibrating the targets at midterm or at the time of the project extension is that the targets are unrealistic for the current stage of implementation. This cannot now be amended, and the Project will require rigorous recording of

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performance data in the ELF and strong justification of why any lag in achievements from targets has occurred.

48. **M&E System.** The project's M&E system is already established for the majority of the indicators. As noted in the previous mission, data recording templates are being used, and the quantitative output data from the Regions is largely complete. Progress has been made on reporting of outcome indicators, but this is still incomplete. The Regions report that the data is available and can be reported based on the ELF indicators within the next month. It is critical that the PSCO (i) ensure integration of the original LF with the ELF to have one reporting format that directly links to and consolidates regional data, (ii) regularly review progress in relation to the targets to accelerate final implementation on activities that will prioritize key outcome indicators, (iii) coordinate with and support the RPMOs to ensure all required output and outcome data is gathered and validated, (iv) review consolidated data to ensure alignment with regional data, (v) analyze cumulative performance by year for each indicator to demonstrate the rate and linkage of performance to the outcomes achieved, and (vi) prepare clear remarks, with evidence to support the level of achievement (particularly for over and under target performance).

49. **Management Information System (MIS).** The IFAD Country Office supported the review of the MIS of the project in late 2020 with the consultant's report submitted to PSCO in February 2021. Some improvements have been made to the google-based system for live data input however some inconsistencies with data across reporting formats were noted. These appear to be largely from regional data not being consolidated in a timely and accurate way but other indicators may be measured in a different manner across each region. Any discrepancy in data between the regions and the national data needs to be clearly identified and addressed to avoid errors in understanding of how the data is measured and calculated. Thereafter, inputting of data from the region requires consistent and rapid follow-up. In addition, the analysis of performance is not consistent between the regional and the PSCO. It is now important to revert to the regional data to ensure that there is consistency between regional and national data. The recruitment by PCSO of an MIS consultant recommended during the last mission to address these issues was not adequately pursued so there are still outstanding actions that need to be progressed. This is becoming urgent given the late stage of the Project.

50. **Knowledge Management.** FishCORAL has produced a number of Learning and Monitoring Guides and Manuals on CRM, ABS and Livelihoods activities. The Project has made good progress in generating knowledge products and also building a repository of key documents and publications related to project activities. In order to facilitate the PCR process and efficient sharing of documentation, a consolidated database of M&E data and knowledge products should be prepared that can be provided for external access.

51. **Agreed actions.** Overall findings for M&E are that while progress has been achieved, time is now very short to ensure that all M&E requirements are met. The PSCO needs to ensure that a complete and up-to-date Project dataset is available for all indicators by the completion of the Project⁴. Given the late stage of the Project and the continuing need for M&E action, it is agreed that the PSCO establish an *M&E PCR Support Team* consisting of the M&E staff from each region, the PSCO M&E, knowledge management and relevant technical staff. This team should be supervised by the DA Office of the Undersecretary for Agri-Industrialization and for Fisheries and with technical support from the DA Special Projects Coordination and Management Assistance Division (SPCMAD). If the team is established, it could be supported with the IFAD technical counterparts to systematically address the following key actions (i) assist the PSCO on accelerating progress on completing all the remaining MIS requirements, (ii) assisting with the validation of data for all indicators, (iii) assist in preparing the completed datasets for each component and analyzing performance by year and (iv) to ensure that both quantitative and qualitative data for each indicator in the ELF, (v) help to guide the preparation of the household survey instruments to align with the ELF and in line with the requirements for the PCR, and (vi) help to ensure that evidence for the PCR and Lessons Learned are adequately compiled, inventorized, analyzed and prepared for safe repository so that it can be available to BFAR and other stakeholder in future.

C. Fiduciary Management

52. As of the mission, IFAD has disbursed 76% of the approved loan financing to the Project equivalent to USD22.880 million (including outstanding advances to Designated Account of USD 5,040,596.21). A total of USD1.355 million in justification of loan advances had been approved by IFAD this year. Withdrawal Application (WA) No. 24 amounting USD835,933.52 is currently pending ICP approval subject to 80% recovery while another USD656 thousand is being processed at PSCO. IFAD grant disbursements totalled USD 446.8 thousand (including outstanding advances to Designated Account of USD 194,054.74) or 65% of approved grant of USD 690 thousand. WA No. 23 for USD38 thousand is currently pending ICP approval and USD19 thousand is presently being processed at PSCO. Project finance is advised to conform to the revised recovery plan that was finalized during the mission to facilitate steady recovery of outstanding advances to the designated account while ensuring availability of adequate IFAD funds at operating units (e.g., BARM's immediate request for transfer of funds) for the completion of remaining project activities. The last WA (No. 25) under the loan for this year will be submitted in October 2021 and the final WAs for the loan and grant will have to be submitted to IFAD by end of April 2022. Any unutilized and/or unjustified balances of both the loan (projected at USD 644 thousand) and grant (projected at USD 72 thousand) designated accounts must be refunded to IFAD on or before the financial closing date of June 30, 2022.

53. The estimated remaining disbursements from October 2021 to March 2022 amounted Php144.138 million (approximately USD2.883 million) for the loan while Php4.232 million (approximately USD84 thousand) for the grant. Other than winding-up costs (i.e., Project Completion Report, limited operating costs, audit, and salaries of key project-hired staff),

⁴ With the exception of indicators that require the completed end-line HH survey and PRSA study to provide the data.

only goods and works that are delivered, completed or accomplished, accepted, and turned-over by project completion date or PCD of December 31, 2021 will be eligible for loan financing. After PCD, BFAR should pursue delivery and completion of unfinished portion of ongoing project activities using GPH counterpart or agency funds. BFAR should also ensure availability of the proposed Php24 million in GPH counterpart funds for financial closing activities in FY2022. Project could also consider the use of grant funds for required closing activities or requirements.

54. Moderate shortcomings in project financial management continue to exist specifically long outstanding fund transfers to LGUs. RPMO V particularly must immediately resolve unliquidated balances at LGUs, which totalled Php25.429 million (Php22.287 million in loan proceeds and Php3.142 million in GPH counterpart funds) as of the mission. All concerned RPMOs should undertake appropriate measures to prevent any further delay in the actual return of funds and in obtaining liquidation or utilization reports by LGUs. Liquidated LGU fund transfers will be reported in the SOE for WA No. 25.

55. PSCO should be able to agree with the Commission on Audit (COA) the appropriate scope and arrangements for the final audit that will cover FY2021, including LGU fund transfers and implementation, and payments and winding-up expenditures in FY2022. The final project audit report must be submitted for IFAD's review and acceptance no later than the financial closing date. The Project should also ensure timely submission of unaudited project financial statements for FY2021.

Agreed Actions	Responsibility	Deadline
Submit WA No. 25 to IFAD.	PSCO	October 30, 2021
Completely account for remaining fund transfers to LGUs (i.e., funds actually returned to RPMOs and/or final utilization or liquidation reports submitted to PSCO).	PSCO, RPMOs	November 30, 2021
Submit CY2021 project unaudited financial statements to IFAD.	PSCO	April 30, 2022
Submit to IFAD final WAs for loan and grant.	PSCO	April 30, 2022
Submit satisfactory final project audit report to IFAD.	PSCO	May 31, 2022

D. Procurement

56. **Procurement progress.** Except for BARMM, all RPMOs have either fully or substantially completed the procurement of planned contract packages under the 2021 procurement Plan. Random review of selected contract packages reveal that procurement processes were generally compliant with the national procurement law and its implementing rules and regulations. The project needs to focus on addressing remaining challenges on contract implementation especially on the management of delays or absence of deliveries by suppliers. As an agreed action during the last mission, the BARMM Ministry of Agriculture Fisheries and Agrarian Reform created a Special Bids and Awards Committee to focus on FishCORAL procurements. As a result, ninety four percent (94%) of programmed procurement packages have been posted for submission of bids. However, only forty percent (40%) have been awarded as of the mission. A total of seventeen procurement packages amounting P41.2M remain unprocured. Considering the Project Completion Date(PCD) at the end of the year, their procurement may no longer still usefully serve project purposes due to lack of material time to conduct procurement activities, realistic delivery periods, ensuring deliveries and further implementing project activities using any such delivered items. All project implementation activities will end by PCD. Procurements that can no longer be implemented by PCD will no longer be pursued. Deliveries under existing contracts that will be made after PCD will no longer be eligible for loan proceeds financing. Should such deliveries be allowed, payment will be sourced from counterpart funds of the Government of the Philippines, where available.

57. **Procurement planning.** The 2021 Procurement Plan has been made easily and publicly accessible with its posting in the BFAR website to demonstrate transparency and promote participation and competition. It is aligned with the latest approved AWPB. It conforms with latest IFAD PP template and is being updated and upgraded. It has a summary page with an AWPB reference column, methods and thresholds are entered correctly. All procurements carried out are in the PP, as consistent with the Financing Agreement and the Letter to the Borrower. In BARMM, the project needs to decide what programmed contract packages will no longer be procured.

58. **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. Despite the pandemic, RPMOs 5, 8 and 13 have been efficient in completing programmed procurements under the 2021 Procurement Plan. However, the procurement of consulting services for the conduct of the Second Participatory Resource Assessment and End-line Household Outcome Survey (PRA2) is delayed.

59. **Contract management.** At this stage of the project, effective, fair and firm contract management actions are critical. Delays by suppliers in the delivery of contracted goods or completion of infrastructure need focal attention. These delays are either complete failure to deliver or only partial deliveries have been given. Mostly supply contracts for goods(livelihood inputs/CRM) amounting to P30,433,425.35 procured under the 2018, 2019, 2020 and 2021 2019 Procurement Plans have



lapsed delivery/completion periods. Fifty percent (50%) of the total amount of delayed contracts is in BARM. The rest are in the other implementing regions. These contracts are either terminated or for termination based on default. Others are given repeated undocumented hyperextended deadlines to deliver. No mandatory sanctions (blacklisting) have been imposed on terminated contracts. Performance securities were not also forfeited and called upon. RPMOs especially BARM need to terminate contracts that have been effectively abandoned by the suppliers. The PSCO will submit to IFAD a consolidated list of contracts terminated based on default. Those who manifest willingness to perform their contractual obligations should be given final deadline up to October 30, 2021 to complete deliveries or else face contract termination, forfeiture of performance security and blacklisting. Suppliers who have not yet incurred delay will be advised to ensure deliveries within the contracted period because deliveries beyond the PCD will no longer be eligible for loan proceeds financing.

Agreed Actions	Responsibility	Deadline
Identify contract packages under the 2021 Procurement Plan that will no longer be procured and submit list to PSCO.	BARM-MFAR/PSCO	30 October 2021
Submit to PSCO list of contracts terminated based on default.	RPMOs	30 October 2021
Call upon performance securities of terminated contracts	RPMOs	30 October 2021
Issue blacklisting orders against suppliers/contractors with contracts terminated based on default	RPMOs	30 November 2021
For 2021 contracts still within delivery period, ensure timely delivery by suppliers	RPMOs	30 October 2021
Submit Terms of Reference for the procurement of consulting services for Project Completion Report	PSCO	19 October 2021

E. Exit Strategy and Sustainability Plan

60. In the February 2021 SISM the Project has prepared a draft exit and sustainability guide covering CRM, Livelihood Development and post-project Program Management. The same guide was presented during this mission by the PSCO and supplemented with presentations from the RPMOs each with varying outline and content. As suggested during the previous mission, the guide needs to be turned into a plan and should be improved comprehensively to account for all the project investments in Components 1 and 2. The PSCO should take the lead and responsibility in preparing a uniform template of the plan, and guide the RPMOs in preparing their regional plans that will be consolidated at Project level.

61. The sustainability plan shall take into consideration the various dimensions of sustainability: political (government commitment, stakeholders' interests); social (social acceptability, social capital, community ownership); institutional (review key institutions and partnership set up along project, gaps and policy recommendations); environmental (positive/negative contributions, resilience to external environmental shocks, suitability of agricultural approaches in the context of climate change); technical (rural producers' capacities building on assessment of latest organization tool data, appropriate technologies, access to inputs) and economic (fishery practices and livelihoods profitability based on sample of profitability assessment, market conditions, prices).

62. For the CRM Component, the national-level exit and sustainability plans should have strategies and activities to ensure the transition and sustainability of the Project's CRM interventions. As of this mission, there is no over-all design on its implementation, especially as it deals with the different levels of the agencies of government. It needs to come up with a course of action appropriate for the targeted governance unit - (i) for LGUs to prepare a set of strategies to ensure the sustainability and institutionalization of the LGU's CRM support and commitment (including but not limited to financial support in the LGU AIP, covering honoraria, operational cost enforcement, maintenance infrastructure/equipment, etc); (ii) BMCs, a set of strategies to make it functional as a governance platform on baywide CRM road map of strategies and interventions to protect resources and ensure management and enforcement operations; (iii) BFAR's commitment to provide technical support and assistance to LGUs; (iv) involvement of other national government agencies in relation to CRM and livelihood development; and, (v) research and academic institutions development support to the LGUs on technical and science-based requirements in managing and protecting coastal fisheries.

63. For Livelihood Development, the sustainability plan should take into account (i) partnerships commitment with relevant LGUs, GOs, NGOs, private sector (markets, FOs/FHH enterprises), and financing institutions to leverage business development support services, market development/improvement, and continuing improvement and innovations. Collaborative modality needs to be stressed; (ii) assigning responsibility to a BFAR unit in the continuous monitoring-mentoring of the established enterprises/start-ups of the FishCORAL project, maintain/improve partner relationships, as well as facilitation/ provision of needed services in partnership with other agencies; (iii) institutionalizing the ABS-GCC (Aqua-based Business School with Gender and Climate Change Perspective as the approach for enterprise/value chain development; a strategy for capacity development of fishery facilitators/extensionists, and building resilience in coastal communities; (iv) completing the inventories of facilities and equipment provided by the project or its partners, and finalize the operations and maintenance guide with the concerned LGU and FO, including a system of active monitoring and functionality assurance; (v) sustained collaboration with the PCIC to further improve the insurance coverage and

conditionalities for both individual fisherfolks and group commodity enterprise.

64. **Agreed Action:** The exit plan and sustainability strategy is a key document to ensure proper closure and turnover of project assets and transfer of continuing functions from the project hired staff to the regular BFAR staff at national and regional levels. The Project will expedite the preparation of the plan not later than the first quarter of 2022 and as necessary to contract out a consultant to facilitate the process and preparation of the document by the organic and project hired staff.

III. Project Completion Report and Staffing for the Loan Closure Period

65. **Thematic lessons learned.** IFAD is supporting the documentation of key lessons learned from the FishCORAL experience. These are focussed on (i) Aquatic Business Schools and fishery sector value chain development, (ii) Savings and credit groups (SCG) operations, (iii) Stakeholders and Science in Synergy for baywide management of coastal resources, and, (iv) Strategies to build resilience in coastal communities. During the mission, each topic was defined in more detail and the required evidence required to demonstrate the experience of the Project identified. Each Region was encouraged to collect relevant documents to support their experience in relation to each of the lessons and to provide documentary evidence to the PSCO to facilitate compilation of the lessons learned.

66. **Household end line survey and resource appraisal survey.** The PSCO team has worked on a plan for the completion of all PCR activities by end of February 2022. The updating of the Theory of Change assisted in the development of the Terms of Reference for the HH End-line survey and Resource Appraisal. These have been prepared and procurement is underway, with contract award planned by mid-October. The field data collection through the PRA2 and the end-line/HH/Impact assessment survey are critical to understand the impact of the Project. Once the firm/s have been appointed, the PSCO with, the proposed M&E consultant and IFAD will need to closely guide and monitor the preparation of the Inception Report and detailed survey and other data collection instruments to ensure that they will generate the required data.

67. **Participatory Resource Assessment Part 2 (PRSA2).** Considering the limited timeframe with the pandemic restrictions for the implementation of PRSA2, the project has streamlined the assessment of only the relevant indicators that would significantly contribute to the CRM over-all goals of the project. The major task in the Terms of Reference (TOR) for PRSA2 is the assessment of fisheries and coastal habitats to determine an increase by 15% of hard coral cover and fish biomass. The set of indicators and specific parameters have formed part of the TOR for the PRSA 2 to guide the service providers. The sampling methodologies and site selection will follow those established in the first PRSA. This will enable the project to determine the changes brought about by the interventions during implementation. The PRSA2 will be conducted in all regional sites except for BARRM sites, Illana Bay, Sulu and Basilan areas because the first resource assessment for the two bays were finished in 2019 and 2020 only. The awarding to the selected proponent is in October 2021, thus the PRSA2 can commence as early as this month once the Notice to Proceed has been issued. The PRSA will cover 120 calendar days of actual field work and one month report writing and completion of other contract outputs.

68. **PCR main report and Economic and Financial Analysis (EFA).** The TOR for the firm for the preparation of the EFA and PCR also need to be expedited given the short timeframe remaining. Some cost-efficiency may be achieved by appointing the same firm for the preparation of the PCR that is conducting the HH survey. This would mean that the firm would already have the required knowledge and familiarity with the Project scope, coverage and data, saving time and resources in the preparation of the PCR and would need to ensure the delivery of the HH survey so that the PCR preparation can proceed. Given the potential time constraints for the preparation of the PCR, especially in the context of COVID-19, the PSCO will need to work closely with the regions before December while project staff are still in place to prepare all required data for the PCR to proceed smoothly early in 2022. Should there be a successful procurement of consulting services for the household end line survey and Participatory Resource Assessment 2 (PRSA2), the project may explore the possibility of resorting to negotiated (attached or contiguous) alternative mode of procurement for the engagement of the consulting firm to conduct the PCR with EFA.

69. **Agreed Action:** To facilitate the smooth generation of all studies, preparation of the exit plan and sustainability strategy, analysis of project final data and preparation of the PCR (main report together with the EFA) and closure of accounts, the DA-BFAR and PSCO should consider extension of contracted and critical financial and technical staff at PSCO and region into the first quarter of 2022 to ensure all actions are completed in a timely manner, leaving only requirement for minimal staff during the second quarter for final closing.

70. IFAD and Government of the Philippines endorse the findings, recommendations and agreed actions of the implementation support mission.

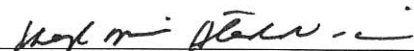


Jerry E. Pacturan

Mission Leader/Country Programme Officer,
IFAD

26 October 2021

Date



Cheryl Marie Natividad-Caballero

Undersecretary, Department of Agriculture

03 NOVEMBER 2021

Date