

Annex 1. IFAD Mission Team Initial Review of the Draft PCR

1. **Targeting and Outreach.** Reported outreach is 87% of the targeted 724,000 individuals, 74% of the targeted 188,000 households, an 49% of the targeted 90,596 direct household beneficiaries. Of the 51,132 direct individual fishers reached, 30% (15,490) were female, 11% (5,574) were youth, and 3% (1,392) were IPs. The POs or group membership reached 29,188 members. The FARMCs had 679 members, and the FLETs had 1,133 members. IPs were targeted BARMM and Region XIII only and able to reach 3% of the total beneficiaries. The low outreach performance has to be analysed in the context of design considerations: e.g. reduction of project duration, unrealized MTR adjustments; occurrence of pandemic, forex differences, cost fluctuations, among others.

2. In terms of targeting approaches, analysis should also look into project coverage, staffing combining hired staff and LGU complementation at the municipal and barangay levels, consideration of phasing as introduced in the design, changes in approach from purely livelihood to value/supply chain at the bay-wide level to reach more beneficiaries, and the application of the participatory resource and social appraisal (PRSA) findings conducted by the regions in targeting the poor fishing households.

3. **Physical Targets and Output Delivery.** The Project reported overall weighted physical achievement (OWPA) of 96.17%. Region VIII achieved the highest rate of success at 88.18%, followed by Region XIII at 86.81%, Region V at 86.59%, and BARMM at 85.34%. CRM contributed the most at 54.55%, followed by LD at 36.10%, and PMC at 5.52%. While the Project reported high physical achievement, financial performance is at 75.83%. Among the four regions, Region V had the highest disbursement at 87.71%, followed by BARMM at 86.15%, Region 8 at 81.12%, and Region 13 at 80.80%. Considering more than 20% difference in the physical and financial performance, around 10% difference in the overall physical performance of regions combined with the overall OWPA, there is a need to review the calculations and or justifications for the differences with the guidance of NEDA. The calculation of targets should also refer to the final approved changes in the logframe indicators, the approved cost centers and also the RIDE (Report on IFAD's Development Effectiveness) logframe submitted to IFAD.

4. **Coastal Resource Management (CRM).** To close the loop on the CRM outcome and varying outputs, the results of the increase in stocks is needed (pending results PRSA2 and EOS), as the resiliency and replenishment of stocks are supposed to be an output of the CRM interventions. Project is too focused on the accomplishment per output (e.g., numbers, %) but at this point, the relevance of the FishCoral project design – the interplay of the 15 different elements of the CRM component should be shown. It would be good to see a specific case for each region that shows the synergy of the enforcement of rules and regulations, good governance with policy support, stock enhancements and active community participation in increasing fisheries stocks in the protected habitats and its spill-over effects in the adjacent areas. Each region must come up with one example in one area/LGU that exemplifies this coupling of the outputs, to be used for replications or learnings (e.g., FMAs).

a. **CRM plans and investment plans (Municipal/City and bay-wide) formulated or updated** - FishCORAL has been successful in getting 97/103 LGUs with CRM Plans, with 65 integrated into the CDP ensuring its priority in the LGU and 46 in the AIP ensuring its financial sustainability. There is still a need for the BMCs to follow-up on the adoption of the plans of those member LGUs. And, although CRM interventions can be done without the existence of a plan as shown in some LGUs, BMCs still need to facilitate to formulate those without (7 LGUs). This can be included in the Sustainability Plan.

b. **Baywide Management Councils (BMCs)** – This is one of the strengths of the project, creating/strengthening BMCs, with 13 of 11 targets successfully established, with the intent to glean the learnings to the FMAs. However, only 3/11 baywide plans formulated and only 2/3 adopted, and only Reg 8 has 4 baywide unified fishery ordinances enacted. Project must make a harvest of the “whys” and “hows” to understand why successful and not.

c. Project must have agreed specific operational and strategic activities for the regional BMCs to continue and work on for CRM: its own operational management team, the adoption and formulation



of its respective baywide plans (8 BMCs), its operational funds from member LGUs annual allocation (9 BMCs), facilitate CRM Plans of some of its member and integration into AIP for the sustainable financing, secure honoraria of the FLET and MFARMC for those without.

d. **Delineation of Municipal Waters** – This is something beyond sphere of control of the project, with only 29/103 declared municipal boundaries. Project can only lobby and facilitate disputes among local/ provincial government bodies that NAMRIA can settle as the authorized agency. But the learnings here might require a national policy support to address this recurring issue in settling delineations, especially with the increase IRA implications at this critical time of the new Mandanas-Garcia ruling. The policy paper can cite the successful and challenging cases in the FishCoral project.

e. **Habitats for fishery and coastal resources rehabilitated and established and Stock Enhancements and ARs.** The strong enforcement and participation of relevant stakeholders afforded protection to the habitats and sanctuaries, enhanced with the introduction of 12/22 species-specific stocks. But, have these CRM interventions redound to increase stocks? Unfortunately, there is no assessment done as it was not part of the design (e.g., no MOV on this). Further, information on the stock enhancements is scarce in the PCR draft. Project needs to check if there are data on assessments or linkage, even anecdotal, even in one stocked species only, or impact on livelihood per region. This is also pending results from PRA2 and EOS.

f. **Assessment of BMC Sustainability.** Making the BMCs operational is still in the nascent stage to its essential function as the coordinating platform. This is challenging because of the socio-political climate, the financial contribution (with only 2 BMCs successful) and the “hosting” of its membership, its core management team, among other critical items to address after project. It must be explicit and specific in the Sustainability and Exit Plan to identify the roles and responsibilities of the BMCs. BMCs with Regional BFAR should take over the facilitation as NAMRIA can demarcate the terminal points but addressing the different issues of the LGUs needs facilitation, especially with the new guidelines by DA/DENR that are not yet finalized.

5. **Livelihood Development.** The draft PCR measures only the increase in income of households from the community-based enterprises introduced by the project. However, logically, if the stock of fisheries and other aquatic resources have increased as a result of effective CRM, this should result in higher fish catch which would result in increase in incomes of fishing households that were not beneficiaries of the enterprises that were supported by the project. Therefore, the assessment of increase in income of households in the project areas is incomplete. Furthermore, the draft report does not analyze the reasons behind the projects inability to substantially achieve the targets that it has set in livelihood development. It is important to determine the reason behind this discrepancy as reference for future projects and in designing remedies for BFAR and partner LGUs to help improve the performance of livelihood interventions beyond the FishCORAL project. Finally, the report does not dwell deeper into the reasons behind why some enterprises are more profitable than others. The wide gap between the most profitable and the least profitable enterprises should help BFAR improve its decisions on which enterprises should continue to be assisted after the project and what it can do to increase the profitability of those that do not produce the desired margins for the fishers. These can also reveal the quality of livelihood interventions and what capacities and investments need to be improved beyond the FishCORAL project.

6. **CRM and Livelihood Development.** CRM component’s link to Livelihood has been difficult to connect. There is a need to show a proof of concept at end of project. To do this, the project has to showcase where a protected habitat/resource and enhanced stocks (thru ARs, stock enhancements either juveniles or breeders) resulted in increase of commercially viable stocks that benefited the fishery-coastal-related livelihood (e.g., lobster fry, mussels) and ensured replenishment of the stocks for sustained alternative income, especially having successful local suppliers to the fishery enterprise.

7. **Environment and Natural Resource Management.** FishCORAL was designed and approved when SECAP was not yet a requirement. Instead, a compliance assessment with IFAD policies ensured that climate change, environment and natural resource risks and vulnerabilities were understood and



integrated into the project's design. The PCR mission evaluated the project's performance in responding to the risks and vulnerabilities identified. Ecosystem-based project activities like the protection of natural habitats, investments in strengthening coral reefs and mangroves as natural ecosystem buffers against climate hazards improved resilience. However, there is still room for improvement regarding how livelihood business plans integrate risk management in their planning and implementation. The latter should be also shown in the PCR report.

8. Gender and Social Inclusion. FishCoral has achieved measurable results on gender equality, social inclusion and women's empowerment based on its theory of change. The project has satisfactorily created economic opportunities for women, youth, IPs and men in the project areas. Successful stories of women entrepreneurs, women management of fish sanctuaries and fishery value chains, CRM livelihood activities, development of FARMCs, and FLETs and habitat management; and women leadership in FARMC, fishing organizations, and BMC, along with increase in incomes are some key achievements of FishCoral. The project has a solid project management which is gender responsive in terms of (i) sex age disaggregated data system and M&E system based on HGDG; (ii) ensuring community participation in project M&E (under the livelihood component, the project has formulated specific monitoring tools for the sub-project which are being used by the facilitators and the corresponding target groups/beneficiaries. This includes sub-project activities including monitoring tool, and expenses and income; iii) gender balanced staffing at all levels including Gender Focal Points at national and regional levels; iv) 13% of the project budget on gender activities and gender training were provided to the project staff. FishCORAL is also an active member of the IFAD Projects Gender Network (IPGN). To consolidate the gender gains of the project, the mission recommends to develop the sustainability plan of women-led enterprises and business launch post ABS and to include a section where and how the lessons and established good models on gender can be scaled up and include the context and the rationale for the achieved targets of 35% of economic empowerment of women against 50% and increase in fishing household incomes of 23% against the target of 30%.

9. Knowledge Management. KM was based on elaborate KM Plan prepared in 2017/2018, which guided the strategic direction, approaches, deliverables and the responsibilities and roles of different project institutions in KM process. A number of knowledge products were delivered, including project briefers, videos, radio programmes, posters, billboards, infographics, factsheets and case studies, which helped to increase awareness about the project and disseminated data, results and success stories. KM ended with an assessment of the project's accomplishment based on its four-prong strategy as outlined in the KM plan and four thematic lessons learning document were drafted.. A thorough review of the four lessons learning documents should be made. As drafted they appear to be a duplication of project reports. For example the BMC theme is lacking on the learnings as the document now is a duplication of the entire CRM component report. FishCORAL Project must come up with 1-2 page learnings that can be used by the fishery management areas (FMA). It is also highly recommended to make a policy paper on Delineation to facilitate the coastal waters demarcation with BFAR-NAMRIA-BMCs and LGUs.

10. Quality of Project Management. There are two management modalities in this Project. First, is management under the BFAR regular programme covering Regions 5, 8 and Caraga. Second, is implementing the project under the Autonomous Region in Muslim Mindanao (ARMM) which transitioned into Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). Project's reference in project management has slanted more on reviewing it under the BFAR regular programme, but lacked elaboration on managing the project in 3 bays in Mindanao under BARMM. There should be sub-section on ARRM/BARRM management Another area that should further analysed is working with LGUs.

11. As to staffing, as per design the total number of community facilitators is at 368 in regions 5, 8 and Caraga (184 hired and 184 from LGUs) and 36 community facilitators in BARMM. As reported at PCR, only 45% of the targeted 184 community facilitators in regions 5, 8, and Caraga were hired by the project and 64% of the targeted facilitators were hired in BARMM. There is no reporting on how many LGU Fishery Technicians/Extensionists were assigned to the Project. This actual staffing should be analysed in relation to its impact in implementing the project, the context why the LGU staff counterparting was not actively pursued, and what mechanisms or strategies were introduced by the Project to mitigate a reduced number of staff. Another area that should be assessed is the decentralization of project implementation at the regional levels and the extent to which the PSCO has

guided project implementation.

12. **Financial Management.** Project Financial management is moderately satisfactory with backlogs on staff capacity, payment process, financial reporting and submission of withdrawal application, these issues were slightly improved after mid-term review. There are some issues in monitoring the fund flow, outstanding payables, advance liquidation and budget monitoring at LGUs. Despite the project extension, disbursement rate is moderately low, as of 21 June, total disbursements are 65% for the grant and 77% for the loan. Quality of Audit reports were moderately unsatisfactory for first 3 years and then it slightly improved since 2019. There were some ineligible expenditure relating to payment of tax from IFAD fund which was fully refunded and resolved.

13. **Project Internal Rate of Return.** A draft IRR analysis was submitted which requires finalization once the SDS EOS/PRA2 reports have been submitted. It is expected that final report will be submitted on 23 June 2022. The final report has to be reviewed and approved by BFAR/FishCORAL management.

14. **Procurement.** The mission has been provided with requested procurement related data in the 2019 Project Procurement Analysis Report and the Procurement and Contracts Management Register. The mission was also provided with data on fund transfers to partner LGUs for the conduct of procurement activities. The mission notes that procurement activities by LGUs were not covered by the 2019 Project Procurement Analysis Report and the Procurement and Contracts Management Register. In addition to the supervision mission reports and aide memoires the project provided the mission with data reflecting procurement efficiency by LGUs in the conduct of procurement activities.

15. **Lessons Learning.** Aside from the four thematic lessons learning studies that distills the lessons harvested by the Project, FishCORAL has generated useful lessons and experiences over its six years implementation period, from its approaches, results achieved and various knowledge and information sources. Major lessons include: (i) CRM and livelihood interventions, incorporating climate resilience and gender issues, are key for sustainability, replication, and implementation of fishery and coastal resource development projects; (ii) Scale of livelihoods projects determine the impacts on poverty reduction, hence the need to cluster production of single commodities in order to generate economies of scale, linkage to markets, financial institutions, and input supply; (iii) Delineation of municipal waters is a long process and requires early planning to put in place the necessary ordinances, guidelines and institutions to address boundary conflicts; (iv) Design and construction of disaster-resilient infrastructure should take into consideration durability and sustainability, incorporating operation and maintenance of infrastructure into long-term climate change adaptation and disaster risk management plans; (v) the need to incorporate insurance facility against natural calamities, pests, and diseases, in order to build coastal communities resilience and ensure the continuity of enterprises; (vi) Ensure proper design of artificial reef suiting the local sea dynamics, and the cooperation with local institutions and stakeholders for successful deployment of reefs; (vi) To ensure sustainable grouper production enterprise, there is need to incorporate a grouper nursery in order to provide producers with long-term access to fingerlings.

