



REPUBLIC OF MOZAMBIQUE

MINISTRY OF AGRICULTURE AND FOOD SECURITY
Centre for the Promotion of Agriculture
(CEPAGRI)

**Pro-poor Value Chain Development Project in the Maputo and Limpopo Corridors
(PROSUL)**

Financed by:
Government of Mozambique (GOM)
**International Fund for Agricultural Development (IFAD) (IFAD Loan No. I-878-MZ and IFAD
Grant No. I-C-1391-MZ)**
Spanish Food Security Cofinancing Facility Trust Fund (Trust Loan No. E-15-MZ)
Adaptation for Smallholder Agriculture Programme Trust Fund (ASAP Grant No. C-ASP-1-MZ)

Annual Work Plan and Budget and Procurement Plan for Year 2016

November, 2015

Project Profile

Date of Effectiveness	3 October 2012
Completion Date	31 December 2019
Loan closing date	30 June 2020
Launching Date	17 April 2013
Total Budget	USD 44.95 million USD
IFAD Loan	USD 16.30 million
IFAD Grant	USD 1.52 million
Spanish Trust Fund Loan	USD 16.30 million
ASAP Grant	USD 4.91 million
Government of Mozambique	USD 2.49 million
Private Investors	USD 1.90 million
Beneficiaries	USD 1.40 million
UNCDF	USD 0.14 million
Project Objective	Sustainable increased returns to smallholder farmers from increased production volumes and quality in three target value chains (horticulture, cassava and red meat), improved market linkages, efficient farmer organization and higher farmers' share over the final added value, and interventions contributing for climate resilience, land tenure security and gender equity
Target Area	19 Districts of Maputo, Gaza and Inhambane provinces
Targeted Value Chains	<p>Horticulture: <i>Maputo</i>: 1) Moamba; 2) Marracuene; 3) Namaacha; and 4) Boane and <i>Gaza</i>: 1) Xai-Xai; 2) Manjacaze; 3) Chókwè; 4) Guijá; and 5) Chibuto</p> <p>Cassava: <i>Gaza</i>: 1) Manjacaze and <i>Inhambane</i>: 1) Zavala; 2) Inharrime; 3) Jangamo; 4) Morrumbene; and 5) Massinga</p> <p>Red meat: <i>Gaza</i>: 1) Chókwè; Guijá District 2); 3) Chicualacuala; 4) Massingir; and 5) Mabalane and <i>Maputo</i>: 1) Manhica; and 2) Magude</p>
Coordination	<p>Centre for the Promotion of Agriculture (CEPAGRI)</p> <p>Project Management Team</p> <p>Lead Service Providers</p>

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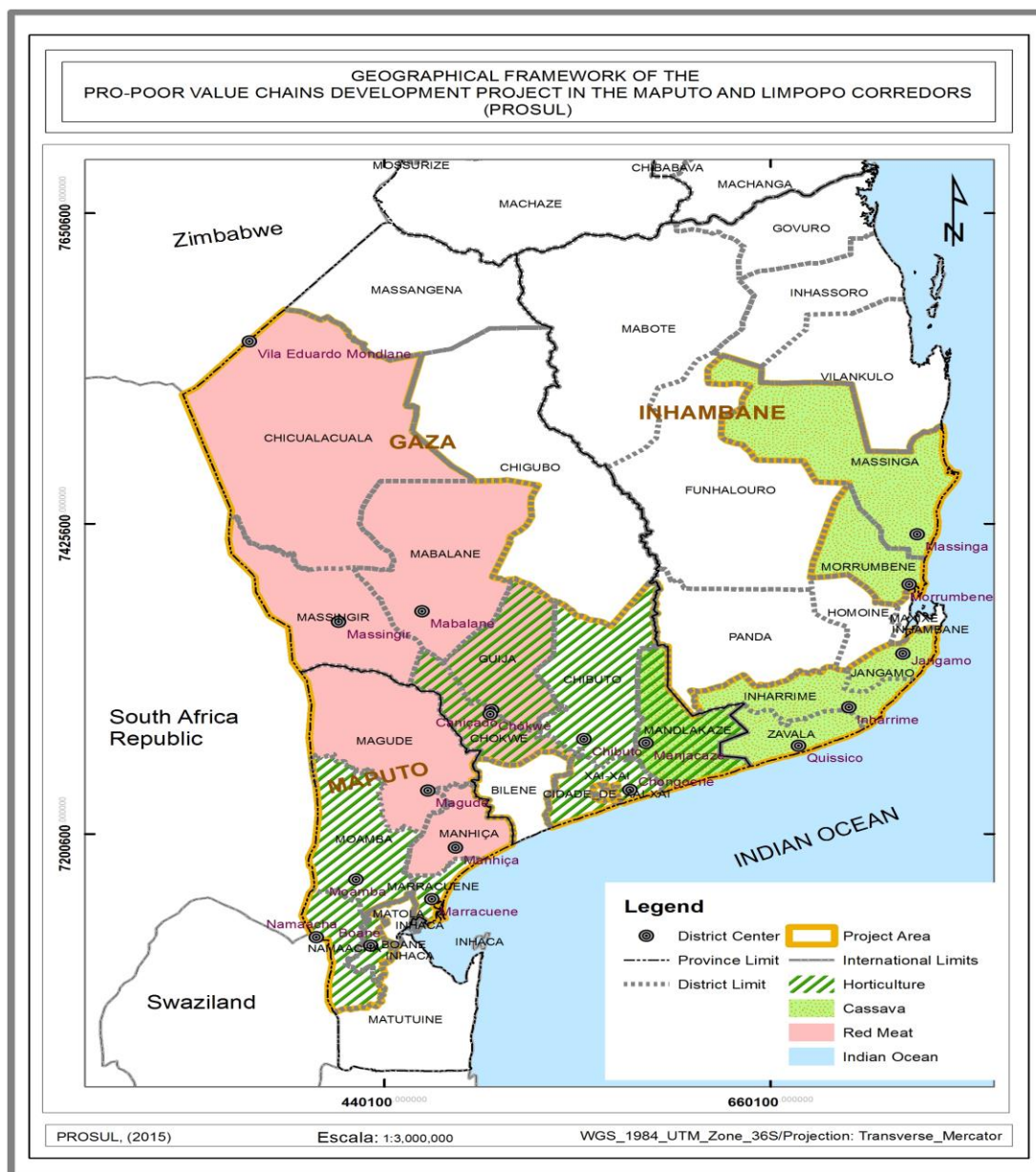
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Abbreviations & Acronyms

AHP	Animal Health Promoter
ASAP	Adaptation for Smallholder Agriculture Programme
ASCA	Accumulative Saving and Credit Association
AWPB	Annual Work Plan and Budget
CBO	Community Based Organization
CEPAGRI	Center for the Promotion of Agriculture
CFMP	Medium-term Fiscal Scenario
CT	<i>Conselho Técnico do MINAG</i>
DE	Directorate of Economics
DNEA	National Directorate of Agrarian Extension
DNSA	National Directorate of Agrarian Services
DNSV	National Directorate of Veterinary Services
DNTF	National Directorate of Lands and Forests
DPA	Provincial Directorate of Agriculture
e-SISTAFE	State Financial Administration System
FA	Financing Agreement
FAFEF	<i>Faculdade de Agronomia e Engenharia Florestal</i>
FSP	Finance Service Provider
GoM	Government of Mozambique
ha	Hectare
IFAD	International Fund for Agricultural Development
IIAM	Agrarian Research Institute of Mozambique
INAM	National Institute of Meteorology
INIR	National Institute of Irrigation
ITA	International Technical Assistance
KM	Knowledge Management
LF	Logical Framework
LGF	Loan Guarantee Fund
LOC	Line of Credit
LSP	Lead Service Provider
LTA	Land Tenure Adviser
LTSP	Land Tenure Service Provider
MASA	Ministry of Agriculture and Food Security
MFI	Microfinance Institution
MINAG	Ministry of Agriculture
MoU	Memorandum of Understanding
N/A	Not Applicable
NTA	National Technical Assistance
PEDSA	Strategic Plan for Agriculture Development Sector
PIM	Project Implementation Manual
PIOTAF	PROSUL Innovation Outreach Technical Assistance Facility
PM&E	Planning, Monitoring & Evaluation
PMT	Project Management Team
PNISA	National Investment Plan for Agriculture Sector
PP	Procurement Plan
PRONEA	<i>Programa Nacional de Extensão Agrária</i>
PROPECA	Artisanal Fisheries Project
PSC	Project Steering Committee
PSP/PRONEA	PRONEA Support Project
RBL, E.P	<i>Regadio do Baixo Limpopo, Empresa Pública</i>
RFP	Request for Proposal

RIMS	Results and Impact Management System
SDAE	District Service of Economic Activities
SDR	Special Drawing Rights
STF	Spanish Trust Fund
TOMPRO	Financial Management System
UEM	Eduardo Mondlane University
UNCDF	United Nations Capital Development Fund
USD	American dollar
VC	Value Chain
VC DAP	Value Chain Development Action Plan

Map of the Project Area



1. INTRODUCTION

1.1. PROJECT OUTLINE

1. On 03 October 2012, the Government of Mozambique (GOM) and the International Fund for Agricultural Development (IFAD) signed the Financing Agreement of SDR 10,850,000 (IFAD Loan No. I-878-MZ), SDR 1,010,000 (IFAD Grant No. I-C-1391-MZ), EUR 13,300,000 (Trust Loan No. E-15-MZ) and SDR 3,620,000 (ASAP Grant No. C-ASP-1-MZ). The estimated total project cost is USD 44.95 million, including contributions by the GOM (USD 2.49 million), project beneficiaries (USD 1.4 million) and private investors (USD 1.9 million). The project became effective on 03 October 2012, the project completion date is 31 December 2019 and the loan is expected to close on 30 June 2020.
2. The Project objective is to increase the returns for smallholder farmers from increased production volumes and quality in three target value chains (horticulture, cassava and red meat), improved market linkages, efficient farmer organization and higher farmers' share over the final added value, via interventions contributing to climate resilience, land tenure security and gender equity. PROSUL will reach 20,350 beneficiary households, mostly economically active poor who are already involved in the three targeted value chain production across 19 districts of the provinces of Maputo, Gaza and Inhambane.
3. The Project is implemented by the Ministry of Agriculture and Food Security (MASA) being the *Centro de Promoção da Agricultura* (CEPAGRI), the leading agency. Within CEPAGRI, the Project daily implementation is ensured by the Project Management Team based in the CEPAGRI Delegation in Xai-Xai, Gaza province.
4. The Project comprises five components:
 - a) Component 1: Horticulture
 - b) Component 2: Cassava
 - c) Component 3: Red meat
 - d) Component 4: Financial Services
 - e) Component 5: Institutional Support and Project Management
5. The purpose of the *horticulture component* (C1) is to increase income for smallholder farmers producing irrigated vegetables through increased productivity, volumes and quality of vegetables reaching both traditional and modern market segments. It consists of three sub-components: (i) Rehabilitation and expansion of approximately 2,100ha of existing irrigated perimeters and (ii) strengthening linkages between value chain stakeholders. It is expected to reach 4,800 smallholder farmers. The component is implemented by a Lead Service Provider, the Gapi-SI/ Novedades Agrícolas Consortium.
6. The aim of *Cassava component* (C2) is to increase income for smallholder farmers in the project area through interventions and activities concentrated on multiplication of cassava improved varieties, farmer group organization and strengthening, promotion of outgrowing schemes and access to services. It is expected to reach 8,000 smallholder farmers exploiting around 2,800ha. The component is implemented by a Lead Service Provider, the SNV/Mahlahle Consortium.
7. The purpose of the *red meat component* (C3) is to increase income for cattle, goat and sheep producers through improved climate smart production and better organized markets. It will reach some 5,600 smallholder ruminant producers with activities that foster better production and off-take. This will be achieved through empowering small-scale livestock producers to form organizations producing quality ruminants based on essential services and jointly managed water sources that will

increase resilience to drought. The component is implemented by a Lead Service Provider, the SNV/ILRI Consortium.

8. The objective of the *financial services component* (C4) is to assist the Project beneficiaries and stakeholders in the three targeted value chains accessing a timely and adequate access to a diversified range of affordable financial products, through existing or to be created financial and non-financial service providers. The conditions for the implementation of this component are now created due to reformulation of the component including its implementation modalities, resulting in restructuring the component in five subcomponents, namely (i) Community-based Financial Organizations (CBFOs) via the establishment of Accumulating Savings and Credit Associations (ASCAs); (ii) The PROSUL Innovation and Technical Assistance Facility (PIOTAF); (iii) Line of Credit; (iv) Loan Guarantee Fund (LGF); and (v) PROSUL Financial Services Unit. Subcomponents 1, 2, 3 and 4 are to be implemented through service providers.
9. The purpose of the *Institutional Support and Project Management Component* (C5) is to ensure institutional support to CEPAGRI and other key Government institutions, and also ensure better project management including coordination, management, accounting, monitoring and evaluation capacities. Main activities in this component include but not limited to: the preparation of consolidated AWPBs, improving financial management, preparing timely progress reports, facilitating procurement of equipment and services, and organizing and coordinating specific studies.
10. Under Component 5 above, three cross-cutting issues will be addressed: i) gender and targeting; ii) land tenure security; and iii) climate adaptation. The specific objective of the gender and targeting is to assist MASA and CEPAGRI in particular, in the design of implementing strategies and actions including capacity building in order to promote gender equality, youth and social inclusion. Activities under gender and targeting are mainly implemented by lead service providers under guidance of the Project Gender Officer. Activities under land tenure will be implemented by the recruited Land Tenure Service Provider (LTSP), the Verde Azul/ Lupa Consortium. These activities are aimed at securing land rights and security for the Project beneficiaries. Finally, the purpose of climate adaptation interventions is to improve climate resilience among project beneficiaries and building institutional capacity within the Government. These interventions are specifically funded by ASAP.

1.2.ANNUAL PLANNING AND THIS AWPB

11. The AWPB 2016 serves as operational and guiding tool for the implementation process of PROSUL by CEPAGRI/PMT, (Lead) Service Providers (LSPs, LTSP and other SP's), DPASA's, SDAE's, SDPIs, MASA National Directorates and Subordinate Institutions, and other government institutions involved in the implementation of the project like INAM and ANE. The preparation of the AWPB is still a challenging process for the Project with regard to the following aspects: i) the need for adjusting the current Project planning exercise to the Government planning and budgeting cycle; and ii) the need for ensuring effective project beneficiaries participation and stakeholders participation.
12. In relation to adjusting the Project planning process to the Government cycle, PMT and LSP's first compiled a much broad version of the 2016 Economic and Social Plan treated as PES (same as AWPB) which allowed to budget and foresee expected about of counterpart funds as per Government procedures between May and July 2015. This process was at late stage complemented by discussions and harmonization held at regional value chain platform meetings with the aim of discussing and approving detailed AWPB for 2016 in each value chain component maintaining the budget in line as per the one digitalized in the Government system.
13. Sequentially, the elaboration of the AWPB 2016 observed the following steps:
 - a) Update of the Project Logical Framework (LF) by CEPAGRI/PMT, essentially to accommodate the reformulation of component 4 – financial services;

- b) Determination of generic activities in order to comply with Government planning cycle, and specially not lose the opportunity of degilizing a draft of the budget in system. This step is critical for ensuring budget in the following year, especially during the first quarter;
 - c) Organization by LSP's of value chain platform meetings to discuss and approved detailed 2016 AWPB as per IFAD guidelines;
 - d) Determination of activities for each of the five components of the project including indicators and physical target, timeline and budget grouped according categories and financiers; and
 - e) Presentation and discussion with the IFAD follow up Mission that was held from 02 to 06 November 2015. The mission recommended PMT to consider revisising and reducing total budget taking into account the tendency and actual implementation performance in previous years and the fact that in case of a need of additional budget, IFAD would be open to top-up.
14. The implementation of the AWPB 2016 is estimated at 383.761.706,00Mt (equivalent to USD 9,594,043). Compared with the budget planned for 2015 (USD 11,644,513.00), there was a reduction in 18%. In previous years of Project implementation there was a tendency of being very ambitious in planning process assuming that LSPs and procurement regarding civil works would move as planned. However, there is a scope for such optimism taking into account the fact that all three key lead service providers of value chain components are fully established and engaged in physical activities implementation, the process of recruiting the land tenure service provider was finalized, component 4 – financial services has been redesigned and it is expected to finalize the recruitment of implementing partners in January 2016, technical irrigation studies including tenders for the recruitment of contractors are expected to be finalized in February 2016.
15. The remainder of this AWPB is presented as follows:
- Implementation Progress from 2013 to 2015;
 - Project Strategy and Focus for Project year 2016; and
 - Consolidated Annual Budget.

2. IMPLEMENTATION PROGRESS DURING YEAR - 3 (2015)

2.1. OVERALL PERFORMANCE

16. Although PROSUL became effective on 03 October 2012, the kick-off inception workshop held on 17 April 2013. During the remaining period of 2012 (October to December) and 2013 (**year 1**), many interventions were concentrated on the establishment of the Project including: (i) The recruitment of PMT and its establishment in the CEPAGRI Delegation in Xai-Xai; (ii) Identification and renovation of the CEPAGRI Delegation offices in order to accommodate PROSUL PMT; (iii) Procurement of vehicles, computer equipment and office furniture for PMT; (iv) Design of the Project Implementation Manual (PIM); (v) Establishment of the financial management system; (vi) Design of the Planning, Monitoring & Evaluation (PM&E) System; (vii) Establishment of the Project Steering Committee; (viii) Procurement of the three LSPs for the 3 value chains (Horticulture, Cassava and Red Meat) and the Land Tenure Service Provider (LTSP); (ix) Quantitative baseline survey; and Signing of key memorandums of understanding foreseen. With exception of the procurement of vehicles, computer equipment and furniture, design of PIM and renovation of the office; all other activities were partially completed at the end of 2013.
17. During the year of 2014 (**year 2**), the following activities were finalized: recruitment of the three LSPs; establishment of the PM&E system; design of the master plan instead of memorandums of understanding between CEPAGRI and other MASA Directorates; establishment of MOU with INAM, and quantitative baseline survey. Other activities that registered significant progress include: recruitment of LTSP, Land Tenure Advisor (LTA) and overall improvement of the Project financial administration sector.
18. The year of 2015 (**year 3**) was marked by significant progress in terms implementation of impact activities for the project beneficiaries in three value chain components, the redesign of component 4 – financial services and filling all PMT positions with exception of the Climate Change and Adaptation Specialist. In summary, overall progresses achieved are as follows:
- **Horticulture (C1):** Finalization of the recruitment of the Horticulture Service provider including contract registration at Tribunal Administrativo; Participatory Rapid Appraisal of the horticulture value chain; finalization of irrigation technical studies including topographic and hydrologic surveys, soils and socioeconomic studies for the rehabilitation of 1041 hectares; construction of 13 and rehabilitation of other 8 hydroregulators at the Lumane block of Baixo Limpopo irrigation scheme; training of 32 technical staff (extensionists and value chain district officers) on FFS methodology and procurement of 396 start-up kits to ensure production in 99 hectares involving 396 smallholder farmers;
 - **Cassava (C2):** Multiplication of stems of improved cassava varieties in a total area of 14,55 hectares; establishment of 60 FFS's; procurement and distribution of kits to 386 smallholder farmers to ensure production in a total area of 96.5 hectares; and establishment of a service hub at Zavala District;
 - **Red meat (C3):** Construction/rehabilitation of water points (3 boreholes) in three districts; construction of 4 cattle fairs in 4 districts; training and demonstration of hay making and conservation of fodder for dry season and cattle crushes involving 80 groups formed by 2.211 members; training of and procurement of kits for 36 animal health agents;
 - **Financial Services (C4):** Finalization of the redesign of component 4 - financial services including starting procurement process aimed at recruiting the implementing partners in its subcomponents 1, 2, 3 and 4.
 - **Institutional Support and Project Management (C5):** Finalization of the recruitment process for PMT key positions: M&E and KM Officer, Agribusiness Specialist, Financial Service Specialist and Land Tenure Advisor; Finalization of the recruitment of Land Tenure Service Provider including registration of the contract at TA; design of guidelines on planning,

budget execution, accounting, monitoring and evaluation for PMT and LSP's; and construction of 2 semi-automatic meteorological stations in Chókwè and Nhacoongo.

19. With regard to budget, there was no budget allocated to the Project in 2012. The total budget planned for 2013 (**Year 1**) was USD 1.788.213,64. The total expenditure/ budgeted executed in 2013 was USD 835.764,27 which represents 47% of the plan. The total budget planned for 2014 (**Year 2**) was USD 5.666.185,76. The total expenditures was 1.120.978,36 (20% of the plan). The total budget planned for 2015 (**Year 3**) was USD 11,644,512.63, and the expenditures/budget executed is estimated at USD 2,074,318.45 (17,8% of the plan).
20. Key constraints for project performance in terms of budget execution and also in terms of disbursement rate which is 20.51% against an ideal rate of 42% include: complexity of the process of contracting Lead Service Providers which are the key players in terms of implementation; time consuming and complex process of decentralizing the Project and setting e-SISTAFE; the fact that component 4 – financial services had to be redesigned; and delays in the implementation of rehabilitation of irrigation schemes. However, all these constraints have addressed, and hence it is expected that the Project register significant progress in 2016.

2.2.PROGRESS BY COMPONENT

Component 1 – Horticulture

21. Overall, under this component there was much progress compared 2014 because the finalization of the recruitment the process of the Lead Service Provider, and its immediate engagement with PRA and implementation of physical activities. The contract with the selected candidate, the GAPI-SI/ Novedades Agricolas Consortium was signed on 05 December 2014, and the registration at TA was 4 May 2015.

Sub-component 1.1 – Rehabilitation and expansion of approximately 2.100 ha of existing irrigated perimeters

22. The interventions under this sub-component are implemented under technical and methodological guidance of the National Institute of Irrigation (INIR). Up to date, the main activities developed were:
- Finalization of irrigation technical studies for the rehabilitation of 1.041 hectares of the irrigation schemes, as listed below. With exception of Manguiza and Mafuiane irrigation schemes in Maputo province, for all remaining schemes, the irrigation technical studies were conducted by the Faculty of Agronomy and Forestry Engineering (FAEF) from the Eduardo Mondlane University (UEM):
 - Gaza province
 - 25 de Setembro (50 ha) and Gandlaze (45 ha) at Chókwè district;
 - 7 de Abril (100 ha) and Nhatine (50 ha) at Guijá district;
 - Banguene (76 ha), Malene/ Vunguine (211 ha) and Banze (101 ha) in Manjacaze district;
 - Maputo province
 - Manguiza (18 ha) in Boane district;
 - Block 1 (390 ha) at Moamba district.
 - Construction of 13 hydroregulators and rehabilitation of other 8 at the Lumane Block of the Baixo Limpopo irrigation scheme which will ensure production in a total area of 169 ha, involving around 500 smallholder farmers; and
 - Training for 30 producers of the Lumane block (of which 12 are women) on water and hydraulic infrastructure management. This training was conducted by the RBL, E.P, the public company responsible for water and land management of the Baixo Limpopo irrigation scheme.

Sub-component 1.2 – Strengthening linkages between value chain stakeholders

23. The majority of activities in this sub-component are under responsibility of the Horticulture LSP contracted (GAPI-SI/Novedades Consortium). Up to date, the main interventions undertaken include:
- Procurement and finalization of the recruitment process of the Horticulture LSP, GAPI-SI/Novedades Agrícolas Consortium. The contract was signed on 5 December 2014, and the registration at TA on 5 May 2015;
 - Participatory Rural Appraisal (PRA) including validation workshop on 4 August 2015 at Marracuene District (for Maputo Province) and 5 August 2015 at Chókwè District (for Gaza Province);
 - Establishment of the Lead Service Provider including recruitment of six (06) district officers, procurement of 6 motorcycles and 3 vehicles, office furniture and equipment. The contract for vehicles has been signed. However, the vehicles were not provided yet.
 - Mobilization of 1.190 producers of which 498 in Maputo Province and 692 in Gaza Province distributed according to the schemes per district as follows:
 - Maputo province
 - Manguiza (Total 52 farmers, being 26 men and 25 women) in Boane District;
 - Mafuiane (a total of 226 farmers, being 108 women and 118 men) in Namaacha district; and
 - Block 1 (a total of 99 farmers being 60 Women and 39 men) and Block 2 (a total of 121 farmers, being 76 women and 41 men) at Moamba district.
 - Gaza Province
 - 25 de Setembro (a total of 31 farmers, being 11 men and 20 women); and Gandlaze (Total 39 farmers, being 10 men and 29 women) at Chókwè District;
 - Nhatine (a total of 101 farmers, being 13 men and 88 women); and 7 de Abril (a total of 184 farmers, being 48 men and 136 women) at Guijá District;
 - Vungine/Malene (a total of 192 farmers, being 42 men and 153 women); Vunguine/Banze (a total of 50 farmers, being 22 men and 28 women) and Banguene (a total of 92 farmers, being 70 men and 22 women) at Mandlakaze District; and
 - Lumane Block (a total of 211 farmers, being 50 men and 161 women).
 - Procurement of 396 start-up kits to ensure production of 87,5 ha of vegetables involving a total number of 396 smallholder farmers, of which 54% are women;
 - Establishment of demonstration of climate resilient technologies, namely: starting construction of 1 shade cloth for production with a total green area of 1,500 m² at Mafuiane irrigation scheme, Namaacha district; and
 - Effective implementation of the contract between CEPAGRI and the Horticulture Lead Service Provider.

Component 2 – Cassava

24. The interventions under this component are under responsibility of the Cassava LSP contracted (SNV/ Mahlahle Consortium). The contract was signed on 15 July 2014 and the registration at TA was on 22 October 2014. Progresses per subcomponent up to date are described below.

Sub-component 2.1 – Strengthening linkages between value chain stakeholders

25. The main activities undertaken include:
- Signing of MoU including agreements on plan of activities for the multiplication of stems of improved varieties between the LSP and the Mozambique Agriculture Research Institute (IAM);
 - Establishment of 46,05 ha of plots for stem-seed multiplication of cassava varieties including: (i) 14,55ha at research level (7.8ha Nhacoongo; 4.75 Chókwè Agrarian Station and 2ha

Maniquique); (ii) 9.3ha with Private sector, MozOrganics company and (iii) 22.2ha with selected emergent farmers.

- Production of cassava in a total area of 96.5ha involving 386 smallholder farmers in four districts: Morrumbene (12,50ha), Inharrime (3,25ha), Zavala (10,5ha) and Manjacaze (70,25ha).
- Establishment of 60 Farmers Field Schools (FFS) with a total number participants/ farmers of 1,732 of whom 1,104 are women (64%);
- Training for selected farmers on stems production and multiplication techniques involving 57 farmers (18 women) among representatives of demonstration plots and group or association leaders.
- Establishment of 1 service hub at Zavala district. Although this is still going it is worth highlighting the following activities: (i) signing of an MOU between CEPAGRI/PMT, DADTCO and SNV/MAHLAHLE; and (ii) Co-investment by PROSUL Project in a total amount of USD 30,000 (which correspond to 30% of the total investment, USD 100,000) for the development of phase 1 consisting of: construction of infrastructure including common services, electricity, water and toilets. In this hub, two services are being provided: commercialization of fresh cassava involving smallholder farmers and DADTCO; and processing of fresh cassava. As per current reporting, in a daily basis around 40-60 tones of fresh cassava is supplied by 10-15 farmers on average.

Sub-component 2.2 – Value chain environment

26. Up to date, the main activities undertaken include:

- Establishment of innovation and regional platforms. Three innovation platforms were established in the districts of Inharrime, Zavala and Manjacaze. The value chain platforms gather various stakeholders in the province of Gaza and Inhambane, and up now its major focus has been on planning.
- Effective implementation of contract with cassava - LSP.

Component 3 - Red Meat

27. The interventions under this component are under responsibility of the Red meat LSP contracted (SNV/ILRI Consortium). The contract was signed on 23 April 2014 and the registration at TA was on 22 October 2014. Progresses per subcomponent up to date are described below.

Sub-component 3.1 – Value Chain Environment

28. The main activities undertaken up to date were:

- Mobilization of 80 groups in four districts: Chicualacuala (19 groups); Mabalane (26); Magude (26) and Manhiça (8). In total these groups are formed by 2.211 members (31,8% women);
- Training on animal health for Animal Health Agents (AHA's) including provision of start-up kits. In total 54 AHA's were trained (36 in 2015 and 18 in 2014). All AHA's are from the four districts of year 1: Mabalane, Chicualacuala, Magude and Manhiça.
- Establishment of four district innovation platforms and one value chain platform. The innovation platforms were established in the districts of Mabalane, Chicualacuala, Magude and Manhiça.

Sub-component 3.2 – Production Improvement

29. Interventions under this subcomponent are mainly funded by the ASAP. The main activities undertaken up to date were:

- Demonstrations of Hay making and conservation of fodder for dry season, involving 932 livestock breeders from Magude (211), Manhiça (254), Mabalane (225) and Chicualacuala (242).
- Multiplication of 5.000 seedlings in collaboration with the Chobela Zoo technical Research Station aimed at the establishment of fodder banks;

- Procurement of contractors to undertake civil works for the rehabilitation of the Motaze dam;
- Construction of 3 boreholes: 2 at Chicualacuala (1 at Chassanga, Administrative Post of Eduardo Mondlane and another at 7 de Abril, Administrative Post of Mapai; and 1 at Administrative post of Combomune, Mabalane district. In total these boreholes will serve a total number of 2.194 livestock breeders owning on average 10 animals; and
- Finalization of the procurement process for recruitment of contractor for the construction of a water point at Merone, Administrative Post of 3 de Fevereiro, Manhiça district.

Sub-component 3.3 – Market Linkages

30. The main interventions developed up to date include:

- Construction of livestock market infrastructures including: 1 model cattle fair at Motaze Administrative Post, district of Magude; and construction of 3 cattle fairs at districts of Chicualacuala, Mabalane and Manhiça; and
- Effective implementation of contract with Red meat - LSP in its second year of implementation.

Component 4 - Financial Services

31. In the original design of the component, the Catalytic Fund of the Beira Agriculture Growth Corridor (BAGC) was the sole implementing partner acting as the manager of the component and operating as investment fund. To ensure this, it was foreseen that with this institution a PROSUL Department would be constituted. However, at very beginning stage this approach poses serious challenges considering the fact that the Catalytic Fund was not specialized in working with microfinance institution and the fact they were operating at the Beira corridor. To address these challenges, IFAD and Government agreed on the need of redesign the component and amend the financing agreement. In this regard, the main activities undertaken up to date were:

- Recruitment of international rural finance consultant;
- Redesign of the component which allowed to restructure the component in five subcomponents:
 - i. **Subcomponent 4.1: Community-based Financial Organizations (CBFOs) via the establishment of Accumulating Savings and Credit Associations (ASCAs)** to be implemented through service providers, the ASCA Promoters;
 - ii. **Subcomponent 4.2: The PROSUL Innovation and Technical Assistance Facility (PIOTAF)**; with four technical support windows, three of them directed at Financial Institutions (FIs), and one directed at other VC stakeholders that are promoting financial services to be implemented a service provider, the PIOTAF Manager;
 - iii. **Subcomponent 4.3: A Line of Credit** to be implemented through a service provider, a financial institution;
 - iv. **Subcomponent 4.4: A Loan Guarantee Fund (LGF)** for partly guaranteeing agricultural and VC lending activities of FIs to be implemented through a service provider, a financial institution; and
 - v. **Subcomponent 4.5: A PROSUL Financial Services Unit** in charge of staff training, knowledge management, research and supervision of and coordination with the other sub-components, and other stakeholders engaged in promoting rural finance, to be implemented by CEPAGRI/PMT.
- Organization of workshop aimed at validating the findings of the redesign of component 4 on 24 August 2015 followed by no objections provided by IFAD for PMT to proceed launching tenders to recruit component 4 implementing partners; and
- Procurement of component 4 implementing partners, expected to be finalized in March 2016.

Component 5 - Institutional Support and Project Management

Sub-component 5.1 – Institutional Support

32. Under this sub-component, the main activities implemented up to date were:

- **Climate Adaptation:** (i) Capacity building (training) on Climate Change (MSc studies) (Fellowship/scholarship) for two CEPAGRI staff; (ii) signing of MoU between CEPAGRI and INAM; (iii) Training on climate change and adaptation for the Project Coordinator at UK in 2014; (iv) Construction of 2 Meteorological station, one at Agraria Research Chókwè and another at Nhacoongo agronomic research post; (v) introductory training climate science, climate change and adaption for 35 participants including LSP's, PMT, CEPAGRI Delegation and technician staff from National Directorates and Provincial Directorates of Agriculture and Food Security.
- **Gender and Targeting:** (i) Review of the Agricultural Sector Gender Strategy and design of the Action Plan; (ii) Design of Manual on Gender, Youth Promotion and Social Inclusion; and (iii) Training on GALS approach for 29 participants (23 women and 6 men) from Project partners including MASA Directorates, DPASA Directorates and LSP's representatives.
- **Other** including: (i) Updating of the Project Implementation Manual and design of the Financial Management Manual; (ii) Design of PROSUL Project Logo; (iii) Design and implementation of PM&E system; (iv) Participation in trainings and knowledge sharing and learning events: workshop on leadership, planning and M&E in Accra/ Ghana (2013) and Cape Verde (2014); training on financial management in Rome in 2013; (v) Trainings for the Project financial sector staff on financial management aspects including TOMPRO in Mauritius in October 2015.
- **Implementation Supervision/ Support/ Follow-up Missions:**
 - Since the Project effectiveness in October 2012, the Project has benefited from 13 IFAD missions (see table 3 below):
 - In 2012, the Project only received a Project Expeditor (Mr. Daniel Lallemand) to provide support on matters regarding financial administration and management (opening bank accounts, preparation of WA1, etc).
 - In 2013 a total of six missions were received, four of them on the following thematic areas: Gender (Mr. Beatrice), Climate Change (Mr. Steve Tomolow), Financial Management (Mr. Manuel Rochafonts) and Rural Finance (Mrs. Martina).
 - In 2014, the Project received 3 missions, being one on financial management (Mrs. Silvia).
 - In 2015, the Project received three missions: supervision mission, financial management mission and follow-up mission.
 - Overall these missions have assisted the Project and Government identifying key constraints and actions or solutions.

Table 1. IFAD Supervision/Support and Follow-up Missions

Designation	Year				Total
	2012	2013	2014	2015	
IFAD Supervision Missions	0	1	1	1	3
IFAD Follow-up Missions	0	1	1	1	3
Thematic IFAD Missions	1	4	1	1	7
Total	1	6	3	3	13

Sub-component 2 – Land Tenure Security

33. Under this sub-component interventions are grouped in two windows. The first window is related to land access and land rights implemented through the Land Tenure Security Service Provider in collaboration with PMT and LSP's. The second window is related the establishment and implementation of GIS as one of the Project M&E tools. The main activities undertaken up to date were:

- Finalization of procurement process of recruiting the LTSP, the Verde Azul/ Lupa Consortium. The contract was signed on 19 June 2015, and registration at TA was on 05 August 2015;
- Land tenure inception phase conducted by LTSP;
- Recruitment of the Land Tenure Advisor (LTA);
- Procurement of GIS equipment;
- Establishment of GIS; and
- Effective implementation of contract with LTSP.

Sub-component 3 – Project Management

34. This subcomponent is implemented by PMT. Up to date, the main activities undertaken were:

- Overall administration and management of Project resources;
- Monitoring of the implementation of contracts with lead service providers;
- Establishment of the PM&E system: i) establishment of the system under technical assistance of international consultant (Mr. Oscar Damen); and ii) migration to a new system combining planning and budget execution under technical assistance of Caresoft;
- Organizing 4 Project Steering Committee meetings (2 in 2013; 1 in 2014 and 1 in 2015);
- Conducting External audit of PROSUL for the years 2013 and 2014 which was conducted by KPMG and finalized by 15th July 2015. The audit report was submitted at IFAD on 22nd July 2015;
- Weekly project meetings;
- Participation in meetings, events, seminars on planning, monitoring, evaluation, knowledge management and exchange of experiences with government institutions and other partners; and
- Coordination of supervision missions to the project.

3. PROJECT STRATEGY AND FOCUS FOR PROJECT YEAR 4 (2016)

3.1. KEY CONSTRAINTS AND ACTION REQUIRED

35. Table 4 summarizes the key constraints and action required in order to improve project performance. With exception of Lumane Block in the Baixo Limpopo irrigation scheme, the project did not start with the rehabilitation of irrigation schemes included in the total area of 2,101ha as per the financing agreement. The reason for these delays is the irrigation technical studies were not finalized yet. Due to the need for redesigning components, its implementation has not started, although significant progresses were achieved in 2015. The Project was expected to have finalized very important studies like feasibility studies for services in both horticulture and cassava value chains, slaughter feasibility study and horticulture scoping study. In spite of the fact all three studies are underway; there were delays due to issues related to procurement. A quite significant number of districts in the project area, in particular at Gaza province are being affected by a prolonged drought with serious negative impacts including scarcity of water for animal and people and food insecurity. One of the most affected districts is Chigubo which is not part of the Project. However, due to its proximity to Project, insistently PMT has been approached by Government. The Red meat lead service provider has been facilitating demonstrations on hay making and forage conservation in order to support livestock breeders coping with drought. However, these interventions are challenging in terms of potential adoption. The Project has a challenge of combining financial management and progress monitoring,

continuously use of PP as management tool and ensure that key interventions that would boost disbursement rate are implemented. Under guidance of CEPAGRI, efforts are being done in order to find long term solution for Government counterpart funds.

Table 2. Constraints and Actions Required

Nr	Constraint	Solution and Action Required	Responsible person/Institution
1	Delays in starting rehabilitation and improvement of irrigation schemes	<ul style="list-style-type: none"> Finalize irrigation technical studies Launch tenders for recruiting contractors 	INIR/PMT
2	Delays in the implementation commencement of Component 4 – financial services due to inadequate modalities foreseen in the Financing Agreement	<ul style="list-style-type: none"> Finalize procurement of implementing partners Government institutions and stakeholders in process 	PMT
3	Delays in finalizing important market and feasibility studies: i) feasibility studies for service hubs; ii) slaughterhouse feasibility study; and horticulture scoping study	<ul style="list-style-type: none"> Finalize the three studies in 2015 	PMT RM LSP
4	Drought resulting in serious problems of water scarcity and food insecurity	<ul style="list-style-type: none"> Discuss with IFAD possibilities of allocating more resources for water points including Chigubo district 	PMT
5	Difficulties in inducing effective adoption of hay making and conservation of forage	<ul style="list-style-type: none"> Centre the intervention approach through selected “model” breeders 	RM LSP
6	Insufficient quantity of stems of improved varieties Vs need for varieties diversification	<ul style="list-style-type: none"> Continue with primary multiplication with IIAM Intensification of multiplication through emergent farmers 	Cassava LSP
7	Difficulties in ensuring effective Planning, Monitoring and Evaluation System combining analysis of Project Progress and Financial Management	<ul style="list-style-type: none"> Establishment of a system combining both progress monitoring and financial management Training of the M&E Officer and Financial Sector staff Training and guidance to all key stakeholders, in particular (Lead) Service Providers 	M&E and KM Officer
8	Difficulties in ensuring effective implementation of AWPB and PP despite some improvements	<ul style="list-style-type: none"> Ensure that the project has liquidity all year Ensure that LSPs rigorously implement guidelines, observing all procedures related to accounting, budget execution and disbursement Regular meetings between LSP and PMT 	PMT and LSP's
9	Poor Project performance from the disbursement point of view	<ul style="list-style-type: none"> Ensure that rehabilitation of irrigation schemes start during the first quarter of 2016 Ensure that implementation of 	PMT

Nr	Constraint	Solution and Action Required	Responsible person/Institution
		component 4 starts during the first quarter of 2016	
10	Challenges in ensuring Government counterparts funds	<ul style="list-style-type: none"> • Provision of funds by the CEPAGRI headquarter and CEPAGRI Delegation • Continue with permanent communication with MASA Directorate of Planning and International Cooperation and Provincial Directorate of Planning and Finance 	CEPAGRI, PMT

3.2. STRATEGIC FOCUS

36. Although constraints and challenges faced up to date, the year of 2015 was marked by implementation of impact activities for Project beneficiaries in the three value chain components. Moreover, component 4 financial services was fully redesigned including discussion and approval of its implementation modalities followed by tenders launching for the recruitment of implementing partners. It is critical for the Project combining effective implementation while improving disbursement rate. In this regard, for year 2016, the efforts of PROSUL will continue concentrated on four main areas:

- i. **Infrastructures development:** rehabilitation/improvement of irrigation schemes, rehabilitation/ construction of water points, and establishment of market infrastructures including cattle fairs and service hubs;
- ii. **Demonstrations and replication of improved technologies:** cassava stems multiplication, greenhouses/shade cloth and demonstration of productions practices adopting farmer field school (FFS) and school in the breeder's coral as implementing approaches;
- iii. **Implementation of component 4 through implementing partners;**
- iv. **Improvement of the disbursement rate;** and
- v. **Permanent effort towards improving coordination, communication and management and implementation of the PM&E system.**

37. Sections 3.3-3.7 are dedicated to the description of project intervention focus and activities per component and subcomponent. More detailed information on the activities including; *description of the indicator per activity, indicator measurement unit, annual physical target, code relating to the financial management system (TOM2PRO), implementation location, activity schedule per quarter and amount expected to be disbursed and total budget per financier* is provided in annex 2, a separated excel file.

3.3. COMPONENT 1. HORTICULTURE

38. Overall, interventions under this component will be implemented in all 9 districts foreseen in the Project, namely: Chókwè, Guijá, Manjacaze, Xai-Xai and Chibuto in Gaza province; and Moamba, Namaacha, Boane and Marracuene in Maputo province.

Sub-component 1 – Rehabilitation and expansion of approximately 1.360 ha of existing irrigated perimeters

39. The budget estimate for this sub-component is USD 2,542,779.45. The interventions under this sub-component are implemented under technical and methodological guidance of the National Institute of Irrigation (INIR). As per the PRA study, a major constraint for production is related to degradation of

the irrigation perimeters. It was observed that most of the irrigation schemes are working with considerable deficiencies that include lack of irrigation equipment, deficiency of motor pumps, deficient supply and high cost of power, dreadful conditions and inactive irrigation canals, and the evident low level of organization users of the irrigation schemes. In this regard, Project focus for the year of 2016 under this subcomponent will be on the following: (i) rehabilitation/ improvement of irrigation schemes; (ii) organization of WUA's including forming O&M teams; and training Government staff in matters of irrigation design, supervision and O&M. The main planned activities include:

- Rehabilitation and improvement of 1,360ha of irrigation schemes;
- Supervision of civil works of rehabilitation and improvement of irrigation schemes – 1,360ha;
- Conducting irrigation technical studies for 963ha of 9 irrigation schemes distributed as follows:
 - Maputo province: Bloco II (240) at Moamba district, Pateque (30) at Manhiça district, Bobole 1B (106), and E. Mondlane (102), Bolaze (97) at Marracuene district and Mafuiane (196) at Namaacha district; and
 - Gaza province: Maniquenique (12), Tchaimite (110) and 7 de Setembro (70) at Chibuto district.
- Training of 30 Provincial and District staff on Irrigation Technology (Participatory Design, Procurement, Supervision and Contract Management); and
- Capacity building for 400 members of Water User Associations (WUAs) in matters of water management and O&M.

Sub-component 2 – Strengthening linkages between value chain stakeholders

40. The total budget estimated for this sub-component is USD 987,536.00. During the development of PRA study, farmers have identified the lack and insufficient means for land preparation, limited use of agriculture inputs, lack of basic conditions for conservation and processing of vegetables, very difficult access to credit, mainly to ensure a normal flow and supply of improved seeds and improve the post harvest related activities. In addition to this, and as per the findings of the design process, it was found that farmer have no access to technology, information and knowledge on climate resilience making them struggling to produce during the hot season. Taking into account these constraints, the intervention approach in 2016 will consider two windows, namely: (i) piloting 2-3 service hubs being the entry point a simple package of mechanized equipment; and (ii) construction of 6 shade cloth in 6 irrigation schemes in partnership with Bindzu, a private company. The process of piloting the service hubs will require identification of potential managers, design of business plan and liaising with component 4 – financial services. Each shade cloth will be treated as FFS in which 25-30 farmers will participate. Specifically, the main activities planned include:

- Establishment of 95 Farmer Field School (FFS) including provision of kits and demonstrations of production in shade cloth/ protected cultivation technology;
- Capacity building for 1,140 Agribusiness Development Agents (ADA's) and Farmer Organizations in matters of agribusiness and market linkages, crop production, association development and climate change adaptation;
- Establishment of 2 Horticulture Service Hubs;
- Improvement of roads (critical points, access points) facilitating smallholder farmers accessing markets; and
- Establishment of value chain platforms, namely: 6 innovation district platforms and 2 value chain platforms (1 per province).

3.4. COMPONENT 2. CASSAVA

Component 2 - Cassava

41. The overall implementation of interventions under this component will be implemented by the LSP contracted (SNV/MAHLAHLE Consortium) in all districts covered by this component: Manjacaze in Gaza province; and Morrumbene, Zavala, Inharrime, Jangamo and Massinga in Inhambane province.

Sub-component 1 – Strengthening linkages between value chain stakeholders

42. The total budget estimate for this sub-component is USD 582,662.00. The 6-months period of Project implementation allowed the LSP to understand two major aspects underpinning the development of the cassava value chain: (i) the first is regarded the market. The actual existing market option for farmers is DADTCO with two processing centres, one at Morrumbene district and another at Zavala district (the Zavala Service Hub). For DADTCO ensuring that its business is attractive, the area of influence should not exceed 40 kilometres. Moreover, out of 6 Project districts, DADTCO is established in only two. Hence, supporting its expansion to other districts seems reasonable. (ii) the second aspect is related to the lack of improved planting material in terms of number of improved varieties and quantity of the sole available improved variety, the Chinhembwe variety. Considering these two aspects, the LSP will intensify the implementation of activities related to groups formation, establishment of FFS's, demo plots and training in the area of DADTCO influence while working on the identification of other market options. The LSP has just signed a MoU with IIAM with the objective of continuing multiplication of stems at research station as strategy of ensuring good material including diversification of varieties. Furthermore, the LSP will continue identifying potential emergent farmers and involve them in multiplication. The main activities for 2016 are:

- Capacity development for 176 farmer organisations;
- Provision of 5.280 kits targeted equivalent number of project beneficiaries including distribution process. Each kit is composed by stems and pesticides;
- Establishment of 59ha of stems multiplication plots of cassava improved varieties at IIAM stations and plots of emerging farmers;
- Establishment of 188 Farmer Field Schools (FFS) including replicas and demonstrations of improved cassava production practices; and
- Establishment of 2 service hubs in the districts of Morrumbene and Manjacaze.

Sub-component 2 – Value chain environment

43. The total budget estimate for this sub-component is USD 369,020.00. During the present year of 2015, four (04) innovation platforms (IP) at district level were established. IP's comprise diversified members with different "expertises" like farming, market, transport, processing and Government policies. In the IP's, the participants work on identification of problems hampering the development of the chain, problems prioritization and identification of potential solutions. A critical aspect observed during the PRA study in the cassava value chain is that farmers are dispersed which becomes the exercise of working in groups even more challenging. Most of the groups/ FFS's constituted are still at early stage in terms of development. In this regard, in year 2016 special attention will be dedicated on the consolidation of IP's already established and establishment of additional 2 IP's. Training in several matters, especially leadership, organization and management will deserve particular attention. The main interventions planned for 2016 are:

- Facilitation of innovation and value chain platforms: 6 district innovation platforms and 1 regional value chain platform.
- Capacity building for 48 extension agents and other value actors/ stakeholders in agronomy of cassava, agro-processing, leadership, association development, gender and climate adaptation options;

- Signing and implementation of MoU's/ Agreements or related partnership mechanisms with 6 community radios for information broadcast on improved agronomic practices and access to markets;
- Effective implementation of contract with cassava - LSP in 2016; and
- Monitoring activities, knowledge management and communication (visits, case studies, M&E system).

3.5. COMPONENT 3. RED MEAT

44. The overall implementation of intervention under this component will be implemented by the LSP contracted (SNV/ILRI Consortium) in all targeted: Chicualacuala, Mabalane, Massingir, Chókwè and Guijá in Gaza province; and Magude and Manhica in Maputo province.

Sub-component 1 – Value chain environment

45. The total budget estimate for this sub-component is USD 77,727.00. The focus for 2016 will be on the consolidation of 4 IP's established in 2015 by facilitating meetings and training. In addition, three (03) additional IP's will be established in 3 districts planned to enter in 2016. IP's demonstrated to be adequate mechanism to ensure systematic analysis of the value chain development process, identifying and prioritizing problems and contribute for solutions. In order to improve information dissemination on market, based on existing experiences and lessons from SIMA, the LSP will work on the establishment of a market information system. The main planned activities are:
- Facilitation of innovation and regional value chain platforms: 7 district innovation platforms and 1 regional value chain platform;
 - Establishment of real-time Market Information System (prices, quantities, locations) targeting 5.000 beneficiaries; and
 - Monitoring activities, knowledge management and communication (visits, case studies, M&E system).

Sub-component 2 – Production improvement

46. The total budget estimate for this sub-component is USD 782,538.00. As mentioned earlier, in 2015 four (04) district IP's were established. One of the exercises conducted in the IP meetings was to confirm the problems identified during the inception phase marked by the development of the PRA study. In all IP meetings, livestock producers were unanimous confirming the lack of water and diseases as major production constraints. The lack of pasture was equally mentioned as key production constraint, especially for the districts located in Northern part of Gaza province like Mabalane and Chicualacuala. Considering these, interventions strategy in 2016 will focus on the following: (i) constitution of management committees to ensure adequate management of constructed water points in 2015; (ii) identification of critical points for the construction of water points without jeopardizing the Project view of linking smallholder livestock producers to market; and (iii) continue with demonstrations of hay making technologies and fodder banks while trying to understand factors that might affect adoption. The main planned activities include:
- Capacity building for 188 LPO's;
 - Capacity building for LPO's on elaboration and implementation of 28 NRMP's;
 - Training of LPO's on strategies for dry season feeding - hay making, fodder banks and forage conservation;
 - Construction of 3 water points in 3 districts;
 - Establishment of 105 Schools in the Breeder's Coral; and
 - Training of 110 Animal Health Agents including provision of kits and refreshment courses.

Sub-component 3 – Market linkages

47. The total budget estimate for this sub-component is USD 456,754.00. During the present year-2015, the Project constructed three cattle fairs with the objective of supporting value chain stakeholders accessing to reliable markets. Moreover, a slaughterhouse feasibility study is being conducted which will support MASA deciding on the establishment of a new slaughterhouse or not, and if not, identify and implement alternative interventions for the red meat sector development in the Maputo and Limpopo Corridors. Although there are no findings of the study, the Project Design Document included interventions related to strengthening MTO's. From the PRA, it was found that capacity building for butchers and other value chain stakeholder would make a difference. In this regard, the Project focus in 2016 will be on the following: (i) elaboration of rules and guidelines for the operation of the constructed cattle fairs, formation of management committees of cattle fairs; (ii) construction of additional 3 cattle fairs in the 3 new targeted districts entering in 2016; (iii) promotion of exchanging visits; and strengthening capacities of MTO's and other value chain stakeholders involved in meat processing. The main planned activities include:

- Construction of 3 cattle fairs including technical assistance on establishing rules and regulations for the fairs;
- Training of 141 MTO's, butchers and other VC stakeholder on business management, meat processing, quality management and public health;
- Rehabilitation of rural roads; and
- Effective implementation contract with Red meat - LSP in its third year of implementation.

3.6. COMPONENT 4. FINANCIAL SERVICES

48. As per the findings of the component 4 redesign process, the implementation modalities is through service providers for subcomponents 1, 2, 3 and 4. Subcomponent 5 is led by PMT. The overall Project focus in this component is to ensure that implementing partners are recruited and start with activities effectively.

Sub-component 1 - Community-based Financial Organizations (CBFOs) via the establishment of Accumulating Savings and Credit Associations (ASCAs)

49. The total budget estimate for this sub-component is USD 404,034.00. The main planned activities for 2016 include:

- Finalization of the recruitment of implementing partners, ASCA Promoters;
- Establishment of selected ASCA Promoters including: (i) introducing them in all districts and provinces, (ii) institutional and administrative set-up and (iii) conducting inception phase;
- Establishment of 600 ASCA's;
- Capacity building for 50 field ASCA Officers;
- Training of 150 value chain stakeholders in financial education; and
- Effective implementation of contract with ASCA's Service Provider.

Subcomponent 2 - The PROSUL Innovation and Technical Assistance Facility (PIOTAF)

50. The total budget estimate for this sub-component is USD 512,500.00. The main planned activities for 2016 include:

- Finalization of the recruitment of the implementing partner, the PIOTAF Manager;
- Establishment of the selected PIOTAF Manager: (i) introducing service provider at relevant institutions, (ii) institutional and administrative set-up and (iii) conducting inception phase;
- Capacity building for 4 financial service providers (FSP's) including matching grants, and advising for VC Stakeholders; and
- Effective implementation of contract with PIOTAF Manager.

Subcomponent 3 - Line of Credit

51. The total budget estimate for this sub-component is USD 525,000.00. The main planned activities for 2016 include:
- Finalization of the recruitment of implementing partner, the LOC Manager;
 - Establishment of the LOC Manager including: (i) introducing the financial institution at relevant institutions; (ii) institutional and administrative set-up and (iii) conducting inception phase;
 - Dissemination of the implementing modalities of the line of credit;
 - Launching the line of credit;
 - Facilitation of access to credit: (i) at wholesale level to selected FSP's; and (ii) at retail level for VC actors/ stakeholders, resulting in 90 operations; and
 - Effective implementation of contract with LOC Manager.

Subcomponent 4 - Loan Guarantee Fund (LGF)

52. The total budget estimate for this sub-component is USD 237,500.00. The main planned activities for 2016 include:
- Finalization of the recruitment of the implementing partner, the LGF Manager;
 - Establishment of the LGF Manager including: (i) introducing the LGF Manager at relevant institutions, (ii) institutional and administrative set-up and (iii) conducting inception phase;
 - Extension of Portfolio guarantees to the participating FSP's
 - Effective implementation of contract with LGF Manager
53. The total budget estimate for this sub-component is USD 69,250.00. The main planned activities for 2016 include:
- Training of MASA, PROSUL, Servicer provider and other related stakeholders in value finance
 - Monitoring activities, knowledge management and communication in matters regarding value chain finance

3.7. COMPONENT 5. INSTITUTIONAL SUPPORT AND PROJECT MANAGEMENT

Sub-component 1 – Institutional Support

54. The total budget estimate for 2016 is USD 601,507.00. The main interventions in this sub-component are grouped in two categories. The first category is regarding climate adaptation. It is worth mentioning that there are other several activities related to climate adaptation distributed among the three value chain components.
55. As referred in previous sections the Project focus in the field of climate adaptation in the three value chain components will be on the following: (i) construction of water points including setting-up adequate mechanisms for infrastructures management; (ii) climate resilient technologies being: a) shade cloth in the horticulture component; b) multiplication of stems of improved varieties of cassava including FFS's, demo plots and multiplication through emergent farmers in the cassava value chain component; and demonstrations of hay making and fodder banks in red meat component. Institutionally, the Project will continue working with INAM addressing training and capacity building but moving to a more concrete mechanism in terms of packaging information in a comprehensive manner for smallholders. PMT will liaise with CEPAGRI proposing a mechanism for integrating the two agronomists attending MSc studies in climate adaption at the University of Cape Town. Tentatively, the Project proposes that the two agronomists work on the design of a training course – train of trainers in climate adaptation which would benefit MASA. Moreover, it is suggested

that they work on the facilitation of development of 1-2 district climate adaption plans in collaboration with the Ministry of Land, Rural Development and Environment.

56. The second category is regarded to activities related to gender. Gender is mainstreamed in almost all field activities impacting on project beneficiaries. By December 2015, it is expected that the Project will have finalized the review of the Agriculture Sector Gender Strategy including an Action Plan to ensure its effective implementation. Based on the action plan which is assumed to be an umbrella of gender plans at implementing level, PMT will work in collaboration with LSPs in the design and implementation of specific gender operational plans for each value chain. There are other interventions aimed at building capacity within the Project Management Team and CEPAGRI.

57. Specific activities are listed below:

Climate Adaptation

- Development of train of trainers guidelines/ courses/ modules for adaptation practitioners;
- Elaboration of district adaptation plan for two targeted districts;
- Development of simplified packages of messages for dissemination of climate data information for Project beneficiaries;
- Technical assistance and support to INAM and meteorological stations operators; and
- Meteorological observer training (3 Chokwe and Inhacoongo 3).

Gender and Targeting

- Harmonization of Value Chain Components gender action plans with the MASA Gender Action Plan (3 value chain action plans designed);
- Training on GALS methodology including strategies for its effective mainstreaming in VC development; and
- M&E activities on gender, youth and social inclusion (cases studies, seminars, exchange and learning visits/ routes).

Other

- Training and technical assistance in matters of M&E/KM including TOM2MONITORING, financial management and project management;
- Exchange visits/tours aimed at acquiring knowledge and information on slaughterhouse management, horticulture shade cloth, service hubs, rural finance and climate adaptation;
- Exchange and Learning Visits of MASA staff, CEPAGRI staff, LSP staff, and Business Hub Management on Agribusiness Expositions (NAMPO - South Africa), Inclusive Business Models (Brasil, Indonesia and Madagascar) and Technical Participation of MASA staff in the Evaluation of Tenders.

Sub-component 2 – Land Tenure Security

58. The total budget estimate for this sub-component is USD 369,986.00. Based on the findings from the inception phase conducted by Land Tenure Security Service Provider, activities for 2016 were defined as follows:

- Delimitation of communities:
 - 7 Community Certificates of equivalent number of grazing areas - red meat
 - 5 delimitations of land communities for cassava value chain;
- Processing of DUAT's or related including:
 - 3 DUAT's in horticulture for 3 WUA's;
 - 1.000 DUAT's for smallholder Cassava farmers;
- Development of 3 Guidelines on Land Management for each value chain;
- Elaboration of action plan on Land Tenure Security; and

- Effective implementation of contract with LTSP.

Sub-component 3 – Project Management

59. The total budget estimate for this sub-component is USD 1,075,250.00. The main interventions foreseen include:

- Organization of 2 Project Steering Committee meetings;
- Conducting External audit of PROSUL for the year 2015;
- Operationalization of the KM and Communication Action Plan or operationalization of the communication strategy;
- Operationalization of the performance assessment system;
- Communication and promotion of project visibility using integrated means like maps, banners, flyers, Logo, TV, radio and internet;
- Overall coordination, administration and management of Project resources including: insuring project staff against accidents and health plan, salaries and allowances of the project staff, counterparts and focal points and other operational costs;
- Overall monitoring and knowledge management including: contracts with service providers, operationalization of the PM&E system; technical monitoring and evaluation of Project activities;
- PROSUL mid-term review;
- Participation in meetings, events, seminars on planning, monitoring, evaluation, knowledge management and exchange of experiences with government institutions and other partners; and
- Coordination of supervision missions to the project.

4. CONSOLIDATED ANNUAL BUDGET

60. The present section provides consolidated budget for the PROSUL and a breakdown of the operational expense budget for the Project in 2016.
61. Overall, there is a full recognition that it is quite an ambitious budget for 2016, which is a very big challenge for the PMT and implementing partners. As mentioned in the strategic focus, the Project expects to register significant improvements towards effective implementation of the plan considering the following aspects: (i) the three value chain LSPs are fully engaged in the implementation process; (ii) the recruitment of the LTSP has been finalized, and the inception phase is expected to be finalized by December 2015; (iii) component 4 – financial services has been redesigned and procurement of implementing partners for subcomponents 1, 2, 3 and 4 is underway and if evaluation is successful resulting in the selection of partners, the implementation will start in April 2016; and (iv) irrigation technical design studies are expected to be finalized by November 2015 including launching tenders for the recruitment of contractors.
62. The consolidated total budget estimated at 383.761.706,00 MZN which is equivalent to USD 9,594,043.00 for PROSUL in 2016 is presented in this section in five main tables, namely:
- Table 3 - presents the summary budget by components and subcomponents by Financiers: IFAD Loan, IFAD Grant, STF, ASAP Grant and GoM in USD equivalent;
 - Table 4 - illustrates the summary budget of Components and Subcomponents by Expenditure Categories;
 - Table 5 - shows summary Expenditure Categories budget by Financiers;
 - Table 6 - shows the Component and Subcomponent Budget by Quarter; and
 - Table 7 – presents the summary budget Expenditure Category broken down by Quarter.
63. As per table 3 - Summary of Components/ Subcomponents and Financiers, component 1 - horticulture presents the highest budget (141,212,615.00 MZN, which corresponds to USD 3,530,315.38) (37% of the total planned budget). Out of this total planned amount for the horticulture component, a subtotal of 101.711.178,00 MZN equivalent to USD 2,542,779,45.00 (72%) is allocated for the civil works and irrigation technical studies for the rehabilitation and improvement of irrigation perimeters. In second position in terms total budget allocated, it follows component 5 – institutional support and project management with a total budget of 81,869,720.00 MZN equivalent to USD 2,046,743.00 (21% of the total planned budget). In third position comes the component 4 with a total budget of 69.931.376,00 MZN equivalent to USD 1,748,284.40 (18%). As per figures for each of the 5 subcomponents, only 2.770.000,00 MZN equivalent to USD 69,250.00 (3.9%) will be dedicate to subcomponent 5 - PROSUL Financial Services Unit. The execution of the remaining proportion of 96.1 is to be implemented by implementing partners. In the cassava value chain, a certain equilibrium is noted between the subcomponents (61% of budget for subcomponent 2.1 and 39% for subcomponent 2.2). For red meat component 3, the highest proportion is allocated to subcomponent 3.2 - Production Improvement (59,4%), in particular for the construction/ rehabilitation of water points.
64. From Table 4 - Components/ Subcomponents and Categories, category III with a total budget of USD 3,507,047.32 (37%), immediately followed by category I (31%), they together absorb 68% of the planned budget for 2016. In fact, and in line with the previous paragraph, a considerable amount will be dedicated to several activities regarding capacity building and technical assistance to farmer and livestock producer organizations, ASCAS organizations, overall training and improved technologies are planned in category III, and civil works aimed at the rehabilitation and improvement of the irrigation schemes and construction or rehabilitation of water points (category I). Category IV (11,7%) is planned for payments of contracts with the 3 Lead Service Providers in the 3 value chain

components while category V for payments of contracts expected to be signed in implemented with the component implementing partners.

65. Table 5 - ilustrastes the planned budget: Categories Vs Financiers. As it can be seen, the Project expects to disburse USD 7,092,588.12 from both IFAD Loan and STF financiers, which correspond to 74% of the planned budget. ASAP will disburse USD 1,317,085.23 (13,7% of the planned budget). IFAD Grant planned budget is estimated by USD 766,757.0 (8%) and the Government counterpart funds are estimated at USD 417,612.30 (4,4%).

Table 3. Components and Subcomponents by Financiers

COMPONENT AND SUBCOMPONENT BUDGET BY FINANCIERS IN MZN 2016						
DESCRIPTION BY COMPONENT/SUBCOMPONENT	IFAD LOAN	IFAD Grant	STF	ASAP	GoM	TOTAL
1.1 Rehabilitation and Expansion of existing irrigated perimeters	45.967.187,70		45.967.187,70		9.776.802,60	101.711.178,00
1.2 Strengthening linkages between value chain stakeholders	15.858.324,73		15.858.324,73	7.527.910,00	256.877,55	39.501.437,00
Total Component 1: Horticulture	61.825.512,43	-	61.825.512,43	7.527.910,00	10.033.680,15	141.212.615,00
2.1 Strengthening linkages between value chain stakeholders	6.908.736,25		6.908.736,25	8.988.999,00	500.000,00	23.306.471,50
2.2 Value Chain Environment	7.111.290,00		7.111.290,00		538.217,50	14.760.797,49
Total Component 2: Cassava	14.020.026,25	-	14.020.026,25	8.988.999,00	1.038.217,50	38.067.268,99
3.1 Value Chain Environment	1.554.540,00		1.554.540,00	-		3.109.080,00
3.2 Production Improvement				29.726.500,00	1.575.000,00	31.301.500,00
3.3 Market Linkages	8.247.815,70		8.247.815,70		1.774.514,60	18.270.146,00
Total Component 3: Red Meat	9.802.355,70	-	9.802.355,70	29.726.500,00	3.349.514,60	52.680.726,00
4.1 Community-based Financial Organizations (CBFOs) via the establishment of Accumulating Savings and Credit Associations (ASCAs)	7.930.688,00		7.930.688,00		300.000,00	16.161.376,00
4.2 The PROSUL Innovation and Technical Assistance Facility (PIOTAF)	10.136.960,00		10.136.960,00		226.080,00	20.500.000,00
4.3 A Line of Credit	10.350.000,00		10.350.000,00		300.000,00	21.000.000,00
4.4 A Loan Guarantee Fund (LGF)	4.712.500,00		4.712.500,00		75.000,00	9.500.000,00
4.5 A PROSUL Financial Services Unit	1.385.000,00		1.385.000,00		-	2.770.000,00
Total Component 4: Financial Service	34.515.148,00	-	34.515.148,00	-	901.080,00	69.931.376,00
5.1 Institutional Support		17.620.280,00		6.440.000,00		24.060.280,00
5.2 Land Tenure Security	7.399.720,00		7.399.720,00			14.799.440,00
5.3 Project management	14.289.000,00	13.050.000,00	14.289.000,00		1.382.000,00	43.010.000,00
Total Component 5: Institutional Support and Project Management	21.688.720,00	30.670.280,00	21.688.720,00	6.440.000,00	1.382.000,00	81.869.720,00
TOTAL	141.851.762,37	30.670.280,00	141.851.762,37	52.683.409,00	16.704.492,25	383.761.705,99
%	36,96	7,99	36,96	13,73	4,35	100

COMPONENT AND SUBCOMPONENT FINANCIERS BY IN USD 2016						
DESCRIPTION BY COMPONENT/SUBCOMPONENT	IFAD LOAN	IFAD Grant	STF	ASAP	GoM	TOTAL
1.1 Rehabilitation and Expansion of existing irrigated perimeters	1.149.179,69		1.149.179,69		244.420,07	2.542.779,45
1.2 Strengthening linkages between value chain stakeholders	396.458,12		396.458,12	188.197,75	6.421,94	987.535,93
Total Component 1: Horticultura	1.545.637,81	-	1.545.637,81	188.197,75	250.842,00	3.530.315,38
2.1 Strengthening linkages between value chain stakeholders	172.718,41		172.718,41	224.724,98	12.500,00	582.661,79
2.2 Value Chain Environment	177.782,25		177.782,25		13.455,44	369.019,94
Total Component 2: Cassava	350.500,66	-	350.500,66	224.724,98	25.955,44	951.681,72
3.1 Value Chain Environment	38.863,50		38.863,50	-		77.727,00
3.2 Production Improvement				743.162,50	39.375,00	782.537,50
3.3 Market Linkages	206.195,39		206.195,39		44.362,87	456.753,65
Total Component 3: Red Meat	245.058,89	-	245.058,89	743.162,50	83.737,87	1.317.018,15
4.1 Community-based Financial Organizations (CBFOs) via the establishment of Accumulating Savings and Credit Associations (ASCAs)	198.267,20		198.267,20		7.500,00	404.034,40
4.2 The PROSUL Innovation and Technical Assistance Facility (PIOTAF)	253.424,00		253.424,00		5.652,00	512.500,00
4.3 A Line of Credit	258.750,00		258.750,00		7.500,00	525.000,00
4.4 A Loan Guarantee Fund (LGF)	117.812,50		117.812,50		1.875,00	237.500,00
4.5 A PROSUL Financial Services Unit	34.625,00		34.625,00			69.250,00
Total Component 4: Financial Service	862.878,70	-	862.878,70	-	22.527,00	1.748.284,40
5.1 Institutional Support		440.507,00		161.000,00		601.507,00
5.2 Land Tenure Security	184.993,00		184.993,00			369.986,00
5.3 Project management	357.225,00	326.250,00	357.225,00		34.550,00	1.075.250,00
Total Component 5: Institutional Support and Project Management	542.218,00	766.757,00	542.218,00	161.000,00	34.550,00	2.046.743,00
TOTAL	3.546.294,06	766.757,00	3.546.294,06	1.317.085,23	417.612,31	9.594.042,65

Table 4. Components and Subcomponents by Expenditure Categories

COMPONENT AND SUBCOMPONENT BUDGET BY EXPENDITURE CATEGORY IN USD FOR 2016							
DESCRIPTION BY COMPONENT/SUBCOMPONENT	I	II	III	IV	V	VI	TOTAL
1.1 Rehabilitation and Expansion of existing irrigated perimeters	2.444.200,65		98.578,80			-	2.542.779,45
1.2 Strengthening linkages between value chain stakeholders	128.438,78		395.123,65	414.227,63	49.745,88		987.535,93
Total Component 1: Horticultura	2.572.639,43	-	493.702,45	414.227,63	49.745,88	-	3.530.315,38
2.1 Strengthening linkages between value chain stakeholders	-	125.000,00	395.161,79	-	62.500,00		582.661,79
2.2 Value Chain Environment	-		99.911,19	269.108,75			369.019,94
Total Component 2: Cassava	-	125.000,00	495.072,97	269.108,75	62.500,00	-	951.681,72
3.1 Value Chain Environment	-		77.727,00	-			77.727,00
3.2 Production Improvement	363.125,00	126.000,00	293.412,50	-			782.537,50
3.3 Market Linkages	59.645,40		13.125,00	383.983,25			456.753,65
Total Component 3: Red Meat	422.770,40	126.000,00	384.264,50	383.983,25		-	1.317.018,15
4.1 Community-based Financial Organizations (CBFOs) via the establishment of Accumulating Savings and Credit Associations (ASCAs)	-		254.034,40		150.000,00		404.034,40
4.2 The PROSUL Innovation and Technical Assistance Facility (PIOTAF)	-		455.980,00	56.520,00			512.500,00
4.3 A Line of Credit	-		-		525.000,00		525.000,00
4.4 A Loan Guarantee Fund (LGF)	-		-		237.500,00		237.500,00
4.5 A PROSUL Financial Services Unit	-		69.250,00				69.250,00
Total Component 4: Financial Service	-	-	779.264,40	56.520,00	912.500,00	-	1.748.284,40
5.1 Institutional Support	-	-	601.507,00	-			601.507,00
5.2 Land Tenure Security	-	-	369.986,00				369.986,00
5.3 Project management	-	-	383.250,00			692.000,00	1.075.250,00
Total Component 5: Institutional Support and Project Management	-	-	1.354.743,00	-		692.000,00	2.046.743,00
TOTAL	2.995.409,83	251.000,00	3.507.047,32	1.123.839,63	1.024.745,88	692.000,00	9.594.042,65

Table 5. Budget – Expenditure Categories by Financiers

COMPONENT AND SUBCOMPONENT BUDGET BY CATEGORY/FINANCIERS IN MZN 2016								
CODE	DESCRIPTION CATEGORY	IFAD LOAN	IFAD Grant	STF	ASAP	GoM	TOTAL	%
I	Civil Works	47.509.566,00		47.509.566,00	13.072.500,00	11.724.763,00	119.816.395,00	31,22
II	Vehicle, Equipment and Material	2.250.000,00		2.250.000,00	4.917.500,00	622.500,00	10.040.000,00	2,62
III	Training, TA and Studies	37.435.102,25	30.670.280,00	37.435.102,25	34.693.409,00	48.000,00	140.281.893,50	36,55
IV	Contract Services	21.326.676,00		21.326.676,00		2.300.229,00	44.953.581,00	11,71
V	Financial Service	20.157.418,00		20.157.418,00		675.000,00	40.989.836,00	10,68
VI	Current Costs	13.173.000,00		13.173.000,00		1.334.000,00	27.680.000,00	7,21
TOTAL		141.851.762,25	30.670.280,00	141.851.762,25	52.683.409,00	16.704.492,00	383.761.705,50	100,00

COMPONENT AND SUBCOMPONENT BUDGET BY CATEGORY/FINANCIERS IN USD 2016								
CODE	DESCRIPTION CATEGORY	IFAD LOAN	IFAD Grant	STF	ASAP	GoM	TOTAL	%
I	Civil Works	1.187.739,15		1.187.739,15	326.812,50	293.119,08	2.995.409,88	31,22
II	Vehicle, Equipment and Material	56.250,00		56.250,00	122.937,50	15.562,50	251.000,00	2,62
III	Training, TA and Studies	935.877,56	766.757,00	935.877,56	867.335,23	1.200,00	3.507.047,34	36,55
IV	Contract Services	533.166,90		533.166,90		57.505,73	1.123.839,53	11,71
V	Financial Service	503.935,45		503.935,45		16.875,00	1.024.745,90	10,68
VI	Current Costs	329.325,00		329.325,00		33.350,00	692.000,00	7,21
TOTAL		3.546.294,06	766.757,00	3.546.294,06	1.317.085,23	417.612,30	9.594.042,64	100,00

Table 6. Budget – Component and Subcomponent Budget by Quarter

COMPONENT AND SUBCOMPONENT BUDGET BY QUARTER IN MZN 2016					
DESCRIPTION BY COMPONENT/SUBCOMPONENT	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
Rehabilitation and Expansion of existing irrigated perimeters	16.719.538,00	33.063.880,00	32.963.880,00	18.963.880,00	101.711.178,00
Strengthening linkages between value chain stakeholders	7.167.744,00	11.846.091,00	12.168.591,00	8.319.011,00	39.501.437,00
Total Component 1: Horticultura	23.887.282,00	44.909.971,00	45.132.471,00	27.282.891,00	141.212.615,00
Strengthening linkages between value chain stakeholders	1.471.914,97	9.966.065,22	10.485.849,19	1.382.642,13	23.306.471,50
Value Chain Environment	3.301.582,25	4.203.806,00	3.712.829,62	3.542.579,62	14.760.797,49
Total Component 2: Cassava	4.773.497,22	14.169.871,22	14.198.678,81	4.925.221,75	38.067.268,99
Value Chain Environment	135.000,00	1.407.360,00	1.213.360,00	353.360,00	3.109.080,00
Production Improvement	4.445.928,00	10.709.718,00	11.125.068,00	5.020.786,00	31.301.500,00
Market Linkages	3.839.832,50	6.750.648,50	3.839.832,50	3.839.832,50	18.270.146,00
Total Component 3: Red Meat	8.420.760,50	18.867.726,50	16.178.260,50	9.213.978,50	52.680.726,00
Community-based Financial Organizations (CBFOs) via the establishment of Accumulating Savings and Credit Associations (ASCAs)	-	6.560.000,00	5.748.688,00	3.852.688,00	16.161.376,00
The PROSUL Innovation and Technical Assistance Facility (PIOTAF)	-	6.500.000,00	7.000.000,00	7.000.000,00	20.500.000,00
A Line of Credit	-	7.000.000,00	6.000.000,00	8.000.000,00	21.000.000,00
A Loan Guarantee Fund (LGF)	-	500.000,00	500.000,00	8.500.000,00	9.500.000,00
A PROSUL Financial Services Unit	180.000,00	1.380.000,00	1.030.000,00	180.000,00	2.770.000,00
Total Component 4: Financial Service	180.000,00	21.940.000,00	20.278.688,00	27.532.688,00	69.931.376,00
Institutional Support	3.984.367,00	9.850.290,00	6.471.723,00	3.753.900,00	24.060.280,00
Land Tenure Security	3.699.860,00	3.699.860,00	3.699.860,00	3.699.860,00	14.799.440,00
Project management	10.807.500,00	10.742.500,00	10.317.500,00	11.142.500,00	43.010.000,00
Total Component 5: Institutional Support and Project Management	18.491.727,00	24.292.650,00	20.489.083,00	18.596.260,00	81.869.720,00
TOTAL	55.753.266,72	124.180.218,72	116.277.181,31	87.551.039,25	383.761.705,99

Table 7. Budget – Expenditure Category Budget by Quarter

COMPONENT AND SUBCOMPONENT BUDGET BY CATEGORY/FINANCIERS IN MZN 2016								
CODE	DESCRIPTION CATEGORY	IFAD LOAN	IFAD Grant	STF	ASAP	GoM	TOTAL	%
I	Civil Works	47.509.566,00		47.509.566,00	13.072.500,00	11.724.763,00	119.816.395,00	31,22
II	Vehicle, Equipment and Material	2.250.000,00		2.250.000,00	4.917.500,00	622.500,00	10.040.000,00	2,62
III	Training, TA and Studies	37.435.102,25	30.670.280,00	37.435.102,25	34.693.409,00	48.000,00	140.281.893,50	36,55
IV	Contract Sevices	21.326.676,00		21.326.676,00		2.300.229,00	44.953.581,00	11,71
V	Financial Service	20.157.418,00		20.157.418,00		675.000,00	40.989.836,00	10,68
VI	Current Costs	13.173.000,00		13.173.000,00		1.334.000,00	27.680.000,00	7,21
TOTAL		141.851.762,25	30.670.280,00	141.851.762,25	52.683.409,00	16.704.492,00	383.761.705,50	100,00

COMPONENT AND SUBCOMPONENT BUDGET BY CATEGORY/FINANCIERS IN USD 2016								
CODE	DESCRIPTION CATEGORY	IFAD LOAN	IFAD Grant	STF	ASAP	GoM	TOTAL	%
I	Civil Works	1.187.739,15		1.187.739,15	326.812,50	293.119,08	2.995.409,88	31,22
II	Vehicle, Equipment and Material	56.250,00		56.250,00	122.937,50	15.562,50	251.000,00	2,62
III	Training, TA and Studies	935.877,56	766.757,00	935.877,56	867.335,23	1.200,00	3.507.047,34	36,55
IV	Contract Sevices	533.166,90		533.166,90		57.505,73	1.123.839,53	11,71
V	Financial Service	503.935,45		503.935,45		16.875,00	1.024.745,90	10,68
VI	Current Costs	329.325,00		329.325,00		33.350,00	692.000,00	7,21
TOTAL		3.546.294,06	766.757,00	3.546.294,06	1.317.085,23	417.612,30	9.594.042,64	100,00

ANNEX 1. THE LOGICAL FRAMEWORK

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Goal:			
Goal: improve livelihoods of smallholder farmers, including strengthened climate adaptation (<i>as per financing agreement</i>)	Rural households with improvement in asset ownership	Project baseline & impact surveys, reality checked against national statistics IIAM meteorological reports	Favourable economic environment (A)
	Households for which food security has improved		
	Households for which sale of target crops/livestock makes an important contribution to household income		
	Poor smallholder household members whose climate resilience has increased due to ASAP		Links with Strategic Program for Climate Resilience in Mozambique established (A)
	Households reached by meteorology weather forecasts (IIAM's Meteorological facilities)		
Development Objective: to achieve sustainable increased returns to smallholder farmers in the target value chains	Groups receiving project services	Project surveys Service hubs' reports Farmers' organisations statistics Value Chain Platform reports Project Annual and Semi-annual reports	Continued government commitment to improve returns to farmers in agricultural value chains (A)
	Households (50% women) receiving project services		
	Increase in average gross margin (horticultural crops)		
	Increase in average gross margin (cassava)		
	Increase in average price (in real terms) obtained for sale of ruminants (by type)		
	Proportion of farmer groups that have reached 'A' or 'B' status		
Outcome 1: Increased productivity, quality and sales of irrigated vegetables produced in smallholder irrigation schemes	Small-scale farmers who have adopted one or more improved production technologies (farming management practices) introduced under the project	DNSA and INIR, LSP M&E system Project surveys Service hubs' reports Farmers' organisations statistics Value Chain Platform reports	Private investors interested in investing in outgrower schemes/hubs along conditions proposed by IFAD (A)
	Farmers adopting climate-resilient technologies (ASAP)		Flooding due to extreme climatic events controlled by water

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	Land managed under climate-resilient practices (ASAP) Increase in average crop yields (horticulture) Households with increased water availability for agricultural production and processing Production/processing facilities with increased water availability Increase in average quantities of crops sold by small-scale producers Proportion of farmers (horticulture) who participate in a formalised marketing arrangement		authorities (R)
Output 1.1.1: Improvement or rehabilitation of irrigation schemes	Improved or rehabilitated irrigation schemes Land under improved or rehabilitated irrigation schemes Irrigation staff trained		
Output 1.1.2: Farmer organizations established or strengthened	WUAs established or strengthened Members of WUAs established or strengthened WUAs with women in leadership positions		
Output 1.1.3 Capacity of farmers to manage irrigation schemes and develop their horticultural production/marketing systems strengthened	Members/leaders of FOs (horticulture) trained in organization and management Members/leaders of WUAs trained in scheme O&M Members/leaders of FOs (horticulture) trained in crop production / technical aspects. Members/leaders of FOs (horticulture) trained in value adding, agribusiness and		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	marketing aspects		
Output 1.2.1: Marketing arrangements between producers and value chain actors facilitated	Value chain review/support groups established and operational		
	FOs (horticulture) that have secured contracts or other formal marketing arrangements		
Output 1.2.2 Meteorological stations rehabilitated and capacity to disseminate information strengthened	Meteorological facilities at IIAM research stations improved		
	Meteorological reports produced by the IIAM Research Station at Gaza (ASAP)		
Output 1.2.3 Facilities established to support horticultural production and marketing	Protective shade houses established		
	Service hubs (horticulture) established		
	Access roads to service hubs rehabilitated		
Outcome 2: Increased productivity and sales of cassava by smallholder farmers	Small-scale farmers who have adopted one or more improved production technologies (farming practices) introduced under the project	Project surveys LSP M&E system Service hubs' reports Farmers' organizations statistics Project Annual and Semi-annual reports	Private investors interested in investing in processing units, outgrower schemes and hubs along conditions proposed by IFAD (A)
	Farmers adopting climate-resilient technologies (ASAP)		Projected changes in cassava pest and diseases due to climate change are positive (A)
	Land managed under climate-resilient practices (ASAP)		Occurrence of prolonged drought (R)
	Average crop yields (cassava)		
	Average quantities of crops sold by small-scale producers (cassava)		
	Proportion of farmers (cassava) who participate in a formalized marketing arrangement		
	Households with increased water availability for agricultural production and processing		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	Production/processing facilities with increased water availability		
Output 2.1.1: Farmer organizations established or strengthened	FOs (cassava) established or strengthened		
	Members of FOs (cassava) established or strengthened		
	FOs (cassava) with women in leadership positions		
Output 2.1.2 Capacity of farmers to develop their cassava production/marketing systems strengthened	Members/leaders of FOs (cassava) trained in organization and management		
	Members/leaders of FOs (cassava) trained in crop production / technical aspects		
	Members/leaders of FOs (cassava) trained in value adding, agribusiness and marketing aspects		
Output 2.1.3 Facilities established to support cassava production and marketing	Service hubs (cassava) established		
	Access roads (cassava) rehabilitated		
	Cassava multiplication sites established		
	Area of cassava multiplication sites established		
	Cassava processing facilities established		
Output 2.2.1: Marketing arrangements between producers and value chain actors facilitated	Value chain review/support groups established and operational		
	FOs (cassava) that have secured contracts or other formal marketing arrangements		
Output 2.2.2 * Meteorological stations rehabilitated and capacity to disseminate information strengthened	Meteorological facilities at IIAM research stations improved		
	Meteorological reports produced by the IIAM Research Station at Inhambane (ASAP)		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Outcome 3: Increased productivity, quality and sales of ruminants by small-scale livestock producers	Herders who have adopted one or more improved production technologies (animal husbandry practices) introduced under the project	Project surveys LSP M&E system Farmers' organizations statistics Value Chain Platform reports Project Annual and Semi-annual reports	Private investors interested in investing in slaughterhouse at PROSUL conditions (A) Prospect of higher and regular income induces herders to develop commercially-oriented herd management (A) Occurrence of prolonged drought and floods (R)
	Herders adopting climate-resilient technologies (ASAP)		
	Land managed under climate-resilient practices (ASAP)		
	Average slaughter weight of ruminants		
	Average number of ruminants sold by small-scale producers		
	Animals processed by slaughter facilities established under the project		
	Proportion of farmers (livestock) who participate in a formalized marketing arrangement		
	Households with increased water availability for agricultural production and processing		
	Production/processing facilities with increased water availability		
Output 3.1.1: Marketing arrangements between producers and value chain actors facilitated	Value chain review/support groups established and operational		
Output 3.2.1: Improved pasture management through ENRM plans	NRM plans developed		
	Individuals, community groups and institutions formulating and enforcing ENRM plans		Cost effective means of monitoring soil carbon in rangelands available and accepted
Output 3.2.3 Farmer organizations established or strengthened	FOs (livestock) established or strengthened		
	Members of FOs (livestock) established or strengthened		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	FOs (livestock) with women in leadership positions		
Output 3.2.4 Capacity of farmers to develop their livestock production/marketing systems strengthened	Members/leaders of FOs (livestock) trained in organization and management		
	Members/leaders of FOs (livestock) trained in livestock production / technical aspects		
	Members/leaders of FOs (livestock) trained in value adding, agribusiness and marketing aspects		
Output 3.2.5 Facilities established to support livestock production	Breeding centres established		
	Fodder banks established		
	Livestock vet stores established		
	Water facilities established		
Output 3.3.1: Marketing arrangements between producers and value chain actors facilitated	Meat Trader Organizations established		
	FOs (livestock) that have secured contracts or other formal marketing arrangements		
Output 3.3.2 Facilities established to support livestock marketing	Cattle fairs established/equipped		
	Slaughterhouse established		
	Access roads (livestock) rehabilitated		
Outcome 4: Selected value chain stakeholders have a timely and adequate access to a diversified range of affordable financial products, through existing or to be created financial and non-financial service providers	Participating farmers (50% women) access financial services (by type of client, service, financial/non-financial service provider), loan portfolio	ASCA promoters, PIOTAF Manager, LOC Manager, LGF Manager and PROSUL Financial Services Unit M&E systems Project Annual and Semi-annual reports Microfinance reports	MFIs are interested in extending services in rural areas along conditions affordable for agricultural activities (A) Increasing rural banking (A) Occurrence of prolonged drought and floods (R)
	Proportion of farmers satisfied with the types and quality of services available		
Output 4.1.1 Accumulating	ASCAs established and strengthened		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
savings and Credit Associations (ASCAs) established and/or strengthened	Amount of savings mobilized		
	Amount of credit extended to the members		
	Value chain stakeholders trained in financial education		
Output 4.2.1 Technical capacities of the FSP and other PROSUL value chain stakeholders strengthened	Institutional capacities of financial Services Providers strengthened		
Output 4.3.1 Wholesale finance facility made available to the FSP, for funding the credit needs of the Value Chain Stakeholders	Whole sale loans extended to participating FSPs		
	PROSUL Value Chain Stakeholders accessing to retail Loans from FSP		
Output 4.4.1 Loan Guarantee Fund for guaranteeing agriculture and VC lending activities established and functional	Portfolio Guarantees extended to the participating FSP		
Output 4.5.1 PMT, CEPAGRI and MASA capacities in advising, regulating and overseeing the implementation of Financial Services Sector strengthened	PROSUL and Government staff trained and participating in events and agenda related to financial services sector		
	Studies, Monitoring, Communication and knowledge management activities carried out		
Outcome 5: CEPAGRI, and specifically its delegation for the southern provinces, has and uses systems and tools for supporting inclusive value chain development and for promoting new business models	Systems and tools for planning and budgeting public support to value chains and for monitoring value chain performance are operational and implemented		Continued government commitment to improve returns to farmers in agricultural value chains (A)
	Proportion of farmers satisfied with the types and quality of services available		
	Knowledge products and publications produced/disseminated (general/ climate-related)		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Output 5.1.1: Capacity of local actors on value chain development strengthened	Staff of the project, CEPAGRI and other government institutions trained in value chain development		CEPAGRI commit staff resources to participate in National and Regional Climate Adaptation For a (A)
	Training programmes, manuals and materials developed		
Output 5.1.2: Country dialogue on climate-related issues supported	Climate change adaptation knowledge sharing mechanism established within CEPAGRI (ASAP)		
Output 5.1.3: CEPAGRI is capable to climate proof commercial agriculture, and contribute to the broader national and regional climate change agenda	Staff of the project, CEPAGRI and other government institutions trained on issues related to the broader national and regional climate agenda (ASAP)		
Output 5.2.1: Land management and tenure security of farmers improved	Farmer associations that have been issued DUATs		
	Cassava producing area with secure land tenure		
	Demarcated grazing and browsing areas		
	Size of grazing/browsing area demarcated		

ANNEX 2. DETAILED WORK PLANS AND BUDGETS

Please see excel separate file

ANNEX 3. PROCUREMENT PLAN

Please see excel separate file