



FAO-GEF Project Implementation Report

2023 – Revised Template

Period covered: 1 July 2022 to 30 June 2023

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1. Basic Project Data

General Information

Region:	Southern Africa																																																						
Country (ies):	Mozambique																																																						
Project Title:	Payment for Ecosystem Services (PES) to Support Forest Conservation and Sustainable Livelihoods																																																						
FAO Project Symbol:	GCP/MOZ/117/GFF																																																						
GEF ID:	5516																																																						
GEF Focal Area(s):	<p>BD-2: Mainstreaming biodiversity conservation in production landscapes/seascapes and sectors</p> <p>CCM-5: Promote conservation and enhancement of carbon stocks through sustainable management of land use, land use change and forestry</p> <p>SFM/REDD+-1: Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services.</p>																																																						
Project Executing Partners:	National Directorate of Forest (DINAF), Ministry of Land and Environment (MTA)																																																						
Project Duration (years):	5 years																																																						
Project coordinates:	<table border="1"> <thead> <tr> <th>District</th> <th>Village/Community</th> <th>Latitude</th> <th>Longitude</th> </tr> </thead> <tbody> <tr> <td>Gilé</td> <td>Pury /Teniua</td> <td>-16.026469°</td> <td>38.232550°</td> </tr> <tr> <td>Gilé</td> <td>Uapé/Nanepa</td> <td>-16.249594°</td> <td>38.043907°</td> </tr> <tr> <td>Gilé</td> <td>Khayane/Napido</td> <td>-16.280613°</td> <td>37.957031°</td> </tr> <tr> <td>Alto Molocué</td> <td>Novanana/Rugula</td> <td>-15.927951°</td> <td>37.725716°</td> </tr> <tr> <td>Alto Molocué</td> <td>Mutala/Namahala</td> <td>-15.929782°</td> <td>37.799184°</td> </tr> <tr> <td>Alto Molocué</td> <td>Mutala/Malolo</td> <td>-15.980587°</td> <td>37.860309°</td> </tr> <tr> <td>Mulevala</td> <td>Jajoo/Jajoo</td> <td>-16.267330°</td> <td>37.517822°</td> </tr> <tr> <td>Mulevala</td> <td>Chiraco Sede/Cohiua</td> <td>-16.259148°</td> <td>37.731297°</td> </tr> <tr> <td>Mulevala</td> <td>Namigonha Sede/Nadala</td> <td>-16.372977°</td> <td>37.645135°</td> </tr> <tr> <td>Maganja da Costa</td> <td>Nante/Mussaia</td> <td>-17.416623°</td> <td>37.350030°</td> </tr> <tr> <td>Maganja da Costa</td> <td>Muzo/Muzo</td> <td>-17.144388°</td> <td>37.489117°</td> </tr> <tr> <td>Maganja da Costa</td> <td>Muzo/Ganga</td> <td>-16.880311°</td> <td>37.393410°</td> </tr> </tbody> </table>			District	Village/Community	Latitude	Longitude	Gilé	Pury /Teniua	-16.026469°	38.232550°	Gilé	Uapé/Nanepa	-16.249594°	38.043907°	Gilé	Khayane/Napido	-16.280613°	37.957031°	Alto Molocué	Novanana/Rugula	-15.927951°	37.725716°	Alto Molocué	Mutala/Namahala	-15.929782°	37.799184°	Alto Molocué	Mutala/Malolo	-15.980587°	37.860309°	Mulevala	Jajoo/Jajoo	-16.267330°	37.517822°	Mulevala	Chiraco Sede/Cohiua	-16.259148°	37.731297°	Mulevala	Namigonha Sede/Nadala	-16.372977°	37.645135°	Maganja da Costa	Nante/Mussaia	-17.416623°	37.350030°	Maganja da Costa	Muzo/Muzo	-17.144388°	37.489117°	Maganja da Costa	Muzo/Ganga	-16.880311°	37.393410°
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Project Dates

GEF CEO Endorsement Date:	21 October 2016
Project Implementation Start Date/EOD :	25 August 2017

Project Implementation End Date/NTE¹:	24 August 2022
Revised project implementation end date (if approved) ²	30 November 2022

Funding

GEF Grant Amount (USD):	3,637,749
Total Co-financing amount as included in GEF CEO Endorsement Request/ProDoc³:	37,600,000
Total GEF grant delivery (as of June 30, 2023 (USD):	3,627,575
Total GEF grant actual expenditures (excluding commitments) as of June 30, 2023 (USD)⁴:	3,595,210
Total estimated co-financing materialized as of June 30, 2023⁵	63,300 000

M&E Milestones

Date of Most Recent Project Steering Committee (PSC) Meeting:	22 April 2022
Expected Mid-term Review date⁶:	June-August 2020
Actual Mid-term review date (when it is done):	September 2020
Expected Terminal Evaluation Date⁷:	June 2022
Tracking tools/Core indicators updated before MTR or TE stage	Yes

Overall ratings

Overall rating of progress towards achieving objectives/ outcomes (cumulative):	Satisfactory
Overall implementation progress rating:	Satisfactory – implementation completed.
Overall risk rating:	Moderate

ESS risk classification

Current ESS Risk classification:	Low
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Status

Implementation Status (1st PIR, 2nd PIR, etc. Final PIR):	Final PIR
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¹ As per FPMIS

² If NTE extension has been requested and approved by the FAO-GEF CU.

³ This is the total amount of co-financing as included in the CEO document/Project Document.

⁴ The amount should show the values included in the financial statements generated by IMIS.

⁵ Please refer to the section 12 of this report where updated co-financing estimates are requested and indicate the total co-financing amount materialized.

⁶ The Mid-Term Review (MTR) should take place after the 2nd PIR, around half-point between EOD and NTE. The MTR report in English should be submitted to the GEF Secretariat within 4 years of the CEO Endorsement date.

⁷ The Terminal Evaluation date should be discussed with OED 6 months before the project's NTE date.

Project Contacts

Contact	Name, Title, Division/Institution	E-mail
Project Manager / Coordinator	Walter Mapanda, Project's Technical Advisor, FRMOZ/FAO	Walter.Mapanda@fao.org
Budget Holder	Hernani Coelho da Silva, FAO Representative, FRMOZ/FAO	Hernani.CoelhoDaSilva@fao.org
Lead Technical Officer	Marco Boscolo, Forestry Officer, NFO/FAO	Marco.Boscolo@fao.org
GEF Funding Liaison Officer	Kuena Morebotsane, Technical Officer, OCB/FAO	Kuena.Morebotsane@fao.org

2. Progress towards Achieving Project Objective(s) (Development Objective)

(All inputs in this section should be cumulative from project start, not annual)

Project or Development Objective	Outcomes	Outcome indicators ⁸	Baseline	Mid-term Target ⁹	End-of-project Target	Cumulative progress ¹⁰ since project start Level at 30 June 2023	Progress rating ¹¹
Objective(s): Promote biodiversity conservation and climate change mitigation in miombo forest ecosystems, through the improvement of the existing revenue sharing mechanism (RSM) that supports sustainable use and conservation of forests and wildlife and improves local	Outcome 1 National Revenue Sharing Mechanism (RSM) improved	Forest law includes improved forest RSM	0	N.A.	1	<p>The project has made an important progress in generating indirect global environment benefits (GEBs), by integrating payment for ecosystem services in the national forest policy, and discussions of the new Forest Law and subsequent legal instruments, thus helping to mainstream biodiversity conservation into the country's development policy framework.</p> <p>A Legal study and proposal for revised text of the Diploma for the existing National Revenue Sharing Mechanism (RSM) in the forestry sector (Ministerial Diploma 93/2005) to reward local communities, engagement in Sustainable Forest Management (SFM)</p>	S

⁸ This is taken from the approved results framework of the project.

⁹ Some indicators may not identify mid-term targets at the design stage (refer to approved results framework) therefore this column should only be filled when relevant.

¹⁰ Please report on results obtained in terms of Global Environmental Benefits and Socio-economic Co-benefits as well.

¹¹ Use GEF Secretariat required six-point scale system: **Highly Satisfactory** (HS), **Satisfactory** (S), **Moderately Satisfactory** (MS), **Moderately Unsatisfactory** (MU), **Unsatisfactory** (U), and **Highly Unsatisfactory** (HU).

<p>peoples' livelihoods</p>					<p>were completed and submitted to MITADER legal adviser in March 2019. With support of the FAO MOZFIP project, improvements to the Diploma were incorporated in the Instructions for the new Forest Law, which are under public consultations. Specific aspects will be discussed and included in the respective regulation and/or new Diploma. The process is handed to DINAF and the new Diploma could be approved after the closure of this project.</p> <p>There was consensus on urgent need for environment protection, effective benefit sharing and community empowerment, and that the new Diploma should not be a stand-alone PES mechanism in the forestry sector, but all interested sectors should work together for a meaningful PES mechanism (for sustainable financing and significant payments to the communities). Nevertheless, the PES concept has been included in the new Forestry Policy approved in March.</p> <p>The draft forest law was under consultation at project's closure. It includes PES.</p>	
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	<p>Joint inter-sector document to guide the sectors on PES produced</p>	<p>0</p>	<p>0</p>	<p>1</p>	<p>Study on PES experiences abroad and in Mozambique and proposal for improved RSM was completed in 2019. Initial document “rules of the game” has been drafted. List of “sustainable practices” prepared and discussed with counterparts, as elements of the “rules of the game” were included in the REDD benefit sharing mechanism managed by FNDS.</p> <p>After various discussions, it was agreed to bring together key institutions from different sectors that could contribute to an inter-sectoral PES mechanism. The inter-ministerial working group to coordinate and harmonize the PES mechanisms was established in June 2021 and it is led by DINAF. Ever since, regular meetings are held to discuss the process for an ultimate PES mechanism.</p> <p>A draft document to guide the sectors on PES “rules of the game” has been produced. The document will be discussed and finalized by DINAF in consultation with the inter-ministerial working group.</p> <p>A total of fourteen Departments from eight Ministries (Land and Environment; Agriculture and Rural Development; Interior Waters and Fisheries; Energy; Mining; Economy and Finance; Gender and Social Affairs;</p>	<p>5</p>
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					and Public Administration) participate in the Inter-ministerial working group.	
	Gender rules included in the Joint inter-sector document on PES	0	0	1	Gender rules have not been defined. It should be discussed together with the draft document to guide the sectors on PES.	MU
Outcome 2 Enhanced human and institutional capacity to oversee and implement improved RSM and/or PES	Number of government and NGO staff whose capacity to implement revenue sharing mechanisms (RSM) has improved as a result of the training received	0	Gov staff: 5 NGO staff: 5	Gov staff: 20 NGO staff: 15	<p>The implementation of PES is still in the initial stage and only in the forest sector, with the recent approval of the REDD+ benefit sharing mechanism. As part of capacity development for RSM and PES, a total of 21 individuals (6 from Government institutions and 15 from civil society organizations) participate in the Training of Trainers (ToTs) session on the new methodology for Community governance, a key process for PES implementation.</p> <p>At least 8 sectors are involved in the discussions to harmonize strategies to implement and monitor RSM and PES as part of the inter-ministerial working group.</p> <p>With support from the project, DINAF led a meeting with the objective of strengthening inter-sectoral dialogue and sharing experiences on RSM implementation at decentralized level (Zambézia Province). A total of 40 individuals (25 from Government institutions and 6 from civil society organizations and 8 from local communities) participated in the event.</p>	HS

	National plan for the improvement RSM designed and implemented	0		1	An Agreement was signed with DINAF to implement the action plan to improve the existing revenue sharing mechanism in the forestry sector. So far, the forestry sector at central and decentralized offices are working on improving the RSM.	S
Outcome 3 Communities prepared for PES through sustainable livelihood models including, Sustainable Land Management (SLM) practices, community-based natural resource management (CBNRM) and Governance in 4 districts of Zambézia province	Percentage of households that are reporting revenue based sustainable alternative income-generating activities, disaggregated by male and female-headed households	12% (6% Male Headed HHs and 6% Female Headed HHs) ¹²	Currently targeting 1.934 direct beneficiaries, 908 female	14% (7% Male headed HHs and 7% Female Headed HHs)	The project has been promoting alternative livelihoods models to reduce deforestation and promote SFM through sustainable agriculture (including Agro-forestry system), pisculture, anti-fire brigades, apiculture and food processing for conservation and nutrition, since 2019. A total of 12 communities are involved in the activity, of which 6 communities started in 2019 and other 6 communities started in 2020, now reaching 1,934 direct beneficiaries (51 percent women) in 12 communities of the 4 targeted districts. The agro-forestry component is well established in all districts, with visible results in terms of improved food security and agricultural resilience by aggregating soil fertility and crop stability. It also has the potential to increase carbon stock in agro-ecosystems.	S
	Number of CBNRM with capacity to implement improved	0	NA	16	Using a guideline for improved governance for CBNRM, a total of eight new CBNRM Committees were created and 10 others revitalized in the four	MS

¹² This was estimated based on the HH survey conduct in the beginning of project implementation (625 people were interviewed and 124 reported revenue based on sustainable alternative income-generating activities, 50 female)

	RSM and/or PES mechanism				<p>targeted districts. CBNRM Committees were trained on REDD+ benefit sharing mechanism.</p> <p>A Community Based Organization (CBO) exploring a community forest concession (ACODEMUZU), received support from the project and benefited from the Dedicated Grant Mechanism for Mozambique (MozDGM), a World Bank funded initiative, executed by WWF. The proposal includes the rehabilitation and procurement of sawmill equipment, to ensure timber processing for value chain development.</p> <p>A group of anti-fire brigades was recently integrated into a forest plantation company (PORTUCEL) comprising a team of wildfire fighters. In 2021, the Forest Carbon Partnership Facility (FCPF) paid Mozambique for reducing 1.28 million tonnes of carbon emissions since 2019 in the Zambezia Integrated Landscape Program. At least one community (Teniua, in Gilé), supported by the project and implementing apiculture, have been selected to benefit from the REDD+ benefit sharing mechanism. The project is working on its legalization and opening of the bank account.</p>	
	Percentage of women represented in the social bodies of the CBNRMs	NA		40	The methodology applied for community governance promotes gender equity. Participation in number and activism of women in the governing bodies is high, reaching almost half in the majority of the CBNRM. The project has reached on	HS

						average, 50 percent women in its overall activities.	
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Action Plan to address MS, MU, U and HU ratings

Outcome	Action(s) to be taken	By whom?	By when?
Outcome 1. National RSM improved	Ensure gender “rules of the game” is integrated in the forthcoming regulatory framework	DINAF and the inter-ministerial working group	Ongoing – beyond project completion.

3. Implementation Progress (IP)

(Please indicate progress achieved during this FY as per the Implementation Plan/Annual Workplan)

Outcomes and Outputs ¹³	Indicators (as per the Logical Framework)	Annual Target (as per the annual Work Plan)	Main achievements ¹⁴ (please avoid repeating results reported in previous year PIR)	Describe any variance ¹⁵ in delivering outputs
Outcome 1.1 National Revenue Sharing Mechanism (RSM) improved				
Output 1.1.1 Forestry and wildlife revenue sharing mechanism (“20% Decree”) ameliorated to reward local community engagement in sustainable forest management	Number of revised Decree proposals including a reward for local communities engagement in SFM submitted	-	Completed in previous fiscal years	
Output 1.1.2 Set of “rules of the game” developed for the integration of environmental performance criteria into existing sector funds and revenue sharing mechanisms, both for forestry and for other sectors	Number of document of legal orientations to introduce PES produced through a consultative process with at least 3 sectors	-	Completed in previous fiscal years	
Outcome 2.1 Enhanced human and institutional capacity to oversee and implement improved RSM and/or PES				
Output 2.1.1 Capacity development programme on improved RSM and/or PES mechanism for forestry institutions and NGOs designed and implemented	Number of Government and NGO staff with capacity to implement improved RSM and/or PES	Gov: 20 NGO: 15	Dialogue and sharing experiences on RSM were transmitted to the various stakeholders at decentralized level (Zambézia Province), namely government, civil society organizations and local communities, aiming at improving and harmonizing the procedures and foster implementation of RSM.	

¹³ Outputs as described in the project Logframe or in any approved project revision.

¹⁴ Please use the same unit of measurement of the project indicators as per the approved Implementation Plan or Annual Workplan. Please be concise (max one or two short sentence with main achievements)

¹⁵ Variance refers to the difference between the expected and actual progress at the time of reporting.

	Number of government and NGO staff with improved capacity to implement sustainable practices	-	Completed in previous fiscal years	
Output 2.1.2 Capacity development strategy for managers of other interested sector funds to design and oversee the implementation of PES mechanism elaborated	Number of interested sector funds with a clear and harmonized strategy to design and oversee the implementation of PES mechanism	-	Completed in previous fiscal years	
Output 2.1.3 Cross-sectoral coordination regarding improved RSM and/or PES mechanism, especially at province and district levels, developed	Number of sectors involved in local coordination initiatives	-	No actions were conducted in this fiscal year	
Outcome 3.1 Communities prepared for PES through improved livelihoods, SLM practices, CBNRM and governance in 4 districts of Zambézia province				
Output 3.1.1 SLM practices consistent with the improved RSM and/or PES mechanism developed and tested	Number of Households implementing sustainable practices	2610	The project finalized the support to local communities with SLM and community governance, reaching 2,453 direct beneficiaries.	
	Percentage of women beneficiaries	50%	The project has reached on average, 50 percent women in its overall activities	
Output 3.1.2 Lessons learned shared	Nr of documents produced based on Monitoring and Evaluation Mission	3	One field monitoring report produced Two closing workshops conducted (one in Maputo and one in Zambézia) The end line survey was conducted Technical assessment report of the aquaculture component of the project conducted and report produced Terminal report produced	

4. Summary on Progress and Ratings

Please provide a summary paragraph on progress, challenges and outcome of project implementation consistent with the information reported in sections 2 and 3 of the PIR.

During the reporting period, project activities were dedicated to finalization of project's activities.

Outcome 1. National RSM improved

Activities under this outcome were completed in previous fiscal years.

Outcome 2. Enhanced human and institutional capacity to oversee and implement improved RSM and/or PES

To enhance the human and institutional capacity to oversee and implement improved RSM and/or PES (through the Letter of Agreement signed with DINAF), the government promoted a dialogue and experience sharing among the various intervenient at decentralized level (Zambézia Province), namely government, civil society organizations and local communities, aiming at improving and harmonizing the procedures and foster implementation of RSM.

Outcome 3. Communities prepared for PES through improved livelihoods, SLM practices, CBNRM and governance in four districts of Zambézia province

The project finalized the support to local communities with SLM, CBNRM and governance, reaching additional beneficiaries with CBRNM.

Development Objective (DO) Ratings, Implementation Progress (IP) Ratings and Overall Assessment

Please note that the overall DO and IP ratings should be substantiated by evidence and progress reported in the Section 2 and Section 3 of the PIR. For DO, the ratings and comments should reflect the overall progress of project results.

	FY2023 Development Objective rating ¹⁶	FY2023 Implementation Progress rating ¹⁷	Comments/reasons ¹⁸ justifying the ratings for FY2022 and any changes (positive or negative) in the ratings since the previous reporting period
Project Manager / Coordinator	S	S	<p>Development objectives rating The Government and NGOs have seen the importance of aligning ecosystem services payments and revenue shares with community expectations to achieve success in conservation projects. The project has remained relevant to the contexts, needs, priorities, strengths and challenges of the forestry sector. An analysis of the project objectives and outcomes showed that it was correctly aligned with government protection and conservation priorities.</p> <p>Implementation progress rating The performance of the PES project, according to formally revised plan is overly on track. The project team is pleased with its achievements, namely in promoting alternative livelihoods to reduce pressure on natural forests through conservation agriculture (including Agro-forestry system), aquaculture and apiculture. Interventions such as savings and credit, natural resources governance, fire management, and food processing for conservation and nutrition assisted the project in getting positive results. PES and RSM are new concepts in biodiversity conservation management which both policy makers and implementers have come to appreciate as a result of the project. Generally, the projects outputs were achieved as a result of engaging national government, provincial government, district officials and local communities early to allow ownership and control and response to local needs and continuity. Communities accepted the project from the beginning to the end because it empowered them to incorporate tradition and culturally relevant practices e.g. food production system and conservation agriculture. Partners,</p>

¹⁶ **Development Objectives Rating** – A rating of the extent to which a project is expected to achieve or exceed its major objectives.

For more information on ratings and definitions, please refer to Annex 1.

¹⁷ **Implementation Progress Rating** – A rating of the extent to which the implementation of a project’s components and activities is in compliance with the projects approved implementation plan. For more information on ratings and definitions, please refer to Annex 1.

¹⁸ Please ensure that the ratings are based on evidence

			service providers and communities are satisfied with the outputs achieved as a result of involving them in planning, prioritization, implementation, analysis and dissemination of project results without marginalisation. Besides, the project has been successful in decentralising natural resources governance to local communities, introducing new practices, and markets to increase appeal or buy-in to biodiversity conservation and facilitating collaboration between existing institutions that foster biodiversity conservation.
Budget Holder	S	S	<p>Development objectives Rating Activities under this fiscal year were mainly the finalization of activities and ensure lesson learned are documented. The end line survey was conducted. In addition, a specific technical assessment of the aquaculture component to provide recommendations for future interventions were carried out and reports were produced.</p> <p>Implementation progress rating Implementation of all activities are in full compliance with the implementation plan agreed for this fiscal year.</p>
GEF Operational Focal Point¹⁹			<p>Development objectives rating The OFP was replaced during the reporting period.</p> <p>Implementation progress rating The OFP was replaced during the reporting period.</p>
Lead Technical Officer²⁰	S	S	<p>Development objectives Rating The LTO is in agreement with the comments provided by the BH. It is noteworthy to mention that some beneficiaries/communities have enthusiastically adopted some of the SLM practices promoted by the project, in particular the introduction of savings and credit groups and beekeeping. Based on reports from field visits, adoption of these practices will likely continue even without further project support. Satisfactory rating in line with the findings of the terminal evaluation.</p> <p>Implementation Progress rating The LTO is in agreement with the comments provided by the BH. Satisfactory rating in line with the findings of the terminal evaluation.</p>

¹⁹ In case the GEF OFP didn't provide his/her comments, please explain the reason.

²⁰ The LTO will consult the HQ technical officer and all other supporting technical Units.

FAO-GEF Funding Liaison Officer	S	S	Implementation completed. Satisfactory rating in line with the findings of the terminal evaluation.
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5. Environmental and Social Safeguards (ESS)

Please describe the progress made complying with the approved ESM plan. Note that only projects with **moderate** or **high** Environmental and Social Risk, approved from June 2015 should have submitted an ESM plan/table at CEO endorsement. This does not apply to **low** risk projects. Add new ESS risks if any risks have emerged during this FY.

Social & Environmental Risk Impacts identified at CEO Endorsement	Expected mitigation measures	Actions taken during this FY	Remaining measures to be taken	Responsibility
ESS 1: Natural Resource Management				
	na			
ESS 2: Biodiversity, Ecosystems and Natural Habitats				
	na			
ESS 3: Plant Genetic Resources for Food and Agriculture				
	na			
ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture				
	na			
ESS 5: Pest and Pesticide Management				
	na			
ESS 6: Involuntary Resettlement and Displacement				
	na			
ESS 7: Decent Work				
	na			
ESS 8: Gender Equality				
	na			
ESS 9: Indigenous Peoples and Cultural Heritage				
	na			
New ESS risks that have emerged during this FY				
	na			

In case the project did not include an ESM Plan at CEO endorsement stage, please indicate if the initial Environmental and Social (ESS) Risk classification is still valid; if not, what is the new classification and explain.

Initial ESS Risk classification (At project submission)	Current ESS risk classification Please indicate if the Environmental and Social Risk classification is still valid ²¹ . If not, what is the new classification and explain.
Low	Still valid.

<i>Please report if any grievance was received as per FAO and GEF ESS policies. If yes, please indicate how it is being/has been addressed.</i>
No grievance received.

²¹ **Important:** please note that if the Environmental and Social Risk classification has changed, the ESM Unit should be contacted and an updated Social and Environmental Management Plan addressing new risks should be prepared.

6. Risks

The following table summarizes risks identified in the Project Document and reflects also any new risks identified in the course of project implementation (including COVID-19 related risks). The last column should be used to provide additional details concerning manifestation of the risk in the project, as relevant.

	Type of risk	Risk rating ²²	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
1	Insufficient collaboration among government and local NRMCs	Low	Y	a. PSC representation b. govt involvement in project design c. shared training activities d. build trust through increased transparency of RSM	Continue representation of different stakeholders in the PSC Involvement in the province network (the Platform for Integrated Development of Zambézia)	
2	Continued illegal forest use reduces improved RSM (PES) effectiveness	Moderate	Y	a. MITADER commitment and action on policy reform agenda b. project focus on capacity building and dialogue	Continue representation of different stakeholders in the PSC Involvement in the province network (the Platform for Integrated Development of Zambézia)	
3	Emissions reductions threatened by climate change impact on forest (fire frequency)	Moderate	Y	a. improved forest management practices promoted by project reduce risk b. alignment with partners covering a large contiguous area	Continue the work on the sustainable livelihood model and awareness raising of fire risks	

²² Risk ratings means a rating of accesses the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risk of projects should be rated on the following scale: Low, Moderate, Substantial or High. For more information on ratings and definitions please refer to Annex 1.

	Type of risk	Risk rating ²²	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
4	Leakage risk	Low	Y	a. focus on improving local forest and farm practices reduces risk b. alignment with partners covering a large contiguous area	Project makes reasonable effort to work in coordination and alignment with partners of the Zambezia landscape program	
5	Deteriorating security situation	Low	Y	a. careful selection of pilot areas b. apply UNDSS sec standards	The project maintains a close collaboration with the government at DINAF central, provincial and district levels	
6	Insufficient coordination and collaboration among government institutions and CBRNM committees may make it hard to implement the PES mechanism.	Moderate	N	Concept note for the inter-ministerial coordination working group to harmonise the procedures and discuss the road map for an eventual PES was produced.	<ul style="list-style-type: none"> • MTA's technical council DINAF designated to lead the inter-ministerial working group. • First meeting conducted. 	

7	<p>Weak capacity of institutions at local government and community levels may make it hard to change the status quo of illegal forest use and operationalize decisions. This would reduce the effectiveness of a tool such as PES, even if the project was to achieve its objective of integrating PES into the existing national forestry and wildlife RSM.</p>	Moderate	N	<p>An assessment on government capacity and processes to enforce the Ministerial Decree 93/2005 in Zambézia province and in five other provinces selected by DINAF (i.e. Maputo, Gaza, Sofala, Tete and Cabo Delgado) has been undertaken and a report has been produced. A work plan on concrete actions for the improvement of the forestry RSM implementation is being discussed with DINAF.</p>	<ul style="list-style-type: none"> • It was agreed that discussions on PES should bring together key institutions from different sectors that can contribute to the inter-sectoral PES mechanism. Initially, sectors with taxes, part of which must be paid to local communities according to law (forestry, mining, fishery, conservation areas, agriculture). Then, a second step, expand to other sectors that could also contribute (tourism, transport, among others). It is important to include the Ministry of Finance. A series of inter-ministerial working session meetings are ongoing and serve to develop the capacity of these different sectors. • In addition, a LOA with DINAF to operationalize decisions/recommendations from the assessment for enforcement of the 20% Decree at institutional/government level in Zambézia Province and 2 other provinces of RSM implementation is being undertaken. This LOA will also support a simple 	
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	Type of risk	Risk rating ²²	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
					centralized information system of beneficiaries.	
8	Potential climate change impacts, such as increased fire frequency due to higher temperatures, less reliable rainfall, tropical storms, may prevent the project from having the expected positive environmental outcomes, even if the project is successful in encouraging local communities to improve forest management.	High Risk	N	The improved alternative income generation activities and forest management practices that the project is promoting in the local communities to adopt (agro-forestry, beekeeping, aquaculture, anti-fire brigades, nutrition, saving and credits groups) will contribute to reducing the exposure and susceptibility of the miombo forest ecosystem to catastrophic fire. The introduction of such improved practices over a large contiguous area, working alongside similar efforts funded by other donors, will further mitigate the risks that climate change is likely to cause.	<ul style="list-style-type: none"> The project continued working on improved Sustainable livelihood models introduced. Two components (apiculture and Firefighting brigades) received additional support from other ongoing initiatives that promote improved forest management, namely the REDD+ benefit sharing mechanism and the forest plantation company. 	

	Type of risk	Risk rating ²²	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
9	The risk of “leakage” – simply displacing illegal and destructive forest use activities to other areas without a net positive environmental benefit – is inherent to conservation intervention implemented at sub-national level.	Moderate	N	The project actively mitigates the risk of “leakage” by: (i) engaging with other actors from the Platform for Integrated Development of Zambézia province to promote discussions on integrated NRM based on the current experiences in sustainable use of natural resources rather than in destructive activities; (ii) encouraging the introduction of forest management units over a large contiguous area, working alongside similar interventions funded by other donors, thus decreasing the spatial probability of important “leakage” events. Further risk mitigation measures are likely to be devised under the Emissions Reduction Purchase Agreement the government intends to conclude with the Carbon Fund of the Forest Carbon Partnership Facility.	<ul style="list-style-type: none"> The project continues its active engaging with other actors to mitigate the risk of “leakage”: (i) Platform of Integrated Development of Zambézia to promote discussions on INRM based on the current experiences in sustainable use of natural resources rather than in destructive activities; (ii) working alongside similar efforts funded by other donors, thus decreasing the spatial probability of important “leakage” events. At least two components (apiculture and Firefighting brigades) received additional support from other ongoing initiatives that promote improved forest management, namely the REDD benefit sharing mechanism and Forest plantation company (PORTUCEL) 	

	Type of risk	Risk rating ²²	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
10	Deterioration of the security situation (political instability, armed conflicts, refugees) in the target or in surroundings provinces, that may disrupt project activities	Moderate	N	The target area does not suffer from specific political instability and it is not directly affected by armed conflict. However, regarding the latter, an unspecified number of refugees from Cabo Delgado have settled in the target districts during the past months. The project will continue monitoring the situation to avoid conflict and guarantee equitable and sustainable access to natural resources for all in the target area.	<ul style="list-style-type: none"> The project maintains a close collaboration with the government at DINAF central, provincial and district levels. 	
11	Restrictions imposed by the COVID-19 pandemic	Moderate	N	Reduce the number of participants per training; conduct online meetings when possible; strictly implement basic protective measures during face-to-face meetings and field activities; raise awareness of rural communities on safety and hygiene measures to prevent the spread of COVID-19 and other viruses and diseases; distribute protective material such as masks, soaps, etc.	<ul style="list-style-type: none"> The project is strictly adhering to government and UN recommendations on the prevention of COVID-19 pandemic measures. The situation has started improving and the country in beginning to recover. 	

	Type of risk	Risk rating ²²	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
12	Organizational changes leading to shifts in roles and responsibilities, with consequent risks of reduced clarity of roles and reduced ease of continuity. In 2020 substantial organizational changes have taken place in the Mozambique Government. A new ministry has been created (Ministry of Land and Environment [MTA]) and one of the projects main partner (FNDS, who is coordinating REDD+ and other complementing activities) has moved to a different ministry (Ministry of Agriculture and Rural Development [MADER]). At local level, in some cases, the structure and mandates are still not clear	Moderate	N	Close collaboration with DINAF is maintained through its involvement in project activities and discussions.	<ul style="list-style-type: none"> Follow-up on the developments of the government structuring process 	This is a political decision. The project is completely dependent on the government's decision.

Project overall risk rating (Low, Moderate, Substantial or High):

FY2021 rating	FY2022 rating	Comments/reason for the rating for FY2023 and any changes (positive or negative) in the rating since the previous reporting period
M	M	The risk has remained the same: moderate.

7. Follow-up on Mid-term review or supervision mission (only for projects that have conducted an MTR)

If the project had an MTR or a supervision mission, please report on how the recommendations were implemented during this fiscal year as indicated in the Management Response or in the supervision mission report.

MTR or supervision mission recommendations	Measures implemented <u>during this Fiscal Year</u>
Recommendation 1: Adjustments in the Theory of Change (ToC) and the results framework	Completed. The adjusted Theory of Change and results framework was finalized and cleared by the LTO.
Recommendation 2: To proactively promote interactions with the FAO and other GEF-funded projects, improving collaboration and interactions with government agencies in forestry and biodiversity conservation areas (namely FNDS), as well as with local (district and community) stakeholders for defining models and criteria for the improved RSM and PES mechanisms	During this fiscal year and in order to enhance the human and institutional capacity to oversee and implement improved RSM and/or PES, the government (through the Letter of Agreement signed with DINAF) promoted a dialogue and experience sharing among the various intervenient at decentralized level (Zambézia Province), namely government, civil society organizations and local communities, aiming at improving and harmonizing the procedures and foster implementation of RSM. In synergy with the FAO PROMOVE Agribiz project, a group of 120 beneficiaries of the GEF-funded project were trained on agro processing (it included management, operation and maintenance of processing machinery) and business management.
Recommendation 3: Focus should be on capacity building of local staff and service providers and on increased support to communities for the adoption of sustainable practices and to strengthen their committees in order to enable them to access funds from the (improved) RSM/PES mechanisms.	During the reporting period a total of 18 communities have project proposals prepared and ready to submit for REDD+ funding.
Recommendation 4: The project team has to be reestablished as soon as possible with the deployment of the Chief Technical Adviser (CTA) and the fulfillment of all technical positions. It is recommended to ensure a regular presence in the Zambézia province in order to support liaising officer oversight and to provide technical guidance to service providers and District Services of Economic Activities (SDAEs) when working with communities.	Completed in the previous fiscal year.

Has the project developed an Exit Strategy? If yes, please describe	A workshop was conducted in September 2022 with participation from the project's stakeholders at the provincial level to discuss the necessary steps to assure sustainability after project's closure. Main challenges identified were mainly related to lack of funds, which is a general situation in the country as government relies on extra
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	<p>budgetary funds for its activities. For some communities, this could be minimized with the funds that will be made available by REDD++.</p>
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8. Minor project amendments

Minor amendments are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5% as described in Annex 9 of the GEF Project and Program Cycle Policy Guidelines²³. Please describe any minor changes that the project has made under the relevant category or categories. And, provide supporting documents as an annex to this report if available.

Category of change	Provide a description of the change	Indicate the timing of the change	Approved by
Results framework	The MTR recommended Adjustments in the ToC and the Results Framework	September 2020	Project Steering committee
Components and cost	No		
Institutional and implementation arrangements	A new Ministry has been created (Ministry of Land and Environment, MTA) and one of the project's main partner (FNDS coordinating REDD+ and other complementing activities) has moved to a different ministry (Ministry of Agriculture and Rural Development). At local level, in some cases, the structure and mandates were not clear	Organizational changes have taken place in the Mozambique Government in 2020	
Financial management	No		
Implementation schedule	A 3 month project extension was requested to allow for a smooth finalization of the project activities	July 2022	
Executing Entity	No		
Executing Entity Category	No		
Minor project objective change	No		
Safeguards	No		
Risk analysis			
Increase of GEF project financing up to 5%	No		
Co-financing			

²³ Source: <https://www.thegef.org/council-meeting-documents/guidelines-project-and-program-cycle-policy-2020-update>

Location of project activity	MTR recommendations included reduction of the project implementation area from 7 to 4 districts to align with project's team proposed strategy	September 2020	Project Steering committee
Other	No		

9. Stakeholders' Engagement

Please report on progress and results and challenges on stakeholder engagement (based on the description of the Stakeholder engagement plan) included at CEO Endorsement/Approval during this reporting period.

Stakeholder name	Role in project execution	Progress and results on Stakeholders' Engagement	Challenges on stakeholder engagement
Government Institutions			
MTA- Ministry of Land and Environment, formerly called MTADER, including DINAF (National Forest Directorate), ANAC (National Agency of Conservation Areas) and DPTA-Zambézia (Provincial Directorate of Land and Environment)	Lead coordination Agency / Executing partner. Chair the Project Steering Committee (PSC) and house the Project Management Unit (PMU)	The project works closely with DINAF. A national focal point has been appointed to follow all the project activities and processes to ensure their alignment with government objectives.	
MADER (Ministry of Agriculture and Rural Development), including FNDS (National Fund for Sustainable Development)	PSC Member Participate in the inter-ministerial working group to coordinate and harmonize the PES mechanisms	Participate in the discussions related to Outcome 1 Manage the portfolio of projects under the Zambezia Integrated Landscape Program and provides the co-financing figures.	
MIREME (Ministry of Mineral Resources and Energy), including FUNAE (Energy Fund)	PSC Member Participate in the inter-ministerial working group to coordinate and	Participate in the discussions related to Outcome 1	

	harmonize the PES mechanisms		
MGCAS (Ministry of Gender, Children and Social Action), including DPGCAS-Zambézia (Provincial Directorate of Gender, Children and Social Action)	PSC Member Participate in the inter-ministerial working group to coordinate and harmonize the PES mechanisms	Participate in the discussions related to Outcome 1	
MIMAIP (Ministry of Sea, Inland water and Fishing), including IDEPA (Institute of Fishing and Aquaculture Development), IIP (National Institute of Fisheries Research) and ProAzul (Blue Economy Development Fund)	PSC Member Participate in the inter-ministerial working group to coordinate and harmonize the PES mechanisms	Participate in the discussions related to Outcome 1	
4 SDAEs (District Services of Economic Activities): Maganja da Costa, Alto Molocué, Mulevala and Gilé / service providers	Implementing partner. Decentralized government services at district level	Coordinate implementation of the field activities of the project by the relevant Service Providers and Community-based natural resource management (NRMC) committees involved	
DPTA and SPA Decentralized government services at provincial	Coordination agency. Decentralized government services at province level	Coordinate implementation of the field activities of the project by the relevant Service Providers and Community-based natural resource management (NRMC) committees involved	
UNIZambeze (University of Zambeze), Faculty of Agronomy and Forestry Engineering (FEAF)	Research institution	Conduct research, socio economic studies and works in collaboration with forest operators to promote sustainable forest management, supporting them to switch from simple licences to concessions, and to collaborate more closely with local communities	
Non-Government organizations (NGOs)			
WWF (World Wildlife Fund)		Executing agency of the MOZDGM	
ITC-F (Community Land Initiative – Foundation)	Service Provider	CBRNM	

ICEI (Institute of International Economic Cooperation)	Service Provider	Sustainable agriculture	
UATAF-AFC (Association for Community Strengthening)	Service Provider	Saving and credit groups	
RADEZA (Organizations Network for the Environment and Sustainable Development of Zambézia)	Service Provider	Chair of the Platform of the Integrated Development of Zambézia	
R-GCRN (Network for CBNRM)	Service Provider	Governance of CBNRM	
Private sector entities			
Agri-Mel	Service Provider	Apiculture activities	
PORTUCEL	A private company promoting forest plantations	Recently admitted fire-fighter group into their staff	

10. Gender Mainstreaming

Information on Progress on Gender-responsive measures as documented at CEO Endorsement/Approval in the gender action plan or equivalent (when applicable) during this reporting period.

Category	Yes/No	Briefly describe progress and results achieved during this reporting period
Gender analysis or an equivalent socio-economic assessment made at formulation or during execution stages.	No	
Any gender-responsive measures to address gender gaps or promote gender equality and women's empowerment?	Yes	Completed in the previous fiscal year.
Indicate in which results area(s) the project is expected to contribute to gender equality (as identified at project design stage):		
a) closing gender gaps in access to and control over natural resources	Yes	Completed in the previous fiscal year.
b) improving women's participation and decision making	yes	Completed in the previous fiscal year.
c) generating socio-economic benefits or services for women	yes	Completed in the previous fiscal year.
M&E system with gender-disaggregated data?	Yes	The endline survey was conducted and its report include gender disaggregated data.
Staff with gender expertise	Yes	Completed in the previous fiscal year.
Any other good practices on gender	No	

11. Knowledge Management Activities

Knowledge activities / products (when applicable), as outlined in Knowledge Management Approach approved at CEO Endorsement / Approval during this reporting period.

<p>Does the project have a knowledge management strategy? If not, how does the project collect and document good practices? Please list relevant good practices that can be learned and shared from the project thus far.</p>	<p>During this reporting period the project produce caps and t-shirts materials and distributed to all project’s beneficiaries of the 4 districts of Zambézia.</p>
<p>Does the project have a communication strategy? Please provide a brief overview of the communications successes and challenges this year.</p>	<p>The project developed a communication and visibility plan based on the different outcomes of the project. For this reporting period it consisted in systematizing the approach, experience and good results achieved with the project.</p>
<p>Please share a human-interest story from your project, focusing on how the project has helped to improve people’s livelihoods while contributing to achieving the expected Global Environmental Benefits. Please indicate any Socio-economic Co-benefits that were generated by the project. Include at least one beneficiary quote and perspective, and please also include related photos and photo credits.</p>	<p>A document systematizing the approach, Lessons Learned, Challenges and Way Forward is underway. It aims to reinforce the learning dimension of the project.</p>
<p>Please provide links to related website, social media account</p>	<p>https://www.linkedin.com/posts/marco-boscolo-b671b2_during-my-last-visit-to-mozambique-i-met-activity-6964937327760560128-JlX5?utm_source=linkedin_share&utm_medium=member_desktop_web</p>
<p>Please provide a list of publications, leaflets, video materials, newsletters, or other communications assets published on the web.</p>	<p>Videos</p> <p>Trainings were key to create functional saving and credit groups https://youtu.be/TyEYrgbGMBg</p> <p>Engagement of Community Leaders was decisive when creating saving and credit groups https://youtu.be/BrxIHG39sZU</p> <p>Managing Savings Group money requires patience https://youtu.be/eBH1Dn5ys40</p> <p>Savings and Credit Group in Gilé boosts the emergence of small businesses https://youtu.be/6gtwjlun_s</p>

	<p>Savings and credits Group engaged in the development of the Pury's Community https://youtu.be/8QJLTxSjT-0</p> <p>Madalena: a successful entrepreneur from the savings and credits groups https://youtu.be/Tma-DGgNy3c</p> <p>_"Mutacuane" project promotes valorization of women in Gilé https://youtu.be/tYrhziTN1zM</p> <p>"Mutacuane" project improves quality of life of fish farmers in Namahala https://youtu.be/pUjLuqznPdk</p> <p>Improved agricultural techniques increase farmers' production in Alto Molócuè https://youtu.be/2AHfnM_Oq1I</p>	
<p>Please indicate the Communication and/or knowledge management focal point's Name and contact details</p>	<p>Rogério Junior Rogério.Junior@fao.org</p>	

12. Indigenous Peoples and Local Communities Involvement

Are Indigenous Peoples and local communities involved in the project (as per the approved Project Document)? If yes, please briefly explain.

If applicable, please describe the process and current status of on-going/completed, legitimate consultations to obtain Free, Prior and Informed Consent (FPIC) with the indigenous communities.

Do indigenous peoples and or local communities have an active participation in the project activities? If yes, briefly describe how.

The term “indigenous people” is not applicable in Mozambique. However, the project developed an integrated and participative approach, by listening to beneficiary needs and goals to foster motivation and support.

13. Co-Financing Table

Sources of Co-financing ²⁴	Name of Co-financer	Type of Co-financing	Amount Confirmed at CEO endorsement / approval	Actual Amount Materialized at 30 June 2023	Actual Amount Materialized at Midterm	Expected total disbursement by the end of the project
Government (implementation of the 20% Diploma)	MTA	Cash	4,800,000	500,000	300,000	500,000
Multi-lateral Agency (Establishment of REDD+ MRV platform)	Forest Carbon Partnership Facility (FCPF)	Grant	5,000,000	5,000,000	5,000,000	5,000,000
Multi-lateral Agency (REDD+ Readiness Preparation Grant)	FCPF	Grant	3,600,000	3,800,000	3,800,000	3,800,000
Multi-lateral Agency (MOZFIP)	World Bank (FIP)	Grant	24,000,000	47,000,000	12,900,000	47,000,000
FAO (tree cover assessment training)	FAO	In-kind	200,000	200,000	200,000	200,000
		Subtotal	37,600,000	56,500,000	22,200,000	56,500,000
Government(*)	MTA	In-kind	New	400,000	100,000	400,000
Bilateral Aid Agency	JICA	Grant	New	4,300,000		4,300,000

²⁴ Sources of Co-financing may include: Bilateral Aid Agency(ies), Foundation, GEF Agency, Local Government, National Government, Civil Society Organization, Other Multi-lateral Agency(ies), Private Sector, Beneficiaries, Other.

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Multi-lateral Agency (MozDGM) (**)	World Bank	Grant	New	4,500,000		4,500,000
Multi-lateral Agency (SUSTENTA) (**)	World Bank	Grant	New	40,000,000		40,000,000
Multi-lateral Agency (MOZBIO)(**)	World Bank	Grant	New	46,300,000		46,300,000
Multi-lateral Agency (ERPA) (**)	FCPF	Grant	New	6,400,000		6,400,000
		TOTAL		37,600,000	158,400,000	22,300 000
						158,400,000

(*) Not in project document but in official letter from MITADER of 2 November 2015.

(**) New projects part of the Zambézia Integrated Landscape Management Programme

Please explain any significant changes in project co-financing since Project Document signature, or differences between the anticipated and actual rates of disbursement

A significant increase in co-financing was made available to the Zambézia Integrated Landscape Management Programme from additional sources, by the government, a bilateral aid agency (JICA) and a multi-lateral agency (World Bank). In 2021, FCPF paid Mozambique USD 6.4 million for reducing 1.28 million tonnes of carbon emissions since 2019. The government is managing and reporting to the project the respective disbursements.

Annex 1. – GEF Performance Ratings Definitions

Development Objectives Rating. A rating of the extent to which a project is expected to achieve or exceed its major objectives.	
Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings
Moderately Satisfactory (MS)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits
Moderately Unsatisfactory (MU)	Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives)
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits)
Highly Unsatisfactory (HU)	The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.)

Implementation Progress Rating. A rating of the extent to which the implementation of a project’s components and activities is in compliance with the project’s approved implementation plan.	
Highly Satisfactory (HS)	Implementation of all components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be resented as “good practice
Satisfactory (S)	Implementation of most components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action
Moderately Satisfactory (MS)	Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action
Moderately Unsatisfactory (MU)	Implementation of some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.
Unsatisfactory (U)	Implementation of most components is not in substantial compliance with the original/formally revised plan
Highly Unsatisfactory (HU)	Implementation of none of the components is in substantial compliance with the original/formally revised plan.

Risk rating. It should assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risk of projects should be rated on the following scale:	
High Risk (H)	There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.
Substantial Risk (S)	There is a probability of between 51% and 75% that assumptions may fail to hold or materialize, and/or the project may face substantial risks
Moderate Risk (M)	There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/or the project may face only moderate risk.
Low Risk (L)	There is a probability of up to 25% that assumptions may fail to hold or materialize, and/or the project may face only low risks.