



FAO-GEF Project Implementation Review

2019 – Revised Template

Period covered 1 July 2018 to 30 June 2019



1. Basic Project Data

General Information

Region:	Southern Africa
Country (ies):	Mozambique
Project Title:	Payment for Ecosystem Services to Support Forest Conservation and Sustainable Livelihoods
FAO Project Symbol:	GCP/MOZ/117/GFF
GEF ID:	5516
GEF Focal Area(s):	BD-2: Mainstreaming biodiversity conservation in production landscapes/seascapes and sectors CCM-5: Promote conservation and enhancement of carbon stocks through sustainable management of land use, land use change and forestry SFM/REDD+-1: Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services.
Project Executing Partners:	National Directorate of Forest, Ministry of Land, Environment and Rural Development (MITADER)
Project Duration:	5 years

Milestone Dates:

GEF CEO Endorsement Date:	21 October 2016
Project Implementation Start Date/EOD :	25 August 2017
Proposed Project Implementation End Date/NTE¹:	24 August 2022
Revised project implementation end date (if applicable) ²	N/A
Actual Implementation End Date³:	N/A

Funding:

GEF Grant Amount (USD):	3,637,748
Total Co-financing amount as included in GEF CEO Endorsement Request/ProDoc⁴:	37,600,000

¹ as per FPMIS

² In case of a project extension.

³ Actual date at which project implementation ends/closes operationally -- only for projects that have ended.

⁴ This is the total amount of co-financing as included in the CEO document/Project Document.

Total GEF grant disbursement as of June 30, 2019 (USD):	718,791
Total estimated co-financing materialized as of June 30, 2019⁵ (millions USD)	49,200,000

Review and Evaluation

Date of Most Recent Project Steering Committee:	1 April 2019
Mid-term Review or Evaluation Date planned (if applicable):	2020
Mid-term review/evaluation actual:	
Mid-term review or evaluation due in coming fiscal year (July 2019 – June 2020).	Yes
Terminal evaluation due in coming fiscal year (July 2019 – June 2020).	No
Terminal Evaluation Date Actual:	
Tracking tools/ Core indicators required⁶	No

Ratings

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

Status

Implementation Status (1st PIR, 2nd PIR, etc. Final PIR):	1 st PIR
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⁵ Please see last section of this report where you are asked to provide updated co-financing estimates. Use the total from this Section and insert here.

⁶ Please note that the Tracking Tools are required at mid-term and closure for all GEF-4 and GEF-5 projects. Tracking tools are not mandatory for Medium Sized projects = < 2M USD at mid-term, but only at project completion. The new GEF-7 results indicators (core and sub-indicators) will be applied to all projects and programs approved on or after July 1, 2018. Also projects and programs approved from July 1, 2014 to June 30, 2018 (GEF-6) must apply core indicators and sub-indicators at mid-term and/or completion

Project Contacts

Contact	Name, Title, Division/Affiliation	E-mail
Project Manager / Coordinator	Frank Beernaert	FrankRene.Beernaert@fao.org
Lead Technical Officer	Marco Boscolo	Marco.Boscolo@fao.org
Budget Holder	Olman Serrano	Olman.Serrano@fao.org
GEF Funding Liaison Officer, Investment Centre Division	Kuena Morebotsane	Kuena.Morebotsane@fao.org

1. Progress towards achieving project objectives and outcomes (cumulative)

Project objective and Outcomes	Description of indicator(s) ⁷	Baseline level	Mid-term target ⁸	End-of-project target	Level at 30 June 2019	Progress rating ⁹
Objective(s): Promote biodiversity conservation and climate change mitigation in <i>miombo</i> forest ecosystems, through the improvement of the existing revenue sharing mechanism that supports sustainable use and conservation of forests and wildlife and improves local peoples' livelihoods						
Outcome 1: National Revenue Sharing Mechanisms (RSM) improved	Submission of legal text to modify 20% forest revenue sharing mechanism into RSM	0	0	1	0	MS
	Number of productive sectors where PES rules: (i) have been used and (ii) are under implementation	(i): 0 (ii): 0	(i): 2 (ii): 0	(i): 3 (ii): 1	(i) 0 (ii) 0	MS
Outcome 2: Enhanced human and institutional capacity to oversee and implement improved RSM	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: 15 NGO staff: 15	0	MS
	Number of CBNRM Committees whose capacity to implement RSM schemes has increased as a result of the training received	0	10	20	0	MS

⁷ This is taken from the approved results framework of the project. Please add cells when required in order to use one cell for each indicator and one rating for each indicator.

⁸ 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.

⁹ Use GEF Secretariat required six-point scale system: **Highly Satisfactory** (HS), **Satisfactory** (S), **Marginally Satisfactory** (MS), **Marginally Unsatisfactory** (MU), **Unsatisfactory** (U), and **Highly Unsatisfactory** (HU).

1. Progress towards achieving project objectives and outcomes (cumulative)

Project objective and Outcomes	Description of indicator(s) ⁷	Baseline level	Mid-term target ⁸	End-of-project target	Level at 30 June 2019	Progress rating ⁹
	Numbers of staff/overseers of other sectoral funds and revenue sharing mechanisms whose awareness about environmental performance criteria for RSM has improved	0	6	10	0	MS
	Quality and relevance of institutional / intersectoral coordination mechanisms	0	2	8	0	MS
Outcome 3: Improved, environmental performance-based version of existing government forestry tax revenue sharing mechanism operational in 7 districts of Zambézia Province	Percentage of total forestry tax revenue shared with local communities in Zambézia Province conditional on RSM agreements	0	10%	50%	0	MS
	Custom indicator to measure Improvement in functionality and gender equity of NRM committees	0	10	20	0	MS
	Percentage of women beneficiaries	n.a.	50%	50%	0	MS
	National replication plan developed and disseminated	0	0	1	0	MS

Action plan to address MS, MU, U and HU rating ¹⁰

Outcome	Action(s) to be taken	By whom?	By when?
Outcome 1: National Revenue Sharing Mechanisms (RSM) improved	Agree with MITADER and SPFFB the possibilities for a test implementation Select Community Based Natural Resources Management (CBNRM) committees for testing Prepare LoA with Provincial Services of Forest and Wildlife (SPFFB) to implement a test	CTA and legal consultant Provincial Facilitator Provincial Facilitator	September 2019 October 2019 October 2019
Outcome 2: Enhanced human and institutional capacity to oversee and implement improved RSM	Speed up the project implementation (finalize, sign and initiate the implementation of LoA and contract with implementing partners on respective capacity building issues)	CTA and project team	September 2019; Note: Capacity building is connected to field activities in component 3 which will start up in second part of 2019
Outcome 3: Improved, environmental performance-based version of existing government forestry tax revenue sharing mechanism operational in 7 districts of Zambézia Province	Sign an agreement with beekeeping service provider LOA on sustainable agriculture with NGO ICEI and later other LOA with governmental services (District Service for Economic Activities - SDAE) Follow up of field activities	Beekeeping service provider and project team NGO ICEI and project team SDAE and project team Provincial Facilitator	July 2019

¹⁰ To be completed by Budget Holder and the Lead Technical Officer

2. Progress in Generating Project Outputs

Outputs ¹¹	Expected completion date ¹²	Achievements at each PIR ¹³					Implement. status (cumulative)	Comments. Describe any variance ¹⁴ or any challenge in delivering outputs
		1 st PIR	2 nd PIR	3 rd PIR	4 th PIR	5 th PIR		
Output 1.1 Forestry and wildlife revenue sharing mechanism ("20% Decree") ameliorated to reward local community engagement in sustainable forest management	Q1 Y4	Legal study and proposal for revised text of the 20% Decree completed and submitted to MITADER legal adviser Meeting organized at provincial level involving the 2 start-up districts					50%	Technical meetings on-going with the REDD+ team for coordination on the benefit sharing plans
Output 1.2 Common 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	Q4 Y5	Study on PES experiences abroad and in Mozambique and proposal for improved RSM completed. Initial "rules of the game" could be evinced from the review. List of "sustainable practices" prepared and discussed with counterparts, as elements of the "rules of the game" to be prepared.					15%	Delay of the recruitment of the communication officer of the 3 FAO forestry projects
Output 2.1 Capacity development program for Forestry institutions, NGOs and NRM committees functioning localized in forest	Q4 Y5	Coordination maintained with MOZFIP project, which includes capacity assessment of DINAF to support sustainable forest management (individual,					10%	Depends on the start-up of the field activities during the 2 nd part of 2019 under component 3

¹¹ Outputs as described in the project logframe or in any updated project revision. In case of project revision resulted from a mid-term review please modify the output accordingly or leave the cells in blank and add the new outputs in the table explaining the variance in the comments section.

¹² As per latest work plan (latest project revision); for example: Quarter 1, Year 3 (Q1 y3)

¹³ Please use the same unity of measures of the project indicators, as much as possible. Please be extremely synthetic (max one or two short sentence with main achievements)

¹⁴ Variance refers to the difference between the expected and actual progress at the time of reporting.

concessions or simple license areas in Zambézia RSM implementation (see component 3) designed and implemented		organizational and enabling conditions)						
Output 2.2 Capacity development program for managers of other sector funds and revenue sharing mechanisms to design and oversee the implementation of improved RSM designed and initial implementation	Q2 Y4						0%	Same comment as above
Output 2.3 Capacity development program developed for cross-sectoral coordination regarding improved RSM, especially at Province and District levels	Q4 Y5						0%	Supposed to start in year 3
Output 3.1 Guidance for improved functioning (including transparency and equity) of NRMCS developed and tested in 7 districts of Zambezi Province	Q4 Y5	On-going discussions with DINAF, DPTADER and other partners on guidelines for improved functioning of NRMCS					5%	Numerous existing guidelines and new national forestry policy elaborated by MozFIP and partners on-going Coordination with REDD+ activities
Output 3.2 Guidance on sustainable practices consistent with the improved RSM developed and tested in the 7 districts in Zambézia Province	Q4 Y5	6 first communities selected Livelihood and conservation activities identified based on community needs ToR for sustainable agriculture, pisciculture, anti-bushfire and nutrition activities elaborated 5 implementing NGOs identified and assessed based on previous experiences related to identified activities 1 NGO pre-selected					10%	Started with 2 districts in distinct agro-ecological zones Extension to other districts in the next year with exchange visits to the 2 start-up districts
Output 3.3 Lessons learned shared	Q4 Y5						0%	Supposed to start at the end of year 2

Output 3.4 National replication plan for improved forest and wildlife revenue sharing mechanism disseminated	Q4 Y5					0%	Supposed to start year 5
Output 4.1 Monitoring and evaluation	Q4 Y5	Inception meeting and revision of the work plan and budget in March 2019 Inception report submitted Set up of the project steering committee and first meeting held in April 2019 to approve the revised work plan and budget M&E plan submitted Household baseline survey ready to be tested in the field. Planned for July 2019.				25%	
Output 4.2 Gender mainstreaming	Q4 Y5	Gender assessment report elaborated Gender strategy under preparation.				40%	

Information on Progress, Outcomes and Challenges on project implementation.

During the reporting period, the project has been officially launched and the work plan and budget have been revised and approved by newly setup steering committee. Its task force has been strengthened by appointing a Focal Point at National Directorate of Forest (DINAF) and hiring project staff, namely, an environmental governance and integrated natural resources management specialist, two PES consultants, and one gender consultant.

Main milestones since last reporting period:

- Gender assessment report with key recommendations and risks/opportunities analysis drafted.
- Report on Payment for Ecosystem Services (PES) worldwide and opportunities in Mozambique finalized.
- Draft version of the reviewed 20% Decree elaborated and submitted to the legal adviser of MITADER to assess the content and the possibilities for a test implementation in the project districts in Zambézia Province.

Due to the occurrence of the IDAI cyclone (that affected part of Zambézia and other provinces in Mozambique) implementation of field activities was delayed due to inundations and destroyed bridges. Nevertheless, the initial six beneficiary communities were selected; activities to be implemented were defined by the beneficiaries and potential service providers were also identified. Field activities are expected to start in July 2019.

The project's approach on CBNRM has been reviewed to ensure sustainable environment management. The project emphasizes the importance to avoid reliance on irregular and small PES payments, and seek instead the development of alternative livelihood opportunities and activities. These activities need to be complemented by capacity building and forest conservation activities at community and committee level. The National Sustainable Development Fund (FNDS), also working on CBNRM through the Reducing Emissions from Deforestation and Forest Degradation (REDD+) projects, shared their vision and complementary activities with FAO project has been identified. A formal agreement will be signed in July/August 2019.

Terms of Reference (ToR) and questionnaire for the baseline survey was elaborated. The survey is envisioned to start at the end of July 2019.

The major challenges the project has experienced during this reporting period:

1. Initial assessment of project staff needs was too conservative.
2. Delay in field work due to cyclone, flooding and road destruction
3. Very basic conditions at community level (no farmer associations or non-functioning associations, far from markets) need adapted project approach
4. Low capacity of national NGOs
5. 30 years of other projects failure mainly due to lack of concrete follow-up and non-linking to markets
6. Passive attitude of getting presents at community level, lack of commitment to act
7. Short project duration and limited budget to really introduce long term sustainable changes
8. Office in Maputo, 2000 km from field activities, costly travelling
9. Delays of other donors to start activities which should be linked to ours: REDD+ only in 2020 and not clear yet how to proceed.

Objective Ratings, Implementation Progress Ratings and Overall Assessment

	FY2019 Objective rating ¹⁵	FY2019 Implementation Progress rating ¹⁶	Comments/reasons justifying the ratings for FY2019 and any changes (positive or negative) in the ratings since the previous reporting period
Project Manager / Coordinator	MS	S	<p><i>Objective rating-MS.</i> The project has well adapted to the field realities on forest conservation and livelihoods. However, many factors, such as illegal logging are a threat to the final project results. Rural living conditions are still very basic and there is a real need for livelihood improvement, including the role of women, with a constant eye on sustainability after project closure. Even if committees will master forest management, external factors as logging, charcoal production remain a threat.</p> <p><i>Implementation progress rating –S.</i> The workload foreseen in the project document is too ambitious seen the available time, basic field conditions and limited project staff. Coordination with large players, such as the World Bank takes place on a monthly basis, but they did not start their field programmes yet. However, we agreed to work together (co-financing) in our project communities on a number of topics, such as area delimitation and complementary capacity building.</p>

¹⁵ **Development/Global Environment Objectives Rating** – Assess how well the project is meeting its development objective/s or the global environment objective/s it set out to meet. Ratings can be Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U) or Highly Unsatisfactory (HU). For more information on ratings, definitions please refer to Annex 1.

¹⁶ **Implementation Progress Rating** – Assess the progress of project implementation. For more information on ratings definitions please refer to Annex 1.

Budget Holder	S	MS	<p><i>Development Objective rating-S.</i> There project is at its initial stage. However, with the implementation of Sustainable Forest Management activities identified in the project (sustainable agriculture, pisciculture, nutrition and beekeeping) the project will contribute to avoid deforestation of the miombo forest ecosystems (the direct global environmental objective of the project).</p> <p><i>Implementation progress rating –MS.</i> There is a general delay in the implementation of the projects that need some remedial actions from the project team.</p>
Lead Technical Officer¹⁷	S	MS	<p><i>Development Objective rating-S.</i> There project is at its initial stage. Several adaptations were needed, due to the fact that a few years have passed and several developments have taken place since the project was originally designed. However, with the participatory design and implementation of Sustainable Forest Management activities identified in the project (sustainable agriculture, pisciculture, nutrition and beekeeping) the project will contribute to avoid deforestation of the miombo forest ecosystems (the direct global environmental objective of the project) and improve livelihoods.</p> <p><i>Implementation progress rating –MS.</i> There is a general delay in the implementation of the project that needs some remedial actions from the project team. Such remedial actions are being taken.</p>
GEF Funding Liaison Officer	MS	MS	<p>Although there have been delays in project start-up, with a very motivated project team on board, the project is gaining momentum and important partnerships are being re-establishment at community, provincial and national level.</p>

¹⁷ The LTO will consult the HQ technical officer and all other supporting technical Units.

3. Risks

Environmental and Social Safeguards (Under the responsibility of the LTO)

Overall Project Risk classification (at project submission)	Please indicate if the Environmental and Social Risk classification is still valid ¹⁸ . If not, what is the new classification and explain.
C	Environmental and social risk classification is still valid.

Please make sure that the below risk table include also Environmental and Social Management Risks captured by the Environmental and social Management Risk Mitigations plans.

Risk ratings

RISK TABLE
The following table summarizes risks identified in the Project Document and reflects also any new risks identified in the course of project implementation. The <u>Notes</u> column should be used to provide additional details concerning manifestation of the risk in your specific project, as relevant .

	Risk	Risk rating ¹⁹	Mitigation Action	Progress on mitigation actions ²⁰	Notes from the Project Task Force
1	Insufficient coordination and collaboration among government institutions and community-based natural resources management committees may make it hard to implement the PES mechanism.	Medium	The project mitigates this risk by (i) including representatives from all stakeholders in the Project Steering Committee; (ii) involving the national and provincial authorities actively in the	Steering committee active Provincial and district experts closely involved in the choice of	Project is also coordinating and maintaining communication with other forestry projects in the country and with key

¹⁸ **Important:** please note that if the Environmental and Social Risk classification is changing, the ESM Unit should be contacted and an updated Social and Environmental Management Plan addressing new risks should be prepared.

¹⁹ GEF Risk ratings: Low, Medium, Substantial or High

²⁰ If a risk mitigation plan had been presented as part of the Environmental and Social management Plan or in previous PIR please report here on progress or results of its implementation. For moderate and high risk projects, please Include a description of the ESMP monitoring activities undertaken in the relevant period”.

	Risk	Risk rating ¹⁹	Mitigation Action	Progress on mitigation actions ²⁰	Notes from the Project Task Force
			(MITADER), and that this ministry has embarked on an ambitious forest policy and institutional reform effort supported by the World Bank and other donors, with a strong focus on Reduced Emissions from Deforestation and Degradation (REDD+) also helps to mitigate this risk, both by creating incentives for local communities to engage in better forest resource management and by enhancing law enforcement.	A strong communication mechanism has been established with implementing partners for further activities coordination and complementarity.	
3	Potential climate change impacts, such as increased fire frequency due to higher temperatures and less reliable rainfall, 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.	Medium	The improved forest management practices that the project will encourage local communities to adopt (such as fire control, conservation agriculture, sustainable wood harvesting) will considerably reduce 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.	Cyclone IDAI delayed project progress The project will set up anti-bush fire committees to coop with one the main sources of deforestation. Efforts to improve livelihoods go together with introduction of sustainable and permanent agriculture	This risk element should be tracked closely as the impacts of climate change may become more difficult to anticipate
4	The risk of “leakage” – simply displacing illegal and destructive forest use activities to other areas without a net positive environmental benefit – is inherent in any forest conservation intervention implemented at sub-national level.	Low-Medium	The project actively mitigates the risk of “leakage” by: (i) helping local actors to engage in sustainable use of natural resources rather than in destructive activities by rewarding the former and discouraging the latter – thus reducing the risk of a	In fact the opposite is happening: further way forest concessions illegally cut trees outside their concessions in the forests of our beneficiaries	The opportunities to create value from improved management of existing forest areas and linking activities to value are significant, with low risk of leakage.

	Risk	Risk rating ¹⁹	Mitigation Action	Progress on mitigation actions ²⁰	Notes from the Project Task Force
			simple displacement of their former activities to a new area; (ii) promoting the introduction of improved forest use and management practices over a large contiguous area, working alongside similar efforts 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.		
5	Deterioration of the security situation (political instability) in the Province that may disrupt project activities	Medium	Armed conflicts and unrest are localized. Project activities will take into account security issues and will follow the minimum operation security standard set by UNDSS.	Election time in October 2019 potentially can slow down project activities for about 2 months	Armed conflicts and unrest are localized and absent from Zambézia, for now.

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

FY2019 rating	Comments/reason for the rating for FY2019 and any changes (positive or negative) in the rating since the previous reporting period
M	The risks assessed during project formulation and approval have not substantially changed. Hence, the rating remains the same. From 2017 to end 2018 the project was running without CTA and field activities. This has contributed to delays. As of now, the team is fully operational. Upcoming elections (mid-October) will cause further delays in field missions for estimated two months. These delays may not impact overall project progress. However, this will also depend on a prompt and smooth transition with a new FAO Representative (budget holder).

4. Adjustments to Project Strategy

Please report any adjustments made to the project strategy, as reflected in the results matrix, in the past 12 months²¹

Change Made to	Yes/No	Describe the Change and Reason for Change
Project Outcomes	No	
Project Outputs	Yes	The project document was written some years ago and several developments have occurred since. However, the overall context has not changed. A number of related initiatives have started (MozFIP, Sustenta, MozLand, MozBio, MozDGM, etc.). Together with partners and counterparts, a meeting was organized to review the work plan and budget, which were then approved by the project steering committee. An improved revenue sharing mechanism including PES has been drafted and submitted to the MITADER legal advisor. First it should be tested in two districts with distinct agro-ecological and economic systems and according to lessons learned and REDD+ developments it would be adjusted and then disseminated in the 5 other districts of the project area.

Adjustments to Project Time Frame

If the duration of the project, the project work schedule, or the timing of any key events such as project start up, evaluations or closing date, have been adjusted since project approval, please explain the changes and the reasons for these changes. The Budget Holder may decide, in consultation with the PTF, to request the adjustment of the EOD-NTE in FPMIS to the actual start of operations providing a sound justification.

Change	Describe the Change and Reason for Change
Project extension	Original NTE: Revised NTE: Justification: Not applicable

²¹ Minor adjustments to project outputs can be made during project inception. Significant adjustments can be made only after a mid-term review/evaluation or supervision missions. The changes need to be discussed with the FAO-GEF Coordination Unit, then approved by the whole Project Task Force and endorsed by the Project Steering Committee.

5. Gender Mainstreaming

Information on Progress on gender-responsive measures as documented at CEO Endorsement/Approval in the gender action plan or equivalent (when applicable)?

A gender assessment has been undertaken in early 2019 to give guidance on how the project can contribute to gender equality. It shows deep traditional gender specificities in the rural communities. Whereas women are the main responsible persons for food supply through shifting agriculture that puts pressure on the forest, they are underrepresented in CBNRM committees and not automatically and equally involved in the decision making processes, even in matriarchal systems. They are also the ones responsible for water supply, children education and household chores but are marginalized in the establishment of other income generating activities. Illiteracy and low financial management capacities is more widespread among women than among men, which makes more challenging their empowerment. Both men and women are affected by a lack of sense of association.

The M&E tool will allow for the collection and reporting of gender disaggregated data. A gender strategy is being designed and will allow tracking gender impacts and results.

Does the project staff have gender expertise?

Besides his more than 35 years of experience in project management in Africa, the Chief Technical Advisor has been trained on gender aspects in project implementation. All the other team members have already worked on project with a gender component. In addition, there is a gender focal point within FAO office that gives support when requires. Finally, a gender expert has been recruited for the analysis of the gender situation in the project area and the production of a gender strategy for the project and each of its activities.

If possible, indicate in which results area(s) the project is expected to contribute to gender equality:

- closing gender gaps in access to and control over natural resources;
- improving women's participation and decision making in CBNRM committees; and
- generating socio-economic benefits and services for women via improved agriculture practices, local products based businesses and associations, save and credit groups, nutrition activities, etc.

6. Indigenous Peoples Involvement

Are Indigenous Peoples involved in the project? How? Please briefly explain.

The term "indigenous people" is not applicable in Mozambique, with all people viewed as the same and no distinctions are made. The project will apply the same principle to all beneficiaries in all communities.

7. Stakeholders Engagement

Please report on progress, challenges and outcomes on stakeholder engagement (based on the description of the Stakeholder engagement plan included at CEO Endorsement/Approval (when applicable))

This project engages with an extensive number of stakeholder at various levels. The stakeholders' engagement includes:

- Project Steering Committee composed by (i) Government agencies at central as well as provincial level, namely, Ministry of Land Environment and Rural Development -MITADER (DINAF, FNDS, ANAC); Ministry of Agriculture and Food Security – MASA; Ministry of Mineral Resources and Energy –MIREME (FUNAE); Ministry of Gender, Children & Social Action – MGCAS; Ministry of Sea, Inland water and Fishing – MIMAIP (IIP); (ii) Resource Partners, such as JICA, World Bank, European Union. So far, the PSC had one initial meeting on April 2019.
- Project workshops. An inception workshop took place on March 2019 and Government experts of national, provincial and district level, civil society organizations working in the province (18) as well as local community members (4) attended it.
- Technical meetings. Technical stakeholders and partners participated in a meeting organized by the project to identify and pre-select the pilot district and beneficiaries' communities to be initiate the field activities. The meeting took place in February 2019 with participants from the Government: DINAF, SPFFB of the Zambézia Province, SDPI and SDAE of Alto Molocuè and Maganja da Costa and from the civil society: ORAM, ICEI, PRODEA and RADEZA
- Regular meetings with implementing partners (FNDS, the EU, JICA, CESC, and iTC) has been hold to ensure tight collaboration and synergies on activities implementation and approaches.

The project work closely with DINAF, the Forestry department of MITADER. A focal point has been appointed to follow all the project activities and processes to ensure their alignment with government objectives.

<i>District</i>	<i>Locality</i>	<i>Communities</i>	<i>Settlements</i>
<i>Alto Molocué</i>	<i>Mutala</i>	<i>Malolo</i>	<i>Malolo, Apa Malolo</i>
<i>Alto Molocué</i>	<i>Mutala</i>	<i>Namahala</i>	<i>Namahala Sede, Tocua, Masuela</i>
<i>Alto Molocué</i>	<i>Novanana</i>	<i>Rugula</i>	<i>Rugula Sede, Mutxora, Naihava, Mutxaiane</i>
<i>Maganja da Costa</i>	<i>Muzo</i>	<i>Acodemuzo</i>	<i>Muzo, Muedebo, Aliua</i>
<i>Maganja da Costa</i>	<i>Cariua</i>	<i>Ganga</i>	<i>1 village</i>
<i>Maganja da Costa</i>	<i>Nante</i>	<i>Mussaia</i>	<i>Tulua (259 HH), Mutedua (400 HH), Mussaia (306 HH), Dogola (505 HH)</i>

NGOs based in Zambézia will contribute in the project objectives. Most of them will directly or indirectly contribute to the project development through the Integrated Development Platform of Zambézia. The platform, with more than 70 members organizations including FAO, gather communities representatives, Government (province and district levels), private sector, academy and civil society around topics: sustainable agriculture, land and water and mineral resources, forestry and conservation area and governance, gender and climate change.

The project has selected ICEI, an Italian NGO, to work on income generating and sustainable activities with the communities for the starting phase.

The project decided to give support to ACODEMUZU, a local association established for the management of a community concession, which is currently working with ORAM on the development of a proposal to get funds from the MozDGM (World Bank funded).

The private sector will also play a key role, particularly in the development of specific activities that require a technical expertise such as beekeeping, carpentry, bamboo furniture manufacture, etc. Their contribution will be key to link economic activities by communities to markets.

8. Knowledge Management Activities

Knowledge activities / products (when applicable), as outlined in knowledge management approved at CEO Endorsement / Approval

The project started with full staff in January 2019, one year and half after its official launch. Initial activities to improve the current national revenue sharing mechanism (RSM) system, which is based on the redistribution of taxes collected, faces serious limitations. For example, the payments reach communities only every 3-5 years, the CBNRM committees supposed to manage those funds have weak financial and technical capacities, and the budget is often not used for sustainable biodiversity conservation and livelihood improvements. The introduction of PES in Mozambique could be effective only if the functioning of the current RSM is strengthened. The project therefore started to discuss with the government the challenges they face in the implementation of the RSM and also with beneficiaries on how CBNRM committees could be sustainable. With the communities, the project identified the reasons why existing associations failed and what could be done to really increase livelihoods while protecting the forest. It was found that many activities started but soon stopped due to lack of sound follow up and not linking to markets. We have now a clear view coming from the base on what potential activities could be introduced for the protection of ecosystem services and generating incomes per community and also have ID sheets for potential partner NGOs. The project made a point of coordinating activities and approaches with REDD+ and other linked initiatives to ensure a global vision for the development of PES in Mozambique.

The project objectives are clear now:

- Increase livelihoods to decrease pressure on the forest
- Build the capacities of the CBNRM committee so they can technically and financially manage the forests
- Test a new diploma to improve the current RSM including PES, first within the forestry sector then scaling it up to other interested sectors (mining, water, fishing, etc.)
- Effectively see changes for women in access to family budget, education and forest management
- Involve other donors in field activities as co-financing

9. Co-Financing Table

Sources of Co-financing ²²	Name of Co-financer	Type of Co-financing	Amount Confirmed at CEO endorsement / approval (million USD)	Actual Amount Materialized at 30 June 2019 (million USD)	Actual Amount Materialized at Midterm or closure	Expected total disbursement by the end of the project (million USD)
MOZFIP(*)	FAO and World Bank (FIP)	Project implementation (2017-2022) - Set up of joint test sites, and coordination	24.2	12.9		47
Sustenta(*)	World Bank	Project implementation (2016-2023)	New	24		40
MOZBIO(*)	World Bank	Project implementation (2015-2019)	1 (**)	2.3		4.5
20 % Decree	Government	Revenue Sharing Mechanism	4.8	0.3		NA
MITADER direct contribution	Government	Office space, national project focal point	New	0.1		0.4
The project for sustainable forest management and REDD+ in Mozambique	JICA	Project implementation	8 (**)	0		4.3
REDD+ readiness	FCPF		3.6	3.8		3.8
Establishment of REDD+ MRV platform	FCPF	Benefit Sharing	5	5		5
MozDGM	World Bank	Project implementation (2018-2022)	4.5	0.8		4.5
TOTAL			51.1	49.2		>109.5

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

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

²² 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.

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

TO BE ADJUSTED WHEN INFORMATION ON CO-FINANCING AVAILABLE –

The project has regular technical meetings with FNDS and other partners to better coordinate at field level in the project sites, this in accordance with the co-financing foreseen in the project document. This will increase in the future as field activities will now be launched.

Annex 1. – GEF Performance Ratings Definitions

Development/Global Environment Objectives Rating – Assess how well the project is meeting its development objective/s or the global environment objective/s it set out to meet. **DO Ratings definitions:** **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 – Assess the progress of project implementation. **IP Ratings definitions:** **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.