



Sustainable Rural Economy Program (P174002)

EASTERN AND SOUTHERN AFRICA | Mozambique | IBRD/IDA | Investment Project Financing (IPF) | FY 2021 | Seq No: 8 | Archived on 28-Jun-2024 | ISR00497

Implementing Agencies: BIOFUND, National Sustainable Development Fund (FNDS), ProAzul Blue Economy Development Fund

1. OBJECTIVE

1.1 Development Objective

Original Development Objective (Approved as part of Approval package on 08-Jun-2021)

To improve the performance of targeted small agriculture producers and AgriMSMEs and improve natural resources management practices in selected project areas.

Has the Development Objective been changed since Board Approval of the Project Objective?

No

2. COMPONENTS

Name

Increasing productivity and market access:(Cost 109,000,000.00)

Enhancing natural resources management:(Cost 35,000,000.00)

Strengthening institutions and policies:(Cost 24,300,000.00)

Contingency Emergency Response - CERC:(Cost 0.00)

Food and Nutrition Security:(Cost 35,700,000.00)

3. OVERALL RATINGS

Name	Previous	Current
Progress towards achievement of PDO	● Satisfactory	● Moderately Unsatisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Unsatisfactory
Overall Risk Rating	● Substantial	● Substantial



4. KEY ISSUES & STATUS

4.1 Implementation Status and Key Decisions

At midterm, the pace of implementation continues to be rated Moderately Satisfactory for the implementation progress indicator and Satisfactory for the indicator on achieving the Project's Development Objective. The main conclusion of the mid-term review was to agree with the government to process a project restructuring to adjust selected activities, indicators, and targets in line with the evidence of implementation.

4.2 MPA Program Development Objective

Original MPA Program Development Objective (Approved as part of (Seq.) package on)

Current MPA Program Development Objective (Approved as part of (Seq.) package on)

4.3 Multiphase Programmatic Approach (MPA) Status (Public Disclosure)

The Sustainable Rural Economy Program is an MPA with 3 phases. It is currently implementing phase 1 and has just completed the mid-term review of that phase. The main conclusion of this review is the need for a restructuring to allow the program to make adjustments in its design to reflect the implementation to date. Preliminary technical discussions are beginning regarding the content of Phase 2.

5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 09 Jun 2021	Last Approved Rating ISR Seq. 07 - 19 Dec 2023	Proposed Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Substantial	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial	● Substantial



Fiduciary	● Substantial	● Substantial	● Substantial
Environment and Social	● Substantial	● Substantial	● Substantial
Stakeholders	● Moderate	● Moderate	● Moderate
Other	● Moderate	● Moderate	● Moderate
Overall	● Substantial	● Substantial	● Substantial



6. RESULTS

6.1 PDO Indicators by PDO Outcomes

Improve the performance of targeted small agriculture producers								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Basic crops with minimum productivity increase by target beneficiaries (Number)	0.00	Jan/2021	2.00	31-Oct-2023			3.00	Dec/2026
	Comments on achieving targets		<p>Non-cumulative targets. Minimum increase of 50% in productivity (volume harvested per hectare) by target beneficiaries (PAs and PACEs) of indicative crops: soy, sesame, beans, and corn. This is the minimum expected productivity increase, but the maximum is much higher, depending on the crop, could be up to 90%. The main crops to be considered are soy, ginger, beans and maize.</p> <p>Productivityaseline (2020)</p> <ul style="list-style-type: none"> i) Soy-1.2 ton/ha ii) Sesame-0.4 ton/ha iii) Beans-0.4 ton/ha iv) Corn-1.1 ton/ha <p>Target of 50% productivity increase:</p> <ul style="list-style-type: none"> i) Soy-1.8 ton/ha ii) Sesame-0.6 ton/ha iii) Beans-0.6 ton/ha iv) Corn-1.65 ton/ha 					
Targeted small agriculture producers integrated into agriculture value chains (Percentage)	0.00	Jan/2021	91.00	31-Oct-2023			80.00	Jun/2026
	Comments on achieving targets		Percentage of beneficiary small agriculture producers (farmers/fishermen) selling their product to the market. The threshold to consider a producer selling to the markets is when					



			he/she sells more than 10% of their production to the market. Beneficiary producers include PACEs and PAs. Non-cumulative targets.					
Female (Percentage)	0.00		28.00				40.00	
	Comments on achieving targets		Same as main indicator					
Youth (Percentage)	0.00		19.00				30.00	
	Comments on achieving targets		See parent indicator					
Improve the performance of targeted AgriMSMEs								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Increase in gross sales of targeted AgriMSMEs (Percentage)	0.00	Feb/2021	0.00	31-Oct-2023			30.00	Jun/2026
	Comments on achieving targets		Increase in sales of AgriMSMEs benefiting from matching grants from the program. AgriMSMEs are defined as companies in the agriculture and food sector (crops, livestock, fisheries) with overall revenue of less than US\$500'000/year and a maximum of 99 workers. measured by reporting from matching grants provided to AgriMSMEs. Non-cumulative targets.					
Targeted value chain actors receiving support under ProAzul's Matching Grants Scheme (Number)	0.00	Feb/2021	2,089.00	31-Oct-2023			2,500.00	Jun/2026
	Comments on achieving targets		Cumulative targets. ProAzul's Matching Grants finances the businesses of participants while sensitizing and providing training for them to be good stewards of the environment. The Scheme is divided into two windows: (i) window 1 targets artisanal fisheries value chain operators; and (ii) window 2 targets commercial fisheries, aquaculture and other blue economy value chains. Individual family applicants are operationally defined as window 1 applicants. Commercial business applicants are operationally defined as window 2 applicants. Each application (be it from an individual or commercial entity) counts as 1 unit of output for the indicator, regardless of whether there are joint business plans from several producers.					
	0.00	Feb/2021	594.00	31-Oct-2023			1,000.00	Jun/2026



Female-led individual family applicants (Number)	Comments on achieving targets		Female-led individual family applicants are operationally defined as window 1 female applicants.					
Youth-led individual family applicants (Number)	0.00	Feb/2021	0.00	31-Oct-2023			750.00	Jun/2026
	Comments on achieving targets		Youth-led individual family applicants are operationally defined as window 1 youth applicants (people under 40 years old).					
Commercial business applicants (Number)	0.00		3.00				10.00	
	Comments on achieving targets		Commercial business applicants are operationally defined as window 2 applicants.					
Improve natural resources management practices in selected project areas								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Improved natural resource management effectiveness (METT) of selected conservation area (Number)	23.00	Jan/2021	25.00	31-Oct-2023			32.00	Jun/2026
	Comments on achieving targets		Non-cumulative targets. Score following the Management Effectiveness Tracking Tool (METT) applied to the Magoe National Park targeted by the program.					
Improve the Food and Nutrition Security status of the target population in selected districts								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Number of direct beneficiaries of the FNS activities (Number)	0.00	Feb/2021	81,518.00	31-Oct-2023			400,750.00	Jun/2026
	Comments on achieving targets		Number of Direct Beneficiaries					
Women (Number)	0.00		22,825.00				160,300.00	
	Comments on achieving targets		Women Direct Beneficiaries					



6.2 Intermediate Results Indicators by Components

Increasing productivity and market access								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Roads rehabilitated (Kilometers)	0.00	Jan/2021	0.00	31-Oct-2023			1619.50	Dec/2026
Roads rehabilitated - rural (Kilometers)	0.00		0.00				1619.50	
Roads rehabilitated - non-rural (Kilometers)	0.00		0.00				0.00	
Farmers adopting improved agricultural technology (Number)	0.00	Feb/2021	0.00	31-Oct-2023			91000.00	Jun/2026
	Comments on achieving targets		<p>This indicator measures the number of farmers (of agricultural products) who have adopted an improved agricultural technology promoted by operations supported by the World Bank.</p> <p>NB: "Agriculture" or "Agricultural" includes: crops, livestock, capture fisheries, aquaculture, agroforestry, timber and non-timber forest products.</p> <p>Adoption refers to a change of practice or change in use of a technology that was introduced or promoted by the project.</p> <p>Technology includes a change in practices compared to currently used practices or technologies (seed preparation, planting time, feeding schedule, feeding ingredients, postharvest storage/ processing, etc.). If the project introduces or promotes a technology package in which the benefit depends on the application of the entire package (e.g., a combination of inputs such as a new variety and advice on agronomic practices such as soil preparation, changes in seeding time, fertilizer schedule, plant protection, etc.), this counts as one technology.</p> <p>Farmers are people engaged in farming of agricultural products or members of an agriculture related business (disaggregated by men and women) targeted by the project.</p>					



Farmers adopting improved agricultural technology - Female (Number)	0.00		0.00				36400.00	
Farmers adopting improved agricultural technology - male (Number)	0.00		0.00				54600.00	
Farmers adopting improved agriculture technology - youth (Number)	0.00	Apr/2021	0.00	24-Sept-2021			27,300.00	Dec/2026
	Comments on achieving targets		Same as main indicator. Young farmers considered those under 40 years of age.					
Beneficiary farmers integrated into value chains (Number)	0.00	Feb/2021	81,518.00	31-Oct-2023			130,000.00	Jun/2026
	Comments on achieving targets		Cumulative targets. Number of farmers that are part of the investment plans of lead farmers or AgriMSMEs receiving matching grants by the program.					
Beneficiary farmers integrated into value chains - female (Number)	0.00	Apr/2021	22,852.00	31-Oct-2023			52,000.00	Dec/2026
	Comments on achieving targets		Same as main indicator.					
Beneficiary farmers integrated into value chains - youth (Number)	0.00	Apr/2021	15,485.00	31-Oct-2023			39,000.00	Dec/2026
	Comments on achieving targets		Same as main indicator. Youth considered as less than 40 years old.					
Rural extension agents that have undergone gender training (Percentage)	0.00	Feb/2021	56.00	31-Oct-2023			70.00	Jun/2026
	Comments on achieving targets		Cumulative targets. Number of extension agents from the private and public systems that have undergone gender sensitive training, in alignment with the World Bank's and Government of Mozambique's gender policies.					
	0.00	Feb/2021	0.00	31-Oct-2023			3,600.00	Jun/2026



Rural households applying the Gender Action Learning for Sustainability (GALS) methodology (Number)	Comments on achieving targets		Cumulative targets. Number of targeted small rural producers that area applying the methodology GALS learned at trainings supported by the program. The data will be gather through field verification and a survey.					
Farmers reached with climate resilient agricultural assets or services (Number (Thousand))	0.00	May/2021	81,518.00	31-Oct-2023			130.00	Jun/2026
	Comments on achieving targets		This indicator measures the number of farmers who were provided with climate resilient agricultural assets or services as a result of World Bank project support. "Agriculture" or "Agricultural" includes: crops, livestock, capture fisheries, aquaculture, agroforestry, timber, and non-timber forest products. Assets include property, biological assets, and farm and processing equipment. Biological assets may include animal agriculture breeds (e.g., livestock, fisheries) and genetic material of livestock, crops, trees, and shrubs (including fiber and fuel crops). Services include research, extension, training, education, ICTs, inputs (e.g., fertilizers, pesticides, labor), production-related services (e.g., soil testing, animal health/veterinary services), phyto-sanitary and food safety services, agricultural marketing support services (e.g., price monitoring, export promotion), access to farm and post-harvest machinery and storage facilities, employment, irrigation and drainage, and finance. Farmers are people engaged in agricultural activities or members of an agriculture-related business (disaggregated by men and women) targeted by the project.					
Farmers reached with climate resilient agricultural assets or services - Female (Number (Thousand))	0.00	May/2021	22,825.00	31-Oct-2023			52.00	Jun/2026
	Comments on achieving targets		Same as core, but only for female farmers					
Farmers reached with climate resilient agriculture assets or services - youth (Number (Thousand))	0.00	May/2021	15,488.00	31-Oct-2023			39.00	Jun/2026
	Comments on achieving targets		Same as main, but counting youth (younger than 40 years).					
Enhancing natural resources management								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	



	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Infrastructure for sustainable natural resources management built and in operation (Number)	0.00	Jan/2021	0.00	31-Oct-2023			14.00	Jun/2026
	Comments on achieving targets		Number of infrastructures built and operational for the improved management of natural resources in conservation areas. Operational will mean once the construction is finished and its quality approved by the works supervisor.					
Artisanal fishing licenses issued in targeted areas (Number)	6,418.00	Jan/2021	9,790.00	31-Oct-2023			11,250.00	Jun/2026
	Comments on achieving targets		Number of fishing licenses issued annually in targeted areas. Non-cumulative targets.					
Forest concessions inspected in targeted provinces (Percentage)	0.00	Mar/2021	73.00	31-Oct-2023			80.00	Jun/2026
	Comments on achieving targets		Percentage of forest concession inspected any given year in Tete and Zambezia (selected areas) to strengthen AQUA. This measures the capacity of administration of forestry concessions and of local authorities to apply the law. Non-cumulative targets.					
Community Management Partnership established (Number)	0.00	Mar/2021	0.00	31-Oct-2023			1.00	Jun/2026
	Comments on achieving targets		Number of Community Management Partnership (CMP) established between a community and a public/private entity to improve NRM and rural incomes. It is expected that this CMP be established in the community of Tchuma Tchato.					
Provinces with a forestry information system operational (Number)	0.00	Apr/2021	1.00	31-Oct-2023			6.00	Dec/2026
	Comments on achieving targets		This indicator measures the number of provinces where the forest information system is operational. The digital Forest Information System (SIF) is currently being developed, involving 5 related modules (licensing, sustainability, monitoring, planning and management). To be considered operational, the (SIF) must (i) be used in the respective province for licensing operations and (ii) have related relevant information publicly available.					
Number of beneficiaries of ENABLE funded programs (Number)	0.00	Aug/2022	0.00	31-Oct-2023			50,000.00	Jun/2025
Female (Number)	0.00		0.00				15,000.00	
Strengthening institutions and policies								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	



	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Rural economy public policies and strategies (Number)	0.00	Jan/2021	2.00	31-Oct-2023			4.00	Dec/2026
	Comments on achieving targets		Number of public policies, institutional reform proposals, and sector strategies related to the rural economy (agriculture, fisheries, natural resources management) approved by the relevant Ministries. Cumulative targets.					
Grievances submitted through the GRM effectively addressed (Percentage)	0.00	Jan/2021	78.60	31-Oct-2023			90.00	Jun/2026
	Comments on achieving targets		Percentage of total grievances submitted through the project's GRM that have been effectively addressed by the project. Effectively addressed are those grievances that are addressed timely and adequately, in accordance with guidelines included in the the Project Implementation Manual. Non-cumulative targets.					
Agriculture sector contingency plans (Number)	0.00	Jan/2021	2.00	31-Oct-2023			5.00	Jun/2026
	Comments on achieving targets		Contingency plans developed/approved for managing agriculture sector emergencies (weather, pandemic, animal/plant health, price volatility, etc.). Cumulative targets.					
Agriculture Sector Coordination Committee operational (Yes/No)	No	Mar/2021	No	31-Oct-2023			Yes	Jun/2026
	Comments on achieving targets		CCSA meeting at least once per year. CCSA is a multi-stakeholder committee that represent the various stakeholders of the agriculture sector.					
Conditions for preparing Phase 2 (P4R) met (Yes/No)	No	Mar/2021	No	31-Oct-2023			Yes	Jun/2026
	Comments on achieving targets		Conditions met for preparing a P4R operation as part of phase 2. These conditions include: (i) Phase 1 performance ratings for IP and DO at least MS; (ii) IDA funding available to fund phase 2; (iii) approval of PEDSA II and PNIA II (end of Year 1); (iv) submission of proposal to the Bank of RAs and DLIs for Phase II (end of Year 1); (v) identification of institutions to implement Phase II (end of Year 1); (vi) action plan for institutional strengthening (technical, fiduciary and safeguards) of identified institutions to implement Phase II (end of Year 1); (vii) full implementation of the institutional strengthening action plan (end of Year 2); and (iii) positive evaluations undertaken by the Bank of the institutions identified for implementing Phase II, including the technical, fiduciary, safeguards and integrated risk assessments (end of Year 2).					
Food and Nutrition Security								

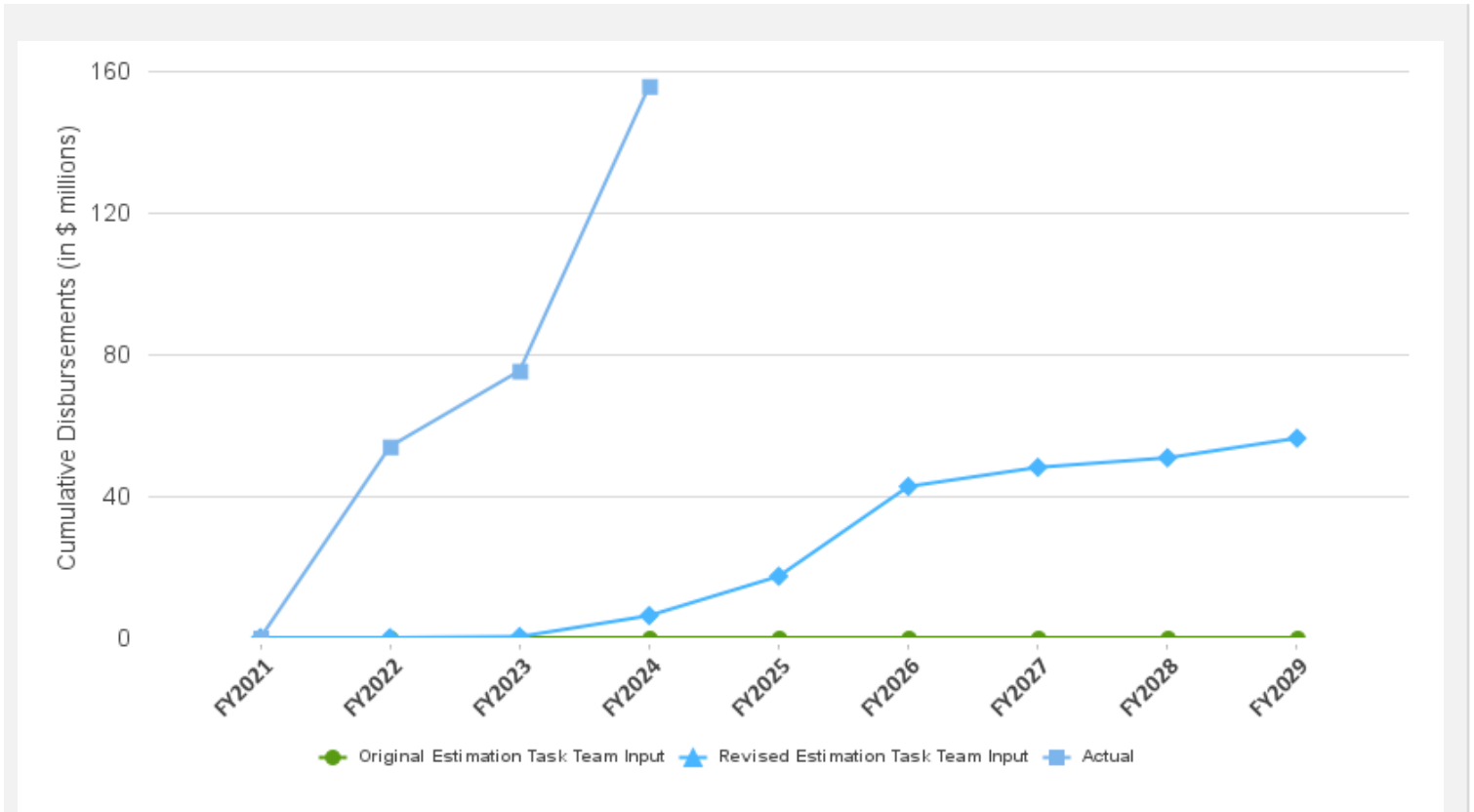


Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Beneficiaries with perception of having improved their FNS status (Percentage)	0.00	Feb/2021	0.00	31-Oct-2023			80.00	Jun/2026
	Comments on achieving targets		Percentage of direct beneficiaries whom experienced/perceived a positive impact on the FNS of its household.					
Irrigation command area rehabilitated (Hectare(Ha))	0.00	Feb/2022	0.00	31-Oct-2023			860.00	Jun/2026
	Comments on achieving targets		HAs of command area rehabilitated					
SETSAN capable to produce important assessments/studies (Number)	0.00	Feb/2022	0.00	31-Oct-2023			4.00	Jun/2026
	Comments on achieving targets		Number of relevant studies/report/assessments implemented by SETSAN					



7. DATA ON FINANCIAL PERFORMANCE

7.1 Cumulative Disbursements



7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
IDA-D8120	Effective	150.00	150.00	0.00	135.77	7.31	90.52%
IDA-E1290	Effective	50.00	50.00	0.00	20.00	30.72	40.00%
TF-B9592	Effective	4.00	4.00	0.00	0.00	4.00	0%

7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
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IDA-D8120	Effective	09-Jun-2021	28-Jun-2021	27-Sept-2021	30-Jun-2026	30-Jun-2026
IDA-E1290	Effective	29-Sept-2022	28-Oct-2022	12-Jan-2023	30-Jun-2026	30-Jun-2026
TF-B9592	Effective	29-Sept-2022	28-Oct-2022	28-Oct-2022	30-Jun-2026	30-Jun-2026

8. KEY DATES

Key Events	Planned	Actual
Approval	09-Jun-2021	09-Jun-2021
Effectiveness	01-Sept-2021	27-Sept-2021
Mid-Term Review No. 01	18-Mar-2024	10-May-2024
Operation Closing/Cancellation	30-Jun-2026	

9. RESTRUCTURING HISTORY

10. ASSOCIATED OPERATION(S)

There are no associated operations