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PROJECT DOCUMENT

Upon request from the Government of Government of the Republic of Maldives, represented by the Ministry of Ministry of Fisheries, Marine Resources and Agriculture the Food and Agriculture Organization of the United Nations (FAO) will provide technical assistance for the following Project:

Project Title:	Strengthening Agribusiness Producer Organizations in Maldives through Enterprise Ecosystem Development and Deployment of Digital Solutions (SAPOMED)
Project Symbol:	GCP/MDV/002/GAF

Upon signature of this project document by the duly authorized representatives of both parties, the project will be implemented in accordance with the background, rationale and management arrangements described herein.

On behalf of the Ministry of Ministry of Fisheries, Marine Resources and Agriculture	On behalf of the Food and Agriculture Organization of the United Nations
Name:	Name:
Title:	Title:
Date:	Date:

Project Title:	Strengthening Agribusiness Producer Organizations in Maldives through Enterprise Ecosystem Development and Deployment of Digital Solutions (SAPOMED)
Project symbol:	GCP/MDV/002/GAF
Recipient Country(ies):	Maldives
Government(s)/other counterpart(s):	Addu Meedhoo Cooperative Society (AMCS), Addu City, Maldives
Expected EOD (Starting Date):	01 September 2023
Expected NTE (End Date):	31 August 2026

- Contribution to FAOs Strategic Framework:
- a. PPA: Better Production 4, Small-Scale Producers' Equitable Access to Resources; Better Production 5: Digital Agriculture; Better Life 1: Gender equality and rural women's empowerment; Better Life 7: Scaling up investment.
 - b. SDG target(s): 1.4 - equal rights to economic resources and basic services; 2.3 - agricultural productivity and incomes of small-scale food producers; 5.a - women equal rights to economic resources, [...] financial services, and natural resources; 8.3 [...] encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services; 10.1: By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average.
 - c. Country Outcome 1: By 2026, more people in

Environmental and Social Risk Classification	low risk <input type="checkbox"/>	moderate risk X	high risk <input type="checkbox"/>
Gender Marker	GM 0 <input type="checkbox"/>	GM 1 X	GM 2 <input type="checkbox"/>
Total Budget:	USD 2,635,000		

Executive Summary

The GAFSP’s approved concept note for the Producer Organisations (PO)-led project in Maldives is developed as a full project document here, with the Food and Agriculture Organization of the United Nations (FAO) as the Supervising Entity and Addu Meedhoo Cooperative Society (AMCS), as the Lead PO. The Government of Maldives is an active stakeholder in this PO-led project.

The over-arching objective of this project is to develop economically viable POs in Maldives, making them empowered and strong actors in the agriculture value chains of the country. This will contribute to a resilient and robust food system, overcoming the severe challenges faced due to climate change, and to ‘build back better’, from the impacts of the recent pandemic.

Maldives is one of the lowest lying Small Island Developing States (SIDS) affected by global warming and sea-level rise. Geographical dispersion of the islands, coupled with challenges in inter-island connectivity, makes logistics and transport a significantly uncertain and high-cost factor. In addition, dispersed and fragmented domestic markets, high dependence on imports (for fuel, food, capital goods and raw materials) and labor shortages add to the cost of production, driving up the cost of doing business much higher, as compared to other SIDS. Maldives is recognized as one the worst affected countries, globally, during the COVID-19 pandemic, registering a 33% decline in nominal GDP for 2020. The resulting economic downturn impacted farmers and POs, very significantly, due to the sudden loss of markets, forcing many farmers to either scale down production levels, or search for other means of livelihoods. Most POs were also severely impacted and had to close their operations, as their farmers were unable to continue as members.

The ramifications of the pandemic have been felt keenly by POs in the beerin the 19(ag)4(ricu)5

To withstand domestic and international shocks, resilient food systems must be developed by diversification and commercialization initiatives to enhance productivity in the agriculture sector. Hence, this is an opportunity to consider innovative approaches which is being encouraged by the Government, as well. In this connection, the successful Bangladesh Missing Middle Initiative (MMI) project, 'Increasing Access to Finance for Farmers Organizations', supported by GAFSP, provides a proven model with potentially transformative interventions for Maldives, in the following ways:

1. This proposal aims to scale up the model and learning from the Bangladesh project, within the context of a SIDS.
2. The challenges of diseconomies of scale in crop production, inefficient supply chains for food crops, and inefficient farming systems can be addressed through an integrated enterprise development approach by the POs.
3. This intervention will create an ecosystem of vibrant POs that efficiently service smallholder producers, especially women and youth, to increase their incomes, through access to finance, markets, and technology.

The project aims to support the development and strengthening of 30 producers' organization (Output -1) which are a mix of 26 (new1h(o)-5(lo)- 1ec-164(2h(o)1-6.47 1-61743eex)-15sifii(new1f

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ACRONYMS

AMCS - Addu Meedhoo Cooperative Society

CSA - Climate Smart Agriculture

CPF – Country Programming Framework

ED – Enterprise Development

FAO - Food and Agriculture Organization of the United Nations

FBF - Farmer Business Facilitator

GAFSP - Global Agriculture and Food Security Programme

GAP - Good Agricultural Practices (Certification)

GDP – Gross Domestic Product

GoM - Government of Maldives

IFAD - International Fund for Agricultural Development

ISU - Implementation Support Unit

LOA – Letter of Agreement

M&E - Monitoring and Evaluation

MED - Ministry of Economic Development, Maldives

MMI - Missing Middle Initiative

MoFMRA - Ministry of Fisheries, Marine Resources and Agriculture, Maldives

MSME - Micro, Small and Medium Enterprises

PO - Producer Organization

PTFAReP - Post Tsunami Fisheries and Agriculture Rehabilitation Program (PTFAReP)

PSC - Project Steering Committee

RLF - Revolving Loan Fund

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SECTION 1 – RELEVANCE

1.1 Strategic direction of the project

The project will contribute to the following Programme Priority Areas (PPAs):

BETTER PRODUCTION

- BP4: Small-Scale Producers' Equitable Access to Resources
- BP5: Digital Agriculture

BETTER LIFE

- BL1: Gender equality and rural women's empowerment
- BL7: Scaling up investment

The project will contribute to the following Sustainable Development Goals:

1. No poverty, especially 1.4 - equal rights to economic resources and basic services;
2. Zero hunger, especially 2.3 - agricultural productivity and incomes of small-scale food

addressed in the Strategic Action Plan 2019-2023¹ the Government of Maldives and the project objectives which contribute to the following strategies:

- Strategy 1.1: Develop market linkages for local agricultural produce.
- Strategy 1.2: Increase institutional and technical support in the development of agribusinesses.
- Strategy 3.1: Reduce economic and ecological wastage from agricultural practices by introducing climate-smart modern agricultural technologies.
- Strategy 4.6: Reduce dependency on expatriate labour and empower and encourage local participation in agriculture.

The direction of the agriculture governing institutions and regulations is influenced by National Fisheries and Agriculture Policy 2019-2029. The policy highlights relevant areas such as food security, digital solutions, enterprise development and community empowerment. The relevant sub points under Pillar 2 of the policy are as follows.

As a result of the above action, the newly established POs will have improved institutional capacity and governance processes, enabling them to effectively represent their members and engage in collective decision-making.

Once the POs have a solid institutional foundation, the project will shift its focus to building the business skills and technical knowledge of the POs. This support will enable them to integrate more effectively

Access to Finance: The lack of dedicated micro-financing institutions for smallholder farmers in the Maldives has resulted in limited access to credit. The only institution offering sector-specific financial products is the SME Development and Finance Corporation (SDFC), which manages a loan scheme for agriculture and fishery. However, the product has drawbacks such as high application requirements and slower processing times. Most banks do not offer lending options to smallholder farmers, and the credit application process is not modernized. As a result, there is a critical need for financial literacy and enterprise development skills amongst farmers, and existing financing products fall short of serving their needs.

Extension services: The conventional agriculture extension system, which is centralized, fails to fully meet the demands of farmers on individual islands. This was evident during the COVID-19 pandemic when the central authorities were unable to provide essential services to producers due to the inability to physically reach them. Because of this, even for interested producers a clear hand holding is needed to bring producers together.

Access to Land: Land is owned by the state, and cultivable land is limited. Small scale plots (100 - 200m²

The main problem to be addressed is lack of viable producer groups that have access to finance, markets, information and technology to support smallholder farmers, particularly women. The debilitating impact of the pandemic was everywhere to see, as experienced in the scoping missions, with stories of loss of livelihoods and incomes and their socio-economic effect on households and communities. The resulting shortage of resources, changes to household income, abrupt changes to logistic and accessibility, reduction of support from various stakeholders meant that existing POs were dissolved across the islands. This is in contrast to Bangladesh, where members turned to their PO leaders for help, and the POs were able to assist members to overcome some of the problems, and as a result the POs became stronger during the pandemic.

As a result of the pandemic, the activities of the lead PO - AMCS have slowed down, with downsizing of operations and staff members. To ascertain the situation with the identified POs (as per the list provided in the concept note submitted to GAFSP in 2021), AMCS began contacting these POs, in early 2022. During interactions, AMCS found that of the 17 POs listed during the conceptual stage, there are only 4 POs with the potential for collaboration. Twelve POs had gone either operationally defunct or were not engaged with small farm holders anymore (please see Table 1, below). AMCS also had conversations with some of the associated island councils, community leaders and farmers. It was confirmed that the POs had to shut down their operations or move to other livelihoods, to survive, the vagaries of the pandemic.

Table 1. Status of POs (as listed in the Concept Note) in Maldives

Categories	Number	Islands represented	Names of POs
POs deemed active and involved in agriculture	1	1	AMCS
POs deemed active but not involved directly in agriculture	2	2	Thoddoo Bright Coop, Addu Peoples Coop
POs deemed defunct, or are only present in name	11	8	Kaashidhoo Green Cooperative, Kaashidhoo Unity Cooperative, Veymandoo Women’s Cooperative, Funadhoo Cooperative Society, Maavashu Cooperative Society, South Farmers’ Cooperative Society, Dhivehi Masverin, Gahdhoo Ekurveringe Cooperative Society, Fuvahmulah Fishermen’s Cooperative, Hoadhandu

yield/productivity, which further contributed to the lack of motivation for farming and shifting to other lucrative income-generating activities.

- i) To build back better after the pandemic, the essential idea is to engage in a ground up work of building POs that are more robust and withstand shocks in the future. This endeavour will of course be led by island authorities as a bottom-up approach to be primarily based on the following parameters;
- ii) Interest of producer community;
- iii) Predisposition of communities to work in POs due to;
 - a. Previous experience
 - b. presence of supportive local governance (Island Council, WDC's, NGOs)
 - c. Presence of value-chain services (markets, Agronat, BCC branch, Bank Branch, input suppliers etc...).
- iv) Agricultural production parameters
 - a. Number of producers both in homestead production and community farming plots
 - b. Diversity and level of production (crops, livestock)

The table below is a snapshot of the difference in the two scenarios, and depicts, via comparison, how the new design will strengthen the PO-led approach of this project.

Table 2. Comparative Data

#	Proposed New Design Points	Concept Stage (2021)	Full Proposal Stage (2022/3)
1	Total No. of islands covered	16	26
2	Total No. of POs covered	17	30
3	No. of all-women POs	0	1 (included in the total count)
4	Total No. of Farmers mobilized*	not applicable	3000

*In 2021, the direct outreach to farmers and their mobilization was not planned, so the project could not have selected its target group, individually, which will happen now, if approved

The project's long-term development goal at the impact level is:

The result then would be the emergence of strong PO enterprises that can now effectively serve their members, resulting in increased economic empowerment and improved livelihoods. Furthermore, the lead producer organization strengthened through the project, would be effectively capable of coordinating and guiding various POs across the selected region. This holistic approach will result in a

Sub-Output 3.1.1

that no communities feel forced to start a PO at the beginning of this activity. In each island, community mobilizers will be identified and appointed with the support of island councils and women's development committees (WDCs) who will deepen the process of farmer mobilization. The criteria for selecting these mobilizers will be outlined in the Outreach Plan, in consultation with island councilors and WDCs. The process will ensure that women are encouraged, and equal opportunity is provided for them, to take up the role of mobilizers, from within the island communities. The Lead PO, with the support of the SE, will accelerate its outreach to farmers, community leaders and island council members from 26 islands, including the Women's Development Committees (WDCs), and will prepare

focus on wome

Competitive interest rates will be determined, by the POs, themselves, to ensure

a) Viability of repayment; and

b) Equitable sharing of administrative fees and interest amongst the PO and Lead PO, which will also help to finance their RLF oversight and management services, keep the value of the fund (i.e. compensate for inflation) and build their financial reserves, keeping long-term sustainability in view.

On-site advisory service support during the investment phase will be provided by the project, and farmers will also be encouraged to use digital content. Specific activities supported under this activity include: (i) Investment of PO- enterprise activities; and (ii) Provision of advisory and follow up services.

communal cropping land increased with shortened fallow periods. Consequently, the use of agrochemicals is on the rise. FAO estimates that nitrogen fertilizer consumption in Maldives has increased from less than 70 tonnes in 2005 to 770 tonnes in 2014. Noticeably, the total cropped area

since the initial border closures in March 2020 resulted in a significant decline in demand for agricultural produce and therefore impacted the income, livelihoods, food and nutritional security of farmers and households. The situation was aggravated due to limited access to local markets, resulting from restrictive internal transport conditions placed nationwide to contain the spread of COVID-19. With limited access to local markets and coupled with absence to proper storage facilities, farmers faced difficulties in maintaining the quality and usable life of agricultural produce resulting in high levels of spoilage and wastage. Difficulties in maintaining the quality of harvested agricultural produce meant that household level nutritional intake would have been impacted. This is especially worrying considering that malnutrition rates for children under age 5 are still high for a middle-income country. Considering the extensive loss of income or reduced pay among tourism sector employees reported in the MED-UNDP Rapid Livelihood COVID-19 Impact Assessment Report, transfer income received by households in rural island commdnificats resulting from

during the deliberations, and expressed their readiness to take up the project implementation, in their respective locations.

Based on the recommendations provided by all concerned stakeholders and the findings of the scoping mission – the island councils, WDCs, community leaders, farmers, AMCS, surviving PO leaders – in this design and development stage of the proposal, the project will include an initial component (now called component 1) on mobilization of individual farmers for establishing new POs, as this was found to be more realistic and practical than reviving the old and now defunct POs. Stakeholders expressed that the COVID-19 pandemic revealed the socio-economic vulnerability of the country and the urgent need to invest in improving food and nutritional security by increasing production of locally grown staples and crop varieties. Many consider that the pandemic has presented a window of opportunity to increase youth and women involvement in agriculture and introduce digital solutions to agriculture. Carefully planned strategic investments to optimize land-based agriculture and investments in climate smart cultivation technologies were identified as a need to develop a more environmentally resilient agriculture sector. Addressing lack of adequate storage facilities were also identified as a critical need to reduce wastage of agricultural harvest and to ensure food and nutritional quality of harvested products. Addressing logistics, markets and investment financing as well as promoting good agricultural practices were identified as priority needs. The current form of commercial level agriculture conducted in lead islands, without adequate linkages to communities, was identified as a factor adversely affecting involvement of women in agricultural production and stakeholders expressed the need to address this disconnect. Key stakeholders will be included in the project steering committee to be formed under the project.

The ISU and Lead PO will establish dedicated pathway to address grievances. The mechanism will also record feedback and suggestions from stakeholders, partners and beneficiaries. The mechanism will setup a particular focal point to receive feedback and follow up on issues as they arise. Parties may call a designated phone number to give feedback.

Project partners and beneficiaries will be informed about this mechanism during implementation as part of project activity 1.1: Activating outreach work on the path to establishment of POs.

A more local-level grievance mechanism has also been included in the project design for the purpose of resolving the concerns of any intended beneficiaries or project stakeholders regarding alleged or potential violations of FAO's social and environmental commitments. As an inclusive mechanism, under component 2, all POs under the project will prepare a Governance, Accountability and Action Plan (GAAP) during inception phase. The GAAP is a participatory exercise where all PO members will

implementation period. Procedures, in line with those from the Office of the FAO Inspector General, to register grievances with respect to fraud and corruption will be posted in English.

The project is classified as medium risk due to triggering of injudicious use of chemical fertilisers and pesticides. The reason for triggering is because it is possible that the farmers may purchase and apply excessive fertilisers and pesticides with funds from the revolving loan fund, in the same way as they would from any other fund in hand. The project will work to mitigate this risk. During the consultation process this potential risk of harm from injudicious use of chemical fertilisers and pesticide use was discussed. GAP integration into farming practices were discussed and the project would use this pathway for enabling judicious use of fertilisers and pesticides. Additionally, producers and POs will be encouraged to adhere to project objectives and opt safe alternatives during the development stage of business plans and the preparation work of eligibility criteria for revolving loan fund. This will be further strengthened through graduation modality of the project and subsequent PO evaluations.

This project document, and any annexes relevant to environmental and social safeguards, as well as any future safeguards instruments, will be made publicly available through the [FAO disclosure portal](#). Disclosure will take place in a manner that is relevant, understandable, accessible, and considered culturally appropriate by the stakeholders. Due attention will be dedicated to the specific needs (e.g., literacy, gender, disabilities, differences in language, accessibility of technical information or connectivity) of every person,

manner. They will be appropriately stored in the FAO and AMCS project archives and non-confidential materials will be disseminated on AMCS and FAO web pages.

Lessons learned materials—for example on the project approach—intended for wider knowledge sharing will be produced in English and Dhivehi languages, and such materials will also be shared with the GAFSP and MoFMRA. FAO logo use and publication rules will be followed.

The project will work closely with the FAO Country Office to find further opportunities for knowledge sharing, both among other FAO projects and with our government counterparts.

Lessons Learned

The project conceptual and design phase have adopted various lessons from the MMI-BGD project. As such, these lessons will be further adopted during the implementation of this project. The MMI approach has worked well because it focused first on strengthening the organizational capacity of the PO. With this solid foundation, the project developed the capacity of POs to be informed and empowered actors in their respective communities. However, it also provided a solid pathway for PO establishment and strengthening. A critical lesson that is incorporated in this project is regarding the empowerment and encouragement of women in leadership roles to run POs.

Project has learned from FAO and experience of Bangladesh that POs do well when they have close collaborative ties to government and to financial institutions, as opposed to adversarial ones. Inviting key government officials to serve as project focal points for technical backstopping has helped to build relationships for future work. Dialogue with decision makers in financial institutions has also been useful in overcoming initial barriers of communication and mistrust that small farmers are unable to address as individuals. In light of this, the project and intended purpose have been communicated to the Ministry of Finance and Maldives Monetary Authority as well.

Importantly, lessons learned from various previous projects implemented in the Maldives that focused on PO establishment and development has influenced the design and the structure of the project. This is particularly necessary, with Maldives being in an extremely unique context and environment.

The project design allows for programme developers to overcome the challenges of similar endeavours, in the past, and integrate the learnings gained, with accountability. The call enabled a successful and well-recognised PO such as the Addu Meedhoo Cooperative Society (AMCS) to expand its vision, nationally, by assisting other communities through leadership and experience sharing. Such involvement of a Lead PO makes this project unique in Maldives, and based on experience of other countries, makes it one of the bes

grant. Subsequently, POs must have a minimum performance rating, demonstrated good use of the initial learning grant and an approved business plan before receiving the funds for the investment in the common facility. Finally, the POs have to meet a higher performance rating, have an operational common facility and have put revolving loan fund management structures in place before being eligible for the capitalization of the RLF.

During the course of the project, FAO will continuously seek opportunities for additional funding through other FAO projects to provide additional inputs to SAPOMED, likely in the areas of digital agriculture, women's leadership development and climate-smart agriculture.

Furthermore, the project will work on leveraging financing from banks and non-bank financial institutes for individual PO revolving funds.

The primary implementation role will be played by AMCS, which will be strengthened under Component 4: Enhanced Lead Producer Organization. AMCS will provide capacity development to other participating POs through its identified FBFs who will support the development of business plans and facilitate dialogue with other value chain actors and access to finance to the PO members. To support AMCS during a transition phase to strengthened autonomy, a small Implementation Support Unit will be put in place by FAO as the Supervising Entity to support the AMCS. Throughout the project life, FAO will progressively transfer the required knowledge to AMCS through on-the-job capacity development to ensure sustainability. A Project Steering Committee will be established involving POs, FAO, Government, SOE, private sector, and industry specialists. As the supervising entity, FAO will be accountable for the adequate use of pro1 0 4 reW* nBT/opment e will be established involving Pd rszga504 430.51 1overTa10(3(9(erT)7

developed jointly by the SE and AMCS in consultation with PSC and other stakeholders

In addition, data will be collected on targeted islands. At the start of the project, under component 1, AMCS will collect detailed information to deepen their knowledge about the selected islands and inform the final target community selection. Later, AMCS and the new POs will collect technical and market information in their value chain analysis and business planning process. These will be more of a qualitative nature.

2.4 Information Technology

Under component 4.2 the project will provide information services to farmers in the community. This includes developing digital literacy, awareness raising of digital services provided by MoFMRA, and training and access to FAO's digital services, Collect Mobile, RuralInvest and MBWin. The project will also develop e-learning materials, PO enterprise promotion videos and develop a community of practice among PO members through social media.

Microbanker (MBWin) will be used to manage the RLF. Microbanker-generated data will be owned by AMCS and will not be shared outside AMCS membership and FAO implementers. RuralInvest will result in PO business plans that are intended to be shared with potential credit providers. As such, these data are not of a confidential nature. The individual POs will own their business plans and control to whom they will share their business plans. Upon agreement by the POs, some sample business plans may be shared by FAO with GAFSP as the project resource provider on a confidential basis. Part of the M&E data collected through Collect Mobile will be publicly shared on the project dashboard. AMCS decides which of the data to share and how, i.e., whether as aggregate numbers or as data linked to individual member POs. Awareness on data handling and dissemination will be provided to all member POs.

At the start of the project, the AMCS website and dashboard will be presented to the AMCS General Assembly for membership consent and buy-in. This will take place each time there is a substantial update to the website with new features added. Further clarity and guidance on data protection measures of the project will be shared at this time as well.

2.5 Risk Management

The most important risk in terms of likelihood and potential consequences is the commercial risk linked to value chain development (e.g., market demand crashes, buyers do not honour contracts), which would create problems for farmers to sell their products and repay their loans. The project will therefore invest in market intelligence and the facilitation of linkages with reliable buyers.

The risks to development objectives are mainly related to any abrupt change to the logistical situation due to an extended bad weather. The original project design is being altered at the final project design and development stage, mainly due to the aftereffects of the pandemic, loss of livelihoods and POs getting defunct. Effective project coordination is a design risk, as individual farmers must be mobilized and provided orientation for formation of POs, given the project objectives. These newly formed POs are dispersed across several atolls and islands, making effective coordination a challenge. Technology and reporting tools will be leveraged to mitigate coordination and project implementation risks.

Institutional risks are mainly related to the large contract management capacity of Lead PO, whose

while formalization of relationships through MOUs between Lead and other participating POs will address trust and transparency issues.

Commercial risks are mainly related to business viability of POs and cost overruns related to exchange rate fluctuations, changing economic situations and potential change in fuel prices. Support for preparation of viable business plans and ensuring investments in only viable value chains will ensure sustainability of POs while use of USD accounts to manage project funds will help to address exchange rate fluctuation or any cost overruns.

For risks related to gender, Project Risk Log (Annex V)

communities and households on women empowerment will assist in alleviating issues of additional burden placed on women. The envisaged project externalities are listed in Annex V.

2.6 Monitoring, Performance Assessment and Reporting

Monitoring

This activity will set up project baselines and dashboards to aid regular project monitoring. It will also support independent end project evaluation. The M&E Officer will be responsible for coordinating quarterly monitoring and reporting of project activities during the project life. The project's monitoring and performance assessment activities have four purposes:

- i) Lessons learning and ongoing improvement and refining of the project approach.
- ii) Safeguarding that project funds will be devolved to AMCS and the planned budget for revolving loan funds will be devolved to member POs only when they are ready to manage them.
- iii) Accountability to the donor and AMCS members.
- iv) Accumulating all the necessary information for transparency on timely basis based on various stakeholder requirements such as MOFMRA

Information on progress towards indicator targets will be collected by farmer business facilitators (FBFs) using Collect Mobile and MBWin software on a monthly and quarterly basis. Data from AMCS will be collected daily and feed into the project's M&E dashboard. FBFs and the new POs will receive training on the use of tablets, the questionnaires, and the methods of data collection. AMCS will hire an M&E officer, who will be trained by FAO, and who will be responsible for the organization of the data collection and data cleaning, tabulation, and analysis. The FAO TA team will continue to play a support and supervisory role to ensure accurate reporting.

Key elements of the project M&E system will be:

- (i) A practical M&E manual detailing clear objectives, scope, reporting structure, staffing, capacity building plan, roles and responsibilities, budget, and M&E-related activities with a timeframe;
- (ii) Annual M&E plans;
- (iii) A management information system with dashboard;
- (iv) Monthly and quarterly data collection by FBFs using Collect Mobile and MBWin software.
- (v) Annual and semi-annual GAFSP reports with an update on the achievements of each indicator in the logical framework;
- (vi) Household surveys with control group for baseline and final evaluation.
- (vii) Regular field visits by the staff of the joint FAO-AMCS implementation support unit and annual supervision missions (virtual or physical) by the LTO and LTU focal person. The second LTO-LTU mission will serve as mid-term review mission and is intended to be a physical mission;
- (viii) Semi-annual meetings of the Project Advisory Committee (PAC) and annual joint implementation reviews with the Project Steering Committee (PSC);
- (ix) Additional research and thematic studies as needed.

The project will develop a PO governance performance scorecard. The project will also annuallrd2r> BDC Bea Tf1 0 0

to ensure inputs from other Technical Officers from within the Project Task Force (PTF) and from other partners as needed.

After approximately two years of implementation, a mid-term review mission will be organized by the LTO and LTU's project focal person. If possible and useful, other subject-matter specialists from the PTF may be invited, as well as a representative from the GAFSP Coordination Unit,

In addition, for lesson learning purposes, specific research and thematic studies may be conducted by the ISU, the FAO TA team or be outsourced to subject-matter specialists. At the end of the project, the AMCS leadership and FAO team will jointly conduct an internal evaluation, based on the data collected throughout the project life. This will include an analytical reflection to draw lessons on factors

SECTION 3 - SUSTAINABILITY

3.1 Capacity Development (including Potential Exit Strategy)

This project will contribute to an enabling environment for smallholders and their organizations in Maldives in a variety of ways. See section 1.3.4 'Partnerships' for details on various important ways the project facilitates the dialogue and access to change makers needed to ensure smallholders are

3.2 Decent Rural Employment

Decent rural employment is mainly addressed through pillar 1 and 4 of the Decent Work Agenda.

Pillar 1 Employment creation and enterprise development: Through developing PO business plans and value chain linkages for specific communities and providing AMCS member farmers access to finance to invest in feasible agricultural activities. Through the bulk purchase of inputs and collective marketing activities, the POs will be able to lower production costs and increase prices received by their members, thereby increasing the financial return on farmers' labour inputs. These activities do also create some part-time rural jobs, FBF, operators of common facility centres and PO accountants.

Pillar 4 Governance and social dialogue: Specifically, through the development of strong producers' organizations and a strong Lead PO such as AMCS, farmers gain a voice as interlocutors of policy makers and are better able to access public and private services such as extension services and financial services. POs at various level will be able to engage with other financial and market entities and draw out beneficial arrangements.

Pillar 3 on standards and rights at work is addressed through the project's focus on women's empowerment to reduce gaps in women's access to information, capacity building and finance, and their representation in decision making positions within their communities.

3.3 Environmental Sustainability

Land is scarce in Maldives, which is exacerbated by a recent development trend in Maldives of utilizing land on inhabited islands to develop infrastructure such as airports, city hotels, etc. Land is also not available for long tenure. Despite the scale of production and farm size, current production practices involve application of extensive inputs that are sourced from outside the country. In many islands of central and southern regions, current irrigation practices also cause soil salination, especially in the dry season. The extensive use of fertilizer and pesticides is estimated to affect soil and ground water quality. Unskilled labour employed in an ad hoc manner also discourages youth and

Roles, capacities and needs of women and men

Recent statistics indicate that 54 percent of registered farmers are rural women. Women are disadvantaged when land and other assets are not registered under their name. Island based women often undertake backyard gardening, taro farming or coconut collection as livelihood activities. They are engaged in production, which exposes them to unhealthy conditions, such as extreme weather, toxic chemicals and smoke. Women also spend time harvesting forest products such as coconuts, country almonds and non-food items such as coconut leaves. Ad hoc development initiatives are detrimental to women, as they harm the ecosystems such as forests and mangroves upon which they depend.

Women's occupations that fall in the category of self-employed are mostly undertaken at home rather than in organized formal workplaces. Overall, women account for 84 percent of home-based workers. For those involved in the processing of agricultural products (fruits, vegetables and spices), the level of livelihood vulnerability is greater. Women play a significant role in the processing and preparing non-food products from plants such as thatch from dried coconut leaves (fangivinun), processing of fruits and vegetables, and making spice products (havaadhu) and other food products have a much higher female participation rate than male. Time-consuming responsibilities at home and limited opportunities hinder them from being involved in activities that are more lucrative.

Also, gender division of roles and responsibilities exists in the agricultural with women generally perceived as playing a supportive role to men. However, women contribute to crop production, value addition and natural resource management.

Currently very few women own farms. Women farm owners employ migrant labour for assistance in male-dominated roles such as land clearing and infrastructure. With an existing and growing market for products such as taro, coconut and processed agricultural produce, women in rural islands earn a significant income from these up-and-coming sectors. This underscores the importance of informal home-based work in women's livelihoods, which national statistics do not sufficiently recognise.

The formation of Women Development Committees in inhabited islands as a state supported entity has given immense opportunity for women to take initiative and make annual plans, demand funds and advocate for joined activities.

A summary of current gender roles in remote islands:

Land clearing and infrastructure Men are engaged in land clearing and infrastructure

Membership criteria - a minimum 50% women executive committee membership criteria and a minimum 50% women general membership criteria.

Target outcomes related to gender are as follows:

- *At least, smallholder women actively participate in the higher-level decision-making body of the project;*
- *Eighty percent of POs with performance rating of 70 or higher⁶;*
- *30 POs registered with at least 50% women members;*
- *100 women completed women's leadership training.*

With respect to monitoring and evaluation of progress, gender-disaggregated data will be collected, starting with the membership base and the composition of POs' executive committees.

3.6 Technical/ technological innovation

The project will utilize several FAO IT tools and digital services, including Collect Mobile, RuralInvest, and MBWin. Additionally, it will involve the creation of e-learning materials, promotional videos for PO enterprises, and the establishment of a community of practice among PO members through social

Annex I: Logical Framework Matrix

Results Chain	Indicators	Assumptions

Results Chain	Indicators			Assumptions	
	Indicators	Baseline	Target	Means of Verification	
	Percent of PO office bearer positions				

Results Chain	Indicators			Assumptions	
	Indicators	Baseline	Target	Means of Verification	
Sub-output 2.3	Output 2.3. Number				

Annex II: Stakeholder Engagement and Grievance, Conflict Resolution and Accountability Mechanisms

1) Stakeholder Engagement Plan

<u>Stakeholder Name</u>	Stakeholder Type	Stakeholder profile	Stakeholder engagement methodology	Consultation Findings (past consultations)	Expected timing (future consultations)
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Stakeholder Name	Stakeholder Type	Stakeholder profile	Stakeholder engagement methodology	Consultation Findings (past consultations)	Expected timing (future consultations)
Engagements with key community groups, existing POs, and members of prominent agriculture islands in the project region		<i>Island Authorities/Community/POs</i>	- Meedhoo island: Engagement and		

2) Grievance Redress Mechanism

1. Main contact details

Do you have a grievance or suggestion about the project "Strengthening Agribusiness Producer Organizations in Maldives through Enterprise Ecosystem Development and Deployment of Digital Solutions (SAPOMED)?"

You can use any of the below channels free of charge to contact us. Your grievance will be handled confidentially by the Food and Agriculture Organization of the United Nations.

Phone:	+94 11-2580798
Email:	FAO-LK@fao.org
WhatsApp (including voice messages):	+94 773 659058
Suggestion box address:	P.O. Box 1505, Colombo
Fax:	NA

2. Purpose of GRM and guiding principles

This is the Grievance Mechanism for the project "Strengthening Agribusiness Producer Organizations in Maldives through Enterprise Ecosystem Development and Deployment of Digital Solutions" (SAPOMED), implemented by the Food and Agriculture Organization of the United Nations and Addu Meedhoo Cooperative Socra/t Unl7(m)-36())(A0 g1.04 T4(v)-4(e)-3641 0 0 1 374.09 386.59 Tm0 0 0.01o)-5(c9ati)11(v)P #MCID 19>> BDC q296.21 355.75 215.54 13.44 reW* nBT/F1 1

3. Who can file a grievance and how

Anyone can file a grievance or make a suggestion related to the project/office. Your grievance will be handled confidentially.

To facilitate our comprehension of your grievance, please include as much information as possible. For example: what happened, who was involved, when did it happen...

4. From grievance to resolution

The general philosophy of the project is one of inclusion and valuing all voices. Women's empowerment is also a core tenet of the project approach. Both FAO and AMCS have a zero-tolerance policy for Sexual Exploitation and Abuse (SEA). Project stakeholders will be informed about this and a clear path for grievance redress will be outlined based on the details provided below. Raising awareness of the grievance redress mechanisms is an important way of ensuring that all involved feel comfortable to share their thoughts and/or concerns—whether related to SEA or other issues that may arise during project implementation. AMCS and the FAO team are committed to this process.

As soon as the call centre details are available, they will be shared with AMCS members and new stakeholders who participated in the consultation process. This will be done by text message/phone. The mechanism will also be shared during the project launching meeting. Then during community mobilization, this information will also be shared with prospective PO members.

The mechanism includes the following stages:

1. In the instance in which the individual or group have the means to directly file the grievance, he/she has the right to do so, presenting through the indicated channels of the project/office (i.e.: email, mailbox, phone, etc.). The process of filing a grievance will duly consider confidentiality, and if requested by the individual or group bringing the grievance, anonymity as well as any existing traditional or indigenous dispute resolution mechanisms and it will not interfere with the community's self-governance system.

2. The individual or group bringing the grievance files a grievance through one of the channels of the grievance mechanism. This will be sent to the Project or FAO Decentralized / Country Office Grievance focal point to acknowledge and log the grievance, assess whether it is eligible and determine responsibility for attempting to resolve the grievance in line with the processes agreed for the project. The confidentiality of the grievance must be preserved during the process. For every grievance received by the project grievance focal point, written proof will be sent within ten (10) working days; afterwards, a resolution proposal will be made within thirty (30) working days.

The Grievance focal point will also be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

3. If the situation is too complex, or the individual or group bringing the grievance does not accept the proposed resolution, the Grievance focal point must be informed and they must send the grievance to the next highest level, until a solution or acceptance is reached.

4. In compliance with the resolution, the person in charge of dealing with the grievance may interact with the individual or group bringing the grievance, or may call for interviews and meetings, to better understand the reasons.

Resolution

Upon acceptance of a solution by the individual or group bringing the grievance, a confidential record will be maintained.

Review Level	Contact Details
Project Level	Shurufa Abdul Wahidh, Shurufa.AbdulWahidh@fao.org
Next level	FAO Representative in Sri Lanka and Maldives, Vimlendra Sharan, Vimlendra.Sharan@fao.org
Office of the Inspector General (OIG)	<p>Contact FAO's independent Office of the Inspector General:</p> <ul style="list-style-type: none"> • To report non-compliance with FAO's environmental and social management guidelines in case your grievance could not be resolved through the previously mentioned channels. • To report non-compliance with FAO's environmental and social management guidelines in case you have a good reason for not approaching the project management (e.g., fears about your safety). • To report possible fraud and other corrupt practices, as well as other misconduct such as sexual exploitation and abuse. <p>By confidential hotline (online form & by phone): fao.ethicspoint.com</p>

By e-mail: Investigations-hotline@fao.org or inspector-general-office@fao.org

		Timeline: year and quarter													
Activity	Responsible	2023				2024				2025				2026	
			Q3	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2



Annex V: Risk Management

Section A: Risks to the project

Risk description	Worst case consequence for the project	Risk Score		Mitigating action	Action owner
		Impact	Likelihood		
Geographic spread of POs and target communities across the country impose challenges for effective coordination and monitoring of project activities	Full outreach may not be possible, leading to uneven formation of POs	M	L	- Empower POs to effectively use and leverage technology to bridge geographic spread to overcome barriers in project coordination	

Annex VI: FAO and Government Obligations

(a) This Annex sets out the basic conditions under which FAO will assist the Government in the implementation of the Project described in the attached Project Document.

(b) The achievement of the objectives set by the Project shall be the joint responsibility of the Government and FAO.

FAO OBLIGATIONS

1. FAO will be responsible for the provision, with due diligence and efficiency, of assistance as provided in the Project Document. FAO and the Government will consult closely with respect to all aspects of the Project.

2. Assistance under the Project will be made available to the Government, or to such entity as provided in the Project, and will be furnished and received (i) in accordance with relevant decisions of the Governing Bodies of FAO, and with its constitutional and budgetary provisions, and (ii) subject to the receipt by FAO of the necessary contribution from the Resource Partner. FAO will disburse the funds received from the Resource Partner in accordance with its regulations, rules and policies. All financial accounts and statements will be expressed in United States Dollars and will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and directives of FAO.

3. FAO's responsibilities regarding financial management and execution of the Project will be as stipulated in the Project Document. FAO may, in consultation with the Government, implement Project components through partners identified in accordance with FAO procedures. Such partners will have primary responsibility for delivering specific project outputs and activities to the Project in accordance with the partner's rules and regulations, and subject to monitoring and oversight, including audit, by FAO.

4. Assistance under the Project provided directly by FAO, including technical assistance services and/or oversight and monitoring services, will be carried out in accordance with FAO regulations, rules and policies, including on recruitment, travel, salaries, and emoluments of national and international personnel recruited by FAO, procurement of services, supplies and equipment, and subcontracting. The candidacies of senior international technical staff for recruitment by FAO will be submitted to the Government for clearance following FAO procedures.

5. Equipment procured by FAO will remain the property of FAO for the duration of the Project. The Government will provide safe custody of such equipment, which is entrusted to it prior to the end of the Project. The ultimate destination of equipment procured under this Project will be decided by FAO in consultation with the Government and the Resource Partner.

GOVERNMENT OBLIGATIONS

6. With a view to the rapid and efficient execution of the Project, the Government shall grant to FAO, its staff, and all other persons performing services on behalf of FAO, the necessary facilities including:

- i) the prompt issuance, free of charge, of any visas or permits required;
- ii) any permits necessary for the importation and, where appropriate, the subsequent exportation,2atio

- v) prompt customs clearance of the equipment, materials, supplies and property referred to in subparagraphs (ii) and (iv) above.

7. The Government will apply to FAO, its property, funds and assets, its officials and all the persons performing services on its behalf in connection with the Project: (i) the provisions of the Convention on Privileges and Immunities of the Specialized Agencies; and (ii) the United Nations currency exchange rate. The persons performing services on behalf of FAO will include any organization, firm or other entity, which FAO may designate to take part in the execution of the Project.

8. The Government will be responsible for dealing with any claims which may be brought by third parties against FAO, its personnel or other persons performing services on its behalf, in connection with the Project, and will hold them harmless in respect to any claim or liability arising in connection with the Project, except when it is agreed by FAO and the Government that such claims arise from gross negligence or wilful misconduct of such persons.

9. The Government will be responsible for the recruitment, salaries, emoluments and social security measures of its own national staff assigned to the project. The Government will also provide, as and when required for the Project, the facilities and supplies indicated in the Project Document. The Government will grant FAO staff, the Resource Partner and persons acting on their behalf, access to the Project offices and sites and to any material or documentation relating to the Project, and will provide any relevant information to such staff or persons.

REPORTING AND EVALUATION

10. FAO will report to the Government (and to the Resource Partner) as scheduled in the Project Document.

11.

to the extent necessary to permit the orderly conclusion of activities, and the withdrawal of personnel, funds and property of FAO.

16. This Agreement will enter into force upon signature by the duly authorized representatives of both parties.

Qualifications:

- Advanced university degree in agriculture, agriculture economics, rural development or related subject.
- Minimum of ten years of progressively responsible professional experience, including in project management in the field of agricultural development.
- Experience in working in genuine partnership with farmers' organizations and small agribusinesses.
- Experience in working with rural microfinance service providers or related institutions working in the financial services sector for rural areas.
- Experience in working with international organizations.
- Experience with gender mainstreaming in agricultural development projects.

FAO core competencies

- Results focus
- Teamwork
- Communication
- Building effective relationships
- Knowledge sharing and continuous improvement

Technical/functional skills

- Excellent writing, presentation, communication and interpersonal skills.
- Fluency in English.
- Familiarity with the administrative and financial procedures of FAO .

Administrative and Accounts Officer

Duration

- Results focus
- Teamwork
- Communication
- Building effective relationships
- Knowledge sharing and continuous improvement

Technical/Functional skills

- Excellent interpersonal and facilitation skills.
- Working knowledge of English.
- Familiarity with the administrative and financial procedures of FAO,
- Familiarity with standard procedures of cooperative savings -4(ii)3(iarehu887 0 595.32 842.04 reW* n55.984 59

Field coordinator and M&E officers (2)

Duration: Three years

Duty Station: Addu City, Maldives

Organizational setting and main purpose

Under the overall supervision of the FAOR and direct supervision of the National Project manager in Male, the incumbents will train and coach the AMCS regional office staff on their facilitation role for the establishment of new POs and to better serve AMCS member POs in the region and on their monitoring functions. The field officers will also have a direct project M&E role for M&E activities that cannot be delegated to AMCS.

Tasks and responsibilities

A. Capacity building of regional AMCS staff

- Train and coach the regional AMCS staff in their role to facilitate POs in the new project areas, focusing on: participatory approaches; PO governance and gender issues; value chain selection processes; and revolving loan fund management.
- Train selected AMCS staff in the facilitation of POs to develop business plans and in the use of RuralInvest software for the financial analysis of these plans. Provide quality assurance to business plans developed during the project.
- Assist AMCS with the participatory selection of new Farmer Business Facilitators (FBFs) and provide back-up support to the training and coaching by experienced FBFs.
- Help the AMCS regional office to organize business meetings between member POs and the private sector, such as input providers and buyers, to identify common upgrading priorities in their business relationship. Support the organization of trade fairs.
- Help the AMCS office to build a good relationship with local government units and for its POs to access government technical services, such as extel7i3(tify)1re1 0 TJETQq0.0ETQq0.000fy -2(2)7(A)14(Mh)3(as)

- Establish relationships with other relevant development assistance projects in the project area, including the country-led GAFSP-funded project, in order to foster collaboration and knowledge sharing between the POs and amongst projects on technical, production and other matters.

Qualifications:

- Tertiary qualification in rural development/social science, agriculture, agriculture economics or related subject.
- Minimum of five years of progressively responsible professional experience.
- Experience with field research and data collection, including collection and analysis of gender-disaggregated data.
- Experience in working in a participatory manner with farmers' organizations.
- Experience with agricultural value chain and business development.
- Experience with training and coaching.

FAO Core Competencies

- Results Focus
- Teamwork
- Communication
- Building Effective Relationships
- Knowledge Sharing and Continuous Improvement

Technical/functional skills

- Excellent interpersonal skills
- Working knowledge of English
- Familiarity with the FAO tools and mobile data collection applications

