Darwin Initiative Main Project Annual Report

Important note: *To be completed with reference to the Reporting Guidance Notes for Project Leaders: it is expected that this report will be about 10 pages in length, excluding annexes*

Submission Deadline: 30 April

Darwin Project Information

Project Reference	20-023
Project Title	An integrated approach to enhancing socio-ecological resilience in coastal Mozambique
Host Country/ies	Mozambique
Contract Holder Institution	Zoological Society of London
Partner institutions	Associação do Meio Ambiente (AMA), Bioclimate, Research & Development Ltd. (Bioclimate), Coastal Oceans Research and Development in the Indian Ocean (CORDIO), Faculdade de Ciências Sociais e Humanas - Universidade Nova da Lisboa (FCSH-UNL), Universidade Lúrio (UniLúrio)
Darwin Grant Value	£327,643
Funder (DFID/Defra)	DFID
Start/end dates of project	1st August 2013 – 31st July 2016
Reporting period (e.g., Apr 2015 – Mar 2016) and number (e.g., Annual Report 1, 2, 3)	April 2014 – Mar 2015 Annual report 2
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Report author(s) and date	Jeremy Huet, Drs Nicholas Hill and Heather Koldewey, 30th April 2015

1. Project Rationale

The coastal area between Mocímboa da Praia and Rovuma River has some of the highest levels of marine biodiversity in East Africa, shows evidence of resilience to coral bleaching and has suffered less from anthropogenic impacts than other areas regionally. At the same time, its coastal communities are among the poorest in Mozambique, with high dependence on marine resources. Marine biodiversity and livelihoods are threatened by socioeconomic changes caused by growing populations, increasing linkages to markets for marine products, illegal and foreign commercial fishing, luxury tourism developments that are often poorly integrated with local communities, and most recently the exploitation and refining of natural gas. Little work seeking to integrate conservation and development is focused in this area, which contrasts starkly with the Quirimbas National Park area, 100km further south. Mozambique's legislation supports co-management but currently there is little capacity for implementing it. The project addresses the key challenges of building local capacity and resources for co-management, creating incentives for conservation and diversifying livelihoods. They are important for local communities, the Mozambican government and conservation organisations; and were identified by discussions between all partners informed by their extensive experience of working in the region, and with local communities and government.

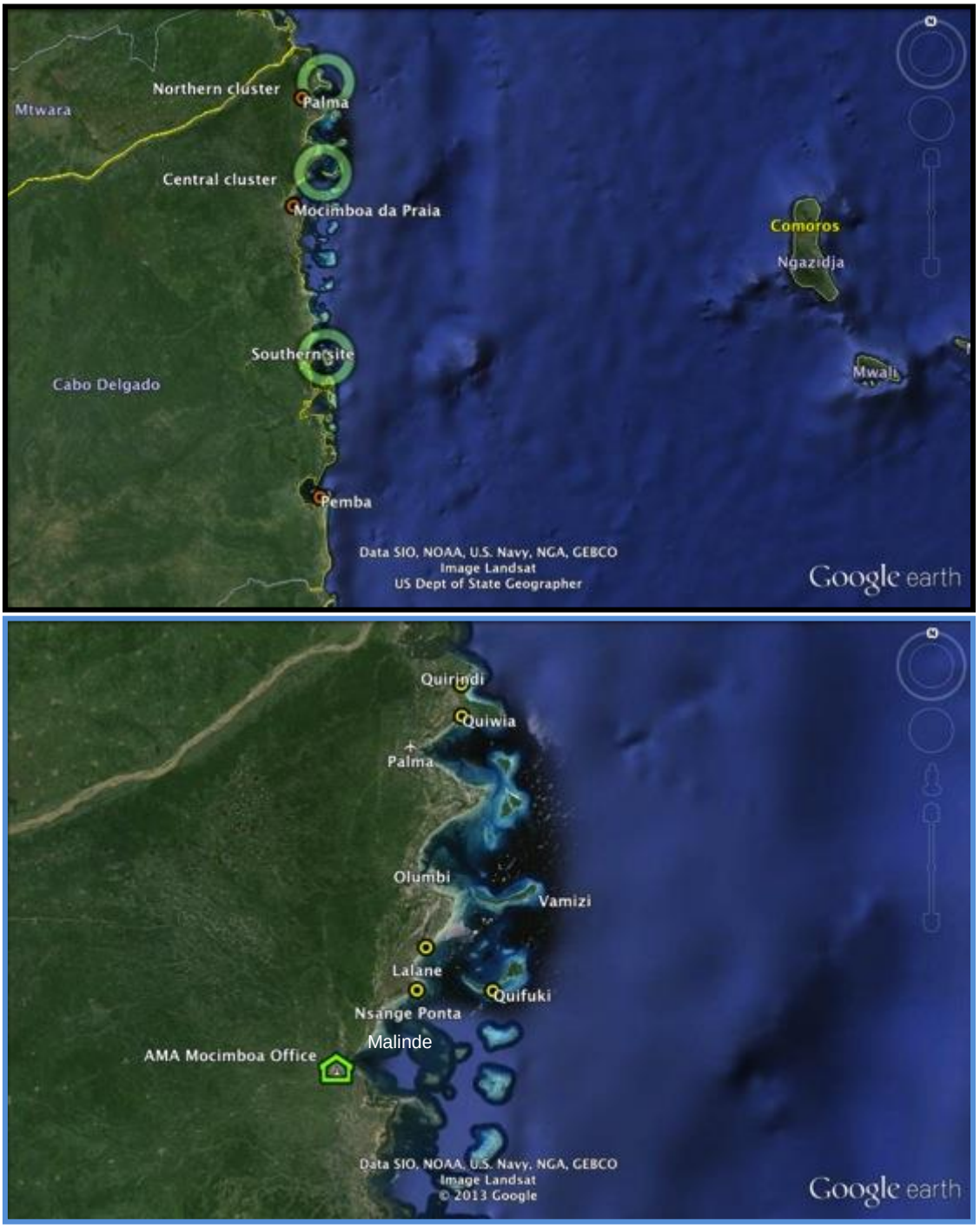

Figure 1: a) Location of the three focal areas for the Our Sea Our Life project – northern, central and southern - in Cabo Delgado Province; 1b) Location of the six villages included in the baseline surveys

2. Project Partnerships

Strengths

The six partner organisations, with the support and the lead of ZSL, are working together and consistently towards the project outcomes of the project "Nosso Mar, Nossa Vida" / "Our Sea Our Life" (OSOL) at local level (Cabo Delgado) and regional level (East Africa). A full-time project coordinator (Jérémy Huet) was recruited in June 2014 and is based at ZSL (London) with 4 months per year in Mozambique. His main role is to ensure the partners are addressing the outcomes together efficiently and effectively. The project is running smoothly with daily contact through emails and informal chats by phone, weekly Skype meetings and monthly reports, submitted by each project partner and compiled into a combined project monthly report on ZSL's internal electronic database (the ZSL Projects Database). Trip reports are also completed by ZSL staff which document meetings and evaluate the project against a set of standard criteria, including health and safety. On average the project partners physically meet

up (through one-to-one meetings that allow deeper insights on project follow-up and planning, e.g. ZSL/Bioclimate, ZSL/AMA) every 40 days and 2 partner meetings per year are set up (last one in Mozambique in March 2014, report available in June 2015). The documents and other outputs are shared on a shared folder (Dropbox) the 6 partners can access at any time. .

The project partners have very clear roles in the project which has quickly built respect and appreciation of the complementary skills each partner brings. The team combines strong research and management skills, combined with local experience and networks: ZSL with regional networking with NMCi[1] and IUCN, Bioclimate with WWF Pemba office, FCSH-UNL with the SPACES project[2], CORDIO with experts in marine biology, Unilurio with local students, and AMA with public authorities such as IDPPE, IIP and ADNAP. This is also offering additional opportunities to build capacity within the team.

Challenges

One of the key challenges continues to be the capacity development of AMA to manage finances for this large-scale project. Whilst AMA has some very experienced and skilled personnel, their systems struggle to cope with the challenges of operating in this remote area of Cabo Delgado. Our initial capacity assessment at the beginning of the project indicated that AMA were receiving significant support from Horizont3000 – an Austrian NGO who supported AMA in putting in place an accounting system called "Banana", as well as the financial management systems and processes. Unfortunately, since Horizont3000 left Mozambique in 2014, AMA found a problem with Banana and had no choice but to revert to old Excel systems as they were unable to resolve the issues. ZSL are looking at how to develop the needed capacity to manage this large-scale project (particularly when considered in the broader context of the EU co-finance). This includes setting up the global project accounting system on Quickbooks software in 2015, and looking to provide support in the financial management systems to help ease the heavy bureaucracy when requesting funds and reporting on expenditures that saps the time of the more senior project staff members of AMA and ZSL. ZSL is currently discussing budget realignment with the EU to enable us to hire an accounting support officer's salary until end of 2018. This is particularly important in the context of the challenges with unreliable power in the north of the country (the whole of the north of Mozambique experienced severe power outages for long periods during a 3-4 month duration following the floods in central Mozambique which impacted all means of communication). One example of the current financial administration problems is that AMA were unable to check their bank account for the entire month of January due to the absence of a key staff member. Because of this they did not realise that there had been a problem with one of the transfers from UK, which resulted in the team running out of money and being unable to pay salaries or transport of staff members. This issue has now been resolved but was one key prompt for us to implement better systems.

Communication has again been a challenge, with floods impacting both power and road transport again this year. Another bridge washed away on the only road between Pemba and Mocimboa da Praia, and internet and landline communications have been extremely unreliable since December. To help battle this, EU have agreed to finance smartphones with credit for internet access to all project staff. Whilst this is by no means failsafe, mobile phone masts in many areas are solar powered and can continue to operate even during power outages. This will help technicians based in villages maintain contact with their line manager to follow up activities and to improve safety.

The crash in global oil prices has caused some uncertainty for local businesses and operations in northern Mozambique. At a time when the whole economy of northern Mozambique has been gearing up to the extraction of the huge gas reserves, local businesses, including tourism operations, have been severely impacted by the downsizing of operations by the principal players (particularly Anadarko) in the area. As a result, tourism operations have been severely reduced. The project has been exploring opportunities for engaging with the oil and gas companies to develop the sustainable financing mechanism. This includes exploring options for

[1] North Mozambique Channel Initiative

[2] SPACES is a project supported by the UK Ecosystem Services for Poverty Alleviation program to study the relationship between coastal ecosystems in Kenya and Mozambique and the wellbeing of poor people living along the coast. The project started in September 2013 and will run until August 2016.

engaging with offsetting and CSR-related investments from these companies. These forms of financing are certainly not going to be a quick win, so as a project we have developed a new strategy. We have found that whilst the big gas companies themselves are very shy and reluctant to engage directly with new projects, they are often involved in longer-term collaborations. One such collaboration is between Fauna and Flora International (FFI) and ENI (oil and gas company). Recently, FFI have initiated two projects related to gas exploration in northern Mozambique, and we have set up a strong collaboration with them. One project is looking at developing best practice guidelines and piloting these guidelines in northern Mozambique, whilst another project is looking at defining the ecosystem services and how their operations are going to impact the people dependent on those ecosystem services. The OSOL team helped by conducting the underwater surveys that FFI needed in order to complete this work, and we are in the process of developing a MOU with FFI. FFI are also promoting Our Sea Our Life to ENI as a mechanism for ENI to invest in offsetting and development.

At a community level, the main challenges have related to the migrant nature of many of the fishing villages in the area The migrant nature of many of the communities was expected for coastal populations in the north of Mozambique, but previously there has been little information on the extent of the transitory populations. This is a key challenge that must be addressed by co-management if sustainable fisheries and conservation of near-shore biodiversity are to be achieved. Nsangue Ponta includes two discrete communities (Nsangue Ponta A, and Nsangue Ponta B) – one of which is largely an itinerant community. Through the broader project we are also engaging with a far larger itinerant population on Quifuke, who share many of the same fishing areas as those from Lalane and Nsangue Ponta. It is a slow process building the relevant contacts and trust across these different communities, but we are seeing strong indications of success (particularly through the use of Village Savings and Loan Associations (VSLAs), and initial focus on intertidal fisheries).

Lessons

Overall, the project is making significant headway thanks to a consistent coordination of the activities and a constructive communication between the partners, particularly given the context of operating in this part of Mozambique. However, whilst a lot of progress has been made, some areas have been progressing slower than initially anticipated. It has been more of a challenge to establish the co-management groups within the communities than anticipated due in part to the itinerant nature of the communities and tensions that have arisen in these communities as a result, and due to the presence of a large number of oil and gas representatives and government officials coming into the communities as a result of the developments in the region that have led to some issues of trust that we have needed to overcome. The sustainable financing component is also experiencing some significant challenges due to the changing economic climate in the area. As a result of this, it is no longer possible for us to depend on the tourism organisations for financing, who were initially assessed to be one of the quickest and easiest sources of finance. As most of the tourism operations have had to close down as a result of the changes in oil and gas developments, we are having to refocus our efforts on the oil and gas sector, which is a harder yet potentially more long-lasting source of sustainable financing. These changes have meant that we have had to redesign our strategy within the project in order to deliver the set of original objectives that we proposed, and we are making significant headway on these objectives.

Other lessons have been in the use of VSLAs within the context of migrant fishing communities. Generally, people and organisations consider migrant fishing communities to be too difficult to work with. However, coastal areas are often characterised by migrant communities, and this challenge must be addressed if conservation is to be successful in these areas. Most of the migrant communities in Mozambique are allowed to be there and to fish under Mozambique legislation. The challenge is really in identifying the most sustainable and robust ways to engage them in co-management processes when they invest little in the area. Although it was initially challenging to start VSLAs in these communities, we have found them to be extremely successful and now there is high demand for further VSLAs that we are building on. Through the VSLAs, we have also found that we can successfully engage many of these community members in the CCPs and therefore in co-management. The migrant community have permanent homes elsewhere in Mozambique (primarily Nacala) where they mostly repatriate the income from their fishing activities. However, these migrant fishers have been coming to the

project communities for years. They have demonstrated interest in marine resource management because they have seen the resources decimated in their places of origin and fear that there would be nowhere else to go if resources were depleted within the project areas as well.

We have identified two major areas of risk likely to result in delays for the project:

- Lack of co-management expertise within Mozambique, meaning that NGO partners (AMA) and government agencies need significant capacity building as well as communities. While we are achieving intertidal resource management and the relevant governance structures, we are still some way off getting to the point of implementing no take marine reserves.
- The rapidly shifting economic environment around the oil and gas and tourism sectors has meant we have had to adopt a different approach to the PES scheme.

We are still confident that we can achieve those objectives, but we suspect we will require some more time in order to achieve the quality and impact that we are looking for and achieve confidence that our interventions will be sustainable. These concerns were initially raised in the Half Year report, and following that report we have had a thorough review with all the project partners. Therefore, we would like to have an opportunity to discuss ways forward with the Darwin Initiative review committee and consider the possibility of a no-cost extension to the project.

3. Project Progress

3.1 Progress in carrying out project activities

OUPUT 1: *CCPs with three user groups and integrating women formally established in two pilot villages and supported to develop and implement co-management plans through (a) the delivery of training courses targeting CCP members and supporting institutions (AMA, IDPPE, District Service of Economic Activities – DSEA) and (b) the collection and feedback of relevant biological and socioeconomic data.*

The implementation of the activities respects the initial calendar. As yet, some activities are on-going events like the formation of Resource User Groups (Intertidal Harvester Groups having been formed first and used as a platform for engaging the communities in management), as well as ongoing training of project partners. The participatory development of management plans has started and should be approved in the second half of 2015.

The CCP members have been selected by community members in Lalane and Nsangue Ponta with the support of AMA, IDPPE and ADNAPE (Annex 1). The CCP members have been being trained to understand their roles and responsibilities within the community in relation to fishery management. These two CCPs will be formalised (provincial certification) by mid-2015. A gender specialist has been hired to improve female involvement in decision making positions within CCPs (but also VSLAs). Resource User Groups (RUGs) are in development. It is a process of village meetings organised on a weekly basis by the project extensionists.

Besides the underwater survey undertaken last year (February 2014) looking at species richness, abundance and biomass as a biological baseline, the project extensionists collect data on landing sites to estimate Catch per Unit Effort (CPUE) on a daily basis (Annexes 2 and 3). Indicator species have been defined (Annex 4); species belonging to the IUCN Red List, main species fished, species working like ecological indicator. It means that changes in the population size or density of these species will show the impact of the project on marine resources. A second underwater survey was performed in March 2014 (report due in June 2015) on the EC-ENRTP project sites that include Lalane and Nsangue Ponta (Darwin sites). AMA's marine biologist, in charge of data collection and analysis, has been to Kenya for a two-week cross-visit with CORDIO and learned about data collection and analysis by Beach Management Unit (BMU) (Annex 2).

The project extensionists have been trained in marine biology and co-management of marine resources, with a focus on governance and gender in collaboration with the Institute for the Development of Small Scale Fisheries (IDPPE) and project partners, during a 5 day intensive project training in July 2014 (figure 2). An exchange visit from Mozambique to Madagascar raised traders and fishers awareness for marine resources management and sustaining fishers' income in collaboration with Blue Ventures. A documentary was filmed and is currently being edited and will be shown in Lalane and Nsangue Ponta by mid-2015. The project manager for AMA went to Zanzibar in December 2014 for a workshop organised by Blue Ventures on scaling success on octopus fisheries management in the Western Indian Ocean to learn from management experiences elsewhere.

Figure 2. Participants of the 5 day intensive training course on marine ecology and fisheries management.

OUTPUT 2: *Equitable and robust Community-PES schemes reinforcing the implementation of co-management plans in the two pilot villages, and supported by local authorities and private sector actors.*

The necessary change in approach resulted in a delay in the implementation of associated activities. The initial plan was to have a strictly bottom-up approach involving the communities in the design of the Community-PES schemes. However, involving the communities too early was considered risky in potentially raising too many expectations of access to funds before having the CCPs formalised and their management plans approved. As a result we have spent this second year focused on identifying the Trust Fund governance, the economic incentives and the offsetting activities (to be confirmed by the communities through the CCP management plans) at a high level.

We have built the concepts, plans and capacity among the project team and key partners. The OSOL team delivered one-day training in July 2014 to AMA and IDPPE to introduce some of the fundamental concepts in Payments for Ecosystem Services and economic incentives, governance requirements, and key steps in the establishment of performance-based systems. A two day workshop with Bioclimate and ZSL in August 2014 came up with a clearer definition of an OSOL working concept for economic incentives and sustainable financing, and clarity on terminology to be used with stakeholders (Annex 5). A village-level communication strategy for economic incentives has been developed. Further training will be delivered within communities and project stakeholders as the co-management plan process develops.

An advisory group meeting was held in March 2015 with the project stakeholders (EU, ZSL, AMA, Bioclimate, IDPPE, IIP, ADNAPE, FFI) aiming at providing advice on an appropriate support mechanism (Trust Fund) and associated governance arrangements (role and responsibilities of the future steering committee) to sustain fisheries co-management (Annex 6, 7).

The project is developing a partnership with Fauna & Flora International (FFI). FFI is working directly with ENI (gas & oil company) to explore the opportunities for ENI to establish a marine biodiversity offset scheme in Cabo Delgado. Through working with FFI, OSOL will have access to information about requirements for any activities that would fall under biodiversity offsetting (including the financial mechanisms required) for which financial support could feed into the Trust Fund the project aims to create.

OUTPUT 3: *VSLAs established and Village Agents trained in two pilot villages, increasing the capacity of villagers to manage income from PES and improve living conditions, and supporting investment in new sustainable enterprises*

This set of activities is on target as four VSLAs have been formed (see Table 1 in section 3.2). The socioeconomic baselines have been completed. The mapping of intertidal resources have been completed during participatory rural appraisals. The AMA extensionists have given feedback on socioeconomic results to the local communities during the weekly village meetings. AMA extensionists received training from CARE International in the implementation of VSLAs. Four VSLAs have been established in Lalane and Nsangue Ponta (see relevant section in 3.2). Outreach tools (games, booklets, etc.) and education modules will be developed in the second semester of 2015 to support VSLA training and fostering (through Village Agent model) and as a strategy for linking VSLAs and co-management of marine resources.

OUTPUT 4: *New sustainable enterprises developed through the provision of training and linking to relevant markets, increasing levels of livelihood diversification*

The project socioeconomic baselines were completed in Year 1. Following consultation with local communities and other stakeholders, including IDPPE, there has been keen interest to explore mariculture opportunities, which fit with the priorities of local authorities. As such we have completed an analysis of the considerations in order to brief the different stakeholders (Annex 8), and have identified oyster aquaculture as a potentially viable way forwards that fits with the needs, skills and desires of the local population. This has also been identified as an opportunity to link in with the Community-PES, particularly to help tackle mosquito net fishing (see Annex 5), and we are currently in the process of further developing the theory of change and approach for this. We are also trialling a market garden (horticulture) initiative with a two women's groups in Lalane, and assessing the opportunities for enhancing the value of the octopus fishery through a fishery trade analysis (in prep).

We have minor delays in implementing the oyster aquaculture enterprises whilst we also focus on getting the Community-PES and local governance structures adequately set up.

3.2 Progress towards project outputs

OUTPUT 1: Two AMA extensionists are based full time in Lalane and Nsangue Ponta. They are the representatives of the project and organise weekly meetings to establish CCPs. AMA's work on the ground and the project approach have built a strong local buy-in within the two communities to manage fisheries. The two CCPs statutes have been discussed with communities (members and board committees formed) and are to be submitted to the public authorities. They are expected to be legalised by mid-2015. Even though it has taken longer than expected due to slow bureaucracy, it does not prevent the project from moving forward in discussing the future co-management plan with the communities which will be implemented at the end of 2015. Intertidal user groups exist on project sites. However, they will have a formal role when the management plans will operate as their implementation will depend on the resource user groups (three preliminary resource user group names: intertidal, fishnet and speargun groups). The two CCPs to be legalised, comprise of 13% and 26% of women respectively. This reflects the strong socially anchored patterns which are challenging to change but this ratio is not fixed and will likely change to become more representative of women further following additional gender activities supporting this output. The biological surveys (underwater survey + creel survey on CPUE) and the socioeconomic surveys (village census + livelihood assessment) have been done (creel survey on CPUE ongoing though) and the data analysed. The fisheries monitoring survey report (Annex 2) has been shared among the project partners. They are being presented to the communities through CCP and VSLA meetings and to local authorities (ADNAP, IDPPE, IIP) through keeping them involved in the activities undertaken on the ground. AMA's marine biologist (who did a cross-visit to Kenya on marine biology statistical analysis and the concept of Beach Management Units) is now well informed of the need to disseminate survey results to the local communities to ensure their positive engagement in the project. The next step is to support the communities in defining and approving the CCP co-management plans involving three RUGs with a gender equity component.

OUTPUT 2: The project partners identified that training in PES at the village-level is not appropriate at this stage. There are already high expectations at the community level owing to the influx of people in relation to the oil and gas, and direct discussion of concepts such as PES or economic incentives need to be handled very carefully. This step also depends on the progress of the approval of the CCP co-management plans. There has been a preliminary selection by the OSOL team of economic incentives and offsetting activities (PES-eligible management activities) based on the assessment of key threats, community knowledge, and the activities that have a better to alleviate these threats: oyster farming as an alternative to mosquito net fisheries, the management of no-take zones, sustainable octopus fisheries and sanitation. The PES-eligible management activities will be agreed and integrated into the co-management plans of CCPs in the second half of 2015. An advisory group meeting was held in March 2015 with project partners and public authorities (EU, ZSL, AMA, Bioclimate, IDPPE, IIP, ADNAPE, FFI) to address the sustainable funding of the management of marine resources through a performance-based Trust Fund. The two CCPs in Lalane and Nsangue Ponta will enter into PES contracts with AMA at the beginning of 2016. IUCN Fair Coast is now finished. Instead we have focused on developing the partnership with FFI to explore opportunities to establish marine biodiversity offsetting schemes in Cabo Delgado.

OUTPUT 3: Four VSLAs have been created in Lalane and Nsangue Ponta with a total of 100 members whom 1/3 are women (Table 1. For comparison, ten VSLAs have been created over five project sites - Lalane and Nsangue Ponta included - with a total of 204 members of which 60% are women). The total savings by the VSLAs is £588 with 400 people indirect beneficiaries (extended family). Households engaged in VSLAs save on average £5.86 per year (half of what is expected for year 3) and have not yet started to invest in new enterprises. Village agents will soon be recruited to increase the number of members per VSLA and their savings and investments. Education modules will be delivered during the VSLA meetings to raise member awareness of investing in sustainable economic activities with their loans that alleviate poverty and pressure on marine resources.

Table 1. VSLAs created across project sites.

Village	# VSLA	Total members	Men	Women	Total savings MZN	Active loans MZN	Social fund MZN
Quiwia	3	50	13	37	45,729.00	0.00	6,215.00
Quirinde	2	41	0	41	42,820.00	1,870.00	4,730.00
Quifuqui	1	14	1	13	156,700.00	0.00	3,600.00
Lalane	2	50	32	18	16,400.00	0.00	1,900.00
Nsangue Ponta	2	49	34	15	24,000.00	0.00	2,930.00
Total	**10**	**204**	**80**	**124**	**285,649.00**	**1,870.00**	**19,375.00**

OUTPUT 4: Oyster farming, sustainable agriculture and octopus fisheries have been identified as potential new enterprises as they are offer good potential to reach local markets building on local skills in small scale businesses and technical knowledge. Two horticulture groups have been created. The next step is to help provide access to basic materials and knowledge (through VSLA education modules and training in small-scale businesses) so they can grow a broad variety of vegetables to help secure food and healthy diet. In-spite of trading low quantities, the group members are willing to increase their production of vegetables and especially farm sesame, a popular and expensive cereal locally. The octopus market has been assessed. The different actors in the market have been identified so that the project can initiate contact and discussions about management options, and to better understand the nature of the market, particularly the demand-side in order to match octopus closure patterns introduced as a fisheries management method. The project has started to assess the socioeconomic and technical impact of enterprise opportunities to identify which are the most appropriate to alleviate poverty and pressure on marine resources.

3.3 Progress towards the project Outcome

Overall the project is progressing well, in spite of the significant power cut (across the whole of northern Mozambique because of a large power cable damaged) due to bad weather conditions early 2015. This led to a period of very bad communication for about one month. Perhaps some of the most measurable gains in Year 2 have come through the establishment of 4 VSLAs in the project sites. We have made significant advancements in the development of the concepts and plans for sustainable finance mechanisms, and linked to relevant initiatives and groups. We also have a clearer idea of the potential enterprise opportunities through the assessment of business skills and needs within VSLA groups, the socioeconomic surveys, and the discussion with Ocean Sole and CocoArt. Finally, we are working effectively with IDPPE and ADNAP having established good relationships with them at the Provincial and District levels, which will help contribute to replication outside of the pilot sites (with the support of EC-ENRTP funding).

Indicator 1: Two technicians are based full time in Lalane and Nsangue Ponta. They are the representatives of the project and organise frequent meetings about the creation of CCPs and Resource User Groups. The two CCPs to be legalised mid-2015 have 31 and 25 members. The project is making headway in establishing the relevant CCPs and ensuring that these

important institutions are set up in a representative and equitable way, with full engagement from government. These results are essential to guarantee the sustainability of the project as it ensures institutions and communities are fully engaged.

Indicator 2: Women currently represent respectively 13% and 26% of the members. These figures are still evolving as the project raises local communities' awareness for gender equity (a gender equity officer has been hired). It will make sure women are involved in decision-making positions for the co-management of marine resources.

Indicator 3: The biomass of key fisheries species and key biodiversity metrics have been quantified during the baseline surveys for coral reef areas surrounding the target sites. Additionally, creel surveys (CPUE assessment) are being done on a daily basis to monitor the catch per unit effort. A preliminary list of species (IUCN Red List species, commonly fished species, ecological indicator species) has been generated based on creel surveys and underwater visual census. From the surveys conducted thus far and the analysis of the resulting data, it appears that fish diversity and abundance has declined over the last 3-4 years. The creel and underwater surveys feed a database that will show the impact of the project action over time on marine resources.

Indicator 4: The socioeconomic surveys set the following baselines in March 2014 (unchanged: see annual report 1): the averages for locally-defined food insecurity indicators is 42.15% for Lalane and 45.8% for Nsangue Ponta. Additionally, 23.5% of households in Lalane and 22% of households in Nsangue Ponta consumed three or less food groups per day (defined as the limit for Poor Dietary Diversity). The levels of perceived poor quality of life are high, particularly in Lalane where 62.7% of respondents considered themselves slightly unsatisfied and not at all satisfied with their current lives (30% in Nsangue Ponta). For material style of life, (i) the percentage of dwellings with zinc roofs is 10% in Lalane and 0% in Nsangue Ponta; (ii) percentage of households owning a sleeping mattress is 18% in both communities; (iii) percentage of households owning a solar panel is 4% in Lalane and 0% in Nsangue Ponta. The project aims to improve by 30% locally-defined food security indicators and by 20% the locally-defined wellbeing scores for 500 households within the two pilot villages by year 3.

Indicator 5: The socioeconomic surveys set the following baselines (unchanged, see annual report 1): the average number of non-fishing occupations for fishing households in Lalane is 1.2 and for Nsangue Ponta is 1.1. Currently, fishing is the main source of income for 62% of households in Nsangue Ponta and 54.9% in Lalane. We now have a clear understanding of the number of households dependent on fishing, and monitoring and evaluation protocol is clearly in place for living conditions. AMA technicians have received training on establishing VSLAs. Four VSLAs have been created. 100 members whom 1/3 are women The total savings is of £588 and 400 persons are indirect beneficiaries. The project aims to reach an average number of 2 non-fishing occupations for at least 150 fishing households by year 3.

Indicator 6: We have developed good relationships with the government's Institute for the Development of Small Scale Fisheries (IDPPE) and Fisheries Research Institute (IIP), who are actively engaging in the project. We have recently added a new site to the broader initiative (village of Malinde) that can be considered as an early replication. One IDPPE technician is based in Malinde. The project will support the ongoing work made by IDPPE in the new project site. Malinde is close to Lalane and Nsangue Ponta and will increase the probability of successes through cross-visits.

The Darwin Initiative contribution is part of a broader initiative that is going to last until end of 2018 under current funding with the support of the EU-ENRTP programme. As justified in the full proposal submitted to the Darwin Initiative, we are still on track to make co-management and sustainable finance mechanisms happen until the Darwin Initiative contribution ends in August 2016. Nevertheless we would like to discuss and recommend and request a no-cost extension to ensure the co-management and sustainable finance schemes are robust and sustainable. We also want to ensure that the two project sites (Lalane and Nsangue Ponta) will benefit from the 4 other neighbouring sites so that they learn from each other's experience along the process of project implementation. It will lead to the formation of an appropriate nuclear core for the replication of the successful initiative "Our Sea Our Life". This extension would not require extra funds as it would be covered by the existing EU project funding.

3.4 Monitoring of assumptions

The risks and assumptions as identified in the full proposal submitted to Darwin Initiative still hold true.

We have identified two major areas of risk likely to result in delays for the project:

- Lack of co-management expertise within Mozambique, meaning that NGO partners (AMA) and government agencies need significant capacity building as well as communities. While we are achieving intertidal resource management and the relevant governance structures, we are still some way off getting to the point of implementing no take marine reserves.
- The rapidly shifting economic environment around the oil and gas and tourism sectors has meant we have had to adopt a different approach to the PES scheme. While tourism was a significant sector when the project started, most operations are now closed. The oil and gas sector has downsized operations as a result in the drop in global oil prices.

3.5 Impact: achievement of positive impact on biodiversity and poverty alleviation

Our application set a desired impact of: '*Social and ecological resilience is improved for Mozambique's coastal poor communities, including women, as a result of marine biodiversity conservation through co-management and increased livelihood security'*. The social and ecological surveys have set a baseline (March 2014 – see year 1 report) to measure how the project interventions that are now underway will make an impact by year 3.

Food security / Wellbeing: The averages for locally-defined food insecurity indicators are 42.15% for Lalane and 45.8% for Nsangue Ponta. Additionally, 23.5% of households in Lalane and 22% of households in Nsangue Ponta consumed three or less food groups per day (defined as the limit for Poor Dietary Diversity). The project aims to improve by 30% locally-defined food security indicators for 500 households within the two pilot villages by year 3. The levels of perceived poor quality of life are high, particularly in Lalane where 62.7% of respondents considered themselves slightly unsatisfied and not at all satisfied with their current lives (30% in Nsangue Ponta). For material style of life, (i) the percentage of dwellings with zinc roofs is 10% in Lalane nad 0% in Nsangue Ponta; (ii) percentage of households owning a sleeping mattress is 18% in both communities; (iii) percentage of households owning a solar panel is 4% in Lalane and 0% in Nsangue Ponta. The project aims to improve by 20% the locally-defined wellbeing scores for 500 households within the two pilot villages by year 3.

Non-fishing occupations: The average number of non-fishing occupations for fishing households in Lalane is 1.2 and for Nsangue Ponta is 1.1. Currently, fishing is the main source of income for 62% of households in Nsangue Ponta and 54.9% in Lalane. The project aims to reach an average number of non-fishing occupations of 2 for at least 150 fishing households by year 3.

Saving for future investments: Four VSLAs have been created. 100 members whom 1/3 are women. The total savings is of 808 euros and 400 persons are indirect beneficiaries (extended family). Households engaged in VSLAs save on average £5.86 per year and have not started to invest in new entreprises yet. The project aims to engage 250 households (from a total of 500 households across pilot villages) in VSLAs with an average of £17 each in savings by year 3, from a baseline of 0 households with any financial savings.

Overall, it is still too early to assess the achievement of the positive impact of the project on biodiversity and poverty alleviation. Even though we'll certainly measure a positive impact on year 3, the impact will be greater if the Darwin contribution is aligned with our broader initiative going through to the end of 2018 (see request of no-cost extension in 2, 3.3 and 3.4).

4. Project support to the Conventions (CBD, CMS and/or CITES)

This project aims to support the CBD. The institution responsible for oversight of the NBSAP is the Ministry for the Coordination of Environmental Affairs (MICOA). A preliminary meeting was held with the Director of MICOA in Maputo by some of the Darwin team (AMA, CORDIO, Bioclimate) on 2nd November 2013 to introduce the project.

Consultation with communities and engagement in baseline setting in the two project villages contributes to Mozambique's National Biodiversity Strategy and Action Plan (NBSAP) and the CBD by complementing efforts to involve coastal communities in the management and benefit-sharing from the sustainable use of biological diversity.

5. Project support to poverty alleviation

The direct beneficiaries will be the 500 households of the two pilot sites (Lalane and Nsangue Ponta). The expected outputs of the project will support poverty alleviation of these two communities by addressing food security, new sources of income (economic incentives, entreprise opportunities), the vulnerability and empowerment of women (gender equity).

The project has already achieved noticeable steps (see 3.5).

6. Project support to Gender equity issues

A gender officer has been hired to address the gender equity issue throughout the project activities. Her role is to make sure the local communities are aware that is essential that women and men share equitably the decision-making positions within the social groups (CCPs, RUGs, VSLAs). The project second outcome indicator is "At least 30% of CCP members and elected officials in the two pilot villages are women (representing intertidal harvesters) by year 3".

At the moment, in the two CCPs to be legalised, we count 13% and 26% of women. We anticipate it will take time to change strong socially anchored patterns, however, this ratio is not fixed and will likely change further following additional gender activities supporting this output.

7. Monitoring and evaluation

In relation to the communication between the partners and the following-up of project activities, please see 2. In addition to regular communications, all project partners have convened in Mozambique on four occasions during the last year:

July 2014 – Pemba and Mocimboa da Praia – workshop on co-management and sustainable finance mechanisms.

December 2014 – Pemba – meetings on project finance systems, economic incentives and offsetting activities, socioeconomic training to Unilurio students;

February 2015 – Madagascar – exchange visit from Mozambique to Madagascar to visit communities experienced in co-management initiatives (Annex 9);

March 2015 – Pemba – partners meeting, work planning, underwater survey logistics, support on boat purchase, donor visit;

The project has undertaken socioeconomic and biological baselines so that we can monitor the project impact and how the project activities and outputs will contribute to the project outcome.

8. Lessons learnt

See 2.

9. Actions taken in response to previous reviews (if applicable)

In response to the previous annual review that raised concern about the capacity development of local partners, the following actions were taken and progress made:

a. All staff hirings were completed and in place by the end of April 2014, and we now have a strong and consistent team.

b. As per section 6, a gender officer has been hired to address gender equity issues throughout the project.

c. There have been a large number of training opportunities provided throughout the year as detailed throughout the report including:

    a. 5 day intensive workshop for all AMA technicians in July 2014

    b. Jamen Mussa spent 3 weeks in Kenya with CORDIO receiving training.

    c. Cross-visit to Madagascar

    d. Partner meetings and on-site training

As detailed in section 2 (challenges) we still need to work on improving AMA's financial management capacity, and are putting in place a plan to achieve that (as detailed in section 2).

10. Other comments on progress not covered elsewhere

Living conditions in many of the communities is very basic with limited access to hygiene facilities, which makes it very easy for project staff to get sick. AMA has a long history of working in the area of health and sanitation, so we are exploring ways to make use of that experience, including ensuring staff are given proper hand-washing instructions, and we are also looking at installing appropriate sanitation for project staff in the field.

We had delays in hiring the project coordinator, based at ZSL in London but spending significant time in Mozambique. We are now confident we have a strong, stable and committed OSOL project team, with training needs identified and underway or with plans being put in place to address these.

11. Sustainability and legacy

The project has a clear identity of: "Nosso Mar, Nossa Vida" or "Our Sea Our Life". This has helped us gain some recognition amongst various groups and stakeholders. We have prepared project information sheets in English and Portuguese that have provided an introductory brief for orientation meetings with a wide variety of stakeholders.

We have developed new partnerships with FFI and Blue Ventures from the Madagascar exchange visit in February 2015. These organisations have a strong and long-term experience in biodiversity conservation and management of natural resources in East Africa. These new collaborations are valuables as they will create bridges between communities to share the successful initiatives (replication).

It is important to highlight that we have worked together with the public authorities (IDPPE, ADNAP, IIP) in charge of fisheries management. This close collaboration will guarantee the continuation and a sustained legacy of the project activities (technical and financial through the sustainable finance mechanisms as they'll be part of the Steering Committee) after the project ends.

The project received match funding from EC-ENRTP since December 2013 and until December 2018 to expand the project to 3 other sites from the same Province (Cabo Delgado). We have applied for extra match funding to Fondation Ensemble to complete the budget required to work on 5 sites simultaneously (replication to 3 other sites besides Lalane and Nsangue Ponta while we will keep on working on these two last villages until 2018). It secures the involvement of the 6 partners on the Our Sea Our Life project on a longer term and offers an ideal opportunity to have a greater impact locally in order to enhance socio-ecological resilience in coastal Mozambique.

12. Darwin Identity

The project has a clear identity of: “Nosso Mar, Nossa Vida” or “Our Sea Our Life”, which has now expanded beyond the Darwin project to encompass the wider remit of the EC project. We retain clear identity on the Darwin project components and deliverables and ensure that Darwin is acknowledged verbally, in writing or visually in meetings, reports and presentations.

We have increased increase the visibility of the project, together with the visibility of the Darwin contribution (logo used in all reports, presentations and publications) towards the project. Specifically we have:

- Increased the social media presence, particularly on Twitter. Jeremy Huet (@JeremyHuet1, linked back to the Darwin account), Nick Hill (@nickaohill) and Heather Koldewey (@HeatherKoldewey) have regularly tweeted from their own accounts, and tweets will be republished by @ZSLmarine and @OfficialZSL. A twitter hashtag will be established for the broader project. Project updates will also be shared on Facebook via the ZSL Marine and Freshwater page.
- Attended (Heather Koldewey, Nick Hill and Melita Samoilys - CORDIO) in August 2014 the third International Marine Conservation Congress in Glasgow. There was no specific presentation on the project, but the project was introduced to a wide variety of actors through involvement in discussions and special sessions on PES. We were able to explore OSOL concepts with both FFI and Blue Ventures who were also present at the congress. The project was discussed at a number of workshop sessions that were a significant component of the component.
- Attended (Nick Hill) in November 2014 the decadal IUCN World Park’s Congress in Sydney, Australia. A session on the Northern Mozambique Channel initiative (NMCi) was chaired by project partner David Obura (CORDIO), and Our Sea Our Life was invited to introduce the project to the broader initiative and to participate in the session as a stakeholder.
- Presented (Jérémy Huet) on the project in Porto to the University of Porto (CIIMAR), specialised in research in marine biology.
- A low-key web presence for the project on both Bioclimate’s and AMA’s websites.

13. Project Expenditure

Table 1 Project expenditure <u>during the reporting period</u> (1 April 2014 – 31 March 2015)

Project spend (indicative) since last annual report	2014/15 Grant (£)	2014/15 Total Darwin Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)				
Consultancy costs				Budget line for local boat captain not used because of challenges in finding boat supplier then necessity
Overhead Costs				
Travel and subsistence				
Operating Costs				Overspend on conferences, workshops and seminars.
Capital items (see below)				Underspent due to challenges in finding suppliers, meaning we could not source all relevant materials within necessary timeframe.
Others				Overspend on stationery & printing costs to procure relevant material in-country.
TOTAL	**92,442.00**	**90,579.21**		

14. OPTIONAL: Outstanding achievements of your project during the reporting period (300-400 words maximum). This section may be used for publicity purposes

I agree for the Darwin Secretariat to publish the content of this section (please leave this line in to indicate your agreement to use any material you provide here)

Since April 2014, the project has developed a community buy-in to the project objectives in Lalane and Nsangue Ponta. The biological and socioeconomic baselines have been completed. CCPs and resource user groups members are known (CCPs legalised at the end of 2015, with a gender equity component to it), 4 VSLAs are saving, economic incentives is at preliminary stage of identification and sustainable finance mechanisms are being discussed with project stakeholders.

The progress made during the last 12 months could be summed up in the exchange visit of fishers and traders from Mozambique to Madagascar. They have learned that resource management is a process that we need to lead from the very local level before its expansion. Local communities need to be convinced of conservation actions positive results before approving any management plan. Octopus is an ideal species to use for the first management steps as it breeds and grows quickly. A temporary no-take zone will show significant and positive results for octopus fisheries and inspire other fisheries to follow the same path.

Fishers' councils should not only work as wardens of fishing grounds but also should guarantee a community unity and keep a solution-approach in relation to fishery management challenges. Fishers' councils must show flexibility towards their community to support management endeavour for the sustainable use of marine resources.

Annex 1: Report of progress and achievements against Logical Framework for Financial Year 2014-2015

Project summary	Measurable Indicators	Progress and Achievements April 2014 - March 2015	Actions required/planned for next period
Goal/Impact Social and ecological resilience is improved for Mozambique's coastal poor communities, including women, as a result of marine biodiversity conservation through co-management and increased livelihood security.		Since April 2014, the main progress and achievements have been to develop a community buy-in to the project objectives in the two villages. The biological and socioeconomic baselines have been completed. CCPs and resource user groups members are known (CCPs legalised at the end of 2015), 4 VSLAs are saving, economic incentives is at preliminary stage of identification and sustainable finance mechanisms are being discussed with project stakeholders.	[redacted]
Purpose/Outcome (this is taken from the Response Letter dated 22nd March 2013) The project will develop the mechanisms and capacity [an approach] for incentivising and sustaining co-management of marine and coastal areas in northern Mozambique in a way that involves women and diversifies the livelihood base of coastal communities that are dependent on marine resources. Immediate beneficiaries will be two pilot coastal villages between the Rovuma River and Mocímboa da Praia, Mozambique, where wellbeing will be enhanced due to increased livelihood security and an	(taken from the Response Letter dated 22nd March 2013) Indicator 1: Community fisheries councils (CCPs) in two pilot villages (one CCP per village) have developed and are actively implementing co-management plans (from a baseline of 0) covering key fisheries species and at least 200 ha of marine and coastal areas by year 3. Indicator 2: At least 30% of the 25 members per CCP and elected officials in the two pilot villages are women (representing 500 intertidal harvesters) by year 3, from a baseline of 0%.	Indicator 1: Two technicians are based full time in Lalane and Nsangue Ponta. They are the representatives of the project and organise frequent meetings about the creation of CCPs and resource user groups. Indicator 2: The two CCPs to be legalised have 31 and 25 members. Women represent respectively 13% and 26% of the members. Indicator 3: Biomass of key fisheries species and key biodiversity metrics quantified during the baseline surveys for coral reef areas surrounding the target sites. Additionally, creel	Indicator 1: 2 CCPs have their statutes approved by the government and their co-management plans operate on 200 ha of marine and coastal areas. Indicator 2: At least 30% of the 25 members per CCP and elected officials in the two pilot villages are women (representing 500 intertidal harvesters). Indicator 3: Training CCP members on community monitoring on management areas. Final underwater survey to be undertaken. Indicator 4: Linked with indicator 3.

improvement in the condition of marine biodiversity. Other key beneficiaries will be local NGOs and government authorities who will have the mechanisms and capacity to replicate this co-management approach.	Indicator 3: Decreasing trends in biomass of key fisheries species (as identified in co-management plans in year 1 with baselines set through underwater visual census'ey biodiversity metrics) halted or reversed within pilot CCP management areas by year 3. Indicator 4: Increasing trends in populations of 5 flagship IUCN red list species within CCP management areas by year 3. Indicator 5: Set baseline in year 1 through household baseline surveys and achieve an average of at least 30% improvement in locally-defined food security indicators for the households (n=500 households) within the two pilot villages by year 3, including measures such as the number of meals taken with protein, expenditure on food, and number of meals skipped by mothers. Indicator 6: Set baselines in year 1 through household baseline surveys and achieve an average of at least 20% improvement in locally-defined wellbeing scores and material style of life indexes for households (n=500 households) within the two pilot villages by year 3. Wellbeing will be assessed using subjective quality of life approaches applied to fisheries (Britton and Coulthard, 2013, Coulthard et al 2011) and quantitative indicators e.g. the proportion of households	surveys are being done on a daily basis to monitor the catch per unit effort. Indicator 4: A preliminary list of species has been generated based on creel surveys and underwater visual census. Technicians have been trained and continue to collect fish catch data. IUCN Red List species, commonly fished species, ecological indicator species are being monitored. Indicator 5: Baselines set through socioeconomic surveys (unchanged, see annual report 1). The averages for locally-defined food insecurity indicators is 42.15% for Lalane and 45.8% for Nsangue Ponta. Additionally, 23.5% of households in Lalane and 22% of households in Nsangue Ponta consumed three or less food groups per day (defined as the limit for Poor Dietary Diversity). Indicator 6: Baselines set through socioeconomic surveys (unchanged, see annual report 1). The levels of perceived poor quality of life are high, particularly in Lalane where 62.7% of respondents considered themselves slightly unsatisfied and not at all satisfied with their current lives (30% in Nsangue Ponta). For material style of life, (i) the percentage of dwellings with zinc roofs is 10% in Lalane nad 0% in Nsangue Ponta; (ii) percentage of	Indicator 5: Final socioeconomic survey to be undertaken. Indicator 6: Linked to indicator 5. Indicator 7: Linked to indicators 5&6. Indicator 8: At least 250 households engaged in VSLAs with an average of £17 each in savings. Indicator 9: The project approach is voluntarily replicated at a minimum of one new site by local NGOs and local authorities that integrate Community-PES with co-management and livelihood development activities (EC-ENRTP broader initiative).

	with tin roofs (currently at around 20% for the area). Indicator 7: (changed, see annual report 1) Increase the average number of non-fishing occupations for at least 150 fishing households to 2 from 1.2 (Lalane) and 1.1 (Nsangue Ponta) by year 3. Indicator 8: At least 250 households (from a total of 500 households across pilot villages) engaged in VSLAs with an average of £17 each in savings by year 3, from a baseline of 0 households with any financial savings. Indicator 9: The project approach is voluntarily replicated at a minimum of one new site by local NGOs and local authorities by year 3, from a baseline of 0 sites in Mozambique that integrate Community-PES with co-management and livelihood development activities.	households owning a sleeping mattress is 18% in both communities; (iii) percentage of households owning a solar panel is 4% in Lalane and 0% in Nsangue Ponta. Indicator 7: Baselines set through socioeconomic surveys (unchanged, see annual report 1). The average number of non-fishing occupations for fishing households in Lalane is 1.2 and for Nsangue Ponta is 1.1. Fishing is the main source of income for 62% of households in Nsangue Ponta and 54.9% in Lalane. Indicator 8: Four VSLAs have been created. 100 members whom 1/3 are women The total savings is of 808 euros and 400 persons are indirect beneficiaries – broader project: ten VSLAs have been created over five project sites - Lalane and Nsangue Ponta included - with a total of 204 members for 60% of women Indicator 9: We have developed good relationships with the government's Institute for the Development of Small Scale Fisheries (IDPPE) and Fisheries Research Institute (IIP), who are actively engaging with us and interested in the model we're aiming to develop, and also with the managers of the Quirimbas National Park.	

Output 1. CCPs with three user groups and integrating women formally established in two pilot villages and supported to develop and implement co-management plans through (a) the delivery of training courses targeting CCP members and supporting institutions (AMA, IDPPE, District Service of Economic Activities – DSEA) and (b) the collection and feedback of relevant biological and socioeconomic data.	Indicator 1: Two pilot villages have CCP Statutes approved by government authorities and published by year 1. Indicator 2: Fishing review for the two pilot villages with biological and socioeconomic assessments produced and submitted in appropriate formats to CCPs, IDPPE and DSEAs for review (CCPs will require verbal and graphical formats due to low literacy rates, while IDPPE and DSEAs will require full written reports) by year 1. Indicator 3: Co-management plans established by CCPs through participatory planning with three user groups (intertidal, reef and pelagic fisheries) covering key fisheries species and at least 100 ha of marine and coastal habitat in each of the two pilot villages by year 2. Indicator 4: Intertidal user groups consist of women and represent at least 30% of CCP membership and officials by year 2. Indicator 5: Peer review paper submitted for publication on project achievements in halting or reversing the current declines in key biodiversity indicators and biomass of key fisheries species within the two pilot villages.	Indicator 1: CCPs statutes have been discussed with communities and are about to be submitted to the public authorities. They are expected to be legalised by mid-2015. Indicator 2: Biological and socioeconomic assessments completed. They are being presented to the communities through meetings on CCPs, VSLAs and to local authorities by keeping them involved in the activities undertaken on the ground. Indicator 3: The strategy is to start working on the management plan before the legalisation of the CCPs. We have created a strong local buy-in within the communities to manage fisheries through our communications and work in the communities. The implementation of VSLAs has proven to be very successful in generating community-level buy-in to the project. The management plans will operate at the end of 2015. Indicator 4: Intertidal user groups have been created and are the platform for starting discussions on resource managment.. In the 2 CCPs to be legalised, we count 13% and 26% of women – for comparison, within the four CCPs created in 2015 including Lalane and Nsangue Ponta, we count an average of 25% of women Indicator 5: not yet. The indicators still appear appropriate.
Activity 1.1 Site selection and approvals, including CCP establishment and/or formalisation where necessary.		Two technicians are based full time in Lalane and Nsangue Ponta. They are the representatives of the project and organise frequent meetings

	about the creation of CCPs and resource user groups. The two CCPs likely to be legalised mid-2015 have 31 and 25 members. Women represent respectively 13% and 26% of the members.
Activity 1.2 Establishment of biological and fisheries baselines through collection, analysis and feedback of data from underwater visual censuses, creel surveys, community perception surveys and secondary sources.	Completed – with both socioeconomic and biological reports produced. Under the EC-ENRTP project, another underwater survey was undertaken on 5 project sites.
Activity 1.3 Identification and formation of resource user groups, including intertidal resource harvesters consisting of women, and integration into CCPs.	Intertidal user groups exist. In the 2 CCPs to be legalised, we count 13% and 26% of women.
Activity 1.4. Workshop, training-of-trainers and advocacy on community-based management approaches for CCPs, local NGOs, government agencies and the private sector, including cross-visits where relevant.	A workshop was organised on the management of marine resources for AMA's extensionists. It also involved IDPPE. AMA's marine biologist visited CORDIO in Kenya and their Beach Management Unit to capitilise on their experience about management approaches (specifically on monitoring). An exchange visit to Madagascar has involved fishers and traders from Mozambique to get inspired and overcome their own challenge.
Activity 1.5. Participatory development of co-management plans for user groups and mapping of management areas	Participatory resource maps completed with habitat and resource mapping under way. Participatory development of co-management plans to be undertaken in first quarter of year 3.
Activity 1.6 Implementation of co-management plans (linked to output 2).	Not yet. The management are to be designed with the communities. They will be operational at the end of 2015.
Activity 1.7 Biological and fisheries impact assessments through collection, analysis and feedback of data from underwater visual censuses, creel surveys and community perception surveys.	Not yet. The baseline surveys have been done and the creel survey (to assess CPUE) is ongoing. Final surveys will be done at the last year of the project to compare with the baseline results and measure the impact of the project.
Activity 1.8 Reporting and preparation and submission of peer-reviewed paper.	Not yet.

Output 2. Equitable and robust Community-PES schemes reinforcing the implementation of co-management plans in the two pilot villages, and supported by local authorities and private sector actors.	Indicator 1: PES-eligible management activities agreed and integrated into co-management plans of CCPs in the two pilot villages by year 2. Indicator 2: Participatory monitoring system for linking management activities and outcomes to performance-based PES developed by year 2. Indicator 3: Workshop on marine and coastal co-management and Community-PES held in partnership with the IUCN Fair Coasts Initiative and government authorities, and attended by the private sector by year 2. Indicator 4: CCPs in the 2 pilot villages enter into PES contracts with AMA stating management activities and payment terms linked to monitoring outcomes by year 2. Indicator 5: CCPs in the 2 pilot villages earning and sharing PES payments worth £8,000 by year 2 and £16,000 by year 3 in accordance with benefit sharing agreements and benefiting all fishing households within the two villages. Indicator 6: MOUs signed with minimum of 2 private sector supporters of Community-PES (e.g. luxury tourism operators) by year 3. Indicator 7: Community-PES manual incorporating lessons learned produced and distributed to	Indicator 1: There has been a preliminary selection of economic incentives and offsetting activities based on the assessment of key threats, community knowledge, and the activities that have a better to alleviate these threats: oyster farming in opposition to mosquito net fisheries, the management of no-take zone and sustainable octopus fisheries and sanitation. A parallel exercise will be done with the communities during the design of the management plans. If some suggestions match, they will be considered as valuable PES-eligible management activities. Indicator 2: Not yet. Indicator 3: An advisory group meeting has been help with project stakeholders (IUCN Fair Coast unable to attend the meeting) to discuss sustainable finance mechanisms of co-management. Indicator 4: Not yet. Indicator 5: Not yet. Indicator 6: Not yet. Indicator 7: Not yet.

	local NGOs and government authorities in northern Mozambique by year 3.	
Activity 2.1. Preparation and delivery of PES training course to two pilot villages and local partners (AMA, IDPPE, DSEA).		A PES 1-day training course was delivered to AMA's extensionists. However, no info is given to the communities yet to limit early stage expectations.
Activity 2.2. Agreement at village level and integration of PES-eligible management activities into co-management plans		Not yet. PES-eligible management activities will be indirectly confirmed during the design of management plan by the communities.
Activity 2.3. Development of monitoring system for linking management activities and outcomes to PES		Not yet.
Activity 2.4. Development of PES benefit sharing arrangements with 2 CCPs.		Not yet.
Activity 2.5. Establishment of PES governance infrastructure and formation of PES Trust Fund and Committee		Not yet. An advisory group meeting has been help with project stakeholders (IUCN Fair Coast unable to attend the meeting, this project has stopped) to discuss sustainable finance mechanisms of co-management.
Activity 2.6. Participatory monitoring and delivery or commensurate PES payments to two CCPs.		Not yet.
Activity 2.7. Stakeholder engagement workshop in partnership with Fair Coasts Initiative and including government agencies and the private sector.		See activity 2.5
Activity 2.8. Agreement MOUs with private sector supporters.		Not yet.
Activity 2.9. Monitoring of benefit sharing and evaluation of impacts of Community-PES		Not yet.

Activity 2.10. Document of results and preparation of Community-PES manuals for distribution to government authorities and partners.		Not yet.
Activity 2.11. Community-PES wrap-up workshop – lessons learned and results.		Not yet.
Output 3. VSLAs established and Village Agents trained in two pilot villages, increasing the capacity of villagers to manage income from PES and improve living conditions, and supporting investment in new sustainable enterprises.	Indicator 1: At least one VSLA with 20-25 members established through CCPs in each of the project sites by year 1. Indicator 2: At least two additional VSLAs established in each site through Village Agents by year 2, taking the total number of households engaged in VSLAs to 150. Indicator 3: Households involved in VSLAs see improvements in living conditions (measured through socioeconomic surveys as material style of life and locally defined wellbeing indicators that are identified during baseline socioeconomic/wellbeing assessment) by year 3 Indicator 4: Female household heads report reduced frequency in the use of food coping strategies, reflecting improved food security, by year 3. Indicator 5: Households engaged in VSLAs saving at least US$20 per year and investing 25% of savings and loans in new enterprises (non-	Indicator 1: 4 VSLAs have been created. There is a total of 100 members whom 30% are women. Indicator 2: Village Agents are to be working and creating more VSLAs by the end of 2015. 300 persons (extended family) already are indirect beneficiaries of the 4 VSLAs. Indicator 3: Not yet. Indicator 4: Not yet. Indicator 5: Households engaged in VSLAs save $8.75 per year and have not started to invest in new entreprise yet. The indicators still appear to be appropriate.

	capture fisheries and non-destructive) by year 3.	
Activity 3.1. Workshop and training-of-trainers on VSLAs		Completed and technicians trained.
Activity 3.2. Establishment of socioeconomic baselines through collection, analysis and feedback of data from household surveys and participatory rural appraisal		Completed, socioeconomic reports produced.
Activity 3.3. Establishment and fostering of first VSLAs in the two pilot villages.		4 VSLAs have been created. There is a total of 100 members whom 30% are women.
Activity 3.4. Replication of VSLAs through Village Agent model.		Not yet. Expected end of 2015.
Activity 3.5. Socioeconomic impact assessment through collection, analysis and feedback of data from household surveys and participatory rural appraisal.		Not yet
Activity 3.6. Reporting and preparation and submission of peer-reviewed paper.		Not yet
Ouput 4. New sustainable enterprises developed through the provision of training and linking to relevant markets, increasing levels of livelihood diversification.	Indicator 1: Two new enterprise opportunities in each of the two pilot villages by year 3. Indicator 2: 50% of fishing households engaged in an increased number of occupations per household (from 2 to 3 on average) by year 3. Indicator 3: 50% of fishing households report a decrease in the relative importance of capture fisheries to household income by year 3 (as identified by ranking the contribution made by all household occupations to household income). Indicator 4: 50% of fishing households report a decrease in the relative importance of capture fisheries to household food	Indicator 1: Oyster farming has been identified as a potential new entreprise. It has to be confirmed by the communities during the design of their management plan. The octopus market has been assessed and the different actors identified. Horticulture is being trialled in Lalane and Nsangue Ponta. Indicator 2: Not yet. Indicator 3: Not yet. Indicator 4: Not yet. The indicators still appear to be appropriate.

	production by year 3 (as identified by ranking).	
Activity 4.1. Participatory assessment of local needs and enterprise opportunities.		Partially completed within the socioeconomic survey. Oyster farming has been identified as a potential new entreprise. It has to be confirmed by the communities during the design of their management plan.
Activity 4.2. Establishment of market linkages through identification and workshop with relevant market actors and experts (e.g. The FlipFlop Recycling Company, tourism operators).		Discussion with Ocean Sole (formerly The FlipFlop Recycling Company), tourism operators and other market actors has been initiated. It does not look feasible to collaborate with The FlipFlop Recycling Company due to export costs and issues. The CocoArt intervention is promising but will take time to develop (skills and markets). The octopus market has been assessed and the different actors identified.
Activity 4.3. Training for identified enterprise opportunities.		A training on small-scale business skills is to be undertaken soon.
Activity 4.4. Trialling of new enterprise opportunities.		Horticulture is being trialled in Lalane and Nsangue Ponta.
Activity 4.5. Development of business models for new enterprise opportunities.		Not yet
Activity 4.6. Enterprise wrap-up workshop – lessons learned and results.		Not yet
Activity 4.7 Socioeconomic impact assessment (in combination with Activity 3.5).		Not yet

Annex 2 Project's full current logframe

Project summary	Measurable Indicators	Means of verification	Important Assumptions
Goal: Effective contribution in support of the implementation of the objectives of the Convention on Biological Diversity (CBD), the Convention on Trade in Endangered Species (CITES), and the Convention on the Conservation of Migratory Species (CMS), as well as related targets set by countries rich in biodiversity but constrained in resources.			
Outcome: The project will develop the mechanisms and capacity for incentivising and sustaining co-management of marine and coastal areas in northern Mozambique in a way that involves women and diversifies the livelihood base of coastal communities that are dependent on marine resources. Immediate beneficiaries will be two pilot coastal villages between the Rovuma River and Mocímboa da Praia, Mozambique, where wellbeing will be enhanced due to increased livelihood security and an improvement in the condition of marine biodiversity. Other key beneficiaries will be local NGOs and government authorities who will have the mechanisms and capacity to replicate this co-management approach.	The biological and socioeconomic baselines have been completed. CCPs and resource user groups members are known. 4 VSLAs are saving Economic incentives is at preliminary stage of identification. Sustainable finance mechanisms are being discussed with project stakeholders.		CCPs and communities remain interested in engaging with this process. The private-sector remain interested in providing additional funding for Community-PES schemes to support activities in the co-management plans (we have already received expressions of interest from some luxury tourism operators), and there is compatibility between the ecosystem services the private sector is willing to finance and CCPs are willing/able to provide through their co-management plans. Appropriate indicators and targets for releasing PES funds that can be accurately monitored and are achievable within a reasonable timeframe can be identified and agreed with CCPs in a marine context. Appropriate market linkages and income-generating opportunities can be established that are relevant to the local culture and environment. Elite capture, corruption and theft do not fundamentally undermine PES, VSLAs and enterprise development. These interventions are specifically designed to

			ensure transparency, which in turn reduces these risks.
Outputs: **1**. CCPs with three user groups and integrating women formally established in two pilot villages and supported to develop and implement co-management plans	1a. CCPs statutes have been discussed with communities and are about to be submitted to the public authorities. They are expected to be legalised by mid-2015. 1b. Biological and socioeconomic assessments completed. They are being presented to the communities through meetings on CCPs, VSLAs and to local authorities by keeping them involved in the activities undertaken on the ground. 1c: The strategy is to start working on the management plan before the legalisation of the CCPs. We have created a strong local buy-in within the communities to manage fisheries through our communications and work in the communities. The implementation of VSLAs has proven to be very successful in generating community-level buy-in to the project. The management plans will operate at the end of 2015. 1d: Intertidal user groups have been created and are the platform for starting discussions on resource management.. In the 2 CCPs to be legalised, we count 13% and 26% of women – for comparison, within the four CCPs created in 2015 including Lalane and Nsangue Ponta, we count an average of 25% of women	1a. AMA monthly technical reports 1b. Census survey and livelihood survey reports. Biological survey report. AMA monthly technicial reports. 1c. AMA monthly technical reports 1d. AMA monthly technical reports	Communities have the will to manage their natural resources effectively Government authorities remain consistently agreeable to proposed co-management arrangements
2. Equitable and robust Community-PES schemes reinforcing the implementation of co-management plans in the two pilot villages, and supported by local	2a. There has been a preliminary selection of economic incentives and offsetting activities based on the assessment of key threats, community	2a. Bioclimate's report (August 2014) 2b. Report on advisory group meeting	Money earmarked for PES in the budget is sufficient to provide incentives for implementation of agreed PES-eligible

authorities and private sector actors.	knowledge, and the activities that have a better to alleviate these threats: oyster farming in opposition to mosquito net fisheries, the management of no-take zone and sustainable octopus fisheries and sanitation. A parallel exercise will be done with the communities during the design of the management plans. If some suggestions match, they will be considered as valuable PES-eligible management activities. 2b: An advisory group meeting has been help with project stakeholders (IUCN Fair Coast unable to attend the meeting) to discuss sustainable finance mechanisms of co-management.		management and livelihood activities. Private sector actors recognise the benefits for their business of supporting Community-PES and have the financial means to invest in Community-PES. PES systems are sufficiently robust that they are not undermined by corruption resulting in a lack of external investment CCPs can agree equitable PES benefit sharing arrangements. Appropriate monitoring targets, indicators, performance thresholds and payment levels can be agreed for timeframes that are acceptable to CCPs and local fishers.
3. VSLAs established and Village Agents trained in two pilot villages, increasing the capacity of villagers to manage income from PES and improve living conditions, and supporting investment in new sustainable enterprises.	3a: 4 VSLAs have been created. There is a total of 100 members whom 30% are women. 3b: Village Agents are to be working and creating more VSLAs by the end of 2015. 300 persons (extended family) already are indirect beneficiaries of the 4 VSLAs. 3c: Households engaged in VSLAs save $8.75 per year and have not started to invest in new entreprise yet.	3a. AMA monthly technical reports 3b. AMA monthly technical reports 3c. AMA monthly technical reports	Sufficient numbers of households are interested and able to engage in VSLAs. Households that engage in VSLAs include fishers.
4. New sustainable enterprises developed through the provision of training and linking to relevant markets, increasing levels of livelihood diversification.	4a. Oyster farming has been identified as a potential new entreprise. It has to be confirmed by the communities during the design of their management plan. The octopus market has been assessed	4a. Bioclimate's report (August 2014). Report on octopus market assessment upcoming. Horticulture: AMA monthly technical reports.	Appropriate enterprises can be identified that can absorb sufficient labour and are more economical than fishing Households that engage in new

	and the different actors identified. Horticulture is being trialled in Lalane and Nsangue Ponta.		enterprises include fishers.

Activities (each activity is numbered according to the output that it will contribute towards, for example 1.1, 1.2 and 1.3 are contributing to Output 1)

1.1. Site selection and approvals, including CCP establishment and/or formalisation where necessary.

1.2. Establishment of biological and fisheries baselines through collection, analysis and feedback of data from underwater visual censuses, creel surveys, community perception surveys and secondary sources.

1.3. Identification and formation of resource user groups, including intertidal resource harvesters consisting of women, and integration into CCPs.

1.4. Workshop, training-of-trainers and advocacy on community-based management approaches for CCPs, local NGOs, government agencies and the private sector, including cross-visits where relevant.

1.5. Participatory development of co-management plans for user groups and mapping of management areas.

1.6. Implementation of co-management plans (linked to output 2).

1.7. Biological and fisheries impact assessments through collection, analysis and feedback of data from underwater visual censuses, creel surveys and community perception surveys.

1.8. Reporting and preparation and submission of peer-reviewed paper.

2.1. Preparation and delivery of PES training course to two pilot villages and local partners (AMA, IDPPE, DSEA).

2.2. Agreement at village level and integration of PES-eligible management activities into co-management plans.

2.3. Development of monitoring system for linking management activities and outcomes to PES.

2.4. Development of PES benefit sharing arrangements with 2 CCPs.

2.5. Establishment of PES governance infrastructure and formation of PES Trust Fund and Committee.

2.6. Participatory monitoring and delivery or commensurate PES payments to two CCPs.

2.7. Stakeholder engagement workshop in partnership with Fair Coasts Initiative and including government agencies and the private sector.

2.8. Agreement MOUs with private sector supporters.

2.9. Monitoring of benefit sharing and evaluation of impacts of Community-PES.

2.10. Document of results and preparation of Community-PES manuals for distribution to government authorities and partners.

2.11. Community-PES wrap-up workshop – lessons learned and results.

3.1. Workshop and training-of-trainers on VSLAs.

3.2. Establishment of socioeconomic baselines through collection, analysis and feedback of data from household surveys and participatory rural appraisal.

3.3. Establishment and fostering of first VSLAs in the two pilot villages.

3.4. Replication of VSLAs through Village Agent model.

3.5. Socioeconomic impact assessment through collection, analysis and feedback of data from household surveys and participatory rural appraisal.

3.6. Reporting and preparation and submission of peer-reviewed paper.

4.1. Participatory assessment of local needs and enterprise opportunities.

4.2. Establishment of market linkages through identification and workshop with relevant market actors and experts (e.g. The FlipFlop Recycling Company, tourism operators).

4.3. Training for identified enterprise opportunities.

4.4. Trialling of new enterprise opportunities.
4.5. Development of business models for new enterprise opportunities.
4.6. Enterprise wrap-up workshop – lessons learned and results.
4.7. Socioeconomic impact assessment (in combination with Activity 3.5).

Annex 3 Standard Measures

Table 1 Project Standard Output Measures

Code No.	Description	Gender of people (if relevant)	Nationality of people (if relevant)	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Total to date	Total planned during the project
6A	The number of people trained in biological monitoring	W: 40% M: 60%	Mozambican	5 (Mozambican staff and students)	1 (AMA marine biologist)			6	15 (staff and students)
6A	The number of people trained in socioeconomic monitoring	W: 45% M: 55%	Mozambican	4 (Mozambican staff and students)	5 (AMA staff, students)			9	10 (staff and students)
6A	The number of people trained in VSLAs	W: 30% M: 70%	Mozambican	3 (currently just Mozambican staff)	100 (current VSLA member)			103	150 (including villagers)
6A	The number of people trained in co-management	W: 40% M: 60%	Mozambican		11 (AMA staff, IDPPE)			11	75 (including villagers
6A	The number of people trained in sustainable finance mechanisms	W: 30% M: 70%	Mozambican		21 (AMA staff, project stakeholders)			21	100 (including villagers)
8	Number of weeks spent by technical foreign staff in host country			21	27			48	69 (23 per year)
14B	Number of conferences attended at which findings from the Darwin work will be presented/ disseminated			2	3 (Glasgow, Sydney, Porto, see 8)			5	6
20	Estimated value of physical assets to be handed over to host country			£28,186 (including car part-funded by Darwin)					£35,000 (including matched funding sources)
22	Number of			2	2			2	2 project

	project sites				(broader project working on 6 sites)				sites
23	Value of resources raised from other sources for project work								

Table 2 Publications

Title	**Type** (e.g. journals, manual, CDs)	**Detail** (authors, year)	**Gender of Lead Author**	**Nationality of Lead Author**	**Publishers** (name, city)	**Available from** (e.g.website link or publisher)
n/a						

Annex 4 Onwards – supplementary material (optional but encouraged as evidence of project achievement)

This may include outputs of the project, but need not necessarily include all project documentation. For example, the abstract of a conference would be adequate, as would be a summary of a thesis rather than the full document. If we feel that reviewing the full document would be useful, we will contact you again to ask for it to be submitted.

It is important, however, that you include enough evidence of project achievement to allow reassurance that the project is continuing to work towards its objectives. Evidence can be provided in many formats (photos, copies of presentations/press releases/press cuttings, publications, minutes of meetings, reports, questionnaires, reports etc.) and you should ensure you include some of these materials to support the annual report text.

Checklist for submission

	Check
Is the report less than 10MB? If so, please email to Darwin-Projects@ltsi.co.uk putting the project number in the Subject line.	X
Is your report more than 10MB? If so, please discuss with Darwin-Projects@ltsi.co.uk about the best way to deliver the report, putting the project number in the Subject line.	√
Have you included means of verification? You need not submit every project document, but the main outputs and a selection of the others would strengthen the report.	√
Do you have hard copies of material you want to submit with the report? If so, please make this clear in the covering email and ensure all material is marked with the project number.	X
Have you involved your partners in preparation of the report and named the main contributors	√
Have you completed the Project Expenditure table fully?	√
Do not include claim forms or other communications with this report.	