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ANNEX 2

of the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Mozambique for 2023 – Part 2

Action Document for a Sustainable Blue Economy Initiative in Mozambique

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation and action plan within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Sustainable Blue Economy Initiative in Mozambique OPSYS number: ACT-62013 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
2. Team Europe Initiative	Yes. The Action will contribute to and is coherent with the Green Deal for Mozambique Team Europe Initiative. The Action will also contribute to the Team Europe Initiative e-Youth.
3. Zone benefiting from the Action	The Action will be carried out in Mozambique at national level and in selected coastal districts.
4. Programming document	Multi Annual Indicative Programme (MIP) 2021 – 2027 for the Republic of Mozambique
5. Link with relevant MIP(s) objectives / expected results	<p>The proposed Action intends to contribute to MIP Priority area 1 “Growing Green”, more specifically to:</p> <p><u>Specific objective 1</u>: “Protect, restore and enhance Mozambique’s natural capital and ecosystem services as essential drivers of sustainable growth and resilience”.</p> <p>Expected results: Increased protection, restoration and sustainable management of marine and coastal ecosystems / Strengthened government capacity and communities' participation in the conservation and sustainable use of natural resources.</p> <p><u>Specific objective 2</u>: “Support the transformation of the agriculture, forestry and fishery sectors towards more sustainable food systems, livelihoods and production patterns”.</p> <p>Expected results: Increased economic benefits from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism / Increased income and enhanced food nutrition security of small-scale producers, in particular women, through secure and equal access to productive assets, services and markets / Increased private sector participation in sustainable food systems that contribute to climate action, food nutrition security and foster in-country added value, growth and job creation.</p> <p>The Action will also contribute to the MIP Priority area 2 “Growing Youth” specific objectives: Reduction of all forms of malnutrition, particularly stunting and micronutrient</p>

	deficiency for a better development of human capital / Enhanced opportunities for youth to obtain decent employment			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	Priority area 1: Growing Green.			
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): 14 Life below water Other significant SDGs and where appropriate, targets: 1 - No poverty 2 - Zero hunger 5 - Gender equality 8 - Decent work and economic growth 9 - Industry innovation and infrastructure 12 - Responsible production and consumption 13 - Climate action			
8 a) DAC code(s)	DAC code 15110 - Public sector policy and administrative management: 15% DAC code 250 - Business and other services: 25% DAC code 313 - Fishing: 30% DAC code 410 - Environmental Protection: 30%			
8 b) Main Delivery Channel	Channel 1: – 13000 (Third Country Government (Delegated co-operation)) Channel 2: – 2000 Non-Governmental Organisations (NGOs) and Civil Society			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	<p>Budget line: 14.020122</p> <p>Total estimated cost: EUR 37 800 000</p> <p>Total amount of EU budget contribution EUR 35 000 000</p> <p>This action is co-financed in joint co-financing by:</p> <p>- donor 1 for an amount of EUR 2 800 000.</p> <p>The Action contributes to the Green Deal Team Europe Initiative (TEI) also supported by AT, BE, DE, ES, FR, IE, IT, NL, PT, SE and the European Investment Bank with contributions amounting to EUR 1 433 million (EUR 983 million approved or ongoing EUR and 480 million in pipeline).</p>			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entities to be selected in accordance with the criteria set out in section 4.4.1			

1.2 Summary of the Action

In recent years, the Government of Mozambique (GoM) has recognised the need for a coordinated and integrated approach to the governance and development of blue economy sectors, acknowledging the importance of sustainable management of marine resources and ecosystems as the basis on which blue economy sectors depend. This approach holds the potential to increase the contribution of blue economy to Mozambique's quest for a more resilient and inclusive development pathway. This Action is intended as the European Union's main contribution for the country to benefit sustainably from its emerging blue economy sectors. It is structured along three interlinked components: i) the availability of institutional capacity and information necessary for investment promotion in sustainable and inclusive blue sectors; ii) increasing blue economy value chains contribution to sustainable and inclusive growth; iii) sustainably financed and community-run solutions to restore and protect marine and coastal ecosystems.

Output 1.1 of the Action will develop a blue economy Observatory (inspired by the EU Blue Economy Observatory https://blue-economy-observatory.ec.europa.eu/index_en) within the existing institutional framework established by the Ministry of Sea, Inland Waters and Fisheries (MIMAIP), creating a hub for sectoral knowledge and for the pro-active promotion of sustainable, inclusive and gender-responsive blue economy investments.

Output 2.1 will upgrade selected fisheries and aquaculture value chains. The specific value chains to be supported will be selected based on a range of criteria including GoM's prioritization, scalability, competitiveness, value addition and their contribution to food and nutrition security climate action, and positive social, gender and environmental outcomes. The EU Action will support the development and implementation of value upgrading strategies, complementing and leveraging additional investments from the private sector and other development partners.

Output 3.1 will aim at enhancing the sustainable management of coastal and marine resources by developing community-managed marine areas (CMMAs) and their linkage with improvements on the efficiency and sustainability of fishery value chains and innovative finance options, as well as, fostering partnerships with private sector and local government to implement existing regulations and models for climate adaptation and resource management. This is expected to reinforce a virtuous circle whereby well-managed marine ecosystems provide the basis for sustainable and inclusive income streams.

The integrated implementation of the three outputs will: increase sustainable private sector investments in the blue economy; increase fisheries and aquaculture value-chains contribution to sustainable, inclusive and gender responsive economic growth; and stimulate the sustainable management of marine and coastal resources.

The Action will support the objective of the Growing Green focal area of the Multi Annual Indicative Programme (MIP) 2021-2027 to "protect, restore and enhance Mozambique's natural capital and ecosystem services as essential drivers of sustainable growth and resilience", and "support the transformation of the agriculture, forestry and fishery sectors towards more sustainable food systems, livelihoods and production patterns". Synergies will be sought with relevant ongoing and planned EU funded Actions. Namely, Skills for Employment (ACT-61711) aiming at enhancing youth employment opportunities as well as interventions focused on the recovery of Northern Mozambique (ACT-60677 Resinorte).

The Action has also been formulated to support the Green Deal Team Europe Initiative (TEI) for Mozambique across all its pillars. It will particularly contribute to the TEI's expected results of promoting sustainable production practices and increasing areas under sustainable management while fostering economic opportunities and reducing vulnerabilities to climate change, as well as, enhancing capacities and a conducive environment for green investments. The Action will also contribute to the e-Youth TEI objectives through its support to skills development and employment in blue economy related sectors.

The Action will contribute to multiple SDGs, notably SDG 14 (life below water) but also to SDGs 1, 2, 5, 8, 9, 12, and 13. Principal and significant markers for the Action include: aid to the environment, gender equality, disaster risk reduction, nutrition, biological diversity, and climate change adaptation and mitigation.

2 RATIONALE

2.1 Context

Mozambique is one of the bottom ten countries in the world in terms of human development¹, aggravated by increasing inequality² including significant gender differences³ and substantial disparities between urban and rural areas and between north and south, with the former also affected by the armed violence in the Cabo Delgado province. The poverty rate is 64.6% and is highest in rural areas⁴. While progress has been made in recent years due to growth in emerging sectors (such as services and extractive industries), evidence shows that income distribution is increasingly unequal, undermining the benefits of the fragile economic growth.

Mozambique has a coastline of around 2 800 km, extensive coastal and oceanic waters with 540 000 km² of Exclusive Economic Zone (EEZ), and inland waters of around 13 000 km² including Lake Niassa, Lake Cahora Bassa and several major river estuaries. The country's coastline and marine areas are globally recognised for their biological richness and ecological value, and marine resources support thousands livelihoods, ensuring economic value-added and food security⁵. However, the benefits flowing from coastal and ocean resources are under threat from population growth and disorderly economic development⁶.

Mozambique is also one of the most risk-prone countries in the world to weather-related hazards and to the impact of climate change⁷. It experiences floods, droughts and cyclones with increasing regularity, and suffers from coastal erosion, rising water levels and changes in oceanographic conditions such as temperature rises, salinity and acidification. These negatively impact sensitive habitats such as coral reefs and seagrass meadows and subsequently fisheries production and livelihoods. Mozambique's fragile socio-economic conditions, high levels of poverty and underdevelopment, further intensify sensitivity to the effects of climatic extremes, particularly for women, for whom agriculture and fish processing and trading is the main activity in most coastal communities, and for all those whose livelihoods depend on the coastal marine ecosystem.

In seeking to ensure a sustainable marine ecosystem, GoM has developed a Marine Spatial Plan (POEM), put in place a network of marine protected areas, enacted biodiversity offset legislation and agreed a number of fisheries-specific management plans. In addition, national and local authorities are supporting efforts to introduce local area co-management arrangements and no-take reserves, working through local fisheries co-management structures (CCPs).

The Government is also responding to climate change with the main internal programmatic instrument being the National Climate Change Adaptation and Mitigation Strategy 2013-2025 (ENAMMC). An updated Nationally Determined Contribution (NDC), closely aligned to the ENAMMC, was submitted to UNFCCC secretariat prior to COP26. The Ministry of Land and Environment (MTA) has been leading the elaboration of Local Adaptation Plans (LAPs) in close cooperation with districts and municipalities. The GoM is also working to support the targets and goals of the COP15 UN Biodiversity Agreement. The GoM has recognised the need for, and benefits of, taking an integrated and coordinated approach to development and management of blue economy maritime sectors, given the large number of areas and Ministries involved in the blue economy. The Ministry of Sea, Inland Waters and Fisheries (MIMAIP) has been mandated to lead on blue economy development, with MIMAIP in turn delegating some responsibility to ProAzul. GoM has also established an inter-Ministerial and departmental working group on the blue economy and is supporting the development of a Blue Economy Strategy (EDEA). Other relevant policies and strategies include The National Development Strategy (2015-2035), the Government

¹ Ranked 185 out of 191 in the 2021 Human Development Index. ([Human Development Index](#))

² Gini-coefficient rose to 0.54 (2014/15) from 0.47 (2008/9), placing Mozambique among the most unequal countries in Sub-Saharan Africa.

³ The 2021 the female HDI value for Mozambique was 0.428 in contrast with 0.464 for males. ([Human Development Reports](#))

⁴ USD 2.15 per day poverty line, at [Poverty | Data \(worldbank.org\)](#)

⁵ Total fisheries production in 2020 was 435 000 tonnes, with 413 000 tonnes from the artisanal sector

⁶ As matter of example, reports suggest that the area of mangrove cover in the country declined by nearly 50% since 1990 (Macamo, 2021, FNDS, 2021) and that most fisheries resources in the country are either fully-exploited or over-exploited (MIMAIP data from *Boletim Estatístico da Pesca e Aquacultura* 2006-2017 indicate that 10 of 14 industrial and semi-industrial fisheries are optimally, fully or overexploited, with only 4 being defined as moderately exploited).

⁷ The 2021 Global Climate Risk Index ([Germanwatch](#)) noted that Mozambique was the country most affected by the impacts of extreme weather events in 2019 (due to tropical cyclone Idai). In the long-term climate risk index covering the period 2000 to 2019, Mozambique is ranked as the 5th most affected country.

5-year plan (PQG, 2019-2024), and ProAzul's Blue Economy Roadmap. These efforts reflect a recognition of the diverse level of development of the various blue economy maritime economic sectors. Some can be categorised as mature/established⁸ (fisheries, ports, maritime transport, shipbuilding and repair), some as immature or emerging (aquaculture, coastal tourism, minerals/hydrocarbons, maritime domain awareness), and some as virtually non-existent (marine renewable energy, desalination/water).

Due to limited capacities and resources available to the Government to put into practice strategies, enforce laws and regulations, and effectively promote private sector development, there are opportunities for development partners to play an active role in initiatives aimed at marine conservation and management and development of blue economy maritime economic sectors. The EU and its Member States are supporting Mozambique's efforts to develop the blue economy while ensuring marine conservation through the EU Green Deal Team Europe Initiative and many bilateral projects. Other important bi-lateral partners include the USA and Norway. Multi-lateral donors (World Bank, IFAD, African Development Bank, IFAD, IUCN, FAO) and charitable foundations and NGOs (WWF, Oceans5) are also active in funding blue-economy and marine conservation-related projects in the country. Current initiatives cover a broad range of themes and objectives, but with less attention given to emergent blue economy sectors. Mozambique is also a significant and active partner in Interreg cooperation programmes "Mozambique Channel" and "Indian Ocean" managed by the outermost regions of Mayotte and La Reunion. Moreover, there are challenges in institutional coordination and collaboration, and only initial efforts are being made to engage with private sector and leverage investment.

2.2 Problem Analysis

Several problems currently limit both private sector investment and sustainable growth of the blue economy and the conservation and protection of marine resources and ecosystems on which blue economy sectors depend.

Action for Blue Economy development and marine conservation is poorly coordinated

The 'blue economy' is a relatively new concept in Mozambique. While recent institutional developments have signalled the awareness by GoM of the interlinked complexities entailed by the concept, putting these intentions into practice is proving challenging. Many Ministries (and their departments and agencies, such as ProAzul) continue to work in silo and/or need capacity-building. Capacities at an individual and organisational level within government require strengthening to ensure that the GoM can provide a supportive enabling environment required by the private sector, while also ensuring it is equipped to regulate private sector activity to ensure environmental sustainability. Meanwhile, on the partners' side, donors have initiated a blue economy sector working group to facilitate coordination, but in practice coordination remains weak.

Information and data on the Blue Economy is insufficient, and poorly consolidated and disseminated

Current and potential stakeholders cannot count on available and systematized data on the Blue economy in Mozambique. Information, such as private sector investment opportunities, maritime/sea satellite account, localization of maritime sectoral activities, marine ecosystems or useful contacts, is either entirely not available or not consolidated for effective dissemination. This limits an integrated approach to blue economy governance by Government, stifles private sector investment, inhibits monitoring economic, social and environmental performance of the blue economy over time, and increases the risk of duplication of efforts to manage and develop the blue economy.

Blue Economy value chains' development efforts fail to take a holistic and integrated approach

A value chain approach to development offers enormous potential to improve the economic (e.g. value-added, competitiveness, trade), social (e.g. gender equality, inclusion, decent employment, food security), and environmental (e.g. climate change impacts, waste, pollution) performance of maritime sectors in Mozambique, as well as their resilience. It also recognises the links between core actors involved in different functions in the value chain (e.g. production, processing, trading, marketing), those supplying inputs (e.g. goods and services) and the enabling environment in which actors operate (e.g. legislative frameworks, infrastructure, government/partners support). Such an approach is often lacking in Mozambique, hampering the implementation

⁸ This categorisation does not imply that mature/established sectors are functioning effectively, just that they have been in existence for some time and a relatively high level of economic activity

of coordinated planning, activities and investments. The fisheries and aquaculture sector is an example in point, with many over-exploited value chains, low value addition (with small profits, low wages and little revenues to government), inefficient investment and a poor enabling environment.

Measures to conserve and rehabilitate marine ecosystems are poorly implemented and enforced

Mozambique has recently developed a Marine Spatial Plan (MSP/POEM), established a network of marine protected areas (MPAs), enacted biodiversity offset legislation and has a legislative framework allowing for the creation of community management marine areas (CMMAs) and no-take reserves. However, implementation of the MSP is weak and enforcement of conservation areas poor, while formally approving CMMAs and developing them and the capacities of rights holders is challenging. Marine ecosystems thus remain under threat, posing a risk to Mozambique's natural capital and to the economic and social benefits they generate.

Local livelihoods under threat

Small-scale fishing communities are typically located in remote areas struggling with access to markets which hinder their economic opportunities and are particularly vulnerable to climate change and ecosystems degradation. Moreover, they are often marginalised from decision-making processes and in the allocation of space and resources for potentially competing sectors such as tourism, coastal mining, conservation or industrial fishing. Women, youth, and vulnerable groups are often overlooked, leading to unequal opportunities and limited participation in the blue economy sectors. Discriminatory sociocultural norms persist, hindering women's empowerment and their role in resource governance.

The Stakeholders to be covered by the Action are numerous and operate at many levels. They will be involved in a participatory and inclusive manner in the implementation of the Action, with women, youth and people with disabilities especially empowered to be active participants in the interventions.

At the **local level**, relevant stakeholders for the Action are coastal **communities** as rights-holders. These will include fisheries associations and community fisheries councils (CCPs) responsible for local areas of community management and no-take reserves. The action will promote their engagement in the consultations and decision-making process ensuring an active participation of women and people living in vulnerable situations. **Local authorities**, including District Service of Economic Activities (SDAE), Municipalities and relevant Provincial Directorates will be directly involved in the Action, and in particular, in value chains upgrading, local area management arrangements, and as part of private sector, community and government partnerships for conservation and development

The **private sector** to be supported and targeted by the Action includes: household and micro-enterprises particularly those led by women operating at the community level in the value chains to be upgraded; SMEs and more formal businesses operating and investing in the districts of operation; larger-scale companies with headquarters in Maputo but which may have a footprint in specific locations.

Because of the cross-sectoral nature of the blue economy, multiple **central Government ministries** and their departments and directorates will be involved:

The Ministry of Sea, Inland Waters and Fisheries (MIMAIP) will be particularly involved, in line with the Ministry's mandate to lead in blue economy development, along with its relevant directorates, including the Mozambican Oceanographic Institute (InOM), the National Administration of Fisheries (ADNAP), the National Directorate of Maritime and Fisheries Policies (DIPOL), the Institute for Fisheries and Aquaculture Development (IDEPA), the National Institute of Fish Inspection (INIP), and the Directorate of Studies, Planning and Infrastructure (DEPI).

The Ministry of Land and Environment (MTA) will also have a key involvement in the Action, because of its role in Mozambique's biodiversity commitments and climate change agenda, with its relevant agencies, the National Administration for Conservation Areas (ANAC) and the National Directorates of Environment (DNAB) and of Climate Change (DNAC).

Other relevant ministries and central institutions include the Ministry of Transport and Communication (MTC) and related National Institute of the Navy (INAMAR), the Ministry of Culture and Tourism (MICULTUR) and the related Tourism National Institute (INATUR), the Ministry of Industry and Commerce (MIC), the Ministry of Energy and Natural Resources (MIREME), the Ministry of Agriculture and Rural Development (MADER), and the Ministry of Gender, Children and Social Action (MGCAS).

ProAzul (the Blue Economy Fund) is an organisation of MIMAIP established in 2019. While it has a broad blue economy mandate, its current activities are strongly focussed on fisheries and in managing research and matching grant funds provided by donors. It will play a particularly important role in the programme, with the Action serving to strengthen ProAzul and build its capacity to fulfil its full blue economy-related mandate. The institutional housing of the Blue Economy Observatory (Component 1) within ProAzul and MIMAIP structure will ensure good linkages with the blue economy strategy under the leadership of the Ministry in line with its mandate.

Also important for the coordination between blue economy sectors which the programme will support, will be the **inter-Ministerial bodies**. These include both the Inter-ministerial working group developing the blue economy strategy and the more permanent Council of the Sea (Conselho do Mar). In addition, gender focal points at central and local level maybe also actively involved and consulted if available.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to “enhance Mozambique’s climate smart, resilient and inclusive economic growth through the promotion of a sustainable blue economy”.

The **Specific Objectives** (Outcomes) of this action are to

1. Specific Objective 1: Increased investments in the sustainable blue economy.
2. Specific Objective 2: More inclusive, efficient and sustainable fisheries and aquaculture value-chains.
3. Specific Objective 3: Sustainably managed and resilient marine and coastal ecosystems.

The three specific objectives are mutually re-enforcing with horizontal linkages between them, because the marine environment is the basis on which private sector activities depend and the economic and social contributions they generate, and because the private sector and economic incentives can play a key role in marine conservation and restoration.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are:

- 1.1 contributing to Specific Objective 1: A blue economy observatory established and functioning effectively.
- 1.2 contributing to Specific Objective 2: Sustainable, inclusive and gender-responsive fisheries and aquaculture value chains upgrading strategies developed and implemented.
- 1.3 contributing to Specific Objective 3: Sustainably financed community-led initiatives for marine and coastal habitats conservation and restoration implemented.

The outputs of the Action will have strong linkages between them, for example with the blue economy observatory show-casing investment opportunities that may be identified in the value chain upgrading strategies, and value chains’ environmental improvements including marine conservation and restoration activities. These horizontal linkages and the integrated approach to implementation of many interventions within the three components, mean that individual outputs contribute to more than one specific objective.

The specific objectives will be achieved because the outputs will bring about intermediate outcomes of:

1. A supportive and enabling environment for private sector-led blue economy development.
2. Improved governance of blue economy maritime sectors and the marine environment.

3.2 Indicative Activities

Activities relating to Output 1.1 – A blue economy observatory established and functioning effectively. The main activities are related to the development of national capacities for the generation of investment information and sectoral knowledge) and the actual promotion of sustainable inclusive and gender responsive blue economy investments through the establishment of a multi-stakeholder hub within ProAzul.

- Development of the observatory's institutional arrangements, including ensuring its multi-stakeholder use and inputs, and long-term financial and institutional sustainability.
- Provide equipment and technical support for the development of the observatory's web-based platform.
- Collect and disseminate information on the blue economy through events and the web-based platform, including investment opportunities, partner-matching for investments or solutions, and ecosystems with GIS mapping, and searchable databases.
- Measure the contribution of the blue economy in terms of economic, environment and social performance (sea satellite accounting, nature capital accounting and ecosystems valuation, employment, women participation).
- Support investment promotion in sustainable blue sectors and "greening" of non-sustainable initiatives including, identification of financing opportunities and pipeline investments, development of new instruments for resource mobilisation, application of offsetting mechanisms, and investment and incubator events.
- Support the development and implementation of policies, standards and best practices to incentivise sustainable and inclusive blue economy investments, including the application of the marine spatial plan, UNEP sustainable blue economy finance principles, UN Guiding Principles on Business and Human Rights, bio-diversity offset legislation, and greenhouse gas emissions and carbon markets monitoring reporting and verification.
- Support cross-sectoral coordination within the government, capacity building for blue-economy initiatives and networking of blue economy stakeholders.
- Support research and innovation through the promotion of research partnerships, leverage of funding and provision of grant awards, covering, among others, value chain innovation, private sector involvement in conservation, oil spill/disaster preparedness, blue carbon financing, biodiversity offset legislation, and biodiversity and critical habitats.

Activities relating to Output 2.1 – Sustainable, compliant, inclusive and gender responsive fisheries and aquaculture value chain upgrading strategies developed and implemented. In selected districts and based on a territorial seascape approach and in coordination with activities under Outputs 1.1 and 3.1:

- Design and test private sector-led upgrading strategies of selected fisheries and aquaculture value chains⁹ to improve their economic, social and environmental performance and resilience, including their contribution to youth and women's empowerment.
- Support equipment, services and goods required to upgrade value chains, through the provision of matching grants and increasing access to finance (from locally-based financial institutions and/or innovative financing products developed through component 1).
- Conduct capacity development of value chain actors, including through technical vocational training¹⁰, financial literacy, entrepreneurship, and sustainable and inclusive resource management.
- Support public sector capacity in its advising, regulatory and control roles, ensuring compliance with applicable conservation and management measures.
- Facilitate value chain multi-stakeholder coordination.

Activities relating to Output 3.1 - Sustainably financed community-led initiatives for marine and coastal habitats conservation and restoration implemented. In selected districts and based on a territorial seascape approach and in coordination with activities under outputs 1.1. and 2.1:

- Empower communities to mobilise and formalise CMMAs and associated no-take reserves, and foster investments as economic incentives to sustain these co-management set-ups.
- Leverage finance for the conservation and restoration of habitats, such as from sustainable and inclusive value chains (Output 2.1) and through innovative financing, carbon finance, and offsetting (Output 1.1).
- Develop and implement strategies for climate-resilient and sustainable use of coastal and marine resources and alternative livelihood activities, including transition from beach seine¹¹, and nature-based solutions.

- Foster partnerships between the private sector, communities and local government for the implementation of existing legislative requirements and policy frameworks (such as on marine spatial planning, biodiversity offset legislation), and innovative models for the leverage of investments supportive of marine habitats' conservation and restoration.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Environmental and climate change challenges and ways of maximising environmental benefits are at the core of the Action's objectives, in line with GoM's international commitments and national development goals¹².

Under component 1, the Observatory intends to put in place capacities for promoting investments tapping on the potential of sustainable blue sectors as well as "greening" non-sustainable initiatives. Better knowledge and monitoring of the resource and the setting and implementation of standards and a taxonomy for blue economy financing will help to guide investments towards more sustainable sectors, low carbon development and climate resilience.

The value chain methodology used under component 2 will aim at finding a balance between production and protection, boosting growth and social economic opportunities, while reducing negative impacts on the marine environment. The value chains and their upgrading strategies' prioritisation will take into account the potential contribution to habitats' conservation and restoration, biodiversity gains and climate change mitigation¹³. Upgrading strategies will explicitly consider and mitigate potential negative environmental externalities that might result from the value chains growth.

Component 3 improved community management arrangements and no take zones will increase biodiversity, while community led restoration and protection of habitats will serve as a nature-based solution to enhance ecosystems, providing natural barriers against erosion and strong storms, as well as, boost carbon sequestration¹⁴.

Outcomes of the SEA (Strategic Environmental Assessment) screening (relevant for budget support and strategic-level interventions).

The SEA screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project).

The EIA screening classified the action as Category B (not requiring an EIA, but for which environmental aspects will be addressed during the design).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project).

The CRA screening concluded that this action is no or low risk (no need for further assessment).

⁹ Tentative value chains include farmed tilapia, shallow water shrimp, mangrove/mud crab, and seaweed. Further assessments will be conducted during the formulation of the specific interventions.

¹⁰ Synergies and collaboration will be sought with the EU funded Action "Skills and Development" (ACT-61711)

¹¹ A ban on beach seine fisheries scheduled to be enforced from 2024 will have significant livelihood and food security impacts on artisanal fishing communities.

¹² Mozambique, a contracting party to international environmental agreements, has pledged to reduce greenhouse gas emissions and protect biodiversity. Specific targets include a 14% reduction in emissions by 2030 under the Paris Agreement, and a national biodiversity strategy and action plan. See section 2.

¹³ Value chains tentatively selected for the Action include both seaweed and mud crab, the former providing opportunities as a carbon sink, and the latter requiring preservation/conservation/restoration of mangroves again representing opportunities as carbon sinks.

¹⁴ Targeted habitats include seagrass, mangrove forests, and coral reefs, which have large climate mitigation potential.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that gender is a specific objective, and that in addition to general approaches to mainstreaming gender equality, the Action will support specific gender sensitive activities in order to ensure a more active role of women in the blue economy. These activities will include: research on women participation in blue economy sectors and gender specific events and visibility within the blue economy observatory under Component 1; gender specific activities embedded in the fisheries and aquaculture value chain strategies under component 2; inclusive involvement of women in marine co-management set-ups and in conservation and restoration activities under component 3. The Action: will contribute to SDG 5 (gender equality); is coherent with and has been designed to reflect the GAP III country level implementation plan, in particular, to the thematic areas “Promoting economic and social rights and empowering girls and women” and “Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”; it will also contribute to specific objectives in the Country Level Implementation Plan (CLIP) for Mozambique.

Human Rights

The Action will integrate all five principles of the human rights-based approach¹⁵ in all activities. The capacity of state actors, and their obligations as duty bearers will be enhanced through interventions and through training at all levels. Components 2 and 3 will both involve extensive engagement with and participation of rights holders in: i) fisheries and aquaculture value chain development, ii) marine conservation, notably through agreeing community-based management arrangements and iii) advocacy related to spatial rights and restrictions. Rights-holders will be meaningfully included in the design, implementation and monitoring of all interventions. Components 2 and 3 will take a territorial seascape approach to inclusive value chain development and marine conservation, including interventions implemented by and intended to involve community-based organisations, allowing the Action to work in areas amongst the poorest and most vulnerable in Mozambique. The mid-term review and final evaluation will involve engagement with and participation by rights holders in assessment of programme implementation and results.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. Disability is not directly targeted. Nevertheless, activities completed within the action will be sensitive to disability and ensure full participation and inclusiveness. Persons with disabilities in Mozambique are among the most left behind groups. Particularly young women and girls, face enormous barriers to access services and discrimination and stigmatization, which expose them to risks of physical, sexual and emotional violence and abuse. Within the Action, interventions under component 2 and 3 will pay particular attention to the specific needs of people with disabilities within the benefitting communities as well as their effective representation in the participatory processes.

Reduction of inequalities

Mozambique suffers from increasing inequality¹⁶ including significant gender differences¹⁷ and substantial disparities between north and south (with high levels of poverty concentrated in the former) and between urban and rural areas. By selecting to work in vulnerable districts, primarily in the north of the country, the Action will serve to reduce inequalities and target the bottom/poorest 40 percent and socio-economically disadvantaged individuals, households and groups. In this regard, an intersectionality approach will be applied to all activities.

Democracy

Mozambique has embarked on a (slow) decentralisation process, which led to the election in 2019 of provincial governors and assemblies. It is expected that by 2024 district authorities will be elected. The formulation of the Action involved provincial and district level authorities. The Action will support democratisation at the local level through engagement with and participation by the SDAE, municipal and provincial authorities in relevant

¹⁵ Transparency, accountability, respect for all human rights, participation, and non-discrimination.

¹⁶ Gini-coefficient rose to 0.54 (2014/15) from 0.47 (2008/9), placing Mozambique among the most unequal countries in Sub-Saharan Africa.

¹⁷ The 2021 the female HDI value for Mozambique was 0.428 in contrast with 0.464 for males. ([Human Development Reports](#))

sectors, capacity development of local level value chain actors, and strengthening of participatory and democratically elected community fisheries councils (CCPs).

Conflict sensitivity, peace and resilience

The Action recognises in its risk assessment (section 3.5 of the action document) the potential for the conflict in Northern Mozambique to intensify or to spread southwards affecting the implementation of the action in affected districts. A number of mitigation measures are identified, including continuous assessment of the potential impact of the conflict on the action and the involvement of communities and key actors on conflict prevention and mitigation. The programme is designed to increase social cohesion and reduce environmental fragility through interventions at the community level, which support community-based organisations and their capacities for fisheries and environmental management. With a strong focus on private sector growth and investment at national and local levels in blue economy sectors, economic fragility at both national and local levels will be reduced.

Disaster Risk Reduction

Value chain upgrading strategies and related interventions under component 2 will include activities to contribute to disaster risk reduction by increasing resilience of fishers to the threats from natural hazards/events, reduce food and nutrition vulnerabilities, and where necessary support adaptation. Nature based solutions (e.g. protection and rehabilitation of mangroves in coastal areas) and other risk reduction investments enabled through component 1 will increase resilience of coastal communities to extreme weather events as well as man-made disasters (e.g. oil spills). Component 3 activities will build resilience of the marine and coastal ecosystems services that communities depend on, thereby reducing the risks from natural threats. In addition, specific shock-sensitive solutions, such as crisis modifiers, will be included in the implementation contract.

Other considerations if relevant

Synergies with the Territorial Cooperation Programmes INTERREG, and particularly the programmes INTERREG Mozambique channel and Indian Ocean, shared with EU Outermost Regions (Mayotte and La Reunion) will be explored.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External environment	Risk 1: Intensification and/or expansion of armed violence in Northern Mozambique	Medium	High	<p>Continuous assessment of the security situation and, if necessary, revise intervention including shift of the geographical location of programme activities to safer areas.</p> <p>The action work with community-based organisations, will help promote dialogue and inclusiveness among community members, as well as reinforce social cohesion and suppress violent narratives.</p> <p>Funds are reserved in the indicative budget under contingencies to be used during implementation to meet unforeseen costs and the revision of activities as relevant.</p>
External environment	Risk 2: Adverse business environment stifles private sector investment	Medium	High	<p>The proposed blue economy observatory and value chain strategies aim to create an investments' enabling environment through advocacy and engagement on issues such as tenure, ease of doing business, and promotion of investment opportunities.</p>

External environment	Risk 3: Extreme weather events affect implementation and investments	Medium	High	<p>Field-based activities to prioritize low-risk periods when possible and utilisation of weather forecast tools.</p> <p>Climate proofing and climate risk assessments of programme investments and of actions promoted through the observatory. Improved collection and availability of data on climate risk through the observatory.</p> <p>Support for increasing preparedness, adaptive response, and coping strategies of beneficiaries as part of value chain strategies and marine community co-management, as well as increased resilience through support for nature-based solutions.</p> <p>Activation of specific shock-sensitive solutions, such as crisis modifiers.</p> <p>Funds are reserved in the indicative budget under contingencies to be used during implementation to meet unforeseen costs and the revision of activities as relevant.</p>
Planning processes and systems	Risk 4: Low levels of engagement by government at national and local levels, and weak inter-Ministerial cooperation	Medium	Medium	<p>Training and capacity building focused on government institutions.</p> <p>Ensure programme is implemented in close collaboration with relevant sub-national government services.</p> <p>Integration of the blue economy observatory into government strategy and institutions.</p>
Planning processes and systems	Risk 5: Gender considerations not sufficiently incorporated into detailed programme planning and implementation	Medium	Medium	<p>Appropriate interventions to address root causes of gender inequality built into the action's interventions to ensure gender-responsive blue economy and value chain development.</p> <p>Implementing partners to include specific capacity on gender equality and women's rights.</p> <p>Monitoring and mid-term evaluation to include assessments of gender outcomes.</p>
Planning processes and systems	Risk 6: Overlap of donor interventions leads to detrimental competition among implementers and ineffective outcomes	Medium	Medium	<p>Criteria for districts' selection will consider interventions and implementing partners present in the district and potential risk for overlapping.</p> <p>Effective coordination mechanisms at provincial and district level will be set-up to ensure the alignment of activities.</p> <p>Participate actively in existing donor coordination at national level including</p>

				through separate EU-funded technical assistance.
<p>The Action is intended to include, to the extent possible, activities in the highly volatile Province of Cabo Delgado. As the security conditions in the area are fast changing, the current positive trend shall be treated with caution. Therefore, funds have been reserved under contingency to either address unpredictable needs arising in concerned components/Outputs (2.1 and 3.1) and/or to allow for the expansion of said activities in areas becoming accessible over time.</p> <p>Lessons Learnt:</p> <p>Donors and government organisations were canvassed during formulation of the Action about key risks and success factors for successful programme implementation and results. Many lessons have been generated from past experiences in Mozambique, all presented in a support document to the Action Document prepared during formulation. These lessons have been considered and reflected in the programme’s design and approach. The most important and/or commonly cited lessons from past project experience in Mozambique are:</p> <p>Risk factors</p> <ol style="list-style-type: none"> 1. Poor coordination between stakeholders during programme implementation. 2. Insufficient emphasis on exit strategies from the start of the project implementation to ensure sustainability. 3. Low capacity of government staff/organisations at all levels to engage sufficiently with projects. 4. Centralised (and slow) decision-making within government, which can hinder project and private sector activities at sub-national level. 5. Failure of project design and implementation to take into account the local context and specificities. <p>Success factors</p> <ol style="list-style-type: none"> 1. Use of pilot activities to test scalable approaches and operations. 2. Ensuring project design and activities are coherent with and supportive of relevant national policies, legislation, strategies and plans. 3. Building appropriate and strong stakeholder coalitions to deliver programme activities based on competencies and competitive advantages. 4. Ensuring focus and concentration of resources on issues and geographical areas. 5. Careful management of stakeholder and beneficiary expectations and clear messaging/communication. 				

3.5 The Intervention Logic

The underlying intervention logic for this Action is that the Overall Objective of this Action is to “enhance Mozambique’s climate smart, resilient and inclusive economic growth through the promotion of a sustainable blue economy”. The underlying intervention logic for this Action is that:

For output 1 (blue economy observatory) IF:

- Data on the blue economy are made available;
- Inter-Ministerial collaboration and cooperation for blue economy development is supported and improved;
- Inclusive investment opportunities in sustainable blue economy sectors are identified and promoted;
- Training and capacity development on the blue economy is provided;
- Rules and standards for sustainable and inclusive investments are provided; and
- Research and innovation initiatives are promoted;

AND, if the following assumptions hold:

- Investment opportunities are credible and communicated effectively
- Data made available are relevant, accessible and useful
- Ministries and stakeholders are willing to work together in a coordinated manner supportive of investments, with ProAzul fulfilling its mandate and implementing the work of the observatory;
- Individuals and organisations for which capacity developments are provided utilise those capacities; and
- Guidance and standards provided for sustainability are applied

THEN Specific Objective 1, increased investments (in all blue economy sectors e.g. ports, coastal tourism, shipping, fisheries, maritime transports, renewable energy) in the sustainable blue economy can be achieved.

For output 2 (fisheries and aquaculture value chain development) IF:

- Selected value chains are assessed for their the economic, social and environmental performance, and their resilience;
- Value chain upgrading strategies are developed, which address weaknesses in value chain performance across the assessment domains and exploit opportunities for value chain improvements, climate change adaptation and improved gender equality through gender responsive approaches; and
- Value chain upgrading strategies are implemented through the research, technical assistance, investments, and capacity building that are required to achieve their objectives.

AND, if the following assumptions hold:

- Upgrading strategies are credible and supported with robust data and developed through participatory and inclusive processes;
- Stakeholders collaborate for a coordinated approach towards implementation of the upgrading strategies;

THEN the Specific Objective 2, more inclusive, efficient and sustainable fisheries and aquaculture value-chains, can be achieved.

For output 3 (Sustainably financed community-led initiatives for marine and coastal habitats conservation and restoration implemented) IF:

- Community management marine areas (CMMAs) and no-take reserves are agreed at the local level by Community Fisheries Councils (CCPs) through their mobilisation;
- Support is provided to build the capacities of CCPs and other local user groups;
- Economic incentives for these management arrangements - such as through development of conservation supportive and inclusive value chains - are developed;
- Gender inclusive and participatory governance within CMMAs and CCPs is strengthened; and
- Multi-stakeholders partnerships are established for nature positive investments, greening non-sustainable investments and community led conservation and restoration of critical and habitats (such as coral reefs, mangroves, coastal sand dunes, seagrass meadows) and endangered, threatened and protected species;

AND, if the following assumptions hold:

- Local communities are willing and able to work together to collectively agree management rules and reserves;
- The increased capacity of CCPs enables them to function and enforce management rules and protected areas;
- Sufficient levels of support are provided by local and national government organisations and the private sector, for CMMAs and no-take reserves; and
- Communities, government, private sector and other stakeholders can work constructively to protect the environment and to protect the rights of coastal communities in the face of competing interests;

THEN, the Specific Objective 3, sustainably managed and resilient marine and coastal ecosystems, can be achieved.

AND, if the following assumptions at the level of Outcomes hold:

- The rule of law is enforced to protect investments, conservation and protection arrangements;
- Successful investments serve to leverage additional investments by the private sector and donors in the sustainable blue economy; and
- Inclusivity and resilience is further supported by government and other development partners;

THEN, the Impact, enhance Mozambique's climate smart, resilient and inclusive economic growth through the promotion of a sustainable blue economy, can be achieved.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Notes: Indicators from the MIP marked with *. Where indicator specification is slightly modified from the original MIP indicator to better tailor the indicator to the proposed Action and intervention logic while still contributing to the MIP indicator, a footnote is provided; Global Europe Results Framework (GERF) indicators are marked with ** and it is indicated when it has been slightly modified

Results	Results chain	Indicators	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Enhance Mozambique's climate smart, resilient and inclusive economic growth through the promotion of a sustainable blue economy.	1 Increase (%) in private Sector turn over from blue economy maritime sectors 2 Employment in blue economy sectors (by sex, age and disability) 3 Key marine and coastal biodiversity metrics are halted or reversed 4 Greenhouse Gas (GHG) emissions reduced or avoided (tonnes CO2eq) with EU support *(GERF 2.7)	1 to be determined 2 to be determined 3 to be determined 4 : 0 (2023)	1 to be determined 2 to be determined 3 to be determined 4 to be determined	1 - 4 Observatory data / Government data / blue economy dashboard	<i>Not applicable</i>
Outcome 1	1 Increase investments in a sustainable blue economy	1.1 Value (EUR) of new investments in the sustainable blue economy facilitated by the blue economy observatory 1.2 Number of policy instruments developed to support an inclusive and sustainable blue economy 1.3 Number of economic operators (MSMEs, large enterprises, financial institutions) reporting the adoption of sustainable practices in their operations as a result of EU support* ¹⁸ /**(GERF 2.6 modified)	1.1 : 0 (2023) 1.2 : 0 (2023) 1.3 : 0 (2023)	1.1 to be determined 1.2 to be determined 1.3 to be determined	1.1 - 1.3 implementation partner execution reports and observatory data	The rule of law is enforced to protect private sector investments and conservation and protection arrangements; Successful investments serve to leverage additional investments by the private sector and donors in the blue economy; Inclusivity and resilience is further supported by government and other donors
Outcome 2	2 More inclusive, efficient and sustainable fisheries and aquaculture value-chains.	2.1 Net profits (EUR) in supported fisheries and aquaculture value chains 2.2 Number of sustainability 'hotspots' identified in value chain assessments improved as a result of EU support 2.3 Number of jobs (sex and age disaggregated) working in supported fisheries and aquaculture value chains ** (GERF 2.13 modified)	2.1 to be determined (2023) 2.2: 0 (2023) 2.3 to be determined (2023)	2.1 to be determined 2.2 to be determined 2.3 to be determined	2.1 observatory data / MIMAIP 2.2 implementation partner execution reports 2.3 MIMAIP	
Outcome 3	3 Sustainably managed and resilient marine and coastal ecosystems	3.1 Area (km2) of marine no-take reserves, and marine and coastal areas with management arrangements, under protection/sustainable management from EU support *(GERF 2.9 SDG 14.5.1 modified) 3.2 Key biodiversity metrics are halted or reversed within the areas under protection/sustainable management from EU support	3.1 : 0 (2023) 3.2 : 0(2023)	3.1 to be determined 3.2 to be determined	3.1 implementation partner reports 3.2 monitoring reports	

Output 1.1 (relating to Outcome 1)	1.1 Blue economy observatory established and operational	<p>1.1.1 Average monthly number of users of the operational web-based platform for the blue economy observatory (i.e. accessing information on sea satellite accounts, investment opportunities, databases, GIS maps)</p> <p>1.1.2 Number of sustainable and inclusive knowledge products and policy inputs produced by the observatory*¹⁹</p> <p>1.1.3 Multi-stakeholder governance arrangement for the management of the Observatory established and functional.</p>	<p>1.1.1: 0 (2023)</p> <p>1.1.2: 0 (2023)</p> <p>1.1.3: no (2023)</p>	<p>1.1.1: to be determined</p> <p>1.1.2: to be determined</p> <p>1.1.3 : yes</p>	<p>1.1.1 observatory website analytics, and implementation partner execution reports</p> <p>1.1.2 and 1.1.3: Reports and implementation partner execution reports</p>	<p>Investment opportunities are credible and communicated effectively;</p> <p>Data made available are relevant and useful;</p> <p>Ministries and stakeholders are willing to work together;</p> <p>Individuals and organisations for which capacity developments are provided utilise those capacities</p>
Output 2.1 (relating to Outcome 2)	2.1 Sustainable, inclusive and gender responsive fisheries and aquaculture value chain upgrading strategies developed and implemented	<p>2.1.1 Number of value chain upgrading strategies published</p> <p>2.1.2 Number of MSMEs reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land (disaggregated by sex and age of owner/head)*²⁰/*(GERF 2.1 modified)</p> <p>2.1.3 Number of people (sex, age and disability disaggregated) in supported value chains benefitted from capacity building support</p>	<p>2.1.1 : 0 (2023)</p> <p>2.1.2 : 0 (2023)</p> <p>2.1.3 : 0 (2023)</p>	<p>2.1.1 to be determined</p> <p>2.1.2 to be determined</p> <p>2.1.3 to be determined</p>	<p>2.1.1 upgrading strategy reports / implementation partner reports</p> <p>2.1.2 -2.1.3 implementation partner execution reports</p>	<p>Upgrading strategies are credible and supported because they are based on robust data and developed through participatory processes;</p> <p>Stakeholders collaborate for a coordinated approach towards implementation of the value chain upgrading strategies</p>
Output 3.1 (relating to Outcome 3)	3.1 Sustainably financed community led Marine conservation and restoration initiatives implemented	<p>3.2.1 Number of CMMAs and no-take areas established or supported by the programme through inclusive and participatory processes which are operational with functioning economic activities that sustain their management *²¹</p> <p>3.2.2 Additional income streams (EUR) supporting CMMAs and beneficiary households (disaggregated by sex of the household head)</p> <p>3.2.3 Number of private sector enterprises involved in partnerships with government and communities which are established by the programme for the purpose of conservation and restoration</p>	<p>3.2.1 : 0 (2023)</p> <p>3.2.2 : 0 (2023)</p> <p>3.2.3 : 0 (2023)</p>	<p>3.2.1 to be determined</p> <p>3.2.2 to be determined</p> <p>3.2.3 to be determined</p>	<p>3.2.1 - 3.2.3 implementation partner execution reports</p>	<p>Communities are interested and work together;</p> <p>The increased capacity of CMMAs enables them to function and enforce rules and protected areas;</p> <p>Sufficient levels of support are provided to CMMAs;</p> <p>Stakeholders can work constructively with coastal mining, oil and gas interests</p>

¹⁸ MIP indicator: Number of agriculture, agroforestry and fisheries companies or new investments that adopt sustainable practices in their operations as a result of EU support.

¹⁹ MIP indicator: Number of legal/regulatory/ policy/institutional frameworks developed, and enforced, with EU support. Including natural resources (co-) management mechanisms established

²⁰ MIP indicator: number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land

²¹ MIP indicator: Number of legal/regulatory/ policy/institutional frameworks developed, and enforced, with EU support. Including natural resources (co-) management mechanisms established

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this Action, it is envisaged to conclude a financing agreement with the partner country

4.2 Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases.

4.3 Implementation of the Budget Support Component

n/a

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the Action with EU restrictive measures²².

4.4.1 Indirect Management with an entrusted entity

This Action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Technical competence in the sustainable blue economy sectors, value chains, and marine conservation, and
- Established presence in Mozambique, including logistical and management capacities, and
- Track record of constructive engagement with stakeholders in Mozambique, in particular public authorities, in the fields covered by this Action, and
- Experience with management of delegated funds from the EU, and
- Added value for EU's multilateral engagement, particularly in contributing to the successful implementation of the TEIs in Mozambique.

The implementation by this entity entails Output 1.1 (blue economy observatory), Output 2.1 (fisheries and aquaculture value chain development) and Output 3.1 (Sustainably financed community-led marine and coastal habitats conservation and restoration initiatives implemented).

²² www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

If negotiations with the envisaged entity fail, parts of the action may be implemented in indirect management with another entity(ies) using the same criteria as mentioned above. If the entity(ies) is replaced, the decision to replace it needs to be justified.

4.4.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If negotiations with another envisaged entity(ies) as specified in 4.4.1 fail for output 3.1, this action may be implemented for the output 3.1 in direct management mode (grants).

Grants: (direct management)

(a) Purpose of the grant(s)

The grant will contribute to achieving the objectives and expected Output 3.1 (Sustainably financed community-led marine and coastal habitats conservation and restoration initiatives implemented).

(b) Type of applicants targeted

The type of applicants targeted for funding are: legal entities non-profit making Non-Governmental Organisations (NGOs) or assimilated Civil Society Organisations, or respective networks, platforms or federations active in the field of intervention or International Organizations and Agencies.

4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realization of this Action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget Components	EU contribution (amount in EUR)	Third-party contribution, in EUR
Implementation modalities – cf. section 4.4		
Output 1: blue economy observatory composed of	7 000 000	590 000
Indirect management with an entrusted entity - cf. section 4.4.1		
Output 2: fisheries and aquaculture value chain development composed of	16 000 000	1 360 000
Indirect management with an entrusted entity - cf. section 4.4.1		
Output 3: marine conservation and restoration composed of	10 000 000	850 000

Indirect management with an entrusted entity - cf. section 4.4.1		
Evaluation – cf. section 5.2 Audit – cf. section 5.3	250 000	N.A.
Contingencies	1 750 000	N.A.
Totals	35 000 000	2 800 000

4.7 Organisational Set-up and Responsibilities

A Steering Committee shall be set up with the responsibility to monitor and orientate the Programme implementation. It will be gender balanced and composed of representatives from MIMAIP, MTA, MEF and other Ministries relevant to the blue economy sector (marine transport, energy, coastal tourism, etc); representatives from the targeted provinces under outputs 2 and 3; representatives from the implementing partners of the Action; representatives from ProAzul and the EU Delegation. The Steering Committee will meet at least once per year and provide overall guidance to the Programme.

Technical coordination committees might be established at national and/or subnational levels to foster coordination and synergies between implementing partners and ensure alignment with Government priorities.

At the national level: All activities will be planned and implemented under the leadership of the Action implementing partners, and in close coordination with MIMAIP (the ministry with overall responsibility for the blue economy), MTA, and all other relevant Ministries with a mandate for the development of blue economy sectors. At the provincial district and local level: Activities will be under the leadership of Action implementing partners in close coordination with MIMAIP, MTA, Provincial Authorities, provincial authorities, the SDAE, SDA, municipalities, and locally-based value chain actors and CCPs.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the Action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this Action and ensuring effective coordination.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the Action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The monitoring system will be designed in a participatory manner and seek to include stakeholders in its design, application and use. Monitoring will serve as a learning tool, going beyond reporting, to help in understanding whether and how the intervention facilitates changes in the drivers of inequality, and

why. The monitoring system will include both quantitative and qualitative indicators to facilitate participation and understanding by all stakeholders.

Roles and responsibilities for data collection, analysis and monitoring:

The monitoring system will focus on process monitoring, progress and results indicators. Both implementing partners will be responsible for internal monitoring of the programme's outputs and impact results and regularly reporting to the Steering Committee. This monitoring will include periodic collection of information, and primary sources of verification will be activity reports, field visit reports, and checklists.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach and rights of persons with disabilities. Indicators shall be disaggregated at least by sex and age, and disability if possible. External monitoring under the form of external Results Oriented Monitoring (ROM) exercises will be commissioned by the EU Delegation at selected times of the project.

Where information for the indicators is not currently available a baseline survey will be undertaken. Once the baseline data are available, the programme's logical framework and activities framework will be updated to reflect the baseline value before, and target values after the Action. This update will be a joint exercise and will follow a joint monitoring mission.

Regular monitoring will also be assured by partner institutions providing immediate feedback on the pace and quality of activity implementation for immediate corrective action to achieve annual targets.

The EU delegation will participate in joint monitoring missions. Annual joint reviews will provide the formal mechanism through which all parties can agree to modify the logical frameworks and adapt the programme accordingly.

5.2 Evaluation

Having regard to the nature of the Action, mid-term and final evaluations will be carried out for this Action, contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to implementation processes, emerging impacts, and programme adjustments necessary to ensure that programme objectives are met on completion of the Action.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that lessons from research, pilots, and implementation of other programme activities will serve to inform future interventions regarding conservation and private sector linkages and dependencies, coordination and cross sectoral working between multiple blue economy-related Ministries and their directorates/agencies, inclusion and participation, and building resilience.

Both evaluations will assess to what extent the Action is considering the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The Commission shall inform the implementing partner at least 2 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments. Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this Action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external Actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the Actions concerned. This obligation will continue to apply equally, regardless of whether the Actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, Action Documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure Action Documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each Action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the Action Document.

The intervention level for the present Action identifies as

Action level (i.e. Budget Support, blending)		
<input checked="" type="checkbox"/>	Single Action	Present Action: all contracts in the present Action