

Eritrea

Fisheries Resources Management Programme

Supervision Report

Main report and appendices

Mission Dates: 30 April to 10 May 2019

Document Date 30/05/2019

Project No. 2000001144

Report No. 5065-ER

East and Southern Africa Division
Programme Management Department

Abbreviations and Acronyms

AWPB	Annual Work Plan and Budget
CSU	CSU Co-operative Support Unit
FDP	FDP Fisheries Development Project
FReMP	FReMP Fisheries Resources Management Programme
FAO	FAO Food & Agriculture Organisation
GEF	GEF Global Environment Facility
GoE	GoE Government of Eritrea
MMR	MMR Ministry of Marine Resources
MRDD	MRDD Marine Resources Development Department
NPCO	NPCO National Programme Coordination Office
NUESY	NUESY National Union of Eritrean Students and Youth
NUEW	NUEW National Union of Eritrean Women
PIM	PIM Programme Implementation Manual
TA	TA Technical Assistance
ZNRS	ZNRS Zoba Northern Red Sea
ZPCO	ZPCO Zoba Programme Coordination

A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Potential problem
Country:	Eritrea	Environmental and Social Category:	B
Project Name:	Fisheries Resources Management Programme	Climate Risk Classification:	2
Project Id:	2000001144	Executing Institution:	Ministry of Marine Resources
Project Type:	Fisheries	Implementing Institutions:	Ministry of Marine Resources
CPM:	Han Ulaç Demirag		
Project Director:			
Project Area:	National in scope (all six Zobas/Regions of the Country)		

Approval Date:	26/11/2016	Last audit receipt:	15/05/2019
Signing Date:	06/12/2016	Date of Last SIS mission:	10/05/2019
Entry into Force Date:	06/12/2016	Number of SIS Missions:	4
Available for Disbursement Date:	21/04/2017	Number of extensions:	0
First Disbursement Date:	01/05/2017	Effectiveness lag:	1 month
MTR Date:	not available yet		
Original Completion Date:	31/12/2023		
Current Completion Date:	31/12/2023		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	Debt Sustainability Framework	\$15,000,000
Domestic Financing breakdown	Beneficiaries	\$1,351,000
	National Government	\$1,417,000
Co-financing breakdown,	Food and Agriculture Organization of the United Nations	\$500,000
	Global Environmental Facility	\$7,890,000
	Germany	\$11,550,000
Project total financing:		\$37,708,000

Current Mission

Mission Dates:	30 April to 10 May 2019
Days in the field:	3
Mission composition:	<p>IFAD</p> <p>Mr Ulaç Demirag, Country Director and team leader, Mr Joseph Nganga, Programme Officer, Mr Richard Abila, Senior Fisheries and Aquaculture Specialist, Ms Virginia Cameron, Senior Finance Officer, Mr Alessandro Neroni, Procurement Officer, Ms Edith Kirumba, Environment and Climate Officer, Ms Maela Tesfamichael, M&E/Km Specialist, Mr. Harrison Charo Karisa, Worldfish, Mr. Ahmed Nasr Allah, Worldfish</p> <p>GIZ</p> <p>Mr. Elmar Kreutzer, representative in Eritrea</p> <p>Government representatives (Minister for Marine Resources, NPCO team, Zoba implementing officials)</p>

Field sites visited: Jemhile fish drying construction site (Dahlak Island) and mangroves plantation/fishermen community cooperative. Mai Sirwa Aquaculture Research Centre, Kakebda and Semomo dam cooperatives.

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

Effectiveness and Developmental Focus	4	Project Management	3
Effectiveness	3	Quality of Project Management	3
Targeting and Outreach	3	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	4	Coherence between AWPB and Implementation	2
Nutrition	4	Performance of M&E System	3
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	4

Sustainability and Scaling-up	4	Financial Management and Execution	4
Institutions and Policy Engagement	N/A	Acceptable Disbursement Rate	4
Partnership-building	4	Quality of Financial Management	3
Human and Social Capital and Empowerment	4	Quality and Timeliness of Audit	4
Quality of Beneficiary Participation	4	Counterparts Funds	5
Responsiveness of Service Providers	4	Compliance with Loan Covenants	4
Environment and Natural Resource Management	4	Procurement	3
Exit Strategy			
Potential for Scaling-up			

Relevance	6
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

IFAD and the Government of Eritrea (GoE) undertook a joint supervision mission from 30 April – 10 May 2019 for the Fisheries Resources Management Programme (FReMP). The main objectives of the mission were to (i) review implementation progress and achievement of outputs by component since the last mission; (ii) identify implementation constraints and agree on actions to address them; and (iii) review the quality of financial and procurement management. Specifically, the mission reviewed:

- Status of implementation against expected outputs since last mission and progress made against the current AWPB;
- Status of execution of agreed actions during the last mission (October 2018);
- Financial management;
- Procurement management; and
- Effectiveness of Project Coordination

The mission held discussions with the H.E Tewolde Kelati, Minister for Marine Resources, and reviewed implementation progress and updates with the National Project Coordination Office (NPCO). On 1st and 3rd May, the mission conducted field visits and interacted with Zoba project implementers and beneficiaries while visiting Jemhile fish drying construction site (Dahlak Island), Mangroves plantation as well as the fishermen community cooperative at Jemhile. On the mainland, the mission visited Mai Sirwa Aquaculture Research Centre, as well as Kakebda and Semomo dam cooperatives.

A pre-wrap up meeting was held with the NPCO and the implementing partners on 6 May 2019 to specifically look at the mission findings and agree on the proposed actions and timelines in order to improve project implementation and enhance achievement of the projects development objectives. A final wrap up meeting, chaired by the Minister for Marine Resources, was held on 8 May 2019.

Alongside the IFAD team, the mission also benefitted from the participation and contributions of Dr. Mark Prein, a representative of the German Government . Dr Harrison Charo Karrisra and Dr. Ahmed Mohamed Nasr Allah of World Fish which benefits from an IFAD grant to support FReMP in implementing its inland fisheries activities joined the mission during relevant site visits.

The mission would like to express its appreciation to the GoE and the NPCO staff for the hospitality, collaboration, logistic support and contributions during the Mission.

Key Mission Agreements and Conclusions

The mission witnessed a very strong sense of ownership and commitment amongst all of project's key stakeholders, including at the highest political leadership, the implementing teams as well as the targeted communities. The mission commends the Government for its leadership and the implementing teams for their strong engagement to implement the project on the ground while addressing the start-up challenges that have led to some delays.

FREMP is in its third year of implementation and has been classified as a Potential Problem Project due to challenges with regard to project management, effectiveness and development focus identified by the previous mission. With an execution rate of only about 3% to date against the current AWPB, there is clearly a need to accelerate implementation.

The mission acknowledges the fact, that there have been many changes in the NPCO, as well as in IFAD since the project became effective, which led to gaps in support and responsiveness during the important and challenging start-up phase of the project. The mission acknowledged the progress made in following up on most agreed actions, particularly with regard to additional staffing, improvements on financial management, procurement, and M&E. Thus, the mission commends the team for bringing the project on the right track to overcome its initial challenges, and encourages it to maintain the level of effort and momentum, which will likely lead to improved performance shortly.

Nevertheless, key risks that may continue to affect implementation performance and reduce the likelihood of achieving the intended development outcomes include:

1. Inconsistent and unrealistic planning with limited analyses, feedback and lessons from the M&E system and continued delay in implementation of procurement activities, leading to slow implementation and disbursement and ultimately underperformance in the achievement of outcomes. To enhance the performance of these interrelated management aspects, it has been agreed that (i) the NPCO revise the AWPB and Procurement Plan to enhance focus on key priorities that can be implemented at scale; (ii) IFAD provide hands-on implementation support and training to the NPCO through an experienced consultant; and (iii) the NPCO procure urgently accounting software, ideally incorporating an M&E module.

2. Limited participation (and leadership) of the target groups in the actual roll-out of activities which require particular attention in financial analyses and business planning, based on their engagement with buyers and other actors along their value chains. In order to enhance the likelihood of the end users to monitor and adjust their operations and financial performance and thus ensure sustainability and reduce the level of dependency on continued public support, it has been agreed that the NPCO procure a consultant to support the preparation of guidelines, simple templates and training modules for the development of business plans, financial record keeping, and effective facilitation of value chain linkages.

3. Limited autonomy and capacity of the CSU, which had been identified as a mission-critical prerequisite at design for the capacity development of the cooperatives, as well as absence of a sound institutional mechanisms for the delivery and sustainable financing of private goods, which, paired with continued central procurement and direct provision of equipment by the MMR risks to create moral hazard amongst beneficiaries, leading to non-repayment of in-kind loans, unsustainable institutions, and ultimately continued dependency of the target group on public support. It has been agreed that the NPCO engage with the CSU to define a vision and road map for its eventual transformation and capacitation, based on a viable business plan as well as a viable strategy to develop a sound financing mechanism that would support the emergence of viable supply chains for equipment, maintenance and support services as well as spare parts for review by the subsequent supervision mission.

4. Limitations in terms of logistics and communication facilities at the level of the NPCO and ZPCOs that limits the ability of the implementing teams to proactively engage, communicate and manage implementation, which risks to perpetuate implementation delays leading to inefficiency and limited achievement of results and thus value for money. It is proposed that the NPCO procure one vehicle and appropriate internet access to ensure adequate mobility and connectivity for smooth operation of each Zoba.

The mission is confident that the above actions, combined with the recent effectiveness of the Grant of EUR 9.0 Million provided by the Federal Republic of Germany and IFAD's grant to WorldFish to support inland fisheries, as well as opportunities for IFAD to facilitate specific South-South Triangular Collaboration and knowledge exchange initiatives, will enable FReMP to enhance its capacity to optimize the use of the resources available for results and to achieve its expected impact

D. Overview and Project Progress

This is the third Supervision and Implementation Support Mission of the Fisheries Resources Management Programme (FReMP). The last mission was fielded in October/November 2018, therefore this report covers the progress made over a relatively short period of 6 months. FReMP is in the third year of implementation, having become effective on 6 December 2016 and due for completion on 31 December 2023. The programme's goal is to contribute to household food and nutrition security and the alleviation of rural poverty; and its development objective is increased incomes and improved nutrition situation for targeted beneficiaries and sustainable management of natural resources. There are two key target outcomes: a) production and market linkage for fisheries (marine and freshwater fisheries) developed and increased volumes of fish delivered to consumers; and b) viable fisheries enterprises are developed and requisite inputs are accessed on a sustainable basis. FReMP development objectives are achieved through two technical components supported by capacity building and implementation support services.

Component 1: Develop Sustainable Fisheries Systems – supports the establishment of infrastructure and technologies needed for sustainable production and post-harvest operations, and promotes consumption of both marine and inland fisheries. It has three sub-components:

Subcomponent 1.1: Develop Marine Fisheries Production and Post-Harvest Systems – Aims to improve and develop fish landing sites along the marine coast by establishing solar fish drying facilities, ice production capacity and multi-purpose centres, and provision of potable water. The subcomponent promotes ecosystem management mainly through mangrove re-afforestation activities.

Cumulative implementation progress remains low on the fisheries infrastructure aspects, while more achievement has been made on coastal ecosystem management. All the sites for construction of solar fish drying facilities have been identified through a participatory process involving the project beneficiaries and other stakeholders. In Zoba Northern Red Sea (ZNRS) solar facilities will be established at Jemhile, while in Zoba Southern Red Sea (ZSRS), three sites have been confirmed: Ras Tarma, Deres and Kedarasi. The sites for constructing multi-purpose centres have all been identified, at Gelalo in ZNRS and in Eddi and Tio in ZSRS.

The project is promoting coastal ecosystem management through community mobilisation and awareness creation on conservation and rehabilitating mangrove forests in seven villages within coastal Zobas. Community sensitisation and mobilisation events have been organized and training seminars conducted on mangrove plantation, conservation and protection in various sub-zones, including at Massawa, Dahlak and Hirgigo. To date, 50 ha have been newly planted with mangroves. The mangrove conservation and plantation unit of MMR has carried out an assessment of an estimated 1,344 ha of naturally growing forests, suitable sites for planting new mangroves identified and nursery sites identified in Massawa and Asseb, and in Dahlak Island, Gonforor and Hakamango. Furthermore, the project has fully achieved its target of producing 2000 mangrove tree seedlings. Out of a target of 500 Halophytes, 135 have been planted so far in five villages.

Regarding the mariculture demonstrations, most of the achievements revolve around capacity building, where a total of 25 MMR staff were trained on mariculture practices and 18 on inland aquaculture technologies. Following the training in 2018, mariculture demonstrations were initiated involving four species, namely; Mullet, Milkfish, Rabbit fish and Grouper. These species were selected mostly based on the ready availability of fingerlings (fry) and their simple feeding preferences that could make it feasible to culture them at community level. The demos experienced some problems including poaching of fish from the cages and lack of quality fish feed. Groupers emerged as the most successful culture species, achieving average growth increase of nearly 400 gm in a cycle, while fed on trash fish, but the other species did not record satisfactory growth. In order to realise quick results, it was agreed that this activity be further refocused only on groupers which have higher potential. It should include the provision of fish feed made locally, especially from fish wastes and other ingredients. In the new cycles, more attention should be put to monitor the inputs, fish growth and water quality assessment in the cages.

The Aquaculture research and hatchery center at Halibay, which has been initiated under FDP in 2016 is 85% completed following a series of challenges and delays due to adverse weather conditions and geological settings, access to fuel and labour force, and finally the deterioration of the access road, making it impossible for the contractor to complete the works. The NPCO has reached an agreement with the contractor to rehabilitate the road and finalize the construction within the coming three months. Given the importance of this facility for sustaining and scaling up the ongoing mariculture pilot activities, the NPCO is committed to start operation of the centre within the coming six months and initiate immediately the procurement of office and residential furniture, laboratory and hatchery equipment. This needs to be reflected in the procurement plan.

Since the last supervision mission the project has initiated the construction of a solar fish drying facility in Jemhile (Dahlak island), currently estimated at 40% completion of the works. The project is also in the process of identifying the right site for the water desalination facility within proximity of the fish drying plant. In this regard, a shallow borehole has been dug by the community and its water will be tested for salinity and other parameters to decide if it is suitable water source. Procurement of two new ice making machines has been initiated through competitive bidding. On a positive note, the project has repaired two ice plants that were not working at the time of the last mission and they are now back to full operation. One ice plant has not been repaired as it needs spares that were not readily available and the project is making

efforts to have it operational. Additional coastal areas have been planted with mangroves and halophytes. Mariculture demonstrations continued, with 80 fingerlings of groupers collected from the wild and presently being raised in cages, which will be closely monitored for growth changes against any changes in the physical environment.

Key issues:

The project is at the stage of procuring and construction of facilities, including both goods and works, that involve relatively complex technologies, in particular, water desalination, solar fish drying facilities and ice plants. The NPCO will certainly need technical assistance to manage the specifications, installation, supervision of works and completion quality assurance. It is necessary for the project, as a matter of priority, to secure the TA services to support the development of these infrastructure. The TA could also support the project to develop business plan for the investment, incorporating both the solar drying facility and the water desalination unit.

On coastal ecosystem management, more seedlings will be needed to expand mangrove plantations beyond the initial target. The project should consider setting up mangrove nurseries within the communities to reduce transport and other costs, and impart new skills to the community members involved in this exercise. So far, the project has not initiated income-earning activities from mangroves, such as bee-keeping and fodder generation/harvesting, which could provide communities with economic incentive to take care of the forests. Some challenges have been experienced with the mariculture pilots and it is necessary to refocus and concentrate only on groupers, which has higher potential. The demonstrations should include provision of low-cost feed produced locally and closer monitoring of growth rates and changes in the physical environmental parameters.

Interactions with communities at Dahlak Island during the mission revealed that the survival rates of the Halophyte seedlings has been very low due to lack of water. It is expected that once water supply issues are resolved in the Island the situation will improve. Moreover, the community based management systems require further strengthening with support from the project. Sustainable resources management guidelines would enhance better resource utilisation, ownership and benefit sharing. The incentive mechanism could also be broadened to include provision of protective clothing for those conserving mangroves, and provision of shelter/shade for use during the mangrove planting season.

Subcomponent 1.2: Development and Sustainable Utilization of Inland Fisheries— aims to develop approaches for the sustainable utilization of fisheries in inland water reservoirs, targeting a total of 15 dams, selected through a set of transparent criteria. The sub-component also supports development of a fish hatchery and related research operations at Mai-Sirwa Research Centre.

Cumulative implementation progress under this sub-component focuses on achievements with the dams, watershed management and forming and capacity development of the beneficiary groups. Eight dams have been identified for piloting aquaculture, namely; Mai-Nefhi and Adi-Shaka in Zoba Maekel, Fanco-Tsumue and Fanco-Rawi in Zoba Gash Barka Semomo and Kakebda in Zoba Debub, Elaberid and Musha shebah in Zoba Anseba. The selection process involved setting up a reservoir identification team which conducted field visits, consultation and awareness raising with local administration and primary stakeholders. The major criteria for the selection included: water status (water quantity, quality, colour, turbidity and the likelihood of drying up etc.), the status of fish stocked in the dam and its production potential, carrying capacity, dam accessibility, population living around the dam etc.

Satisfactory progress has been made in watershed management of the dams by involving the beneficiary groups and the larger communities in soil and water conservation. Watershed management activities around dams are ongoing and include establishing terraces to promote soil conservation around dams. So far, 26.2 ha of terraces have been done, including; Semomo Dam (5 ha), Kakebda (3 ha), Fanco-Tsumue (2 ha), Fanco-Rawi (1.9 ha), Adi shieka (1.9 ha), Mai nefhi (2.4 ha), Musha shebah (10 ha). Moving forward, the terracing should be complemented by planting trees and shrubs during the rainy season in liaison with the Ministry of Agriculture through its National Agriculture Programme (NAP).

Fishing and fish processing/marketing enterprise groups have been formed in each of the eight reservoirs, consisting of 9 men and 9 women in average, while giving priority on the youth. Poverty and vulnerability criteria has been used in the selection of the beneficiaries through a participatory process which involved the Zoba National Union of Eritrean Women (NUEW) and National Union of Eritrean Youth and Students (NUEYS) as well as administration officials at Zoba and zone levels. The groups have received initial training in fishing, safety in the dams, fish processing/filleting and the proper ways to cook fish. Socio-economic studies of the communities neighbouring the selected eight reservoirs has been completed and the report should be shared with IFAD. The project is yet to provide the groups with fishing nets and boats, however much local interest has been generated and some groups have started to catch fish using borrowed nets from MMR research operations in the dams. For instance, in Sememo Dam in Zoba Debub, about 535 Kg of fish (valued at 13,375 Nakfa/ US\$ 892) have been caught by the groups (400 kg in November 2018 and 135 kg in March 2019). In Kakebda Dam 260 Kg of fish (valued at 6,500 Nakfa/ US\$ 433) were caught in March 2019. These catches have been obtained with one net in a small part of the dam and do not reflect the full production potential of the dams.

The intervention in Mai-Sirwa Research Centre is focused on adaptive research on selected species towards producing high volumes of quality fish fingerlings for stocking the dams. The centre also supports monitoring the development of aquaculture in the dams. The main achievements at the Centre have been the rehabilitation/ reconstruction of ponds

which had seepage problem to improve their water holding capacity. A large water holding pond and a total of six large ponds have been rehabilitated, of which four are cemented and two are earthen ponds covered with plastic liners. The ponds are being used for fish breeding activities and have been stocked with broodstocks of 3 fish species, namely; silver carp, mirror carp and tilapia. There is indication that over 1 million fish fry have been produced, some which have been used in restocking the dams. In addition, the indoor research facility in Mai-Sirwa has been equipped with an aerator, which allows the facility to operate under controlled temperature condition throughout the year, and which is especially essential during winter period when fish cannot grow optimally in ponds.

Since the last supervision mission, watershed management activities continued in the identified reservoirs and dam user manuals have been prepared. Steps were taken to legally register the fishing and fish processing/marketing groups formed under the project as officially recognized entities, which allows them to access credit and inputs from the project.

A new IFAD grant to be implemented by WorldFish was approved, which will help in providing MMR staff with specialised aquaculture training, technical support, applied research activities and technology transfer. At Mai-Sirwa two earthen ponds were rehabilitated and covered with plastic liners to prevent water seepage and have been stocked with tilapia and carp fish.

Key issues

Further attention should be put on watershed management, extending protection beyond the immediate surrounding of the dams. This includes sustainable land management (SLM) as part of the dam management plans currently under development, in order to ensure communities and dam users fully integrate SLM in their day to day operations and management of the dams. This is particularly important in the management of dam siltation and sedimentation, as well as soil erosion as a result of trampling by livestock. It should cover all the water reservoirs supported by FReMP and the project should continue collaboration with the Ministry of Agriculture, who have the required experience with catchment management.

Mai-Sirwa is important for the development of inland aquaculture in the country, as the main source of quality fingerlings for stocking dams. The development of the centre needs to be properly planned, with a clear vision, strategy and measurable targets. It is therefore important to develop a business plan to guide the centre's development and operations, identifying areas for further investment, staff capacity development needs and linkages with the inland dams. In this regard the project should develop a business and sustainability plan for the centre, including projections in fish fingerling production, operational costs and potential income from fish sales. Among the immediate needs of the centre is a specialised truck for distributing fish fingerlings to the dams which needs to be reflected in the procurement plan (also proposed in the last supervision mission report). There is also need for rehabilitation and excavation of additional earthen ponds and tanks for the fish breeding operations, which will include spawning tanks, broodstock conditioning tanks and grow-out ponds. The centre relies on water supply from Mai-Sirwa Dam through a linear inflow-outflow channel, which could pose some risks in case of water systems failure and there should be a contingency water supply plan to mitigate such constraints.

Considerations should be made to develop innovative and more efficient water-use systems, including water recirculation between the ponds. Stronger integration between FReMP and the new IFAD grant implemented by WorldFish, including coherent planning processes, should be pursued for implementation of the aquaculture interventions.

Subcomponent 1.3: Market development and Promotion of Fish Consumption– supports market development for both inland and marine fisheries and promotes nutrition.

Cumulative implementation progress includes achievements made on training extension staff on nutrition and fish consumption promotion efforts. The project is working closely with extension officers to promote fish consumption and enhance nutrition among communities. So far, twenty extension officers (including 4 females) from all Zobas and 36 MMR extension staff have been trained on community awareness and sensitisation methods.

The project produced posters, brochures and printed t-shirts and caps with positive messages about fish consumption, which will be used for public awareness campaigns, to be implemented in collaboration with the Zoba administration and the Ministries of Health and Education. Recipes made of dried and powdered anchovies fish were prepared and distributed to some boarding schools and clinics to promote their consumption. Additionally, kitchen materials were procured for practical demonstration and experimentation of fish recipes with communities. A preliminary market survey was conducted on small pelagic fish products in the four inland and the two coastal zobas.

However, more attention has been given to introduce and popularise fresh-water fish consumption in inland communities where fish was not known before. The project is using a social marketing approach, where the community groups take the lead in creating awareness and demonstrating to other community members how to prepare and cook fish and explaining the benefits of eating fish based on their own experiences. There has been very positive response from the communities, with households already asking for fish. The mission interacted with communities in two dams (Sememo Dam and Kakebda Dam), who have been recently introduced to the consumption of fresh-water fish and they overwhelmingly presented very positive experience, with perceived positive effects on household nutrition and health.

Since the last supervision mission: most focus has been on promoting consumption of fresh-water inland fisheries,

including training the groups on ways to cook fish and raising awareness in the communities.

Key issues

Much effort has been given to popularising fish consumption, which involves giving out fish to new consumers to develop a taste for it. While this has been effective, this approach is neither sustainable nor scalable. Since there is already an emerging demand for fish by the community, the project needs to develop a strategy for the targeted groups market the fish and generate income from it, alongside continued consumption promotion. Immediate options could include "fish harvesting days" where community members are informed to come and buy fish at the dams. In the longer term, when the demand has increased, other marketing strategies may be considered, such as direct commercial linkage with major buyers, or setting up small shop outlets or food kiosks equipped with freezer in neighbouring towns. Alternatively, also locally, they could leave the transport and retail to specialized retail or processing micro-businesses.

While the groups are keeping records of fish they catch, it is important that the project systematically tracks and reports on the nutritional outcomes of fish consumption by communities.

Going forward, the project should continue with the campaigns to popularise fish in inland areas and explore potential collaboration with other line ministries to promote increased consumption of fish-based products in households, hospitals and schools. However, this should be based on generating some income by selling fish rather than giving it for free. The project should conduct market assessment and develop a marketing strategy both for the small pelagics from the Red Sea and fish from inland dams. Given the cultural setting in the project area, and given that women are mainly responsible for cooking in the households, it would be desirable to increase considerably the number of trained female extension workers for the nutrition and enhanced targeting of women by the project.

Component 2: Fisheries Enterprises Support Services – addresses two interlinked objectives: a) promote the development and capacity building of cooperatives and other enterprise groups; and b) strengthen the input provision services to ensure that the legally constituted cooperatives and enterprise groups have access to the requisite inputs to undertake economically viable and sustainable fish-related businesses. It has two sub-components:

Subcomponent 2.1: Entrepreneurial Capacity Development – The main focus of this sub-component is the development of enterprise groups/ co-operatives having the requisite skills for business in the fish value chain.

Cumulative Progress in mobilizing beneficiary groups and awareness raising in both ZNRS and ZSRS, on the different co-operative models to be formed under the project for small pelagic and large fish, net making and foot fisher cooperatives. A total of 8 co-operatives have been formed so far. The project has under-performed under this sub-component, as there has been slow progress in formation of co-operatives/ enterprise groups and building their capacity in business and technical skills they need to operate their fisheries enterprises.

Since the last supervision mission, interventions have concentrated on increased mobilisation and building capacity of the cooperatives and enterprise groups.

Subcomponent 2.2: Strengthen Input Supply Services – This sub-component supports the delivery of specific inputs needed by fishing cooperatives and enterprise groups financed through a revolving loan-based asset fund. The inputs include canoes, fishing gear, working capital and toolkits for engine/boat maintenance.

There has been low implementation progress of this sub-component, with hardly any input so far procured and distributed to the beneficiary groups formed under FReMP. The Co-operative Support Unit (CSU) has been strengthened and is now fully constituted, however its capacity remains weak.

Key issues

The CSU is a very important entity under the project to drive co-operative business development and enabling fishers to access inputs for their production. It is therefore important to ensure it has the capacity and autonomy to operate efficiently in line with market principles. Effort should be made to strengthen the capacity of CSU to be able to perform their core business of managing the input supply and loan recovery from the beneficiaries. High priority should be given to the procurement of inputs, particularly fishing boats and gear, so that some of the co-operatives can start production of small pelagics as this is the primary aim of the project. The CSU should develop business plans for the various cooperatives models to ensure commercial viability and inform the procurement of the inputs to support the cooperatives.

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Ecosystem management Liaise with NAP to conduct training of communities in apiculture and provision of beehives and on livestock fodder harvesting	NPCO	01/2019

Solar drying facilities and multi-purpose centres Recruitment of TA to support the development of solar fish drying facilities and multi-purpose centres	NPCO	03/2019
Ice production Initiate procurement of ice-making machine and present to IFAD for No Objection	NPCO	03/2019
Rehabilitation of earthen ponds in Mai-Sirwa Complete rehabilitation works on the two earthen ponds in Mai-Sirwa to expand the nursery space	NPCO	04/2019
Enterprise groups development Formation of 12 co-operatives/ enterprise groups for small pelagics using the laid-out procedure	NPCO	04/2019
Market survey Complete the small pelagics market survey in the remaining two coastal zobas	NPCO	04/2019
TA/ Service Provider Prepare and share with IFAD the ToRs for TA/service provider to support the project in procurement and installation of key infrastructure, including solar fish drying facility, water desalination and ice plant, including to develop business plans for the new investments. Include this item in the procurement plan.	NPCO	07/2019
Business/ sustainability plan for Mai Sirwa Develop a business/ sustainability plan for Mai-Sirwa, with a clear vision, strategy and measurable targets, to guide the centre's development and operations.	NPCO/World Fish	07/2019
Inputs for small pelagics fishing Procure inputs for 12 co-operatives/ enterprise groups to start production of small pelagics	NPCO	08/2019
Watershed management for inland fisheries Complete the watershed management activities (e.g. terracing) in all the identified dams for inland fishing	ZPCO	08/2019
Market testing for dam fish Initiate small shop outlets equipped with freezers for market testing of fish from dams	ZPCO	08/2019
Watershed management Integrate sustainable land management interventions and guidelines into the dam management plans to enhance watershed management around dams	FREMPNPCO	08/2019

Marketing strategy Share with IFAD the TOR for market assessment and developing marketing strategy both for the marine small pelagics and fish from inland dams.	NPCO	09/2019
CSU strengthening Include in the AWPB activities to strengthen the capacity of CSU in business planning, procurement and delivery of inputs to cooperatives/ enterprise groups.	NPCO	09/2019

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 3	Previous rating: 3

Justification of rating

The project is in its third year of implementation and continued delays in activity implementation make it difficult to analyse the expected outcomes by component. Meanwhile, as evidenced in the section above, a number of outputs are being delivered, particularly on mobilization and training of fishermen groups. Meanwhile, little progress has been made with regard to supplying equipment and business support services that would enable the target groups to significantly enhance their productivity and market linkages. The enthusiastic interest and initial uptake of the inland communities to engage in inland fisheries is encouraging. However, a sound strategy, road map and business planning will be needed at all levels (CSU, investments in infrastructure and equipment, cooperatives) to ensure sustainable productivity increases, market linkage and sustainability. Given the sense of awareness and engagement on this requirement by the NPCO the mission is confident that this requirement can be met with reasonable technical support, and that the project is well-positioned to meet its overall development objective.

Log-Frame Analysis & Main Issues of Effectiveness

Since start-up, the programme has made substantial strives to build the required capacity within the NPCO, ZPCO and extension staff, and initiated the following activities on the ground:

- Trainings of NPCO and ZPCO staff and implementing divisions in: Planning and M&E, financial management and procurement; GIS and remote sensing, fishing gear, monitoring, controlling and surveillance (MCS); Fish Inspection and Quality Control; scuba diving and underwater videography; laboratory technique; basic computer applications;
- International trainings conducted on project management; and result-based M&E (2 trained); procurement and contract management (1 trained); cold chain system and maintenance (2 trained);
- Training of trainers in aquaculture production system, construction of floating fish cages, monitoring growth and hatchery procedures;
- Procurement of TA for marketing strategy and product development initiated;
- Procurement completed for: 14 toolkits; 12 motor cycles; 3 aluminium fishing boats; 5 sets of scuba diving equipment, underwater camera, safety and field trip materials, laboratory equipment and stationery supplies.
- Stakeholders consultation workshops conducted at national and zoba level;
- Community sensitization and mobilization campaigns held in 7 coastal villages;
- 16 fishing groups (8 women and 8 youth) established in inland zobas and introduced to fish processing and fishing;
- Formation of 2 women net mending/making enterprises and 4 foot fishers' cooperatives in Northern Red Sea zoba
- 6 workshops held in cooperative development covering 21 coastal villages including 611 individuals (119 women)
- Construction of fish drying facilities in Jemhile Dahlak Island is ongoing with an approximate 2 months to completion;
- 50 ha of mangroves planted and fencing for existing mangrove forest in Northern Red Sea;
- Assessment of 1,344 ha of naturally growing mangrove forests;
- Producing 2,000 mangrove seedlings;
- 25 extension officers trained on mariculture and 18 extension officers trained on inland aquaculture technologies (by international TA);
- Construction of cages for the culture of milkfish, mullet, oyster and rabbit fish;
- 8 water reservoirs identified for introduction to inland fisheries and fish consumption
- 26.2 ha of watersheds treated with terraces;

- Rehabilitation of the existing concrete ponds completed in Mai Sirwa aquaculture research centre.

Activities under the 2019 AWPB have so far mainly focused on mobilization as well as training of staff and target groups, particularly with regard to the introduction of new fishing practices for inland communities. Targets for training of trainers/ extension staff on nutrition, mobilization under subcomponent 1.3 (Market Development and Promotion of Fish Consumption) and 1.2 (Development and Sustainable Utilization of Inland Fisheries). Further, stakeholder consultation workshops were held involving all targeted communities. Under subcomponent 2.1 (Entrepreneurial Capacity Development), 66% of the target on establishment of women enterprises groups was achieved, and 83% of the targeted women enterprise groups were trained on net making and net mending. Although it is still too early to reliably assess if the project is on track towards achieving the expected outcomes, the mission could observe that beneficiaries actually start applying the practices so far promoted through training and mobilization, which the NPCO can start capturing and reporting upon.

While the number of operational inland fisheries groups established since start-up corresponds to 26.6% of the end target, overall outreach still registered a low rate of 3.4% against the end target, in line with the mission's conclusion that planning will need to focus on moving from pilot activities to systematic scaling up. In terms of sustainable management of natural resources, so far 50 ha of mangroves have been rehabilitated against the end target of 1500 ha and 26,2 ha of land have been brought under improved watershed management, against the target of 16,000 ha (3.3% and 0.16%, respectively).

Going forward, the NPCO will ensure consistent and realistic planning with focus on outreach at scale, while enhancing the capacity at all levels to roll-out, monitor and timely report against the logframe. Participatory evaluation meetings and regular Programme Technical Committee sessions will be used to capture and share lessons to optimize effectiveness.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Logframe Complete the programme Log-Frame with physical outputs achieved to date as per the indicators. deadline ASAP	FRMP M&E Officer	12/2019

Development Focus

Targeting and Outreach

Rating: 3

Previous rating: 3

Justification of rating

The target is national in scope and focuses on vulnerable households, demobilized soldiers, women and youth, IDPs and elderly. At this stage of the project, the selection of beneficiaries is in line with the targeting strategy outlined in the design which mainly relies on geographic targeting, direct targeting and self-targeting based on mobilization by extension services, leading to adequate women participation of 50%. However, the representation of youth remains below target due to the fact that youth are in majority civil servants. No incidences of mis-targeting or elite capture have been observed.

Main issues

The project beneficiaries live in the intended geographical area and the total target group within the project amounts for 17,000 households of fishers and non-fishers representing about 87,500 individuals. The project focused mostly on mobilizing groups and training in addition to cooperatives creation. FRMP's extension officers are in direct contact with beneficiaries and coordinate activities directly as well as capture paper-based desegregated data desegregated by age, gender and status of beneficiaries in addition to gathering the amount of fishes quantified in monetary terms.

It was witnessed during the mission that most of the communities met depend heavily on the support of the project in terms of materials provision and trainings.

The activities are being taken up by the identified groups especially in inland areas in terms of introduction to fish consumption, processing and fishing while on the coastal areas and particularly on the islands; women groups are facing difficulties in keeping the momentum of any trainings provided due to heavy household's workload and customary practices. To enable women engage more effectively in the activities promoted by the project, it has been agreed to organize, in collaboration with the National Union of Eritrean Women (NUEW), gender sensitization sessions for both, men and women, within the coastal communities. In addition, the providing basic services such as access to potable water should reduce the burden of women to free up time to engage in productive activities.

Gender equality & women's participation**Rating: 4****Previous rating: 4****Justification of rating**

As agreed during the previous mission, the NPCO has developed a youth and gender action plan in line with IFAD guidelines, which includes activities for each component. From the first reading, the efforts and details provided are notable. A gender focal point has been assigned within FReMP and women's participation constitutes an important priority within the targeted outreach of project's activities. While quantitative outreach targets in terms of women are being reached, it will be crucial to enable women achieve actual financial outcomes for the programme to become fully gender transformative.

Main issues

Progress has been registered in integrating gender sensitivity and women's participation within the project's activities. FReMP has integrated women as one of the targeted group in line with IFAD policy in addition to the national policy, which requires a minimum of 30% of women participation.

In some areas, it has been witnessed that women's participation is improving their well-being with the introduction to new practices and the consumption of fish. However, the equitable balance in household related-workloads needs to be improved to ensure the full participation of women in income-generating activities. It is also commendable that women foot fishers living in coastal areas are able to fish in areas reserved to them and other vulnerable groups while prohibiting fishing boats to enter the zone.

According to the drafted gender strategy, gender and women's participation activities are included in all components of the project and it is notable that sex-disaggregated results are collected on a regular basis at the kebabi level.

During the mission, women groups were met both in coastal and inland areas and it was witnessed that women living on the coastal areas continue to face customary barriers in addition to heavy household's related workload which gives them little time to concentrate on project related activities. On the other hand, women groups living in inland areas are provided with the necessary tools to improve their livelihood through business oriented activities and a strong sense of willing to do business was witnessed. However, the activities confined women to only certain specific activities i.e. fish processing, while there is a demand in equal participation in all activities. It is recommended to ensure that both gender are given opportunities to equally participate in all activities.

Going forward, it was agreed ensure women's access to technology and basic services that ease the household burden on women and girls by collaborating with the National Union of Eritrean Women (NUEW) and the local administration, as well as continuity of those women groups through regular monitoring and evaluation in addition to providing full participation according to the will of the beneficiaries rather than based on gender differentiation.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Gender Strategy Develop a gender strategy that will be in alignment with the main gender strategy at the national level.	NPCO (in consultation with IFAD)	10/2018
Gender and Youth Action Develop a gender and youth action plan as a road map to operationalize gender and youth focus under the different FReMP components; the plan should specify the associated costs and should be incorporated in the 2019 AWPB.	NPCO (in consultation with IFAD)	10/2018
Submit comments on gender strategic plan	IFAD	05/2019

Agricultural Productivity**Rating: 4****Justification of rating**

The project is investing on increasing the productivity of inland water reservoirs for fish production and enhancing the utilization of small pelagic fisheries, which is an under-utilized resource. Furthermore the project promotes renewable technologies to reduce losses and increase product value as well as good management practices to avoid overfishing in

the sea and dams.

This aspect was not rated in the previous mission reports due to inadequate data. Some data is now available particularly for dam fish catches, showing that the reservoirs are quite productive. For instance, in Sememo Dam in Zoba Debub, about 535 Kg of fish (valued at 13,375 Nakfa/ US\$ 892) have been caught by the groups (400 kg in November 2018 and 135 kg in March 2019). In Kakebda Dam 260 Kg of fish (valued at 6,500 Nakfa/ US\$ 433) were caught in March 2019. These catches have been obtained with just one or two fishing nets in a small part of the dam and do not reflect the full production potential of the dams.

Main issues

It will be key for the project's success that all activities are driven by rigorous ex-ante assessment of productivity outcomes, particularly financial outcomes, to ensure scalability and sustainability of its achievements. Adequate measures have been agreed to initiate the development of a systematic approach and systems to ensure that this will happen and adequately be monitored.

Nutrition	Rating: 4	Previous rating: 3
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Justification of rating

FReMP has made good progress in integrating nutrition related activities into its implementation structure. To enhance nutrition through fish consumption, awareness campaigns have been undertaken by the project, in collaboration with the Ministries of Education and Health, and women trained on fish cooking methods as well as net making. To date, 20 extension officers have been trained on nutrition awareness raising campaigns. As a result, positive changes in community consumption patterns of fish have been observed.

Main issues

The project is working closely with extension officers to promote fish consumption and enhance nutrition among communities. So far, twenty MMR extension officers (including 4 females) from all Zobas have been trained on nutrition awareness raising campaigns. As well, 36 MMR extension staff have been trained on community awareness and sensitisation methods. The project in collaboration with the Zoba administration, Ministries of Health and Education has held national campaigns to test the acceptability of dried and powdered fish products in hospitals, schools and households. Nutritional analysis of sun dried small pelagic fish to test the quality have also been undertaken. So far, 1000 brochures, 300 T-shirts and 300 hats were procured for the promotion and awareness campaigns that are planned to be rolled out around the Annual World Food Day (8 October). Additionally, kitchen materials were procured for practical demonstration and experimentation of fish recipes with communities. During field visits, the mission team interacted with 2 fish farming groups/cooperatives and it was impressive to note that the communities are gradually accepting fish production and consumption, with perceived positive effects on household nutrition and health. As the project is collecting data on nutrition related interventions, the team is encouraged to continuously and systematically track and report on the nutritional outcomes of fish consumption by communities, through focus group discussions.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Development Effectiveness		
nutritional outcomes of the project Capture and systematically report on the nutritional outcomes of the project, through focus group discussions	NPCO	09/2019

Adaptation to Climate Change	Rating: 4	Previous rating: 4
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Justification of rating

Good progress has been made in enhancing adaptation to climate change through interventions such as water shed conservation and management, afforestation using Halophytes, mangroves rehabilitation and conservation, solar fish drying facilities, piloting of energy saving jikos, development of dams' user manuals, and promotion of climate smart aquaculture. The climate risk analysis study should be finalised and key recommendations and actions embedded into the AWPB.

Main issues

FREMP has made some progress in enhancing climate adaptation through various activities including mangrove conservation, solar fish drying facilities, piloting energy saving stoves, afforestation using Halophytes, and promotion of climate smart aquaculture. Through a grant between IFAD and World Fish, climate smart inland aquaculture activities will

be undertaken within the project. The project should further engage the World Fish officials implementing the grant, to provide inputs towards the integration of climate smart aquaculture into dams' user manuals and in the review of the draft national aquaculture guidelines.

The project should fast track the finalisation of the climate risk and vulnerability assessments in order for key activities and actions to be embedded into current and subsequent AWPBs and implemented in timely fashion. It is impressive to note that the draft ToRs give an indication of the climate risks that the project is already grappling with and provides potential mitigation measures. These challenges include sea level rise that threatens the sustainability of project interventions, and temperature increases that are negatively affecting rain fed agriculture and livestock production. Draft ToRs have already been developed and shared with IFAD during this mission. The key observations and areas of further improvement include: the section on the scope of the work should provide a technical overview of the specific climate related issues that are going to be addressed by the consultancy and they may include but not be limited to: – desk review of past, current and projected climate scenarios and impacts on various sectors, climate hazards in the target areas and impacts on agriculture, fisheries, marines and humans; key properties that determine and contribute to the susceptibility or vulnerability of communities and their livelihoods to climate change; recommendations on how climate risks and vulnerability in the target areas can be addressed; map actors in the target areas working on climate risk management and identify potential areas of synergy; and, identify capacity building needs for institutions, groups and communities. It is important that the findings are discussed with stakeholders in the target areas before finalisation of the report. A template of the ToRs for basic climate risk analysis is provided for in the SECAP document and will be shared with the team to further guide the improvement of their draft ToRs.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Climate risk analysis and vulnerability assessment in both inland and marine fisheries: A ToR will be developed by the programme and shared with IFAD by 31/12/2018 for review, after which the programme will recruit a national consultant to undertake the work and produce a report	NPCO, IFAD	03/2019
Learning exchange visit: Organize learning visit for the programme staff to visit successful climate smart aquaculture and marine fisheries interventions within IFAD's fisheries projects portfolio for learning and possible technology transfer	NPCO, IFAD	03/2019
Climate Risk Assessment Finalise the TOR for the climate risk analysis	NPCO	05/2019
Climate Risk Assessment Provide a consultant	IFAD	06/2019
Climate Risk Assessment Include recommendations in 2020 AWPB	NPCO	10/2019

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: N/A
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Partnership-building	Rating: 4	Previous rating: 3
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Justification of rating

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Main issues

To ensure delivery of outputs and outcomes, building partnership is key to contribute to the achievement of the project's goals and objectives. In doing so and as stated in the Design Report, the project will complement and build on interventions by the other development partners to ensure a harmonized contribution to the Government's strategic priorities and development targets in the sector.

In doing so, at local level, FREMP ZPCO organized meetings with various stakeholders including the National Union of Eritrean Women (NUEW) and the National Union of Eritrea Youth and Students (NUEYS) and local government. In terms of information sharing and communication tools, the MMR is partnering with the local media on a regular basis (press and TV programs) and collaboration with Ministry of Agriculture in watershed and catchment management is ongoing.

At international level, the Ministry of Marine Resources is making efforts in partnership building to complement the project with the contribution of the German government's fund.

The WorldFish is also coming along the project in Research and Development of arid areas aquaculture technologies and systems; Capacity building for arid areas aquaculture and; Project Management and Knowledge Management.

Regarding the envisaged GEF co-financing, the Ministry of Marine Resources and the Ministry of Land, Water and Environment will need to seek endorsement and support by the Minister of Finance to submit a formal request to the GEF Secretariat.

Human and Social Capital and Empowerment

Rating: 4

Justification of rating

The project has made good progress in building the capacities and social capital of the rural women and men through encouraging active beneficiary participation in project activities, formation of groups and cooperatives, training provision and enhancement of entrepreneurship. There is need to ensure that fishing groups and cooperatives develop sound business and management plans to guide their activities and market interventions, and that adequate follow up is made after training to assess progress.

Main issues

Beneficiary participation has been impressive in project activities so far. There is strong support for the project at all levels of government and as such, the Zobas and Kebabes easily rally communities around provision of labour and time for project activities such as mangroves conservation, planting of halophytes, and building terraces. Women, men, youth and dismembered soldiers and internally displaced persons are the main target beneficiaries in the project. Beneficiaries are receiving training on various aspects including formation of groups and cooperatives, net making and mending, fishing, enterprise development, fish processing, fish handling and preservation, and personal hygiene among others. Progressively, the cooperatives and groups are starting to show interest in developing businesses and engaging in income generation activities. For instance groups conserving mangroves benefit from training on net making, ornament making, and processing of sea cucumber etc. to strengthen entrepreneurial capacities, guidelines on establishment of fish shops and distribution centres have been developed.

Within MMR and its implementing agencies, capacity building opportunities have been provided for staff in various topics including, inland aquaculture and mariculture, GIS, remote sensing, fish inspection and quality control, extension methodology, nutrition, community mobilisation and awareness creation, laboratory techniques, computer applications among others.

To strengthen the entrepreneurial capacities of fishing groups and cooperatives, there is need to develop business plans that incorporate an analysis of market opportunities and propose a clear marketing strategy or plan, and to train the groups on the actualisation of these plans, with defined linkages and agreements with buyers,. Furthermore, trained groups require regular follow up to assess progress in execution of their activities.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling up		
Facilitate linkages with buyers and the development of business plans for dam fishing groups	NPCO, Zobas	10/2019

Quality of Beneficiary Participation

Rating: 4

Previous rating: 4

Justification of rating

The mission interacted with the project beneficiaries and noted that they had been involved reasonably right from the point of activity planning feeding in to the development of the AWPB. It was also observed that they were present and active at the various levels of activity implementation using the Zoba administrative structures. Community groups and cooperatives were already at various levels of mobilisation and formation and several of them were being prepared for capacity building and equipping.

Main issues

While communities had taken up the responsibilities of participating in mangrove restoration and conservation through groups, and equally so in undertaking work around the dam catchment sites, the mission identified the need of enhancing their capacities in the following:

- Organisation and management: There is scope to enhance community participation in business planning for each activity rolled out by the project to enable them get a better understanding of their roles and responsibilities particularly in managing the public good interventions. While it is important to appreciate that utilisation of resources like fish and water in dams is good for all, there is need to be organised in a way that the community can step in to restore, rehabilitate and or replenish fish stock in the absence of project /government led initiatives. This will enhance the project's ownership and sustainability.
- Record keeping: To be able to move from a subsistence to market led level of doing business, it will be important that the groups are equipped with requisite record and financial management skills. This can be imparted onsite by the Zoba extension officers.
- The team is encouraged to establish feedback loops to enable beneficiaries assess and guide the support they obtain from the project, and to enable the team to further customize its support to the demands of its target groups.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling up		
Beneficiary training The project should train community groups and cooperatives on development of business plans that would ensure that communities are able to see activity interventions as sustainable and profitable business opportunities.	NPCO/Zoba	12/2019

Responsiveness of Service Providers

Rating: 4

Previous rating: 4

Justification of rating

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Main issues

Most activities are directly implemented by the NPCO, the ZPCOs, with strong involvement and integration in the decentralized government structures at the Zoba, Sub-Zoba, and Kebabi levels. In view of the low recovery of the in-kind loans for equipment provided under the IFAD supported Fisheries Development Project (closed in 2017), the CSU is launching a reflection on the lessons, to make recommendations how its services can be better tailored to the needs of its clients.

Most service providers (particularly those supplying goods and services) deliver in time and in good quality in line with the requirements, as confirmed by the procurement review. This function will be reviewed continuously as the project engages more with other service providers.

Environment and Natural Resource Management

Rating: 4

Previous rating: 4

Justification of rating

Good progress has been achieved in the rehabilitation of mangroves, terracing around dams, afforestation using Halophytes, establishment of dam user manuals and groups to manage dams. Communities around mangroves have

elaborate by laws guiding the fishing, conservation of mangroves and management of the resource. To better promote sustainable land management (SLM) around dams, there is need to integrate SLM in dam management plans. For communities around mangroves, development of business plans articulating income generation opportunities and a marketing plan as well as sustainable resources management guidelines would enhance better resource utilisation, ownership and benefit sharing.

Main issues

Field visits revealed that communities around islands such as Dahlak are facing challenges in accessing wood fuel due to recurrent drought or dry conditions. As a result, there is increasing destruction of natural forests, increasing the likelihood of accelerated climate change. To address this concern, the project has innovatively developed a prototype energy saving cook stove that makes use of the invasive weed *Prosopis juliflora*, which is now prevalent in most project areas. The utilisation of the weed for provision of household energy would contribute to efforts towards managing or containing it. The mission encourages this innovation and also encourages the project to learn from the piloting experience in order to be better informed about improvements that maybe required in the design and costing of the stove. Learning from neighbouring countries where improved cook stoves are widely used may also inform the product development and cost reduction.

Dams are having a positive impact in communities by providing water for irrigation and domestic use throughout the year. Those dams that are stocked with fish are also providing alternative protein sources. As the need for irrigation grows, more structured water utilisation and abstraction arrangements will be required to ensure equitable use by all. The project team should liaise with relevant departments to ensure that these arrangements are clearly articulated and entrenched within the dam user manuals, and implemented in groups and by local administration. Furthermore, some of the terraces in dam catchments require rehabilitation for optimal soil stabilisation and control of soil erosion.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling up		
Capacity of community based groups Ensure that community based groups such as mangrove conservation groups have adequate capacity, structures and mechanisms as well as incentives to enhance sustainable utilisation and conservation of resources and to promote equitable benefit sharing.	NPCO, Zobas, MMR	12/2018
post-harvest fish losses and waste Explore feasible mechanisms and invest in management and processing of post-harvest fish losses and waste e.g. production of animal feeds.	NPCO, MMR	01/2019
Develop and integrate aquaculture development guidelines within the MoA dams' user manual	MoA, MMR, Zobas	03/2019
prototype stove Develop and test the prototype stove in selected communities and develop a more cost-effective prototype that can be rolled out at scale.	NPCO	10/2019

Exit Strategy

Rating:

Potential for Scaling-up

Rating:

c. Project Management

Quality of Project Management

Rating: 3

Previous rating: 3

Justification of rating

The mission assessed project management as one being well integrated into the relevant government institutions in the

various decentralised structures (Zoba, Sub-Zoba and Kebabi), with the MMR playing its role as the lead executing agency, assuming the overall management responsibility. However, there is an urgent need to enhance planning and analyses, feedback and lessons from the M&E system and accelerate procurement activities to speed up implementation and disbursement.

On achievement of key activities, the PIM has been revised and needs to be submitted for no objection. The finalisation of the baseline survey has been extended to be finalized by the end of May and the NPCO is following up to ensure compliance. Two procurement officers have been recruited since the last mission and have been trained. The mission was however informed of the need of recruiting one additional finance officer to assist the financial management function. Due to the fact that most of the officers have been recently recruited, most of them have expressed need for building their technical capacities through training either locally or abroad.

Main issues

The mission observed dedication and commitment in project management geared towards improvement of project implementation. However, some challenges require attention to enhance overall implementation performance.

As provided for in the Financing Agreement (FA), the Programme Steering Committee (PSC) is supposed to meet at least twice a year, and the Programme Technical Committee (PTC) is expected to meet quarterly. This is critical for unlocking implementation bottlenecks as well as providing oversight and guidance to the NPCO and approval of AWPB. However, the NPCO was unable to share with IFAD the minutes of these meetings. It has been agreed that the NPC as Secretary should ensure that these meetings are regularly held and minutes shared with IFAD.

The mission appreciated the distances and the difficult terrain in accessing some of the project sites. It was however observed that the project does not dispose of vehicles required to ensure proactive engagement and communication with its implementing partners, and thus adversely affects efficiency and effectiveness in implementation. This is exacerbated by limited scanning and internet connectivity, which needs to be urgently improved for the project to operate smoothly. The absence of these assets leads to delays in implementation, slow disbursement rates and inadequate performance of the M&E function. It has been agreed that an appropriate vehicle and internet access for the NPCO and Zoba Offices be procured without delay, to be used for monitoring, communication and smooth implementation of the project.

Agreed Action	Responsibility	Agreed Date
Project Management		
Finalisation of the PIM The PIM should be finalised addressing IFAD's comments.	NPCO	11/2018
Staff turnover A solution should be presented to mitigate the high turnover of staff (such as possible incentives) or ensure quick recruitment of replacement officers.	MMR	01/2019
Finalisation of PIM Share the finalised PIM with IFAD for inputs and comments and granting of no objection after a review and approval of the PSC.	NPCO	05/2019
Procurement of Vehicles Include procurement of vehicles in the procurement plan	NPCO	05/2019
Internet and scanners Initiate the process for procuring equipment necessary to strengthen internet and scanning capacity	NPCO	05/2019
Implementation support Develop TOR in consultation with the NPCO and deploy a project management and technical specialist	IFAD	06/2019
Baseline survey Follow up on baseline survey finalisation by service provider and share with IFAD for comments and no objection	NPCO	06/2019
Programme Steering and Technical Committees Ensure that both PSC and PTC are convened as stipulated in the financing agreement, and that minutes are kept and submitted periodically to IFAD	NPCO	06/2019

Knowledge Management

Rating: 4

Previous rating: 3

Justification of rating

So far, the M&E team designed a knowledge management strategy and incorporated activities and budget in the 2019 AWPB. Although activities have started, the concept and importance of knowledge management is yet to be fully understood and embraced at all levels. There is scope to enhance learning systems and ensure that lessons are documented and brought to higher levels, i.e. through the programme technical and steering committees, which so far operate rather informally.

Main issues

The programme has produced communication materials to effectively streamline key messages across implementing teams as well as towards its target groups, while specific media materials ensure public visibility of the programme. There is, however, scope to enhance the information sharing mechanism between NPCO and ZPCOs. While the M&E teams at NPCO and ZPCO level meet on a quarterly basis to share information on data collected, regular meetings of the technical committee will need to be organized to allow to reflect inclusively on implementation and capture lessons learned on a regular basis. Senior management is encouraged to champion a continuous culture of reflection and learning, based on

evidence, rigorous analysis and documentation of lessons learned. Particularly, the development and review of the AWPB represents an opportunity to promote inclusive and mutual learning, while facilitating collaboration between the M&E, procurement, financial management and technical teams.

With the improved internet connectivity, a simple information management system (intranet or cloud-based) would facilitate access to knowledge and information, including on lessons and good practice, regarding key thematic areas such as cooperatives/enterprise groups, climate change adaptation and mitigation, as well as gender and youth empowerment and nutrition.

In addition, IFAD stands ready to support exchange visits to and with projects in other countries, and specific south-south triangular cooperation opportunities to foster peer-to peer exchanges both, between staff involved in programme delivery, as well as at the level of the beneficiaries.

Agreed Action	Responsibility	Agreed Date
Project Management		
Knowledge Management Strategy NPCO M&E Specialist to develop the KM Strategy with guidance from IFAD.	NPCO in liaison with IFAD	08/2018
Put in place a quarterly reflection meeting with ZPCOs and NPCOs after data collection	M&E	06/2019
concrete proposals for SSTC initiatives Develop, in consultation with IFAD, concrete proposals for SSTC initiatives and exchange visits with other projects supported by IFAD to address key technical challenges, involving programme staff, implementing partners, community members, as well, if relevant, the political leadership	NPCO	07/2019
Elaborate a basic information management system	M&E, NPCO	10/2019

Value for Money

Rating: 4

Previous rating: 4

Justification of rating

While this mission confirms the previous mission's assessment that strong institutional structures and alertness for cost effectiveness guide utilization of funds overall, implementation delays and focus on a number of small pilot activities so far risk leading to an unfavourable ratio between project cost and outputs/outcomes overall. While this prompts the urgent need for management to accelerate disbursement for outcomes and results at scale, the team will need to put in place effective systems that ensure the ex-ante and ex-post assessment of any investment made under the project to ensure that they optimize outreach and outcomes, sustainability and financial viability and return on investment. This may include an assessment of training proposals and trainers delivered through the public extension system, as well as the need for sound business plans, backed by rigorous financial analyses, for planning and subsequent monitoring, analyses and further optimization based on lessons learned.

Agreed Action	Responsibility	Agreed Date
Project Management		
Computing of Cost Ratios Next IFAD Mission should work with the NPCO and ZPCOs to compute the different cost ratios.	IFAD Mission Leader	11/2018
Compute cost ratios for all outputs with support by IFAD	M&E	10/2019
Review and assess training proposals with regard to their effectiveness and value for money	M&E	10/2019

Coherence between AWPB and Implementation**Rating: 2****Previous rating: 2****Justification of rating**

The mission has observed that FReMP has had a slow start and pace of activity implementation. While as the activities are in line with the PDR provision and execution strictly following the laid down regulations, most of the 2018 AWPB was rolled over to the current AWPB. Reasons for these delays are attributed to slow procurement, unrealistic planning, and to some extent delayed execution of contracts due to operational challenges of contractors, as well as limited mobility and access to internet connectivity. While the mission commends MMR for enhancing the capacity of the procurement team, it will be crucial to enhance attention to planning, contract management, and to address the logistic and communication bottlenecks of the implementing teams. It was also noted that the NPCO invests a lot of energy on a large number of pilot activities, which are partly not captured in the AWPB and thus (i) lack a clear planning for scaling up; while (ii) diverting focus from the immediate priorities that would lead to disbursement and thus outcomes at scale.

AWPB Inputs and Outputs Review and Implementation Progress

From January to end of April 2019, a review of the performance of the AWPB shows that only a few of the activities planned for this period have been accomplished with most of the activities being at various levels of implementation with an estimated performance rate of about 10%.

The M&E team is in charge of compiling the AWPB and a coherent participatory mechanism is in place during consolidation. However the procurement division and financial management should be involved in the entire process of consolidation to ensure that the AWPB is realistically feasible to achieve within the specific timeframe. So far, there are delays in implementation, as it did not take into consideration the procurement procedures.

Among the activities undertaken include formation of eight youth fishing cooperatives in the selected dams, eight women processing enterprises in the selected dams established, and training of twenty one MMR and Zoba extension officers as TOTs on nutrition for one month. A review of implementation of the agreed action during the previous mission also show that whilst all of them have been initiated, most of them are yet to be finalised to their most logical conclusion and are at various levels of being implemented. A critical analysis shows that most of these processes are within the realm of procurement and hence the need to make this function more efficient.

In terms of financial progress, FReMP has spent US\$0.2 million out of the US\$7.0 million planned in the 2019 AWPB. This low expenditure further reflects the low performance in the physical progress of some of the planned activities. It is important that moving forward, the planning should also be rational to align to the capacities and conditions in which the project is operating while staff capacities are continuously built to increase efficiency.

Agreed Action	Responsibility	Agreed Date
Project Management		
AWPB Revision Propose revision of 2018 AWPB to match the activities and targets with the capacity of staff to deliver.	NPCO	07/2018
AWPB Undertake a revision of the AWPB and PP to ensure realistic planning, and greater focus on big ticket items and share the draft with IFAD for comments .	NPCO	05/2019

Performance of M&E System**Rating: 3****Previous rating: 3****Justification of rating**

The M&E system remains at its early stage and after a training held in November 2018 for all M&E officers at ZPCO and NPCO level- an excel spreadsheet was elaborated, which is currently used to capture data on outputs. The NPCO intends to procure an M&E module as integral part of the Financial Management software. There is an adequate M&E plan and data are collected monthly and on a quarterly basis with adequate and reliable information. The M&E officers at NPCO and ZPCO level meet on a quarterly basis. There are delays in data collection from the extension officers to the ZPCO who then send it to the NPCO for consolidation. The data for 2018 and the first quarter of 2019 have been updated into the logframe and progress against the AWPB 2019 was updated.

M&E System Review

The M&E team at NPCO level is well aware of M&E guidelines and procedures and has a coherent method of collecting data and follow the excel spreadsheet to track achievements before presenting their report to the management team on a monthly basis. All M&E officers meet quarterly to compile data for the quarterly report and to discuss findings as part of Knowledge Management. It is commendable that implementing agencies and ZPCOs collect data segregated by age, gender, education and region. In addition, the Human Resources Development Division of MMR has tracked data on training provided since 1992.

The baseline survey has been commissioned and will be shared by the end of May 2019. Thus far, delays continue to occur when collecting the data and it was noted that the Minister issued a circular to all implementing partners to ensure compliance with reporting requirements, which is expected to reduce delays.

The programme is at the early stage (before MTR) and continues to be dependent on paper-based data reporting. Data quality issues add further delays in capturing progress and performance data of the programme. To better capture the outcomes, an IFAD consultant was hired by IFAD and held an M&E training and elaborated an MIS system through a standardized MS excel tools together with the ZPCOs and NPCO in November 2018.

It is recommended to systematically analyse the outcomes and outputs of the project according to the AWPB 2019 by capturing data on a quarterly basis according to the logframe and to put in place a mechanism of systematic review of the effectiveness of the above-mentioned trainings. The M&E team also needs to provide reflection and analysis of the data to better capture from the outputs towards the outcomes.

Going forward, the M&E officers will consolidate the data and provide evaluation of the findings. It is recommended to explore ways to have systematic (quarterly) access to data and share with IFAD and to procure software, which combines both financial and M&E modules.

Agreed Action	Responsibility	Agreed Date
Project Management		
Monitoring & Evaluation Revise the ToRS of the M&E TA Consultant to include a more participatory M&E System design process that will focus on standard data capturing and reporting procedures of performance indicators. Moreover, include environmental and climate monitoring procedures and indicators as part of the M&E System before sending for a No Objection.	MMR and NPCO	11/2018
Monitoring & Evaluation Set-up a sound M&E System, and develop and conduct a targeted M&E training programme focused on its operationalisation.	NPCO, ZPCOs & IFAD	12/2018
Baseline Study Conduct a FReMP baseline study covering the totality of the Programme target areas.	NPCO and ZPCOs	12/2018
Information Management Database Initiate the creation of a standardized excel based information management database through simple MS Excel tools and fill it with all beneficiaries data that includes attributes to allow to measure outcomes and impact in the future.	MMR and NPCO	01/2019
Finalize the Tors for Financial management software including the M&E module	M&E	05/2019
Ensure that the data are collected and updated timely on a quarterly basis and share with IFAD liaison officer	M&E	07/2019

Justification of rating

FREMP has a SECAP review note that was prepared at the design stage of the project. Being a category B project, it is required that an Environment and Social Management Plan (ESMP) and its monitoring plan be developed to mitigate negative risks and enhance positive outcomes. The project has developed ToRs for the ESMP, which IFAD will review and provide inputs to in order to guide the final development of the ESMP. Comments to improve the ToRs were shared with the NPCO during the mission and the IFAD SECAP ESMP template also shared.

SECAP Review

The environmental and social risk levels of FREMP are Medium, and the climate risk moderate. ToRs for an ESMP and a basic climate risk analysis have already been developed and are under reviewed by IFAD. The results of the climate risks assessment will provide guidance on how to strengthen climate adaptation and mitigation interventions within the project. Field visits by the mission revealed the need to mitigate potential negative risks currently experienced by the project. These risks include but are not limited to: solid waste management around the sea, sedimentation and siltation in dams, trampling around dams by animals, rehabilitation of terraces around dams, deforestation of natural forests to access wood fuel, scaling up of cage culture in the sea, water quality management and water abstraction regulation around dams, diseases such as diarrhoea in children due to sanitation and hygiene, women having to walk longer distances to look for water and wood fuel, loss of livestock such as goats due to lack of forage especially in the dry seasons, and lack of protective clothing for beneficiaries conserving the mangrove forests, etc. the project should finalise the ToRs, and develop the ESMP and its monitoring plan, whose key indicators of which should be included in the operational M&E framework system for ease of follow up.

The ESMP's draft ToRs are quite elaborate and upon review, the scope of work can be improved upon to include a summary of environmental and social impacts (e.g. socio economic, health, bio physical, livelihood etc.), proposed mitigation measures, measures to enhance positive impacts, responsibility, monitoring indicators and frequency of monitoring, reporting arrangements, timelines, implementation arrangements, costs and budget, as well as capacity development needs. The shared template provides further details on required information.

Additionally, during a follow up meeting with the GEF focal point in MoLWE, the mission was informed that if IFAD seeks to have GEF 7 resources, it will be obligatory to undertake an Impact Assessment of the project and develop an Environment Management Plan in line with the National Environmental Assessment Procedures and Guidelines Eritrea. The Impact Assessment should focus on the specific interventions or Zobas that will be targeted for GEF financing.

Agreed Action	Responsibility	Agreed Date
Project Management		
Develop an Environment and Social Management Plan and its Monitoring Plan Share ToRs with IFAD for review and comments by 31/12/2018	NPCO, MoLWE, Zoba	02/2019
Develop ToR and undertake an impact assessment of the GEF funding target areas in collaboration with MoLWE	NPCO/WoLWE	07/2019
development of the ESMP Finalise the development of the ESMP and its monitoring plan and ensure key indicators are included in the operational monitoring. The activity should be captured in the AWPB and Procurement Plan.	NPCO	10/2019

d. Financial Management & Execution

Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$1,351,000		
	National Government	\$1,417,000		
Co-financing breakdown,	Food and Agriculture Organization of the United Nations	\$500,000		
	Global Environmental Facility	\$7,890,000		
	Germany	\$11,550,000	\$0	0.0%

Acceptable Disbursement Rate

Rating: 4

Previous rating: 4

Justification of rating

The project is in its third year of implementation and the disbursement rate of IFAD funds is at 22.6%. IFAD funds in the amount of SDR 2,433,175.20 have been disbursed, including the advance to the designated account which amounts to SDR 1,825,563.73 (USD 2.5 million). The disbursement performance for IFAD's funds is moderately satisfactory based on the expected disbursement profile, however the rating does not reflect the German supplementary funds, which have not yet disbursed. Project expenditure in the amount of SDR 607,611.47 (USD 845 605.29) has so far been recorded in IFAD's systems against the IFAD grant.

Main issues

The low rate of execution of the project's AWPBs and lengthy procurement processes are the main constraining factors to FREMP's disbursement performance.

The project has submitted altogether three withdrawal applications against the IFAD grant since entry into force. WA3 covering expenditure to October 2018 was paid by IFAD on 29 April 2019. IFAD's requirement to submit WAs on a quarterly basis or upon 30% utilisation was highlighted during training provided to NPCO finance staff in January. WA4 for approximately USD 350,000 is in preparation and expected to be submitted shortly.

IFAD has not been able to disburse the first tranche of German funds, foreseen to be paid in 2018. The first withdrawal application (WA) first submitted in January 2019 was rejected by IFAD due to erroneous information on the funding source. The WA was corrected and re-submitted in March 2019, however IFAD's payment on 4 April 2019 was returned to IFAD's Treasury at the end of April due to bank transfer problems, since despite the project having opened a Euro designated account for the German funds with Bank of Eritrea, as foreseen in the financing agreement, there is currently no mechanism for Euro to be transferred to bank accounts in Eritrea. To resolve this problem and ensure rapid receipt of German funds, the mission recommends amending Section B paragraph 3 of the re-stated financing agreement as regards the currency of the German designated account, opening a designated account in USD with notice to IFAD, and re-submitting WA1 on the German funds to IFAD with the correct USD banking instructions. A letter requesting the amendment should urgently submitted to IFAD.

IFAD will revise the Letter to the Recipient (LTR) to align the IFAD/ German fund imprest modalities, and the authorised allocation for the German funds will be set at USD 2 million. The IFAD and German funds should be drawn down on a pro rata basis to the extent feasible. The detailed methodology for charging expenditure to the different funding sources will be indicated in the revised LTR. Operating costs (allowances, fuel) for training should be charged to category IV (Training), whereas NPCO running costs including for travel should be charged to category VI (Operating costs).

If bank transfer delays are foreseen with payments in hard currency (USD, Euro, Japanese Yen if relevant), the project may use the Direct Payment methodology for expenditure above USD 100,000, as specified in the LTR. If significant delays are expected for urgent payments below the Direct Payment threshold, IFAD may agree exceptionally to waive the threshold. Request for exceptions should be addressed to the CPM, with the related motivation.

The adoption of e-disbursement through the IFAD Client Portal (ICP) in Eritrea would accelerate disbursement processing and allow the project to view the progress of withdrawal applications submitted. In the meantime, the project should submit to IFAD names and contacts of staff required to receive debit advices for disbursements.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Revision of LTR: alignment of imprest modality for IFAD and German funds; clarification of banking arrangements at NPCO and ZPCO levels for IFAD and German funds; currency of DA for German funds	IFAD	05/2019
Designated bank account for German funds to be opened in USD, with notice to IFAD; WA1 to be re-submitted to IFAD with corrected banking instructions, in the amount of USD 2 million as specified in the revised LTR	NPCO	05/2019
Official request signed by MoF to amend section B para 3 of the financing agreement (currency of the DA for the German grant); financing agreement amendment	NPCO, IFAD	05/2019
Clarified drawdown mechanism for German funds to be reflected in the LTR and PIM	IFAD, NPCO	05/2019
Internet capacity to be strengthened at ZPCO	ZPCOs	06/2019
Internet capacity to be strengthened at NPCO to enable adoption of IFAD's Client Portal (ICP) and other improvements	NPCO	06/2019

Fiduciary aspects

Quality of Financial Management

Rating: 3

Previous rating: 3

Justification of rating

Most agreed actions from the last mission have been implemented, including capacity building of finance staff, adoption of systems for recording counterpart and beneficiary contribution and timely reconciliations of the designated account. The key recommendation not implemented is the procurement of a multi-donor, multi-site accounting software, which limits the NPCO's financial management capacity and efficiency. Internet strength is another significant constraint to efficient FM, as it limits communication between the project and IFAD, reduces the potential of the software and prevents the implementation of the IFAD Client Portal (ICP). Further improvements to supporting documentation are required.

Main issues

The NPCO finance unit is staffed by a Financial Controller and Accounts Assistant. Both have taken IFAD's FM certificate and had training by a consultant in 2019, as did zoba finance staff. TO further strengthen capacity, NPCO finance staff will be invited to an IFAD FM workshop to be held later in 2019. Strong controls are in place, however two finance staff are insufficient for segregation of financial tasks and an additional accountant is required. The current software used is unsatisfactory, hindering FM performance. Procurement of a new multi-fund software is very urgent before the arrival of German funds, to avoid co-mingling of funds. IFAD is supportive of management's desire to purchase a system integrating accounting, procurement and M&E and urges for this to be fully use by end of June 2019. Internet is a severe constraint to financial management, limiting efficiency and IFAD's ability to provide support to NPCO finance by email. Strengthening internet at zoba level would also greatly improve efficiency, enabling automatic consolidation through the multi-site software to be procured. Weak connectivity will also delay implementation of ICP and NOTUS, which would make it possible for the project to submit WAs and no objections electronically and their status transparently. For efficiency, finance must have a scanner able to process lengthy documents in single, compressed, files.

Financial transactions are posted daily in accordance with IPSAS cash. With regular NPCO follow-ups, delays in bank reconciliations at zoba level have been resolved and the DA is reconciled monthly. The unforeseen absence of the finance staff during the mission due to a sudden bereavement prevented the 31/3/19 DA reconciliation being shared, this should be sent to IFAD before 20/5. WA3 supporting documentation was reviewed for a total amount of 46% of claimed expenditure (USD 350,778). Documentation was mostly adequate, but improvements are required, including: (i) signed payment vouchers must systematically be attached; (ii) invoices must be stamped 'paid'; and (iii) training expenditure should be supported by approved copy of training report. An unpaid invoice to Massawa Can Making Plant (USD 1,025) was claimed under SOE, which is not acceptable. This amount will be deducted from IFAD's payment of WA4. Sales tax was paid with IFAD funds in one case, a breach of the financing agreement which must be strictly avoided.

The mission met the CSU manager and staff. FREMP expenditure used for CSU activities should be included in the scope of FREMP's annual audits.

The project maintains an asset register, which must be provided to the auditors for the 2018 audit. The mission was informed that assets are tagged and that an inventory was carried out end of 2018, however systems in place could not be physically verified and a further review will be required by the next mission.

A team composed of Finance, M&E, Admin and Research staff has devised a system for calculating in-kind counterpart and beneficiary contributions. These are posted to the accounting software using journal vouchers. Detailed reporting on in-kind contributions should be provided to the auditor for review. The project was reminded that Interim financial reporting is mandatory, as specified in the LTR section G. Contract monitoring forms must be used for contracts payable in instalments.

The mission was informed that FReMP was subject to internal audit in 2018 and that reports are on file in the local language, but the internal auditor was unavailable. Further information is to be obtained at the next mission.

The project's FY2018 will be audited by Ibrahim Isaac, as for FY2017. The 2018 statements have been submitted to the auditor whose report is expected to be completed by end of May.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Internal Audit Request the MMR Internal Audit department to include FReMP in their annual rolling internal audit plans.	Fin Controller & Coordinator	10/2018
Submission to IFAD Senior Finance Officer of contacts to receive debit advices by email	NPCO finance unit	05/2019
Submission of FY2017 management letter to IFAD	NPCO finance unit	05/2019
Accounting System Procure and install a fully tested accounting software which is successfully being used by other IFAD funded programmes	NPCO	05/2019
IFAD to recover amount of unpaid invoice to Massawa Can Plant erroneously claimed in WA3 under Civil Works (amount = USD 1.025)	IFAD	05/2019
Submission of DA reconciliation as at 31 March 2019; submission of asset register	NPCO finance unit	05/2019
Submission of WA4	NPCO	05/2019
CSU expenditure funded by FREMP to be covered in the scope of FREMP audits	NPCO, Auditor	06/2019
Additional accounts assistant to be hired to support the finance unit and ensure appropriate segregation of duties	NPCO	06/2019
Timely submission of FY2018 audit report, complete of management letter; scope to cover CSU and in-kind contribution calculations	NPCO	06/2019
Bi-annual submission of interim financial reports to IFAD in line with LTR	NPCO finance unit	08/2019
Improved supporting documentation:, in particular invoices to be stamped 'paid', systematic evidence of voucher approvals (signatures), evidence of adequate documentation of staff travel and beneficiary training expenditure	NPCO finance unit	08/2019
NPCO finance staff participation in IFAD Training event	NPCO	09/2019
Facilitate implementation of ICP: strengthened internet at NPCO; ICP pre-assessment (official emails for approvers)	NPCO, IFAD	

Quality and Timeliness of Audit

Rating: 4

Previous rating: 4

Justification of rating

Audit report compliant with requirements, but submitted with one month delay

Main issues

The Audit report is prepared in accordance with ISA. It contains three separate opinions on the FS, SoE and DA. The notes to the FS adequately disclose the principles used in preparation of the FS and information pertaining to the sources and uses of funds; however, the Government Counterpart Fund is not supported by adequate breakdown of costs. The rating is affected by the late submission of the audit report (30th August 2018), and the lack of ML. The project's list of assets is not included in the notes. The Auditors provide an opinion on the internal control system (considered to be adequate) but the audit report is not accompanied by the Management Letter.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Budget In the period under review, unlike what was initially planned, only 10% of the earmarked budget has been utilized for intended purpose. As budget is a yardstick, which measures performance, we recommend that due care should be taken in preparing the budget to make it as realistic as possible and thereafter tireless efforts have to be carried out to meet the target set within the time frame agreed upon.	FReMP's Management	
Internal Control Supporting documents were not stamped "paid" contrary to the norm of business practice. To strengthen internal control and avoid possible duplication of payments, all supporting documents must be stamped "paid". The stamp has to provide space where reference of documents will be incorporated therein.	FReMP's Management	

Counterparts Funds

Rating: 5

Previous rating: 4

Justification of rating

The project is rated satisfactory for counterpart funding, which is provided in kind.

Main issues

Government's overall contribution to FREMP was estimated during design at an amount equivalent to approximately USD 1.417 million. Of this amount, based on the project's financial reporting, USD 495,183.92

(35%) has already been provided to date. Government contribution is provided in kind, mostly in the form of salaries of organic staff on payroll, office space, utilities and exempted tax. The project has put in place a system for calculating in-kind contributions on the basis of assumptions established by a dedicated team (finance, M&E, Administration and Finance and research staff). Detailed information on Government in-kind contributions is included in the scope of the external audit.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Beneficiaries contribution The PCO to establish a proper and consistent system for capturing and reporting in kind beneficiary contribution. Ensure that the system is consistently applied at PCO and ZPCO level.	NPCO and ZPCOs	12/2018
GoE contribution The PCO to establish a proper and consistent system for capturing and reporting Government contribution in terms of salaries of all project staff, office space and contribution to civil works and other activities. Ensure that the system is consistently applied at PCO and ZPCO level. The GoE contribution shall be fully reported in the final annual report.	NPCO and ZPCOs	12/2018
Detailed reporting on Government in-kind contributions to be submitted to auditor for review as part of 2018 audit Government Counterpart Fund	NPCO	05/2019
The audit report to disclose the procedures used by NPCO for reporting of domestic contribution, including in-kind contribution. The notes to the FS shall also disclose the breakdown of Counterpart Fund (i.e. time-salaries). Counterpart Funds	Auditor	06/2019

Compliance with Loan Covenants

Rating: 4

Previous rating: 5

Justification of rating

While on the whole the mission observes the strict adherence to the key covenants of the Financing Agreement, it was observed that the Programme Steering Committee (PSC) and the Programme Technical Committee (PTC) had not met as prescribed. Furthermore, it was observed that the programme was yet to procure project vehicles which by extension hampers the smooth and timely activity implementation whereas article 7.11 of IFAD's General Conditions annexed to the Financing Agreement require the Borrower/Recipient to take all necessary or appropriate action within its powers to enable and assist the Lead Project Agency and any other Project Party to perform its obligations under an Agreement. The project's unaudited financial statements were not submitted to IFAD within four months of the end of the fiscal year, as required by article 9.02. of the General Conditions. Furthermore, Schedule 2 of the financing agreement states that IFAD financing is provided net of taxes. It was noted in one case that sales tax was covered as part of an expenditure submitted under SOE as part of WA3, this practice should be avoided in future. These observations led to the lowering of the rating to 4.

Procurement

Procurement

Rating: 3

Previous rating: 3

Justification of rating

Project Procurement is rated moderately unsatisfactory due to a number of weaknesses identified during the mission, such as strong delays in the implementation of the procurement plan, the absence of national procurement regulations and the insufficient capacity to draft complete and adequate technical specifications, as detailed in the procurement review below.

Procurement Review

Structure of Procurement Unit: The NPCO Procurement Unit (PU) is based in Asmara and counts a full-time Procurement Controller and Procurement Assistant. 3 more Procurement Officers (POs) assist the staff when needed. Each ZPCO counts a PO handling activities < USD 1,000.00 via Shopping and Direct Contracting. The PU prepares a consolidated

procurement plan (PP) by receiving PPs from all ZPCOs POs. As these PPs are often incomplete, the ZPCO POs' capacity on procurement planning has to increase.

Procurement Plan: the structure of the PP improved since the last mission, as all activities in the 2019 PP are now traceable to the AWPB. Yet, 4 civil works are procured via Force Account and not ICB, and the Programme did not receive IFAD NO for this deviation from the approved PP. The Programme will:

1. request IFAD NO to use Force Account;
2. amend the 2019 PP accordingly; and
3. receive IFAD NO before any future deviation from approved procurement methods.

Due to unforeseen circumstances, documents related to the civil works could not be made available to the mission.

The PU keeps an updated PP, but the scale of activities and timelines for implementation are unrealistic – as only 3 activities were concluded in 2018 - with many others being moved to the 2019 PP. One leading cause is the lack of inputs from the PU during drafting of the AWPB, resulting in an overambitious work plan and low execution rate of the AWPB. Also, the 2019 PP does not fully match IFAD requirements (i.e. goods/works listed together and procurement thresholds not shown). The Mission shared an IFAD template and the PU will revise the PP accordingly.

Procurement Initiation and Specifications: One major cause of delay is the small amount of requisitions it gets from users. Also, the users' capacity to draft complete and appropriate technical specifications is weak, resulting in bidding documents incapable of attracting an adequate number of bids. Consequently, some activities were re-advertised, further adding to the slow implementation of the PP. The Programme will hire a Specialist to support with procurement/installation of key infrastructure. The Specialist will be experienced in donor-founded projects/project procurement and will be based in Massawa, to train/help the users with drafting of technical specifications for goods/works. As the Programme believes only one candidate has the right qualifications for this consultancy, it will request an IFAD NO to hire him via Sole-Source-Selection.

Procurement methods: a sample review of procurement files revealed that, in general, procurement methods are duly followed. Due to unforeseen circumstances, the Mission could not review procurement securities, except for one related to procurement of tool kits. The accepted performance security expired before delivery of the kits, when it should have been discharged 1 year after expiration of warranty.

Procurement of financial management software (FMS): The Programme will seek IFAD NO to procure FMS through Shopping instead of NCB, and amend the 2019 PP accordingly.

Lack of national procurement framework: no Eritrean procurement framework exists yet and the PU is guided only by IFAD Procurement Handbook and Guidelines. As such, the LtR will be revised to reflect direct application of IFAD Project Procurement Framework.

Contract drafting, award and management: contract awards comply with evaluation reports. Signed contracts comply with draft contracts, but in one case the signed contract included clauses not found in the bidding documents and a different place of delivery for the goods. Copies of signed contracts are properly filed and contract register is updated.

Record keeping: documents related to each procurement process are filed in one folder, but sometimes copies of bidding documents, performance securities and correspondence with bidders are missing.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Standard Bidding Documents Develop Standard Comprehensive Bidding Documents for the NCB and shopping procedures.	NPCO	07/2018
Procurement Plans for Zobas Procurement Plans at the Zoba level should be developed and cleared by the NPCO.	ZPCOs/NPCO	07/2018

Capacity Building of Staff Organize a tailor-made procurement training for the Programme's Procurement staff at the NPCO and ZPCOs and other technical persons involved in the procurement process covering the areas of preparation of the bidding documents.	NPCO	10/2018
Support for AWP&B & Procurement Plan Preparation IFAD to provide support during the October Supervision Mission, to review and prepare a comprehensive AWPB and Procurement Plan.	IFAD	10/2018
Hands on Training for Project Team IFAD to provide intensive one week procurement training on IFAD procurement, for the entire project team and Zorba staff involved in the procurement processes	IFAD	11/2018
Revision of procurement plan Revise the procurement plan according to the shared template and submit it to IFAD for review and no objection. The revised procurement plan should present goods and works on separate sheets, list procurement and IFAD prior-review thresholds, and include the following additional activities: 1. Consultancy to support the Programme in procurement and installation of key infrastructure, with a focus on training/help with drafting of technical specifications for goods and works; 2. Consultancy to conduct market assessment and develop marketing strategy both for the marine small pelagic and fish from inland dams; 3. Consultancy to support the preparation of guidelines, simple templates and training modules for the business plans, financial record keeping and effective facilitation of value chain linkages; 4. Procurement of furniture, lab and hatchery equipment; 5. Procurement of vehicles.	NPCO	05/2019
Procurement of FMS Seek IFAD NO to procure FMS through Shopping instead of NCB, and amend the 2019 PP accordingly.	NPCO	05/2019
Procurement of civil works via force account Seek IFAD NO to procure the two solar fish drying facilities and two multi-purpose centres through Force Account instead of ICB, and amend the 2019 Procurement Plan accordingly.	NPCO	05/2019
Record keeping Ensure that all relevant documents pertaining to each procurement process are kept in the same folder.	NPCO	05/2019
Recruitment of Consultant Recruitment of Consultant to support the Programme in procurement and installation of key infrastructure Present detailed justification and request an IFAD NO to recruit the Consultant via Sole-Source-Selection	NPCO	06/2019

Capacity building of staff Organize a tailor-made procurement training for the Programme's procurement staff at the NPCO and ZPCOs, also open to other technical staff involved in the procurement process.	NPCO	07/2019
Standard bidding documents Finish developing comprehensive Standard Bidding Documents for NCB and Shopping procurement methods and submit to IFAD for review.	NPCO	07/2019
Revision of the Ltr Revise the Ltr and the PIM to reflect the absence of a national procurement framework and the direct application of IFAD's Project Procurement Framework by the Programme.	IFAD/GoE	07/2019
Preparation of AWPB Ensure participation of the Procurement Unit in the drafting and finalization of the AWPB, thus ensuring the preparation of a realistic work plan.	NPCO	10/2019
Use of Consulting Firms' Services The Project shall consider the use of Consulting Firms' services instead of Individual consultants for some assignments.	NPCO	
Procurement Plan Update Update the procurement plan whenever warranted.	NPCO	

F. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Ecosystem management Liaise with NAP to conduct training of communities in apiculture and provision of beehives and on livestock fodder harvesting	NPCO	01/2019
Solar drying facilities and multi-purpose centres Recruitment of TA to support the development of solar fish drying facilities and multi-purpose centres	NPCO	03/2019
Ice production Initiate procurement of ice-making machine and present to IFAD for No Objection	NPCO	03/2019
Rehabilitation of earthen ponds in Mai-Sirwa Complete rehabilitation works on the two earthen ponds in Mai-Sirwa to expand the nursery space	NPCO	04/2019

Enterprise groups development Formation of 12 co-operatives/ enterprise groups for small pelagics using the laid-out procedure	NPCO	04/2019
Market survey Complete the small pelagics market survey in the remaining two coastal zobas	NPCO	04/2019
TA/ Service Provider Prepare and share with IFAD the ToRs for TA/service provider to support the project in procurement and installation of key infrastructure, including solar fish drying facility, water desalination and ice plant, including to develop business plans for the new investments. Include this item in the procurement plan.	NPCO	07/2019
Business/ sustainability plan for Mai Sirwa Develop a business/ sustainability plan for Mai-Sirwa, with a clear vision, strategy and measurable targets, to guide the centre's development and operations.	NPCO/World Fish	07/2019
Inputs for small pelagics fishing Procure inputs for 12 co-operatives/ enterprise groups to start production of small pelagics	NPCO	08/2019
Watershed management for inland fisheries Complete the watershed management activities (e.g. terracing) in all the identified dams for inland fishing	ZPCO	08/2019
Market testing for dam fish Initiate small shop outlets equipped with freezers for market testing of fish from dams	ZPCO	08/2019
Watershed management Integrate sustainable land management interventions and guidelines into the dam management plans to enhance watershed management around dams	FREMPNPCO	08/2019
Marketing strategy Share with IFAD the TOR for market assessment and developing marketing strategy both for the marine small pelagics and fish from inland dams.	NPCO	09/2019
CSU strengthening Include in the AWPB activities to strengthen the capacity of CSU in business planning, procurement and delivery of inputs to cooperatives/ enterprise groups.	NPCO	09/2019
Development Effectiveness		

Gender Strategy Develop a gender strategy that will be in alignment with the main gender strategy at the national level.	NPCO (in consultation with IFAD)	10/2018
Gender and Youth Action Develop a gender and youth action plan as a road map to operationalize gender and youth focus under the different FReMP components; the plan should specify the associated costs and should be incorporated in the 2019 AWPB.	NPCO (in consultation with IFAD)	10/2018
Climate risk analysis and vulnerability assessment in both inland and marine fisheries: A ToR will be developed by the programme and shared with IFAD by 31/12/2018 for review, after which the programme will recruit a national consultant to undertake the work and produce a report	NPCO, IFAD	03/2019
Learning exchange visit: Organize learning visit for the programme staff to visit successful climate smart aquaculture and marine fisheries interventions within IFAD's fisheries projects portfolio for learning and possible technology transfer	NPCO, IFAD	03/2019
Submit comments on gender strategic plan	IFAD	05/2019
Climate Risk Assessment Finalise the TOR for the climate risk analysis	NPCO	05/2019
Climate Risk Assessment Provide a consultant	IFAD	06/2019
nutritional outcomes of the project Capture and systematically report on the nutritional outcomes of the project, through focus group discussions	NPCO	09/2019
Climate Risk Assessment Include recommendations in 2020 AWPB	NPCO	10/2019
Logframe Complete the programme Log-Frame with physical outputs achieved to date as per the indicators. deadline ASAP	FReMP M&E Officer	12/2019
Sustainability and Scaling up		
Capacity of community based groups Ensure that community based groups such as mangrove conservation groups have adequate capacity, structures and mechanisms as well as incentives to enhance sustainable utilisation and conservation of resources and to promote equitable benefit sharing.	NPCO, Zobas, MMR	12/2018

post-harvest fish losses and waste Explore feasible mechanisms and invest in management and processing of post-harvest fish losses and waste e.g. production of animal feeds.	NPCO, MMR	01/2019
Develop and integrate aquaculture development guidelines within the MoA dams' user manual	MoA, MMR, Zobas	03/2019
Facilitate linkages with buyers and the development of business plans for dam fishing groups	NPCO, Zobas	10/2019
prototype stove Develop and test the prototype stove in selected communities and develop a more cost-effective prototype that can be rolled out at scale.	NPCO	10/2019
Beneficiary training The project should train community groups and cooperatives on development of business plans that would ensure that communities are able to see activity interventions as sustainable and profitable business opportunities.	NPCO/Zoba	12/2019
Project Management		
AWPB Revision Propose revision of 2018 AWPB to match the activities and targets with the capacity of staff to deliver.	NPCO	07/2018
Knowledge Management Strategy NPCO M&E Specialist to develop the KM Strategy with guidance from IFAD.	NPCO in liaison with IFAD	08/2018
Computing of Cost Ratios Next IFAD Mission should work with the NPCO and ZPCOs to compute the different cost ratios.	IFAD Mission Leader	11/2018
Finalisation of the PIM The PIM should be finalised addressing IFAD's comments.	NPCO	11/2018
Monitoring & Evaluation Revise the ToRS of the M&E TA Consultant to include a more participatory M&E System design process that will focus on standard data capturing and reporting procedures of performance indicators. Moreover, include environmental and climate monitoring procedures and indicators as part of the M&E System before sending for a No Objection.	MMR and NPCO	11/2018
Monitoring & Evaluation Set-up a sound M&E System, and develop and conduct a targeted M&E training programme focused on its operationalisation.	NPCO, ZPCOs & IFAD	12/2018

Baseline Study Conduct a FReMP baseline study covering the totality of the Programme target areas.	NPCO and ZPCOs	12/2018
Staff turnover A solution should be presented to mitigate the high turnover of staff (such as possible incentives) or ensure quick recruitment of replacement officers.	MMR	01/2019
Information Management Database Initiate the creation of a standardized excel based information management database through simple MS Excel tools and fill it with all beneficiaries data that includes attributes to allow to measure outcomes and impact in the future.	MMR and NPCO	01/2019
Develop an Environment and Social Management Plan and its Monitoring Plan Share ToRs with IFAD for review and comments by 31/12/2018	NPCO, MoLWE, Zoba	02/2019
Finalisation of PIM Share the finalised PIM with IFAD for inputs and comments and granting of no objection after a review and approval of the PSC.	NPCO	05/2019
Procurement of Vehicles Include procurement of vehicles in the procurement plan	NPCO	05/2019
Internet and scanners Initiate the process for procuring equipment necessary to strengthen internet and scanning capacity	NPCO	05/2019
AWPB Undertake a revision of the AWPB and PP to ensure realistic planning, and greater focus on big ticket items and share the draft with IFAD for comments .	NPCO	05/2019
Finalize the Tors for Financial management software including the M&E module	M&E	05/2019
Implementation support Develop TOR in consultation with the NPCO and deploy a project management and technical specialist	IFAD	06/2019
Baseline survey Follow up on baseline survey finalisation by service provider and share with IFAD for comments and no objection	NPCO	06/2019

Programme Steering and Technical Committees Ensure that both PSC and PTC are convened as stipulated in the financing agreement, and that minutes are kept and submitted periodically to IFAD	NPCO	06/2019
Put in place a quarterly reflection meeting with ZPCOs and NPCOs after data collection	M&E	06/2019
concrete proposals for SSTC initiatives Develop, in consultation with IFAD, concrete proposals for SSTC initiatives and exchange visits with other projects supported by IFAD to address key technical challenges, involving programme staff, implementing partners, community members, as well, if relevant, the political leadership	NPCO	07/2019
Ensure that the data are collected and updated timely on a quarterly basis and share with IFAD liaison officer	M&E	07/2019
Develop ToR and undertake an impact assessment of the GEF funding target areas in collaboration with MoLWE	NPCO/WoLWE	07/2019
Elaborate a basic information management system	M&E, NPCO	10/2019
Compute cost ratios for all outputs with support by IFAD	M&E	10/2019
Review and assess training proposals with regard to their effectiveness and value for money	M&E	10/2019
development of the ESMP Finalise the development of the ESMP and its monitoring plan and ensure key indicators are included in the operational monitoring. The activity should be captured in the AWPB and Procurement Plan.	NPCO	10/2019
Financial Management & Execution		
Standard Bidding Documents Develop Standard Comprehensive Bidding Documents for the NCB and shopping procedures.	NPCO	07/2018
Procurement Plans for Zobas Procurement Plans at the Zoba level should be developed and cleared by the NPCO.	ZPCOs/NPCO	07/2018
Capacity Building of Staff Organize a tailor-made procurement training for the Programme's Procurement staff at the NPCO and ZPCOs and other technical persons involved in the procurement process covering the areas of preparation of the bidding documents.	NPCO	10/2018
Support for AWP&B & Procurement Plan Preparation IFAD to provide support during the October Supervision Mission, to review and prepare a comprehensive AWPB and Procurement Plan.	IFAD	10/2018

Internal Audit Request the MMR Internal Audit department to include FReMP in their annual rolling internal audit plans.	Fin Controller & Coordinator	10/2018
Hands on Training for Project Team IFAD to provide intensive one week procurement training on IFAD procurement, for the entire project team and Zorba staff involved in the procurement processes	IFAD	11/2018
Beneficiaries contribution The PCO to establish a proper and consistent system for capturing and reporting in kind beneficiary contribution. Ensure that the system is consistently applied at PCO and ZPCO level.	NPCO and ZPCOs	12/2018
GoE contribution The PCO to establish a proper and consistent system for capturing and reporting Government contribution in terms of salaries of all project staff, office space and contribution to civil works and other activities. Ensure that the system is consistently applied at PCO and ZPCO level. The GoE contribution shall be fully reported in the final annual report.	NPCO and ZPCOs	12/2018
Revision of procurement plan Revise the procurement plan according to the shared template and submit it to IFAD for review and no objection. The revised procurement plan should present goods and works on separate sheets, list procurement and IFAD prior-review thresholds, and include the following additional activities: 1. Consultancy to support the Programme in procurement and installation of key infrastructure, with a focus on training/help with drafting of technical specifications for goods and works; 2. Consultancy to conduct market assessment and develop marketing strategy both for the marine small pelagic and fish from inland dams; 3. Consultancy to support the preparation of guidelines, simple templates and training modules for the business plans, financial record keeping and effective facilitation of value chain linkages; 4. Procurement of furniture, lab and hatchery equipment; 5. Procurement of vehicles.	NPCO	05/2019
Procurement of FMS Seek IFAD NO to procure FMS through Shopping instead of NCB, and amend the 2019 PP accordingly.	NPCO	05/2019
Procurement of civil works via force account Seek IFAD NO to procure the two solar fish drying facilities and two multi-purpose centres through Force Account instead of ICB, and amend the 2019 Procurement Plan accordingly.	NPCO	05/2019
Record keeping Ensure that all relevant documents pertaining to each procurement process are kept in the same folder.	NPCO	05/2019

Revision of LTR: alignment of imprest modality for IFAD and German funds; clarification of banking arrangements at NPCO and ZPCO levels for IFAD and German funds; currency of DA for German funds	IFAD	05/2019
Designated bank account for German funds to be opened in USD, with notice to IFAD; WA1 to be re-submitted to IFAD with corrected banking instructions, in the amount of USD 2 million as specified in the revised LTR	NPCO	05/2019
Official request signed by MoF to amend section B para 3 of the financing agreement (currency of the DA for the German grant); financing agreement amendment	NPCO, IFAD	05/2019
Detailed reporting on Government in-kind contributions to be submitted to auditor for review as part of 2018 audit Government Counterpart Fund	NPCO	05/2019
Submission to IFAD Senior Finance Officer of contacts to receive debit advices by email	NPCO finance unit	05/2019
Submission of FY2017 management letter to IFAD	NPCO finance unit	05/2019
Accounting System Procure and install a fully tested accounting software which is successfully being used by other IFAD funded programmes	NPCO	05/2019
Clarified drawdown mechanism for German funds to be reflected in the LTR and PIM	IFAD, NPCO	05/2019
IFAD to recover amount of unpaid invoice to Massawa Can Plant erroneously claimed in WA3 under Civil Works (amount = USD 1.025)	IFAD	05/2019
Submission of DA reconciliation as at 31 March 2019; submission of asset register	NPCO finance unit	05/2019
Submission of WA4	NPCO	05/2019
Recruitment of Consultant Recruitment of Consultant to support the Programme in procurement and installation of key infrastructure Present detailed justification and request an IFAD NO to recruit the Consultant via Sole-Source-Selection	NPCO	06/2019
Internet capacity to be strengthened at ZPCO	ZPCOs	06/2019
Internet capacity to be strengthened at NPCO to enable adoption of IFAD's Client Portal (ICP) and other improvements	NPCO	06/2019

<p>The audit report to disclose the procedures used by NPCO for reporting of domestic contribution, including in-kind contribution. The notes to the FS shall also disclose the breakdown of Counterpart Fund (i.e. time-salaries).</p> <p>Counterpart Funds</p>	Auditor	06/2019
<p>CSU expenditure funded by FREMP to be covered in the scope of FREMP audits</p>	NPCO, Auditor	06/2019
<p>Additional accounts assistant to be hired to support the finance unit and ensure appropriate segregation of duties</p>	NPCO	06/2019
<p>Timely submission of FY2018 audit report, complete of management letter; scope to cover CSU and in-kind contribution calculations</p>	NPCO	06/2019
<p>Capacity building of staff</p> <p>Organize a tailor-made procurement training for the Programme's procurement staff at the NPCO and ZPCOs, also open to other technical staff involved in the procurement process.</p>	NPCO	07/2019
<p>Standard bidding documents</p> <p>Finish developing comprehensive Standard Bidding Documents for NCB and Shopping procurement methods and submit to IFAD for review.</p>	NPCO	07/2019
<p>Revision of the LTR</p> <p>Revise the LTR and the PIM to reflect the absence of a national procurement framework and the direct application of IFAD's Project Procurement Framework by the Programme.</p>	IFAD/GoE	07/2019
<p>Bi-annual submission of interim financial reports to IFAD in line with LTR</p>	NPCO finance unit	08/2019
<p>Improved supporting documentation:, in particular invoices to be stamped 'paid', systematic evidence of voucher approvals (signatures), evidence of adequate documentation of staff travel and beneficiary training expenditure</p>	NPCO finance unit	08/2019
<p>NPCO finance staff participation in IFAD Training event</p>	NPCO	09/2019
<p>Preparation of AWPB</p> <p>Ensure participation of the Procurement Unit in the drafting and finalization of the AWPB, thus ensuring the preparation of a realistic work plan.</p>	NPCO	10/2019
<p>Use of Consulting Firms' Services</p> <p>The Project shall consider the use of Consulting Firms' services instead of Individual consultants for some assignments.</p>	NPCO	
<p>Procurement Plan Update</p> <p>Update the procurement plan whenever warranted.</p>	NPCO	

Facilitate implementation of ICP: strengthened internet at NPCO; ICP pre-assessment (official emails for approvers)	NPCO, IFAD	
Budget In the period under review, unlike what was initially planned, only 10% of the earmarked budget has been utilized for intended purpose. As budget is a yardstick, which measures performance, we recommend that due care should be taken in preparing the budget to make it as realistic as possible and thereafter tireless efforts have to be carried out to meet the target set within the time frame agreed upon.	FReMP's Management	
Internal Control Supporting documents were not stamped "paid" contrary to the norm of business practice. To strengthen internal control and avoid possible duplication of payments, all supporting documents must be stamped "paid". The stamp has to provide space where reference of documents will be incorporated therein.	FReMP's Management	

Fisheries Resources Management Programme

Logical Framework

Results hierarchy	Indicators							Means_of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outreach Outreach	1.b Estimated corresponding total number of households members										
	Household members		40 000	87 500	140	540	0.6				
	1.a Corresponding number of households reached										
	Households		8 000	17 500	28	108	0.6				
	1 Persons receiving services promoted or supported by the project										
	Males		5 600	12 250	60	360	2.9				
	Females		2 400	5 250	80	180	3.4				
	Total number of persons receiving services		8 000	17 500							
Project Goal Contribute to household food and nutrition security and the alleviation of rural poverty	Reduction in prevalence of chronic malnutrition (stunting)							Global Nutrition Report 2015, RIMS baseline and impact surveys, household survey, MTR	Programme start-up and completion	NPCO and Ministry of Health	Political, social and Economic environment are favorable to the fishing and fish farming sector development (A); Macro- economy stagnates (R); Affordable fish products available in large quantities to poor consumers
	Children under 5	50	49	47							
	Percentage increase in household asset ownership							Global Nutrition Report 2015, RIMS baseline and impact surveys, household survey, MTR	Programme start-up and completion	NPCO and Ministry of Health	
	Index		4	10							

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Development Objective Increased incomes and improved nutrition situation for targeted beneficiaries and sustainable management of natural resources	Percentage increase in annual net income of artisanal fishers, processors and traders							MMR Annual Reports; M&E Reports; MTR, PCR	Annually	MMR and NPCO	Increased level of awareness on fish nutritional value and consumption, especially in the inland Zobas (A)
	Income		15	30							
	Land under improved management practices							MMR Annual Reports; M&E Reports; MTR, PCR	Annually	MMR and NPCO	
	Mangrove ha		750	1 500		50	3.3				
	Watershed ha		7 000	16 000		26.2	0.2				
	Increased fish consumption and dietary diversity							Food survey, MMR Annual Reports; M&E Reports; MTR, PCR; Special Studies	Annually	MMR and NPCO	
	kg/pp/per year	0.4	0.7	1.5							
Outcome Production systems for fisheries developed and delivering increased volumes of fish to consumers	Average annual value of all fish delivered to consumers							Programme M&E reports	Annually	MMR and NPCO	Increased fish consumption, especially in the inland Zobas Coastal ecosystems managed and improved
	Value of fish/year	600	1 500	5 000							
	Average annual volumes of all fish delivered to consumers (tons)							Programme M&E reports	Annually	MMR and NPCO	
	Small pelagic (dry) tons	260	2 000	3 800							
	Large fish (wet) tons	1 800	1 840	3 100							
Output Marine fishing cooperatives are established and receive adequate inputs	Number of rural producers' organizations supported							Programme M&E reports	Annually	MMR and NPCO	Supportive Policy and legal framework
	Small pelagic		80	255							
	Large fish	37	40	67							
	2.1.3 Rural producers' organizations supported										
	Rural POs supported	37	120	322							

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Total size of POs										
	Males										
	Females										
	Young										
	Not Young										
	Women in leadership position										
Output Inland fisheries at the target water reservoirs established	Number of watershed management plans above reservoirs established and effectively implemented							Programme M&E reports	Annually	MMR and NPCO	Supportive Policy and legal framework
	Plans		3	15							
	Number of inland fisheries cooperatives/enterprise groups established and operational							Programme M&E reports	Annually	MMR and NPCO	
	Groups		3	15		16	106.7				
	3.1.4 Land brought under climate-resilient practices										
	Hectares of land		7 750	17 500							
Output Small pelagic fish processing/marketing cooperatives supported	Number of viable small pelagic fish processing/marketing cooperatives handling 100 tons of fish loaded							Programme M&E reports	Annually	MMR and NPCO	
	Cooperatives		30	90							
Outcome Viable fisheries enterprises are developed and sustainable	Number of viable primary fisheries enterprises established							Programme M&E reports	Annually	MMR and NPCO	Supportive Policy and legal framework
	Enterprises	41	80	250		8	3.2				
	An umbrella cooperative for marketing small pelagic established and functioning profitably							Programme M&E reports	Annually	MMR and NPCO	

Results hierarchy	Indicators							Means_of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Umbrella cooperative		1	1							
Output Cooperatives/enterprise groups established and receiving assets financing	Percentage of cooperatives/enterprise groups receiving inputs from CCU							Programme M&E reports	Annually	MMR and NPCO	
	Cooperatives	20	40	80							
Output CCU fully established at national and branch levels and providing services to members on a profitable basis	Number of cooperatives receiving and servicing fishing assets through CCU							Programme M&E reports	Annually	MMR and NPCO	
	Cooperatives	41	100	250							

Eritrea

Fisheries Resources Management Programme

Supervision Report

Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 30 April to 10 May 2019
Document Date 30/05/2019
Project No. 2000001144
Report No. 5065-ER

East and Southern Africa Division
Programme Management Department

Appendix 1: Financial: actual financial performance by financier; by component and disbursements by category

Table 1A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Percent disbursed
IFAD grant	15,000	2,996	19.97%
German grant	5,966	-	0.00%
Financing Gap	8,390	-	0.00%
Government*	1,417	495	34.93%
Beneficiaries*	1,351	42	3.1%
Total	32,124	3,533	11%

* in-kind

Table 1B: Financial performance by financier by component (USD '000)

Component	IFAD Grant			German grant			Financing Gap			Government*			Beneficiaries*			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Develop Sustainable Fisheries System	4,958	383	7.7%	26	-	0.00%	6,508	-	0.00%	286	95	33.2%	504	25	4.9%	12,282	503	4%
Fisheries Enterprises Support Services	3,376	47	1.3%	5,940	-	0.00%	128	-	0.00%	445	170	38%	847	17	2%	10,736	234	2.1%
Institutional Strengthening and Implementation Support	6,666	759	11.3%	-	-	0.00%	1,754	-	0.00%	686	229	33.3%	-	-	-	9,106	988	11%
TOTAL	15,000	1,189	7.9%	5,966	0.00%		8,390		0.00%	1,417	495	34.9%	1,351	42	3.1	32,124	1,725	5.3%

*in-kind

Table 1C: IFAD Grant n. 2000001700 disbursements (SDR, as at As March 31, 2019)

Category Code	Category Description	Original allocation	Revised allocation	Disbursed	WA pending	Available Balance	%
200003	WORKS	2 170 000.00	-	34 531.27	-	2 135 468.73	1.59%
200011	EQUIPMENT AND MATERIALS	1 420 000.00	-	122 574.07	-	1 297 425.93	8.63%
200016	OPERATING COSTS	1 040 000.00	-	97 819.28	-	942 180.72	9.41%
200018	SALARIES AND ALLOWANCES	890 000.00	-	36 291.72	-	853 708.28	4.08%
200019	TRAINING	3 060 000.00	-	285 100.46	-	2 774 899.54	9.32%
200021	VEHICLES	1 100 000.00	-	31 294.67	-	1 068 705.33	2.84%
270001	AUTHORISED ALLOCATION	0.00	-	1 825 563.73	-	-1 825 563.73	0.00%
290001	UNALLOCATED	1 070 000.00	-	0.00	-	1 070 000.00	0.00%
TOTAL:		10 750 000.00		2 433 175.20		8 316 824.80	22.63%

Eritrea

Fisheries Resources Management Programme

Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 30 April to 10 May 2019
Document Date 30/05/2019
Project No. 2000001144
Report No. 5065-ER

East and Southern Africa Division
Programme Management Department

Appendix 1: Physical progress measured against AWP&B

Period: 01-01-2019 to 31-04-2019								
Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	AWP&B	Actual	%	Cumulative Actual	Appraisal Target	%
Component 1: Develop Sustainable Fisheries Systems								
<i>Subcomponent 1.1: Develop Marine Fisheries Production and Post-Harvest Systems</i>	Fish drying facilities constructed	lumpsum	2	1 (under construction)	50%	1	4	25%
	Multi-purpose centres constructed	No	2	0	0%	0	3	0%
	Mangrove group managed for planting and protecting	Ha	550 (520 protection and 30 plantation)	-	0%	50 (50 planted but 6 workshops at d/t six villages convened on protection awareness	1,500	0.3%
<i>Subcomponent 1.2: Development and Sustainable Utilization of Inland Fisheries</i>	Project Stakeholder consultation workshop	No	-	-	-	4	4	100%
	Stakeholder consultation for management plan convened	No	8	0	0%	0	15	0%
	Management plan developed	No	8	0	0%	0	15	0%
	Reservoir Stakeholders meeting convened	No	-	-	-	-	15	-
<i>Subcomponent 1.3: Market Development and Promotion of Fish Consumption</i>	Extension staff trained on nutrition	No	1	1	100%	3	3	100%
	Nutrition awareness campaign carried out	No	1	0	0%	0	6	0%
	Mainstreaming nutrition and small scale fisheries conducted at HFTC and MaiSirwa	Lump sum	1	0	0%	0	1	0%
Component 2: Fisheries Enterprises Support Services								
<i>Subcomponent 2.1: Entrepreneurial Capacity</i>								

Component/Outcome Sub-component or Output	Indicator	Unit	Period: 01-01-2019 to 31-04-2019					
			AWP&B	Actual	%	Cumulative Actual	Appraisal Target	%
<i>Development</i>								
a. <i>Small Pelagic Fishing Cooperatives</i>	Mobilization and awareness creation conducted	Cooperative	-	-	-	6	100	6%
	Small Pelagic Fishing Cooperatives formed	Cooperative	20	0	0%	0	100	0%
	Coop members trained in gear and fishing techniques	Cooperative	20	0	0%	0	100	0%
	Coop members trained in entrepreneurship and group dynamics	Cooperative	20	0	0%	0	100	0%
b. <i>Small Pelagic Fish Processing Cooperatives</i>	Mobilization and awareness creation conducted	Cooperative	5	0	0%	0	120	0%
	Small Pelagic Fish Processing Cooperatives formed	Cooperative	-	0	0%	0	120	0%
	Coop members trained in fish processing & value addition and quality assurance	Cooperative	-	0	0%	0	120	0%
	Coop members trained in entrepreneurship and group dynamics	Cooperative	-	0	0%	0	120	0%
c. <i>Large Fish Fishing Cooperatives</i>	Mobilization and awareness creation conducted	Cooperative	-	-	-	6	30	42%
	Large Fish Fishing Cooperatives formed	Cooperative	-	-	-	0	30	0%
	Coop members trained in gear and fishing techniques	Cooperative	-	-	-	0	30	0%
	Coop members trained in entrepreneurship and group dynamics	Cooperative	-	-	-	0	30	0%
d. <i>Fish Retailing Enterprises</i>	Mobilization and awareness creation conducted	Cooperative	-	-	-	0	5	0%
	Fish retailing enterprises	Cooperative	-	-	-	0	5	0%

Component/Outcome Sub-component or Output	Indicator	Unit	Period: 01-01-2019 to 31-04-2019					
			AWP&B	Actual	%	Cumulative Actual	Appraisal Target	%
	formed							
	Members trained in fish handling and quality control	Cooperative	-	-	-	0	5	0%
	Members trained in entrepreneurship and group dynamics	cooperative	-	-	-	0	5	0%
	14 coastal community members trained in boat/engine maintenance/repair	individual	-	-	-	0	14	0%
e. <i>Women enterprise groups on net making/mending</i>	Mobilization and awareness creation conducted	Cooperative	6	4	66%	5	6	83%
	Women enterprise group formed	Cooperative	6	4	66%	4	6	66%
	Group members trained in net making/mending	Cooperative	6	0	0%	0	6	0%
	Group members trained in entrepreneurship and group dynamics	Cooperative	6	0	0%	0	6	0%
Foot fishers Cooperatives								
	Mobilization and awareness creation conducted	Cooperative	4	4	100%	10	20	50%
	Foot fishers cooperatives formed	Cooperative	4	4	100%	4	20	20%
	Coop members trained in gear and fishing techniques	Cooperative	4	0	0%	0	20	0%
	Coop members trained in entrepreneurship and group dynamics	Cooperative	4	0	0%	0	20	0%
f. <i>Processing/Marketing enterprise groups for Inland Fisheries</i>	Mobilization and awareness creation conducted	Women cooperative	-	-	-	4	15	26%
	Processing/Marketing Enterprises formed	Women cooperative	8	8	100%	8	15	53%

Component/Outcome Sub-component or Output	Indicator	Unit	Period: 01-01-2019 to 31-04-2019					
			AWP&B	Actual	%	Cumulative Actual	Appraisal Target	%
	Coop members trained in fish processing and marketing techniques	Women cooperative	8	0	0%	0	15	0%
	Coop members trained in entrepreneurship and group dynamics	Women cooperative	8	0	0%	0	15	0%
g. Fishing Enterprise groups for Inland Fisheries	Mobilization and awareness creation conducted	Youth cooperative	-	-	-	8	45	17%
	Youth Fishing Enterprise groups formed	Youth cooperative	-	-	-	8	45	17%
	Coop members trained fishing techniques	Youth cooperative	8	0	0%	0	45	0%
	Coop members trained in entrepreneurship and group dynamics	Youth cooperative	8	0	0%	0	45	0%
Subcomponent 2.2: Strengthen Input Supply Services	Inshore canoes procured	No	20	0	0%	0	60	0%
	Fishing gear for inshore canoes procured		20	0	0%	0	80	0%
	Working capital for offshore fishing cooperative provided	Group/cooperative	-	-	-	0	40	0%
	Working capital for small pelagic fish processing enterprise groups provided	Group/cooperative	-	-	-	0	120	0%
	Working capital for fish retailing enterprise groups provided	Group/cooperative	-	-	-	0	5	0%
	Canoes procured for foot fishers	No	20	0	0%	0	20	0%
	Toolkit procured for Coastal community member	No	-	-	-	14	14	100%
	Working capital for women net making/mending enterprise groups provided	Group/cooperative	-	-	-	0	6	0%
Component 3: Institutional Strengthening and Implementation Support								

Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: 01-01-2019 to 31-04-2019					
			AWP&B	Actual	%	Cumulative Actual	Appraisal Target	%
<i>Subcomponent 3.1: Capacity Building of MMR and Other Implementing Agencies for the Sustainable Development of the Fisheries Sector</i>	Vehicles procured	No	-	-	0%	0	10	0%
	Motor cycles procured	No	-	-	-	12	24	50%
	Bicycles procured	No	100	0	0%	0	20	0%
	Canoes for MMR Inland Fisheries procured	No	-	-	-	3	6	50%
	Trailer for towing canoes procured	No	-	-	-	3	6	50%
	SCUBA equipment procured	No	-	-	-	5	5	100%
	Underwater camera procured	No	1	0	0%	0	1	0%
	Laptop computers procured	No	12	0	0%	6	15	40%
	Desktop computers procured	No	44	0	0%	12	27	44%
	Printers/photocopiers procured	No	-	-	-	12	13	92%
	Office furniture procured	set	24	0	0%	15	15	100%
	Still cameras procured	No	8	0	0%	0	8	0%
	Video cameras procured	No	8	0	0%	0	8	0%
	LCD Projectors procured	No	2	0	0%	9	12	75%
	MMR Staff trained	No of training	2	0	0	6	14	42%
	CCU staff trained	No of training	1	0	0%	0	3	0%
	TA recruited to conduct stock assessment	No	-	-	-	0	1	0%
<i>Subcomponent 3.2: Programme Coordination and Implementation Support Services</i>	Start-up workshop	Lump sum	-	-	-	1	1	100%
	Baseline/preparatory studies	Study	1	1(ongoing)	100%	1	1	100%

Component/Outcome <i>Sub-component or Output</i>	Indicator	Unit	Period: 01-01-2019 to 31-04-2019					
			AWP&B	Actual	%	Cumulative Actual	Appraisal Target	%
	Annual planning workshops convened	No	7	0	0%	7	49	14.3%
	Bi-annual implementation review workshops convened	No	14	0	0%	14	98	14.2%
	M&E officers meeting conducted	No	1	0	0%	1	7	14.2%
	Learning & dissemination	Lump sum	1	0	0%	0	7	0%
	Knowledge management produced	Lump sum	1	0	0%	0	7	0%
	South-south cooperation for knowledge sharing signed	Session	1	0	0%	0	7	0%
	Exchange visits undertaken	No	1	0	0%	0	7	0%
	NPCO staff recruited	No of months	12	04	33%	26	81 (coz FReMP effective date was from end of March 2017	32%
	ZPCO staff recruited	No of months	72	24	33%	156	504	30%
	General operating cost for NPCO	Lump sum	1	1	100%	3	7	42.8%
	General operating cost for ZPCO	Lump sum	6	6	100%	17	42	40.4%

Eritrea

Fisheries Resources Management Programme

Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 30 April to 10 May 2019
Document Date 30/05/2019
Project No. 2000001144
Report No. 5065-ER

East and Southern Africa Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
GC Section 7.01. Project Implementation	The Lead Project Agency shall submit the draft AWPB to the oversight body designated by the Borrower/Recipient for its review. When so reviewed, the Lead Project Agency shall submit the draft AWPB to the Fund for comments no later than 60 days before the beginning of the relevant Project Year.	Every 30th Oct	Not complied	The Project has not held PSC and PTC meetings that review and approve the AWPB as well as provide the required oversight.
GC Section 7.02. Availability of Financing Proceeds	(b)The Borrower/Recipient may open and maintain one or more Project Accounts for Project operations in a bank acceptable to the Fund, and shall identify the Project Party responsible for operating such account or accounts.		complied	
GC Section 7.03. Availability of Additional Resources	In addition to the proceeds of the Financing, the Borrower/Recipient shall make available to the Project Parties: (i) Such funds, facilities, services and other resources as may be required to carry out the Project in accordance with Section 7.01.	Continuous	Not Complied	The project is yet to procure vehicles to facilitate project implementation efficiently.
GC Section 7.04. Coordination of Activities	The Borrower/Recipient shall ensure that the relevant activities of its ministries, departments and agencies, and those of each Project Party, are conducted and coordinated in accordance with sound administrative policies and procedures.	Continuous	To be monitored continuously	
GC Section 7.05. Procurement	Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.	Continuous	Not Complied	Recipients regulations are yet to be developed.
GC Section 7.06. Use of Goods and Services	All goods, services and buildings financed by the Financing shall be used exclusively for the purposes of the Project.	Continuous	To be monitored continuously	
GC Section 7.07. Maintenance	The Borrower/Recipient shall ensure that all facilities and civil works used in connection with the Project are properly operated and maintained and that all necessary repairs of such facilities are made promptly as needed.	Continuous	Not Complied	Project assets have not been insured yet.
GC Section 10.05. Evaluations of the Project	The Borrower/Recipient and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for 10 years thereafter.	Continuous	Complied	Will be monitored as implementation progresses
GC Section 11.01. Taxation	(c)The use of any proceeds of the Financing to pay for Taxes is subject to the Fund's policy of requiring economy and efficiency in the use of its Financing. Therefore, if the Fund at any time determines that the amount of any such Tax is excessive, discriminatory or otherwise unreasonable, the Fund may reduce the percentages of Eligible Expenditures to be financed by the Financing.	Continuous	Complied	To be monitored as implementation progresses