

## Project Completion Report Validation

### Fisheries Development Project

#### The State of Eritrea

Date of validation by IOE: January 2018

## I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Near East, North Africa and Europe	Total project costs	18.14		10.73	
Country	The State of Eritrea	IFAD grant and percentage of total	12.58	69%	10.07	94%
Grant number	DSF-8060-ER	Borrower	5.38	30%	0.67	6%
Type of project (subsector)	Fisheries	Cofinancier 1	N/A	N/A	N/A	N/A
Financing type	Grant	Cofinancier 2	N/A	N/A	N/A	N/A
Lending terms	N/A	Cofinancier 3	N/A	N/A	N/A	N/A
Date of approval	21 April 2010	Cofinancier 4	N/A	N/A	N/A	N/A
Date of grant signature	14 September 2010	Beneficiaries	0.18	1%	-	-
Date of effectiveness	14 September 2010	Other sources				
Grant amendments	None	Number of beneficiaries	Approx. 6,000 direct HH and 26,000 indirect		4,526 direct HH and 4,650 indirect	
Grant closure extensions	None					
Country programme managers	N. Telahigue Eric Rwabidadi	Grant closing date	31 March 2017		31 March 2017	
Regional director(s)	Khalida Bouzar Sana Jatta I. De Willebois	Mid-term review			April 2014	
Project completion report reviewer	Mark Keating	IFAD grant disbursement at project completion (%)			93.9%	
Project completion report quality control panel	Fabrizio Felloni [Peer reviewer] Michael Carbon	Date of the project completion report			March 2017	

Source: IFAD. President's Report, April 2010; IFAD/Government of Eritrea. Fisheries Development Project (FDP) Project Completion Report, March 2017.

## II. Project outline

1. **Introduction.** Eritrea became formally independent in 1993 following a 30-year civil war with Ethiopia. Between 1998 and 2000 there was a renewal of the conflict which affected, inter alia, economic growth. Eritrea is characterized by very scarce water resources and, consequently, by a small agricultural sector. Furthermore, it is one of the hottest areas on the planet, with rain-fed cultivation being virtually non-existent. At the same time, the country possesses abundant and under-exploited fish stocks, which have the potential to considerably contribute to and diversify national food security and reduce the incidence of poverty, particularly among coastal communities. With regard to donor presence, apart from the World Bank and the World Food Programme, most of the major donors are present in Eritrea; these include the European Union, the African Development Bank, IFAD and other UN agencies. At the same time, since the end of the last conflict in the year 2000, no major donor has provided significant support to assist the Government in rebuilding the country's fisheries sector.
2. Based on the above, in 2008 the Government of Eritrea applied for IFAD assistance to the fishery sector in the form of a Fisheries Development Project (FDP) supporting artisanal fishers in Eritrea's coastal regions. The FDP was the first IFAD-funded intervention to the fisheries sector in Eritrea, with the intention to lay down the foundation for long term development of the sector.
3. **Project area.** The project was implemented along Eritrea's arid and semi-arid coastal regions in the Zoba<sup>1</sup> Northern Red Sea and Zoba Southern Red Sea, covering the entire Red Sea coastline which includes all of Eritrea's marine fishing communities. At the time of design, the two Zobas comprised a population of slightly over 600,000 people, corresponding to approximately 15 per cent of the entire population.
4. **Project goal, objectives and components.** The project's overarching **goal** was to contribute to Eritrea's household and national food security, alleviate rural poverty in line with the major development priorities of the Government of Eritrea, and increase the contribution of the fishery sector to the national economy. The **central objective** of FDP was to raise production and productivity of the fisheries sector while conserving fish stocks and the marine ecosystem. The **policy and institutional objectives** were to strengthen Eritrea's Ministry of Marine resources and support the restructuring of the cooperative system.<sup>2</sup>
5. In practical terms, FDP was to reduce poverty and food insecurity among artisanal fishing communities dwelling on the Red Sea coastline by forming and reorganizing/strengthen Fishers' Cooperatives, train its members in modern fishing techniques, equipping them with boats and fishing gear, and increase fishers' access to local markets, working also to improve access to export markets. The project was divided into three components: (i) institutional capacity strengthening of the Ministry of Marine Resources (MMR); (ii) reorganization and strengthening of the fishers' cooperatives and support to other artisanal fishers; and (iii) project implementation support services.
6. **Target group.** FDP's target group, located around the cities of Assab and Massawa and on the 70 villages along the Red Sea coast, consisted of all poor artisanal fishers using boats and canoes, foot fishers, youths, demobilized soldiers, returning internally displaced people, women and women-headed households. About 6,000 households (HH) were expected to benefit directly from the project, of which at least 1,500 would be women-headed households. In terms of indirect beneficiaries, the number was estimated into 26,000 HH who would benefit from employment

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<sup>1</sup> The "Zoba" is a political subdivision, equivalent to a province.

<sup>2</sup> IFAD. FDP – President's Report, April 2010.

created by the project. Finally, the number of government staff benefitting from FDP activities was set at around 300 employees.<sup>3</sup>

7. **Financing.** At design, the total project cost was estimated at US\$18.14 million, of which US\$12.58 million (equivalent to SDR 8.25 million) were to be provided by IFAD in form of a Debt Sustainability Framework (DSF) grant,<sup>4</sup> US\$5.38 million by the Government of Eritrea (this amount included US\$3.43 million financed using reflows from a revolving account to be set up by the project), and US\$0.18 million by beneficiaries. The Economic Rate of Return was estimated over a 20-year period at 24 per cent.
8. At project completion, the actual total project cost was US\$10.74 million, of which US\$10.07 million provided by IFAD, with another US\$0.67 provided by the Government.

Table 1  
**Project costs by financier**

<i>Financier</i>	<i>Appraisal</i>	<i>cost %</i>	<i>Actual</i>	<i>cost %</i>
	<i>(in million US\$)</i>		<i>(in million US\$)</i>	
IFAD	12.58	69%	10,069	94%
Government of Eritrea	5.38	30%	0,667	6%
Beneficiaries	0.18	1%	-	
<b>Total</b>	<b>18.14</b>	<b>100%</b>	<b>10,736</b>	<b>100%</b>

Source: IFAD. FDP Appraisal Report, 2010. IFAD/Government. FDP Completion Report, 2017.

Table 2  
**Component costs**

<i>Component</i>	<i>Appraisal</i>	<i>cost %</i>	<i>Actual</i>	<i>cost %</i>
	<i>(in million US\$)</i>		<i>(in million US\$)</i>	
Strengthening of the Institutional Capacity of MMR	3,583	20.8%	2,819	26%
Reorganization and Strengthening of Fishery Cooperatives and Support to other Artisanal Fishers	11,750	68.3%	4,971	46%
Implementation Support Services	1,875	10.9%	1,497	14%
Authorized allocation	-		1,449	14%
Physical and Price contingencies	0.949			
<b>Total</b>	<b>18,139</b>		<b>10,736</b>	

Source: IFAD/Government. FDP Completion Report, 2017.

9. **Project implementation arrangements.** The project was to be implemented within the Government of Eritrea decentralized institutional framework, involving coordinated implementation by the MMR, the MMR Zoba branch, and the coastal fishing communities. The overall management of the project was the responsibility of the MMR under the direct supervision of the Minister of Marine Resources.

<sup>3</sup> IFAD. FDP – Project Design, April 2010.

<sup>4</sup> In 2005, following the adoption of the HIPC initiative, donor countries agreed to implement a DSF to ensure that development efforts of the poorest countries are not compromised by the re-emergence of unsustainable levels of debt. To this end, donors agreed to provide grants, or a combination of grants and concessional loans under the DSF, for countries deemed unable to sustain even concessional loans.

10. The National Project Coordination Office (NPCO) in the Office of the Minister was responsible for overall coordination and implementation, including preparation of the Annual Work Plan and Budget, procurement, progress reporting, monitoring and evaluation (M&E), and financial management.
11. The oversight responsibility was entrusted to a Fisheries Development Steering Committee, chaired by the Minister of MMR, ensuring that the project would be implemented in accordance to national policies and strategies, while a Fisheries Technical Coordination Committee was to be established within MMR and responsible for reviewing implementation progress and resolve technical issues which may have risen during the life of the project.
12. Day-to-day operations of the project, including overseeing the effective management of the landing sites, provision of extension and cooperative support services, regulatory and post-harvest and marketing services would be the responsibility of the Zoba branches of the MMR.
13. A Cooperative Support Unit (CSU), to be established in the early stages of project implementation, was to provide day-to-day support for the development and operation of cooperatives, including coordination and supervision of training, promotion of marketing activities of the cooperatives, and backstop the financial management of cooperative societies. It was expected that, during the life of the project, the CSU would become fully independent under the management of a fishers' cooperative union.
14. The National Fisheries Cooperation was to continue to market fish nationally and for export, although the Government of Eritrea was to encourage the cooperatives and the private sector to undertake fish marketing to create competition and promote better pricing.
15. Finally, FDP was to partner with the Manzanar Project, which is based within the MMR, and to provide its support in carrying out mangrove development activities, and provide training in and promotion of production of animal feed using fish waste and mangrove tree seeds.
16. **Significant changes / developments during implementation.** A number of key changes to the original design of the FDP took place after the Mid-term Review (MTR) of 2014. Among these:
  - The provision to establish a Cooperative Support Unit was dropped, given the considerable delay in establishing such Unit; its responsibilities were re-assigned to the existing Cooperatives Credit Unit in the MMR, entrusted with administering fishing input supplies and the associate revolving fund account. The decision for this move was based on the recognition that the establishment of a CSU was, although an assumption of the original design and perceived as a key deliverable of the project, the MTR found that it was a duplication of an existing system and that appropriate adjustments were needed to be adopted in order to ensure that the existing CSU would carry out administration of input supplies and of the revolving fund;
  - By the end of 2013, the required process for qualifying cooperatives to provide improved boats to the fishers had not started. Therefore, in line with MTR recommendations, two 18-metre boats were purchased, to be used to demonstrate the feasibility of scaling up from artisanal to commercial operations by the target fishing communities;
  - An initial request for Amending the Financial Agreement was submitted by the MMR to IFAD on November 2014. However, given the then status of the FDP as a problem project, and significant resources were still available in key investments categories, the reallocation request was kept pending. A second request for funds reallocation was submitted by the MMR to IFAD on March 2016 to foster

progress in project implementation and achievement of results, based on the FDP coming out of problem project status. Table 3 below provides a detailed description of the Amendments to the Grant Agreement.

Table 3

**Summary of Amendments to the Grant Agreement (amounts expressed in SDRs)**

<i>Item number</i>	<i>Categories</i>	<i>Original Allocation</i>	<i>Revised Allocation</i>
I	Vehicles, boats, equipment and material	1,130,000	1,716,755
II	Civil works	180,000	638,151
III	Training, workshops and studies	1,350,000	759,352
IV	Initial working capital for cooperatives	3,770,000	4,073,794
V	Technical assistance	420,000	345,862
VI	Operating costs and maintenance	1,000,000	716,086
	Unallocated	400,000	-
	<b>Total</b>	<b>8,250,000</b>	<b>8,250,000</b>

Source: Fax from MMR to IFAD dated 11 March 2016.

17. **Intervention logic.** As mentioned in paragraph 2, in 2008 the Government of Eritrea applied for IFAD assistance to the fishery sector in the form of a Fisheries Development Project (FDP). The rationale for such request was based on the fact that Eritrea enjoyed a vast, yet underexploited marine and fisheries resources. The country's fisheries sector contributed approximately only 3 per cent to Eritrea's GDP; while the Maximum Sustainable Yield was estimated at 80,000 tons per year, in reality it rarely exceeded 10,000 tons of catch. Acknowledging the investment potential in fishing, processing and other support services in order to unlock the capacity of undercapitalised marine environment, IFAD recognized that, by providing the necessary support to sustainably exploit the fisheries resources of the Red Sea, it would offer important opportunities for fighting rural poverty and improving food security and nutrition along Eritrea's coastline.
18. **Delivery of outputs.** At completion, the project benefited directly a total of 4,526 households and 4,650 households indirectly, against an initial target at design of approximately 6,000 direct and 26,000 indirect beneficiary households. As mentioned, FDP was the first IFAD-funded intervention in Eritrea's fisheries sector, and the project suffered from a number of challenges right from the outset. The corrective measures adopted in the second half of the project life and based on MTR recommendations and on a subsequent post-MTR mission at the end of 2014, contributed in ameliorating the overall project status. At completion, implementation across the three project components yielded mixed results. Most of the target outputs and outcomes for component one (about 21 per cent of total costs at design, 26 per cent at completion) were achieved. Considerable work was undertaken for Component One towards strengthening the institutional capacity of the MMR. Component Two, the core of FDP, underperformed notwithstanding the fact that, at design, it accounted for 69 per cent of total costs against 46 per cent at completion. The less than satisfactory output achievement for Component Two contributed to a large extent to poor outcomes and impact of FDP.

### III. Review of findings

#### A. Core criteria Relevance

19. **Relevance of objectives.** The objectives of the FDP were in direct alignment with the Government of Eritrea's activities to overcome poverty, environmental degradation and food insecurity. In the specific, the project focused on artisanal fishing communities dwelling on the Red Sea coastline, to improve their fishing

techniques and build their capacity to market their catch domestically and in external markets. This was to be achieved through access to financial services, technical assistance and training, provision of fishing equipment, rehabilitation and construction of fish marketing outlets, establishing a functional cooperative system, as well as national legal/regulatory policies and institutional framework for the sector. The project was also consistent with the IFAD Policy on Crisis Prevention and Recovery of 2005, and with the objective set in the 2006 IFAD Country Strategic Opportunities Programme (COSOP) for Eritrea of eradicating poverty and food insecurity.

20. **Relevance of project design.** The project design was fully aligned with IFAD's 2006 COSOP for Eritrea, as well as with the pro-poor objectives as spelled out in the Government of Eritrea's Macro Policy document of 1994 - which aimed at achieving, among others, freedom from hunger and poverty through sustainable development. The potential contribution of the fisheries sector to food security and poverty reduction were also highlighted in Eritrea's 2004 Interim Poverty Reduction Strategy paper, in the Government's National Environment Management Plan of 1995, and in the government's Fisheries Proclamation of 1998, which made provisions with respect to fisheries management and conservation and aquaculture. Both project design and implementation arrangements were relevant in that they took advantage of the existing situation of under-exploitation of fish stocks in the target area and of the potential to considerably strengthen the fisheries sector, so to satisfy both internal and external market demand and contribute to the reduction of poverty.
21. At the same time, this validation exercise wishes to note that component objectives were relatively ambitious and that some of the difficulties encountered during project implementation were underestimated. At design, a number of assumptions were implicitly made which contributed thereafter to very slow implementation. Among these: (i) political stability and no conflict situation; (ii) timely recruitment of Technical Assistance experts; (iii) availability of boat facilities; (iv) policy, strategies and plan for marine conservation in place; (v) no interference by the Government in cooperative management; and (vi) counterpart funds provided in a timely fashion.
22. Concerning political stability and conflict, Eritrea was engaged in post-war national defence following resurgence of conflict with Ethiopia between 1998 and 2000. This meant keeping a permanent military force on the border with Ethiopia to ensure avoiding conflict outbreak through mandatory military service that citizens on average serve from the age of 18 to 55 (and which has spurred many to flee the country). As a consequence, given the mandatory nature of military conscription, a considerable part of the workforce – envisaged at the project design stage - that should have strengthened the implementation capacity of the FDP, especially the youth, was engaged in national defence. This led to a situation whereby it would become useless to advertise FDP-related positions externally (no one would apply) and it became therefore common to pick staff in other institutions, usually less skilled. This situation also adversely affected the timely recruitment of technical staff.
23. On a different issue, it became highly evident that the costing to purchase fishing vessels determined at appraisal was too low with respect to reality, in fact seven to eight times more than the cost estimated during design. As a result, it was neither possible to establish the 200 fully equipped cooperatives, nor to achieve the reflow envisaged at appraisal. Furthermore, the establishment of the Cooperative Support Unit envisaged at design proved to be unattainable.
24. In summary, this PCRV acknowledges that the objectives of the FDP were in direct alignment with the Government's activities aimed at poverty alleviation, as well as in addressing environmental degradation and food insecurity. And its design was

fully aligned to the 2006 COSOP, as well as with the pro-poor Government's initiatives. Yet, the PCRV also notes that component objectives were overambitious, especially in terms of Component Two. Furthermore, the incorrect assumptions made at design – as described in paragraphs 21-23 – strongly influenced in a negative way project implementation for over three and a half years.

25. In light of the above, this PCRV rates relevance as *moderately satisfactory (4)*, one point lower than the Programme Management Department (PMD) rating.

### **Effectiveness**

26. As identified in the official project documentation, the overall development goal of the project was "to contribute to household and national food security, alleviate rural poverty and increase the contribution of the fishery sector to the national economy".<sup>5</sup> The key path towards achieving this goal was the overall objective of "raise production and productivity of the fisheries sector while conserving fish stocks and the marine ecosystem".<sup>6</sup> At the time of project completion in March 2016, the overall number of recipient households benefitting from the project totalled 9,176 HHs, which corresponds approximately to 29 per cent of the original target at design of 32,000 HHs comprising direct and indirect beneficiaries. The project directly benefitted 4,526 HHs, of which 30 per cent were women-headed HHs. The following paragraphs discuss the project's achievements in terms of the three underlying components which constituted the project.
27. **Component One – Strengthening the Institutional Capacity of the Ministry of Marine Resources.** Overall, Component One performed fairly well as far as the achievement of targets set at design was concerned. Considerable work was carried out in order to strengthen the institutional capacity of the MMR, yielding positive results; at the same time, failure to recruit most of the required international technical assistance, as envisaged at the time of FDP design, slowed the strengthening process. Specifically, notwithstanding efforts made by the project with the support of IFAD and the Food and Agriculture Organization in the procurement process, it proved difficult to attract interested and capable technical assistances. Consequently, only four technical assistances (i.e. Input Supply and Credit mechanism; M&E system; Financial Management and Procurement) were implemented. Out of the envisaged 45 Person Months of technical assistance to be provided for at design, only about 17 Person Months (39 per cent) were used at time of completion.
28. Nevertheless, MMR Departmental staff received training in key areas such as extension, fishing technology, inland fisheries, mangrove propagation, and cooperative promotion & development. With regard to training and extension activities at field level, a total of 45 Zoba staff were trained in key aspects of inland fisheries. Furthermore, the Hirgigo Fisheries Training Centre was fully refurbished by the project and its training capacity more than doubled, with special arrangements made for training women. Overall, a total of about 1,533 fishermen and MMR staff were trained at the premises.
29. The project also ensured adequate transportation means for extension staff and cooperative promoters, enabling them to reach a larger number of fishers. On a similar note, in response to the recommendations formulated after the MTR in 2014, three existing 11-metre boats were acquired and renovated for monitoring and surveillance, for training and for extension work.
30. Concerning the improvement of fish landing site infrastructure, the project contributed to progressive upgrading, including the installation of two ice plants in

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<sup>5</sup> IFAD. FDP – President's Report, April 2010.

<sup>6</sup> Ibid.

Massawa and one in Assab. The project also trained a total of 12 mechanics and electricians to service the equipment at the different landing sites.

31. Furthermore, in the context of enhancing capacity of the Marine Resources Regulatory Services Department (MRRSD) FDP supported also the expansion of the Manzanar Project<sup>7</sup> by planting an additional 85 ha of mangrove with community involvement in monitoring and management. Through collaboration between the Ministry of Agriculture and MMR, apiculture within the mangrove forests was successfully piloted. In addition, a nursery for mangrove seedling production was started and has become operational just before project completion.
32. **Component 2: Reorganization and Strengthening of Fishers' Cooperatives and Support to other Artisanal Fishers.** This component was the core of the project, accounting for approximately 69 per cent of the total project cost at appraisal, playing a fundamental role towards the achievement of the project overall goal and objectives.
33. The existing cooperative societies were to be reorganized and strengthened. In addition, the development of new cooperatives would be promoted to respond to the needs of poor fishers and potential artisanal fishers, including youths, women and demobilized soldiers. Cooperatives, groups and individuals were to have improved access to inputs and financing and an input supply and revolving fund was to be established.
34. Given the importance of the component in achieving the overall goal and objectives of FDP, a start-up team, comprising representatives from implementing agencies, was established in June 2010 to sensitize and mobilize artisanal fishers and potential fishers especially youths and women for participation in the project. The charter for the CSU was prepared and endorsed for implementation by the Government in July 2010. Thus, a sound base for an effective implementation of the component was in place before the effective date of 14 September 2010.
35. Afterwards, the MMR focused on capacity building and support to its implementing Departments and Divisions, and implementation of research activities in aquaculture and marine culture. Support to fishers' cooperative development was de-emphasized as the establishment of CSU was delayed, given the non-availability of competent staff who could meet the required CSU staff ToRs. In 2014, recognizing the non-performance of Component 2, the MTR report formulated a number of recommendations for improvement. This included dropping the establishment of the CSU as a parallel structure to Government system all together and transfer the operational responsibilities of the CSU to the Cooperatives Credit Unit (CCU) under MRDD. The change was to expedite implementation, building on the past experience of the CCU. The CCU was placed under the overall responsibility of the Director General of the MRDD, as opposed to the CSU that was supposed to be under the responsibility of the Office of the Minister. The functions of the CCU and its structures remained similar to the ones envisaged for the CSU; yet, the semi-autonomous requirement was down-played at its early stage of establishment. The CCU became operational in 2015. By the time of project completion, it was noted that the CCU required strengthening in terms of staffing and technical areas such as cooperative institution development, input supply system development, and financial management.
36. A post MTR Mission, fielded in late 2014, decided to support, on a pilot basis, government policy of promoting semi-industrial/industrial fishing. The procurement

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<sup>7</sup> The Manzanar project, which started its activities in 1988, uses a simple, cost-effective method of mangrove afforestation. This has made it possible to establish mangrove forests in areas where they do not occur naturally. The mangroves boost fish stocks, provide fodder for animals, sequester carbon and protect against coastal erosion. Since 2002, the MMR, through the Manzanar Project, has also supported women's empowerment and capacity building. In Hirgigo near Massawa, about 1 million mangrove trees have been planted with the participation of the local community (almost 50 per cent of the Project's workers are women).



of two 18-meter boats was approved for this purpose. Along with this approval, the Government of Eritrea was requested to finalize a business plan for the operation of the boats, including specification of ownership, operational modalities, and confirmation of profitability and provision of sustainable livelihood improvements to the target beneficiaries. However, the boats were only completed and handed over to the project by project closing. Thus, this pilot to assess the technical and economic viability of such approach could not be undertaken.

37. The four-year delay in institutionalizing CSU/CCU and some changes in design during implementation have negatively affected the achievement of output targets. Nevertheless, some outputs have been achieved but with low quality. The project was unable to supply fully equipped boats to fishers/cooperatives as envisaged, but provided inputs as requested by fishers and cooperatives. The following was achieved: training of 759 cooperative members on different areas of fishing techniques, boat maintenance and repairs, quality assurance on-shore and off-shore, and support towards the development of 45 fishers' cooperatives, of which seven were newly constituted. In addition, a total of four women cooperatives comprising 109 members, entrusted with net making and mending, were established. An overall 49 cooperatives were supported by the project, corresponding to approximately 54 per cent of the set target of 90 to be directly financed by FDP. Furthermore, 61 canoes and 272 assorted boat engines plus fishing gear were procured, and training of 183 people in fish handling and marketing was undertaken.
38. Overall, almost all of the above achievements were recorded in the last two and a half years of project implementation. In light of the above considerations, it can be safely stated that the underperformance of Component Two has played a major role in failing to achieve a number of set project outcomes.
39. **Component 3: Project Implementation Support Services.** The Project Implementation Support Services component included the following sub-components: (i) establishment of the NPCO and provision of technical assistance; logistics and materials; (b) Training of project staff; (c) Project management, monitoring and evaluation; and (d) Support to National Fisheries Cooperation to expand its domestic fish market.
40. Overall, the implementation of Component Three was on schedule. The NPCO was fully integrated within the MMR institutional framework. It assumed coordination of fishery sector development projects, an approach which facilitated efficient use of resources from development partners, including the United Nations Development Programme, the Food and Agriculture Organization, the European Union and IFAD. The office was staffed by government officers with acceptable technical and professional qualifications but with limited experience in project management. The problems, created by the lack of necessary experience would have been ameliorated had MMR recruited suitable short-term Technical Assistance promptly as planned and advised by several IFAD Supervision Missions. As a result, procurements and monitoring/evaluation outputs were adversely affected. Two project reviews envisaged at the design stage were not carried out; instead, they were taken on board by the MTR and subsequent IFAD implementation support missions, which allowed the project to graduate from an actual problem project to a better performing one.
41. Limited staff capacity and failure to attract short-term technical assistance also could not allow the carrying out of key studies to enhance institutional, policy and legal framework for a long-term development of the fisheries sector. Three important studies envisaged in the Project Design Report were not undertaken and these included: a) Reviewing and updating of policy, strategy and regulatory framework for fisheries and marine resources conservation; b) Review of Fisheries Development Policy and Strategy; and c) Updating fisheries management plan.

42. The decentralization of implementation to Zoba levels was delayed until 2013 and was not fully functional until 2015. Operational decentralization to Sub-Zoba/landing sites was also delayed and became only partially functional at the time of the Project Completion Report (PCR). Nevertheless, the decentralization has improved access of fishers to services, including extension, input supply and fish quality enhancement. Data collection, management and reporting as required in the project design report is in its rudimentary form and will need improvement. The two-way communication arrangements, as envisaged at design, is yet to be functional, limiting knowledge sharing. A good knowledge management and information dissemination system, including establishment of ICT in collaboration with the United Nations Development Programme; establishment of a functioning resource centre incorporating an exhibition facility, a well-stocked library, and workshop/training facility have been established.
43. To summarize, at the time of project completion in March 2016, the project managed to benefit a total of 9,176 recipient households, against the original target at design of 32,000 HHs comprising direct and indirect beneficiaries, which, translated in percentages, means that only 29 per cent of the original target was reached. Component One – accounting for approximately 21 per cent of component costs – was the only component that performed fairly well since project start-up across the overall duration of implementation. As described on paragraph 26, one of the issues that affected this component was the difficulty to recruit international TA. Component Two – which was at the core of the project, accounting for almost 69 per cent of component costs – did not perform for approximately four years and required major reformulation after the MTR of 2014. As reported in paragraph 37, some outputs were achieved but with low quality, and only during the last two and a half years of project implementation. Component Three – which accounted for about 11 per cent of component costs – performed in a moderately satisfactory manner.
44. In light of the above considerations, given the low target achievement, as well as the underperformance of core Component Two, this PCR rates effectiveness as *moderately unsatisfactory (3)*, one point below the average rating provided by PMD.

### **Efficiency**

45. The efficiency of FDP is measured against the benefits achieved as a result of implementation, as well as whether the project resources/inputs (funds, time, etc.) were used efficiently for the intended purposes.
46. The grant was approved in April 2010 and became effective on September 2010 after an effectiveness lag of five months, which is highly impressive as, on average, it takes one year and a half for IFAD-funded projects to achieve effectiveness.<sup>8</sup>
47. After three and a half years of implementation, by the beginning of March 2014 the project had cumulatively disbursed only 23 per cent of the total IFAD funds. The low disbursement rate was a reflection of slow physical implementation progress, which led to rate FDP as a “problem project”.<sup>9</sup> In the second half of the project life, as of 31 December 2016, disbursement reached 80 per cent of the IFAD grant. Taking into account all financing sources envisaged at design including reflows, total cumulative expenditure can be set at 59 per cent. This can be explained in part by: (i) the fact that the reflows from the revolving fund envisaged at design did not materialize until the project started approaching completion; and also by (ii) lack of government contribution.

<sup>8</sup> As extracted from the IFAD Grants and Investment Projects System (GRIPS) database.

<sup>9</sup> As reported, for example, on the IFAD Project Status Report of June 2013, IFAD Supervision report of November 2013, and the MTR of April 2014.

48. In terms of financial achievement as a percentage of actual versus design allocations, Component Two - the core component of the project - recorded the lowest level (39 per cent of allocated amount). The low performance of Component Two can be attributed, among several others, to the problems incurred in procuring large boats (costing eight to ten times more than amount estimated at design), as well as bottlenecks in the procurement process. Following MTR recommendations, the project adjusted to acquiring simpler fishing vessels. Proportionally, the Implementation Support Service component covered a much higher portion than estimated at design, that is, 16 per cent compared to design (8 per cent), still slightly above the IFAD standards (10 to 15 per cent).
49. At design, with an estimate of about 6,000 direct beneficiaries (households), the project was assessed as economically viable with an Economic Rate of Return of 24 per cent over a 20-year period. The project cost per direct beneficiary was also estimated at ERN 48,238 (ERN 289 million/6,000 direct beneficiaries).<sup>10</sup> The project internal rate of return was recalculated during implementation, the revised figure standing at 22 per cent, with a cost per direct household benefitting from the project at ERN 70,000.
50. Based on the above, this PCRV rates efficiency as *moderately unsatisfactory (3)*, in line with the rating provided by PMD.

### **Rural poverty impact**

51. **Household income and assets.** For this criterion, the PCR makes an analysis of income and assets separately. With regard to the former, a review of project documentation shows that, while the prices of inputs (fishing gears, fish freezing facilities, etc.) have gone down, the price of fish catch has more than doubled. Yet, price movements are not necessarily an effect of the project and can be a result of demand and supply shift in the fish markets; hence, it is not clear how the figures provided in the PCR can be fully attributed to the project. The Project Completion report maintains that HH incomes derived from fishing have increased from 58 per cent of total income to 88 per cent in the Northern Zoba, and to 78 per cent in the Southern Zoba. At the same time, it should be noted that there are other exogenous sources of income, such as remittances, labour wages and others which apply to both Zoba. Based on these considerations, the extent (size) of FDP's contribution to HH income is not entirely clear, given also the absence of observations from comparator groups.
52. With regard to **household assets**, the PCR states that there has been an increase in assets such as radios (from 20 to 22 per cent); mobile phones (from 21 to 85 per cent); bicycles (8 per cent to 14 per cent); motor boats (from 7 to 49 per cent); and canoes (4 to 20 per cent). In terms of infrastructure, the project has rehabilitated landing sites and provided for ice machines for fish conservation purposes. These infrastructures provide better conditions for commercialization, both beneficiaries and non-beneficiaries. Again, as for the Household Income criterion, given the absence of a comparator group, it is difficult to attribute increase in assets solely to the project.

### **Human and social capital and empowerment**

53. According to project design, the existing cooperative societies were to be reorganized and strengthened, while the establishing of new cooperatives would be promoted to respond to the needs of poor fishers and potential artisanal fishers including youths, women and demobilized soldiers. The grassroots self-determination approach was to be promoted and the development of unions/associations by cooperative societies was to be supported by the project. Technical assistance would be financed to assist in the cooperative development and train staff of MMR for this purpose.

<sup>10</sup> Figures reported in Eritrean Nakfa (ERN) only.

54. MMR focused on capacity building and support to its implementing Departments and Divisions, and implementation of research activities in aquaculture. Support to fishers' cooperative development was de-emphasized as the establishment of CSU was delayed, ultimately to be dropped. Following the reallocation of responsibilities of the CSU to the CCU in in 2015, it became evident that its staffing was inadequate in technical areas such as cooperative institution development, input supply system development, and financial management.
55. By the end of 2016, at the time of the last Supervision mission, most of the groups to be supported by FDP were still at the early formation stage and, therefore, required intensified technical support and working capital for their operations as a business. Areas that needed further strengthening included: business planning, financial literacy, marketing and good governance as well as continuous technical backstopping. The establishment of the CCU at the decentralized level promoted the empowerment of supported fishers' groups: by 2016, members of cooperatives were being provided with skills in different fields, including book keeping, fishing techniques, management of cooperatives, and were actively involved in decision making, yet at a very late stage in the life of the project.
56. **Food security.** As stated on the PCR, food security in the project area is dependent on the performance of the fishing sector, with about 85 per cent of the Red Sea coastal population engaged in fishing. As mentioned in this PCRV on the Introduction paragraph, agriculture is very limited given the hostile climatic conditions.
57. Given the poor performance of Component Two, and the sub-subsequent reduced increase in fisheries productivity and production, food security has shown little progress, although positive. The PCR states that an overall 40 per cent of HHs were able to meet their food requirements, as opposed to 24 per cent at project start-up. At the same time, the consolidated practice of support for the needy by relatives and friends is still overwhelming, with 72 per cent of food insecure HHs being supported through this mechanism. Given the absence of a comparator group, it is not possible to attribute these results solely to the project.
58. **Institutions and policies.** FDP achieved a positive outcome with regard to reinforcing the MMR institutional capacity through staff training, improvement of training facilities, and institutional decentralization of services to enhance access of artisanal fishers to technical services. Yet, the PCRV notes that that provisions made for studies on institutions, policies, laws and regulations that would support the long-term development of the fisheries sector have not been effectively used. Some progress was made on the fisheries sector regulatory framework, with the amendment of the Fisheries Proclamation 104/1998 and related regulations. The amended version became the Fisheries Proclamation 172/2014. Efforts were made to disseminate the updated information through translation of the document into Tigrigna and Arabic and by holding dedicated workshops. The study on Cooperative Promotion and Development of Operational Framework and Charter for Cooperative Support Unit meant to provide guidance for cooperative sector development and implementation of CSU, which was completed and endorsed by MMR in June 2010 ahead of project effectiveness, was partially adapted under the CCU. The other targeted studies were not carried out. These included: a) Review of Fisheries Development Policies and Strategies; and b) Updating Fisheries Management Plan. The Fisheries Development Technical Coordinating Committee, designed for technical oversight and for facilitating participation by the fishing communities was not established, thus weakening Project ownership by fishers. The Fisheries Development Steering Committee having responsibilities for institutional and policy oversight was timely established but its meetings were irregular.

59. **Overall poverty impact.** The PCR reports that, although FDP implementation came to a full swing late in time, the project has shown some degree of impact across the various domains. It would seem that some increase in terms of household income and assets was achieved, although it is not entirely possible to quantify the extent given to the presence of exogenous factors. There was also a modest impact on human and social capital and empowerment due to its efforts in relation to capacity building and strengthening groups and cooperatives. Concerning food security, the PCR reports that, although modest, there was an increase by 40 per cent of HHs to be able to meet some degree of food security, although reliance on support by relatives and friends to this regard is still strong.
60. The above analysis raises a problem of attribution. The central question is to what extent changes in outcomes can be attributed to FDP. Given the absence of baseline data, and the late coming in full swing of the project, it is unclear whether the results reported by the PCR can be attributed solely to the FDP intervention alone. Even the PCR acknowledges that a number of changes may be attributed to exogenous factors.
61. Based on the above, this PCR rates rural poverty impact as *moderately unsatisfactory (3)*, one point lower than the rating provided by PMD.

### **Sustainability of benefits**

62. The project did not fully achieve the targeted outputs and outcomes, largely due to delayed implementation, especially of Component Two. At the same time, it did strengthen the capacity of the MMR; this fact may be propaedeutic towards positive prospects for a sustainable fisheries sector growth, although capacity still needs further enhancement. The staff have gained experience during implementation, yet their capacity still needs further enhancement to ensure relevant support to the fisheries' sector needs. To this end, the Training and Human Resource Division in MMR has set up a framework for a coordinated human resource development to support focused training of staff and fishers.
63. However, key challenges remain to be addressed. These include: a) capacity improvement of Fishers' Cooperatives through training, especially in business planning and management, financial management, and savings/investment decisions; b) full involvement of fishers in decisions making on key issues in the fisheries sector development, especially those for which they carry the risks of wrong decision; and c) women and youths need to be supported for increased engagement in the sector.
64. With regard to ensuring provision of inputs (fishing gears, engines, ice machines, etc.) to fishers on the Red Sea coastline, this was to be provided by the revolving fund to be administered under the CSU. The revolving fund has been established under the CCU; at project completion, repayments have just started and it is not possible to foresee its sustainability.
65. On a similar note, most of the groups supported by FDP still require technical support in order to operate as business units. Areas that need further strengthening include: business planning, financial literacy, marketing and good governance as well as continuous technical backstopping. With the setting up and full operationalisation of CCU branches at the decentralized level, it is expected that the empowerment of supported fishers' groups will be reinforced, although it is too early to make any learned estimates on sustainability prospects.
66. During the last year of FDP implementation, the NPCO developed an exit strategy in consultation with the key implementing agencies. The institutional arrangements to effectively continue with project interventions were covered. However, the NPCO acknowledged that the establishment of the CCU to manage inputs and asset financing, and the associated revolving fund account, still needed support to ensure

sustainability of these services that are considered essential to ensure sustainability of benefits.

67. In summary, based on the fact that: a) the project did not fully achieve the targeted outputs and outcomes, largely due to delayed implementation; b) key challenges remain to be addressed, as illustrated on paragraph 64; c) late establishment of the CCU and of the revolving fund, entailing also that the latter became operational near project closing; d) most of the groups supported by the project still require technical support in order to operate as business units; and e) it is unclear whether the newly established CCU will be able to ensure the sustainability of the services is meant to provide, this PCR rates sustainability as *moderately unsatisfactory (3)*, one point lower than PMD.

## **B. Other performance criteria**

### **Innovation**

68. The PCR highlights two main innovations: (a) Integrated Fish cum Chicken Farming; and b) Oyster Farming Scheme. These were action research pilot projects which may have a positive outcome for the fishing communities living along the Red Sea coast. Building on the experience from Egypt, locally made fish (tilapia) hatchery has been built to enhance production of tilapia fingerlings for aquaculture in the Zobas. Feed for small stock using fodder from mangrove and fish wastes has been developed, tested and found acceptable by farmers especially women who are key small stock producers. In the intentions of the Government, the results of these pilot action research projects will be used to provide alternative livelihoods or income raising opportunities for the coastal communities to improve their living standards.
69. According to the PCR, both approaches seem to have yielded positive results; production practices were improved through studies conducted by research centres and do carry an interesting potential. This PCR agrees with the rating assigned by PMD on Innovation as satisfactory (5).

### **Scaling up**

70. A couple of interventions by the project have been recorded by the PCR for scaling up, namely (a) a method for mangrove tree propagation has been developed, tried and accepted by coastal communities; and (b) apiculture has been successfully piloted in the mangrove forests established by FDP. This has been proven to be an additional source of income for communities living along the Red Sea coast; it also serves as an incentive for the communities to take good care of the mangrove forests and this is positive for environmental protection. At present, the Government intends to scale-up these practices in future development interventions; yet, no provisions have been made for scaling up by donor organizations, the private sector or other actors.
71. The rating for FDP's scaling up is *moderately satisfactory (4)*, same as PMD.

### **Gender equality and women's empowerment**

72. The project design was aligned to IFAD targeting policies and with regards to gender equality and women's empowerment. At the same time, it did not cater to a clear gender strategy. There were gender-specific targets, but these were achieved in part, again because of the slow project implementation between September 2010 and post-MTR recommendations, when the FDP gained momentum. The overall number of women-headed HHs benefitting from the project was set at completion at 695 HHs, against an original target of 1,200 at design.
73. FDP supported targeted activities for the youth, women and women-headed households in fishing operations for employment creation and to enhance their incomes. As mentioned, women-specific cooperatives were formed and members were given access to activities that included training in net-making and mending.

The PCR states that the project dedicated important efforts to support the government gender equality policy to mainstream women in artisanal fisheries activities including production, processing and marketing; yet, the evidence for this is not fully spelled out in the PCR as no section is devoted to this criterion in the document, although some evidence is evinced from the last two project Supervision reports of 2015 and 2016, respectively.

74. Given: a) the partial achievement of gender-related targets set at design, where only 695 female-headed households benefitted from the project against an initial target of 1,200 HHs; b) the small number of women cooperatives formed; and c) the late efforts by the Government to promote gender mainstreaming, and in the absence of further information on this criterion, this PCRV rates Gender equality and women's empowerment as *moderately unsatisfactory* (3).

### **Environment and natural resources management**

75. FDP provided support to coastal resource management. This included: (a) stock assessment; (b) Monitoring, Control and Surveillance to keep fish resource exploitation within the Maximum Sustainable Yield; (c) mangrove development and conservation; (d) establishment of marine and coastal protected areas to ensure sustainable use of coastal and marine living resources; (e) protection of endangered species; and (f) carrying out adaptive research and trial for aqua culture. All of these activities were carried out. In addition, the enhanced institutional capacities of MRRSD, MRDD, Research Division, coastal communities and other institutions, including College of Marine Science and Technology and the Ministry of Agriculture agreed to continued support following project closing.
76. Based on the above, this PCRV rates Environment and Natural Resource Management as *satisfactory* (5), one point above the PMD rating.

### **Climate Change**

77. Agriculture and animal husbandry are the main activities in the rural economy of Eritrea with about 60 to 70 per cent of the population relying on these resources for food security. However, these sectors are increasingly affected by high climate variability and dominated by inefficient subsistence rain-fed farming systems, limited resources and low profit margins. In addition, high aridity and harsh climate conditions are further limiting the agricultural potential of the two Zobas (Northern and Southern) bordering the Red Sea. These two Zobas are mainly arid with very limited agricultural potential. The limited capacity to exploit the fishery potential, coupled with poor agricultural potential, made the coastal communities the poorest and most food insecure in Eritrea. At the time of project design, the fisheries sector contributed less than 3 per cent of the country's GDP, despite the rich resource base of the Red Sea.
78. Although the issue of climate change was not directly addressed by the project, the FDP combined efforts to increase productivity and production by the targeted fishers while putting in place conservation and control measures. These included: a) strengthening the legal and regularity framework of the fisheries sector; b) ensuring that the catch of any species does not exceed the Maximum Sustainable Yield of any species; and c) partnering with the Government-supported Manzanar mangrove project to support mangrove afforestation to protect and improve the coastal, marine and island ecosystems.
79. The latter approach contributed in part to adaptation to climate change. Mangroves are amongst the most productive ecosystems on the planet and each hectare of fully grown mangrove forest sequesters around 10 tonnes of carbon dioxide per year.<sup>11</sup> In addition, mangroves provide an alternative habitat for many species of fish associated with coral reefs which are seriously threatened by rising water

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<sup>11</sup> Working Paper 3: *The Manzanar Project Experience and Mangrove Development*, in IFAD FDP: Project Design Report, 2010.

temperatures caused by climate change. Mangroves also reduce coastal erosion by absorbing wave energy, thus protecting communities on this low-lying coast as sea levels rise due to global warming. In a country where deforestation is causing land degradation and soil erosion threatens food security, mangroves also provided an important supply of firewood and building material, thus reducing pressure on forests. In total, 85 ha of mangroves were planted at the time of project completion.

80. This criterion was not analysed by the PCR, although it was rated as moderately satisfactory. Due to the importance of adaptation to climate change in the project area, in light of the efforts undertaken by FDP in this realm, this PCR rates adaptation to climate change as *satisfactory (5)*, one point above the PMD rating.

### **C. Overall project achievement**

81. FDP was the first IFAD-supported intervention in the countries fisheries sector and, as such, implementation faced a number of challenges that limited project achievements.
82. Achievements across components were uneven. While most of the target outputs and outcomes for Component One were achieved, the same cannot be said about Component Two accounting for about 69 per cent of the project overall cost. A combination of different factors limited the achievement of Component Two's outcomes and their quality. Such factors included: a) the late implementation start-off; b) weak institutional capacity to develop the fishers' cooperatives with good technical and management capacity; c) failure to follow the recommended and logical step-by-step process for cooperative development; and d) procurement-related difficulties. The less than satisfactory output achievement for Component Two contributed to poor outcomes and impact of the project.
83. Looking at the positives, considerable work was done to strengthen the institutional capacity of MMR. The ministry's enhanced capacity in different areas is not only helping government in delivering against its set targets, it is also a critical and a key element in sustaining various interventions introduced by government, FDP and other development partners. Also, to enhance the capacity of MRRSD, the project supported the expansion of the Manzanar Mangrove Project with community involvement in monitoring and management. Through collaboration between the Ministry of Agriculture and MMR, apiculture within the mangrove forests was successfully piloted, and a nursery for mangrove seedling production became operational at project completion.
84. The training and equipment provided to a considerable number of fishers did play a role in the execution of productive activities, along with the rehabilitation of related infrastructure. And the establishment of the CSU to support fishers' cooperative development in 2015 was crucial for the project to expedite implementation.
85. In summary, FDP was a non-performing project until early 2015; once recommendations stemming from the MTR of mid-2014 and the post-MTR mission in late-2014 were adopted and implemented, the project gained momentum and managed to achieve some results at project completion. Yet, late implementation in the remaining two and a half years prior to project closing did not allow for achieving major outputs and outcomes, although some results were satisfactory.
86. The overall Project Performance rating is put as *moderately unsatisfactory (3)*, one point lower than the rating provided by PMD.

### **D. Performance of partners**

87. **IFAD.** According to the PCR, IFAD was considered a strategic ally in the technical and financial execution of the project. The Fund conducted several Supervision and



Implementation Support Missions<sup>12</sup> in the course of the six years of project implementation, especially in recognition of the non-performance of the project during the first three years and more of implementation, identifying issues and providing solutions to a "problem project".<sup>13</sup> Notably, IFAD, acknowledging its lack of experience in the fisheries sector, honestly recognized and addressed both the issues emerging from design, as well as the ones emerging from implementation. Provision of the required expertise during support missions, with the provision of sound recommendations, greatly facilitated FDP implementation in the last two and a half years of project life. In particular, the fielding of the MTR mission. According to the MMR, the lead implementing agency, the flexibility exhibited by IFAD in its dealings with all matters concerning FDP implementation made it possible for the implementing agencies to accomplish much more than would otherwise have been the case.

88. At the same time, as mentioned above, there were a number of issues at design which affected project implementation. A number of assumptions were made which contributed thereafter to very slow implementation. Among these: (i) political stability and no conflict situation; (ii) timely recruitment of Technical Assistance experts; (iii) availability of boat facilities; (iv) policy, strategies and plan for marine conservation in place; (v) no interference by the Government in cooperative management; and (vi) counterpart funds provided in a timely fashion.
89. Concerning political stability and no conflict situation, IFAD underestimated the border disputes between Eritrea and Ethiopia, a situation which remains troublesome to this day. As a consequence, the availability of skilled and knowledgeable staff was limited, as most of them were enrolled in the military. Therefore, the recruitment of Technical Assistance to be provided for under the capacity building component – which was expected to play an important role in the reorganization and strengthening of the MMR capacity in research, cooperative development, and enhance the marketability of Eritrean fishery products in niche markets of the European Union and Far East – took a very long time to materialize and was not up to standards.
90. In addition, the creation of a CSU as a parallel system proposed at design was resisted by Government and staled the provision of inputs to fishing communities. Replacing the CSU with a CCU following recommendations stemming from the MTR expedited fishing input supplies while improving the capacity of Government institutions as well as cooperatives for supply/financing system development.
91. Furthermore, the procurement process conducted to purchase the fishing vessels revealed that the costing estimated at appraisal was way too low for the envisaged productivity and profitability, with the market price for the ideal vessels being seven to eight times more than estimated at design.
92. IFAD conducted in 2014 an MTR mission which highlighted the relevant issues, bottlenecks and aspects which required immediate attention. The MTR proved to be a key turning point for FDP to start yielding results. The Fund also cooperated closely with the Government of Eritrea on how to best implement MTR missions through the fielding of a post-MTR support mission and the visit of the Director of the Near East and North Africa Division.
93. Overall, given the fact that this was IFAD's first intervention in the fisheries sector in Eritrea, and based on some faults at design stage and the subsequent strong support provided to the project during implementation to correct identified issues, this PCRV rates the performance of IFAD as *moderately satisfactory (4)*, one point lower than the PMD rating.

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<sup>12</sup> Two supervision missions were undertaken prior to MTR and five afterwards.

<sup>13</sup> As reported on the IFAD Project Status Report of June 2013, IFAD Supervision report of November 2013 and the MTR of April 2014.

94. **Government.** FDP, through the MMR, was confronted with a series of issues that affected project implementation beyond the first three years of project implementation. The strong focus placed by the Government on Component One, which related to strengthening MMR, to the expense of Component Two, played an adverse role with regard to FDP being classified as a “problem project”. There were a number of other issues, some related to project design, others related to the capacity of MMR to carry out implementation, especially in light of the loss of the experienced staff. While IFAD and FDP invested in improving the capacities of staff at different levels of the Government to facilitate effective implementation, the turnovers meant that, in some cases, no returns were recouped from the investments made in the respective staff capacity building.
95. In light of the above, this PCRV rates the performance of the Government as *moderately unsatisfactory (3)*, one point lower than the PMD rating.

#### **IV. Assessment of PCR quality**

##### **Scope**

96. The PCR covers most of the key aspects of the project in line with the 2006 PCR Guidelines. However, some sections are not analyzed in depth. For instance, the section on efficiency misses key issues as the cost per beneficiary and a complete explanation on project implementation delays. The information discussed under Impact should have devoted more attention to assessing the poverty impact of the outputs, and more information and analysis should have been provided with regard to gender. This PCRV rates the PCR scope as moderately satisfactory (4).

##### **Quality**

97. The PCR on the whole is well written and provides a fair snapshot of the project’s weak points and achievements. It contains most of the mandatory sections, including annexes with quantitative data; yet, the data presented in the impact section are not so strong, both in terms of quality and meaningfulness. The PCR has no free-standing bibliography and it is unclear from where impact data have been derived. Furthermore, the narrative on Climate change is missing, although the PCR provides a rating for this criterion. Overall, this PCRV assesses PCR quality as moderately unsatisfactory (3).

##### **Lessons**

98. The PCR presents several lessons learned and provides inputs for future interventions in the fisheries sector, in particular in terms of procurement, M&E, sustainability and design of future projects. The PCRV rates the PCR lessons as satisfactory (5).

##### **Candour**

99. The PCR narrative is objective and provides a fair balance between achievements and shortcomings. This PCRV rates candour as satisfactory (5).

#### **V. Lessons learned**

100. FDP was designed as a DSF grant-financed project addressing for the first time the exploitation of the underdeveloped fisheries sector in Eritrea. At the same time, IFAD did not fully possess the necessary experience to embark in such task, nor did it possess the necessary skills in house in the form of a Fisheries Technical Advisor. This resulted in a number of flaws at the project design level, including front loading in the early years of the project.
101. The overestimation of the capacity by the government to set up a semi-autonomous, semi-independent CSU to manage FDP cooperative proved to be not viable and contributed to slow project implementation during the first three years of the project. Country context and implementation capacity should be carefully

assessed before proposing sub-components that are fundamental for project achievement.

102. Country context is of fundamental importance in operations being implemented in post-conflict situations and a careful assessment of possible directions a country may take should be undertaken.
103. Sustainable fisheries sector development, including conservation of coastal area resources, should cater to inter-ministerial collaboration and full participation by coastal area communities. Creating an enabling environment through sound government policies and strategies, education and training of coastal communities are key factors for success and sustainability.
104. It is important to improve not only the technical capacity of fishers and their cooperatives, but also their capacity in business planning and management, including financial management and investment decisions. Self-sustaining operation calls for the development of a strong cooperative system that has both technical, financial and management capability for effective provision of production infrastructure and services.
105. The Monitoring & Evaluation function has been a weak link in the process of FDP implementation. It is critical that the M&E function gets sorted out at the onset of project implementation so as to establish whether the set targets are being achieved. If not, the system should be able to provide key information to management which, in turn, would take decisions to address the constraining factors. To that effect, it is important to pay particular attention, from the very beginning, to establish simple but effective monitoring and evaluation systems to ensure that outputs, outcomes and, eventually, impact are captured and properly reported.
106. A few technologies/processes/procedures were piloted, tested and proven during implementation. The Government should make an effort to scale them up either through government resources, as part of government programmes, or by incorporating them into development partners' supported Programmes/Projects.

## Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
<b>Rural poverty impact</b>	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> <li>Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.</li> </ul>		No
<b>Project performance</b>	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
<b>Other performance criteria</b>			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
<b>Overall project achievement</b>	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
<b>Performance of partners</b>			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

\* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

## Rating comparison<sup>a</sup>

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
<b>Rural poverty impact</b>	4	3	-1
<b>Project performance</b>			
Relevance	5	4	-1
Effectiveness	4	3	-1
Efficiency	3	3	0
Sustainability of benefits	4	3	-1
<b>Project performance<sup>b</sup></b>	4	3.25	0.75
<b>Other performance criteria</b>			
Gender equality and women's empowerment	4	3	-1
Innovation	5	5	0
Scaling up	5	4	-1
Environment and natural resources management	4	5	+1
Adaptation to climate change	4	5	+1
<b>Overall project achievement<sup>c</sup></b>	<b>4</b>	<b>3</b>	<b>-1</b>

<b>Performance of partners<sup>d</sup></b>			
IFAD	5	4	-1
Government	4	3	-1
<b>Average net disconnect</b>			<b>-0.5</b>

<sup>a</sup> Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

<sup>b</sup> Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

<sup>c</sup> This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.

<sup>d</sup> The rating for partners' performance is not a component of the overall project achievement rating.

### Ratings of the project completion report quality

	<i>PMD rating</i>	<i>IOE PCRVR rating</i>	<i>Net disconnect</i>
Candour		5	
Lessons		5	
Quality (methods, data, participatory process)		3	
Scope		4	
Overall rating of the project completion report		4	

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

## **Abbreviations and Acronyms**

CCU	Cooperatives Credit Unit
COSOP	IFAD Country Strategic Opportunities Programme
CSU	Cooperative Support Unit
DSF	Debt Sustainability Framework
FDP	Fisheries Development Project
HH	Households
IFAD	International Fund for Agricultural Development
IOE	Independent Office of Evaluation
M&E	Monitoring and Evaluation
MMR	Ministry of Marine Resources
MRRSD	Marine Resources Regulatory Services Department
MTR	Mid-term Review
NPCO	National Project Coordination Office
PCR	Project Completion Report
PCRV	Project Completion Report Validation
PMD	Programme Management Department

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