

Eritrea

**Fisheries Resources Management Programme
Supervision Report**

Mission Dates: 20 November - 02 December 2023

Document Date: 16/01/2024

Project No. 2000001144

Report No. 6752-ER

East and Southern Africa Division
Programme Management Department

Abbreviations and Acronyms

AWPB	Annual Work Plan and Budget
MCOS	Mainefhi College of Science
CSU	Cooperative Support Unit
DG	Director General
FAO	Food and Agriculture Organisation
FMC	Fisheries Monitoring Centre
FReMP	Fisheries Resources Management Programme
GEF	Global Environment Facility
GoSE	Government of the State of Eritrea
IADP	Integrated Agriculture Development Project
MDDW	Minimum Dietary Diversity for Women
MoA	Ministry of Agriculture
MMR	Ministry of Marine Resources
MRDD	Marine Resources Development Department
MRRSD	Marine Resources Regulatory Services Department
MTR	Mid-term Review
NHERI	National Higher Education and Research Institute
NPCO	National Programme Coordination Office
NUEW	National Union of Eritrea Women
PCCO	Projects and Commissions Coordination Office
PDR	Project Design Report
PIM	Project Implementation Manual
POC	Proof of Concept
PSMA	Ports State Measures Agreement
SDR	Special Drawing Rights
TA	Technical Assistance
TCP	Technical Cooperation Programme
VMS	Vessel Monitoring System
ZNRS	Zoba Northern Red Sea
ZSRS	Zoba Southern Red Sea
ZPCO	Zoba Programme Coordination Office

A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Not at risk
Country:	Eritrea	Environmental and Social Category:	Moderate
Project Name:	Fisheries Resources Management Programme	Climate Risk Classification:	Moderate
Project ID:	2000001144	Executing Institution:	Ministry of Marine Resources
Project Type:	Fisheries	Implementing Institutions:	Ministry of Marine Resources
CPM:	Caroline Mwongera		
Project Director:	Tecele Alemseghed		
Project Area:	National in scope (all six Zobas/Regions of the Country)		

Approval Date:	26/11/2016	Last audit receipt:	30/06/2023
Signing Date:	06/12/2016	Date of Last SIS Mission:	02/12/2023
Entry into Force Date:	06/12/2016	Number of SIS Missions:	11
Available for Disbursement Date:	21/04/2017	Number of extensions:	1
First Disbursement Date:	01/05/2017	Effectiveness lag:	1 month
MTR Date:	09/03/2021		
Original Completion Date:	31/12/2023		
Current Completion Date:	31/12/2024		
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
	Germany	\$11,550,000
Project total financing:		\$29,818,000

Current Mission

Mission Dates: 20 November - 02 December 2023

Days in the field: 12

Mission composition: IFAD Team

Caroline Mwongera, Country Director; Richard Abila, IFAD Project Technical Leader; Kadre Kadei, IFAD Programme Officer; Robert Lee, Fisheries expert; Claire Orengo, Targeting, Gender, Nutrition, and social inclusion specialist; Isaack Michael, Monitoring and Evaluation and Knowledge Management specialist; Mr. Sibekile Mtetwa, Environment and climate, SECAP expert; Fred Kagaba, Procurement specialist; Mr. Lugemwa, Michael Mayanja, Finance management specialist; Naomi Andebrhan, In-country Support & liaison consultant.

National Team

Adonay Heruy (Projects and Commissions Coordination Office), Ataklti Nguse (National Programme Coordinator), Adiam Abraham (Assistant NPC and Social Inclusion Officer), Hermon Alazar (Project Commissions and Coordination Office Supporting Staff) Moni Mizelo (National Programme Coordinator Supporting Staff), Helen Negasi (Procurement Specialist and Contract Manger), Samuel Brhane and Filmon Kidane (New Procurement Officers), Lidya Weldu (M&E specialist and Environmental Focal Person), Meron Fsshaye (M&E Assistant), Feven Gebray (M&E Assistant and KM officer), Ariam Tewelde (Nutrition Focal Person), Amanuel Semere (Financial Controller), Natnael Melake (Accountant), Minister Office, Technical Persons of Development Department, Regulatory Department, Research and Environmental Division, Quality Control Laboratory, VMS Technical Working Group, FReMP Zoba Programme Coordinators.

Field sites visited: Coastal: Flake ice plants, Abdur liquid fertilizer plant, Eri fish processing plant, Afta mangrove plantation site; Hinterland: Semomo Dam and the cooperative, Mai-Noh Integrated Aquaculture-Agriculture System and Mslam Dam (cage culture pilot).

B. Overall Assessment

Key SIS Indicator #1	∅	Rating	Key SIS Indicator #2	∅	Rating
Likelihood of Achieving the Development Objective		4.04	Assessment of the Overall Implementation Performance		3.92

Effectiveness and Developmental Focus	4	Project Management	4
Effectiveness	4	Quality of Project Management	4
Targeting and Outreach	4	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	4	Coherence between AWPB and Implementation	3
Nutrition	4	Performance of M&E System	4
Adaptation to Climate Change	4	Social, Environment, and Climate Standards requirements	4

Sustainability and Scaling-up	4	Financial Management and Execution	4
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	2
Partnership-building	4	Quality of Financial Management	4
Human and Social Capital and Empowerment	4	Quality and Timeliness of Audit	4
Quality of Project Target Group Engagement and Feedback	4	Counterparts Funds	5
Responsiveness of Service Providers	4	Compliance with Loan Covenants	5
Environment and Natural Resource Management	4	Procurement	4
Exit Strategy	4		
Potential for Scaling-up	5		

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

1. The Mission took place from 20 November – 01 December 2023, and follows the implementation support mission fielded on 5 - 14 June 2023 and the last full supervision mission of the project on 07 – 17 November 2022. The Mid-term review of FReMP, conducted in 2021, restructured the project to address emerging constraints, expedite implementation, ensure sustainability, and increase the impacts of the project; and notably, included actions to mitigate COVID-19 impacts on the project and the targeted beneficiaries.
2. The main objectives of this Mission were to assess the implementation progress for FReMP; Specifically: (i) to assess the technical / physical and financial achievements of the project; (ii) assess the level of implementation of the recommendations from the last Implementation support mission; (iii) review the project's progress against Annual Work Plan and Budget and provide recommendations for improvement of implementation; and (iv) assess the project's overall planning and strategies for delivery particularly on keys areas related to targeting and gender, technical activities, monitoring and evaluation, procurement, and financial management.
3. The Mission visited selected project sites and related activities to assess implementation progress and interacted with stakeholders and beneficiaries. In the coastal area, the Mission visited sites around Massawa in Zoba Northern Red Sea, including, MMR's facilities, flake ice plants, Erifish Processing plant, Halibay aquaculture site, Abdur liquid fertilizer plant and mangrove plantation sites. In the hinterland the Mission concentrated in Zoba Debub, where they visited Mslam Dam, Sememo Dam and Mai-Noh Integrated aquaculture-Agriculture Model Farm and held consultation with project beneficiaries and other stakeholders in each site.
4. The Mission paid a courtesy call to the Minister of Marine Resources of the State of Eritrea, H.E. Tewelde Kelati, on 21 November 2023 for briefing on the objectives of the Mission. The Mission highly appreciates the Minister's assurances of the Government's commitment and support for the project and to the success of the Mission. The Mission met with staff of the Ministry of Marine Resources and FReMP National Project Coordination Office (NPCO), led by Adonay Heruy, Head PCCO, Ataklti Nguse the National Programme Coordinator, Engineer Idris Saleh, Head MMR Development Department among other senior staff of the Ministry. The Mission expresses appreciation to all staff of NPCO and ZPCOs, who supported the Mission in various capacities, including providing high quality presentations and contributing to rich discussions on project activities and progress at the national and zoba levels. The Mission held technical pre-wrap up meeting with MMR and NPCO staff on 01 December 2023 to discuss the findings and key recommendations and final wrap-up meeting Chaired by by H.E. Tewelde Kelati on 01 December 2023.
5. The Mission would like to express appreciation to the Government of the State of Eritrea, and particularly to H.E. Tewelde Kelati, for the hospitalities and courtesies extended. The Mission also thank the NPCO, ZPCO, project partners, stakeholders and the fishing communities for their co-operation and support towards the success of this Mission.

Key Mission Agreements and Conclusions

6. **Extension of FReMP completion and the need to fast-track implementation:** Following a request by the Government of Eritrea, IFAD approved on 24 November 2023 a one-year extension of project implementation. Accordingly, the project completion date changed from 31 December 2023 to 31 December 2024, with new project closure date of 30 June 2024. The Mission commends both the Government of Eritrea and IFAD for reaching this decision, which originated from a key recommendation of the 2022 Supervision Mission. Going forward, the Mission urges the Project to effectively use the extended period to increase the level of implementation and greater impacts on beneficiaries. Additionally, a 6-month extension request has been approved by the Federal Republic of Germany for a completion date of 30 June 2024 and closure date of 31 December 2024.
7. **Procurement remains a major challenge to project performance and concerted effort is needed to unlock especially the big-ticket investments:** Procurement remains a major challenge to the timely delivery of project's goods, works and services and a critical factor affecting overall performance. Progress on implementation of the 2023 procurement plan is low, with most of the items at different stages of the procurement process and not completed. Of most concern are the "big ticket" items that constitute a large part of the project budget and with significant bearing on project performance. The Mission appreciates that FReMP operates in a challenging environment of limited number of qualified service providers in the country, as a result several tenders are initiated but do not reach a successful completion. There are also delays associated with providing and approving technical specifications and some challenges related to internet connectivity, while the need for more training exists. The project should take advantage of the extended implementation period with greater effort to improve the procurement results. There will be a need for a clear procurement strategy, indicating clear timelines, and priorities. IFAD will monitor the execution of the set timelines to determine what activities can realistically be implemented during the extension period, and if necessary, reallocation of project's resources.
8. **In the final year of implementation, there should be more focus on increasing project's results and sustainability of investments:** As FReMP enters the final year of implementation beginning from 1 January 2024, there is need for careful planning and prioritization of the activities that can be achieved within the remaining period and especially which can deliver most impacts on the beneficiaries. The 2024 AWPB was not completed in time because of delays to communicate the no-cost extension, and this should be finalized as a priority. The project should take note of the additional requirements for project completion and ensure the activities are adequately catered for in the AWPB, including outcome surveys and stakeholders engagements to contribute in the surveys and validation of PCR. The project should avoid starting any new activity that may not be completed in time. In addition, FReMP sustainability plan and exit strategy is not completed, and should get due attention, with IFAD committing to provide a consultant to support the project on these documents. The Mission urges the NPCO to prioritize the

D. Overview and Project Progress

9. The pace of FReMP implementation has been slow, attributed mainly to procurement bottlenecks, low disbursement factors and limited implementation capacity for some activities. Under 2023 AWPB, 40% of the planned actions were completed, implementation is ongoing for 51% of the planned actions, 3% of the actions have not been initiated, and 6% of the planned actions have been cancelled. Under Component 1 (Develop Sustainable Fisheries Systems), 41% of the planned actions have been completed whereas implementation is ongoing for 56% of the planned actions and 3% have not been initiated. In component 2 (Fisheries Enterprises Support Services) 32% of the planned actions have been completed and 68% of the planned actions are ongoing. In Component 3 (Institutional Strengthening and Implementation Support), 67% of the planned actions are complete whereas implementation is ongoing for 25% of the planned actions while 8% have not been initiated. The project outreach (in terms of the number of beneficiaries receiving various services, particularly fishing activities, value chain services, nutrition achievements, and in mangroves-related activities) has reached 79% of the end of the project target. FReMP has reached a total of 13,296 HHs, translating to 66,480 individuals, of which 51% are women. These results show a 62% increase in the project outreach since the previous mission.
10. The Programme is in its seventh year of implementation, and its overall disbursement rate is 48%. As at 20 December 2023, the IFAD grant had disbursed SDR 4.29 million of SDR 10.75 million allocated, representing 39.9%. Conversely, the German grant had disbursed EUR 5.68 million, representing 63% of the initial EUR 9.0 million allocated. The last disbursement was on 5 January 2023 and no withdrawal applications have been approved on the IFAD and German grants since the last implementation support mission in June 2023. The Federal Republic of Germany will not provide the final tranche of EUR 1,670,000 due to slow implementation progress and low disbursement rate. Therefore, the project disbursement represents 77.4 % of the available German Fund.
11. In coastal zobas, the most notable achievement has been the installation of two ice machines, which have increased ice production capacity from 10 to 40 tons daily with estimated (+/- 50%) energy cost reductions. This ice output has helped to maintain the small and medium scale fisheries, causing an increase in reported total marine fish production by 192 tonnes from 1,464 to 1,657 tonnes between 2020 and 2022. Between September 2015 and May 2023, coastal fishers sold 6,225 tonnes wet weight (equivalent to 1,245 tonnes dry weight) of small pelagic fish to the fish meal plant in Massawa, earning a total US\$ 996,000. In 2023, the value of the production was US\$ 299,341.
12. In inland zobas, the number of dams supported by the project increased from 15 to 22. Fish catch from the dams have consistently increased over the years with annual production rate from dams increased by 2.5 tonnes from 6.1 to 8.7 tonnes between 2018 and 2023. The production in the first 10 months of 2023 was 19 tonnes which was equal to 77% of the total production achieved between 2019 and 2022. The already formed cooperatives are utilizing the resources effectively and their average harvest is 43.5 tons annually. The total value of the catch sold (in cooked and fresh forms) in 2023 alone amounted to ERN 613,368 (US\$ 40,891). Simultaneously, the Government has already started scaling similar activities in additional 58 dams and hired 37 extension workers to support the dam activities. Consultancy to develop reservoir and catchment management plans for all 22 dams under the project have been issued and data collection started.
13. The number of cooperatives/ enterprise groups formed under the project have increased by 165 in 2023 to a total of 224 groups. The co-operatives continue to receive training in their areas of work, including fishing, fish processing, entrepreneurship and net making/ mending and occupational safety (e.g. swimming lessons for safety at sea). Additionally, the project made progress in the capacity strengthening of both MMR/NPCO and beneficiaries, production of knowledge tools and documentation, outreach to stakeholders, communication, workshops, south - south cooperation and exchange visits. MMR continued with its research activities on fish processing, out of which six value added products have been developed and are in the process of analysis for nutritional content, shelf life and stability. Implementation of the FAO Technical Assistance and the partnership with WorldFish under ACLiSAT project were completed during the year and negotiations are underway to enter bilateral partnership with WorldFish.
14. Mangrove re-afforestation activity increased, with about 123 ha of mangroves and 29 halophytes planted in 2023. Cumulatively, 456.5 ha of mangrove, which exceeded the targeted plan of 341 ha by 34%, in addition, 9118 halophytes have been planted during the implementation period.
15. The mission commends the project for accomplishing the digitalization of MMR working procedures specifically in the field of Finance management, procurement system, asset management, Human Resource system, and documentation. In 2023, the project has continued the process for capacity development of MMR and staff through the provision of office and laboratory equipment, training on project coordination and management, and knowledge management. A total of 467 staff (375 males and 92 females) have benefitted from capacity development during the project duration on key areas of Monitoring and evaluation, Nutrition, GIS, Laboratory technics, procurement, technical field of fishery management, ICT, project planning and finance management.
16. Progress on agreed actions of the last mission: Assessment of the overall 40 agreed actions that were recommended by the previous mission indicates that 44% of the agreed actions have been implemented, 49% of the agreed actions are under implementation, implementation has not been initiated against 7% of the agreed actions, and one agreed action has been cancelled.
17. **Key technical progress**
18. **Ice production:** The programme has procured two new ice machines with the capacity to produce a total of 40 tons/24hrs. All the

works were properly completed, and the machines have been installed, with one already commissioned and operational while the other is due to be commissioned in December 2023. Adding to the older two ice machines each with 5 tonnes capacity, the total ice production capacity under the project has quadrupled from 10 to 50 tons daily with estimated (+/- 50%) energy cost reductions. This production will help to meet ice demand for the small and medium scale fisheries, whose total fish production increased by 192 tonnes from 1,464 to 1,657 tonnes between 2020 and 2022. The Mission observed that two old ice plants require repairs to the ice storage areas and general body works and were not in service. *The mission recommends that these plants be repaired and the plants put back into service.*

19. **Inland fishery interventions:** The Project continues to make progress in the inland dams, of which the number of dams under the project has increased from 15 to 22. Fish catch from the dams have consistently increased over the years with annual production rate from dams increased by 2.5 tonnes from 6.1 to 8.7 tonnes between 2018 and 2023. The production in the first 10 months of 2023 was 19 tonnes which was equal to 77% of the total production achieved between 2019 and 2022. Of the 19 tonnes, 016 tonnes were sold cooked at ERN 48/kg and 12,984 kgs were sold or consumed fresh at ERN 25/kg. The total value of the catch sold cooked and fresh in 2023 alone amounted to ERN 613,368 (US\$ 40,891). The project is also introducing some innovations in the inland areas through piloting various forms of aquaculture to boost fish production, including cage aquaculture in Mslam dam and Integrated Aquaculture-Agriculture System (IAAS) at Mai-Noh dam, both activities which were supported technically and materially by the IFAD-funded ACiSAT project. Simultaneously, the Government has started scaling interventions in an additional 58 dams and hired 42 extension staff for inland dams (additional to 29 extension workers who are employed in the coastal zobas). FReMP templates and methodologies are being replicated in the 58 dams but at lower intensity. Between March and November 2023 MMR staff caught and distributed 7 tonnes of fish from the dams in promotional campaigns. *The Mission observed that the dam interventions are making positive contribution to the project objectives, particularly on rural community nutrition and incomes. This effort should be continued, strengthened and scaled up using the lessons learnt from FReMP. The programme should make effort to finalize procurement of canoes for dam cooperatives, and additionally, give further attention on the marketing side, including appropriate means of transporting fish from the dams to market and the use of solar refrigeration.*
20. **Small pelagic fish production:** Between September 2015 and May 2023, the fishmeal plant in Massawa purchased 6,225 tonnes wet weight equivalent to 1,245 tonnes dry weight of small pelagic fish from coastal fishers at 0.80 US\$/Kg which amounted to US\$ 996,000. In 2023, the value of the production was US\$ 299,341. The fish is dried on the ground and to date FReMP has not constructed any drying racks, which is the normal practice to dry fish for human consumption in many developing countries as it reduces contamination with sand and animal wastes. As a result, most, or all, of the dried small pelagic fish was used to produce animal feed. Small pelagic processing plant will be built at Ras Tarma from January 2024 onwards to improve fish quality and divert it for human consumption. However, drying racks will still be needed at this location. The dried fish will be used in the processing of new products already developed by MMR. The SRS Zoba is in negotiation with fishers about the price of hygienic anchovies and will be supplying drying racks for this purpose. *The mission recommends that drying racks be built and installed at Ras Tarma to produce hygienically dried fish. This initiative to build drying racks in the SRS area should be fast tracked and the contractual compensation for the dried small pelagic should be given for a limited period after which time the price will be renegotiated.*
21. The Mission further observed that six value added products have been developed by MMR and are in the process of analysis for nutritional content, shelf life and stability. The products include fish biscuits, fish protein powder, anchovies in peanut butter and in sugar, pickled fish and smoked small pelagic fish. The Fishery Products and Socio-economic Development Division needs to work closely with the SRS Zoba for marketing the value added products. *The value-added products need to be fast tracked with packaging, nutritional and other minimum standards testing. These products should be tasted and price tested in the national market to establish a pricing structure for the different products.*
22. **Milk Fish mariculture pilot:** The milkfish mariculture pilots in Halibay area have produced mixed results. The fish culture in MMR's ponds that were prepared in the salt ponds have been suspended. However, one fisherman in the area has taken up the initiative (with support of MMR) and produced 600 kgs of milkfish which were sold in a nearby community and earned ERN 3000. MMR has appointed a technical officer to follow and support the activity, who should closely monitor critical parameters including temperature, water level, salinity, oxygen, fish growth and chemical analysis of the food that the fisher is using. No further investment is required in the one pond developed until the proof of concept is technically and financially feasible and an evaluation report prepared. *For the pond that was built in the salt works complex, FReMP should prepare a technical report with data to explain the reason for stopping the initiative and the lessons learnt.*
23. **Mangrove re-forestation** activity increased, with about 123 ha (97 in ZNRS and 26 ZSRS) of mangroves and 29 halophytes (ZSRS) planted in 2023. Cumulatively, 456.5 ha of mangrove, which exceeded the targeted plan of 341 ha by 34%, in addition, 9118 halophytes have been planted during the implementation period.
24. **Vessel Monitoring System (VMS):** MMR requested the project for support to install a fishing vessel monitoring system as part of its Fisheries Monitoring, Control and Surveillance (MCS) System. A proof of concept (PoC) trial was conducted on a limited number (07) vessels and the VMS system passed the Proof of Concept on all indicators, including training, as per the contract. Further to this, MMR presented a new proposal to the June 2023 Mission, intending to expand the system to an Integrated Fisheries Monitoring, Control and Surveillance System. The integrated system incorporates VMS, Geographical Information System (GIS), Management Information System (MIS), and Radar system. The project made effort to respond to the concerns raised by the June 2023 Mission on the new proposal, including the need for additional justification for the new system. The key issues are around the cost-effectiveness, sustainability, maintenance, operational modalities and practicalities, personnel and MMR's capacity to operate such a system. The Mission observes that procurement is underway for the original VMS equipment and the additional equipment for the expanded integrated MCS system. *The Mission reiterates the need for the Project to fully address all the concerns and recommendations/ Agreed Actions of the June 2023 Mission including to prepare a clear operational plan and business plan for the proposed integrated fisheries monitoring centre/system. Ensure a clear and comprehensive operational plan of the functionality and utility for the proposed radar equipment.*

25. **Organic liquid fertilizer production:** Liquid fertilizer production from seaweed and fish wastes at the Abdur plant in Massawa started as a proof of concept and has transformed into a major opportunity for MMR and the Ministry of Agriculture (MoA). In the last year, monthly production of fertilizer production increased from 10,000 litres to 40,000 litres/month and the plant has orders on their books for 175,000 litres. A business plan has been developed with the support of FReMP for 600,000 litres per year, and the plant has been issued with an operational and business license. To date, the fertilizer has been provided to farmers free on a promotional basis and the mission learnt that the farmers express desires to acquire and purchase more of the product. The total monthly economic value gained by seaweed collectors is approximately ERN 30,000 (US\$ 2000) and ERN 120,000 (US\$ 8,000). However, the Mission observed several issues concerning the plant. These include limited information on the financing strategy, costs, availability of raw materials, and lack of PPE and sanitation facilities, related to the villagers that collect the seaweed. The plant must refine and update the business plans to be more detailed especially since the financing required is US\$ 6 million. *It is recommended that the plant specify in more details the following: Raw material sourcing, value chain documentation and strategy, socio and economic benefits for the workers in the factory and the workers that collect seaweed, seaweed culture plan, human resources development and hiring details, PPE for main plant and for collectors, sanitation and benefits for the collectors, pricing strategy for the purchase of seaweed, social benefits for the collectors and the staff at the plant, workmen's compensation etc.*
26. **Jemhile fish drying facility:** The construction of fish drying facility at Jemhile has been completed. The June 2023 mission concluded that a new strategy should be developed for Jemhile facility as there are currently few small pelagic fishers at this location. In addition, no business and socio-economic case for this site was ever prepared, and particularly as the site has a storage room and office but no water, with the water desalination plant planned for the island having been cancelled. The Mission reiterates to the project to carry out this task with urgency to ensure the facility is put to an appropriate use.
27. **Completion of FAO technical assistance and ACLiSAT Project:** FAO Technical Assistance to MMR/FReMP, which was financially supported by IFAD, came to completion in September in 2023. The consultants engaged through FAO have completed tasks related to i) Drafting the aquaculture development strategy, ii) Training on fish stock assessment, iii) business plan development, and iv) cooperative support. Some activities were not done by project completion date, including additional technical training on fish stock assessment tools. This was because MMR has not acquired the equipment for undertaking fish stock assessment. *The Mission recommends that MMR supports the launch of the aquaculture strategy. Additionally, FAO to complete the remaining training on fish stock assessment.* Similarly the *Advancing Climate Smart Aquaculture (ACLiSAT)* Project supported by IFAD, of which FReMP was one of the beneficiary projects, came to smooth completion in June 2023 and there are no pending issues.

Agreed Action	Responsibility	Agreed Date
Finalise the formal engagement of FAO or WorldFish as TA for FReMP Finalise the formal engagement of FAO or WorldFish as TA for FReMP	NPCO	09/2020
Prepare business plans Prepare business plans for all infrastructure investments and ensure that all CSU investments are under-pinned by business plans under TA hired - Continuous	NPCO/CSU	10/2020
Finalise the FReMP Restructuring Paper Finalise the FReMP Restructuring Paper and submit to IFAD for No Objection .The plan should indicate all the key assessments that will be done and key milestones until the MTR	NPCO	10/2020
Develop a plan of engagement Develop a plan of engagement with the various technical national partners including NUEW, NUEYS, College of Education, Science and Technology (formerly COMSAT) with scope for formalization of their engagement in the project	MMR/NPCO	12/2020
Undertake Capacity Needs Assessment Undertake Capacity Needs Assessment and prepare a Capacity Development Plan for MMR (including NPCO) which will be considered under the restructuring – this will include capacities for the different areas including procurement, mainstreaming themes, technical expertise etc., and submit to IFAD for No Objection	MMR/NPCO	12/2020
Programme Technical Committee Transmit to IFAD a new composition of the PTC for No Objection	MMR/NPCO	04/2021
new composition of the NPCO Transmit a formal communication to IFAD on the new composition of the NPCO, including the integration of technical leads, mainstreaming unit and the associated TORs	MMR/NPCO	06/2021
Capacity Needs Assessment Undertake an all-inclusive Capacity Needs Assessment & Plan covering the NPCO, ZPCOs and the MMR Departments and transmit the draft report to IFAD for Review & No objection	MMR/NPCO	07/2021
Oversight Transmit the minutes of the PTC and PSC to IFAD in line with the Financing Agreement. Continuous	MMR/NPCO	
TA Provide TA to FREMP on i) Procurement, ii) Fisheries, iii) Nutrition, iv) Gender & v) Cooperative Development. Continuous	IFAD	

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 4

Justification of rating

28. The project continues to deliver on a number of outputs. FReMP has reached a total of 13,296 HHs, translating to 66,480 individuals, of which 51% are women and 20% youth. This indicates that 79% of end project target have been achieved. The project has made good progress on ecosystem services, nutrition, fish production/productivity and reduction of post-harvest losses. The project is now working in 22 dams, which has exceeded the design target by 3. The project has exceeded the planted mangrove target, at 456.5 ha against the targeted of 341 ha. Ice production increased from 10 to 50 tons a day, which has contributed to reduction of post-harvest losses, and adequate to meet ice demand at Massawa, which is Eritrea's main fish landing point. Due to procurement challenges, there has been little progress on supplying equipment and business support services that would enable the target groups to significantly enhance their productivity and market linkages.

Log-Frame Analysis & Main Issues of Effectiveness

29. The mission conducted a thorough review of the FReMP logframe that presents the programme results data. Overall outreach results data of the number of beneficiaries involved in the project interventions and receiving various services, particularly fishing activities, value chain services, nutrition achievements, and in mangroves-related ecosystem activities. has reached 79% of the end of the project target. FReMP has reached a total of 13,296 HHs, translating to 66,480 individuals, of which 51% are women and 20% are youth. These results show a 62% increase in the project outreach since the previous mission. As for the logframe indicators progress against the end of the project target results, 38% the indicators have achieved over 70% of the end of project target with some indicators recording more than 100% results. About 46% of the indicators have achieved less than 70% of the end of project target results, while 15% of the logframe indicators have zero achievements to date. The annual outcome survey data has been incorporated in the logframe accordingly.
30. Nevertheless, several indicators are not specific, measurable, achievable, realistic, and time bound (they do not have SMART characteristics), for example one indicator is stated as: "Enhancement in fish productivity". Also, indicators are not numbered for ease of reference and tracking. There are numeric errors, missing data, and data inconsistencies in the logframe. The indicators progress tracking matrix had no columns to indicate performance status and remark against extreme results i.e. too low or too high results. Notably, the mission has supported a thorough check-up, correction, and updating of the logframe data to enhance the quality of the project results data.

Agreed Action	Responsibility	Agreed Date
Enhance the Logframe data 1. Conduct data verification and validation, 2. Numbering and making the logframe indicators SMART, 3. Complete the missing data as appropriate.	M&E Team	02/2024

Development Focus

Targeting and Outreach

Rating: 4

Previous rating: 4

Justification of rating

31. The rating for targeting and outreach is maintained at 4, moderately satisfactory. FReMP is a national project with targeting approach that is grounded in the government social inclusion practice and in compliance with IFAD strategy ensuring reach to vulnerable households and individuals. To date, FReMP has achieved 79 percent of the overall target corresponding to 13,296 households representing 66,480 persons. Of these 51 percent (34,460) are females and 20 percent are youth. Social mobilization has been pivotal in enhancing the participation of communities at large notably in ecosystem management and increasing awareness on fish consumption among other activities. The M and E system collects age and sex disaggregated data, but this can be enhanced with reporting on participatory data.

Main issues

32. FReMP is national in nature employing targeting approach that is grounded in the government social inclusion strategy and in compliance with IFAD requirements ensuring vulnerable households and individuals are included in the project. The target group of FReMP consists of: a) small-scale fishers (boat owners, crew members, foot fishers); b) rural smallholders (non-fishers mainly involved in subsistence agriculture); c) youth entrepreneurs (fishers and non-fishers) interested in establishing business enterprises/cooperatives to respond to market demand for fishery products and services; d) women, and especially women headed households (WHHs), accounting for at least 30% of project beneficiaries; and e) demobilized soldiers and Internally Displaced People (IDPs). To this end, the project has achieved 79 percent of the overall target corresponding to 13,296 households representing 66,480 persons. Of these 51 percent (34,460) are females. The outreach to small fishers is organized round cooperatives. While the project has supported formation of 284 cooperatives (in land and coastal), the operationalization of coastal coops has been slowed due to delays in procuring fishing gears. Support to youth has had a dismal with the project yet to identify viable business opportunities for youth who are likely to engage in post-harvest activities. Interventions targeting post-harvest management like installation of drying equipment have not been achieved. The mission encourages the project to intentionally identify opportunities through engaging beneficiaries and advance the opportunities for integration across the components and interventions.
33. Social mobilization has been pivotal in enhancing the participation of community at large notably in ecosystem management and increasing awareness on fish consumption among other activities. Social mobilization interventions need to be further elaborated with details on not only beneficiary participation but also associated economic benefits i.e. participation of women in ecosystem management through seaweed collection who are compensated but some spend a considerable number of hours on these

activities. Regarding appropriateness of interventions and services offered, the support to inland cooperatives has been effective in developing inland dams for fish production providing a source of nutritious food and a source of income for the fishers. However, with regards to further developing enterprises for women in net making and assembly, the project needs to assess the business case as the project baseline data and social construct does not support that as a viable business model for women cooperatives. Procurement issues have further affected the formation and support to coastal cooperatives with regards to fishing implements i.e. fishing gears. As the project awaits the purchase of these items, it is necessary to develop a support and distribution plan for the different profiles of the target groups (foot fishers, crew, boat owners) and identify an interim support mechanism to ensure the groups remain intact. To date, FReMP, has collectively supported the formation of 224 cooperatives (coastal and in-land) along various roles such as fishing, processing and marketing.

34. The mission commends the project with the progress towards formalization of cooperatives through the development of legal framework for cooperatives. Formalization will allow those engaged in fishing enterprises to expand the market base for their produce beyond their sub-zoba borders and improve their income prospects. Also, the involvement of diverse stakeholders within FReMP is contributing towards ensuring integrated service delivery for project beneficiaries. Engagement of Ministry of Agriculture for instance has enabled the development of sustainable inland fishing dams.

Agreed Action	Responsibility	Agreed Date
Social mobilisation process documentation Comprehensive reporting on the level of beneficiary engagement and participation including labour output (time use) and associated social and economic benefits.	IFAD/NPCO	03/2024

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

Justification of rating

35. FReMP is partially addressing GEWE policy objectives with 51 percent outreach to women supported with nutrition sensitisation, ecosystem management and enterprise development trainings. The project has earmarked fish processing as the entry point for the women who have already been trained from the inland cooperatives. The delayed operationalisation of coastal cooperatives and the non-viability of net making as a business for women have affected progress towards economic empowerment. The project is yet to demonstrate support towards ensuring equitable workloads especially in conservation activities. The project has a full time staff and its M&E system collects sex and age disaggregated data. For this reason, the project performance is rated at 4.

Main issues

36. FReMP engages women and youth by applying target quotas of 30 percent for both. FReMP has met its targets for women reaching 51 percent (34,020) of the overall target. While youth targets were set at design, the project was only started disaggregating data by age post MTR, thus not possible to determine the cumulative outreach to youth. The development of business plans for pelagic fish production and marketing for coastal cooperatives are yet to be operationalized. The project has a validated gender and targeting strategy and action plan.
37. **Economic Empowerment:** The recommendation for development of business plans for women on net making, assembly and repair is not a viable activity for addressing women economic empowerment. Culturally, all activities pertaining to net making are a confine for the men. Fishermen generally prefer to repair their own nets based on their own specifications and mending styles therefore providing no potential as a profitable economic entity for women and youth. This is also supported by FReMP baseline data showing that net making, assembly and repair activities are mostly performed by men, thus not a strategic intervention as an income generating venture for women. To this end, the mission recommends that the project make use of baseline data to ensure appropriate profitable businesses strategies are explored for women and youth. Nonetheless, the mission takes note of the positive progress with engagement of women in inland fisheries cooperatives, where they are involved in post-harvest management, including processing, and selling. To date, 1007 (36 percent), have been reached through these inland cooperatives with various trainings including fish preparation and processing of fish, financial literacy, record keeping and group dynamics.
38. **Equitable workload:** The mission noted that women are engaged in ecosystem management activities in communities with key role of clearing seaweed for mangrove afforestation activities. While they receive wages, the effort they put in these activities should be assessed against the benefits and documented. Enabling women's full engagement in these conservation activities is critical to ensure that efforts in biodiversity conservation and sustainable use of resources are successful in the long term but this needs to be balanced against their already heavy domestic workload. The lack of infrastructure in some of the FReMP areas see women walking at least 2 hours to engage in seaweed clearing activities.
39. **Equal voice and decision making:** FReMP is working through cooperatives to provide target beneficiaries with services for sustainable fisheries production. The support provided includes building inclusive organisations to be ensured through 50 percent quota for women as members and at least 30 percent in leadership roles. To date 224 cooperatives with total membership of 2,038 of which only 728 (35%) are women. This low participation of women is from coastal cooperatives which have only 33 percent women engagement compared to 51 percent in inland cooperatives. Coastal fisheries are predominantly led by men. *The mission therefore recommends that the project explores other avenues for engaging women in income generating activities and if necessary, beyond the confines of the marine sector to assure inclusive development.* Data for women in leadership position is also not routinely recorded in the M and E system. Engagement of national bodies, National Union of Eritrean Youth and Students (NUEYS) and National Union of Eritrean Women (NUEW) in ensuring selection of vulnerable of youth and women is commendable.

Agreed Action	Responsibility	Agreed Date
Business Plans for net making Replace the previous recommendation business plans for net assembly and mending as a business for women. Reallocate the funds to: <ul style="list-style-type: none"> • Support needs identified by women in processing cooperatives for storage and transport (e.g.Solar freezers, tricycles) • For the identified 6 women coastal enterprises, provide targeted support for their preferred businesses. 	NPCO, CSU	03/2024
Cooperative data Routinely collect and document data on women participation in cooperatives notably on leadership roles, training, membership etc	NPCO and CSU	12/2024

Agricultural Productivity

Rating: 4

Previous rating: 4

Justification of rating

40. There is incomplete data of fish production and productivity from marine and inland sources, however, available information suggests there has been an increase in the catches and incomes to fishermen in both areas. The fishmeal plant in Massawa recorded 6,225 tonnes wet weight equivalent to 1,245 tonnes dry weight of small pelagic fish, which they purchased from coastal fishermen at 0.80 US\$/Kg corresponding to total value of US\$ 996,000. Fish catch from the inland dams have consistently increased over the years with annual production rate from dams increased by 2.5 tonnes from 6.1 to 8.7 tonnes between 2018 and 2023. The production in the first 10 months of 2023 was 19 tonnes which was equal to 77% of the total production achieved between 2019 and 2022. The total value of the catch sold in 2023 alone amounted to ERN 613,368 (US\$ 40,891). The project has initiated aquaculture innovations to boost fish productivity in the dams.

Main issues

41. There is incomplete data of fish production from marine and inland sources. Available information suggests there has been increase in the catches and incomes to fishermen in both areas. Between September 2015 and May 2023, the fishmeal plant in Massawa purchased 6,225 tonnes wet weight equivalent to 1,245 tonnes dry weight of small pelagic fish from coastal fishers at 0.80 US\$/Kg which amounted to US\$ 996,000. In 2023, the value of the production was US\$ 299,341. The fish is dried on the ground and to date FReMP has not constructed any drying racks, which is the normal practice to dry fish for human consumption as it reduces contamination with sand and animal wastes.
42. The Project continues to make progress in the inland dams, of which the number of dams under the project has increased from 15 to 22. Fish catch from the dams have consistently increased over the years with annual production rate from dams increased by 2.5 tonnes from 6.1 to 8.7 tonnes between 2018 and 2023. The production in the first 10 months of 2023 was 19 tonnes which was equal to 77% of the total production achieved between 2019 and 2022. Of the 19 tonnes, 6.016 tonnes were sold cooked at ERN 48/kg and 12,984 kgs were sold or consumed fresh at ERN 25/kg. The total value of the catch sold cooked and fresh in 2023 alone amounted to ERN 613,368 (US\$ 40,891). The project is also introducing some innovations in the inland areas through piloting various forms of aquaculture to boost fish production, including cage aquaculture in Mslam dam and Integrated Aquaculture-Agriculture System (IAAS) Mai-Noh dam, both activities which were supported technically and materially by the IFAD-funded ACliSAT project. A major constraint is the lack of data collected consistently to determine the status of production and changes more accurately in productivity. The project is already making effort to collect this data especially in the inland dams, while there are also some records of coastal fishermen. There is need for more effort towards monitoring fish production and other relevant data in all the areas where the project is working.

Nutrition

Rating: 4

Previous rating: 4

Justification of rating

43. The rating is 4 as FReMP continues to implement nutrition sensitive fisheries interventions in target communities and simultaneously supporting institutional practice within MMR to adopt nutrition sensitive fisheries. FReMP through the wider MMR are members of national multi-stakeholder steering Committee with the aim of promoting nutrition benefits of fish consumption. The project has a nutrition strategy and SBCC manuals that are used to guide nutrition activities outlined in AWPB. Implementation is through coordinated structure with decentralised trained personnel from NPCO to sub-zoba level extension staff. Innovative products from small pelagic fish have been developed to promote acceptability and consumption of fish. The current outreach has surpassed target at design.

Main issues

44. FReMP has made good progress with implementation of nutrition interventions and previous mission recommendations. The project has full time nutrition personnel both at NPCO and ZPCO level. The project has a nutrition strategy in place, social behaviour change and communication manual that has been validated and a food demonstration manual is under development and will include local recipes to promote fish consumption. Small-size posters in local language will be developed once this manual is complete. The nutrition personnel both at NPCO, Zoba and Sub Zoba have subsequently received training on the key aforementioned project documents in addition to basic training on SBCC for nutrition focal persons at NPCO, ZPCO, product

development unit and extension officers. A sensitization workshop on KAP/MDD-W result was done with key nutrition stakeholders. A nutrition awareness campaign and fish consumption promotion were conducted in all the six Zobas that included outreach to schools and hospitals. Additionally, the project has cumulatively reached 5,435 HH (2,888 in the last year) with nutrition services surpassing the project outreach of 4,564 HH.

45. **Institutionalization of nutrition sensitive fisheries:** FReMP is working towards ensuring that the nutrition sensitive fisheries are not only adopted at community level but also target key complementary government entities. To this end, workshop was conducted targeting stakeholders from National Food Council (NFC), local government, NUEW, NUEY, MoH, Mol, Zoba administration, MMR staff, and ZPCO. Workshop focused on the potential of aquaculture for nutrition, fish consumption and other actions suitable for collaboration with MMR to help improve fish consumption as well as in food & nutrition security. FReMP, through MMR is also a member of national multi-stakeholder steering committee on nutrition which has given eminence to nutrition sensitive fisheries towards improving overall nutrition outcomes.
46. FReMP has also adopted innovative recipes to increase the acceptability and consumption of fish related products. The project is currently finalizing testing of the shelf-life, nutritional content, and quality analysis of six fish value-added products before they are introduced to the wider population. The products include fish biscuits, fish protein powder, anchovies in peanut butter and in sugar, and pickled fish. Planned market entry and launch of these products is planned for the first quarter of 2024. The mission recommends that FReMP initially starts with a select number of sub-zobas to comprehensively conduct acceptability tests and market monitoring before scaling up. This will include price testing in the national market to establish a pricing structure for the different products. Additionally, ensure appropriate packaging to increase shelf-life, while the labelling for the products should include nutritional information on key micronutrient content of fish i.e. iron, zinc, calcium, omega-3 fatty acids etc. The SBCC materials for promotion of fish consumption should also specify these key nutrients and their importance for human body development beyond the general importance of fish. Additionally, while fish product development is an important step towards improving acceptability of fish, the project should equally continue to promote consumption of whole fresh fish products as these provides an affordable approach for accessing nutritious food. Food processing comes with additional costs from production inputs such as packaging.

Agreed Action	Responsibility	Agreed Date
Market Entry strategy Develop and implement a simple market entry strategy including proposed price, checklist of product attributes to evaluate (taste, presentation, packaging etc) to assist refining final fish product	NPCO, MRDD	03/2024
SBCC materials Develop SBCC materials, including small-size posters in different languages and include specific nutrient attributes of fish and their importance for human development.	NPCO, MRDD	03/2024
Awareness on whole fish preparation and consumption Continue promoting consumption of fresh fish products especially as they present an affordable option for proteins	NPCO, ZPCO	12/2024

Adaptation to Climate Change

Rating: 4

Previous rating: 4

Justification of rating

47. The project displays moderate sensitivity to climate change impacts. It has appointed environmental and climate focal persons, developed an Environmental and Social Management Plan (ESMP), and integrated Climate Risk and Vulnerability Analysis (CRA) into its activities. Adaptation efforts include mangrove reforestation, the use of renewable energy in fish processing, and the promotion of integrated aquaculture livelihoods. However, there is room for improvement in the consolidation of these activities and in addressing challenges in effective climate change mitigation. The project faces challenges in project sites' vulnerability to climate change, affecting rural communities and livelihoods. To upgrade to a satisfactory rating, the following requirements will need to be justified i) Adaptation to climate change is a core project objective and its related interventions are well implemented, with appropriate use of resources (human and financial) and adequate reporting. ii) More than 75% of interventions identified in the project documents are well targeted and are building the resilience of communities/systems and provide such evidence.

Main issues

48. **Adaptation:** The proposed adaptation options for coastal Zobas include rehabilitation of critical marine ecosystems i.e. mangroves; use of renewable energy for fish processing and drying kilns; provision of cold storage transport infrastructure. The proposed adaptation options for the hinterland Zobas (Anseba, Gash Barka, Maekel and Dehub) include rehabilitation of catchment areas; restocking of fingerlings in dams and reservoirs; Provision of cold storage transport infrastructure and Promotion of integrated aquaculture livelihoods opportunities such as duck rearing. Coastal Watershed Management is being carried out in the ZNRS to protect islands from wave erosion. The activities include terracing, environmental sanitation and seaweed clearing from the newly planted mangroves. Other climate adaptation measures which the project has implemented include construction of cooperative storage and fish drying facilities in prone areas, and promotion of integrated aquaculture to

diversify rural communities' livelihoods. The consolidation of these activities during the project's remaining implementation period is essential to reduce adverse climate effects affecting rural communities and protect critical coastal and marine ecosystems.

49. **Mitigation:** Mangroves reforestation and catchment rehabilitation have significant potential in terms of climate change mitigation. The project has initiated an EX-ACT analysis to be carried out through the FAO EX-ACT grant. By analysing the amount of carbon sequestered, this will assist in identifying the potential mitigation co-benefits, including those generated from improved catchment management, land use change activities and diversified vegetative cover. FReMP also has the potential to contribute to greenhouse gas reduction by engaging in activities that promote adaptation and mitigation co-benefits. Such adaptation options with mitigation benefits include promoting fuel-efficient fishing vessels, using fixed fishing gear where possible, and using renewable energy in fish processing facilities, i.e., drying and cold transportation and storing aquatic products. The project has also developed a Project Identification Form (PIF) with the support of IFAD, targeting the GEF's Least Developed Country Fund (LDCF) window for US\$ 10 million. The PIF mainly focuses on promoting climate change adaptation, enhancing community-based ecosystem restoration in the marine and coastal areas, and improving the livelihood of the coastal and island inhabitants through climate resilience.

Agreed Action	Responsibility	Agreed Date
CARBON SEQUESTRATION	MMR/NPCO	03/2024
Pursue the project carbon sequestration analysis through the FAO EX-ACT grant.		

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 4	Previous rating: 4
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Justification of rating

50. In 2023, the project has continued the process for capacity development of MMR and staff through the provision of office and laboratory equipment, training on project coordination and management, and knowledge management. A total of 467 staff (375 males and 92 females) have benefitted from capacity development during the project duration. Others key areas for the capacity development are Monitoring and evaluation, Nutrition, GIS, Laboratory technics, procurement, technical field of fishery management, ICT, project planning and finance management. Technical Assistance provided in the field of business plan also had a significant effect of reinforcing the MMR capacity particularly for the CSU. Additionally, the project has formed a number of co-operatives both for marine fisheries and inland dams. Two legal frameworks have been developed in 2023 and under process by the Ministry in charge of Law: (i) The National fisheries Cooperative Development Policy; and (ii) the Fishers Cooperative Legal Framework Bill.

Main issues

51. During the period under review, FReMP has formed in the Coastal zobas, (i) cooperatives for foot fishers (15 in the SRS and 48 in the NRS); (ii) 22 cooperatives for small pelagic fishing (16 in SRS and 6 in NRS); (iii) 8 cooperatives for small pelagic processing (5 in SRS and 3 in NRS); and (iv) 30 cooperatives for large fish fishing (16 in SRS and 6 in NRS). In the Inland Zobas, support to cooperative activities has permitted the formation of (i) 9 youth fishing cooperatives and 9 women processing ones specifically 4 in Gash Barka, 2 in Anseba, 6 in Meakal and 6 in Debub in a pair number of the two categories and one fish retail cooperative in Zoba Meakal. To support the policy and regulatory framework of the Ministry and fishery sector, two legal frameworks have been developed in 2023 and under process by the Ministry in charge of Law: (i) The National fisheries Cooperative Development Policy; and (ii) the Fishers Cooperative Legal Framework Bill. The main constraint for the cooperative performance is the insufficient equipment particularly the fishing gears for which the procurement process showed a significant delay. All the cooperatives formed in 2023 have received training on the skills of their activities mandate. In 2023, the project has continued the process for capacity development of MMR and staff through the provision of office and laboratory equipment, training on project coordination and management, and knowledge management. This makes a Total of 467 staff (375 males and 92 females) benefitting from capacity development during the project duration. Others key areas for the capacity development are Monitoring and evaluation, Nutrition, GIS, Laboratory technics, procurement, technical field of fishery management, ICT, project planning and finance management. These activities developed under component 3 have contributed in building the institutional capacity of the Ministry (MMR). A technical Assistance provided in the field of business plan also had a significant effect of reinforcing the MMR capacity particularly for the CSU. However, the trainings are not considering some aspects of institutional development. However, despite these efforts, some areas still facing challenges specifically the human resources capacity and the fishery system governance and management. The implementation of the capacity assessment need

Agreed Action	Responsibility	Agreed Date
Capacity building Provide trainings of the cooperatives on key aspects of business development and institutional management for strengthening including SECAP.	CSU/ FReMP	03/2024
Learning on best practices Conduct a training visit on cooperative development in more experimented countries within the African context for the CSU staff to provide effective support to the emerging cooperatives.	CSU/ FReMP	03/2024
Procurement of fish input Speed-up the procurement process for the fishing gears and furnish the cooperative with the equipment	NPCO	03/2024
Cooperative legal framework Ensure an effective follow up to ensure timely finalisation of the legal framework.	NPCO	03/2024

Partnership-building

Rating: 4

Previous rating: 4

Justification of rating

52. In 2023, FReMP has continued the partnership with various organizations and institutions in support of the project's implementation and increase impact to generate more results. The key partnership developed include : (i) The TA with FAO in support of the policy framework, fishery stock monitoring and assessment ; (ii) Word Fish in the procurement of fish feeds and various equipment; (iii) the National Ministries such as the Ministries in charge of Justice, Finance and National Development, Agriculture, Land, Water and Environment, Health and Information; and (iv) national institutions namely the NATIONAL Union of Eritrean Women, the National Union of Eritrean Youth and students contributing in all the targeting process. These partnerships have contributed in reinforcing the projects impact in the field, developing National ownership and bringing the stakeholders together in a more effective coordination process. Workshops were organised for development of cooperative policy and nutrition strategy with the participation of all stakeholders have also contributed to an effective policy dialogue on MMR objectives.

Main issues

53. The partnership with FAO and with WorldFish (under ACLiSAT Project) are ending in 2023 and a close follow up of the results obtained is necessary for an effective use of the benefit. Partnership with local institutions needs to be more developed to prepare the exit strategy and support more sustainability of the promoted investments. Collaboration with IFAD funded project, Integrated Agriculture Development Project (IADP) is weak in the field and needs to be strengthened. A synergy is to be developed specifically in the field of catchment and watershed management along the water dams.

Agreed Action	Responsibility	Agreed Date
Synergies with IADP Develop a synergy with IADP Project specifically in the field of catchment and watershed management along the water dams.	NPCO	12/2024

Human and Social Capital and Empowerment

Rating: 4

Previous rating: 5

Justification of rating

54. The rating has been downgraded from 5 to 4. The project has made investments in improving both human and social capacities across the project from NPCO to project beneficiaries but yet to fully implement key interventions to apply and utilise knowledge and skills gained from the various capacity building initiatives. Beneficiaries have benefited from trainings including human nutrition, fish techniques, processing, financial literacy, group dynamics among other topics which, through cooperatives, can empower them to further improve their livelihoods and economic status. The support to development of cooperative has however stalled affecting the enhancement of social capital and empowerment. Thus beneficiaries have marginally gained access to essential social and productive services as these pertinent institutions are yet to be fully developed.

Main issues

55. **Development of social capita through cooperatives:**FReMP made investments in improving Human and Social Capital through various capacity building initiatives on both technical and managerial aspects. The support to development of cooperative will further enhance social capital and empowerment. The project has to date supported the formation of 284 cooperatives including provision of training on financial literacy, group dynamics, technical fisheries skills etc. While these trainings provide the

foundation to improve both marine and inland fisheries, the project's continuum of learning and capacity development has been hampered by non-achievement of key complementary interventions like operationalisation of cooperatives, formation of umbrella cooperative and the provision of basic fishing inputs to kick-start cooperative activities especially in coastal Zobas. The lack of legal framework for licencing cooperative activities and FReMP's inability to provide fishing inputs limited the extent to which members were able to use their skills gained from trainings. Additionally, the fisheries sector lacks the dynamism to offer free market due to the fixed price for fish and fishery products. Despite the numerous trainings provided, the internal operational structures are yet to be developed which hampers them in achieving economic and social benefits. Capacity needs assessment of cooperatives must be conducted once the necessary inputs and fishing gears.

56. **International technical exposure visits:** Eight senior male MMR staff went on exchange visits to Uganda and Tanzania related to liquid fertilizer production, aquaculture and mariculture, small pelagic processing, seaweed production, fishing institutions, salt production. This is important in strengthening skills at the MMR, however no females participated in these exchange learning visits. *Gender sensitive selection of trainees needs to be adopted to ensure inclusive capacity development at MMR level. Furthermore, having a representative from NPCO who is directly involved with day to day coordination of FReMP activities should be considered to enhance the cascading and application of the knowledge gained especially from international exposure visits.*
57. **Technical Trainings:** The NPCO received a series of capacity development support in terms of training, technical assistance, and webinars. Nutrition technical assistance supported with development of implementation strategies and action plans to support including nutrition strategy and SBCC action plans that have now been approved. Training was also provided on nutrition sensitive fisheries through the one UN cooperation framework. All these trainings have been cascaded to extension staff level to support service delivery.
58. **Multi-stakeholder workshops** were held including Ministry of Agriculture, Ministry of Finance and Development, Ministry of Land Environment and Water focusing on ESMP and nutrition. Other workshops held covered dam management, environmental management and assessment, watershed management and targeted unit heads, division head and Extension officers at sub Zobas. While these trainings are supported under FReMP, the participants are drawn from government institutions providing support beyond FReMP geographical targets (sub Zobas). This approach contributed to overall institution strengthening which contributes to overall improvement in service delivery leading to increase in fish production and fish consumption. The project has also adopted community management of natural resources through social fencing that has seen them enact local social norms for protecting environment: Improving technical capacity through community involvement e.g. community management of halophyte nurseries for mangroves can further strengthen this.

Quality of Project Target Group Engagement and Feedback

Rating: 4

Previous rating: 4

Justification of rating

59. Beneficiary engagement and feedback remains moderately satisfactory. Social mobilisation is at the core of seeking the participation and engagement of the target group. This is done through the existing elaborate administrative structures from national to sub-zoba level. However, it is not clear the extent to which beneficiaries' views are incorporated in and / or contribute to the general administrative structure of the project implementation. On the other hand, beneficiaries make in kind contributions but the estimation of the value of this contribution is understated. The project is developing a GRM, stakeholder engagement plan and a participatory M&E system. The lack of these have hampered monitoring of beneficiaries' engagement in project activities beyond the direct support provided.

Main issues

60. FReMP interventions are spread across three interrelated components which are supposed to leverage each other to ensure the maximum benefit for the target beneficiaries. However, a review of the project activities shows some level of disconnect. Sequencing of interventions is important to ensure that interventions leverage on each other and improve the experience of the target group. This has not been the case as some early action interventions affected by procurement delays are yet to be achieved affecting the foundation of developing a profitable fishing enterprise. Some examples are shared below:
61. **Equipping of Fishers** is yet to be achieved due to procurement challenges that have hampered the importation of fishing gears. This means that, while cooperatives have been trained in technical aspects of fishing, improvement of entrepreneurial capacity of these fisher folks has not been fully met as this is an iterative process that is improved through practice and not only training..
62. **Umbrella cooperative:** The development of a successful umbrella cooperative is dependent on the existence of strong individual cooperatives that are its constituent members. Although FReMP has already identified and supported the formation of cooperatives, the coastal cooperatives are yet to be operationalised as they are yet to be equipped. Furthermore, the co-operatives are being developed in the absence of an enabling policy and legislative framework, which the project is still trying to develop. Numerous capacity building activities have been conducted to improve service delivery to beneficiary and also improve beneficiary engagement with the project. Cooperatives are central to the implementation of FReMP interventions, but with the delay in providing the requisite inputs (fishing), the training already provided is unlikely to translate to empowerment as envisioned at design. The mission also observed that there are many young people being actively engaged in project activities and staff of NPCO are relatively young professionals, which is commended.
63. FReMP beneficiaries contribute to advancing the project's goal through voluntary community engagement, for instance in ecosystem management for mangrove afforestation. The mission interacted with select community members who noted that long distances to the beach was a challenge for their participation. While this does not reflect the view of the entire project, a functioning GRM system would ensure that project captures such feedback and provides targeted remedial actions. The lack of GRM and a participatory M&E system affects the process of beneficiary accountability and feedback mechanism. By giving the

beneficiaries the capacity to provide feedback to the project, a GRM provides beneficiaries' voice in the program's administration and its performance management. The project has been relying on the national administrative structures for community mobilisation, which can affect the willingness of the beneficiaries to provide feedback. FReMP has recently received training on GRM, which is expected to accelerate the initiation of project level beneficiaries' feedback mechanism. The project has established and trained the GRM committees at national, Zoba, and sub-zoba levels. However, complaints and feedback handling procedures are yet to be developed. Training of trainers was conducted to create capacity within the project implementation teams at all levels. Given that the project has only one year remaining, the mission recommends that the project integrates participatory elements in monitoring of the project activities to enable collation of feedback from beneficiaries that will contribute to their future engagement. Also, as the project awaits the delivery of fishing gears, the mission recommends that project implements 'no regret' interventions for formed cooperatives (e.g. refresher trainings looking at group dynamics, financial literacy etc) to keep them motivated.

Agreed Action	Responsibility	Agreed Date
Implementation of activities Identify and Implement 'no regret' activities (e.g;)for coastal cooperatives awaiting supply of fishing gears.	NPCO	03/2024

Responsiveness of Service Providers **Rating: 4** **Previous rating: 4**

Justification of rating

64. The project operates in an extremely challenging environment of limited number of qualified service providers who bid for provision of goods, works and services in the country. Several evaluations have either not been done (cancelled at bid opening stage) or have been cancelled during evaluation proceedings due to; (i) respondent bidders are less than three, (ii) bidders do not qualify technically, and (iii) Abnormally Low Bid (ALB) concept. During the project life, out of 69 suppliers/contractors who submitted bids, 22 were found to be responsive and reached, but several contracts were terminated for non-performance etc. These challenges have negatively impacted project implementation, resulting in very low disbursements to the extent that after seven (7) years of project implementation disbursement of IFAD financing is 25% (US\$ 3.7M of 15M). The previous rating is maintained.

Environment and Natural Resource Management **Rating: 4** **Previous rating: 4**

Justification of rating

65. The project has exceeded targets on the Mangroves plantation, which is commendable. However, the project planned to elaborate 21 watershed management plans while progress stands at 0%. There could be more insights provided on the environmental/ecosystem benefits of the dams besides their importance for fish production.

Main issues

- 66. **Mangroves re-forestation:** FReMP supports rehabilitation of mangroves along the coast as a means of protecting critical coastal and marine ecosystems. The activity includes setting mangroves nurseries, replanting mangroves, seaweed clearing from the newly planted mangroves and protecting the mangroves through 'social fencing' approaches. Since the last supervision mission (after MTR), the project has grown 123 ha of mangrove and 29 halophyte seedlings have been planted of which 418 beneficiaries participated (135 males and 283 females). Cumulatively, 456.5 ha of mangrove and 9118 halophytes have been planted during the implementation period. In addition, In Jemhile Island, for example, the rural communities have planted and maintained 14 ha of mangroves, which received national recognition through the Ministry of Agriculture. The project assessed the extent of mangrove coverage and established that the mangroves are doing well with average heights of 1.01 to 4 meters. The mangroves have a challenge of being smothered by seaweeds or grazed by camels before they are fully established. The project has introduced seaweed clearing teams and social fencing in the concerned communities. A survey has been conducted which showed that the villagers are benefitting from wood for construction, potential bee keeping, increase on fish in the areas and shade for the foot fishers. The project has also started establishing mangrove nursery centers in both coastal Zobas. Mangroves reforestation and catchment rehabilitation have significant potential in terms of climate change mitigation. *The Mission recommends an EX-ACT analysis to be carried out through the FAO EX-ACT grant supported by IFAD. By analyzing the amount of carbon sequestered, this will assist in identifying the potential mitigation co-benefits, including those generated from improved catchment management, land use change activities and diversified vegetative cover.*
- 67. **Coastal Watershed Management** is being carried out in the NRS to protect islands from wave erosion. The activities include terracing, environmental sanitation and seaweed clearing from the newly planted mangroves. Currently, the vulnerable Islands are identified in the three sub-Zobas and 530 beneficiaries are participating.
- 68. **Fish spawning season:** The work related to the spawning season of Indian mackerel has been determined and work is ongoing to develop models based on catch and effort data of 1994–2023, which identified the spawning between July and September. *The mission recommends that the fisheries regulatory department should develop a management plan for the Indian mackerel.*
- 69. **Dam and Watershed Management (hinterland).** The project is developing 21 reservoir and catchment management plans for each of the FReMP selected dams through the consultancy with the National Higher Education and Research Institution (NHERI). Discussions are ongoing on outsourcing inland watershed management to the Ministry of Agriculture as part of IADP. Training has been done in collaboration with the NHERI consultants regarding water quality assessment and siltation analysis of the dams

which included participants from the MoA in the hinterland Zoba branches.

70. **Liquid fertilizer helps in environmental conservation** by utilizing seaweed and fish waste to produce organic fertilizer, which is taken up by the Ministry of Agriculture. The mission noted that there were no sanitation and rest areas for the workers both at the factory and seaweed collection sites and that the workers did not have PPE despite FReMP having provided. *Thus the mission recommends that the organic fertilizer plant establishes these sanitation facilities for the workers and ensure that PPE are used.*

Agreed Action	Responsibility	Agreed Date
Dam and catchment plans Finalise the development of dam and catchment management plan for the 21 selected Dams under FReMP.	MMR/NPCO	03/2024

Exit Strategy **Rating: 4** **Previous rating: 4**

Justification of rating

71. The project has a draft exit strategy, which is yet to be finalized. They have requested IFAD to assist in identifying a consultant to help in preparing a final exit strategy. Nonetheless, FReMP exit, and sustainability position is strengthened by it being embedded in government system and structures, under the Ministry of Marine Resources. Project activities are fully owned by the Government and will continue receiving support as Government programmes following project completion. Effort should be made to complete the Exit Strategy in order to guide the project at completion/ closure.

Potential for Scaling-up **Rating: 5** **Previous rating: 4**

Justification of rating

72. AFAP’s scaling up potential has been demonstrated especially through its work in inland dams, in line with IFAD’s Operational Framework for Scaling Results. The project started work in 15 dams, where it introduced methods of raising fish in the dams for nutrition and incomes, and formed co-operatives of women and youth to manage the business. After developing the models and experience, it expanded to work in 22 dams so as to increase the impacts. Recently, the Government with its own resources has started scaling interventions in an additional 58 dams and hired 42 extension staff for inland dams and has adopted FReMP templates and methodologies. The Government is developing the policy and legislative requirements to sustain these efforts, including; (i) National fisheries Cooperative Development Policy; and (ii) the Fishers Cooperative Legal Framework Bill; (iii) Dam Management Plans. The Mission observed that the dam interventions are making positive contribution to rural community nutrition and incomes and commends the Government effort to increase the impacts. In 2023 MMR recorded 7 tonnes of fish caught from the dams which were mainly for nutrition. The rating is adjusted from 4 to 5.

Main issues

73. According to the new IFAD’s Operational Framework for Scaling Results issued in October 2023, “scaling-up takes place when: (i) bi- and multi-lateral partners [...] adopt and disseminate the solution tested by IFAD; (ii) other stakeholders invest resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested from IFAD (from practice to policy)”. AFAP’s scaling up potential has been demonstrated especially through its work in inland dams, in line with IFAD’s Operational Framework for Scaling Results, showing increased commitment by IFAD’s partners and increased outreach. The project started work in 15 dams, where it introduced methods of raising fish in the dams for nutrition and incomes and formed co-operatives of women and youth to manage the business. After developing the models and experience, it expanded to work in 22 dams so as to increase the impacts. The project is also introducing some innovations in the inland areas through piloting various forms of aquaculture to boost fish production, including cage aquaculture in Mslam dam and Integrated Aquaculture-Agriculture System (IAAS) at Mai-Noh dam, both activities which also received technical and material support from the IFAD-funded ACliSAT project. Recently, the Government with its own resources has started scaling interventions in an additional 58 dams and hired 42 extension staff for inland dams. FReMP templates and methodologies are being replicated in the 58 dams but at lower intensity. Between March and November 2023 MMR caught and distributed 7 tonnes of fish from the dams in nutrition promotional campaigns. The Government is developing the policy and legislative framework to sustain co-operatives, including; (i) National fisheries Cooperative Development Policy; and (ii) the Fishers Cooperative Legal Framework Bill; (iii) Dam Management Plans. The Mission observed that the dam interventions are making positive contribution to the project objectives, particularly on rural community nutrition and incomes. This effort should be continued, strengthened, and scaled up using the lessons learnt from FReMP. The programme should make effort to finalize procurement of canoes for dam cooperatives, and additionally, give further attention on the marketing side, including appropriate means of transporting fish from the dams to market and the use of solar refrigeration.

c. Project Management

Quality of Project Management **Rating: 4** **Previous rating: 4**

Justification of rating

74. Project management has become more stable and increasingly effective. In the first 4 years of project implementation up to MTR, the project experienced a very high staff turn-over in the PCU, with 4 coordinators exchanging the position. There were equally

high turnover in other positions such as Finance Officer and Procurement Officer. However, the situation appears to have stabilized and project management function has significantly improved. Work plans, budgets and reporting are generally submitted in time and of high quality and the PCU responds appropriately and timely on issues raised by IFAD. It was also gathered that there is harmonious working relations within PCU and with Government.

Knowledge Management	Rating: 4	Previous rating: 5
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Justification of rating

75. The mission commends the Programme for undertaking several knowledge management activities since the last mission including (i) two learning/exchange visits were conducted to learn about the aspects of fisheries resources, 3 persons visited Uganda from 16-24 July 2023 and five persons visited Tanzania from 24-31 July 2023, (ii) two KM and communication clinics were conducted in July and October 2023 covering the aspects of social media in promoting the programme and roles and responsibilities of the KM Officer, (iii) a webinar was conducted to share SBCC experiences from Burundi, Malawi, and Zimbabwe, and (iii) four annual stakeholder workshops were conducted in Gash Barka (on 17th September 2023), Zoba Maekel (on 7th November 2023), Zoba Debub (16th November 2023), and Zoba Anseba (on 17th November 2023), the workshops were attended by 179 participants in total. In addition, the project implemented 50% of KM and communication agreed actions in the last mission. Considering that the project is coming to an end, it is expected at this stage that the project demonstrates how lessons and good practices are analyzed, documented, and utilized in project implementation. Moreover, at this stage, since we have also been able to collect some outcome data, we need to show how data from project M&E are typically used to inform Knowledge Management initiatives and guide management, especially in decision-making.

Main issues

76. Nevertheless, the mission highlights several points: most of the activities done were related to capacity building rather than collecting, documenting, and storing knowledge gained from the project implementation. The project has developed draft templates to document success stories, best practices, and lessons learned though these templates have not been used. They are pending for review by IFAD. Beneficiaries from the target households did not participate in the workshops to share knowledge especially successes, lessons learned, and best practices from beneficiaries' point of view. Overall, the project has developed field videos and prepared and published articles describing the project. However, there are several potential KM products that could still be produced such as newsletters, policy briefs, photo books, and case studies. Further, the project could establish physical or soft (online and offline) electronic repositories to store KM and communication products.

Value for Money	Rating: 4	Previous rating: 3
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Justification of rating

77. The mission has noted positive results emanating from the project interventions including ice production, organic fertilizer production, and fish catching. These results translate into significant monetary value. Similarly, there are perceived environment benefits from mangrove tree planting that can also be used in carbon trade among other tangible benefits. As such, at all levels the project results have started to positively impact the livelihoods of the project beneficiaries in the inland and coastal areas. There has been a provision of facilities that has evidence of having increased livelihoods at the household level.

Main issues

78. There are several examples demonstrating that beneficiaries are experiencing value of the investments: (i) The installation of two ice machines has increased installed ice production capacity from 10 to 40 tons daily with estimated (+/- 50%) energy cost reductions. This ice output has helped to maintain the small and medium scale fisheries, causing an increase in reported total marine fish production by 192 tonnes from 1,464 to 1,657 tonnes between 2020 and 2022. Between September 2015 and May 2023, coastal fishers sold 6,225 tonnes wet weight (equivalent to 1,245 tonnes dry weight) to the fish meal plant in Massawa and earned a total US\$ 996,000. In 2023, the value of the production was US\$ 299,341; (ii) Organic fertilizer production at MMR's Abdur fertilizer plant saw an increase in production from 10,000 litres to 40,000 litres/month. The total monthly economic value that has been transferred from the liquid fertilizer plant to seaweed collectors is ERN 30,000 (US\$ 2000) and ERN 120,000 (US\$ 8,000); (iii) Fish catch from the dams have consistently increased over the years with annual production rate from dams increased by 2.5 tonnes from 6.1 to 8.7 tonnes between 2018 and 2023. The production in the first 10 months of 2023 was 19 tonnes which was equal to 77% of the total production achieved between 2019 and 2022; (iv) The already formed cooperatives are utilizing the fish resources effectively and their average harvest is 43.5 tons annually. The total value of the catch sold (in cooked and fresh forms) in 2023 alone amounted to ERN 613,368 (US\$ 40,891); (v) The Project continues to make progress in the inland dams, of which the number of dams under the project has increased from 15 to 22. Fish catch from the dams have consistently increased over the years with annual production rate from dams increased by 2.5 tonnes from 6.1 to 8.7 tonnes between 2018 and 2023. The production in the first 10 months of 2023 was 19 tonnes which was equal to 77% of the total production achieved between 2019 and 2022. Of the 19 tonnes, 6.016 tonnes were sold cooked at ERN 48/kg and 12,984 kgs were sold or consumed fresh at ERN 25/kg. The total value of the catch sold cooked and fresh in 2023 alone amounted to ERN 613,368 (US\$ 40,891).

Coherence between AWPB and Implementation	Rating: 3	Previous rating: 3
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Justification of rating

79. The project implemented activities that were approved in the annual work plan and budget (AWPB). To this end, the activities in the AWPB were related to the project components thus the results are related to the outputs, outcomes, and goal of the project

as provided in the project logframe. Given implementation of the current AWPB, the project outreach in terms of the number of beneficiaries involved in project interventions and receiving various services, particularly fishing activities, value chain services, nutrition achievements, and in mangroves-related ecosystem activities has reached 79% of the end of the project target. FReMP has reached a total of 13,296 HHs, translating to 66,480 individuals, of which 51% are women, and 20% are youths. These results show a 62% increase in the project outreach since the previous mission. In addition, the project has maintained a participatory planning and budgeting process that involves all stakeholders at all levels to review performance of the previous year's AWPB and inform the development of the work plan and budget for the following year. The mission has observed that the pace of implementation of is mostly affected by slow procurement processes.

AWPB Inputs and Outputs Review and Implementation Progress

80. Overall performance against AWPB shows that 43% of the planned actions were completed, implementation is ongoing for 54% of the planned actions, and 3% of the actions have not been initiated. In Component 1 (Develop Sustainable Fisheries Systems), 41% of the planned actions have been completed whereas implementation is ongoing for 56% of the planned actions, and 3% of the actions have not been initiated. In component 2 (Fisheries Enterprises Support Services) 32% of the planned actions have been completed and 68% of the planned actions are ongoing. In Component 3 (Institutional Strengthening and Implementation Support), 67% of the planned actions are complete whereas implementation is ongoing for 25% of the planned actions, and 8% of the planned actions have not been initiated. Given these results, there is an increase in the implementation of the project compared to the findings of the previous mission.
81. Similarly, the mission reviewed progress against the implementation of 40 agreed actions that were recommended by the previous mission. 44% of the agreed actions have been implemented, 49% of the agreed actions are under implementation, implementation has not been initiated against 8% of the agreed actions, and one agreed action has been cancelled. The mission had opportunity to review and comment on the draft AWPB that will be implemented during the one-year extension period in 2024. The proposed annual work plan has about 109 activities of which 33% are in Component 1 (Develop Sustainable Fisheries Systems), 20% of the planned actions are in component 2 (Fisheries Enterprises Support Services), and 47% are In Component 3 (Institutional Strengthening and Implementation Support). According to the AWPB 2024, 91% of the planned activities will be initiated in the first quarter, 7% of the planned activities will be initiated in the second quarter, and 2% of the planned activities will be initiated in the fourth quarter. The project is finalizing the work plan to make it more realistic given high number of the project activities pending for implementation in the shortest period of time. The project planned a total project budget of US\$ 13,093,904.70 to be utilized for the period from January to December 2023. However, the turnover of withdrawal applications has been slow, mainly due to the slow implementation of programme activities. No withdrawal applications have been approved on the IFAD and German grants since the previous mission in June 2023. The last disbursement was on 5 January 2023.

Performance of M&E System	Rating: 4	Previous rating: 4
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Justification of rating

82. The FReMP M&E system is operational and it tracks project results progress in the logframe. The M&E system generates data needed for the project implementation reporting as appropriate. The program has shown commendable progress in continued development of the project M&E system by providing requisite resources i.e. human, physical and financial resources. The program M&E activities are articulated and resourced in the project AWPB. The program uses an excel spreadsheet which is updated regularly to track achievements before presenting their report to the management team. The mission noted that the M&E system has generated data through the annual outcome surveys for reporting changes at higher levels of the log-frame (Development goals and project outcomes). The M&E team has implemented 50% of the M&E agreed actions in the previous mission. However, drafting the FReMP exit strategy and Technical Assistance in monitoring evaluation and knowledge management are among the key agreed actions pending implementation. The project has not received technical support from M&E TA to assist development of the project M&E system since the expert is not yet recruited. However, the M&E system has not integrated data quality assessment system (DQA) to ensure accuracy, completeness, relevance, reliability, and timeliness of the data generated. Mostly, the M&E system plays an accountability role especially compliance with results reporting against progress of indicators in the project logframe. To this end, the M&E system does not adequately track project risks, assumptions, and implementation of the annual work plan and budget.

M&E System Review

83. The mission conducted a thorough inspection of the FReMP monitoring and evaluation system. Overall, the FReMP M&E system is operational and it consists of three M&E personnel at NPCO level, M&E focal persons at the Zoba level, and data collectors who are the Government Extension Officers at Sub-Zoba level. Also, the project has an M&E plan, indicator reference sheet, data collection tools, mother/ master database, annual outcome survey, annual review workshop, progress report (semi-annual and annual), and M&E activities incorporated in the 2023 AWPB. However, the M&E system has some gaps observed by the mission including (i) inaccurate M&E data as there were several numerical errors noted in the logframe data, (ii) Data quality assessment (DQA) is not undertaken to verify and validate the M&E data collected, (iii) several indicators are not specific, measurable, achievable, realistic, and time bound (do not have SMART characteristics), for example one indicator is stated as: "*Enhancement in fish productivity*", (iv) indicators are not numbered for ease of reference and tracking, (v) the logframe/ indicators progress tracking matrix had no columns to indicate performance and remark against extreme results i.e. too low or too high results, ((vi) none of members of the M&E team has received short or long term training in monitoring and evaluation, and (vii) project risks and assumptions are not monitored consistently.

Agreed Action	Responsibility	Agreed Date
Enhance the monitoring and evaluation system 1. Conduct data verification and validation, 2. Make logframe indicators SMART, 3. Updating data collection tools for use during the NCE period.	M&E Team	03/2024
Training on M&E/KM Conduct a tailor-made short training for the FReMP M&E/KM Team to equip them with the requisite skills to enhance the performance of M&E/KM functions.	IFAD/NPCO	03/2024

Social, Environment, and Climate Standards requirements

Rating: 4

Previous rating: 4

Justification of rating

84. The project displays a solid foundation in implementing SECAP, as evidenced by the operational mainstreaming teams and the adherence to SECAP instruments and national environmental standards. The establishment of the Grievance Redress Mechanism (GRM) and undertaking Climate Risk Assessment (CRA) demonstrate a proactive approach. However, the justification provided does not show the full integration of SECAP in the project - e.g., the identified mitigation activities in the ESMP need to be included in the PIM, the M&E strategy, budgeted for in the AWPB, and reports of the implementation of SECAP. The overall disbursement rate of the project being at 48% in its seventh year suggests some inefficiencies in financial management and execution, which could affect the full realization of SECAP goals. Several issues require attention and improvement in the next mission (e.g., report and feedback on the operationalization of GRM, how SECAP is used to enhance procurement, and how ESMPs have effectively guided project interventions to justify an upgrade to satisfactory rating).

SECAP Review

85. The project has since appointed environment and climate focal persons in the NPCO and at ZPCO who oversee the overall implementation of the SECAP requirements. The project has further mainstreamed the ESMP, CRA and GRM activities into the 2023 AWPB. A committee of four members has been formed at national level which monitors the implementation of the ESMP and CRA and will support mainstreaming the ESMP into the AWPB 2023. Further the project is to develop site specific ESMPs for all the large sub-projects like the liquid fertilizer factory; site specific E&S checklists for small sub-projects and then train all the stakeholders on how to mitigate any identified impacts.
86. **Environmental and Social Management Plan (ESMP).** The committee has since conducted several meetings and developed a monitoring template which will be completed on quarterly bases and several stakeholders have been trained on the use of the template.
87. **Grievance Redress Mechanism (GRM).** The project has established the Grievance Redress Mechanism (GRM) and GRM committees at national, Zoba, and sub-zoba levels. The committee has been tasked to address the complaints, investigate them to determine their validity and relevance, inform the results, monitor and evaluate the effectiveness, and report to the respective body at each level. In this regard, training of trainers has been organised through IFAD's Technical Assistance (TA) with the purpose to create capacity within the project implementation teams at national and Zoba levels.
88. **Climate Risk Assessment (CRA):** The project has conducted a Climate Risk Assessment (CRA) and has started implementing the adaptation measures which were identified in the analysis. Each sub-project is required to implement the measures which are relevant to that sub-project and the committee is assisting the sub-projects to identify the relevant measures and commence implementation.

Agreed Action	Responsibility	Agreed Date
Project compliance to SECAP Ensure FReMP is Compliant with National Legislation and SECAP requirements by developing the rest of the SECAP instruments like site specific ESMPs and check lists and operationalizing them	MMR/NPCO/ZPCO	03/2024

d. Financial Management & Execution

Acceptable Disbursement Rate

Rating: 2.0

Previous rating: 2

Justification of rating

89. Automated rating based on IFAD disbursement data

Main issues

90. The auto-calculated rating for disbursement is highly unsatisfactory. The Programme is in its seventh year of implementation, and

its overall disbursement rate is 48%. A one year extension to 31 December 2024 has been approved for IFAD financing. As at 31st October 2023, the IFAD grant had disbursed SDR 3.42 million of SDR 10.75 million allocated, representing 32%. Conversely, the German grant had disbursed EUR 5.68 million, representing 63% of the EUR 9.0 million allocated. The turnover of withdrawal applications has been slow, mainly due to the slow implementation of programme activities. No withdrawal applications have been approved on the IFAD and German grants since the previous mission in June 2023. The last disbursement was on 5 January 2023.

Agreed Action	Responsibility	Agreed Date
<p>Complete reallocation process and seek formal approval from IFAD.</p> <p>The project should submit a formal request for reallocation of funds across different categories to minimise the risk of significant overspending in the exhausted categories.</p> <p>Update - November 2023 Supervision Mission: The mission noted that Component 3 (Institutional Strength and Implementation support) under the German Fund had been overspent by 158 percent of the total appraisal budget. The mission advised the Project to reallocate additional funds from Component 2 to Component 3 under the German Grant.</p>	Programme Coordinator	06/2023
<p>Engage IFAD to identify an appropriate way forward with regard to the issue of ICP set up, training session on ICP access and IFR/WA submission procedures.</p> <p>Following completion of the implementation support mission, the project should engage the IFAD finance officer to determine the most appropriate course of action in relation to set up of the project in ICP and training on ICP procedures.</p> <p>Update - November 2023 Supervision Mission: All the relevant users have been set up on ICP Financials. However, training on ICP procedures has not yet been conducted. As a result, WAs are still submitted by email to the FO. The mission recommended training of FM staff on the procedures for submission of WAs through ICP.</p>	Financial Controller	07/2023

Fiduciary aspects

Quality of Financial Management

Rating: 4

Previous rating: 4

Justification of rating

91. The overall quality of financial management for FReMP is reasonable. The financial management staff structure at the NPCO and ZPCOs is complete, comprising all the required staff. The Programme's financial management arrangements are generally considered good. Internal controls over expenditure and cash management were adequate; hence, no ineligible expenditure was identified. The Programme is in compliance with most of the financial management covenants in the Financing Agreements and Letter to the Borrower/Recipient. However, there are areas for improvement noted, which include a delay in the implementation of the TOMPRO accounting software, the absence of adequate supervision of Zoba accountants by the NPCO FM staff, and an ineffective internal audit function.

Main issues

92. **Budgeting:** Programme budgets are prepared in sufficient detail. However, there has been a very low absorption, putting into question the realistic nature of the estimates, i.e. one month to the end of the financial year; the Programme has only absorbed 11 percent of the 2023 annual budget. Budget and actual comparisons are reported, but this is not done within an accounting system. Component 3 (Institutional Strength and Implementation support) under the German Fund has been overspent by 158 percent of the total appraisal budget. Therefore, there is a need to reallocate additional funds to component 3 under the German Fund.
93. **Accounting and financial reporting:** Implementation of TOMPRO accounting software is still ongoing. The software has been installed, and training the users at the national and Zoba levels was completed. However, the Programme has not commenced using the accounting software, pending the setting up of a local intranet to connect all the Zobas to the NPCO.
94. **Internal Controls:** Internal audit arrangements exist under MMR, although they are not effectively functioning. The latest internal audit of the Programme was conducted in 2019, and the scope was limited to bank balances with no recommendations for implementation. In addition, the internal audit team was not up to date with the Internal auditing standards issued by the Global Institute of Internal Auditors (IIA). Further, internal audit and FM staff are encouraged to take the online IFAD financial management course to better understand the IFAD financial management procedures.

Agreed Action	Responsibility	Agreed Date
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<p>Low budget absorption for the financial year 2022</p> <p>Fast track the procurement process and execution of programme activities to increase funds absorption</p> <p>Update - November 2023 Supervision Mission: One month to the end of the financial year; the Programme has only absorbed 11 percent of the 2023 annual budget.</p>	NPCO/PC	12/2022
<p>Internal audit</p> <p>The subsequent internal audits shall cover internal control systems/areas of the programme. The internal audit report should provide recommendations to facilitate improvement in internal controls</p> <p>Update during March, 2022 mission No further internal audit has been conducted</p> <p>Update from Nov 2022 mission shows no new internal audit has been conducted.</p> <p>Update - November 2023 Supervision Mission: No reports had been issued by the time of the mission.</p>	National Project Coordinator	02/2023
<p>Internal Audit function</p> <p>Internal audit scope should cover all areas of the programme</p> <p>Train internal audit staff about the internal auditing professional standards</p> <p>Update - June 2023 implementation support mission: No internal audit review had been conducted on the project as of 31 May 2023.</p> <p>Update - November 2023 Supervision Mission: No internal audit report had been issued by the time of the mission. No training was conducted for internal auditors.</p>	NPCO/Head Internal Audit	02/2023
<p>Need to improve the routine supervision of accounts staff at the ZPCOs</p> <p>FM staff at the NPCO should conduct quarterly visits to the ZPCOs to review the work of Zoba accountants related to the programme.</p> <p>Update - June 2023 implementation support mission: Outstanding activity as of 31 May 2023.</p> <p>Update - November 2023 Supervision Mission: Outstanding activity as of 27 November 2023.</p>	NPCO/FC	02/2023
<p>Revise the 2023 and 2024 AWPBs to reflect the additional \$5m taking into account the remaining implementation duration of the grant.</p> <p>Careful consideration should be made in the AWPB revision process to ensure all activities are completed by 31 December 2024 (revised project completion date). This must include appropriate phasing of implementation of activities to avoid potential ineligible expenditure.</p> <p>Update - November 2023 Supervision Mission: 2024 AWPB has not yet been completed.</p>	Project Coordinator and team	07/2023

<p>Commence usage of the new accounting software, starting with migration of data from 1 January 2023.</p> <p>The project should commence usage of the new TomPro accounting software, starting with migration of the 2023 financial transactions. This process should preferably commence as soon as the external audit field work is completed later in June 2023.</p> <p>Update - November 2023 Supervision Mission: Implementation of TOMPRO accounting software is still ongoing. The software has been installed, and training the users at the national and Zoba levels was completed. However, the Programme has not commenced using the accounting software, pending the setting up of a local intranet to connect all the Zobas to the NPCO. The mission recommended the project to Fast-track the process of setting up a local intranet to connect all the Zobas to the NPCO, and commence using the new TOMPRO accounting software, effective 1 January 2024.</p>	Financial Controller	07/2023
<p>Implementation of the TOMPRO accounting software</p> <p>Fast track the full implementation of the software at the NPCO and ZPCOs for timely realization of benefits.</p> <p>Update - June 2023 implementation support mission: The software is being used at head office and training for the ZPCO finance team will be conducted after the external auditing process is finalised.</p> <p>Update - November 2023 Supervision Mission: Implementation of TOMPRO accounting software is still ongoing. The software has been installed, and training the users at the national and Zoba levels was completed. However, the Programme has not commenced using the accounting software, pending the setting up of a local intranet to connect all the Zobas to the NPCO. The mission recommended the project to Fast-track the process of setting up a local intranet to connect all the Zobas to the NPCO, and commence using the new TOMPRO accounting software, effective 1 January 2024.</p>	NPCO/FC	09/2023
<p>Engage internal audit department in the planning process for the year to guarantee their involvement.</p> <p>Project is encouraged to involve the internal audit department in the planning process to secure their involvement in review of project transactions. Additionally, the internal audit department is encouraged to take the online IFAD financial management course to have a better understanding of IFAD financial management procedures.</p> <p>Update - November 2023 Supervision Mission: This activity was still pending by the time of the mission.</p>	Financial Controller and Head of Internal Audit	09/2023
<p>Implementation of the TOMPRO accounting software</p> <p>Fast-track the process of setting up a local intranet to connect all the Zobas to the NPCO.</p> <p>The project should commence using the new TOMPRO accounting software, effective 1 January 2024.</p>	NPCO/FC	02/2024
<p>Low budget absorption for the financial year 2023</p> <p>Prepare more realistic budget estimates for 2024 AWPB and fast-track activity implementation to increase the budget absorption.</p>	NPCO	02/2024
<p>Reallocate funds under the German Grant</p> <p>Reallocate additional funds from Component 2 to Component 3 under the German Grant.</p>	NPCO/FC	02/2024

Undertake the online IFAD FM Course Internal audit and FM staff are encouraged to take the free online IFAD financial management course to have a better understanding of IFAD's financial management procedures.	Head Internal Audit/FC	02/2024
Train FM staff in ICP Financials Engage IFAD to train the finance team on the WA submission procedures in ICP Financials.	FC	02/2024
Timely execution of project internal audits Fast-track the execution of internal audits to enable timely issuance of audit reports at least every six months for timely management action.	Head Internal Audit	02/2024
Submit the 2023 annual unaudited financial statements to IFAD Submit the 2023 annual unaudited financial statements to IFAD for review within four months after the end the financial year.	FC	03/2024

Quality and Timeliness of Audit

Rating: 4

Previous rating: 4

Justification of rating

95. Audit reports submitted by no longer than the due date. Reports substantially comply with agreed terms of reference, IFAD guidelines and acceptable auditing standards.

Main issues

96. FREMP's financial statements for the fiscal year 1 January 2022 to 31 December 2022 were audited by a private firm ,HLB Abraham Isaac and Company Authorised Auditors and Accountants, in accordance with International Standards on Auditing (ISAs). The audit report comprised of both the audited financial statements and management letter. Unqualified audit opinion was issued on the accompanying financial statements. However, the paragraph on audit opinion does not explicitly state whether the financial statements audited have been prepared in accordance with IPSAS cash or accrual or modified basis.
97. * The management letter does not classify the identified issues according to risk priority. In addition, FY2022 audit findings are not differentiated from follow up of FY2021 issues. This distinction should be clearly made.
98. * Despite management providing responses to issues raised by the auditor, some of the responses are not satisfactory. This is especially in the case of the following matters which were also mentioned in FY2021:
99. (i) Fixed Asset register (ii) Procurement (iii) Cash- bank reconciliation not done timely
100. (iv) Financial statements not done systematically/recorded properly (v) Competency of financial staff of the project

Agreed Action	Responsibility	Agreed Date
Budget Observation :77% of the budgeted amount for the year under review was not utilized. As a result, by their fixed nature actual operating costs' percentage was more than what was earmarked. Recommendation: Management should make extra efforts to fully implement what has been planned and maintain operating cost' earmarked percentage	project staff	12/2023
Fixed Assets Observation :Fixed Assets register maintained by the project was not updated with 2022 additions Recommendation : Management has to update fixed assets register on timely manner and physical count of fixed assets should be taken regularly.	finance manager	06/2024

<p>Procurement</p> <p>Observation : Procurement Status Report Form in use is in short of adequate information of planning, implementation status and contract administration, such as, bid announcement date, bid evaluation date, bid award date, agreed delivery modalities, expected delivery date, shortages if any etc. Furthermore, no procurement narrative report is written for management's information and decisions.</p> <p>Recommendation: We reiterate of the previous year that the Procurement Status Report Form need to be redesigned to cater for the aforesaid points raised. Furthermore, procurement narrative report has to be written on regular basis as well.</p>	<p>finance manager</p>	<p>06/2024</p>
<p>Cash</p> <p>Observation: Bank reconciliation were not prepared on timely manner i.e. monthly</p> <p>Recommendation : Bank reconciliations must be prepared and reviewed monthly</p>	<p>finance manager</p>	<p>06/2024</p>
<p>Expenditure categories at Head Office and Zobas Level</p> <p>Observation : Neither are expenditure categories report at Head Office and at Zobas level thoroughly checked nor are they compared with those in the withdrawal application form,</p> <p>Recommendation: Accuracy of categories of expenditures at Head Office and those on returns from Zobas must be checked thoroughly on monthly basis. Furthermore, the categories of expenditure in the withdrawal application form must be in line with those in the reports generated from the software in use and Zobas returns.</p>	<p>finance manager</p>	<p>06/2024</p>
<p>Financial documents</p> <p>Observation : Financial documents filed systematically nor were they recorded properly.</p> <p>Recommendation: Financial documents must be filed, recorded and kept in an orderly manner for management report and annual audit purposes</p>	<p>Financial manager</p>	<p>06/2024</p>
<p>Support documentation</p> <p>Observation: Supporting documents were not stamped " paid" contrary to the norm of business practice in Eritrea.</p> <p>Recommendation: To strengthen internal control and avoid possible duplication of payments, we reiterate our recommendation of the previous year that all supporting documents must be stamped "paid". The stamp has to provide space where reference of documents will be incorporated therein.</p>	<p>Financial manager</p>	<p>06/2024</p>
<p>Project finance staff competence</p> <p>Observation: There is a lot to be desired from staff members of finance section so far as their work diligence is concerned.</p> <p>Recommendation : Management has to instruct staff members of the Finance Section to be diligent in the work they perform</p>	<p>finance manager</p>	<p>06/2024</p>
<p>Internal audit</p> <p>Observation : There is no internal audit department or section within the Project's structure</p> <p>Recommendation: As internal audit, is very important tool for effective and efficient management of a project, we urge the management to establish an internal audit section or department and arm it with staff of good track record and high caliber in that particular field.</p>	<p>finance manager</p>	<p>06/2024</p>

<p>Monthly management accounting report</p> <p>Observation :There is no management accounting report</p> <p>Recommendation: As monthly management accounting report is a tool for management to take action on timely manner, finance department should prepare proper financial report based on IFAD's guideline for management's decision or action.</p>	Financial manager	06/2024
<p>Template used to prepare financial statements</p> <p>Observation : The financial statements provided to the auditors were not prepared in accordance with the template prescribed by IFAD.</p> <p>Recommendation: For easy understanding of the regional office, financial statements to be prepared by project's management should be in line with IFAD's requirements.</p>	Financial manager	06/2024

Counterparts Funds **Rating: 5** **Previous rating: 5**

Justification of rating

101. Counterpart contribution is reasonable. The government of Eritrea has cumulatively contributed equivalents of USD 1.23 million since programme inception, representing 87% of the targeted USD 1.42 million counterpart allocation at design. IFAD funds are not being used to cover taxes, as per FA. The project systematically recognises and tracks all in-kind and cash contributions, which include staff salaries, taxes, office space rent, and electricity, among others. Beneficiary contributions were low at USD 0.51 million, representing 38% of the design target of USD 1.35 million.

Compliance with Loan Covenants **Rating: 5** **Previous rating: 5**

Justification of rating

102. The Programme is generally being implemented in compliance with the financing agreement. However, there has been a delay in finalising the 2024 AWPB due to the uncertainty about the approval of the one-year programme extension.

Procurement

Procurement **Rating: 4** **Previous rating: 4**

Justification of rating

103. The overall procurement performance remains moderately satisfactory. The implementation of the 2023 Procurement Plan (PP) is lagging, with many activities still in the early stages of contracting. Although processes and procedures mostly comply with IFAD Procurement Guidelines, the delays associated with the initiation of procurement procedures have led to delayed implementation of project activities. Challenges have also been observed in the evaluation and contract award stages, including cancellation of some evaluations, particularly due to limited responsive bids. There are deficiencies in contract management and administration, including expired contracts and updates to the CMT. The OPEN system is now being used by project staff to manage procurement, however there are challenges in its use (including struggles with internet connectivity), and there is need for further training.

Procurement Review

104. **Procurement plan (PP).** Progress on implementation of the 2023 PP is low. Goods PP planned 11 activities, - 2 are at contract stage, consultancy PP had 5 - two contracts are signed, and the works PP had 2 - one contract is signed. A one-year project extension has been granted in principle, but there are big ticket contracts that will be rolled over to the next financial year, whose procurement processes need to be fast-tracked to allow sufficient time for contract execution. These include; (i) the Construction of Solar fish drying facilities in Ras-Tarma (at No objection on evaluation), (i) Supply of Fishing Gear (RFP shared with supplier), (iii) Materials and equipment for organic fertilizer production (received no objection on bid document), (iv) Provision of Water Transportation Trucks (received no objection on bid document). There will be a need therefore, for a clear procurement strategy for such activities indicating clear timelines, and priorities. IFAD will monitor the execution of the set timelines to determine whether these activities can realistically be implemented during the extension period.

105. The project uses both the 'ICP' and 'OPEN' systems for submission of the updated or upgraded PPs. Version 7.1 of the PP was submitted through the ICP system and it received a No objection on 8th March 2023, and the upgraded version (7.2) was submitted through the 'OPEN' system and awarded a No objection on 6th November 2023. The subject of upgrade included; change of the procurement methods, cancellation of activities, change of budget amounts etc. However, the PP in OPEN – which is considered to be the working document, still has aspects of the upgrade, e.g activities appearing twice, and it is not updated to reflect actual dates of procurement proceedings. Although project staff have been trained in its use, a few challenges related to internet connectivity and the need for more training exist. In order to mitigate this challenge, and given the ardent need for IFAD to monitor progress on PP implementation during the extension period, the project should use the offline PP template alongside the OPEN system.

106. **Bidding processes.** The procurement processes and procedures are mostly consistent and comply with IFAD Procurement

Guidelines. However, there are delays, associated with providing and approving technical specifications necessary for preparation of bid documents. Since the project does not have own technical departments for this purpose, the relevant ministry departments facilitate in this process. The approval and provision of technical specifications is lengthy, most times affecting timely start of procurement processes. As a lesson learned, for future projects, means should be devised to allow timely provision and approval of specifications necessary to start procurement processes.

107. **Evaluation processes.** A number of evaluations have either not been done (cancelled at bid opening stage) or have been cancelled during evaluation proceedings. Some of the main reasons for not evaluating or cancellation are: (i) The respondents are less than three, (ii) The bidders do not qualify technically, and (iii) The Abnormally Low Bid (ALB) concept. The revised Letter to The Recipient (LTR), now replaced by the Procurement Arrangement Letter (PAL) of 23rd May 2023, requires that 'the rejection of all bids and/or the cancellation of a bidding process, shall be subject to prior review by IFAD'. It should be noted that, a substantially responsive tender is one that conforms to all the instructions, requirements, terms and conditions of the tender documents. Therefore, given the challenging environment of limited number of bidders in the country, and in order to conform to the provisions of the PAL, for cases where fewer than three bids are received, the bid opening session should be suspended and request for IFAD's no objection to proceed with the opening/evaluation. This will save on the time to re-conduct the entire procurement process hence aiding timely execution of project activities.

108. **Contract management.** At the time of the mission, five contracts had expired in the range of 30-100 days, and hence execution had been suspended. The subject of amendment comprises; additional cost and duration extension. For purposes of traceability and transparency, justification for contract amendment is done through the OPEN system, but since the project staff have not fully mastered its use, requests were submitted by email and this makes it difficult for follow-up by IFAD. The project to re-submit sufficient evidence for the amendments, through the ICP system.

Agreed Action	Responsibility	Agreed Date
Review and revise the 2020 Procurement Plan Review and revise the 2020 Procurement Plan to expedite procurement processes including consideration of framework contracts	Procurement/NPCO	09/2020
Finalise the procurement of the VMS systems Finalise the procurement of the VMS systems and development of a sustainability plan	Procurement controller/NPCO	10/2020
Continue providing TA for procurement and technical specialisation Continue providing TA for procurement and technical specialisation	IFAD	12/2020
post review G16, G15 and C9 Procurement Team will provide IFAD with missing documentation relating to the post review that the mission was unable to retrieve to the following procurement activities – G16, G15 and C9	NPCO/Procurement controller	04/2021
TA to FReMP IFAD will provide TA to FReMP to ensure adequate market analysis and needs assessments are carried out and full compliance with IFAD requirements is attained. IFAD will support this activity by reviewing post review activities every two months.	IFAD	06/2021
MMR shall seek solutions to streamline lengthy approval mechanisms	MMR/NPCO	06/2021
MMR shall assess a proposal for the use of a procurement agent	NPCO/IFAD	06/2021
solutions to streamline lengthy internal approval processes MMR to transmit a note to IFAD for review on solutions to streamline lengthy internal approval processes	MMR/NPCO	06/2021
IFAD's anticorruption policy Procurement Team must ensure the self-declaration forms and language complying with IFAD's anticorruption policy are always included in bidding packages irrespective of the total estimated price for the package and Ensure compliance with IFAD ICPI.e. NOTUS and Contracts Monitoring Tool	NPCO/Procurement controller	06/2021

<p>Develop 2023 Procurement Plan</p> <p>Develop 2023 PP to speed up the procurement processes including consideration of framework contracts and packaging into multiple lots the fishing gears</p>	Procurement/NPCO	11/2022
<p>Publication</p> <p>Publish the 2023 PP approved in local newspapers and IFAD's website and Notice of Intent to Award of each contract</p>	Procurement/NPCO	11/2022
<p>Contract management</p> <p>The project to re-submit sufficient evidence for the amendments, through the OPEN system and manually</p>	Procurement department	12/2023
<p>Evaluation processes</p> <p>Given the challenging environment of limited number of bidders in the country, and in order to conform to the provisions of the PAL, for cases where fewer than three bids are received, the bid opening session should be suspended and request for IFAD's no objection to proceed with the evaluation.</p>	Procurement department	01/2024
<p>Procurement plan.</p> <ul style="list-style-type: none"> • Follow-up on timely execution of procurement processes for big ticket contracts that will be rolled over to the next financial year's PP (2024). IFAD to monitor the execution of the set timelines to determine whether these activities can realistically be implemented during the project extension period. • Project to use the offline PP template alongside the OPEN system in order for IFAD to monitor progress on PP implementation 	Procurement department/IFAD	03/2024
<p>Mandatory references to IFAD's policies</p> <p>Ensure that all bidding documents, requests for proposals and general conditions of contracts always include mandatory references to IFAD's policies concerning fraud & corruption, sexual harassment, exploitation and abuse and money laundering & terrorist financing and annex - Continuous</p>	Procurement/NPCO	
<p>Bidding document and bid evaluation report</p> <p>Choose the appropriate bidding documents for each type of categories (works, goods and consulting services) - Continuous</p>	Procurement/NPCO	
<p>Technical Support for the Procurement Team</p> <p>Continue providing TA for procurement and technical backstopping Training for the procurement team in the following aspects:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Training in Build-Proc <input type="checkbox"/> training on Bid Document, Bid Evaluation Report, Contract Management, ICP and other relevant courses. <p>- Continuous</p>	IFAD	
<p>Bi-monthly procurement report</p> <p>Submit to IFAD a bi-monthly procurement report progress for oversight the progress post review activities - Continuous</p>	Procurement/NPCO	

e. Key SIS Indicators

Likelihood of Achieving the Development Objective

Rating: 4.04

Previous rating: 4.04

Assessment of the Overall Implementation Performance

Rating: 3.92

Previous rating: 3.92

F. Relevance

Relevance	Rating: 5	Previous rating: 5
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Justification of rating

109. The project remains highly relevant and contributes to all pillars of GoSE's plan for the fisheries sector. FReMP's development objective is relevant to the objectives of all key stakeholders, including GoSE, partners, target groups and IFAD. There has not been any changes either in IFAD's or GoSE's policies that may have implications on the project's relevance. In addition, FReMP's implementation approach, implementation arrangements, target area, target beneficiaries all continue to be as relevant today as they were at the time of design. FReMP is fully embedded in GoSE structures, through MMR, which ensures its sustainability and relevance.

Main issues

110. The project remains highly relevant and contributes to all pillars of GoSE's plan for the fisheries sector. FReMP's development objective is relevant to the objectives of all key stakeholders, including GoSE, partners, target groups and IFAD. One year extension was granted, however, there has not been any changes either in IFAD's or GoSE's policies that may have implications on the project's relevance. In addition, FReMP's implementation approach, implementation arrangements, target area, target beneficiaries all continue to be as relevant today as they were at the time of design. FReMP is fully embedded in GoSE structures, through MMR, which ensures its sustainability and relevance.

111. FReMP is highly relevant and contributes to all pillars of GoSE's plan for the fisheries sector, namely; a) Development of infrastructure in strategic locations for increased production and improved quality fisheries products; b) Development of human resources and build adequate technical capacity for the sector; c) Upgrade technology, equipment and skills for fisheries enterprises and promote new investments; d) Strengthen research capacity to provide reliable information for management and sustainable exploitation of marine resources; e) Promote sustainable aquaculture systems, technologies and practices; f) Utilise inland fresh-water reservoirs to produce fish for local communities; g) Promote fish consumption to improve the nutritional status at household level; and, h) Encourage regional cooperation with neighbouring maritime countries sharing the Red Sea. Despite the effects of COVID-19-related constraints, FReMP has been able to make reasonable achievements in outreach. However, the Programme has, thus far, underperformed in some of the other indicators, particularly linked to the procurement delays of some of the key investments and low implementation capacity.

G. Project Modifications

Responsibility	Modification type	Description
IFAD	Completion Date	<p>Extension of project completion</p> <p>Following a request by the Government of Eritrea, IFAD approved on 24 November 2023 a one-year extension of project implementation. Accordingly, the project completion date changed from 31 December 2023 to 31 December 2024, with new project closure date of 30 June 2024. Additionally, a 6-month extension request has been approved by the Federal Republic of Germany for a completion date of 30 June 2024 and closure date of 31 December 2024.</p>

H. Lessons Learned

Careful procurement planning, flexibility and early execution is key to the success of project, particularly where it involves large budget and complex investments

112. FReMP continues to suffer from procurement bottlenecks, with most of the "big ticket" procurements not achieved into the final year of project implementation, including key inputs (boats and fishing gear) for beneficiaries. This is primarily because of failure to attract potential service providers interested to work in Eritrea and with the Government and also capacity weaknesses of procurement staff especially in international procurement processes. A key lesson is to start procurement early at the beginning of project, include capacity building of procurement staff with constant TA support and the use of flexible approaches e.g. framework procurement as recommended in the previous project.

Continuous capacity building of project implementation staff at all levels and proper documentation of processes is necessary to mitigate institutional uncertainties

113. FReMP has faced significant management challenges, with exceptionally high turn-over of staff holding critical positions. In six years of implementation, the project has had, five (5) coordinators, six (6) Procurement Officers, three (3) M&E officers, and two (2) Finance Officers. Considering that project staff have to be sourced from within the Government Ministry of Marine Resources, it is important to incorporate in the work plan continuous capacity building of a large pool of staff and proper documentation of project processes so as to ensure continuity and captive memory of knowledge for project implementation. A useful point is to

forge partnerships with international expertise institutions to provide TA to the project, as in this case, FAO and WorldFish have provided very useful technical support to the project.

The need to match investments scope and complexity with capacity of local institutions and systems and country context.

114. FReMP was designed with the inclusion of key equipment and infrastructure to ensure proper functioning of the fish value chain, including provision of fishing boats, ice plants, water desalination facilities etc. However, despite the necessities of these facilities, it is apparent that there is inadequate local capacities for their establishment and sustainability. In particular, there are serious challenges as construction works has to be done by Government institutions, coupled with procurement delays of materials and parts, which usually have to be sourced externally.

Need for comprehensive approach to building the capacity of beneficiaries and their co-operative organizations, including acquiring skills, accessing fishing inputs and markets

115. It is important to improve not only the technical capacity of fishers and their cooperatives (including skills and access/management of fishing inputs), but also their capacity in business planning and management, including financial management and investment decisions and market access. 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. Furthermore, a key lessons from FReMP is that it takes quite a lot of time and effort to develop co-operative institutions, which needs to take into account the local context.

Sustainable fisheries sector development, including conservation of coastal area resources, calls for inter-ministerial collaboration and full participation by coastal area communities

116. Creating an enabling environment through sound government policies and strategies, education and training of coastal communities are key factors for success and sustainability. Commendable achievements in mangrove development needs collaboration of the project, MMR, Zoba administration and possibly other ministries. A key lesson is the need to involve other Ministries in project implementation, particularly the Ministry of Agriculture (for management of water catchment around dams and in establishing honey production in mangroves) as well as the Ministry responsible for water (in the establishment of water desalination plants).

I. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Finalise the formal engagement of FAO or WorldFish as TA for FReMP Finalise the formal engagement of FAO or WorldFish as TA for FReMP	NPCO	09/2020
Prepare business plans Prepare business plans for all infrastructure investments and ensure that all CSU investments are under-pinned by business plans under TA hired - Continuous	NPCO/CSU	10/2020
Finalise the FReMP Restructuring Paper Finalise the FReMP Restructuring Paper and submit to IFAD for No Objection .The plan should indicate all the key assessments that will be done and key milestones until the MTR	NPCO	10/2020
Develop a plan of engagement Develop a plan of engagement with the various technical national partners including NUEW, NUEYS, College of Education, Science and Technology (formerly COMSAT) with scope for formalization of their engagement in the project	MMR/NPCO	12/2020

<p>Undertake Capacity Needs Assessment</p> <p>Undertake Capacity Needs Assessment and prepare a Capacity Development Plan for MMR (including NPCO) which will be considered under the restructuring – this will include capacities for the different areas including procurement, mainstreaming themes, technical expertise etc., and submit to IFAD for No Objection</p>	MMR/NPCO	12/2020
<p>Programme Technical Committee</p> <p>Transmit to IFAD a new composition of the PTC for No Objection</p>	MMR/NPCO	04/2021
<p>new composition of the NPCO</p> <p>Transmit a formal communication to IFAD on the new composition of the NPCO, including the integration of technical leads, mainstreaming unit and the associated TORs</p>	MMR/NPCO	06/2021
<p>Capacity Needs Assessment</p> <p>Undertake an all-inclusive Capacity Needs Assessment & Plan covering the NPCO, ZPCOs and the MMR Departments and transmit the draft report to IFAD for Review & No objection</p>	MMR/NPCO	07/2021
<p>Oversight</p> <p>Transmit the minutes of the PTC and PSC to IFAD in line with the Financing Agreement. Continuous</p>	MMR/NPCO	
<p>TA</p> <p>Provide TA to FREMP on i) Procurement, ii) Fisheries, iii) Nutrition, iv) Gender & v) Cooperative Development. Continuous</p>	IFAD	
Development Effectiveness		
<p>Enhance the Logframe data</p> <p>1. Conduct data verification and validation, 2. Numbering and making the logframe indicators SMART, 3. Complete the missing data as appropriate.</p>	M&E Team	02/2024
<p>CARBON SEQUESTRATION</p> <p>Pursue the project carbon sequestration analysis through the FAO EX-ACT grant.</p>	MMR/NPCO	03/2024
<p>Market Entry strategy</p> <p>Develop and implement a simple market entry strategy including proposed price, checklist of product attributes to evaluate (taste, presentation, packaging etc) to assist refining final fish product</p>	NPCO, MRDD	03/2024
<p>Business Plans for net making</p> <p>Replace the previous recommendation business plans for net assembly and mending as a business for women. Reallocate the funds to:</p> <ul style="list-style-type: none"> • Support needs identified by women in processing cooperatives for storage and transport (e.g.Solar freezers, tricycles) • For the identified 6 women coastal enterprises, provide targeted support for their preferred businesses. 	NPCO, CSU	03/2024
<p>SBCC materials</p> <p>Develop SBCC materials, including small-size posters in different languages and include specific nutrient attributes of fish and their importance for human development.</p>	NPCO, MRDD	03/2024

Social mobilisation process documentation Comprehensive reporting on the level of beneficiary engagement and participation including labour output (time use) and associated social and economic benefits.	IFAD/NPCO	03/2024
Awareness on whole fish preparation and consumption Continue promoting consumption of fresh fish products especially as they present an affordable option for proteins	NPCO, ZPCO	12/2024
Cooperative data Routinely collect and document data on women participation in cooperatives notably on leadership roles, training, membership etc	NPCO and CSU	12/2024
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
Dam and catchment plans Finalise the development of dam and catchment management plan for the 21 selected Dams under FReMP.	MMR/NPCO	03/2024
Capacity building Provide trainings of the cooperatives on key aspects of business development and institutional management for strengthening including SECAP.	CSU/ FReMP	03/2024
Learning on best practices Conduct a training visit on cooperative development in more experimented countries within the African context for the CSU staff to provide effective support to the emerging cooperatives.	CSU/ FReMP	03/2024
Procurement of fish input Speed-up the procurement process for the fishing gears and furnish the cooperative with the equipment	NPCO	03/2024
Cooperative legal framework Ensure an effective follow up to ensure timely finalisation of the legal framework.	NPCO	03/2024
Implementation of activities Identify and Implement 'no regret' activities (e.g;)for coastal cooperatives awaiting supply of fishing gears.	NPCO	03/2024
Synergies with IADP Develop a synergy with IADP Project specifically in the field of catchment and watershed management along the water dams.	NPCO	12/2024
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
IFAD to provide comments on the draft ESMP report and NPCO to finalize the plan	IFAD	12/2019
Enhance the monitoring and evaluation system 1. Conduct data verification and validation, 2. Make logframe indicators SMART, 3. Updating data collection tools for use during the NCE period.	M&E Team	03/2024
Project compliance to SECAP Ensure FReMP is Compliant with National Legislation and SECAP requirements by developing the rest of the SECAP instruments like site specific ESMPs and check lists and operationalizing them	MMR/NPCO/ZPCO	03/2024
Training on M&E/KM Conduct a tailor-made short training for the FReMP M&E/KM Team to equip them with the requisite skills to enhance the performance of M&E/KM functions.	IFAD/NPCO	03/2024
Financial Management & Execution		
Review and revise the 2020 Procurement Plan Review and revise the 2020 Procurement Plan to expedite procurement processes including consideration of framework contracts	Procurement/NPCO	09/2020
Finalise the procurement of the VMS systems Finalise the procurement of the VMS systems and development of a sustainability plan	Procurement controller/NPCO	10/2020
Continue providing TA for procurement and technical specialisation Continue providing TA for procurement and technical specialisation	IFAD	12/2020
post review G16, G15 and C9 Procurement Team will provide IFAD with missing documentation relating to the post review that the mission was unable to retrieve to the following procurement activities – G16, G15 and C9	NPCO/Procurement controller	04/2021
TA to FReMP IFAD will provide TA to FReMP to ensure adequate market analysis and needs assessments are carried out and full compliance with IFAD requirements is attained. IFAD will support this activity by reviewing post review activities every two months.	IFAD	06/2021
MMR shall seek solutions to streamline lengthy approval mechanisms	MMR/NPCO	06/2021
MMR shall assess a proposal for the use of a procurement agent	NPCO/IFAD	06/2021

<p>solutions to streamline lengthy internal approval processes</p> <p>MMR to transmit a note to IFAD for review on solutions to streamline lengthy internal approval processes</p>	MMR/NPCO	06/2021
<p>FAD's anticorruption policy</p> <p>Procurement Team must ensure the self-declaration forms and language complying with IFAD's anticorruption policy are always included in bidding packages irrespective of the total estimated price for the package and Ensure compliance with IFAD ICPI.e. NOTUS and Contracts Monitoring Tool</p>	NPCO/Procurement controller	06/2021
<p>Develop 2023 Procurement Plan</p> <p>Develop 2023 PP to speed up the procurement processes including consideration of framework contracts and packaging into multiple lots the fishing gears</p>	Procurement/NPCO	11/2022
<p>Publication</p> <p>Publish the 2023 PP approved in local newspapers and IFAD's website and Notice of Intent to Award of each contract</p>	Procurement/NPCO	11/2022
<p>Low budget absorption for the financial year 2022</p> <p>Fast track the procurement process and execution of programme activities to increase funds absorption</p> <p>Update - November 2023 Supervision Mission: One month to the end of the financial year; the Programme has only absorbed 11 percent of the 2023 annual budget.</p>	NPCO/PC	12/2022
<p>Internal audit</p> <p>The subsequent internal audits shall cover internal control systems/areas of the programme. The internal audit report should provide recommendations to facilitate improvement in internal controls</p> <p>Update during March, 2022 mission</p> <p>No further internal audit has been conducted</p> <p>Update from Nov 2022 mission shows no new internal audit has been conducted.</p> <p>Update - November 2023 Supervision Mission: No reports had been issued by the time of the mission.</p>	National Project Coordinator	02/2023
<p>Internal Audit function</p> <p>Internal audit scope should cover all areas of the programme</p> <p>Train internal audit staff about the internal auditing professional standards</p> <p>Update - June 2023 implementation support mission: No internal audit review had been conducted on the project as of 31 May 2023.</p> <p>Update - November 2023 Supervision Mission: No internal audit report had been issued by the time of the mission. No training was conducted for internal auditors.</p>	NPCO/Head Internal Audit	02/2023
<p>Need to improve the routine supervision of accounts staff at the ZPCOs</p> <p>FM staff at the NPCO should conduct quarterly visits to the ZPCOs to review the work of Zoba accountants related to the programme.</p> <p>Update - June 2023 implementation support mission: Outstanding activity as of 31 May 2023.</p> <p>Update - November 2023 Supervision Mission: Outstanding activity as of 27 November 2023.</p>	NPCO/FC	02/2023

<p>Complete reallocation process and seek formal approval from IFAD.</p> <p>The project should submit a formal request for reallocation of funds across different categories to minimise the risk of significant overspending in the exhausted categories.</p> <p>Update - November 2023 Supervision Mission: The mission noted that Component 3 (Institutional Strength and Implementation support) under the German Fund had been overspent by 158 percent of the total appraisal budget. The mission advised the Project to reallocate additional funds from Component 2 to Component 3 under the German Grant.</p>	<p>Programme Coordinator</p>	<p>06/2023</p>
<p>Revise the 2023 and 2024 AWPBs to reflect the additional \$5m taking into account the remaining implementation duration of the grant.</p> <p>Careful consideration should be made in the AWPB revision process to ensure all activities are completed by 31 December 2024 (revised project completion date). This must include appropriate phasing of implementation of activities to avoid potential ineligible expenditure.</p> <p>Update - November 2023 Supervision Mission: 2024 AWPB has not yet been completed.</p>	<p>Project Coordinator and team</p>	<p>07/2023</p>
<p>Engage IFAD to identify an appropriate way forward with regard to the issue of ICP set up, training session on ICP access and IFR/WA submission procedures.</p> <p>Following completion of the implementation support mission, the project should engage the IFAD finance officer to determine the most appropriate course of action in relation to set up of the project in ICP and training on ICP procedures.</p> <p>Update - November 2023 Supervision Mission: All the relevant users have been set up on ICP Financials. However, training on ICP procedures has not yet been conducted. As a result, WAs are still submitted by email to the FO. The mission recommended training of FM staff on the procedures for submission of WAs through ICP.</p>	<p>Financial Controller</p>	<p>07/2023</p>
<p>Commence usage of the new accounting software, starting with migration of data from 1 January 2023.</p> <p>The project should commence usage of the new TomPro accounting software, starting with migration of the 2023 financial transactions. This process should preferably commence as soon as the external audit field work is completed later in June 2023.</p> <p>Update - November 2023 Supervision Mission: Implementation of TOMPRO accounting software is still ongoing. The software has been installed, and training the users at the national and Zoba levels was completed. However, the Programme has not commenced using the accounting software, pending the setting up of a local intranet to connect all the Zobas to the NPCO. The mission recommended the project to Fast-track the process of setting up a local intranet to connect all the Zobas to the NPCO, and commence using the new TOMPRO accounting software, effective 1 January 2024.</p>	<p>Financial Controller</p>	<p>07/2023</p>

<p>Implementation of the TOMPRO accounting software</p> <p>Fast track the full implementation of the software at the NPCO and ZPCOs for timely realization of benefits.</p> <p>Update - June 2023 implementation support mission: The software is being used at head office and training for the ZPCO finance team will be conducted after the external auditing process is finalised.</p> <p>Update - November 2023 Supervision Mission: Implementation of TOMPRO accounting software is still ongoing. The software has been installed, and training the users at the national and Zoba levels was completed. However, the Programme has not commenced using the accounting software, pending the setting up of a local intranet to connect all the Zobas to the NPCO. The mission recommended the project to Fast-track the process of setting up a local intranet to connect all the Zobas to the NPCO, and commence using the new TOMPRO accounting software, effective 1 January 2024.</p>	NPCO/FC	09/2023
<p>Engage internal audit department in the planning process for the year to guarantee their involvement.</p> <p>Project is encouraged to involve the internal audit department in the planning process to secure their involvement in review of project transactions. Additionally, the internal audit department is encouraged to take the online IFAD financial management course to have a better understanding of IFAD financial management procedures.</p> <p>Update - November 2023 Supervision Mission: This activity was still pending by the time of the mission.</p>	Financial Controller and Head of Internal Audit	09/2023
<p>Contract management</p> <p>The project to re-submit sufficient evidence for the amendments, through the OPEN system and manually</p>	Procurement department	12/2023
<p>Budget</p> <p>Observation :77% of the budgeted amount for the year under review was not utilized. As a result, by their fixed nature actual operating costs' percentage was more than what was earmarked.</p> <p>Recommendation: Management should make extra efforts to fully implement what has been planned and maintain operating cost' earmarked percentage</p>	project staff	12/2023
<p>Evaluation processes</p> <p>Given the challenging environment of limited number of bidders in the country, and in order to conform to the provisions of the PAL, for cases where fewer than three bids are received, the bid opening session should be suspended and request for IFAD's no objection to proceed with the evaluation.</p>	Procurement department	01/2024
<p>Implementation of the TOMPRO accounting software</p> <p>Fast-track the process of setting up a local intranet to connect all the Zobas to the NPCO.</p> <p>The project should commence using the new TOMPRO accounting software, effective 1 January 2024.</p>	NPCO/FC	02/2024
<p>Low budget absorption for the financial year 2023</p> <p>Prepare more realistic budget estimates for 2024 AWPB and fast-track activity implementation to increase the budget absorption.</p>	NPCO	02/2024

<p>Reallocate funds under the German Grant</p> <p>Reallocate additional funds from Component 2 to Component 3 under the German Grant.</p>	NPCO/FC	02/2024
<p>Undertake the online IFAD FM Course</p> <p>Internal audit and FM staff are encouraged to take the free online IFAD financial management course to have a better understanding of IFAD's financial management procedures.</p>	Head Internal Audit/FC	02/2024
<p>Train FM staff in ICP Financials</p> <p>Engage IFAD to train the finance team on the WA submission procedures in ICP Financials.</p>	FC	02/2024
<p>Timely execution of project internal audits</p> <p>Fast-track the execution of internal audits to enable timely issuance of audit reports at least every six months for timely management action.</p>	Head Internal Audit	02/2024
<p>Procurement plan.</p> <ul style="list-style-type: none"> • Follow-up on timely execution of procurement processes for big ticket contracts that will be rolled over to the next financial year's PP (2024). IFAD to monitor the execution of the set timelines to determine whether these activities can realistically be implemented during the project extension period. • Project to use the offline PP template alongside the OPEN system in order for IFAD to monitor progress on PP implementation 	Procurement department/IFAD	03/2024
<p>Submit the 2023 annual unaudited financial statements to IFAD</p> <p>Submit the 2023 annual unaudited financial statements to IFAD for review within four months after the end the financial year.</p>	FC	03/2024
<p>Fixed Assets</p> <p>Observation :Fixed Assets register maintained by the project was not updated with 2022 additions</p> <p>Recommendation : Management has to update fixed assets register on timely manner and physical count of fixed assets should be taken regularly.</p>	finance manager	06/2024
<p>Procurement</p> <p>Observation : Procurement Status Report Form in use is in short of adequate information of planning, implementation status and contract administration, such as, bid announcement date, bid evaluation date, bid award date, agreed delivery modalities, expected delivery date, shortages if any etc. Furthermore, no procurement narrative report is written for management's information and decisions.</p> <p>Recommendation: We reiterate of the previous year that the Procurement Status Report Form need to be redesigned to cater for the aforesaid points raised. Furthermore, procurement narrative report has to be written on regular basis as well.</p>	finance manager	06/2024
<p>Cash</p> <p>Observation: Bank reconciliation were not prepared on timely manner i.e. monthly</p> <p>Recommendation : Bank reconciliations must be prepared and reviewed monthly</p>	finance manager	06/2024

<p>Expenditure categories at Head Office and Zobas Level</p> <p>Observation : Neither are expenditure categories report at Head Office and at Zobas level thoroughly checked nor are they compared with those in the withdrawal application form,</p> <p>Recommendation: Accuracy of categories of expenditures at Head Office and those on returns from Zobas must be checked thoroughly on monthly basis. Furthermore, the categories of expenditure in the withdrawal application form must be in line with those in the reports generated from the software in use and Zobas returns.</p>	finance manager	06/2024
<p>Financial documents</p> <p>Observation : Financial documents filed systematically nor were they recorded properly.</p> <p>Recommendation: Financial documents must be filed, recorded and kept in an orderly manner for management report and annual audit purposes</p>	Financial manager	06/2024
<p>Support documentation</p> <p>Observation: Supporting documents were not stamped " paid" contrary to the norm of business practice in Eritrea.</p> <p>Recommendation: To strengthen internal control and avoid possible duplication of payments, we reiterate our recommendation of the previous year that all supporting documents must be stamped "paid". The stamp has to provide space where reference of documents will be incorporated therein.</p>	Financial manager	06/2024
<p>Project finance staff competence</p> <p>Observation: There is a lot to be desired from staff members of finance section so far as their work diligence is concerned.</p> <p>Recommendation : Management has to instruct staff members of the Finance Section to be diligent in the work they perform</p>	finance manager	06/2024
<p>Internal audit</p> <p>Observation : There is no internal audit department or section within the Project's structure</p> <p>Recommendation: As internal audit, is very important tool for effective and efficient management of a project, we urge the management to establish an internal audit section or department and arm it with staff of good track record and high caliber in that particular field.</p>	finance manager	06/2024
<p>Monthly management accounting report</p> <p>Observation :There is no management accounting report</p> <p>Recommendation: As monthly management accounting report is a tool for management to take action on timely manner, finance department should prepare proper financial report based on IFAD's guideline for management's decision or action.</p>	Financial manager	06/2024
<p>Template used to prepare financial statements</p> <p>Observation : The financial statements provided to the auditors were not prepared in accordance with the template prescribed by IFAD.</p> <p>Recommendation: For easy understanding of the regional office, financial statements to be prepared by project's management should be in line with IFAD's requirements.</p>	Financial manager	06/2024

<p>Mandatory references to IFAD's policies</p> <p>Ensure that all bidding documents, requests for proposals and general conditions of contracts always include mandatory references to IFAD's policies concerning fraud & corruption, sexual harassment, exploitation and abuse and money laundering & terrorist financing and annex - Continuous</p>	Procurement/NPCO	
<p>Bidding document and bid evaluation report</p> <p>Choose the appropriate bidding documents for each type of categories (works, goods and consulting services) - Continuous</p>	Procurement/NPCO	
<p>Technical Support for the Procurement Team</p> <p>Continue providing TA for procurement and technical backstopping Training for the procurement team in the following aspects:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Training in Build-Proc <input type="checkbox"/> training on Bid Document, Bid Evaluation Report, Contract Management, ICP and other relevant courses. <p>- Continuous</p>	IFAD	
<p>Bi-monthly procurement report</p> <p>Submit to IFAD a bi-monthly procurement report progress for oversight the progress post review activities - Continuous</p>	Procurement/NPCO	

Eritrea

**Fisheries Resources Management Programme
Supervision Report**

: Logical Framework

Mission Dates: 20 November - 02 December 2023

Document Date: 16/01/2024

Project No. 2000001144

Report No. 6752-ER

East and Southern Africa Division
Programme Management Department

Fisheries Resources Management Programme

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
Outreach Outreach	1.b Estimated corresponding total number of households members							MMR Annual Reports; M&E Reports	Annually	MMR and FReMP	Political, social and economic environment are favorable to the fishing and fish farming sector development (A); Constraints to the participation in fishing and fish-related activities decline
	Household members	0	32 035	84 395		67 670	80.182				
	1.a Corresponding number of households reached							MMR Annual Reports; M&E Reports	Annually	MMR and FReMP	
	Households	0	6 407	16 879		13 534	80.2				
	1 Persons receiving services promoted or supported by the project							MMR Annual Reports; M&E Reports	Annually	MMR and FReMP	
	Males	0	17 420	59 076		32 865	55.6				
	Females	0	14 615	25 318		34 805	137.5				
	Young	0	1 200	25 318		12 532	49.5				
Total number of persons receiving services	0	32 035	84 394		67 670	80.2					
Project Goal Contribute to household food and nutrition security and the alleviation of rural poverty	Percentage increase in household asset ownership (increase from BL)							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
	Percentage		42.2	50							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
Development Objective Increased incomes and improved nutrition situation for targeted beneficiaries and sustainable management of natural resources	1.2.8 Women reporting minimum dietary diversity (MDDW)							KAP surveys, baseline, MTR, AOS and PCR	Annually	MMR and FReMP	Increased level of awareness on fish nutritional value and consumption, especially in the inland Zobas (A); Affordable fish products available in large quantities to poor consumers; Effective value chains are developed for fish and fish-related products; Coastal ecosystems managed and improved
	Women (%)		42.2	50							
	Women (number)										
	Households (%)										
	Households (number)										
	Household members										
	Percentage of households reporting increase in household incomes							MTR, AOS, PCR	Project start up, Midterm, annually, and project completion	MMR and FReMP	
	Percentage			50							
	Inland			50							
	Coastal			50							
	Enhancement in fish productivity							MTR, AOS, PCR	Project start up, Midterm, annually, and project completion	MMR and FReMP	
	Fish catch in Ton/effort	0		16 000							
	SF.2.1 Households satisfied with project-supported services							MTR, AOS, PCR	Project start up, Midterm, annually, and project completion	MMR and FReMP	
	Household members										
	Households (%)	0		60							
	Households (number)										
	Average annual volume of all fish delivered to consumers (Annual trading volumes per group/ cooperative- Tons/ per annum)										
	Small pelagic	260 000	2 000 000	750 000							
Inland fishing		20 327	6 700								
Fish value addition-Fish processing			180 000								
Dried fish trading			375 000								

Results Hierarchy	Indicators							Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility		
Outcome Outcome 1: Production and market linkage for fisheries (marine and freshwater fisheries) developed	2.2.5 Rural producers' organizations reporting an increase in sales							Baseline, MTR, AOS, PCR, KAP survey	Programme start up, midterm, completion	MMR and FReMP	Political, Social and Economic environment are favorable to the fishing and fish farming sector development (A); Fishing and its associated activities are not subjected to COVID-19 restrictions; Supportive Policy and legal framework; Reduced procurement delays; Affordable fish products available in large quantities to poor consumers	
	Percentage of rural POs			60								
	Number of Rural POs											
	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices							Baseline, MTR, AOS, PCR, KAP survey	Programme start up, midterm, completion	MMR and FReMP		
	Total number of household members											
	Households			50								
	Households											
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities							Baseline, MTR, AOS, PCR, KAP survey	Programme start up, midterm, completion	MMR and FReMP		
	Households reporting improved physical access to markets			60								
	Households reporting improved physical access to processing facilities			60								
	Households reporting improved physical access to storage facilities			60								
	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)							Baseline, MTR, AOS, PCR, KAP survey	Programme start up, midterm, completion	MMR and FReMP		
	Households (number)											
	Households (%)			60								
	Household members											
Percentage of households reporting increased fish consumption							Baseline, MTR, AOS, PCR, KAP survey	Programme start up, midterm, completion	MMR and FReMP			
Percentage	0	57.7	60									

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
	Percentage Reduction in siltation							Baseline, MTR, AOS, PCR, KAP survey	Programme start up, midterm, completion	MMR and FReMP	
	Measurement: Ton/ha/year			30							
	Percentage of enhanced fish production							Baseline, MTR, AOS, PCR, KAP survey	Programme start up, midterm, completion	MMR and FReMP	
	Fish catch in %			15							
	Land under improved management practices							Baseline, MTR, AOS, PCR, KAP survey	Programme start up, midterm, completion	MMR and FReMP	
	Watershed (ha)	0	281.4	2 272							
Mangrove (ha)	0	264	341.5								
Output Output 1.1 Physical access to facilities increased	2.1.6 Market, processing or storage facilities constructed or rehabilitated							Programme M&E reports	Annually	MMR and FREMP	Increased level of awareness on watershed and environmental issues; Supportive Policy and legal framework; Reduced procurement delays; Effective organization of fisherpersons into cooperatives
	Total number of facilities	1	0	9		5	55.556				
	Market facilities constructed/rehabilitated	0	0	3		0	0				
	Processing facilities constructed/rehabilitated	0	0	4		1	25				
	Storage facilities constructed/rehabilitated	1	0	2		4	200				
Output Output 1.2: Watershed management plans developed	Number of watershed management plans above reservoirs established and effectively implemented							Programme M&E reports	Annually	MMR and NPCO	Increased level of awareness on watershed and environmental issues; Supportive Policy and legal framework; Reduced procurement delays; Effective organization of fisherpersons into cooperatives
	Plans	0	0	21							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
Output Output 1.3: Households provided with nutrition support	1.1.8 Households provided with targeted support to improve their nutrition							Programme M&E reports	Annually	MMR and FREMP	Increased level of awareness on watershed and environmental issues; Supportive Policy and legal framework; Reduced procurement delays; Effective organization of fisherpersons into cooperatives
	Total persons participating	0	1 564	4 254		4 566	107.334				
	Males	0	848	851		1 477	173.561				
	Females	0	716	3 403		1 525	44.813				
	Households	0	1 564	4 254		3 002	70.569				
	Household members benefitted	0	7 820	21 270		15 010	70.569				
Outcome Outcome 2: Viable fisheries enterprises are developed and requisite inputs are accessed on a sustainable basis	Percentage of cooperatives/enterprise groups receiving inputs from the CSO							Baseline, MTR, AOS, PCR	Programme start up, midterm, completion	MMR and FReMP	Fishing and its associated activities are not subjected to COVID-19 restrictions; Supportive Policy and legal framework; Reduced procurement delays; effective organization of fisherpersons into cooperatives
	Percentage	0		60							
	Number of cooperatives repaying loans to CSO							Baseline, MTR, AOS, PCR	Programme start up, midterm, completion	MMR and FReMP	
	Number	41	100	250							
Output Output 2.1: Producer organizations established	2.1.3 Rural producers' organizations supported							Programme M&E reports	Annually	MMR and FReMP	Fishing and its associated activities are not subjected to COVID-19 restrictions; Supportive Policy and legal framework; Reduced procurement delays; effective organization of fisherpersons into cooperatives Supportive Policy and legal framework; Reduced procurement delays
	Rural POs supported	0	59	319		871	273.041				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
Output Output 2.2: Umbrella cooperative formed	An umbrella cooperative for marketing small pelagic established and functioning profitably							Programme M&E reports	Annually	MMR and FReM	Fishing and its associated activities are not subjected to COVID-19 restrictions;; Supportive Policy and legal framework; Reduced procurement delays; effective organization of fisherpersons into cooperatives; Supportive Policy and legal framework; Reduced procurement delays
	Number	0	0	1							
Output Output 2.3: Management services provided to producer groups	Number of cooperatives provided with management support services by the CSU							Programme M&E reports	Annually	MMR and FReMP	Fishing and its associated activities are not subjected to COVID-19 restrictions; Supportive Policy and legal framework; Reduced procurement delays; effective organization of fisherpersons into cooperatives; Supportive Policy and legal framework; Reduced procurement delays
	Number	0		319							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2024)	Cumulative Result (2024)	Cumulative Result % (2024)	Source	Frequency	Responsibility	
Output Output 2.4: Rural equipped with livelihood enhancing skills	1.1.4 Persons trained in production practices and/or technologies							Programme M&E reports	Annually	MMR and FReMP	Fishing and its associated activities are not subjected to COVID-19 restrictions; Supportive Policy and legal framework; Reduced procurement delays; effective organization of fisherpersons into cooperatives; Supportive Policy and legal framework; Reduced procurement delays
	Total number of persons trained by the project	0	337	7 740		337	4.354				
Output Output 2.5: Households provided with post-crisis support	Households receiving post-crisis support							Programme M&E reports	Annually	MMR and FReMP	Fishing and its associated activities are not subjected to COVID-19 restrictions; Supportive Policy and legal framework; Reduced procurement delays; effective organization of fisherpersons into cooperatives; Supportive Policy and legal framework; Reduced procurement delays
	Number		0	400							

Eritrea

Fisheries Resources Management Programme

Supervision Report

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

Mission Dates: 20 November - 02 December 2023

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Project No. 2000001144

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East and Southern Africa Division
Programme Management Department

Appendix 1

ERITREA
FISHERIES RESOURCES MANAGEMENT PROGRAMME (FRMP)
Supervision report aide memoire - Mission dates: 20 November – 01 December 2023

Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier

Financier	Appraisal (USD '000)	Post MTR (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD grant	15,000	15,000	4,752	31.8
German grant	10,800	10,800	6,814	63.09
GEF	7,890	0	0	0.00
FAO	500	500	500	100
Beneficiary	1,351	1,351	511	37.82
Government	1,417	1,417	1,231	86.87
Total	36,958	29,068	13,808	47.50

Table 5B: Financial performance by financier by component (USD '000)

Component	IFAD Grant			German grant			FAO			Government			Beneficiary			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Post MTR	Actual	%
Develop a sustainable fisheries system	4,958	997	20.11	4,026	2,862	71.09	0	0	0	285	188	65.96	505	494	97.82	9,774	4,541	46.46
Fisheries enterprise support service	3,376	207	6.13	5,940	88	1.48	0	0	0	445	382	85.84	846	1	0.12	10,607	678	6.39
Institutional Strength and Implementation support	6,666	2,538	38.09	834	2,149	257.67	500	500	100	687	661	96.22		16	0.00	8,687	5,865	67.51
TOTAL	15,000	3,743	25	10,800	5,099	47.21	500	500		1,417	1,231	86.87	1,351	470	37.82	29,068	11,084	38.13

Note: This file should be shared as an editable word file with the IFAD Finance Officer by email and uploaded in FMDB in PDF in the Missions tab.

Table 5C: IFAD Grant disbursements (SDR, as at 15/11/2023)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	Balance	Per cent disbursed
200003	Works	2,170,000.00	2,170,000.00	188,934.74	1,981,065.26	8.71
200011	Equipment and Materials	1,420,000.00	1,420,000.00	249,759.18	1,170,240.82	17.59
200012	Grants And Subsidies	29,000.00	29,000.00	31,946.73	-2,946.73	110.16
200013	Goods, services and inputs	87,000.00	87,000.00	0	87,000.00	0.00
200016	Operating Costs	1,040,000.00	1,040,000.00	607,390.92	432,609.08	58.40
200018	Salaries and allowances	890,000.00	890,000.00	36,527.29	853,472.71	4.10
200019	Training	3,060,000.00	3,060,000.00	435,587.40	2,624,412.60	14.23
200021	Vehicles	1,100,000.00	1,100,000.00	44,283.87	1,055,716.13	4.03
270001	Authorised allocation	0.00	0.00	1,825,563.73	-1,825,563.73	0.00
290001	Unallocated	954,000.00	954,000.00	0	954,000.00	0.00
	Total	10,750,000.00	10,750,000.00	3,419,993.86	7,330,006.14	31.81

Table 5C: German Grant disbursements (EURO, as at 15/11/2023)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	Balance	Per cent disbursed
200003	Works	4,000,000	4,000,000	477,611.15	3,522,388.85	11.94
200011	Equipment and Materials	3,750,000	3,750,000	2,886,353.53	863,646.47	76.97
200018	Salaries and allowances	300,000	300,000	0	300,000.00	0.00
200019	Training	800,000	800,000	547,151.95	252,848.05	68.39
200021	Vehicles	150,000	150,000	145,955.35	4,044.65	97.30
270001	Authorised allocation	0	0	1,617,977.53	-1,617,977.53	0.00
	Total	9,000,000	9,000,000	5,675,049.51	3,324,950.49	63.06

Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement

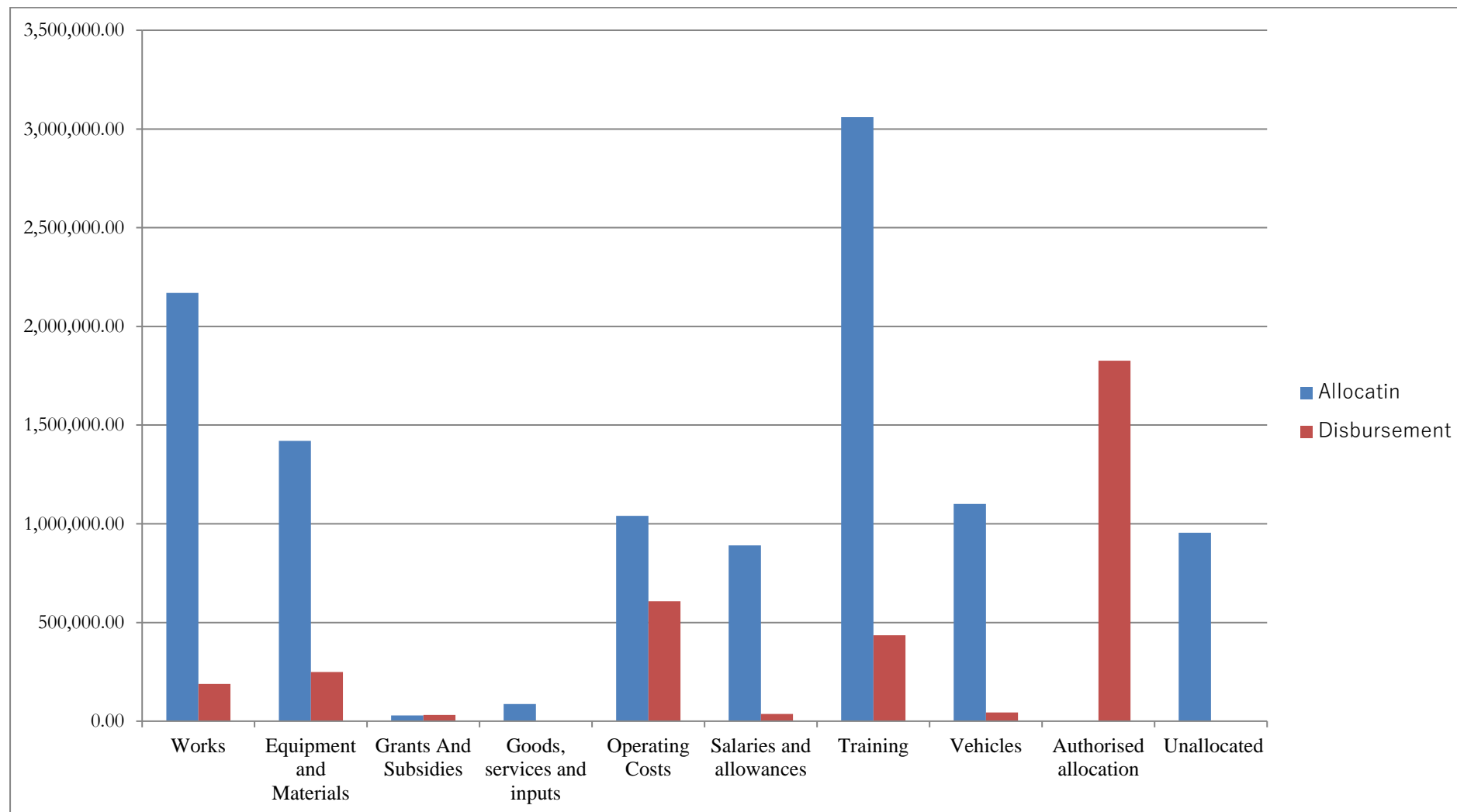
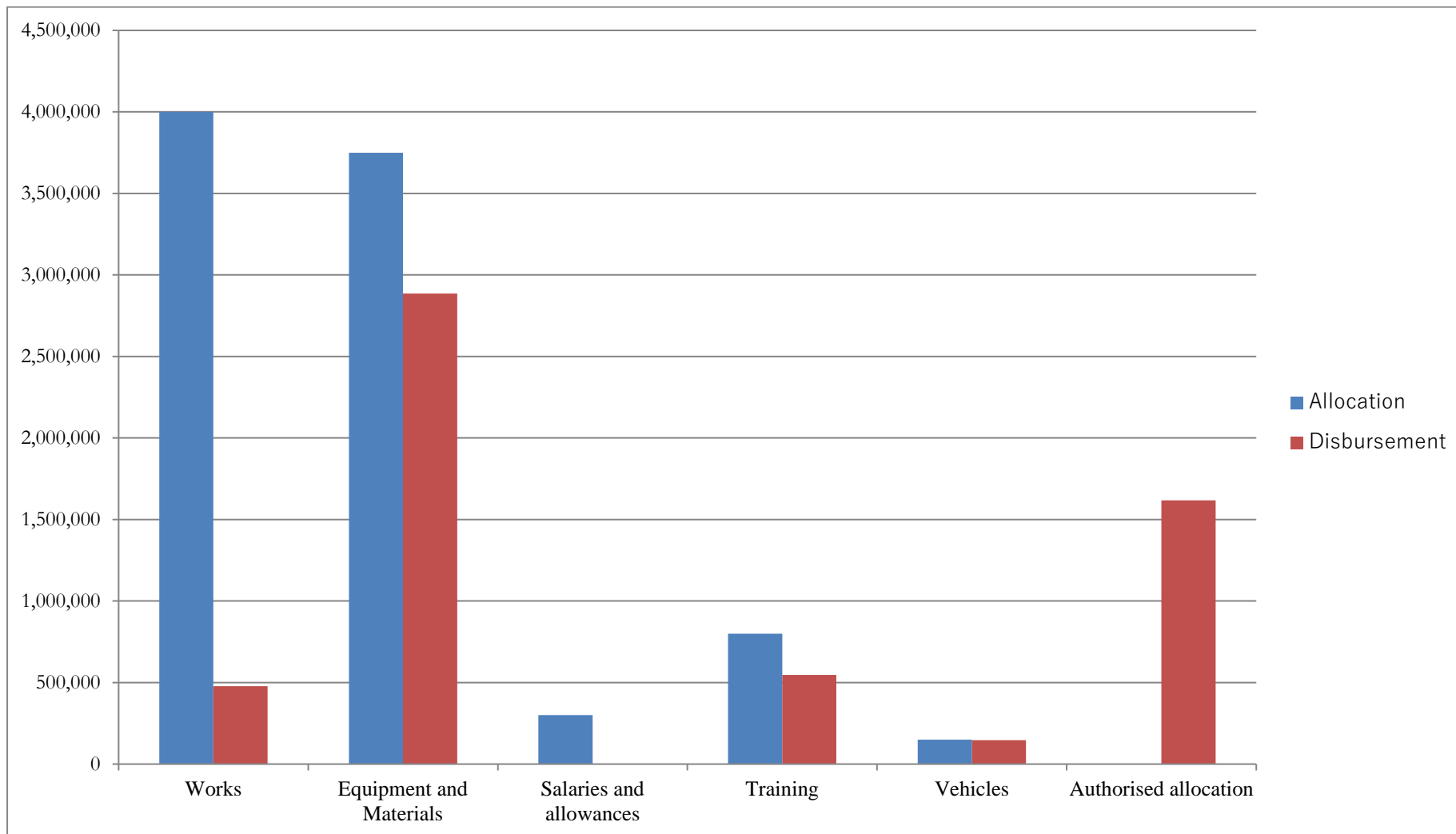


Figure 2: German grant disbursement, comparisons between original and revised allocations and actual disbursement



Eritrea

Fisheries Resources Management Programme

Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 20 November - 02 December 2023

Document Date: 16/01/2024

Project No. 2000001144

Report No. 6752-ER

East and Southern Africa Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

FReMP Components/ Sub-components	Performance Indicators	Unit of Measure	Period: January to December 2023			Cumulative AWPB Targets from 2017-2023	Achieved cumulative AWPB Targets from (2017-2023)	Achieved Cumulative AWPB 2017-2023 as %	% of Appraisal Target from 2017-2023 achieved
			2023 AWPB Target	Achievement of 2023 AWPB Target	% of 2023 AWPB Target Achieved				
Component 1: Develop Marine Fisheries production and post-harvest systems									
	Ice making facilities established	No	2	2	100	4	2	50	100
	Consultant to assist and consult on technical matters related to cold chain systems and other machineries	No	1	1	100	1	1	100	100
	Fish drying facilities constructed	No	2	0	0	5	1	20	25
	four seawater desalination plant provided	no	4	0	0	4	0	-	-
	Provision of materials for low technology reverse osmosis	no	4	4	100	4	4	100	100
	Mobile solar fish dryers piloted	No	2	0	0	5	0	-	-
	Provision of 20 solar fixed dryers in two coastal Zobas	No	0	0	0	20	0	-	-
	Multi-purpose centers constructed	No	0	0	0	3	0	-	-
	Mangrove group managed for planting and protecting	Ha	300	167	55.666667	2670	431	16	22
	Materials for social fencing of 410 hectares procured	No	1	0	0	1	0	-	-
	342 ha of mangrove tree planted	ha	300	456.5	152.16667	587	720.5	123	211
	3,429 halophytes planted	no	3340	20	0.5988024	3340	3109	93	91

	Coastal watershed management activities in Islands	ha	60	0	0	60	0	-	-
	nursery centers for mangrove & other halophytes in 2 areas established	no	2	0	0	2	0	-	-
	beekeeping in the coastal areas and islands piloted	no	1	1	100	1	1	100	100
	technology innovation and scaling up of effective and efficient oven(s) as an alternative to preserve mangroves piloted	no	1	0	0	1	0	-	-
	knowledge sharing and consultation workshop for key stakeholders on mangrove forest management conducted	no	2	0	0	2	0	-	-
	alternative solution for mangrove conservation by carbonizing and briquetting scaled up and piloted	no	1	1	100	1	1	100	100
	utilization of coastal resources for organic fertilizer production piloted	no	1	1	100	1	1	100	100
	Mari-culture technologies for specific piloted	No of species	0	1	0	4	2	50	50
	Mari-Culture hatchery established	Lump sum	0	0	0	1	0	-	-
	Stock assessment conducted	Lump sum	0	0	0	1	0	-	-
Development and sustainable Utilization of Inland Fisheries									
	Stakeholder consultation for management plan convened	No	0	8		15	16	107	76
	TA to develop reservoir and catchment management plans for each of the 21 selected dams and staff training recruited	no	1	0	0	1	0	-	-
	Management plan developed	no	0	0		21	0	-	-
	regulation, rules and guidelines for utilization of fisheries in reservoirs developed	No	6	0	0	21	0	-	-
	Mobilization and awareness creation for fisheries reservoir utilization of 17 remanied dams conducted	No	6	6	100	27	27	100	129
	hatchery and laboratory facility in Mai-Sirwa for tilapia and catfish established	no	1	0	0	1	0	-	-

	30 specialized fish Boxes for transporting fingerlings procured	No	0	0		30	30	100	100
Market Development and Promotion of Fish Consumption									
	Laboratory chemicals, media & Equipment provided 2020	No	0	0		1	0	-	-
	Laboratory chemicals, media & Equipment provided 2021	No	0	0		1	1	100	100
	Quality Control Laboratory accredited	Lump sum	0	0		1	0	-	-
	Training in the areas of certification and branding conducted	no	1	0	0	1	0	-	-
	Fish product development materials and equipment procured	Lump sum	0	0	0	3	1	33	33
	TA recruited to undertake Household Food Survey KAP and MDDW survey on FReMP Target Areas	Lump sum	1	0	0	2	1	50	100
Key intervention: - Nutrition promotion including awareness campaign									
	Nutrition awareness campaign conducted	Lump sum	6	4	66.666667	10	8	80	160
	Fish promotion targeting households, schools and hospitals.	no	6	4	66.666667	6	4	67	67
	Develop two recipes including nutritional analysis for newly introduced and developed seafood products	no	2	0	0	2	0	-	-
Component 2: Fisheries Enterprises Support Services									
Entrepreneurial Capacity Development									
	75 fishing cooperatives (small pelagic) formed	cooperative	75	75	100	100	98	98	98
	100 small pelagic fishing groups in gear technology and fishing techniques trained	cooperative	75	75	100	158	75	47	75
	100 small pelagic fishing groups in entrepreneurship and group dynamics trained	cooperative	75	75	100	158	75	47	75

	12 processing enterprises/ groups (Small pelagic) formed	cooperative	12	0	0	120	0	-	-
	12 processing cooperatives trained in processing, Value addition and quality assurance (Small pelagic)	cooperative	12	0	0	120	0	-	-
	large fish enterprises/cooperatives trained in gear and fishing techniques	cooperative	13	0	0	13	0	-	-
	fish retailing businesses formed	cooperative	5	0	0	5	0	-	-
	fish retailing enterprises trained in fish processing, handling, quality control, preservation, entrepreneurship, and group dynamics.	cooperative	5	0	0	5	0	-	-
	Foot fishers cooperatives trained in gear technology and fishing techniques.	cooperative	0	0	0	20	0	-	-
	Capacity building of 14 members of coastal community for entrepreneurship in boat/engine repair	cooperative	1	0	0	1	0	-	-
	six women groups trained in net making and mending/repair.	cooperative	6	6	100	6	6	100	100
	youth fishing cooperative in the selected dam formed	cooperative	10	10	100	31	23	74	51
	Formed youth inland fishing cooperatives got technical training.	cooperative	10	10	100	31	23	74	51
	processing inland cooperative/enterprise group in the selected dams formed	cooperative	8	8	100	29	21	72	140
	Formed women fish processing/marketing groups got technical training	cooperative	8	8	100	29	21	72	140
Establishment and capacity building of 15 processing/marketing cooperatives for inland fisheries									
	Experience sharing exchange visit among inland cooperative	no	1	0	0	2	1	50	100
Strengthen Input Supply Services									
	Inshore canoes procured	Boat	50	0	0	92	0	-	-
	Fishing gear for inshore canoes procured	fishing gear	150	0	0	200	0	-	-

	300 Solar lanterns for the small pelagic fishing groups provided	solar lantern	0	0	0	300	0	-	-
	100 Canoes procured for foot fishers	Canoes	58	0	0	100	0	-	-
	Fishing gear for foot fishermen canoes procured	fishing gear	100	0	0	220	14	6	7
	Working capital for women net making/mending enterprise groups provided	Group/co operative	6	0	0	6	0	-	-
	21 small solar kiosk for inland women processing cooperatives provided	solar kiosk	0	0		21	0	-	-
	Fishing gear for 45 inland fishing enterprise groups provided	fishing gear	114	0	0	244	0	-	-
	26 refrigerated tri-cycles for inland fishing groups provided	Tri-cycles	0	0		26	0	-	-
	Reallocation of funds for the Vulnerable 300 fishermen in response of goods	No	0	250		300	250	83	83

Component 3: Institutional Strengthening and Implementation Support Services

Capacity building of MMR and Other Implementation Agencies for the Sustainable Development of the Fisheries Sector

A. Support for facilities, equipment for MMR									
	Bicycles procured	Bicycles	0	0		30	30	100	100
	Laptop computers procured	Laptop	0	0		33	18	55	86
	Printers/photocopiers procured	No	0	0		30	24	80	185
	Office furniture procured	set	0	0		87	57	66	211
	Fisheries data base strengthened	Lump sum	0	0		1	0	-	-
	Library at HFTC supported	Lump sum	1	0	0	1	0	-	-
	Configuration of ADSL data line in ZPCO and internet in NPCO office	Lump sum	0	0		1	1	100	100
	MCS Patrol boat equipped	No	0	0		0	0		-
	MMR Staff trained	No of training	0	0		27	29	107	1,450
	TA recruited to conduct stock assessment	No	0	0		1	0	-	-
	TA recruited to update fisheries management plan	no	0	0		1	0	-	-

	TA recruited for operationalization of VMS	no	0	0		0	0		-
	Resource planning and Management system (Hardware/software) package procured	no	1	0	0	1	0	-	-
	Materials for Sound Record and Narration (1Studio)(02 speaker set, 01 Mixer Set and 04 Microphone) with full Accessories procured	no	1	0	0	1	0	-	-
Equipping the MCS patrol boat									
	Provision of Vessel Monitoring System (VMS)	no	0	0		1	1	100	100
Programme Coordination and Implementation Support Services									
	Start-up workshop	Lump sum	0	0		1	1	100	100
	Baseline/preparatory studies	Study	0	0		1	1	100	100
	Mid-Term review and impact evaluation conducted	study	0	1		1	1	100	100
	project audit conducted	year	1	1	100	6	6	100	100
	Annual planning workshops convened	No	7	7	100	43	24	56	57
	Bi-annual implementation review workshops convened	No	0	0		70	14	20	17
	annual stakeholders workshop for KM conducted	lump sum	7	0	0	42	4	10	40
	M&E officers meeting conducted	No	1	1	100	6	5	83	83
	Learning & dissemination	Lump sum	0	0		4	0	-	-
	Knowledge management produced	Lump sum	1	1	100	6	6	100	100
	South-south cooperation for knowledge sharing signed	Session	0	0		3	1	33	17
	Exchange visits undertaken	No	1	0	0	4	0	-	-
	NPCO staff recruited	No of months	36	36	100	468	600	128	133
	ZPCO staff recruited	No of months	18	18	100	390	390	100	102
	General operating cost for NPCO	Lump sum	1	1	100	6	6	100	100
	General operating cost for ZPCO	Lump sum	6	6	100	36	36	100	100

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Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 20 November - 02 December 2023

Document Date: 16/01/2024

Project No. 2000001144

Report No. 6752-ER

East and Southern Africa Division
Programme Management Department

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section E Subsection 1(c)	The recipient shall have prepared a draft PIM in the form and substance satisfactory to the Fund	Effectiveness	Compliant	PIM is in place and was approved by the IFAD. It was recently revised.
Schedule 3 Par 2	Ensure that counterpart funds are clearly identifiable in the financial management system and financial statements	During implementation	Complaint	
Schedule 3 Par 3	Terms of reference for the external audit to include specific review of IT controls of the financial management system and financial reporting	During implementation	Compliant	
Section 7.01 (b) (ii)	The lead project agency shall submit the draft project AWPB to the oversight body (PSC) for its review, and then to the Fund for comments no later than 60 days before the beginning of the relevant project year.	During implementation	Partially Compliant	There has been a delay in finalising the 2024 AWPB due to the uncertainty about the approval of the one-year programme extension.
Section 7.05 (b)	Procurement of goods, works and services shall be in accordance with the provisions of the recipient's procurement regulations, to the extent such are consistent with the IFAD procurement guidelines.	During implementation	Compliant	Generally Compliant with IFAD Procurement Guidelines
Section 7.08 (a)	Insurance of vehicles, equipment and civil works financed from the grant proceeds to be consistent with sound commercial practice.	During implementation	Partially Compliant	Only vehicles are insured
Section 8.03	Progress reports to be submitted to IFAD on a quarterly basis.	During implementation	Compliant	
Section 9.03 (b)	Audit report submitted to IFAD.	During implementation	Compliant	The external audit report for 2022 was submitted within six months
Section 11.01	IFAD financing to be exempted from all import duties, excise taxes and value-added tax (VAT) on investment expenditures	During implementation	Compliant	

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Fisheries Resources Management Programme

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Appendix 7: Integrated Project Risk Matrix (IPRM)

Mission Dates: 20 November - 02 December 2023

Document Date: 16/01/2024

Project No. 2000001144

Report No. 6752-ER

East and Southern Africa Division
Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	High	Substantial
<i>Political Commitment</i>	<i>Substantial</i>	<i>Low</i>
<i>Governance</i>	<i>High</i>	<i>Substantial</i>
<i>Macroeconomic</i>	<i>High</i>	<i>Substantial</i>
<i>Fragility and Security</i>	<i>High</i>	<i>Substantial</i>
Sector Strategies and Policies	Substantial	Moderate
<i>Policy alignment</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Policy Development and Implementation</i>	<i>Substantial</i>	<i>Moderate</i>
Environment and Climate Context	Substantial	Moderate
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project vulnerability to climate change impacts</i>	<i>Substantial</i>	<i>Moderate</i>
Project Scope	Moderate	Low
<i>Project Relevance</i>	<i>Moderate</i>	<i>Low</i>
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Low</i>
Institutional Capacity for Implementation and Sustainability	Substantial	Low
<i>Implementation Arrangements</i>	<i>Moderate</i>	<i>Low</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Substantial</i>	<i>Low</i>
Project Financial Management	Substantial	Moderate
<i>Project Organization and Staffing</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Budgeting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Internal Controls</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Accounting and Financial Reporting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project External Audit</i>	<i>Moderate</i>	<i>Low</i>
Project Procurement	Moderate	Moderate
<i>Legal and Regulatory Framework</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>High</i>	<i>High</i>
<i>Capability in Public Procurement</i>	<i>Low</i>	<i>Low</i>
<i>Public Procurement Processes</i>	<i>Low</i>	<i>Low</i>
Environment, Social and Climate Impact	Moderate	Moderate
<i>Biodiversity Conservation</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Cultural Heritage</i>	<i>Low</i>	<i>Low</i>
<i>Indigenous People</i>	<i>Low</i>	<i>Low</i>
<i>Labour and Working Conditions</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Community Health and Safety</i>	<i>Moderate</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Greenhouse Gas Emissions</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>High</i>	<i>Substantial</i>

Risk Category / Subcategory	Inherent risk	Residual risk
Stakeholders	Substantial	Moderate
<i>Stakeholder Engagement/Coordination</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Stakeholder Grievances</i>	<i>Substantial</i>	<i>Moderate</i>
Overall	Substantial	Moderate

Country Context	High	Substantial
Political Commitment	Substantial	Low
<p>Risk:</p> <p>If the peace treaty between Ethiopia and Eritrea will be compromised, the country may remain in isolation, and further divert from the current development trajectory. This may impact on the Country's ability to invest in agriculture and other development sectors, and mobilisation of counterpart funds as well as the implementation of FReMP.</p>	Substantial	Low
<p>Mitigations:</p> <ul style="list-style-type: none"> • Support investments that promote economic and social empowerment of the rural communities to enhance their resilience • Apply IFAD's guidelines for accounting for in-kind contribution to fully capture the contribution of the Government and beneficiaries, in lieu of counterpart funds - Clause monitoring from the MCO for specific measures if needed and engage with humanitarian agencies (e.g., UNHCR), to tap into their early warning systems, risk/conflict assessment tools. 		
Governance	High	Substantial
<p>Risk:</p> <p>High rate of staff turnover at Zoba levels. Generally low levels of financial management capacity. Laccie accounting software may not meet all the requirements of smart SOEs, especially the linkage of SOEs to the budget/activity codes Cooperative Support Unit (CSU) is still weak to be able to manage the size of the fishing inputs planned and the related loans to fishers. -The PSC has not convened in a formal manner and the PTC has only recently been constituted. Guidance and decisions for the top governance structure is wanting. This leaves lower level management waiting for guidance and advice on some implementation measures -Governance structure at the local levels does not provide incentives for the inclusion of women and youth in decision making Lack of standalone project team</p>	High	Substantial
<p>Mitigations:</p> <p>Mitigations:</p> <ul style="list-style-type: none"> • FM requirements to be kept as simplified as possible. • Boost the capacity of CSU (skills and equipment), including the purchase and installation of the Loan Performance Software, and ensure investments are under-pinned by business plans; • SECAP and specific quotas for the inclusion of women and youth. FReMP also include self-targeting activities that are attractive to these social categories (women and youth). • FReMP is fully in line with IFAD's policies on Gender Equality and Women's Empowerment and the preparation of a Gender Strategy in the loan covenants Measures are included to ensure that women and youth benefit from Programme interventions • Capacity development for team • Assign at least standalone project coordinator 		
Macroeconomic	High	Substantial

<p>Risk:</p> <p>Eritrean real GDP growth slowed to an estimated 2.3% in 2022 from 2.5% in 2021 due partly to the impact of Russia's invasion of Ukraine on energy, fertilizer, and food prices. Inflation rose to 7.5% in 2022 from 4.5% in 2021 on account of higher energy and food prices. The financial sector remains bank-based with limited products. The nakfa is fixed at 15 per US dollar in the official market. The agriculture sector continues to underperform and is unable to meet the food demands of the population. Agriculture and fisheries provide only a minor contribution to economic growth due to persistent low productivity, lack of investments and vulnerability to frequent droughts.</p> <p>Private sector participation in the economy is constrained by various economic and financial parameters. Consequently, Eritrean agriculture has difficulties to compete in the international markets combined with restricted cross-border movements of capital, goods and services.</p>	High	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> • FReMP will ensure that investments are under-pinned by business plans • The programme will support the development of a sector-wide Fisheries Management Plan for the sector, and viability assessments of various enterprises including boat-making, fish-drying etc. • FReMP will scale up the asset financing model developed under FDP for sustaining the country's small-scale fishing sector, and will train producer organisations to manage asset financing revolving funds. • FReMP will also focus on addressing demand from local markets and import substitution. • The resumption of relations with Ethiopia and neighbouring countries will promote intra-regional trade on fisheries products which is currently low 		
<p>Fragility and Security</p>	High	Substantial
<p>Risk:</p> <p>Negative impact of recurrent drought may divert the project beneficiaries and MMR from longer term development investments and induce poor involvement and availability for the project's objectives,</p> <ul style="list-style-type: none"> - Sudan war may also induce disturbance in projects strategies with flow of refugees in the Sudan neighbouring areas. - The country remains permanently in alert and MMR team as well as beneficiaries may be mobilised for war or related security purposes, making the project implementation difficult. 	High	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> • The Government has prioritized the agriculture and fisheries sectors and these have not been subjected to the hard-lock down • Crisis response initiative (CRI) will address some issues related to the Ukraine war and availability of inputs for production to producers 		
<p>Sector Strategies and Policies</p>	Substantial	Moderate
<p>Policy alignment</p>	Substantial	Moderate
<p>Risk:</p> <p>Even though it is agreed that a number of institutions (Ministry of Agriculture, Ministry of Land, Water and Environment, National Union of Eritrean Women, National Union of Eritrean Youth) will play an important role in FReMP, there is limited coordination across sectors. Involvement of different institutions may be lagging and can affect project delivery.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>FReMP is supporting the development of a framework to involve the relevant public and private institutions with scope to formalise the partnerships through MoUs. • Programme Coordination Offices (PCOs) have been established at the national and Zoba levels for the effective coordination and implementation of the Programme activities.</p> <ul style="list-style-type: none"> • Programme planning, implementation and monitoring and evaluation has been mainstreamed into the decentralised GoSE institutional frameworks and aligned GoSE's strategic development goals and sector policies 		
<p>Policy Development and Implementation</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>The key policy frameworks to guide the implementation of FREMP have not been finalised/approved i.e. i) National Development Plan, ii) Cooperative Development Policy and iii) Fisheries Development Strategy and iv) Aquaculture Development Strategy, contributing to delays in implementation of project activities.</p> <p>-There are significant systemic gaps at the institutional and policy levels e.g. appropriateness of procedures and regulatory frameworks to guide the implementation of rural development projects (e.g. national procurement framework, limited technical and institutional capacities at all levels, inadequate financial management and M&E systems which impact on the ability to quantitatively demonstrate development impact.</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Mitigations:</p> <ul style="list-style-type: none"> • FREMP is supporting the development of key policies i.e. Fisheries Management Plan, as well as the Aquaculture Development Strategy. • FREMP will also continue following up on the Cooperative Development Policy, however, in the interim, all cooperatives are registered under the Ministry of Marine Resources • Capacity needs assessment will be conducted. This will inform capacity development interventions and the provision of specialised technical assistance. • Recently, the zobas were furnished with procurement and finance management and control staff, improving drastically the capacity of implementation of government policies and procedures. 		
<p>Environment and Climate Context</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Project vulnerability to environmental conditions</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>The cumulative effects of salinity, erosion and siltation of river channels, lakes and dams can deteriorate water quality and fish breeding habitats, thereby degrading fish production, fish migration potential resulting in increased vulnerability or deterioration of target populations' livelihoods and ecosystems. This can jeopardise the project achievement of expected results</p> <p>Increased water temperatures will probably affect the size and migration of fish stocks, though there is limited information available on this phenomenon with regards to the Red Sea.</p> <p>-Differential increases in temperature may also cause changing upwelling patterns, and red algal blooms in turn affecting fish stocks.</p>	<p>Substantial</p>	<p>Moderate</p>

<p>Mitigations:</p> <p>FREMP has developed the Environment and Social Management Plan (ESMP) and together with its monitoring plan</p> <ul style="list-style-type: none"> • A fish stock assessment has been undertaken as part of the development of the Fisheries Management Plan. This will ensure that the project will not contribute to over-fishing/depleting the national stock. • The project is supporting the procurement of a Vessel Management System (VMS), which will assist in controlling fishing activities of larger vessels to ensure sustainability of fishing operations, especially by the artisanal fishing communities • Mangroves are expected to adjust gradually to the changing water levels. • Weather data, specifically temperature, is being accessed from various sources, such as IGAD, analysed and incorporated in the planning and implementation of the project • Restored coastal ecosystem services through the rehabilitation and planting of mangroves, can reduce coastal erosion, increasing habitat for fish. 		
<p>Project vulnerability to climate change impacts</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <ul style="list-style-type: none"> • Climate change and increased climate variability are severely affecting Eritrea, through its significant impact on crop and livestock production, upland fish farming and rural livelihoods. Based on trends, it is likely that most of the project sites will be exposed to at least one season of very low rainfall over the life of the project • The targeted populations are vulnerable to drought, erratic rainfall, and high temperatures, which affect fish productivity resulting in increased vulnerability or deterioration of target populations' livelihoods and ecosystems. Hence the project likelihood to achieve results will be negatively affected. 	<p>Substantial</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>Conduct climate risk assessment to identify climate related risks as well as their equivalent mitigation measures, integrate the measures to the project planning and implementation</p> <ul style="list-style-type: none"> • The climate risks will be mitigated by investment in improving and sustaining climate resilient ecosystems both at the coast (including mangrove forests rehabilitation) and inland (watershed management) • Capacity building of beneficiaries in 'climate-smart thinking' through training and exchange visits (some international, thus 'South-to-South' learning) • Climate-smart fish production, climate change awareness, and early warning systems will be promoted 		
<p>Project Scope</p>	<p>Moderate</p>	<p>Low</p>
<p>Project Relevance</p>	<p>Moderate</p>	<p>Low</p>
<p>Risk:</p> <p>Limited capacities may impact on the implementation of the innovative technical aspects of the project including aquaculture development, small pelagic fisheries development, establishment of a Cooperative Support Unit (CSU), establishment of fish drying facilities which are critical to the viability of the FREMP interventions. The main challenge includes - capacity to develop technical specifications and develop a viable business model under the prevailing macro-economic context which is not market driven.</p> <p>-Facilities would not be sufficient to handle the expected increase in fish production resulting from Programme interventions. In particular, there will be increased demand for ice by additional fishers supported by the Programme.</p>	<p>Moderate</p>	<p>Low</p>

<p>Mitigations:</p> <p>A partnership between MMR/FAO and IFAD is expected to provide Technical Assistance to support the implementation of FREMP. This will cover a variety of areas in the fisheries sector whilst tapping into FAO's vast pool of technical experts on fisheries development.</p> <ul style="list-style-type: none"> • IFAD, through the German co-financing is providing specialised technical assistance coupled with on-the-job training to NPCO staff • A partnership with World Fish is foreseen to provide TA on the development of the Fisheries Development Plan and other various fish related livelihood opportunities deriving from the project. • The programme will support the establishment of additional ice making facilities on two landing sites to support the cold-fish value chain. In addition, under the restructuring plan, the project will support post-harvest activities through fish drying facilities as well as a logistics chain 		
<p>Technical Soundness</p>	<p>Moderate</p>	<p>Low</p>
<p>Risk:</p> <p>-Limited capacities may impact on the implementation of the innovative technical aspects of the project including aquaculture development, small pelagic fisheries development, establishment of a Cooperative Support Unit (CSU), establishment of fish drying facilities which are critical to the viability of the FREMP interventions. The main challenge includes - capacity to develop technical specifications and develop a viable business model under the prevailing macro-economic context which is not market driven.</p> <p>-Facilities would not be sufficient to handle the expected increase in fish production resulting from Programme interventions. In particular, there will be increased demand for ice by additional fishers supported by the Programme.</p>	<p>Moderate</p>	<p>Low</p>
<p>Mitigations:</p> <ul style="list-style-type: none"> • A partnership between MMR/FAO and IFAD is expected to provide Technical Assistance to support the implementation of FREMP. This will cover a variety of areas in the fisheries sector whilst tapping into FAO's vast pool of technical experts on fisheries development. • IFAD, through the German co-financing is providing specialised technical assistance coupled with on-the-job training to NPCO staff • A partnership with World Fish is foreseen to provide TA on the development of the Fisheries Development Plan and other various fish related livelihood opportunities deriving from the project. • The programme will support the establishment of additional ice making facilities on two landing sites to support the cold-fish value chain. In addition, under the restructuring plan, the project will support post-harvest activities through fish drying facilities as well as a logistics chain 		
<p>Institutional Capacity for Implementation and Sustainability</p>	<p>Substantial</p>	<p>Low</p>
<p>Implementation Arrangements</p>	<p>Moderate</p>	<p>Low</p>
<p>Risk:</p> <p>-Institutional capacity gaps and high turnover of staff to implement innovative technical aspects of the project</p>	<p>Moderate</p>	<p>Low</p>
<p>Mitigations:</p> <p>MMR has appointed technical leads for the project from the MMR Departments who will be responsible for the technical execution of the project. This will assist with the overall coordination and preparation of technical specifications.</p> <ul style="list-style-type: none"> • Provision of specialized international technical assistance & institutional capacity development at all levels, based on capacity training of young staff, as well as underpinning investments on business plans. • Strengthening capacities of producer organisations to be able to provide services to their membership • Adoption of a sequencing of activity implementation reflecting more realistic target levels, growth rate of the programme uptake and available resources. 		

Monitoring and Evaluation Arrangements	Substantial	Low
<p>Risk:</p> <p>Weak M&E systems and capacities to consolidate, analyse data and report on outcomes. -Poor access such as internet for the timely reporting and tracking which may affect data availability</p>	Substantial	Low
<p>Mitigations:</p> <p>Specialised Technical Assistance on M/E</p> <ul style="list-style-type: none"> • • Monitoring and evaluation (M&E) and knowledge management system will build on the strengths and weaknesses of FReMP's previous project years, FDP and the other IFAD-supported Programmes in Eritrea. • NPCO M&E Specialist have developed simple and user-friendly tools for data collection, data entry, data processing and analysis • Allocate resource for connectivity or use other methods to track reports • Regular data quality assessments (DQA) through verification and validation of the data collected 		
Project Financial Management	Substantial	Moderate
Project Organization and Staffing	Moderate	Low
<p>Risk:</p> <p>Zoba Project Cordination Offices (ZPCO) are staff of Ministry of Marine Resources (MMR). Time commitment to project is not known, There are still some capacity gaps and supervision support required from the National Project Cordination Office (NPCO) accounts staff.</p>	Moderate	Low
<p>Mitigations:</p> <p>Specify in the assignment letters time allocated to FREMP. FM staff at the NPCO should conduct quarterly visits to the Zobas to review the work of the accountants and to provide guidance, support, and mentorship in relation to the IFAD financial management guidelines.</p>		
Project Budgeting	Substantial	Moderate
<p>Risk:</p> <p>Budgets are not prepared on a timely basis resulting in late submission of budget to IFAD. Budget execution and absorption is low.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Initiate the budgeting process earlier and submit AWPB to IFAD for approval at least 30 days before closure of each financial year. Fast track activity implementation to increase budget absorption This is the more critical as the project heads towards the completion date.</p>		
Project Funds Flow/Disbursement Arrangements	Substantial	Moderate
<p>Risk:</p> <p>The project designated account is held at the central bank (Bank of Eritrea) in the grant currency. Approval for bank transfers/payments are made through the existing government structures in relation to bank signatories. No bottlenecks were identified in relation to funds flow arrangements. There will be restructuring request to be submitted by 15 July to reallocate costs across different cost categories.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Fast track the execution of programme activities and submit withdrawal applications at the end of every quarter, in case the cash flow forecast requires additional funding over and above the available cash balance at the end of the quarter.</p>		

Project Internal Controls	Substantial	Moderate
Risk: Internal audit arrangements exist under MMR although not fully functioning. There hasn't been an internal audit for the last 3 years.	Substantial	Moderate
Mitigations: Controls are generally adequate but regular internal audits are recommended (every six months) to give more assurance on controls. Internal audit scope should cover all areas of the project and make recommendations for improvement. There is need to train the internal audit staff about their mandate, and internal auditing professional standards.		
Project Accounting and Financial Reporting	Substantial	Moderate
Risk: Implementation of accounting software (TOMPRO) is still on-going. Training of the users at national and zoba level is complete. However, the project has not commenced usage of the system.	Substantial	Moderate
Mitigations: Commence usage of the new accounting software, starting with migration of data from 1 January 2023.		
Project External Audit	Moderate	Low
Risk: The audit for the year ended 31 December 2021 was completed and the report submitted to IFAD within the required timelines. Audit of the financial statements for the year ended 31 December 2022 is currently underway. The mission provided additional information required by the auditor to complete the audit, i.e., the Status of Funds report and Historical Transaction Report. The audit will be finalised and report submitted to IFAD by 30 June 2023.	Moderate	Low
Mitigations: The project should take into account feedback from the review of the 2021 audit report when finalising the 2022 audited financial statements.		
Project Procurement	Moderate	Moderate
Legal and Regulatory Framework	Substantial	Moderate
Risk: -Lack of acceptable national legal and regulatory framework; -Lack of standard bidding documents; -Minimal engagement of the procurement teams in monitoring activities; -Insufficient public access to procurement information, also due to very weak ICT systems.	Substantial	Moderate
Mitigations: • Due to the lack of acceptable national systems, FReMP follows IFAD's Procurement Handbook and uses IFAD's SBDs; • A new dedicated team was recently appointed with motivated, competent, and qualifies staff that IFAD has fully trained on its complete project procurement Framework and Systems (NOTUS, CMT and PP)		
Accountability and Transparency	High	High

<p>Risk:</p> <ul style="list-style-type: none"> - There is no information available on the existence and effectiveness of a complaint resolution mechanism and on the characteristics of such system, nor is there information available on the existence of a debarment system and of an independent and competent authority responsible for investigating corruption allegations; - According to the 2020 index published by Transparency International, the country corruption perception index score for Eritrea is 21; 	High	High
<p>Mitigations:</p> <ul style="list-style-type: none"> • IFAD can strongly encourage government through policy dialogue to address these shortcomings, and it is recommended that it do so through the COSOP consultations with the government; • All procurement entities, as well as bidders, suppliers, contractors, consultants and service providers shall observe the highest standard of ethics during the procurement and execution of contracts financed under IFAD funded Projects, in accordance with paragraph 69 of the IFAD Project Procurement Guidelines. • The Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations shall apply to all projects, vendors and third parties, in addition to the relevant national anticorruption and fraud laws. • The project shall use IFAD's Standard Procurement Documents that mitigate the identified risks. 		
<p>Capability in Public Procurement</p>	Low	Low
<p>Risk:</p> <ul style="list-style-type: none"> - The Procurement Controller and Procurement Assistant only have a few years of experience in public procurement; - Documents produced by the procurement office need some improvements, as technical specifications are too detailed and references to IFAD and IFAD's policies and procedures are often missing 	Low	Low
<p>Mitigations:</p> <ul style="list-style-type: none"> • Ensure the PU keeps participating in IFAD's procurement trainings and that such training is also given by external suppliers; • FReMP will start using IFAD's SBDs (recently released) and this should help in addressing the weaknesses found; • More cooperation with user departments is recommended so as to ensure that technical specifications are not too detailed and they do not limit competition. 		
<p>Public Procurement Processes</p>	Low	Low

<p>Risk:</p> <ul style="list-style-type: none"> - Access to bidding documents by foreign firms is not easy as they have to be purchased and are given in hard copy to bidders that generally have in-country agents; - Activities reviewed showed that the minimum number of quotations established by IFAD's handbook is not always received; - There is no evidence of bid opening minutes being sent to bidders; - Evaluations are not always completed within the bid validity period; - Awarded contracts are not advertised publicly; - Lack of approval thresholds for contract amendments, since all amendments are signed off by the Director of Finance and Administration; - Contracts in the CMT are not kept updated; - Procurement methods are consistent with IFAD Guidelines. However, the choice of procurement methods should be revisited where national market conditions warrant it; - For ICB, FReMP advertises on UNDB Online with the help of the ESA Procurement Team. For all other methods, bidding documents are shared with bidders in soft copy through a USB pen, but they are only available at the ministry offices; - procurement plans exhibit inconsistencies with the AWPBs; - collaboration between procurement and M&E teams needs to be enhanced; - in some cases, copies of the clarifications requested from bidders were found to be missing from the procurement file; - long approval times of evaluation reports by the RSC, which sometimes cause the bid validity period to expire; - minutes of bid openings are not sent to bidders; - contract award are notified only to participating bidders; - lack of approval thresholds for contract amendments, since all amendments are signed off by the Director of Finance and Administration; - the implementation of contracts suffers from delays due to the importation of goods in Eritrea. - Lack of secure storing capacity for procurement securities. 	Low	Low
<p>Mitigations:</p> <p>Project to explore the possibility to publish bidding documents on the Ministry's website;</p> <ul style="list-style-type: none"> • Project to ensure a minimum of 3 quotations is received and, when this is not done, to request IFAD's No Objection to proceed; • Project is encouraged to send minutes sent to all bidders who submitted bids and to let those who receive hard copies sign for their receipt; = • Project should explore the possibility to fast-track internal approvals to ensure evaluations are done within the bid validity period. When this is not done, extensions should be requested before the bid validity expires; • FReMP should have access to advertising awarded contracts on the Eritrean Government's website; • Project to follow the procedure in the Handbook for approval of contract amendments; • Project to ensure the CMT is kept updated on the basis of contracts life and performance. 		
Environment, Social and Climate Impact	Moderate	Moderate
Biodiversity Conservation	Substantial	Substantial
<p>Risk:</p> <p>Eritrea has substantial and relatively underexploited marine and fisheries resources, comprising nearly 1,000 fish species that have been underutilized for decades. These exist in an unpolluted, underexploited and under-capitalized marine environment. However, the last stock assessment was done at the end of the 1990's. The pelagic species are migratory and sensitive to sea surface temperature. The stock status is uncertain.</p> <ul style="list-style-type: none"> - Project support for fishery marine system may lead to over-exploitation of fish resources. - Increased commercial activity may slightly increase pressure on coastal ecosystems, especially increasing use of mangroves for firewood and animal fodder. 	Substantial	Substantial

<p>Mitigations:</p> <ul style="list-style-type: none"> • The Programme will exercise prudent foresight to avoid untenable situations, taking into account that “changes in fisheries systems are only slowly reversible, difficult to control, not well understood, and subject to change in the environment and human values”. • Identify possible impacts on Biodiversity and their mitigation measure in the ESMP <ul style="list-style-type: none"> - Mangrove management and plantation will enhance coastal biodiversity <p>The program has foreseen development and implementation of a Stock management plan to better understand and to take a precautionary approach. In lieu of the Plan the SECAP should be used until such time as the fisheries management plan is in implementation</p>		
<p>Resource Efficiency and Pollution Prevention</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk:</p> <p>Eritrea is endowed with significant natural resources, which are currently poorly utilized and managed. Agriculture and fisheries are characterized by persistent low productivity, lack of investments and vulnerability to frequent droughts.</p> <ul style="list-style-type: none"> -Increased (consumptive) use of water for inland fisheries may have negative effect on other water users (domestic water supply, cattle, irrigation). -Environmental damage may result from pollution and poor waste management related to increased fishing activity. - Potential risks of siltation, which could endanger the reservoir sustainability and its fisheries potential 	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations:</p> <ul style="list-style-type: none"> • Project will explore the options of natural integrated pest management • Green manuring will be practiced, while being cognizant of potential competing demands for these same materials • The Integrated Pest Management will include materials on banned substances in terms of pesticides and herbicides, which are in any case will controlled by MoA/Regulatory Services • Catchment protection measures with sound ecosystem-based watershed management plans conferring resilience on the landscape will be implemented based on experience from the Catchment and Landscape Management Project (CLMP) and the National Agricultural Project (NAP) 		
<p>Cultural Heritage</p>	<p>Low</p>	<p>Low</p>
<p>Risk:</p> <ul style="list-style-type: none"> -There is little reason to believe that the project areas would be exposed to or put at risk any protected cultural heritage artifacts 	<p>Low</p>	<p>Low</p>
<p>Mitigations:</p> <p>SECAP2017 will be made available to the PMU at both central and zoba levels (as per SECAP requirement prepare ESMP)</p>		
<p>Indigenous People</p>	<p>Low</p>	<p>Low</p>
<p>Risk:</p> <ul style="list-style-type: none"> -Eritrea does not recognize the concept of ‘indigenous peoples’ however there are various ethnic groups. Instead of Indigenous People concept, Vulnerable and disadvantaged community comprising of groups such as WHHs, returnees, IDPs, the youth and the elderly, will be considered. 	<p>Low</p>	<p>Low</p>
<p>Mitigations:</p> <p>The project targeting strategy has a focus on the vulnerable in each project area, which in turn is selected on the basis of multiple and explicit criteria.</p>		
<p>Labour and Working Conditions</p>	<p>Substantial</p>	<p>Substantial</p>

<p>Risk:</p> <p>-The long-standing national requirement of community labour contribution for several weeks a year might represent a risk but this is a government citizenship policy. FReMP activities do not show any risks for labour concerning issues.</p>	Substantial	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> • The project is not expecting to invest heavily in infrastructure development, which significantly reduces exposure to this safeguard risk • The government position is that national service is universal and that persons are deployed in a range of jobs throughout the civil service and economy • The government has signed the relevant international treaties and regularly exchanges with ILO e.g Eritrea has ratified ILO's c182 on Combating Worst forms of child labour • The signing of treaties also represent a commitment by the Government to protect its children against the worst forms of child labour <p>In all infrastructure purchased with IFAD or German funding, the persons should be provided with personal protective equipment including but not limited to boots, gloves, head, eye and sound protection where needed and access to firsts aid</p>		
<p>Community Health and Safety</p>	Moderate	Low
<p>Risk:</p> <p>-There will be water retention structure rehabilitation and/or construction, the exact dimensions of which are still to be determined but are expected to be under IFAD SECAP thresholds</p>	Moderate	Low
<p>Mitigations:</p> <ul style="list-style-type: none"> • The project will ensure that technically competent persons (engineers) participate in the identification of sites and that any construction is approved according to government regulations applicable and that the same will be clearly documented. These structures will be inspected upon each supervision by a qualified team member. • Health and Safety issues are adequately captured in the ESMP 		
<p>Physical and Economic Resettlement</p>	Moderate	Moderate
<p>Risk:</p> <p>-No activities anticipated to trigger IFADs very strict thresholds for economic or in particular physical resettlement By its very nature, FReMP's interventions will not require new land. 21 Reservoir/dams have already been identified based on pre-determined criteria.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>FReMP will facilitate their organisation, capacity building and linkage to the appropriate financing mechanisms so as to engage in meaningful income generating activities and improve their livelihoods.</p>		
<p>Greenhouse Gas Emissions</p>	Substantial	Moderate
<p>Risk:</p> <p>-The nature of the production system leaves no reason to believe that there will significant risks of GHGs apart possibly from small livestock.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>FReMP will directly feed into the country's 'Green Growth' strategy and simultaneously reduce Greenhouse Gas (GHG) emissions through coastal (Mangrove Forests Rehabilitation) and inland (Catchment Management) ecosystem management. FReMP is determining the amount of carbon it will sequester from these management activities using the EX-ACT programme.</p>		

<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>High</i>	<i>Substantial</i>
Risk: Climate variability and hazards are common in Eritrea. When happened, these can affect target group participation to project activities as they may abandon fishery activities.	High	Substantial
Mitigations: A climate risk and vulnerability assessment (CRA) study has been prepared, which covers both the risks from the climate to the population and from the project to the population in terms of climate vulnerability. The CRA has been mainstreamed into AWPB, PIM and Restructuring.		
Stakeholders	<i>Substantial</i>	<i>Moderate</i>
<i>Stakeholder Engagement/Coordination</i>	<i>Substantial</i>	<i>Moderate</i>
Risk: Poor coordination between zobas and NPCU levels can have risk of uncoordinated project activities and then lack of tangible results Weak inclusion of beneficiaries in decision making related to activities concerning or involving the beneficiaries can lead to lack of ownership and low sustainability of the project's interventions	Substantial	Moderate
Mitigations: Based on IFAD's Framework for Stakeholder Engagement (2019) a stakeholders engagement strategy/plan was prepared. Participatory tools included in the AWPB preparation, implementation and monitoring <ul style="list-style-type: none"> • The Programme has adopted a bottom-up community-driven planning process, in alignment with the GoSE's decentralised participatory planning system tailored to local needs and community priorities. GRM committees have been established at the NPCO, ZPCO and cooperatives level		
<i>Stakeholder Grievances</i>	<i>Substantial</i>	<i>Moderate</i>
Risk: Potential water use conflicts -Increased (consumptive) use of water for inland fisheries may have negative effect on other water users (domestic water supply, cattle, irrigation). Lack of stakeholder participation can lead to grievance and if not fully addressed in a transparent manner can cause lack of ownership, participation and eventual failure of the sustainability of the project. - Non implementation of the Grievance procedures in the SECAP can lead to grievances	Substantial	Moderate
Mitigations: <ul style="list-style-type: none"> • Undertake stakeholders' feedback sessions. • Government implements a bottom-up approach in the identification of investments, hence there is free and prior consent of the communities • IFAD has developed a complaints procedure for "Alleged Non-Compliance with its Social and Environmental Policies and Mandatory Aspects of its Social Environmental and Climate Assessment Procedures. 		