

AUDITED PROJECT FINANCIAL STATEMENTS

Grant: 2000001700 - ER

Period covered: 1 Jan 2017 to 31 Dec 2017

FISHERIES RESOURCES MANAGEMENT PROGRAMME (FReMP)

Prepared by HLB Abraham Isaac & Company

Received on 30 Aug 2018

The Audited project financial statements are documents owned by the borrower and recipient. The views expressed herein do not necessarily represent those of IFAD's Board of Directors, Management or Staff.

These documents are made publicly available in accordance with the "IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects (2018)"

ሃገረ ኤርትራ
ሚኒስቴር ሃብት ባሕር
ክፍሉ ልምዳት ሃብት ባሕር



دولة إرتريا
وزارة الثروة البحرية
شعبة تنمية موارد الثروة البحرية

The State of Eritrea
MINISTRY OF MARINE RESOURCES
Marine Resources Development Department

Massawa

Asmara

Ref MMR/ARV/MRDD/146/2018

Date 31-07-2018

To: [Redacted]
International Fund for Agricultural Development (IFAD)

Dear Madame,

Finally, the long awaited audit report for Fisheries Resources Management Programme (FRMP) for the year 2017 is finalized and attached herewith for your information and follow-up.

Auditing was performed by HLB ABRHAM ISAAC & COMPANY, authorized auditors and accountants, who were appointed by the Eritrean General auditor.

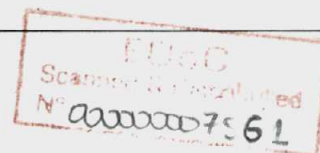
Regards

Auss

[Redacted]
National Project Coordinator
Ministry of Marine Resources
Massawa, Eritrea



CC:- [Redacted]
Country Director/Head of IFAD Sub-Regional HUB
East and Southern Africa
UNION Complex
Nairobi, KENYA



**MINISTRY OF MARINE RESOURCES
FISHERIES RESOURCES MANAGEMENT PROGRAMME
(FReMP)
(IFAD DSF GRANT NO. 2000001700)**

**REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2017**

HLB ABRAHAM ISAAC & COMPANY
AUTHORISED AUDITORS AND ACCOUNTANTS
BIDHO STREET 171-1 RAZA BUILDING, 3rd FLOOR
P.O. BOX 3446
ASMARA - ERITREA

**MINISTRY OF MARINE RESOURCES
FISHERIES RESOURCES MANAGEMENT PROGRAMME (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 2017 TO 31 DECEMBER 2017**

TABLE OF CONTENTS	<u>PAGE</u>
Project information and performance	1-27
Statement of project management's responsibilities	28
Report of the independent auditors	29-30
Statement of receipts and payments (by category)	31
Statement of receipts and payments (by component)	32
Statement of comparison of budget and actual amounts	33
Report of the independent auditors on special account	34
Statement of special account activities	35
Statement of special account reconciliations	36
SOE-withdrawal application statement	37
Notes to the financial statements	38-41
Balance sheet	42
Appendix	43

**MINISTRY OF MARINE RESOURCES
FISHERIES RESOURCES MANAGEMENT PROGRAMME (FRMP)
(IFAD DSF GRANT NO. 2000001700)**

Project Information
As at 31 December 2017

Implementing Agency:

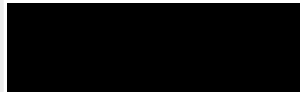
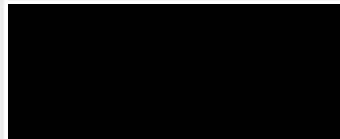
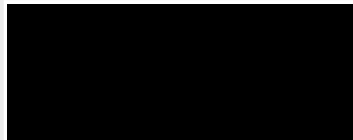
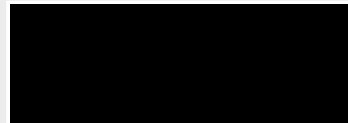
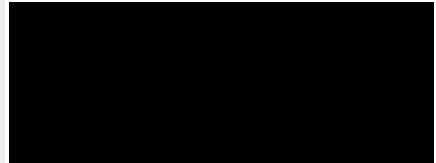
Ministry of Marine Resources

Project Status:

First Year

Location- Cost Centre:


National level -Asmara and Massawa
Zoba Debub
Zoba Gash Barka
Zoba Maekel
Zoba Anseba
Zoba Northern Red Sea
Zoba Southern Red Sea



**MINISTRY OF MARINE RESOURCES
FISHERIES RESOURCES MANAGEMENT PROGRAMME (FRMP)
(IFAD DSF GRANT NO. 2000001700)**

**Project Information (Cont...)
As at 31 December 2017**

Auditors:



HLB Abraham Isaac and Company
Authorised Auditors and Accountants
P.O.Box 3446
Asmara - Eritrea

Members of National Project Coordinators:

<u>Full Name</u>	<u>Responsible</u>
Tewolde Woldemikael	National project coordinator
Tecle Alemseged	Asst. NPC for coastal areas
Sami Mahmud	Asst. NPC for highland areas
Amanuel Semere	Financial controller
Measho Yohannes	Asst. Accountant
Abdusalam Mohammedberhan	Procurement controller
Adiam Mehari	Procurement officer
Simon Gebrenegus	Monitoring and evaluation officer
Ataklti Neguse	Asst. Monitoring and evaluation officer
Nardos Kebede Redi	Cashier

Location: Zoba Northern Red Sea - Members of PCO

<u>Full Name</u>	<u>Responsible</u>
Samsom Zekarias	Programme coordinator
Ibrahim Ahmed Sead	Financial controller
Mulugeta Mahdere	Monitoring and evaluation officer
Tikue Kidane	Planning officer
Hasen Mohamed Sied Hamed	Procurement officer
Gezaie Bahta	Cashier

Location: Zoba Southern Red Sea - Members of PCO

<u>Full Name</u>	<u>Responsible</u>
Mohammed Iyah	Programme coordinator
Meaza Tukabo	Financial controller
Araya Andemichael	Monitoring and evaluation officer
Ibrahim Saleh	Planning officer
Winta Berhane	Procurement officer
Hinna Ali Mohammed	Cashier

**MINISTRY OF MARINE RESOURCES
FISHERIES RESOURCES MANAGEMENT PROGRAMME (FRMP)
(IFAD DSF GRANT NO. 200001700)**

**Project Information (Cont...)
As at 31 December 2017**

Location: Zoba Maekel - Members of PCO

<u>Full Name</u>	<u>Responsible</u>
Essaw Tikue	Programme coordinator
Yohannes Bahta	Financial controller
Hiab Kibrom	Monitoring and evaluation officer
Yonatan Afewerki	Planning officer
Bilal Saleh Yehdego	Procurement officer
Hewan Asfeha	Cashier

Location: Zoba Debub - Members of PCO

<u>Full Name</u>	<u>Responsible</u>
Alamin Ahmed	Programme coordinator
Asmerom Mengistu	Financial controller
Musie Mekonen	Monitoring and evaluation officer
Eseyas Feshaye	Planning officer
Debesay Rezene	Procurement officer
Aster Petros	Cashier

Location: Zoba Anseba - Members of PCO

<u>Full Name</u>	<u>Responsible</u>
Mahmud Idris	Programme coordinator
Medhane Tewelddebrhan	Financial controller
Solomon Bereket	Monitoring and evaluation officer
Tesfit Gebrekiristos	Planning officer
Semere Mehari	Procurement officer
Amine Mehari	Cashier

Location: Zoba Gash Barka - Members of PCO

<u>Full Name</u>	<u>Responsible</u>
Mekonen Ghrmai	Programme coordinator
Major Asmelash	Financial controller
Abdurezak Idris	Monitoring and evaluation officer
Amaniel Hayleab	Planning officer
Eseyas Asgedom	Procurement officer
Worku Abraha	Cashier

**MINISTRY OF MARINE RESOURCES
FISHERIES RESOURCES MANAGEMENT PROGRAMME (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

Project Information (Cont...)

As at 31 December 2017

Back Ground:

Source of Financing:	IFAD DSF Grant
IFAD Grant allocated:	SDR 10,750,000
Effective date:	06 December 2016
Implementation starting date:	01 March 2017
Expiry date:	31 December 2023

Objectives:

- To increase income and improve nutrition situation for targeted beneficiaries and sustainable management of natural resources.

Components:

- Develop sustainable fisheries systems.
- Fisheries enterprises support services.
- Institution strengthening and implementation support.

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

Table 2.1: FRMP - Financial and Physical Progress Performance

Table-2: FRMP Financial and Physical Progress Performance as at 31st December 2017												
Component/Sub-Component Activities	BUDGET			Unit	Outputs			Outcomes			Notes/Source of Information	
	Budget for 2017 (USD)	Budget Expenditure as at 31 st December 2017	% of Budget Expenditure as at 31 st December 2017 (%)		AWPB 2017 Target Outputs	AWPB 2017 Target Outputs Achieved	% of AWPB 2017 Target Outputs Achieved	Expected Outcomes	Expected Outcomes Achieved	% Outcomes Achieved		
1.1.1 Site identification for the solar fish drying facilities	20,000.00	992.00	5%	lumps um	sites for solar fish drying facilities identified	One in Northern and three in Southern Red Sea Region total FOUR sites have been identified	100%	Solar fish drying Constructed and dry fishes produced			Abdur' in the Northern Red Sea Region and Ras Tarma, Kedarasi and Deres in Southern Red Sea Region are identified for the construction of solar fish drying sites	
1.1.2 TA to establish BOQs for solar fish-drying facilities (US\$5,000 per site for a total of 4 sites)	20,000.00	0.00	0.0%	lumps um	TA recruited, design and BOQ prepared	Design and BOQ have prepared	80%					
1.1.3 Procurement of the building materials for solar	500,000.00	0.00	0.0%	lumps um	building materials procured	No achievement	0%					Rolled over to 2018 AWPB

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

fish-drying facilities											
1.1.4 TA to design the 3 multi-purpose centres and establish the requisite BOQs	50,000.00	0.00	0.0%	lumps um	TA recruited, design and BOQ prepared	Design and BOQ have prepared	80%	Multi-purpose centres constructed			
1.1.5 Procurement of the building materials for the 3 multi-purpose centres	100,000.00	0.00	0.0%	lumps um	building materials procured	No achievement	0%				Rolled over to 2018 AWPB
1.1.6 Community sensitisation, mobilisation and organisation to manage/protect (through social fencing) a total of 260 ha of existing mangrove forests	20,000.00	5,188.00	25.9%	lumps um	260 ha of existing mangrove forests protected via social fencing	Three meeting was convened with different sub zoba officials and communities in Northern Red Sea Region	50%	Improve land management and mangrove sustained and honey production increased			In Southern Red Sea Region this activity haven't any progress
1.1.7 Introduction of beekeeping and fodder harvesting	100,000.00	0.00	0.0%	lumps um	Beekeeping and fodder harvesting introduced.	No achievement	0%				
1.1.8 Plant 40 ha of mangrove forests	100,000.00	8,150.00	8.2%	lumps um	40 ha land planted	200 seedling halophytes	5%			These halophytes were planted during the visits made for identifying and assessing mangrove plantation	

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

											potential areas
1.1.8 Pilot research on the culture of Milkfish/ Mullet in Floating fish cages		2,856.00		Lump sum	Milk/ Mullet culture in floating fish cages piloted	Materials for constructing floating fish cage procured	10%				50 plastic drums 250 ltr capacity for piloting purpose have been procured.
Sub-Component 1.2 - Development and Sustainable Utilization of Inland Fisher											
1.2.1 Reservoir identification for freshwater fisheries (US\$2,000 per reservoir for a total of six reservoirs)	12,000.00	6,861.00	57.2%	reservoir	6 reservoir identified for further project intervention	4 reservoirs have been identified, two reservoirs in Maekel and two in Gash-Barka Region	66.70%	Reservoir maintained under improved management practices and ensures sustainable			Identifying the rest 2 reservoirs of Dehub Region are on progress, where all the reservoirs were visited and careful observation and studies were done, what remains to be done in early 2018 is come up with final decision of selecting only two reservoirs.
1.2.2 TA to undertake reservoir stock assessment studies (US\$10,000 per reservoir for a total of six reservoirs)	60,000.00	0.00	0.0%	reservoir	TA recruited and study report on reservoir stock assessment produced	No achievement	0%	freshwater fish production			Rolled over to 2018 AWPB

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FReMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

1.2.3 Stakeholder identification (US\$2,000 per reservoir/catchment for a total of six reservoirs/catchments)	12,000.00	0.00	0.0%	reservoir	6 Reservoirs stakeholders' identified	No achievement	0%			
1.2.4 TA to undertake socio-economic studies (US\$10,000 per reservoir for a total of six reservoirs)	60,000.00	0.00	0.0%	study	TA recruited and study report on reservoir socio-economic produced	No achievement	0%			
1.2.5 Stakeholder consultations (US\$2,000 per consultation for a total of six consultations)	12,000.00	0.00	0.0%	consultation	6 stakeholder consultation workshops hold	No achievement	0%			
1.2.6 Develop reservoir and catchment management plans (US\$10,000 per management plan for a total of six management plans)	60,000.00	0.00	0.0%	Mgmt. plan	6 Reservoirs Management Plan produced	No achievement	0%			
1.2.7 Define the rules and regulations for utilizing reservoir fisheries (US\$2,000 per reservoir for a total of six)	12,000.00	0.00	0.0%	reservoir	6 Reservoirs Rules and Regulation defined	No achievement	0%			Rolled over to 2018 AWPB

State of Eritrea
 Ministry of Marine Resources
 Fisheries Resources Management Programme (FReMP)
 Project Year-I: Annual Implementation Progress Report March-December, 2017

reservoirs)											
1.2.8 Identify youth groups who will carry out fishing activities (US\$2,000 per reservoir for a total of six reservoirs)	12,000.00	0.00	0.0%	reservoir	Six youth fishing groups identified	No achievement	0%	Youth and women groups formed and equipped with necessary input supplies and produced freshwater fishes			
1.2.9 Provide technical and entrepreneurial training to the identified youth fishing groups (US\$2,000 per reservoir for a total of six reservoirs)	12,000.00	0.00	0.0%	reservoir	The youth fishing groups trained in Technical and Entrepreneurial modules	No achievement	0%				
1.2.10 Identify women groups who will carry out fish processing/ marketing activities (US\$2,000 per reservoir for a total of six reservoirs)	12,000.00	0.00	0.0%	reservoir	Six women fish processing groups identified	No achievement	0%				
1.2.11 Provide technical and entrepreneurial training to the identified women	12,000.00	0.00	0.0%	reservoir	The women fish processing groups trained in Technical	No achievement	0%				Rolled over to 2018 AWPB

State of Eritrea
 Ministry of Marine Resources
 Fisheries Resources Management Programme (FRMP)
 Project Year-I: Annual Implementation Progress Report March-December, 2017

fish processing/ marketing groups (US\$2,000 per reservoir for a total of six reservoirs)					and Entrepreneurial modules						
Sub-Component 1.3 - Market Development and Promotion of Fish Consumption											
1.3.1 Training MMR extension staff on nutrition	11,000.00	6,073.00	55.2%	lump sum	MMR staff trained on nutrition	20 MMR staff trained out of which the 4 were Female	100%	Communities nutrition awareness increased and changes dietary habits			It was 10 days training from 7 th -16 th December, and was held in the Auditorium of the ministry of marine resources located in Massawa.
1.3.2 Nutrition awareness campaigns	11,000.00	0.00	0.0%	lump sum	Nutrition awareness campaigns conducted	No achievement	0%				
1.3.3 Mainstreaming nutrition and small-scale fisheries at HFTC and Mai-Sirwa Inland Fisheries Research Centre	22,000.00	0.00	0.0%	lump sum	Mainstreaming nutrition conducted	No achievement	0%				Rolled over to 2018 AWPB
Sub-Component 2.1 - Entrepreneurial Capacity Development											
2.1.1 Mobilization and awareness creation of 20	12,000.00	14,333.00	119.4%	cooperative	20 Small Pelagic fishing cooperatives		10%	Small			One general seminar was organized with

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

fishing cooperatives (small pelagic)					mobilized			Pelagic fishing and processing Cooperative s formed and equipped with necessary fishing and processing input supplies and			coastal communities in Northern Red Sea Region
2.1.2 Facilitate the formation of 20 fishing cooperatives (small pelagic)	20,000.00	0.00	0.0%	cooperative	20 fishing cooperatives formed	No achievement	0%				Rolled over to 2018 AWPB
2.1.3 Training in gear and fishing techniques of 20 fishing cooperatives (small pelagic)	20,000.00	0.00	0.0%	cooperative	20 fishing cooperatives trained in gear and fishing techniques	No achievement	0%				
2.1.4 Training in entrepreneurship and group dynamics of 20 fishing cooperatives (small pelagic)	20,000.00	0.00	0.0%	cooperative	20 fishing cooperatives trained on entrepreneurship and group dynamics	No achievement	0%				
2.1.5 Mobilization and awareness creation of 10 cooperatives/enterprise groups (Small Pelagic Processing)	5,000.00	4,293.00	85.9%	cooperative	10 small pelagic processing cooperatives mobilized						
2.1.6 Facilitate the formation of 10 cooperatives/enterprise groups	10,000.00	0.00	0.0%	cooperative	10 small pelagic processing cooperatives formed	No achievement	0%				Rolled over to

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

2.1.7 Training in processing and value addition and quality assurance of 10 cooperatives/enterprise groups	10,000.00	0.00	0.0%	cooperative	10 small pelagic processing cooperatives trained in processing and value addition and quality assurance	No achievement	0%	production of small pelagic fishes			2018 AWPB
2.1.8 Training in entrepreneurship and group dynamics of 10 cooperatives/enterprise groups	10,000.00	0.00	0.0%	cooperative	10 small pelagic processing cooperatives trained in entrepreneurship and group dynamics	No achievement	0%	increased			
2.1.9 Mobilization and awareness creation of 15 cooperatives for the large fish	30,000.00	0.00	0.0%	cooperative	15 large fish fishing cooperatives mobilized	No achievement	0%				
2.1.10 Facilitate the formation of 15 cooperatives for the large fish	15,000.00	0.00	0.0%	cooperative	15 fishing cooperatives formed	No achievement	0%	Large fish			
2.1.11 Capacity building (entrepreneurship, group dynamics) 15 cooperatives for the large fish	15,000.00	0.00	0.0%	cooperative	15 fishing cooperatives trained on entrepreneurship and group dynamics	No achievement	0%	cooperatives formed and			

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

2.1.12 Training in gears and fishing techniques 15 cooperatives for the large fish	15,000.00	0.00	0.0%	cooperative	15 fishing cooperatives trained in gear and fishing techniques	No achievement	0%	trained and production of large fish increased			
2.1.13 Facilitate the formation of 2 cooperatives for modern 18-m boats	10,000.00	0.00	0.0%	cooperative	2 cooperatives formed	No achievement	0%				
2.1.14 Training in gears and fishing techniques of 2 cooperatives for modern 18-m boats	24,000.00	0.00	0.0%	cooperative	2 fishing cooperatives trained in gear and fishing techniques	No achievement	0%				
2.1.15 Training in entrepreneurship and group dynamics of 2 cooperatives for modern 18-m boats	10,000.00	0.00	0.0%	cooperative	2 fishing cooperatives trained on entrepreneurship and group dynamics	No achievement	0%				
2.1.16 Mobilization and awareness creation of 5 fish retailing businesses	40,000.00	0.00	0.0%	business	5 fish retailing businesses mobilized	No achievement	0%	Fish retailing business enterprises formed and trained and market supply of different fishes facilitated			
2.1.17 Facilitate the formation of 5 fish retailing businesses	5,000.00	0.00	0.0%	business	5 fish retailing businesses formed	No achievement	0%				
2.1.18 Training in fish handling and Quality control of	5,000.00	0.00	0.0%	business	5 fish retailing businesses trained in fish	No achievement	0%				Rolled over to 2018 AWPB

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

5 fish retailing businesses					handling and Quality Control						
2.1.19 Training in entrepreneurship and group dynamics of 5 fish retailing businesses	5,000.00	0.00	0.0%	business	5 fish retailing businesses trained in entrepreneurship and	No achievement	0%				
2.1.20 TA for needs assessment of foot fishers	10,000.00	0.00	0.0%	lump sum	TA recruited and foot fishers needs assessment produced						
2.1.21 Mobilization and awareness creation of 20 foot fishers' cooperatives	40,000.00	4,600.00	11.5%	cooperative	20 foot fishers' cooperatives mobilized	Two seminars (Masswa and HIRGIGO) with foot fishers have convened	35%	Foot fishers formed and increased their fishing capacity and foot fishers harvest increased			26 foot fishers from Massawa and 22 from HIRGIGO among the participant have decided to involve for further intervention via the project
2.1.22 Facilitate the formation of 20 foot fishers' cooperatives;	20,000.00	0.00	0.0%	cooperative	20 foot fishers' cooperatives formed	No achievement	0%				Rolled over to 2018 AWPB
2.1.23 Training in gears and fishing techniques for 20 foot fishers' cooperatives	20,000.00	0.00	0.0%	cooperative	20 foot fishers' cooperatives trained in gear and fishing techniques	No achievement	0%				

State of Eritrea
 Ministry of Marine Resources
 Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

2.1.24 Training in entrepreneurship and group dynamics for 20 foot fishers' cooperatives	20,000.00	0.00	0.0%	cooperative	20 foot fishers' cooperatives trained in entrepreneurship and group dynamics	No achievement	0%				
2.1.25 Capacity building of 14 members of coastal communities for entrepreneurship in boat/engine maintenance and repair	30,000.00	0.00	0.0%	lumpsum	14 coastal communities members trained in entrepreneurship, engine maintenance and repair	No achievement	0%				
2.1.26 Mobilization and awareness creation of 6 women enterprise groups/cooperatives	42,000.00	0.00	0.0%	cooperative	6 women enterprises mobilized	No achievement	0%	Women enterprises formed and equipped with necessary net-making input supplies			Rolled over to 2018 AWPB
2.1.27 Facilitate the formation of 6 women enterprise groups/cooperatives	12,000.00	0.00	0.0%	cooperative	6 women enterprises formed	No achievement	0%				
2.1.28 Training in net making/mending for 6 women enterprise groups/cooperatives	12,000.00	0.00	0.0%	cooperative	6 women enterprises trained in net making	No achievement	0%				

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-1: Annual Implementation Progress Report March-December, 2017

2.1.29 Training in entrepreneurship and group dynamics for 6 women enterprise groups/cooperatives	12,000.00	0.00	0.0%	cooperative	6 women enterprises trained in entrepreneurship, engine maintenance and repair	No achievement	0%			
Sub-Component 2.2 Strengthen Input Supply Services										
2.2.1 20 canoes for inshore fishing (1 canoe per cooperative at USD3,000 per canoe)	60,000.00	0.00	0.0%	canoe	20 canoes procured	No achievement	0%	Small pelagic fishers and processors and foot fishers equipped with necessary input supplies and small pelagic fish production increased and their market supply		
2.2.2 Fishing gear for inshore fishing (1 beach seine per canoe for 20 canoes)	14,000.00	0.00	0.0%	Fishing gear	fishing gear for 20 canoes procured	No achievement	0%			
2.2.3 Working capital for 20 offshore fishing cooperatives (at US\$5,000 per cooperative)	100,000.00	0.00	0.0%	cooperative	working capital for 20 cooperatives provided	No achievement	0%			
2.2.4 Provision of working capital for 10 cooperatives/enterprise groups for small pelagic fish (@ 5 NKF /kg wet weight *Tonnes = (15*1000)/15USD = 3500 USD per group)	35,000.00	0.00	0.0%	cooperative	working capital for 10 small pelagic processing cooperatives provided	No achievement	0%			

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

2.2.5 Provision of working capital for 5 enterprise groups in fish retailing business (@ 3,500 per group)	17,500.00	0.00	0.0%	group	working capital for 5 fish retail businesses provided	No achievement	0%	facilitates			Rolled over to 2018 AWPB
2.2.6 Provision of 20 canoes to the cooperatives (USD3,000 per canoe)	60,000.00	0.00	0.0%	canoe	20 canoes procured	No achievement	0%				
2.2.7 Provision of 14 toolkits (@ USD 500 per kit)	7,000.00	0.00	0.0%	toolkit	14 toolkits procured	No achievement	0%				
2.2.8 Provision of working capital for 6 groups (@ USD 3,500 per group)	21,000.00	0.00	0.0%	group	working capital for 6 women groups provided	No achievement	0%				
Sub-Component 3.1 - Capacity Building of MMR and other implementing agencies for the development of the fisheries sector											
3.1.1 3 double-cabin vehicles for MMR (one each for MRRSD, MRDD and Mai-Sirwa) at USD40,000 per vehicle	120,000.00	0.00	0.0%	vehicle	3 double-cabin vehicles procured	No achievement	0%	Transportation of Ministry departments			
3.1.2 O&M of the 3 vehicles (@ 20% of the cost price)	24,000.00	0.00	0.0%	vehicle	O&M for 3 vehicles provided	No achievement	0%		NPCO and		
3.1.3 Provision of 12 motor cycles for 6 Zobas for extension work at	48,000.00	0.00	0.0%	motor cycle	12 motor cycles procured	No achievement	0%	ZPCO			Rolled over to 2018 AWPB

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

USD4,000 per motorcycle								facilitated			
3.1.4 O&M of the 12 motor cycles (@ 20% of the cost price)	9,600.00	0.00	0.0%	motor cycle	O&M for 12 motor cycles provided	No achievement	0%				
3.1.5 10 bicycles for fisheries inspectors (@USD300 per bicycles)	3,000.00	0.00	0.0%	bicycle	10 bicycles procured	No achievement	0%				
3.1.6 7 double-cabin vehicles for NPCO and ZPCOs at USD40,000 per vehicle	280,000.00	0.00	0.0%	vehicle	7 double-cabin vehicles procured	No achievement	0%				
3.1.7 O&M of the 7 vehicles (@ 20% of the cost price)	56,000.00	0.00	0.0%	vehicle	O&M for 7 vehicles provided	No achievement	0%				
3.1.8 3 canoes for MMR Zoba branches for monitoring inland fisheries at USD3,000 per canoe	9,000.00	0.00	0.0%	canoe	3 canoes procured	No achievement	0%	Ministry Inland fisheries equipped and potential reservoirs monitored			Rolled over to 2018 AWPB
3.1.9 3 trailers for transporting/towing of the canoes at USD3,000 per trailer	9,000.00	0.00	0.0%	trailer	3 trailers procured	No achievement	0%				
3.1.10 5 sets of SCUBA equipment (at USD2,000 per set)	10,000.00	0.00	0.0%	set	5 set of SCUBA equipment procured	No achievement	0%				

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FReMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

3.1.11 1 underwater camera (at USD2,000 per camera)	2,000.00	0.00	0.0%	camera	1 underwater camera procured	No achievement	0%				
3.1.12 3 sets of furniture for Mai-Sirwa (at USD2,000 per set)	6,000.00	13,830.00	230%	set	3 sets of office furniture procured	3 sets of office furniture have procured	100%				The office furniture set includes office table, computer table, coffee table, filing cabinets and swivel and guest chairs. But payment for all furniture was made on January, 2018
3.1.13 Still camera (Mai-Sirwa)	1,000.00	0.00	0.0%	Still camera	1 still camera procured	No achievement	0%				Rolled over to 2018 AWPB
3.1.14 Video Camera (Mai-Sirwa)	2,000.00	0.00	0.0%	video camera	1 video camera procured	No achievement	0%				
3.1.15 LCD Projector (Mai-Sirwa)	1,500.00	343.00	22.9%	projector	1 projector procured	1 LCD projector procured	100%				These activities have successfully
3.1.16 Provision of 6 desktop computers for NPCO (at USD800 per desktop)	4,800.00	4,454.00	92.8%	desktop	6 desktop computers procured	6 desktop computers have procured	100%				
3.1.17 Provision of 6 laptop computers for NPCO (at USD700	4,200.00	3,759.00	89.5%	laptop	6 laptop computers procured	6 laptop computers have procured	100%				

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

per desktop)											completed
3.1.18 Provision of 2 printers/photocopiers for NPCO (at USD10,000 per printer/photocopier)	20,000.00	3,160.00	15.8%	printer	2 printers/photocopiers procured	One Printer and one photocopier have procured	100%				
3.1.19 Provision of 6 sets of office furniture for NPCO (at USD2,000 per set)	12,000.00	27,660.00	230.5%	set	6 sets of office furniture procured	6 sets of office furniture have procured	100%				The office furniture set includes Filing cabinets office table, computer table, coffee table and swivel and guest chairs
3.1.20 Payment of rent for 10 months for NPCO (March-December 2017, at monthly rate of USD1,000)	10,000.00	0.00	0.0%	month	Office rented for 10 months	office was functional for the last 10 months	100%				The office is Ministry's Liaison office to be consider as GOE contribution to the project
3.1.21 Provision of 6 desktop computers for ZPCOs (at USD800 per desktop)	28,800.00	4,454.00	15.5%	desktop	6 desktop computers procured	6 desktop computers have procured	100%				
3.1.22 Provision of 3 laptop computers for ZPCOs (at USD700 per desktop)	2,100.00	0.00	0.0%	laptop	3 laptop computers procured						Rolled over to 2018 AWPB

State of Eritrea
 Ministry of Marine Resources
 Fisheries Resources Management Programme (FRMP)
 Project Year-I: Annual Implementation Progress Report March-December, 2017

3.1.23 Provision of 3 printers/photocopiers for ZPCOs (at USD10,000 per printer/photocopier)	30,000.00	15,800.00	52.6%	Printer/copier	3 printers/photocopiers procured	Five printers and five photocopiers have procured	160%				
3.1.24 Provision of 6 sets of office furniture for the 6 ZPCOs (at USD2,000 per set)	12,000.00	27,660.00	230.5%	set	6 sets of office furniture procured	6 sets of office furniture have procured	100%				The office furniture set includes Filing cabinets office table, computer table, coffee table and swivel and guest chairs.
3.1.25 Payment of rent for 10 months for 6 ZPCOs (March- December 2017, at monthly rate of USD500 è 10x500x6)	30,000.00	0.00	0.0%	month	Office rented for 10 months	Office rented for 8 months	80%				The office is Ministry branch offices to be considered as GOE contribution to the project
3.1.26 8 still cameras (2 for NPCO and 6 for the Zobas (1 for each Zoba) at USD1,000 per camera	8,000.00	0.00	0.0%	Still camera	8 still camera procured						Rolled over to 2018 AWPB
3.1.27 8 video cameras (2 for NPCO and 6 for the Zobas (1 for each Zoba) at USD2,000 per video camera	16,000.00	0.00	0.0%	Video camera	8 video cameras procured						

State of Eritrea
 Ministry of Marine Resources
 Fisheries Resources Management Programme (FReMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

3.1.28 LCD Projectors (2 for NPCO and 6 for the Zobas (1 for each Zoba) at USD1,500 per projector	12,000.00	2,745.00	22.8%	projector	8 LCD projectors procured	8 LCD projectors have procured	100%			
3.1.29 Training of ZPCO staff in Project management, financial management, procurement, monitoring and evaluation and reporting	10,000.00	8,850.00	88.5%	Lump sum	ZPCO staff trained on the specified management topics	Ministry staff trained on Financial Management and Planning, Monitoring & Evaluation and Report Writing	50%			18 Ministry staff including zoba branches have trained on Financial Management for 5 days from 29 th May to 2 nd of June, 2017 and a total of 31 Ministry and zoba branch staff have took the Planning, M&E and Report Writing training in to two session on in Asmara from 25-29 th September and in Massawa from 8-10 of November, 2018. Training on Project management and Procurement

State of Eritrea
 Ministry of Marine Resources
 Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

											rolled over to 2018 AWPB
3.1.30 Training of CCU staff (headquarters and in the six Zobas) in asset financing procedures	10,000.00	0.00	0.0%	lumps um	10 CCU staff trained in asset financing procedures	No achievement	0%				Rolled over to 2018 AWPB
3.1.31 TA Aquaculture production specialist		23,475.00		lumps um	TA recruited and training on aquaculture conducted	2 TA have recruited and MMR staff trained in aquaculture	100%				2 Philippines Aquaculture and Hatchery expert TAs carried out three months training in to phases on the Construction, Management, Operation and Maintenance of Aquaculture Production for 18 MMR staff three were female in Massawa and for 16 MMR staff three of them were female in Maiserwa

State of Eritrea
 Ministry of Marine Resources
 Fisheries Resources Management Programme (FReMP)
 Project Year-I: Annual Implementation Progress Report March-December, 2017

Sub-Component 3.2 - Programme Coordination and Implementation support Services											
3.2.1 start-up workshop	100,000.00	18,921.00	18.9%	lumpsum	Start-up workshop convened	Start-up workshop have convened on 29 th March, 2018					One day workshop have convened at Asmara Liaison Office of the Ministry with the participation of H.E Mr Tewelde kelati Minister of Ministry of Marine Resources and IFAD Mission Memebers
3.2.2 Baseline study	100,000.00	0.00	0.0%	lumpsum	Baseline study report produced						
3.2.3 7 annual planning workshops (1 by the NPCO and 6 by the ZPCOs) at USD5,000 per workshop	35,000.00	9,278.00	26.5%	workshop	7 annual planning workshops convened	One annual planning workshop have convened	14.30%				3 days annual planning workshop have convened at NPCO levelthat participates all the FReMP Implementing Agencies and Ministry staffs
3.2.4 14 six-monthly implementation review workshops (2 by the NPCO and 12 by the ZPCOs) at	70,000.00	0.00	0.0%	workshop	14 implementation review workshops convened	No achievement	0%				

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

USD5,000 per workshop											
3.2.5 7 annual stakeholders workshops for Knowledge Management (1 by the NPCO and 6 by the ZPCOs) at USD5,000 per workshop	35,000.00			works hop	7 annual stakeholders workshops convened	3 stakeholder workshop have undertaken	42.8%				These three knowledge management stakeholders workshop was held in Northern and Southern Red Sea Region and Zoba Debub Region
3.2.6 Hold the annual M&E meeting for M&E Specialist and Officers at USD2,000 per meeting	2,000.00	0.00	0.0%	meeti ng	Annual M&E meeting convened	No achievement	0%				
3.2.7 1 learning and dissemination event	10,000.00	0.00	0.0%	event	learning and dissemination event conducted	No achievement	0%				
3.2.8 Production of knowledge materials	10,000.00	0.00	0.0%	lumps um	knowledge materials produced	No achievement	0%				
3.2.9 Explore south-south cooperation opportunities for knowledge sharing	10,000.00	0.00	0.0%	lumps um	South-South Cooperation explored	0.00	0.0%				
3.2.10 Undertake exchange visits	10,000.00	0.00	0.0%	lumps um	Exchange visit undertaken	0.00	0.0%				

State of Eritrea
Ministry of Marine Resources
Fisheries Resources Management Programme (FRMP)
Project Year-I: Annual Implementation Progress Report March-December, 2017

3.2.11 National Coordinator (at USD1,000 per month for 10 months)	10,000.00	0.00	0.0%	month	National Coordinator recruited	National Coordinator have recruited	100%	Facilitated implementation and coordination performance of the project at national level			
3.2.12 Financial Controller (at USD700 per month for 10 months)	7,000.00	0.00	0.0%	month	Financial Controller recruited	Financial Controller have recruited	100%				
Procurement Specialist (at USD700 per month for 10 months)	7,000.00	1,067.00	15.2%	month	Procurement Specialist recruited	Procurement Specialist have recruited till August	70%				
3.2.13 Monitoring and Evaluation (M&E) Specialist (at USD700 per month for 10 months)	7,000.00	0.00	0.0%	month	Monitoring & Evaluation Officer recruited	Monitoring & Evaluation Officer have recruited	100%				
3.2.14 Monitoring and Evaluation (M&E) Assistant (Knowledge Management) (at USD500 per month for 10 months)	5,000.00	0.00	0.0%	month	Monitoring & Evaluation Assistant Officer recruited		0%				
3.2.15 Programme Assistant (at USD500 per month for 10 months)	10,000.00	0.00	0.0%	month	Programme Assistant recruited		0%				
3.2.17 Zoba Project Coordinator (at	42,000.00	0.00	0.0%	month	6 Zoba Coordinators	6 Zoba Coordinator	100%		Facilitated		

State of Eritrea
 Ministry of Marine Resources
 Fisheries Resources Management Programme (FRMP)
 Project Year-I: Annual Implementation Progress Report March-December, 2017

USD700 per month for 10 months)					recruited	s hav recruited		implement			
3.2.18 Zoba M&E Officer (at USD500 per month for 10 months)	30,000.00	0.00	0.0%	month	6 Zoba M&E officers recruited	6 Zoba M&E officers have recruited	100%	the project at zoba level			
3.2.19 Zoba Financial Manager (at USD500 per month for 10 months)	30,000.00	0.00	0.0%	month	6 Zoba Financial Managers recruited	6 Zoba Financial Managers have recruited	100%				
3.2.20 Zoba Procurement Officer (at USD500 per month for 10 months)	30,000.00	0.00	0.0%	month	6 Zoba Procurement officers recruited	6 Zoba Procurement officers have recruited	100%				
3.2.21 General operating expenses for the NPCO (at USD80,000 per year)	80,000.00	97,931.00	122.4%	lumps um	Annual general expenses covered	Annual general expenses have covered	100%	Coordination offices being operational			
3.2.22 General operating expenses for the 6 ZPCOs (at USD20,000 per ZPCO per year)	120,000.00	2,890.00	2.4%	zoba	Annual general expenses covered	Annual general expenses have covered	15%				

**MINISTRY OF MARINE RESOURCES
FISHERIES RESOURCES MANAGEMENT PROGRAMME (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

STATEMENT OF PROGRAMME MANAGEMENT'S RESPONSIBILITIES

The agreement between IFAD and the Ministry of Marine Resources of the State of Eritrea requires the management of the Programme to prepare financial statements yearly until the Programme comes to an end. It also requires the management to ensure that the Programme keeps proper accounting records that disclose with reasonable accuracy, the financial position of the Programme. The management is also responsible for safe guarding the assets of the Programme.

The management accepts responsibility for annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in accordance with International Public Sector Accounting Standards (IPSAS).

The management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Programme. The management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements as well as adequate system of internal control and check.

Nothing has come to the attention of the management to indicate that the Programme will not remain going concern until the end of the duration period of the programme.




National Project Co-ordinator

Report of the Independent Auditors

**On the Financial Statements of
Ministry of Marine Resources
Fisheries Resources Management Programme (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

We have audited the financial statements set out on pages 31 to 43, which have been prepared on the basis of the accounting policies set out on page 38.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND AUDITORS

The management is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with International Standard on Auditing and IFAD Guidelines. Our audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the management in preparation of the financial statements, and of whether the accounting policies are appropriate to the Project's circumstances and are consistently applied and adequately disclosed.

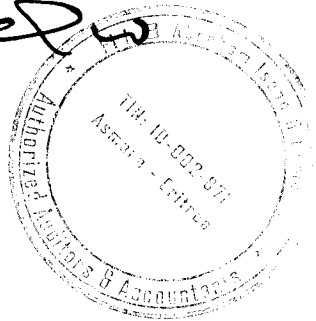
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, proper books of account have been kept and the financial statements when read in conjunction with the notes thereto, give a true and fair view of the financial affairs of the Programme at 31 December 2017 and of the results of its operations for the period then ended and comply with International Public Sector Accounting Standards (IPSAS) and IFAD Guidelines.

With respect to Statement of Expenditure (SOE), adequate supporting documentation has been maintained to support claims from IFAD for reimbursement of expenditures incurred which are eligible for financing under Ministry of Marine Resources, Fisheries Resources Management Programme Agreement-IFAD DSF Grant No 2000001700.

HCB Abraham Isaac
Authorised Auditors and Accountants



Date *24th July 2018*

**Ministry of Marine Resources
Fisheries Resource Management Programme (FRMP)
(IFAD DSF GRANT NO. 2000001700)**

**Statement of Receipts and Payments (by Category)
For the Period 1 March to 31 December 2017**

		In Local Currency:- ERN	
	<u>Notes</u>	<u>2017</u>	<u>Cumulative to date</u>
FINANCING			
DSF- Grant			
Initial Deposit		37,500,000	37,500,000
Recovery		-	-
Beginning cash		-	-
Replenishments to SA		-	-
Direct Payments	4	-	-
Government Funds	5	1,411,638	1,411,638
Beneficiaries		-	-
		38,911,638	38,911,638
Change in working capital		-	-
Total Financing		38,911,638	38,911,638
Project Expenditures by category			
DSF Grant			
1. Works		-	-
2. Vehicles		-	-
3. Equipment and materials		626,946	626,946
4. Consultancies and training		1,817,715	1,817,715
5. Salaries and allowances		289,700	289,700
6. Operating expenses		1,181,027	1,181,027
Sub Total		3,915,388	3,915,388
Government Counterpart Fund			
1. Works		-	-
2. Vehicles		-	-
3. Equipment and materials		-	-
4. Consultancies and training		-	-
5. Salaries and allowances		1,411,638	1,411,638
6. Operating expenses		-	-
Sub Total		1,411,638	1,411,638
Total Uses of Fund		5,327,026	5,327,026
Balance Carried Forward	3a	33,584,612	33,584,612

**Ministry of Marine Resources
Fisheries Resource Management Programme (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

**Statement of Receipts and Payments (by Component)
For the Period 1 March to 31 December 2017**

		In Local Currency:- ERN	
	<u>NOTES</u>	<u>2017</u>	<u>Cumulative to date</u>
FINANCING			
DSF Grant			
Initial Deposit		37,500,000	37,500,000
Recovery		-	-
Beginning cash		-	-
Replenishments to SA		-	-
Direct Payments	4	-	-
Government Funds	5	1,411,638	1,411,638
Beneficiaries		-	-
		38,911,638	38,911,638
Change in working capital		-	-
Total Financing		38,911,638	38,911,638
Project Expenditures by component			
DSF Grant			
A. Develop sustainable fisheries system		803,923	803,923
B. Fisheries enterprises support services		423,397	423,397
C. Institution strengthening and implementation support		2,688,068	2,688,068
Sub Total		3,915,388	3,915,388
Government Counterpart Fund			
A. Develop sustainable fisheries system		-	-
B. Fisheries enterprises support services		-	-
C. Institution strengthening and implementation support		1,411,638	1,411,638
Sub Total		1,411,638	1,411,638
Total Project Expenditure		5,327,026	5,327,026
Balance Carried Forward	3a	33,584,612	33,584,612

**Ministry of Marine Resources
Fisheries Resource Management Programme (FRMP)
(IFAD DSF GRANT NO. 2000001700)**

**Statement of Comparison of Budget and Actual Amounts
For the Period 1 March to 31 December 2017**

In Local Currency:- ERN

	<u>NOTES</u>	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>Variance</u>
FINANCING				
Beginning cash at bank		-	-	-
DSF Grant		46,150,500	37,500,000	(8,650,500)
Government Funds	5	5,446,500	1,411,638	(4,034,862)
Beneficiaries		358,500	-	(358,500)
		51,955,500	38,911,638	(13,043,862)
Change in working capital		-	-	-
Total Financing		51,955,500	38,911,638	(13,043,862)
Project Expenditure by category DSF - GRANT				
1. Works		8,505,000	-	8,505,000
2. Vehicles		5,730,000	-	5,730,000
3. Equipment and materials		7,162,500	626,946	6,535,554
4. Consultancies and training		10,696,500	1,817,715	8,878,785
5. Salaries and allowances		-	289,700	(289,700)
6. Operating expenses		14,056,500	1,181,027	12,875,473
SubTotal		46,150,500	3,915,388	42,235,112
Government Counterpart Funds				
1. Works		495,000	-	495,000
2. Vehicles		990,000	-	990,000
3. Equipment and materials		493,500	-	493,500
4. Consultancies and training		1,800,000	-	1,800,000
5. Salaries and allowances		1,068,000	1,411,638	(343,638)
6. Operating expenses		600,000	-	600,000
SubTotal		5,446,500	1,411,638	4,034,862
Beneficiaries Contribution				
1. Works		-	-	-
2. Vehicles		-	-	-
3. Equipment and materials		-	-	-
4. Consultancies and training		358,500	-	358,500
5. Salaries and allowances		-	-	-
6. Operating expenses		-	-	-
SubTotal		358,500	-	358,500
Total Project Expenditures		51,955,500	5,327,026	46,628,474
Surplus for the period		-	33,584,612	33,584,612

Report of the Independent Auditors

On Special Accounts
Ministry of Marine Resources
Fisheries Resources Management Programme (FReMP)
(IFAD DSF GRANT NO. 2000001700)

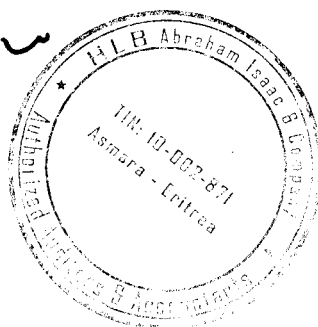
We have audited the Sources and Uses of Funds of the “Special Accounts”, set out on pages 35 to 36 of the Ministry of Marine Resources, Fisheries Resources Management Programme (Financed under IFAD DSF Grant No.2000001700) for the period 1 March 2017 to 31 December 2017. Our responsibility is to express an opinion on the financial statements of the Special Accounts based on our audit.

We conducted our audit in accordance with International Standards on Auditing and IFAD Guidelines. Those Standards and Guidelines require that we plan and perform the audit to obtain reasonable assurance that the Special Accounts’ financial statements are free of material misstatement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements of the Special Accounts present fairly the financial position of the Special Accounts of the Fisheries Resources Management Programme (FReMP) at 31 December 2017 in conformity with IFAD Guidelines and of the sources and uses of funds.

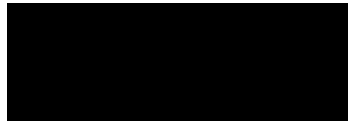
HLB Abraham Isaac & Co
Authorised Auditors and Accountants

Date *24th July 2018*



**Ministry of Marine Resources
Fisheries Resource Management Programme (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

**Statement of Special Account Activities
For the Period 1 March to 31 December 2017**



	<u>USD</u>	<u>Equivalent ERN</u>
Initial Deposit		
Cash at Bank 01/03/2017	-	-
	-	-
Add:		
IFAD Replenishments:		
Grant		
W/A No. 1	2,500,000	37,500,000
Sub Total	<u>2,500,000</u>	<u>37,500,000</u>
Total	<u>2,500,000</u>	<u>37,500,000</u>
Deduct:		
Transfer to Operating Accounts:		
Transfer to bank account	750,000	11,250,000
Direct payment from special account	67,519	1,012,789
Bank service	50	750
	<u>817,569</u>	<u>12,263,539</u>
Closing Balance at 31/12/2017	<u>1,682,431</u> //	<u>25,236,461</u>

Ministry of Marine Resources
 Fisheries Resource Management Programme (FRMP)
 (IFAD DSF GRANT NO. 200001700)

Statement of Special Account Reconciliation
 For the Period 1 March 2017 31 December 2017



Bank: Bank of Eritrea

Address: Asmara

	<u>USD</u>	<u>ERN</u>
1. Initial Deposit	2,500,000	37,500,000
2. Less amount(s) recovered:	-	-
3. Outstanding Amount advanced	<u>2,500,000</u>	<u>37,500,000</u>
Represented by:		
4. Special Accounts Balance as at 31 December 2017	1,682,431	25,236,461
5. Plus amounts claimed but not yet credited as at 31/12/2017		
WA No.	-	-
6. Total Amount withdrawn not yet claimed	261,026	3,915,388
7. Less: Interest Earned	-	-
8. Total Special Account Advance as at 31/12/2017	<u>1,943,457</u>	<u>29,151,849</u>
9. Difference between line 3 and line 8	<u>556,543</u>	<u>8,348,151</u>

Explanation of differences:

Money in operating Accounts:

	25,618	384,278
	158,158	2,372,371
	60,383	905,742
	66,667	1,000,000
	87,498	1,312,485
	95,417	1,431,255
	60,476	907,135
Petty cash Asmara	500	7,500
Petty cash Debub	500	7,500
Petty cash Assab	1,326	19,885
	<u>556,543</u>	<u>8,348,151</u>

**Ministry of Marine Resources
Fisheries Resource Management Programme (FRMP)
(IFAD DSF GRANT NO. 2000001700)**

**SOEs-Withdrawal Application Statement
For the Period 1 March 2017 to 31 December 2017**

By Category of Expenditures in Local Currency ERN

	Initial deposit	Civil Works	Vehicles	Equipment and materials	Consultancies, and Training	Salaries and allowance	Operating expenses	Total ERN	Total USD	Rejected from IFAD	Net USD Reimbursed
Cat No		1	2	3	4	5	6				
1	37,500,000	-	-	-	-	-	-	37,500,000	2,500,000	-	2,500,000
Sub Total	37,500,000	-	-	-	-	-	-	37,500,000	2,500,000	-	2,500,000

WA Pending for Submission :

WA No.											
	-	-	-	626,946	1,817,715	289,700	1,181,027	3,915,388	261,026	-	-
Sub Total	-	-	-	626,946	1,817,715	289,700	1,181,027	3,915,388	261,026	-	-
Total	37,500,000	-	-	626,946	1,817,715	289,700	1,181,027	41,415,388	2,761,026	-	2,500,000

**Ministry of Marine Resources
Fisheries Resources Management Programme (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

**Notes to the Financial Statements
For the period 1 March 2017 to 31 December 2017**

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

A. Basis of Preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Modified Cash Basis Financial Reporting under the Modified Cash Basis of Accounting

B. Modified Cash Basis of Accounting

The modified cash basis of accounting recognizes:

- Transactions at the time cash flows take place,
- Invoices for goods and services which are outstanding on the date of the closure of the fiscal period as liabilities for that specific fiscal period,
- Loans and advances as assets/liabilities at the time of disbursement.

C. Foreign Currency Transactions

Foreign currency translation for the receipts and payments are converted using the actual historic exchange rate at the conversion from special to local account. Where part of the expenditures has to be met from the proceeds of subsequent draw downs from special to local account, this is done on First in First out (FIFO) basis.

All local expenditures paid in local currency are translated back to USD at the actual rate used for the transfer from special to local account. Cash or balances held in foreign currency are reported using the closing rate. Gains or losses on foreign currency transactions and balances are dealt within the Statement of Special Account Activities

2. Budget

The budget is developed on the same accounting basis (modified cash basis), same classification and the same period as the financial statements.

Ministry of Marine Resources
 Fisheries Resources Management Programme (FRMP)
 (IFAD DSF GRANT NO. 2000001700)

Notes to the Financial Statements
 For the period 1 March 2017 to 31 December 2017

3. Fund Balances

Reconciliation

	2017 ERN
Cash Account	33,584,612
Receivables	---
Prepayments	---
	<u>33,584,612</u>

3a. Cash Details

	2017 ERN
Cash Details	
Project Special Accounts	
	25,236,461
	2,372,371
	384,278
	905,742
	1,000,000
	1,431,255
	1,312,485
	907,135
Petty cash- Asmara	7,500
Petty cash- Asmara	7,500
Petty cash-Asseb	19,885
	<u>33,584,612</u>

4. Direct payment

W/A	Date	USD	ERN
No direct payment			

5. Government Counterpart Funds

Budget ERN	Actual ERN	Variance ERN	% Completed
5,446,500	1,411,638	(4,034,862)	26%

**Ministry of Marine Resources
Fisheries Resources Management Programme (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

**Notes to the Financial Statements
For the period 1 March 2017 to 31 December 2017**

6. Beneficiaries Contribution Fund

Budget ERN	Actual ERN	Variance ERN	% Completed
<u>358,500</u>	<u>---</u>	<u>(358,500)</u>	<u>0%</u>

7. Non-Current Assets

	Cat 1, 2 and 3 Works, vehicles and equipment and materials ERN
Opening Balance	<u>---</u>
Additions:	
Works	<u>---</u>
Vehicles	<u>---</u>
Equipment and materials	<u>626,946</u>
	<u>626,946</u>

7a.

No.	Detail	01/03/2017 ERN	Change in fixed asset ERN	Total ERN
1.	Equipment and Materials			
	Computers and printers		584,105	584,105
	Drums	<u>---</u>	<u>42,841</u>	<u>42,841</u>
		<u>---</u>	<u>626,946</u>	<u>626,946</u>

8. Yearly Procurements

Types of fixed asset purchased	Method of procurement
Computers	International shopping
Drums	Local shopping

Ministry of Marine Resources
 Fisheries Resources Management Programme (FRMP)
 (IFAD DSF GRANT NO. 2000001700)

Notes to the Financial Statements
 For the period 1 March 2017 to 31 December 2017

9. Reconciliation of Funds Disbursed by IFAD and Funds Received by the Project

Fund Disbursed by IFAD

Date	W/A No.	Description	Amount SDR	Equivalent USD
02/05/2017	1	Initial Deposit	1,825,564	2,500,000
Total			1,825,564	2,500,000

DSF Fund Received by Project

Date	W/A No.	Description	Amount SDR	Equivalent USD
02/05/2017	1	Initial Deposit	1,825,564	2,500,000
Total			1,825,564	2,500,000

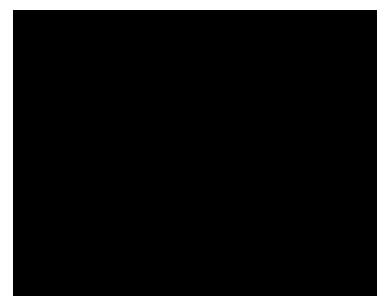
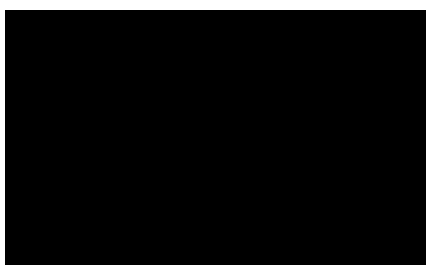
10. Allocation and use of the Funds of the Grant

Category	Allocated		Disbursed		Available Balance	
	Amount SDR	Equivalent USD	Amount SDR	Equivalent USD	Amount SDR	Equivalent USD
Initial Deposit	--	--	1,825,564	2,500,000	(1,825,564)	(2,500,000)
1	2,170,000	3,027,910	---	---	2,170,000	3,027,910
2	1,100,000	1,534,874	---	---	1,100,000	1,534,874
3	1,420,000	1,981,394	---	---	1,420,000	1,981,394
4	3,060,000	4,269,772	---	---	3,060,000	4,269,772
5	890,000	1,241,862	---	---	890,000	1,241,862
6	1,040,000	1,451,164	---	---	1,040,000	1,451,164
7	1,070,000	1,493,024	---	---	1,070,000	1,493,024
Balance at 31/12/2017	10,750,000	15,000,000	1,825,564	2,500,000	8,924,436	12,500,000

**MINISTRY OF MARINE RESOURCES
FISHERIES RESOURCES MANAGEMENT PROGRAMME (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

**Balance Sheet
At 31 December 2017**

ASSETS EMPLOYED	<u>NOTES</u>	<u>ERN</u>	<u>USD</u>
CURRENT ASSETS			
Cash at bank and on hand	3a	33,584,612	2,198,974
Use of funds		<u>5,327,026</u>	<u>355,135</u>
		<u>38,911,638</u>	<u>2,554,109</u>
REPRESENTED BY			
Funds	Appendix 1a	<u>38,911,638</u>	<u>2,554,109</u>



**Ministry of Marine Resources
Fisheries Resources Management Programme (FReMP)
(IFAD DSF GRANT NO. 2000001700)**

**Notes to the Financial Statements
For the period 1 March 2017 to 31 December 2017**

1a. FUNDS	<u>ERN</u>	<u>2017</u>	<u>USD</u>
GOE	1,411,638		94,109
IFAD DSF grant	<u>37,500,000</u>		<u>2,500,000</u>
	<u>38,911,638</u>		<u>2,594,109</u>