

Document: EB 2016/LOT/P.11  
Date: 27 October 2016  
Distribution: Public  
Original: English

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Investing in rural people

## President's report

### Proposed grant to the State of Eritrea for the Fisheries Resources Management Programme

#### Note to Executive Board representatives

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For: Approval

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## Abbreviations and acronyms

AWP/B	annual work plan and budget
FDP	Fisheries Development Programme
FReMP	Fisheries Resources Management Programme
GDP	gross domestic product
GEF	Global Environment Facility
M&E	monitoring and evaluation
MSY	maximum sustainable yield
NPCO	national programme coordination office

# Map of the programme area

## Eritrea

### Fisheries Resources Management Programme (FReMP)

*President's report*



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 29-03-2016

## The State of Eritrea

### Fisheries Resources Management Programme (FReMP)

#### Financing summary

<b>Initiating institution:</b>	IFAD
<b>Recipient:</b>	The State of Eritrea
<b>Executing agency:</b>	Ministry of Marine Resources
<b>Total programme cost:</b>	US\$32.12 million
<b>Amount of IFAD Debt Sustainability Framework grant:</b>	SDR 10.75 million (equivalent to approximately US\$15 million)
<b>Cofinanciers:</b>	Federal Republic of Germany Global Environment Facility (GEF) Food and Agriculture Organization of the United Nations
<b>Amount of cofinancing:</b>	Germany: US\$5.97 million GEF: US\$7.89 million FAO: US\$500,000
<b>Terms of cofinancing:</b>	Grant
<b>Contribution of recipient:</b>	US\$1.42 million
<b>Contribution of beneficiaries:</b>	US\$1.35 million
<b>Appraising institution:</b>	IFAD
<b>Cooperating institution:</b>	Directly supervised by IFAD

## Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant to the State of Eritrea for the Fisheries Resources Management Programme as contained in paragraph 47.

## Proposed grant to the State of Eritrea for the Fisheries Resources Management Programme (FReMP)

### I. Strategic context and rationale

#### A. Country and rural development and poverty context

1. Strategic context. More than two decades after attaining its independence in 1993, Eritrea is still faced with many development challenges. The main economic sectors have yet to fully recover, resulting in high unemployment, few income-generation opportunities, an unsupportive business environment for investment, and weak macroeconomic conditions. The country is prone to periodic droughts and remains dependent on rainfed agriculture, which makes it highly vulnerable to food and nutrition insecurity.
2. On the Human Development Index,<sup>1</sup> Eritrea scored 0.391, ranking 186th out of 188 countries in 2014. The country also scored poorly on the Global Hunger Index<sup>2</sup> with a score of 33.8 in 2014. Nonetheless, recent economic performance has been positive, driven mainly by the mining sector. Real gross domestic product (GDP) growth was estimated at 2 per cent in 2014 and 2.1 per cent in 2015 – double that of 2013. The current GDP composition is services (59.9 per cent), non-manufacturing (17.3 per cent), agriculture, animal husbandry, forestry and fisheries (16.9 per cent), and industry (5.9 per cent). Exports increased in 2014 and 2015, but the current account balance is estimated to have deteriorated from 0.2 per cent of GDP in 2014 to -1.2 per cent in 2015, and is forecast to be 1.5 per cent of GDP in 2016. This is partly due to decreases in both remittances and the "development and recovery" tax (a 2 per cent tax levied on the Eritrean diaspora). Based on International Monetary Fund Article IV 2009,<sup>3</sup> Eritrea was at the pre-decision point for becoming a heavily indebted poor country (HIPC) and therefore may be eligible for HIPC multilateral debt relief. Eritrea is classified as "red" by the Debt Sustainability Framework and is therefore entitled to 100 per cent grant financing.
3. Agriculture, animal husbandry and fishing are mainstays for most Eritreans, with between 60 per cent and 70 per cent of the population relying on these subsectors for their livelihoods; they also account for between 20 per cent and 30 per cent of commodity exports. However, these subsectors are affected by highly variable climatic conditions, inefficient rain-fed subsistence farming systems, limited resource allocation and low profit margins. The fact that over 80 per cent of poor people live in rural areas and depend on agriculture suggests that increasing agricultural production and productivity would have a significant impact on poverty. Eritrea has 26 per cent arable land, but only 4 per cent is under cultivation. Mining is becoming important and is the main attraction for foreign investment. The

<sup>1</sup> United Nations Development Programme Human Development Report 2015 (<http://hdr.undp.org/en/2015-report>).

<sup>2</sup> The Global Hunger Index, produced by the International Food Policy Research Institute, is an aggregated measure of: overall undernourishment; child wasting; child stunting; and child mortality (<http://www.ifpri.org/topic/global-hunger-index>).

<sup>3</sup> <http://www.imf.org/external/np/pp/eng/2013/071813.pdf>: Only information for 2009 is available from the IMF; since then, there has been no agreement with Eritrea's Government on mission dates or modalities for the next Article IV.

growth outlook is promising if Eritrea exploits all its opportunities for trade and opens its economy to foreign investment in sectors other than mining.

## B. Rationale and alignment with government priorities and the country strategic opportunities programme

4. Eritrea has substantial and relatively underexploited marine and fisheries resources, comprising nearly 1,000 fish species. These fisheries exist in an unpolluted and undercapitalized marine environment; the fisheries sector contributes only about 3 per cent of the country's GDP. The maximum sustainable yield (MSY) of Eritrea's Red Sea fisheries has been estimated by several sources at 80,000 tons per year (some fisheries experts provide a more conservative MSY range of between 40,000 and 80,000 tons per year since there has been no recent stock assessment). Small pelagic fisheries account for about half of this MSY and are currently underutilized. Recorded total fish catches rarely exceed 10,000 tons per year, of which fewer than 2,000 tons are caught by small-scale fishers.
5. This programme will support Eritrea's Government in ensuring that the country's marine fishery resources are utilized in a sustainable manner to improve the livelihoods of coastal communities. Specifically, the Fisheries Resources Management Programme (FReMP) will: (i) support increased fish production while ensuring that production levels do not exceed historical MSY estimates (for small pelagic fish, it will be limited to 19,000 tons per year); (ii) support the Ministry of Marine Resources in monitoring and enforcement; (iii) update MSY estimates and adjust targets when needed; and (iv) invest in restoration and protection of the ecosystem.
6. The projected total fish production represents an estimated gross first sales value-at-landing of approximately US\$50 million. This involves a huge investment in fishing, processing and other support services like boat building, supply of fishing gear, cold storage, production of ice and packaging material, and opportunities in fish distribution and marketing. FReMP will mainly target fishers who use traditional motorized wooden boats (along with a few using improved motorized fiberglass boats). Other beneficiaries will include "foot fishers" who do not own any fishing assets. The programme will address many limiting factors and contribute to increased productivity, production and improved livelihoods of the target beneficiaries. Eritrea's mangrove forests also offer opportunities for supplementing livelihoods with honey production, fodder for small livestock, and fuelwood, ensuring the viability of fisheries over the long term.
7. Inland fisheries and aquaculture present another investment opportunity for increased fish production, incomes and nutrition. The Government, with support from other development partners, has established over 330 reservoirs, of which 70 are stocked with fish species including tilapia, carp and catfish. However, the country's inland fisheries resources are not widely exploited since many local communities are: unaware of the nutritional benefits; they lack fishing skills and equipment; and fishing is not part of their tradition. In addition, there are opportunities for engaging in aquaculture using cages placed within water reservoirs or in external ponds drawing water from the reservoirs. FReMP will target 15 water reservoirs to demonstrate good practices and test successful models that can be replicated and scaled up in the other reservoirs. The programme will also assist in developing climate-resilient conservation plans for the water reservoirs, which will lead to improved crop and livestock production, and enhance rural populations' nutrition and incomes.

## II. Programme description

### A. Programme area and target group

8. Programme Area. FReMP will be national in scope, targeting all six zobas (regions) in Eritrea's coastal and inland areas. There will be a special focus on

marine fish landing sites, inland water reservoirs for aquaculture and fish markets. On the Red Sea coast, it will target the Northern Red Sea and Southern Red Sea zobas. In the inland zobas of Anseba, Debub, Gash Barka, and Maekel, the programme will be site-specific, operating in selected water reservoirs with high fishery production potential.

9. Target Group. The target group consists of: (i) small-scale fishers (men and women small boat owners, crew members and foot fishers) who will participate either as individuals or as cooperatives; and (ii) rural smallholder farmers involved in subsistence agriculture and small livestock-keeping around inland water reservoirs, and those involved in rehabilitating their catchment areas, who are interested in economic activities along the inland fisheries supply chain; (iii) youth entrepreneurs (fishers and non-fishers) interested in establishing business enterprises or cooperatives that respond to market demand for fishery products and services; (iv) women, especially women-headed households, who will account for at least 30 per cent of the programme's beneficiaries; and (v) demobilized soldiers and internally displaced persons.

## B. Programme development objective

10. Programme goal and development objective. FReMP will be implemented over a seven-year period from 2017 to 2023. The programme's goal is to contribute to household food and nutrition security, and alleviate rural poverty. Its development objective is to increase incomes and improve nutrition among targeted beneficiaries, and promote the sustainable management of natural resources. In pursuit of this objective, FReMP will support marine and inland small-scale fishers to produce a surplus (within the MSY of the fisheries) for the market. To achieve this, it will forge sustainable partnerships with various actors along the fish production and marketing value chain. The aim will be to transform Eritrea's small-scale fisheries sector from subsistence to a sustainable commercial industry.

## C. Components/outcomes

11. Component 1: Develop sustainable fisheries systems. This component will support the establishment of necessary infrastructure and technologies for production and post-harvest operations, marketing, and consumption of both marine and inland fisheries. It will be achieved through three sub-components:
  - (i) Development of marine fisheries production and post-harvest systems;
  - (ii) Development and sustainable utilization of inland fisheries; and
  - (iii) Market development and promotion of fish consumption.
12. Component 2: Fisheries enterprise support services. This component seeks to: (i) promote the development and build capacity of cooperatives and other enterprise groups; and (ii) strengthen input-provision services to ensure that legally constituted cooperatives and enterprise groups have access to the inputs required to undertake economically viable and sustainable fish-related businesses. These objectives will be achieved through two sub-components:
  - (i) Entrepreneurial capacity development; and
  - (ii) Strengthening of input supply services.
13. Component 3: Institutional strengthening and implementation support. The objectives of this cross-cutting component are to: (i) ensure that the institutions responsible for implementing and overseeing the programme's various implementation processes have the capacity to effectively carry out their duties; and (ii) manage and facilitate the programme in an efficient and effective manner by coordinating planning and implementation, financial management and control, procurement support, monitoring and evaluation (M&E), knowledge management



and sharing, progress reporting, and liaising with other stakeholders. These objectives are to be achieved through two sub-components:

- (i) Capacity building of the Ministry of Marine Resources and other implementing agencies for the development of the fisheries sector; and
- (ii) Programme coordination and implementation support services.

### III. Programme implementation

#### A. Approach

14. The programme's overall approach is to strengthen production systems and market linkages. FReMP will use communities as an entry point, engaging local institutions in participatory planning for sustainable fisheries development. The programme will be implemented through – and fully embedded in – the Government's decentralized system, and sustainability will be a central aspect of the programme approach. The programme will support enterprises in engaging with markets in order to increase returns on their investments and establish public and private mechanisms to ensure continuity of benefits. Gender will be mainstreamed across the programme by: (i) ensuring that gender issues are considered in policy dialogue and staff training; (ii) establishing programme work plans that are gender sensitive and identifying gender focal points at the national and zoba levels; (iii) promoting women's participation in programme activities, particularly those focused on small pelagic fish production and market linkages; and (iv) closely monitoring gender empowerment.

#### B. Organizational framework

15. The management, coordination and implementation of FReMP will involve various government institutions and private-sector entities. The Ministry of Marine Resources will be the lead executing agency and will be supported by: (i) a programme steering committee chaired by the minister responsible for fisheries and with representation from ministries with direct relevance to the programme goal and development objective; and (ii) an adequately staffed national programme coordination office (NPCO). At the zoba level, FReMP will be implemented, managed and coordinated through the zoba administration systems. Zoba programme coordination offices will be established in all the six zobas to strengthen programme management and coordination.

#### C. Planning, M&E, and learning and knowledge management

16. Planning. Annual work plans and budgets (AWP/Bs) will be the key instruments for implementation and operational control. AWP/Bs will be prepared for all programme participants, starting with the primary stakeholders at the community level. These plans will identify activities according to needs and priorities through a participatory planning process.
17. The NPCO will receive, review, harmonize and consolidate the AWP/Bs from the six zobas and all other programme areas in collaboration with the Ministry of Marine Resources. The NPCO will submit the consolidated AWP/Bs to the programme's technical committee for review and endorsement before submitting them to the programme steering committee for approval and to IFAD for review on a "no objection" basis. In order to facilitate the proper preparation of AWP/Bs, training will be provided at programme start-up.
18. Monitoring and Evaluation. M&E will be embedded in the institutional strengthening and implementation support component, coordinated by the NPCO. This system will reach all implementers at the national and zoba levels, and will be supported by additional professional staff, who will work closely with subject-matter specialists to strengthen learning and knowledge management. The M&E system will feed into the Ministry of Marine Resources management information system and IFAD's Results and Impact Management System.

19. Learning and knowledge management. Learning and knowledge management will be based on the programme's M&E system, especially on reviews and participatory assessments of lessons learned during implementation. The national-level M&E team will liaise with zoba-level counterparts to develop a learning and knowledge management system.
- D. Financial management, procurement and governance
20. Financial management. The proposed financial management arrangements for FReMP have been assessed as medium risk. Therefore it is recommended that the Laccie accounting software be used instead of the Government's financial management system. The NPCO, which will be the accounting hub, has gained experience through the Fisheries Development Programme (FDP) in the implementation of IFAD-funded projects. In addition, the Laccie accounting software was specifically designed for donor-funded projects and is able to generate the required financial reports.
  21. Flow of funds. A designated account will be opened at the Central Bank of Eritrea to receive the proceeds from the IFAD grant, and Germany and GEF contributions. A programme operating account at a bank acceptable to IFAD will be operated in accordance with Government regulations. To facilitate traceability of funds, each zoba will have a dedicated operating account to receive activity-tagged cash advances against approved AWP/Bs, which will be accounted for prior to any request for subsequent advances.
  22. Audits. The Government's audit processes will be used for FReMP. As was the case for FDP, Eritrea's Auditor-General will have the discretion to undertake the audit or to appoint an independent private audit firm acceptable to IFAD. Either way, the auditor's terms of reference will require IFAD's "no objection" review on an annual basis. The Ministry of Marine Resources' internal auditors will include FReMP in their annual rolling internal audit plans and issue formal reports at least twice each year.
  23. Procurement. All procurement funded by the programme will be carried out in accordance with national procurement procedures to the extent that they are consistent with IFAD's Project Procurement Guidelines. The country's legal and regulatory framework for public procurements has been assessed as sufficiently robust. There are checks and balances within the system to ensure that public procurement is undertaken transparently and competitively. Lessons learned from FDP indicate that a programme-specific procurement officer should be recruited to strengthen: (i) records management; (ii) contract management; (iii) the integration of procurement into budget formulation; and (iv) reporting.
  24. Transparency, governance and anti-corruption. The Government will maintain a governance and anti-corruption framework throughout the programme implementation period to mitigate the risk of fraud and corruption, and promote effective utilization of programme funds. Specific measures to mitigate identified fiduciary risks will include: (i) use of the Laccie accounting system at the NPCO to reduce the risk of human error; (ii) checks and balances in contracting and administration; (iii) the integration of FReMP into internal audit plans within all zobas; (iv) activity-tagged transfers to zobas instead of general cash releases; (v) maintaining the current statement of expenditure ceiling used in other IFAD-funded projects in Eritrea, given the inherent risk; (vi) adequate staffing arrangements; and (vii) continued capacity building of the cooperative credit unit to handle the asset financing.
- E. Supervision
25. FReMP will be jointly supervised by IFAD and Eritrea's Government. The frequency and composition of missions will be determined by actual requirements through collaboration with IFAD and the Government. Preferably, supervision missions will take place every six months. Supervision will not be seen as a general inspection

or evaluation, but as an opportunity to assess achievements and lessons learned, and to jointly reflect on improving implementation and increasing the likelihood of achieving the programme's development objective.

#### IV. Programme costs, financing, and benefits

##### A. Programme costs

26. Programme costs. The total programme costs over seven years, including contingencies, taxes and duties, are estimated to be US\$32.12 million as detailed in table 1.

Table 1  
**Programme costs by component and financier**  
(Thousands of United States dollars)

Component	IFAD grant		GEF		FAO		Germany		Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Develop sustainable fisheries systems	4 958	40.4	6 508	53.0	-	-	26	0.2	286	2.3	504	4.1	12 284	38.2
2. Fisheries enterprise support services	3 376	31.4	128	1.2	-	-	5 940	55.3	445	4.1	846	7.9	10 735	33.4
3. Institutional strengthening and implementation support	6 666	73.2	1 254	13.8	500	5.5	-	-	686	7.5	-	-	9 105	28.3
<b>Total programme costs</b>	<b>15 000</b>	<b>46.7</b>	<b>7 890</b>	<b>24.6</b>	<b>500</b>	<b>1.6</b>	<b>5 966</b>	<b>18.6</b>	<b>1 417</b>	<b>4.4</b>	<b>1 351</b>	<b>4.2</b>	<b>32 124</b>	<b>100.0</b>

##### B. Programme financing

27. The total combined FReMP investment and incremental recurrent costs, including physical and price contingencies, are estimated at US\$32.12 million (ERN 481.8 million). The programme will be financed by the Government, the IFAD grant, Germany, GEF, FAO and beneficiary contributions. IFAD has confirmed a grant equivalent to US\$15 million from the Tenth Replenishment of IFAD's Resources (IFAD10), which represents 46.7 per cent of the total programme cost. Germany will contribute US\$5.96 million (18.6 per cent of the total programme cost); GEF has committed US\$7.89 million (24.6 per cent); FAO will contribute US\$500,000 (1.6 per cent); and beneficiaries will contribute approximately US\$1.35 million (4.2 per cent of the total programme cost) through their participation in construction, setting up fishery sites and purchasing inputs like fishing gear. The Government will finance the taxes and duties (US\$1.42 million, representing 4.4 per cent of total costs). Details of the financing arrangements are shown in table 2.

Table 2  
**Programme costs by expenditure category and financier**  
 (Thousands of United States dollars)

Component	IFAD grant		GEF		FAO		Germany		Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment costs														
A. Works	3 367	32.8	6 155	59.9	-	-	26	0.3	227	2.2	504	4.9	10 279	32.0
B. Vehicles	1 707	72.1	54	2.3	-	-	-	-	605	25.6	-	-	2 367	7.4
C. Equipment and materials	2 206	22.5	353	3.6	-	-	5 929	60.4	487	5.0	845	8.6	9 820	30.6
D. Consultancies	562	38.3	356	24.3	500	34.1	-	-	48	3.3	-	-	1 466	4.6
E. Training	4 187	86.7	629	13.0	-	-	10	0.2	1	-	1	-	4 829	15.0
<b>Total investment costs</b>	<b>12 029</b>	<b>41.8</b>	<b>7 548</b>	<b>26.2</b>	<b>500</b>	<b>1.7</b>	<b>5 966</b>	<b>20.7</b>	<b>1 368</b>	<b>4.8</b>	<b>1 351</b>	<b>4.7</b>	<b>28 761</b>	<b>89.5</b>
II. Recurrent costs														
A. Salaries and allowances	1 370	80.0	343	20.0	-	-	-	-	-	-	-	-	1 713	5.3
B. Operating costs	1 601	97.0	-	-	-	-	-	-	50	3.0	-	-	1 650	5.1
<b>Total recurrent costs</b>	<b>2 971</b>	<b>88.3</b>	<b>343</b>	<b>10.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>1.5</b>	<b>-</b>	<b>-</b>	<b>3 363</b>	<b>10.5</b>
<b>Total programme costs</b>	<b>15 000</b>	<b>46.7</b>	<b>7 890</b>	<b>24.6</b>	<b>500</b>	<b>1.6</b>	<b>5 966</b>	<b>18.6</b>	<b>1 417</b>	<b>4.4</b>	<b>1 351</b>	<b>4.2</b>	<b>32 124</b>	<b>100.0</b>

### C. Summary benefit and economic analysis

28. Benefits and Beneficiaries. FReMP will target 17,500 households (87,500 people) through 600 groups. The cost per beneficiary is US\$361 (about US\$1,800 per household). The programme will provide direct support to inland fishing cooperatives, small pelagic fishing enterprises, fish value-addition enterprises (e.g. fish drying), fish mongers and traders, fish marketing, provision of inputs through the cooperative support unit and the establishment of a sustainable ice plant.
29. Expected benefits include: (i) increases in the production and quality of marketable fish; (ii) higher prices for producers and traders as a result of the aggregation of fish products and improved marketing processes; (iii) increased community-level resource rental revenues; (iv) consumer benefits such as enhanced availability and affordability of fish products by reducing inefficiencies along the value chain; and (v) empowered government systems that have benefited from capacity development.
30. Economic analysis. The programme has the potential to generate an economic rate of return of 17 per cent over a ten-year period.
31. Impact indicators. FReMP is expected to facilitate the development of sustainable production, processing and market linkages for marine and inland fisheries, and deliver increased volumes of fish to consumers. This will: generate employment, especially for youth and women; increase incomes of small-scale fishers in Eritrea's coastal and inland communities; increase the volume and quality of marketed fish in coastal and inland areas; and enhance food and nutrition security in the target communities.

### D. Sustainability

32. Institutional sustainability. The participatory programme design process and the bottom-up planning approach will ensure that programme implementation modalities respond to the target communities' concerns, sector-specific priorities, national development policies and strategies, and the national institutional framework. The approach creates ownership and builds the foundation for sustainability after the programme ends. FReMP implementation will be fully embedded within the Government's institutional framework at all levels and the Government has committed to continue this integration after programme

implementation. The institutional building-capacity approach encompasses government institutions at various levels as well as cooperatives and enterprise groups to ensure that skills continue to support programme-initiated activities after completion.

33. Economic/income sustainability. The programme will build the capacity of target groups in business plan development for their subprojects and prudent financial management; enterprise groups will be linked to markets. The financial analysis of the programme indicates that members of different enterprise groups will improve their incomes and earn good returns on their investments. These financial benefits on investments in the sector, coupled with improved access to inputs, will promote sustainability and enhance replicability and scaling up. The availability of a revolving fund through the cooperative credit unit will provide opportunities for highly performing enterprise groups to expand their businesses in the long run.
34. Environmental and climatic sustainability. The programme will promote environmentally sustainable fishing practices by adopting a precautionary approach, which involves promoting and enforcing good fisheries management practices. FReMP's interventions will support: adaptation to climate change through investing in "climate buffers", which include watershed management; increasing water and soil retention to reduce the impacts of drought and extreme rainfall; and rehabilitation and planting of mangroves to safeguard their important role in the coastal ecosystem. This approach also integrates expected climate change impacts and utilizes these data in feasibility studies for infrastructure.

#### E. Risk identification and mitigation

35. Several potential risks could undermine the programme's success if they are not mitigated. Delayed programme start-up, slow disbursements during the early years of implementation and high staff turnover have been recurrent problems in the portfolio. To mitigate these risks, FReMP will operate with similar institutional arrangements as FDP and will be managed by the same experienced programme management unit. Expansion of fishing activities, if not properly controlled, could lead to overexploitation of fish resources beyond the MSY for both marine and inland fisheries. Mitigation measures include: (i) setting conservative catch levels below historical MSY estimates (19,000 tons per year for small pelagics); (ii) supporting the Ministry of Fisheries Resources in monitoring, control and surveillance capacity; (iii) updating MSY estimates and adjusting targets when needed; and (iv) investing in restoration and protection of the ecosystem. For inland fisheries, the programme will facilitate the establishment of fishing cooperatives with standard codes of fishing and environmental practice. The programme will also support a hatchery to restock water reservoirs as necessary. In addition, extension agents from the Ministry of Marine Resources and fishing cooperatives will receive training in stocking and sustainable harvesting.
36. Based on Eritrea's 2015 Transparency International Corruption Perceptions Index score of 18, the country's inherent risk is high. The fiduciary risk has been assessed as medium due to the introduction of mitigation measures highlighted above.
37. Climate risks. The programme's sensitivity to the impacts of climate change is assessed as moderate. The greatest risk relates to the unknown impact of increasing sea temperatures on marine fish resources. Through its monitoring activities, the programme will be able to adjust to changes in fish stocks. At the design stage, there were no data available to carry out an in-depth climate risk assessment.

## V. Corporate considerations

### A. Compliance with IFAD policies

38. The design of FReMP is compliant with: (i) IFAD Strategic Framework 2016-2025; (ii) Reaching the Rural Poor: IFAD Policy on Targeting; and (iii) IFAD Policy on Gender Equality and Women's Empowerment. In addition, the nutrition focus of the programme is aligned with the Government's strategy on food security and nutrition, and IFAD's commitment to nutrition-sensitive interventions and action plans on mainstreaming nutrition. FReMP will be implemented in compliance with IFAD's Environment and Natural Resource Management Policy, and IFAD's Climate Change Strategy. Climate change adaptation measures are integrated into programme activities in order to address the inherent risks resulting from a changing climate and the potential multiplication of these effects on ecosystems. As an extra safeguard, IFAD has developed a complaints procedure on alleged non-compliance with its social and environmental policies and mandatory aspects of its social, environmental and climate assessment procedures.

### B. Alignment and harmonization

39. The programme is fully aligned with Government investment priorities as defined in the Eritrea Food Security Strategy, the Eritrea Interim Poverty Reduction Strategy Paper and the five year (2013-2017) strategic development plans for the country's agriculture and fisheries sectors. It will be fully embedded in the Government's decentralized institutional framework and delivery mechanisms. Links between the steering and technical committees as well as among the management teams will ensure coordination, collaboration, learning and scaling up of good practices. Operational linkages between the Ministry of Marine Resources and other relevant ministries, and other development partners in the fisheries sector are expected to result in synergies with the programme.

### C. Innovations and scaling up

40. Innovation. Eritrea's small pelagic fisheries present opportunities for introducing new techniques and innovative products and recipes. Novel techniques and fish products to be piloted include solar-dried assortments, pickling, fish powder, protein concentrates, salted-pressed sundried fish snacks, fermented products, fish oil, fish sauces and different fish recipes. Successful products will be introduced to fish processing and marketing enterprise groups for commercial uptake. The programme will also pilot new technologies to boost fish production.
41. Scaling up. Experiences from FDP will be used to guide programme interventions, especially the formation of cooperatives and enterprise groups, capacity development and input financing. FDP established an asset-financing model, which has become instrumental in sustaining the country's small-scale fishing sector, particularly for large fish along the coasts. FReMP will scale up this proven model for sustainable access to fishing inputs and replicate it in small pelagic fish and inland fisheries supply chains. Enterprise groups at different links in these chains will be able to access the inputs they need to undertake economically viable and sustainable fish-related businesses.
42. The programme will pilot mariculture – the cultivation of marine organisms for food – and aquaculture development activities in marine and inland systems, with the objective of demonstrating their technical and economic viability. The inland fisheries intervention will target up to 15 water reservoirs to generate good practices that are replicable in the remaining water reservoirs across the country.

### D. Policy engagement

43. The programme presents an opportunity to: (i) test new approaches, models and technologies within small pelagic inland fisheries and coastal areas; and (ii) support the Government's own efforts to analyse the effectiveness of its fisheries policies,

including those on sustainable production and management of fisheries resources. Lessons learned through the programme will be used to inform Government-led dialogue around national policies. The programme will maintain policy engagement around fish product marketing systems and related legal and regulatory frameworks, particularly regarding the role of the National Fisheries Corporation and fisher cooperatives in the pricing of fish products.

## VI. Legal instruments and authority

44. A programme financing agreement between the State of Eritrea and IFAD will constitute the legal instrument for extending the proposed financing to the Recipient. A copy of the negotiated financing agreement is included as appendix I.
45. The State of Eritrea is empowered under its laws to receive financing from IFAD.
46. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

## VII. Recommendation

47. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a Debt Sustainability Framework grant to the State of Eritrea in an amount equivalent to ten million seven hundred and fifty thousand special drawing rights (SDR 10.75 million) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze  
President

# Negotiated financing agreement: Fisheries Resources Management Programme (FReMP)

(Negotiations concluded on 12 October 2016)

Grant Number: \_\_\_\_

Programme Title: Fisheries Resources Management Programme (the "FReMP" or "the Programme")

The State of Eritrea (the "the Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

HEREBY agree as follows:

## Section A

1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1) and the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of April 2014, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.
3. The Fund shall provide a Debt Sustainability Framework (DSF) Grant to the the Recipient (the "Financing"), which the the Recipient shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

## Section B

1. The amount of the DSF Grant is ten million seventy hundred and fifty thousand Special Drawing Rights (SDR 10 750 000).
2. The first day of the applicable Fiscal Year shall be 1 January.
3. A designated account in US Dollars, operated by the Ministry of Marine Resources (MMR), shall be opened at the Bank of Eritrea (BE) to receive the proceeds of the DSF grant.
4. The Recipient shall provide counterpart financing in the form of taxes and duties exemption for the Programme in an amount estimated to be equivalent to one million four hundred and seventeen thousand US dollars (USD 1 417 000).



### Section C

1. The Lead Programme Agency shall be Ministry of Marine Resources.
2. Additional Programme Parties include, but are not limited to: Ministry of Local Government, Ministry of Agriculture, Ministry of Land, Water and Environment (MLWE), the National Union of Eritrean Women (NUEW), the National Union of Eritrean Youth and Students (NUEYS), and the Massawa College of Marine Science and Technology.
3. The Programme Completion Date shall be the seventh anniversary of the date of entry into force of this Agreement.

### Section D

1. The Financing will be administered and the Programme supervised by the Fund.

### Section E

1. The following are designated as additional general conditions precedent to withdrawal:
  - (a) The National Project Coordination Office (NPCO) shall have been duly established and key Programme management positions filled by personnel acceptable to IFAD;
  - (b) The Recipient shall have established a Programme Steering Committee (PSC) as referred to under Schedule 1 section II of this Agreement;
  - (c) The Recipient shall have prepared a draft Programme Implementation Manual (PIM) in form and substance satisfactory to the Fund.
2. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Recipient:

Minister of Marine Resources  
P.O. Box 923  
Asmara, Eritrea

For the Fund:

President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

This Agreement, dated \_\_\_\_\_, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the the Recipient.

STATE OF ERITREA

\_\_\_\_\_  
(Authorized Representative)  
(Name and Title)

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
Kanayo F. Nwanze  
President

## Schedule 1

### Programme Description and Implementation Arrangements

#### I. Programme Description

1. Target Population. The Programme shall directly benefit about 17,500 households in the Programme Area including: (a) small-scale fishers (i.e. men and women that are either small boat owners, crew members, foot fishers<sup>4</sup> that will be dealt with either as individuals or as cooperatives/groups; (b) rural smallholders (non-fishers mainly involved in subsistence agriculture and keeping small livestock) living around the target water reservoirs in inland Zobas and interested to engage in economic activities along selected links of the inland fisheries supply chain. This group also includes smallholders living and involved in rehabilitation of the catchment areas of the target water reservoirs; (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 the Programme's beneficiaries; and (e) demobilised soldiers and Internally Displaced People.

2. The gender strategy under the Programme shall aim at providing equal opportunities for women and men to participate in and benefit from development of the marine and inland fishery sector through FReMP activities. Women will be specifically targeted to account for at least 30% of beneficiaries and one target group comprises young women (accounting for 15% of total beneficiaries). The Programme will support women, and in particular women heads of households, to increase their incomes through value-addition in the fisheries sector with a specific focus on processing and through micro-businesses. WHHs and women in male-headed households, including young women, will be empowered to build small businesses or effectively engage in fishing related activities (i.e. processing and marketing, net making and mending). Their membership and leadership in cooperatives will be encouraged. Climate-smart investments will support the use of labour-saving technologies, such as solar fish driers. Furthermore, through construction of fish processing plants, the Programme will facilitate access to water and this will be benefit to women. Household methodology will stimulate discussions at the household level regarding workloads which, invariably, result in an improved allocation of tasks between household members.

3. Programme area. The Programme shall be national in coverage targeting all six Zobas of Eritrea including the coastal and inland areas, particularly targeting water reservoirs for aquaculture and up-country fish markets and will be implemented over a period of seven years. The Programme will be site-specific and will operate in areas with selected dams, principally to promote effective and sustainable inland fisheries to boost household incomes and nutrition for rural populations. It will also engage in promotion activities to raise the level of fish consumption by rural and urban households. With regard to selection of the inland water reservoirs for the inland fisheries activities, the following will be considered: (a) high potential for fish production; (b) low risk of drying out; (c) high opportunities for community participation; (d) accessibility (as indicated by the presence of a community of potential users); and (e) the degree of watershed conservation and/or on-going watershed conservation activities. Emphasis should be put on good water inflow and balance as critical consideration for dam fisheries. At least a minimum depth (approximately 7 metres) should be maintained throughout and this needs to be agreed by the various water users. Consideration should be given to safety

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<sup>4</sup>Foot fishers are small scale fishers who access the fishing grounds on foot as they lack fishing assets and catch fish mainly for subsistence purposes.

for fishing activities. These aspects will be incorporated in the dams and watershed management plans.

4. Goal. The goal of the Programme is to contribute to household food and nutrition security and the alleviation of rural poverty.

5. Objective. The objective of the Programme is increased incomes and improved nutrition situation for targeted beneficiaries and sustainable management of natural resources.

6. Components. The Programme shall consist of the following Components:

Component 1. Develop Sustainable Fisheries Systems– The component will support the establishment of necessary infrastructure, and technologies for production and post-harvest operations, marketing and consumption of both marine and inland fisheries. This will be achieved through three subcomponents:

- (a) Development of Marine Fisheries Production and Post-Harvest Systems;
- (b) Development and Sustainable Utilization of Inland Fisheries; and
- (c) Market Development and Promotion of Fish Consumption.

Component 2. Fisheries Enterprises Support Services– This component seeks to achieve two objectives: (a) promote the development and capacity building of cooperatives and other enterprise groups; and (b) strengthen the input provision services to ensure that the legally constituted cooperatives and enterprise groups have access to the requisite inputs to undertake economically viable and sustainable fish-related businesses. These objectives are to be achieved, through two subcomponents:

- (a) Entrepreneurial Capacity Development; and
- (b) Strengthening of Input Supply Services.

Component 3: Institutional Strengthening and Implementation Support. The objectives of this cross-cutting component servicing the two technical components are: (a) to ensure that the institutions mandated with the responsibilities of implementing and overseeing the different implementation processes of the Programme have the requisite capacity to effectively execute their respective duties; and (b) to facilitate and manage the Programme in an efficient and effective manner by providing overall coordination, including planning and implementation, financial management and control, procurement support, monitoring and evaluation, knowledge management and sharing, progress reporting, and liaison with all relevant institutions. These objectives are to be achieved, through two subcomponents:

- (a) Capacity Building of Ministry of Marine Resources and other implementing agencies for the development of the fisheries sector; and
- (b) Programme Coordination and Implementation Support Services.

## II. Implementation Arrangements

7. The Government of Eritrea will provide necessary operational environment for the development of the fishery sector. Suitable policies and strategies to encourage private sector investment will be promoted and technical services will be provided to improve the capacity of small-scale fishers. The government will also undertake measures to prevent over-exploitation of marine resources, and protect the coastal environment.

8. The Ministry of Marine Resources (MMR) shall, as the Lead Agency for the Programme, be responsible for the overall management of the Programme. The Office of the Minister in MMR will provide leadership, oversight and strategic guidance. MMR will be responsible for review and updating of fisheries sector policies, strategy, and regulations.

9. The Programme delivery systems will be integrated into the government's decentralized institutional framework and shall be implemented within the MMR organisational and operational structures involving coordinated implementation by the MMR and its Zoba branches, and the participating communities at Kebebi level.

10. The management, coordination and implementation of the Programme will involve various government institutions as well as private sector entities, where applicable, that will play different roles at various levels for effective delivery of the Programme to the intended beneficiaries. The process will be governed by four main principles: (a) alignment with government systems and procedures, especially those governing public expenditure management and procurement, and integration of Programme implementation into relevant institutions in decentralized government structure; (b) greater empowerment of beneficiaries to take lead role through their grassroots institutions in Programme planning and implementation; (c) cooperation with private sector service providers, where applicable; and (d) stronger partnerships and harmonization with other development partners and other stakeholders in the sector.

11. A National Programme Coordination Office (NPCO) under MMR will be established and adequately staffed and shall be responsible for the day to day overall coordination of implementation of the Programme including preparation of the Annual Work Plan and Budget (AWPB), procurement, progress reporting, monitoring and evaluation, procurement and financial management. The NPCO shall also ensure timely preparation and submission of the Review Reports, Programme Completion Report and the Annual Audit reports. As much as possible, the financial management, Monitoring and Evaluation and procurement for the programme will be aligned with the government systems as long as they are consistent with IFAD procedures.

12. The various MMR Departments and Divisions will provide technical support and backstopping to the Programme in accordance with their respective mandates. At decentralised levels, MMR zonal branches technical staff and the Zoba administrations will take a lead role in technical coordination and delivery of FReMP. Relevant Programme implementation entities will be strengthened in terms of technical and institutional capacity to effectively respond to the scope and technical demands of the Programme.

13. The oversight responsibility will be entrusted to a Programme Steering Committee (PSC), which will be chaired by the Minister of MMR and will include key ministries involved in the implementation of the Programme the Ministry of Local Government, Ministry of Agriculture, and Ministry of Land, Water and Environment and such other members as may be agreed from time to time by the Recipient and the Fund. The Programme Coordinator shall be the Secretary. The PSC will provide policy and strategic guidance, providing oversight of implementation to ensure that the programme achieves the intended objectives and sectoral goals. The PSC shall approve AWPB and ensure

resolution of conflicts or bottlenecks that may arise during implementation. It shall review and approve all reports including, inter-alia, the AWPB, audit reports, progress and Monitoring and Evaluation reports, Review Reports and Programme Completion Report before forwarding to IFAD. The Committee will meet on a six monthly basis.

14. A Programme Technical Committee (PTC) shall be established to support the functions of the PSC. The PTC chairperson, secretary and members will be appointed by the Minister of MMR. The PTC will be responsible for the provision of technical support to PSC on policy and strategy issues affecting programme implementation. The PTC will also be responsible for reviewing and synthesizing technical documents for final scrutiny and approval by the PSC. Its membership shall include representatives of key technical entities in MMR and other implementing agencies, such as: the Directors of the six Zoba administrations, Director Generals of the MMR Departments, and Directors of Divisions of MMR, Head of the Cooperative Support Unit (CSU), Head of National Union of Eritrean Women (NUEW), National Union of Eritrean Youths (NUEY), a representative of College of Marine Science and Technology and the Programme Coordinator and four representatives of fishing communities, (two of whom will be women) or such other members as may be agreed from time to time by the Recipient and the Fund. The committee will meet on a quarterly basis. It will review progress of implementation, resolve any technical issues, review the AWPB and ensure its technical coherence and consistency with the Programme design report and endorse it before presentation for approval by the PSC.

15. Programme Implementation Manual (PIM). The MMR shall finalise the draft PIM, including a Financial Management Manual. The MMR shall submit the PIM to the Fisheries Development Steering Committee for approval. When so approved, the Programme Coordinator shall forward the PIM to the Fund for comments and no objection. The PIM shall be submitted to the Fund no later than six months after the Programme becomes operational.

## Schedule 2

## Allocation Table

1. Allocation of Proceeds. (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Grant and the allocation of the amounts of the Grant to each Category. All amounts are 100% net of taxes.

Category	Grant Amount Allocated (expressed in SDR)
I. Works	2 170 000
II. Vehicles	1 100 000
III. Equipment and Materials	1 420 000
IV. Training	3 060 000
V. Salaries and Allowances	890 000
VI. Operating Costs	1 040 000
Unallocated	1 070 000
<b>TOTAL</b>	<b>10 750 000</b>

(a) The category "Training" includes consultancies for an amount of SDR 360 000.

2. Start-up Costs. Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal but after the date of entry into force shall not exceed an aggregate amount of USD 150 000 and shall be incurred only for expenses related to Categories III, IV, V, VI.

### Schedule 3

#### Special Covenants

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Recipient to request withdrawals from the Financing Accounts if the Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Programme:

1. Gender. The Recipient shall develop a gender strategy for the Programme to ensure that gender concerns shall be mainstreamed in all Programme activities throughout the implementation period, in order to offer equal opportunities under the Programme to men, women, women headed households, youth and other disadvantaged groups.
2. Counterpart Funds. The Recipient shall ensure that counterpart funds are clearly identifiable in the financial management system and all financial statements.
3. Audit. The Terms of Reference of the external audit shall include a specific review of IT control system financial reporting.



# Logical framework

Results Hierarchy	Indicator Name	Baseline	Mid-term	End Target	Source	Frequency	Responsibility	Assumptions
Goal: Contribute to household food and nutrition security and the alleviation of rural poverty	• Reduction in prevalence of chronic malnutrition (stunting)	• 50%	• 49%	• 47%	Global Nutrition Report 2015, RIMS baseline and impact surveys, household survey, MTR.	Programme start-up and completion	NPCO and Ministry of Health	Political, Social and Economic environment are favourable to the fishing and fish farming sector development (A); Macro-economy stagnates (R); Affordable fish products available in large quantities to poor consumers
	• Percentage increase in household asset ownership	• TV: 37% Radio: 61% Mobile phone: 69% Bicycle: 40% Horse cart: 23%	• 4% increase over baseline	• 10% increase over baseline				
Development Objective: Increased incomes and improved nutrition situation for targeted beneficiaries and sustainable management of natural resources.	• Number of HH receiving programme services	• 0	• 8,000 HH	• 17.500 HH	MMR Annual Reports; M&E Reports; MTR, PCR; Special Studies	Annual	MMR and NPCO	Political, Social and Economic environment are favourable to the fishing and fish farming sector development (A); Macro-economy stagnates (R);  Increased level of awareness on fish nutritional value and consumption, especially in the inland Zobas (A).
	• Percentage increase in annual net income of artisanal fishers, processors and traders	• 0	• 15%	• 30%	MMR Annual Reports; M&E Reports; MTR, PCR; Special Studies	Annual	MMR and NPCO	
	• Hectares of land and mangroves under sustainable management	• Mangrove: 0 • Watershed: 0	• Mangrove: 750 ha • Watershed: 7,000 ha	• Mangrove: 1,500 ha • Watershed: 16,000 ha		Annual	MMR and NPCO	
	• Increased fish consumption and dietary diversity	• 0.4 kg per year	• 0.7 kg per year	• 1.5 kg per year	Food survey, MMR Annual Reports; M&E Reports; MTR, PCR; Special Studies			
Outcome 1 Production systems for fisheries	• Average annual value of all fish delivered to consumers (USD):	• USD 0.6 million	• USD 15 million	• USD 50 million	Programme M&E reports	Annual	MMR and NPCO	Increased fish consumption, especially in the inland

Results Hierarchy	Indicator Name	Baseline	Mid-term	End Target	Source	Frequency	Responsibility	Assumptions
developed and delivering increased volumes of fish to consumers	<ul style="list-style-type: none"> <li>Average annual volumes of all fish delivered to consumers (tonnes)</li> <li>Small pelagic (dry)</li> <li>Large fish (wet)</li> </ul>	<ul style="list-style-type: none"> <li>Small pelagic: 260</li> <li>Large fish: 1,800</li> </ul>	<ul style="list-style-type: none"> <li>Small pelagic: 2,000</li> <li>Large fish: 1,840 (marine large fish 1,800 and inland fish: 40)</li> </ul>	<ul style="list-style-type: none"> <li>Small pelagic: 3,800</li> <li>Large fish: 3,100 (marine large fish 3,000 and inland fish: 100)</li> </ul>	Food survey  MMR data	Annual	NPCO, ZPCO	Zobas (A). Coastal ecosystems managed and improved.
Outputs 1 1.1. Marine fishing cooperatives are established and receive adequate inputs	<ul style="list-style-type: none"> <li>Number of marine fishing (large fish and small pelagic) cooperatives supported</li> </ul>	<ul style="list-style-type: none"> <li>Large fish: 37</li> <li>Small pelagic: 0</li> </ul>	<ul style="list-style-type: none"> <li>Large fish: 40</li> <li>Small pelagic: 80</li> </ul>	<ul style="list-style-type: none"> <li>Large fish: 67</li> <li>Small pelagic: 255</li> </ul>	Programme M&E reports	Annual	MMR and NPCO	Supportive Policy and legal framework
1.2. Inland fisheries at the target water reservoirs established	<ul style="list-style-type: none"> <li>Number of watershed management plans above reservoirs established and effectively implemented</li> <li>Number of inland fisheries cooperatives/enterprise groups established and operational</li> </ul>	<ul style="list-style-type: none"> <li>0</li> <li>0</li> </ul>	<ul style="list-style-type: none"> <li>3</li> <li>3</li> </ul>	<ul style="list-style-type: none"> <li>15</li> <li>15</li> </ul>	Programme M&E reports	Annual	MMR and NPCO	Supportive Policy and legal framework
1.3. Small pelagic fish processing/marketing cooperatives supported	<ul style="list-style-type: none"> <li>Number of viable small pelagic fish processing/marketing cooperatives handling 100 tons of fish loaded</li> </ul>	<ul style="list-style-type: none"> <li>0</li> </ul>	<ul style="list-style-type: none"> <li>30</li> </ul>	<ul style="list-style-type: none"> <li>90</li> </ul>	Programme M&E reports	Annual	MMR and NPCO	Supportive Policy and legal framework
Outcome 2 Viable fisheries enterprises are developed and sustainable	<ul style="list-style-type: none"> <li>Number of viable primary fisheries enterprises<sup>5</sup> established</li> <li>An umbrella cooperative for marketing small pelagic established and functioning profitably at the end of programme</li> </ul>	<ul style="list-style-type: none"> <li>41</li> <li>0</li> </ul>	<ul style="list-style-type: none"> <li>80</li> <li>1</li> </ul>	<ul style="list-style-type: none"> <li>250<sup>6</sup></li> <li>1</li> </ul>	Programme M&E reports	Annual	MMR and NPCO	Supportive Policy and legal framework
Output 2 2.1. Cooperatives/enterprise groups established and receiving assets financing	<ul style="list-style-type: none"> <li>Percentage of cooperatives/enterprise groups receiving inputs from CCU</li> </ul>	<ul style="list-style-type: none"> <li>20%<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>40%</li> </ul>	<ul style="list-style-type: none"> <li>80%</li> </ul>	Programme M&E reports	Annual	MMR and NPCO	Supportive Policy and legal framework

Appendix II

<sup>5</sup>Fishing, processing, engine repair, net-making and marketing enterprises. Viable enterprises are sustainably operating enterprises without programme support

<sup>6</sup>Total number of enterprises established is 358, estimated success rate 70%

<sup>7</sup>It is estimated that about 20% of the cooperatives established under FDP are currently receiving inputs from the CCU on a credit basis.

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Results Hierarchy	Indicator Name	Baseline	Mid-term	End Target	Source	Frequency	Responsibility	Assumptions
2.2. CCU fully established at national and branch levels and providing services to members on a profitable basis	<ul style="list-style-type: none"> <li>Number of cooperatives receiving and servicing fishing assets through CCU</li> </ul>	<ul style="list-style-type: none"> <li>41</li> </ul>	<ul style="list-style-type: none"> <li>100</li> </ul>	<ul style="list-style-type: none"> <li>250</li> </ul>	Programme M&E reports	Annual	MMR and NPCO	Supportive Policy and legal framework Capacity of CCU and cooperatives developed