



Invertir en la población rural

Junta Ejecutiva

---

## Informe del Presidente

### Propuesta de donación con arreglo al Marco de Sostenibilidad de la Deuda

#### Estado de Eritrea

#### Programa de Fomento de los Medios de Vida basados en la Pesca Sostenible

N.º de identificación del programa: 2000003988

---

Signatura: EB 2024/LOT/P.26

Fecha: 25 de noviembre de 2024

Distribución: Pública

Original: Inglés

#### Para aprobación

**Medida:** Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 58.

---

---

#### Preguntas técnicas:

**Caroline Mwongera**

Directora en el País  
División de África Oriental y Meridional  
Correo electrónico: c.mwongera@ifad.org

**Richard Abila**

Especialista Técnico Superior (Mundial) en Pesca y Acuicultura  
División de Producción Sostenible, Mercados e Instituciones  
Correo electrónico: r.abila@ifad.org

---

# Índice

<b>Mapa de la zona del programa</b>	<b>ii</b>
<b>Resumen de la financiación</b>	<b>iii</b>
<b>I. Contexto</b>	<b>1</b>
A. Contexto nacional y justificación de la actuación del FIDA	1
B. Enseñanzas extraídas	2
<b>II. Descripción del programa</b>	<b>3</b>
A. Objetivos, zona geográfica de intervención y grupos objetivo	3
B. Componentes, efectos directos y actividades	3
C. Teoría del cambio	4
D. Armonización, sentido de apropiación y asociaciones	4
E. Costos, beneficios y financiación	5
<b>III. Gestión de riesgos</b>	<b>9</b>
A. Riesgos y medidas de mitigación	9
B. Categoría ambiental y social	10
C. Clasificación del riesgo climático	10
D. Sostenibilidad de la deuda	10
<b>IV. Ejecución</b>	<b>11</b>
A. Marco organizativo	11
B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación	12
C. Planes para la ejecución	13
<b>V. Instrumentos jurídicos y facultades</b>	<b>14</b>
<b>VI. Recomendación</b>	<b>14</b>

## Apéndices

- I. Negotiated financing agreement
- II. Logical framework
- III. Integrated project risk matrix

---

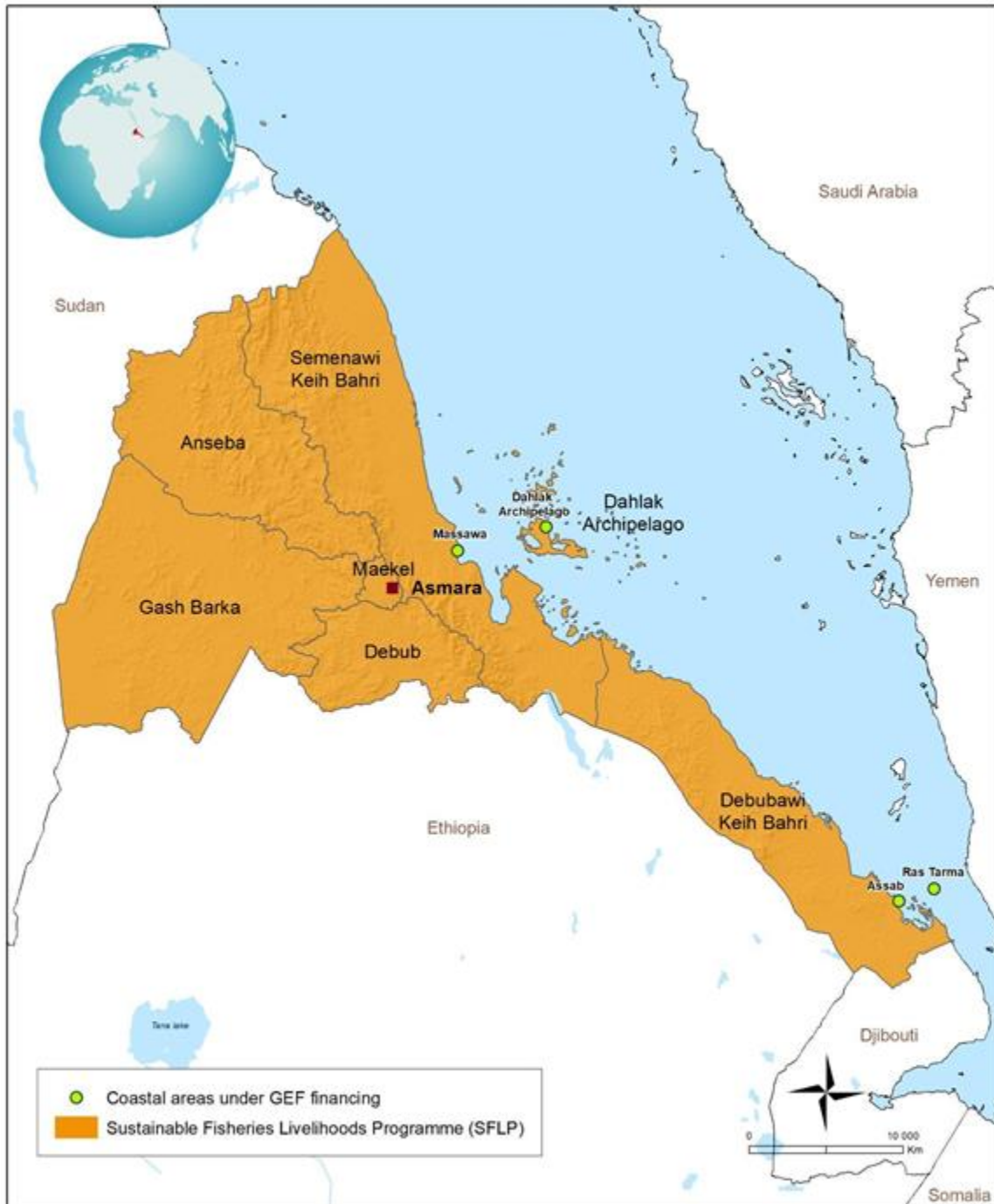
### Equipo encargado de la ejecución del programa

---

Directora Regional:	Sara Mbago-Bhunu
Directora en el País:	Caroline Mwongera
Técnico Principal:	Richard Abila
Oficial de Finanzas:	John Zigi
Especialista en Clima y Medio Ambiente:	Zira Mavunganidze
Oficial Jurídica:	Sherine Sherif

---

## Mapa de la zona del programa



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Mapa elaborado por el FIDA | 23-9-2024

## Resumen de la financiación

<b>Institución iniciadora:</b>	Fondo Internacional de Desarrollo Agrícola
<b>Prestatario/receptor:</b>	Gobierno del Estado de Eritrea
<b>Organismo de ejecución:</b>	Ministerio de Recursos Marinos
<b>Costo total del programa:</b>	USD 32,272 millones
<b>Condiciones de la financiación del FIDA:</b>	Donación con arreglo al Marco de Sostenibilidad de la Deuda (MSD)
<b>Monto de la donación del FIDA (MSD):</b>	USD 15,396 millones
<b>Cofinanciador:</b>	Fondo para el Medio Ambiente Mundial (FMAM)
<b>Monto de la cofinanciación:</b>	USD 10 millones
<b>Condiciones de la cofinanciación:</b>	Donación
<b>Contribución del prestatario/receptor:</b>	USD 6,875 millones
<b>Monto de la financiación del FIDA para el clima:</b>	USD 8,803 millones
<b>Institución cooperante:</b>	Programa supervisado directamente por el FIDA

## I. Contexto

### A. Contexto nacional y justificación de la actuación del FIDA

#### Contexto nacional

1. El contexto político de Eritrea ha estado marcado por decenios de conflicto, sobre todo con Etiopía, que culminaron con la firma de un acuerdo de paz en 2018, en virtud del cual se levantaron las sanciones de las Naciones Unidas y se abrieron nuevas perspectivas de crecimiento. En el plano económico, el país está estudiando las posibilidades de explotación de sus recursos pesqueros infrautilizados, que podrían mejorar significativamente la seguridad alimentaria y generar divisas. Desde el punto de vista social, Eritrea se enfrenta a dificultades como las elevadas tasas de malnutrición, sobre todo entre los niños, y la disparidad de género, ya que las mujeres realizan en su mayoría trabajos mal remunerados a pesar del papel crucial que desempeñan en las actividades domésticas y comunitarias. Los esfuerzos por empoderar a las mujeres y mejorar los resultados nutricionales son esenciales para el desarrollo del país.
2. La fragilidad del país está relacionada con i) problemas ambientales graves, el aumento de la variabilidad climática, sequías recurrentes, inundaciones repentinas y la subida del nivel del mar; ii) la limitada capacidad de ejecución institucional en los sistemas gubernamentales, los retrasos en los procesos de adquisición y contratación y la escasa disponibilidad de proveedores de servicios; iii) el acceso limitado a nuevas tecnologías e insumos pesqueros; iv) los posibles riesgos de sedimentación, que ponen en peligro las infraestructuras de presas y embalses, así como los medios de vida de los pescadores, y v) la evolución sociopolítica de la región, que se caracteriza por repetidas sanciones y el conflicto en curso en el Sudán y, más recientemente, en el Mar Rojo.

#### Aspectos específicos relativos a las esferas transversales prioritarias del FIDA

3. En consonancia con los compromisos transversales asumidos por el FIDA, el programa ha recibido las clasificaciones que se detallan a continuación:
  - abarca la financiación para el clima
  - es sensible a la nutrición
  - tiene en cuenta la capacidad de adaptación
4. **Cuestiones de género.** Eritrea se enfrenta a grandes desafíos en materia de género e inclusión social, ya que las mujeres constituyen el 55 % de la población y el 46,9 % de la fuerza de trabajo, pero a menudo se ocupa en empleos poco cualificados y mal pagados. A pesar de las iniciativas encaminadas a mejorar el acceso de las mujeres al crédito y a la formación profesional, las barreras sistémicas limitan su participación económica y su empoderamiento. Las normas culturales agravan aún más la desigualdad y restringen la participación de las mujeres y los grupos marginados en los procesos de toma de decisiones y en las actividades económicas.
5. **Juventud.** La población joven de Eritrea se enfrenta a elevadas tasas de desempleo y subempleo, y gran parte de ella carece de acceso a formación profesional. Esta exclusión se extiende a las funciones de toma de decisiones, lo que limita su contribución al desarrollo de la comunidad. Las dificultades económicas empujan a la juventud eritrea a buscar oportunidades en el extranjero, lo que provoca una fuga de cerebros.

6. **Nutrición.** En Eritrea se registran tasas de malnutrición elevadas, sobre todo entre los niños menores de cinco años, de los que el 50,3 % sufre retraso en el crecimiento, muy por encima del promedio regional. La poca diversidad de la alimentación y la inseguridad alimentaria, agravadas por un acceso limitado al agua potable y una higiene deficiente, comprometen aún más los resultados en materia de salud.
7. **Clima y medio ambiente.** Eritrea es un país muy vulnerable al cambio climático, que se enfrenta a un aumento de la frecuencia de las sequías y a un régimen de lluvias errático. La degradación ambiental, que incluye la deforestación y la desertificación, pone en peligro la actividad agrícola y pesquera, e intensifica la inseguridad alimentaria. Además, la pérdida de biodiversidad derivada de la degradación de los hábitats menoscaba la salud de los ecosistemas y, al mismo tiempo, las dificultades a la hora de gestionar los recursos hídricos continentales y costeros pueden provocar conflictos y reducir el acceso de las comunidades. La mala gestión de los residuos y la contaminación complican aún más la labor en favor del desarrollo, y ponen en peligro tanto la salud humana como la sostenibilidad ambiental.

### **Razones que justifican la intervención del FIDA**

8. El FIDA es el principal asociado internacional para el desarrollo en el sector pesquero de Eritrea, y lleva colaborando con el Gobierno desde 2010. Gracias a ello, goza de credibilidad y tiene una ventaja comparativa en los ámbitos de los conocimientos, el aprendizaje, la experiencia, los datos y la información, las redes y las capacidades, desarrollada a lo largo de los años para responder a los desafíos de todo el sector.
9. En el contexto posterior al conflicto, el objetivo del FIDA consiste en reforzar las instituciones, prestar apoyo a las mujeres y a la gente joven y mejorar la gestión de los recursos naturales a través del Programa de Fomento de los Medios de Vida basados en la Pesca Sostenible. Esta iniciativa está en consonancia con los objetivos estratégicos del FIDA de mejorar la resiliencia al cambio climático, facilitar el acceso a tecnologías sostenibles y favorecer la seguridad alimentaria y nutricional en general. La transición de la primera a la segunda fase dependerá de condiciones específicas, entre las que se incluye la finalización de estudios y evaluaciones esenciales.
10. Gracias a su dilatada experiencia en el sector pesquero, su enfoque inclusivo y su compromiso con la creación de capacidad, el FIDA se encuentra en una posición única para ejecutar eficazmente este programa, y aprovechar los conocimientos adquiridos en todo el mundo para promover un crecimiento sostenible y equitativo en Eritrea.

### **B. Enseñanzas extraídas**

11. El programa aprovecha las enseñanzas extraídas de anteriores proyectos del FIDA en Eritrea, como el Programa de Gestión de los Recursos Pesqueros y el Proyecto de Fomento de la Pesca. Las principales enseñanzas enfatizan la importancia de proporcionar el tiempo y la asistencia técnica necesarios para desarrollar cooperativas rurales, abordar las deficiencias de capacidad y la rotación de personal en la coordinación de los proyectos, y establecer sistemas eficaces de seguimiento y evaluación (SyE) desde la fase inicial. Las estrategias de adquisición y contratación deben planificarse con antelación para hacer frente a las limitaciones de los proveedores locales; asimismo, es crucial mejorar las capacidades de gestión del cambio climático y del medio ambiente. La contratación de oficiales especializados en inclusión social en una fase temprana garantizará una participación focalizada y el control de los riesgos laborales. Además, en el marco del programa, se centrará la atención en la creación de la capacidad humana y de instituciones sostenibles para lograr la obtención de resultados a largo plazo, y se reforzará el centro integrado de seguimiento de la actividad pesquera en apoyo de la gestión y conservación de la pesca eficaces.

## II. Descripción del programa

### A. Objetivos, zona geográfica de intervención y grupos objetivo

12. El objetivo del programa consiste en contribuir a la mejora de la seguridad alimentaria, la nutrición, la resiliencia ante el clima y la reducción de la pobreza en los hogares rurales pobres.
13. El objetivo de desarrollo del programa es fomentar el desarrollo sostenible de los recursos pesqueros y la conservación de los ecosistemas, aumentar la resiliencia ante el cambio climático y mejorar los medios de vida de los beneficiarios, con especial atención en la nutrición, los ingresos y la seguridad alimentaria.
14. **Zona geográfica de intervención.** El programa abarcará las seis *zobas* (regiones) de Eritrea, que incluyen dos *zobas* costeras (Mar Rojo meridional y Mar Rojo septentrional) y cuatro *zobas* continentales (Anseba, Gash Barka, Maekel y Debub). En esas regiones, la labor del programa se centrará en subregiones específicas y se ejecutará en 21 presas del interior durante la primera fase, y se ampliará gradualmente en función de las enseñanzas extraídas y de la capacidad.
15. **Grupos objetivo.** El objetivo del programa es prestar asistencia a unos 21 320 hogares, que representan alrededor de 106 600 personas. El grupo objetivo se compondrá de un 40 % de mujeres, un 20 % de gente joven y un 5 % de personas con discapacidad, y los hogares encabezados por mujeres constituirán el 30 % de todos los hogares beneficiarios. El programa se centrará en las comunidades que viven de la pesca en pequeña escala, que incluyen a los pescadores desde tierra y a los que faenan en embarcaciones artesanales. En los criterios de selección de los beneficiarios se tendrán en cuenta los niveles de pobreza, los perfiles nutricionales, las cuestiones de género y la participación de la gente joven, de manera que se garantice la adopción de un enfoque holístico que permita centrarse en la población más vulnerable a la pobreza y la inseguridad alimentaria.

### B. Componentes, efectos directos y actividades

16. El programa tendrá los componentes siguientes: i) mejora de la conservación sostenible de los recursos pesqueros y de la gestión del ecosistema; ii) fomento del desarrollo de la cadena de valor de la pesca que tiene en cuenta la nutrición, y iii) coordinación del programa y fortalecimiento institucional y de las políticas.

#### **Componente 1: Mejora de la conservación sostenible de los recursos pesqueros y de la gestión del ecosistema.**

17. Este componente se centra en el fortalecimiento del centro de seguimiento de la actividad pesquera para mejorar las capacidades de seguimiento, control y vigilancia destinadas a acabar con la pesca ilegal y apoyar la salud de los ecosistemas. El objetivo del programa es garantizar la salud de las poblaciones de peces y de los ecosistemas mediante la creación de capacidad en materia de gestión sostenible de los recursos. Además, para vincular los medios de vida a la salud del ecosistema, se promoverán iniciativas comunitarias que beneficiarán especialmente a las mujeres y a los grupos marginados. También se efectuarán labores de forestación y reforestación limitadas de manglares con el fin de restaurar los ecosistemas costeros, que son vitales para la biodiversidad y proporcionan hábitats importantes para los peces.

#### **Componente 2: Fomento del desarrollo de la cadena de valor de la pesca que tiene en cuenta la nutrición.**

18. En este componente se propone la mejora de la cadena de valor de la pesca mediante actividades de producción, conservación y transformación. La creación de cooperativas y la mejora del acceso a insumos pesqueros climáticamente inteligentes aumentarán la productividad y la resiliencia de los pescadores artesanales, y asegurarán un suministro constante de pescado nutritivo. El

desarrollo de productos pesqueros de valor añadido, como el pescado procesado y desecado al sol, se orientará a los mercados locales y regionales, lo que permitirá mejorar los ingresos de los pescadores y abordar la diversidad alimentaria. Además, se promoverá el consumo de pescado en las comunidades mediante iniciativas de educación nutricional sensibles a las cuestiones de género, lo que contribuirá a mejorar los resultados generales de salud y los niveles nutricionales.

### **Componente 3: Coordinación del programa y fortalecimiento institucional y de las políticas.**

19. Este componente tiene la finalidad de reforzar las capacidades de las entidades de gestión de proyectos en los planos nacional y local para garantizar la eficacia de la ejecución y el SyE del programa. Gracias a los programas de capacitación se mejorarán las competencias en materia de gestión financiera y adquisiciones y contrataciones, lo que se traducirá en operaciones más eficientes. Además, se crearán asociaciones para facilitar la colaboración multisectorial en iniciativas de nutrición, aprovechando los recursos y conocimientos técnicos de diversos sectores. El establecimiento de un sistema integral de gestión de la información pesquera permitirá mejorar la recopilación y el análisis de datos, apoyar la toma de decisiones fundamentadas y promover prácticas sostenibles de ordenación pesquera.

### **C. Teoría del cambio**

20. La finalidad del programa es mejorar los medios de vida, la seguridad alimentaria, la nutrición y la resiliencia climática y reducir la pobreza de los hogares rurales mediante el desarrollo sostenible de la pesca y la conservación de los ecosistemas. Aborda obstáculos como el acceso limitado a la tecnología, la vulnerabilidad climática, el escaso acceso a los mercados y las elevadas pérdidas posteriores a la captura, al tiempo que se centra en las desigualdades de género y la malnutrición.
21. El programa mejorará la producción pesquera y las actividades posteriores a la captura mediante el desarrollo de las capacidades del Ministerio de Recursos Marinos y de la cadena de valor, la mejora del acceso a las tecnologías y el apoyo a la gestión de los ecosistemas costeros. Se reforzará la elaboración y la comercialización mediante el fomento de la capacidad y una educación nutricional que tenga en cuenta las cuestiones de género.
22. Para mejorar la gestión del sector, se facilitará el diálogo sobre políticas en el marco del programa, se desarrollarán las capacidades institucionales y se mejorará la capacidad del Ministerio de Recursos Marinos para aplicar salvaguardias. Los efectos directos previstos incluyen una mejor gestión de la pesca, el aumento de la producción y la comercialización del pescado, y políticas más sólidas en materia de ordenación pesquera.
23. La teoría del cambio hace hincapié en que los beneficios dependen tanto de factores climáticos como de la pertinencia de las actividades para los contextos locales. A través de distintos enfoques nutricionales, se promoverá la disponibilidad de alimentos, se mejorarán los medios de vida y los conocimientos sobre el consumo de pescado y se empoderará a las mujeres.

### **D. Armonización, sentido de apropiación y asociaciones**

24. El programa contribuirá a la consecución de los Objetivos de Desarrollo Sostenible (ODS) mediante la lucha contra la pobreza (ODS 1), la seguridad alimentaria (ODS 2), la igualdad de género (ODS 5), la acción por el clima (ODS 13) y la gestión sostenible de los recursos marinos (ODS 14). También se pretende fomentar el crecimiento inclusivo en las comunidades rurales mediante la mejora de la pesca y la nutrición.



25. El programa se ajusta al Plan Estratégico 2024-2030 y a la Estrategia del Sector Acuícola 2023-2028 del Gobierno, que se centran en la gestión sostenible de los recursos y la seguridad alimentaria, en apoyo de la visión más amplia de la industrialización de la agricultura y la economía azul.
26. Para aumentar la eficacia, el Ministerio encargado de la ejecución establecerá asociaciones con organismos de las Naciones Unidas, ONG y organizaciones locales. Gracias a la colaboración con la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO) y el Fondo de las Naciones Unidas para la Infancia (UNICEF) se proporcionará asistencia técnica en materia de pesca y nutrición, mientras que las asociaciones locales reforzarán la participación de las comunidades y la creación de capacidad.
27. Gracias a esta armonización y a las asociaciones estratégicas pertinentes se creará un marco general para hacer frente a las dificultades de las zonas rurales y lograr progresos en la consecución de los objetivos de desarrollo nacionales y mundiales.

### **E. Costos, beneficios y financiación**

28. El componente 1 (mejora de la conservación sostenible de los recursos pesqueros y de la gestión del ecosistema), el componente 2 (fomento del desarrollo de la cadena de valor de la pesca que tiene en cuenta la nutrición) y el subcomponente 3.2 (fomento de la capacidad institucional y de formulación de políticas del Ministerio de Recursos Marinos) se consideran en parte componentes de financiación para el clima. De conformidad con las metodologías que emplean los bancos multilaterales de desarrollo en el seguimiento de la financiación para la adaptación al cambio climático y la mitigación de sus efectos, el monto total de la financiación para el clima concedida por el FIDA a este programa se prevé en USD 8 803 millones.

#### **Costos del programa**

29. Se calcula que el total de los costos de inversión y los gastos recurrentes del programa, incluidos los imprevistos de orden físico y por alza de precios, ascenderá a USD 32,3 millones. El programa se ejecutará durante un período de 10 años, dividido en 2 fases. La financiación total incluye costos básicos por un valor estimado de USD 30,4 millones, y cifra los imprevistos de orden físico y por alza de precios en USD 1,9 millones. Se calcula que el total de los costos de inversión asciende a USD 25,8 millones (el 80 % de los costos básicos) y que los gastos recurrentes ascienden a USD 6,5 millones (el 20 % de los costos básicos).
30. Las fuentes de financiación del programa serán el FIDA, el FMAM y el Gobierno del Estado de Eritrea. El desglose de los costos por componente y subcomponente en dólares de los Estados Unidos figura en el cuadro 1. En el cuadro 2 se muestra el desglose de los costos por categoría de gastos en dólares de los Estados Unidos.

## Cuadro 1

**Costos del programa, desglosados por componente y subcomponente y entidad financiadora**

(en miles de dólares de los Estados Unidos)

<i>Componente y subcomponente</i>	<i>Donación del FIDA con arreglo al MSD</i>		<i>FMAM</i>		<i>Prestatario/receptor</i>		<i>Total</i>	
	<i>Monto</i>	<i>%</i>	<i>Monto</i>	<i>%</i>	<i>Monto</i>	<i>%</i>	<i>Monto</i>	<i>%</i>
<b>1. Mejora de la conservación sostenible de los recursos pesqueros y de la gestión del ecosistema</b>								
1.1 Rehabilitación de los ecosistemas costeros y fomento de los medios de vida	986	39	1 419	56	121	5	2 526	8
1.2 Pesca sostenible en presas continentales, ecosistemas y medios de vida	3 625	97	-	-	103	3	3 728	12
<b>Subtotal</b>	<b>4 611</b>	<b>74</b>	<b>1 419</b>	<b>23</b>	<b>224</b>	<b>4</b>	<b>6 254</b>	<b>19</b>
<b>2. Fomento del desarrollo de la cadena de valor de la pesca que tiene en cuenta la nutrición</b>								
2.1 Producción, conservación y elaboración de productos pesqueros	6 150	46	7 200	53	171	1	13 521	42
2.2 Comercialización y consumo de pescado y productos pesqueros	2 050	89	138	6	113	5	2 301	7
<b>Subtotal</b>	<b>8 200</b>	<b>52</b>	<b>7 338</b>	<b>46</b>	<b>284</b>	<b>2</b>	<b>15 822</b>	<b>49</b>
<b>3. Coordinación del programa y fortalecimiento institucional y de las políticas</b>								
3.1 Coordinación y ejecución del programa	2 140	25	168	2	6 308	73	8 616	27
3.2 Fomento de la capacidad institucional y de formulación de políticas del Ministerio de Recursos Marinos	445	28	1 076	68	59	4	1 580	5
<b>Subtotal</b>	<b>2 585</b>	<b>25</b>	<b>1 244</b>	<b>12</b>	<b>6 367</b>	<b>62</b>	<b>10 196</b>	<b>32</b>
<b>Total</b>	<b>15 396</b>	<b>48</b>	<b>10 000</b>	<b>31</b>	<b>6 875</b>	<b>21</b>	<b>32 272</b>	<b>100</b>

## Cuadro 2

**Costos del programa, desglosados por categoría de gastos y entidad financiadora**

(en miles de dólares de los Estados Unidos)

<i>Categoría de gastos</i>	<i>Donación del FIDA con arreglo al MSD</i>		<i>FMAM</i>		<i>Prestatario/receptor</i>		<i>Total</i>	
	<i>Monto</i>	<i>%</i>	<i>Monto</i>	<i>%</i>	<i>Monto</i>	<i>%</i>	<i>Monto</i>	<i>%</i>
<b>Costos de inversión</b>								
1. Obras públicas	2 680	33	5 258	65	146	2	8 084	25
2. Equipos y materiales	673	59	418	37	53	5	1 144	4
3. Bienes, servicios e insumos	7 724	70	3 026	28	225	2	10 975	34
4. Asistencia técnica	1 883	63	1 070	36	62	2	3 015	9
5. Capacitación	1 868	94	60	3	51	3	1 980	6
6. Vehículos	568	95	-	-	30	5	598	2
<b>Total de costos de inversión</b>	<b>15 396</b>	<b>60</b>	<b>9 832</b>	<b>38</b>	<b>567</b>	<b>2</b>	<b>25 796</b>	<b>80</b>
<b>Gastos recurrentes</b>								
1. Sueldos y prestaciones	-	-	168	3	5 508	97	5 676	18
2. Costos de funcionamiento	-	-	-	-	800	100	800	3
<b>Total de gastos recurrentes</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>3</b>	<b>6 308</b>	<b>97</b>	<b>6 476</b>	<b>20</b>
<b>Total</b>	<b>15 396</b>	<b>48</b>	<b>10 000</b>	<b>31</b>	<b>6 875</b>	<b>21</b>	<b>32 272</b>	<b>100</b>

Cuadro 3

**Costos del programa, desglosados por componente, subcomponente y año del programa**

(en miles de dólares de los Estados Unidos)

<i>Componente y subcomponente</i>	<i>Primer año</i>	<i>Segundo año</i>	<i>Tercer año</i>	<i>Cuarto año</i>	<i>Quinto año</i>	<i>Sexto año</i>	<i>Séptimo año</i>	<i>Octavo año</i>	<i>Noveno año</i>	<i>Décimo año</i>	<i>Total</i>
	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>
<b>1. Mejora de la conservación sostenible de los recursos pesqueros y de la gestión del ecosistema</b>											
1.1. Rehabilitación de los ecosistemas costeros y fomento de los medios de vida	455	581	536	136	156	151	153	154	156	48	526
1.2. Pesca sostenible en presas continentales, ecosistemas y medios de vida	135	527	1 407	1 281	189	189	-	-	-	-	3 728
<b>Subtotal</b>	<b>590</b>	<b>1 108</b>	<b>1 943</b>	<b>1 417</b>	<b>345</b>	<b>340</b>	<b>153</b>	<b>154</b>	<b>156</b>	<b>48</b>	<b>6 254</b>
<b>2. Fomento del desarrollo de la cadena de valor de la pesca que tiene en cuenta la nutrición</b>											
2.1. Producción, conservación y elaboración de productos pesqueros	4	358	3 307	2 825	645	1 017	2 108	1 614	1 166	477	13 521
2.2. Comercialización y consumo de pescado y productos pesqueros	138	584	573	659	63	63	63	52	53	53	2 301
<b>Subtotal</b>	<b>142</b>	<b>942</b>	<b>3 880</b>	<b>3 484</b>	<b>708</b>	<b>1 080</b>	<b>2 171</b>	<b>1 666</b>	<b>1 219</b>	<b>530</b>	<b>822</b>
<b>3. Coordinación del programa y fortalecimiento institucional y de las políticas</b>											
3.1. Coordinación y ejecución del programa	1 144	844	824	944	803	809	797	777	777	897	8 617
3.2. Fomento de la capacidad institucional y de formulación de políticas del Ministerio de Recursos Marinos	6	189	287	159	159	156	156	156	156	156	1 579
<b>Subtotal</b>	<b>1 150</b>	<b>1 033</b>	<b>1 111</b>	<b>1 103</b>	<b>962</b>	<b>964</b>	<b>953</b>	<b>933</b>	<b>933</b>	<b>1 053</b>	<b>10 196</b>
<b>Total</b>	<b>1 882</b>	<b>3 083</b>	<b>6 934</b>	<b>6 004</b>	<b>2 015</b>	<b>2 385</b>	<b>3 277</b>	<b>2 753</b>	<b>2 308</b>	<b>1 631</b>	<b>32 272</b>

### **Estrategia y plan de financiación y cofinanciación**

31. El programa se financiará de la siguiente manera: la financiación aprobada por el FIDA asciende a USD 15,39 millones (el 48 % de los costos totales). Con arreglo a las condiciones de financiación confirmadas, se concederá una donación con cargo al MSD. La cofinanciación del FMAM se estima en USD 10 millones (el 31 %), que incluye la dotación directa para el proyecto, por un valor estimado de USD 8,93 millones, y la suma de USD 1,06 millones destinada a comisiones de entidades y una donación para el diseño del proyecto del FMAM.
32. La cofinanciación nacional del Gobierno ascenderá a USD 6,86 millones (el 21 %) en efectivo y en especie (USD 6,29 millones y USD 0,57 millones, respectivamente) para sufragar los costos de funcionamiento, los seminarios, los talleres, las reparaciones y el mantenimiento de las instalaciones, así como los derechos e impuestos. El desglose de cada componente y categoría de gasto en función de la entidad financiadora se presenta en los cuadros anteriores.

### **Desembolsos**

33. Las principales categorías de desembolso son las obras públicas y los bienes, servicios e insumos, que abarcan respectivamente el 25 % y el 34 % de los costos totales del programa. Otras categorías de desembolso en el marco de este programa son las siguientes: i) equipos y materiales; ii) asistencia técnica; iii) capacitación; iv) vehículos; v) sueldos y prestaciones, y vi) costos de funcionamiento. Los gastos recurrentes representan el 20 % de los costos generales del programa.

### **Resumen de los beneficios y análisis económico**

34. El análisis económico del programa revela los importantes beneficios de sus intervenciones, como el aumento de la producción pesquera, la mejora de la comercialización, la diversificación de la alimentación, la mejora de la gestión de los ecosistemas y la creación de empleo. Con unos costos totales de USD 32,3 millones, se calcula que el costo por hogar beneficiario es de USD 1 514, o USD 303 por cada miembro del hogar. A lo largo de un período de 10 años, se estima que los costos económicos ascienden a USD 332,3 millones, lo que arroja una tasa de rendimiento económico (TRE) del 18 % y un valor actual neto positivo de referencia de USD 32,5 millones durante un período de 20 años.

### **Estrategia de salida y sostenibilidad**

35. El programa da prioridad a la sostenibilidad en tres esferas clave: institucional, técnica y ambiental. Se contempla la colaboración con estructuras gubernamentales descentralizadas y comités multisectoriales para mejorar las políticas alimentarias y nutricionales, lo que garantizará un impacto a largo plazo. Las prácticas pesqueras sostenibles y la igualdad de género se promueven mediante la creación de capacidad, mientras que la sostenibilidad ambiental se centra en iniciativas resilientes al clima como el secado solar y la plantación de manglares.
36. En el marco del programa también se hace hincapié en la gestión innovadora de los recursos y en la viabilidad económica a través de prácticas comerciales adecuadas. La estrategia de salida asegura beneficios duraderos mediante el fomento de asociaciones con el Gobierno y las comunidades locales para lograr una ejecución y un seguimiento eficaces.

## **III. Gestión de riesgos**

### **A. Riesgos y medidas de mitigación**

37. Los riesgos inherentes y residuales generales se califican como considerables. En el cuadro que figura a continuación se indica la magnitud de un conjunto de riesgos específicos; en el apéndice III se ofrece una descripción más detallada del perfil de riesgo del programa.

Cuadro 4

**Calificación general de los riesgos**

<i>Esferas de riesgo</i>	<i>Calificación del riesgo inherente</i>	<i>Calificación del riesgo residual</i>
Contexto nacional	Considerable	Considerable
Políticas y estrategias sectoriales	Moderado	Moderado
Medio ambiente y clima	Elevado	Elevado
Alcance del programa	Bajo	Bajo
Capacidad institucional de ejecución y sostenibilidad	Considerable	Considerable
Gestión financiera	Elevado	Elevado
Adquisiciones y contrataciones en el marco del programa	Considerable	Considerable
Impacto ambiental, social y climático	Considerable	Bajo
Partes interesadas	Moderado	Moderado
<b>Riesgo general</b>	<b>Considerable</b>	<b>Considerable</b>

**B. Categoría ambiental y social**

38. La clasificación ambiental y social del programa se considera moderada debido a sus limitados efectos negativos en lugares concretos, mientras que se espera que su enfoque de gestión ambiental produzca principalmente resultados positivos. Entre las iniciativas clave se incluyen la mejora de la gestión del Ministerio de Recursos Marinos mediante la planificación territorial y herramientas avanzadas de seguimiento, la mejora de los medios de vida con la acuicultura sostenible y las energías renovables, y la elaboración de planes de conservación de los ecosistemas en peligro. Sin embargo, ante el riesgo de excluir a grupos vulnerables, como las mujeres, la gente joven y las personas con discapacidad, es preciso utilizar métodos participativos que garanticen la atención de sus necesidades y minimicen las consecuencias sociales negativas.

**C. Clasificación del riesgo climático**

39. Eritrea se enfrenta a riesgos climáticos considerables, y ocupa un puesto bajo entre los países del Índice Mundial de Adaptación de la Universidad de Notre Dame, ya que se prevé un aumento de las sequías, temperaturas extremas y en ascenso (hasta 1,70 °C para 2050) y una reducción de las precipitaciones. Estas condiciones representan una amenaza para los recursos pesqueros y los ecosistemas marinos, mientras que el aumento de la temperatura del mar y la salinidad repercuten en la seguridad alimentaria y la integridad del territorio. A pesar de estas dificultades, el objetivo del proyecto es aumentar la resiliencia mediante actividades de gestión de riesgos, que permitan la adaptación de las poblaciones de peces a los cambios. Las medidas de mitigación abordarán los riesgos climáticos, y mediante una evaluación específica de la adaptación se determinarán estrategias eficaces para los proyectos de alto riesgo.

**D. Sostenibilidad de la deuda**

40. La sostenibilidad del programa se basa en tres esferas principales. En primer lugar, se aprovechan las estructuras gubernamentales descentralizadas para garantizar un firme sentido de apropiación y compromiso por parte del Gobierno, y se fomentan asociaciones estratégicas que mejoren las políticas alimentarias y nutricionales para obtener beneficios a largo plazo. En segundo lugar, se hace hincapié en la creación de capacidad para que el personal técnico y las comunidades adopten prácticas pesqueras sostenibles, junto con una estrategia de empoderamiento de género encaminada a superar los obstáculos que enfrentan las mujeres y velar por que los efectos sean duraderos. Por último, el programa promueve la resiliencia ambiental mediante prácticas pesqueras climáticamente inteligentes e iniciativas de conservación, como instalaciones de secado solar, con el fin de mitigar la degradación del suelo y mejorar la biodiversidad, y garantizar así una gestión sostenible de los recursos.

## IV. Ejecución

### A. Marco organizativo

#### Gestión y coordinación del programa

41. El programa se ejecutará a lo largo de 10 años en 2 fases distintas. La primera fase preparatoria (del primer al tercer año) se centrará en la creación de capacidad institucional, la formulación de planes de ordenación pesquera sostenibles y la realización de las evaluaciones necesarias, como estudios de viabilidad y evaluaciones de impacto ambiental. Esta labor esencial sentará las bases para la segunda fase de inversión (del cuarto al décimo año), cuyo objetivo es ampliar las infraestructuras, mejorar los sistemas de transformación y distribución de los productos pesqueros y potenciar los mercados nacionales e internacionales de pescado. La transición entre una fase y otra dependerá de la consecución de objetivos específicos, y el diseño de la segunda fase se verá condicionado por los resultados de la primera y la evolución del sector pesquero de Eritrea.
42. El Ministerio de Recursos Mineros actuará como organismo principal del programa, y seguirá una estructura de gestión descentralizada en la que participarán diversas instituciones públicas y entidades del sector privado. Un comité directivo del programa, que copresidirán o bien los ministros de Recursos Marinos y Finanzas y Desarrollo Nacional, o bien representantes de dichos ministerios, o todos ellos, se encargará de la supervisión y la orientación estratégica, mientras que un comité técnico del programa prestará apoyo al comité directivo mediante el examen de los documentos técnicos y la facilitación de la colaboración interministerial. La finalidad de este marco de gobernanza es garantizar una ejecución eficaz y la armonización con las políticas sectoriales y los objetivos estratégicos más amplios.

#### Gestión financiera, adquisiciones y contrataciones, y gobernanza

43. La gestión financiera del programa recaerá de forma fundamental en el Ministerio de Recursos Marinos como principal organismo responsable de la ejecución. Esta estructura permite simplificar la supervisión y la rendición de cuentas. El programa mantendrá vínculos con otras iniciativas por conducto de una unidad de gestión del programa compartida, que promoverá la puesta en común de recursos y conocimientos técnicos. Las disposiciones financieras se ajustarán a las Normas Internacionales de Contabilidad del Sector Público, que garantizan la presentación de informes de alta calidad y la transparencia. Se utilizará el programa de contabilidad QuickBooks, lo que facilitará la elaboración oportuna de informes financieros precisos. El programa estará en consonancia con los sistemas nacionales para promover la integración y la eficiencia de los flujos de fondos. Los estados financieros se presentarán anualmente al FIDA, y las auditorías independientes se ajustarán a las normas internacionales de auditoría, a fin de garantizar la evaluación exhaustiva y la transparencia. La metodología de desembolso incluirá estados de gastos, lo que permitirá aplicar un enfoque flexible y basado en los resultados. Las enseñanzas extraídas de otros proyectos en el país servirán de base para definir las mejores prácticas, y podrán establecerse condiciones especiales de desembolso para hacer frente a riesgos específicos.
44. La ejecución de las adquisiciones y las contrataciones se regirá por el Manual para la adquisición de bienes y la contratación de obras y servicios del FIDA, debido a las limitaciones del marco de adquisiciones y contrataciones del Gobierno. Los principales riesgos se determinarán mediante su evaluación exhaustiva en el marco de las adquisiciones y las contrataciones, y se establecerán estrategias de mitigación para minimizar su impacto. El programa se basará en las directrices del FIDA e integrará al mismo tiempo los sistemas locales de adquisiciones y contrataciones, en la medida de lo posible. El plan basado en los riesgos incluirá el seguimiento y el examen periódicos de las actividades de adquisición y

contratación, a fin de garantizar su cumplimiento y eficacia. Tanto el prestatario como el FIDA establecerán procedimientos adicionales para mejorar la supervisión y la coherencia con las directrices en materia de adquisición y contratación.

45. La estructura de gobernanza del programa incluirá un órgano de supervisión específico adscrito al Ministerio de Recursos Marinos que garantizará la rendición de cuentas y el cumplimiento de los objetivos del proyecto. Una autoridad local independiente gestionará las disposiciones relativas a la auditoría, recibirá las denuncias de prácticas prohibidas y las investigará. Esta estructura está concebida para mantener la integridad y la transparencia durante todo el proceso de ejecución del programa. Será obligatorio atenerse a las directrices del FIDA contra la corrupción, y se hará hincapié en la prevención del fraude y de las conductas indebidas. En el marco del programa se adoptarán prácticas fiduciarias y administrativas rigurosas para garantizar que el uso de los fondos se ajuste a los fines previstos.

#### **Participación y observaciones del grupo objetivo y resolución de reclamaciones**

46. Se elaborará un plan detallado de colaboración con las partes interesadas en el que se indicarán el calendario, las actividades y el presupuesto con el objetivo de lograr la participación de las partes interesadas y los beneficiarios clave en las estrategias de focalización, inclusión social y nutrición del programa, y mejorar así la transparencia y la rendición de cuentas. Para seleccionar a los participantes se emplearán métodos basados en la comunidad con el fin de aumentar el alcance y llegar en particular a quienes se encuentran geográfica, física o socialmente aislados. Además, se celebrarán conversaciones comunitarias para crear una plataforma en la que se pueda debatir sobre las prácticas de nutrición y el cuidado de los niños, lo que permitirá validar las intervenciones del programa y asegurarse de que satisfacen las necesidades y expectativas de los beneficiarios.

#### **Resolución de reclamaciones**

47. En el marco del programa se pondrá en marcha un mecanismo de resolución de reclamaciones que combine los sistemas oficiales y oficiosos existentes, incluidos los procedimientos de gestión y evaluación laboral. En cada *zoba* se establecerá un comité de resolución de reclamaciones que será el encargado de resolver las controversias, y las cuestiones no resueltas se remitirán a las instancias superiores a través de las vías legales apropiadas. El personal del programa recibirá formación sobre ese mecanismo y se informará a las partes interesadas sobre sus derechos en relación con el incumplimiento de las normas laborales. En cuanto a la violencia de género y el acoso, las denuncias se atenderán con prontitud, y se velará por el acceso al apoyo médico necesario. Además, el procedimiento de reclamación del FIDA permite a las personas interesadas notificar sus preocupaciones en relación con el incumplimiento de las políticas sociales y ambientales directamente al Fondo, bajo una política estricta de tolerancia cero frente a la explotación y el abuso sexuales, bajo el control de la Oficina de Ética del FIDA.

#### **B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación**

48. El programa se servirá de los conocimientos adquiridos en los proyectos existentes respaldados por el FIDA en Eritrea para crear un enfoque de planificación impulsado por la comunidad que garantice la transparencia y la colaboración de las partes interesadas a través de la oficina nacional de coordinación del programa. El ciclo de planificación se ajustará al ejercicio económico del Gobierno y contará con la participación de las comunidades locales en la elaboración de los planes de trabajo anuales, que se someterán al examen y la aprobación de las autoridades pertinentes, incluido el FIDA.



49. Se pondrá en marcha un sistema integral de SyE que facilitará el seguimiento de los avances en materia de inclusión de género, resultados nutricionales y salvaguardas ambientales, con el apoyo de herramientas digitales y sistemas de información geográfica para una recopilación de datos eficaz. Además, se promoverá una estrategia de gestión de los conocimientos y de comunicación para difundir las mejores prácticas y la colaboración en el ámbito de las políticas, a través de iniciativas de cooperación Sur-Sur y triangular para aumentar la creación de capacidad y mejorar los medios de vida de las comunidades rurales en Eritrea.

#### **Innovación y ampliación de escala**

50. El programa tiene por objeto reforzar el sector pesquero mediante prácticas comerciales sólidas, tecnologías innovadoras y la gestión de los recursos. Entre las principales iniciativas figuran la refrigeración solar, los motores de bajo consumo de combustible para las embarcaciones y la mejora del seguimiento de los recursos para reducir la huella de carbono. El programa también se centrará en tecnologías climáticamente inteligentes que disminuyan la carga de trabajo de las mujeres en la adición de valor. Además, promueve la captura de carbono mediante la forestación de manglares y la plantación de árboles polivalentes, lo que mejorará los medios de vida de las mujeres de las zonas costeras. La creación de capacidad para el secado solar de pequeños peces pelágicos en la instalación de Ras Tarma aumentará aún más el valor añadido y los beneficios económicos.

### **C. Planes para la ejecución**

#### **Preparación para la ejecución y planes para la puesta en marcha**

51. El Ministerio de Recursos Marinos se encargará de dirigir la ejecución del Programa de Fomento de los Medios de Vida basados en la Pesca Sostenible mediante estructuras en el marco de la oficina nacional de coordinación del programa y de cada *zoba* similares a las empleadas en el Programa de Gestión de los Recursos Pesqueros. El FIDA llevará a cabo misiones periódicas de SyE y supervisión con el fin de valorar el estado de la ejecución del programa y evaluar la dirección del mismo con respecto a sus objetivos, productos y efectos directos. Como parte del diseño se requerirá un proyecto de plan de trabajo anual, un plan de adquisiciones y contrataciones y un manual de ejecución del programa a 18 meses vista, que se aprobarán junto con el informe de diseño del proyecto. Esto ahorrará una cantidad de tiempo considerable al comienzo de la ejecución del programa. A continuación se describen el resto de pasos que deberán seguirse como parte de la ejecución.
52. Los pasos adicionales que deben seguirse para minimizar las demoras en la puesta en marcha y los largos períodos de gestación que dificultan el inicio efectivo del programa son los siguientes: i) la oficina nacional de coordinación del programa se apoyará en gran medida en las estructuras y mecanismos existentes de anteriores proyectos financiados por el FIDA en Eritrea, concretamente el Programa de Gestión de los Recursos Pesqueros y el Proyecto de Fomento de la Pesca, lo que contribuirá a una adaptación eficaz al aportar al programa sus enseñanzas, experiencias y logros, y ii) el Gobierno llevará a cabo una evaluación de la actuación profesional del equipo de gestión del Programa de Gestión de los Recursos Pesqueros y de su dotación de personal antes de la fecha de finalización con miras a recomendar más nombramientos al FIDA. Contar con el personal en sus respectivos puestos en el momento en que dé inicio el programa debería garantizar una buena ejecución al tiempo que se fomenta la experiencia del personal.

#### **Supervisión, examen de mitad de período y planes de finalización**

53. En el marco del programa, el FIDA y el Gobierno llevarán a cabo misiones conjuntas de supervisión y apoyo a la ejecución al menos una vez al año, en función de las necesidades específicas. Estas misiones tienen por objeto evaluar los progresos del programa, hacer un seguimiento de las recomendaciones previas, apoyar a la oficina nacional de coordinación del programa y a los asociados, y detectar los posibles cuellos de botella en la ejecución.

54. Además, se realizará un examen de mitad de período durante la segunda fase con el fin de evaluar la eficacia del programa y sugerir los ajustes necesarios, mientras que un examen final del programa al término del período de ejecución documentará los logros y el impacto generado. Este examen incluirá evaluaciones y estudios del impacto una vez finalizado el programa para comparar los medios de vida de los beneficiarios antes y después de las intervenciones del programa, lo que garantizará una comprensión detallada de sus efectos.

## **V. Instrumentos jurídicos y facultades**

55. Un convenio de financiación entre el Gobierno del Estado de Eritrea y el FIDA constituye el instrumento jurídico para la concesión de la financiación propuesta al receptor. Antes del período de sesiones se distribuirá una copia del convenio de financiación negociado.
56. El Estado de Eritrea está facultado por su legislación para recibir financiación del FIDA.
57. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

## **VI. Recomendación**

58. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta con arreglo a lo dispuesto en la resolución siguiente:

RESUELVE: que el Fondo conceda una donación al Estado de Eritrea con arreglo al Marco de Sostenibilidad de la Deuda por un monto de quince millones trescientos noventa y seis mil dólares de los Estados Unidos (USD 15 396 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Álvaro Lario  
Presidente

**Negotiated financing agreement: "Sustainable Fisheries Livelihoods Programme (SFLP)"**

Negotiations concluded on 7 November 2024

**FINANCING AGREEMENT**

Grant No:

Programme name: Sustainable Fisheries Livelihoods Programme (the "SFLP" or "Programme")

The State of Eritrea, represented by the Ministry of Finance and National Development (the "Recipient")

and

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

(each a "Party" and collectively, the "Parties")

**WHEREAS** the Recipient has requested a grant from the Fund for the purpose of financing the Programme described in Schedule 1 to this Agreement;

**WHEREAS**, the Fund has agreed to provide financing for the Programme;

**NOW THEREFORE**, the Parties hereby agree as follows:

**Section A**

1. This Agreement comprises the following: the Main Document (Whereas and Sections A-E), the Programme Description and Implementation Arrangements (Schedule 1), 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 December 2022, 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, except for the provisions that refer to Loan financing which shall not apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.
3. The Fund shall provide a Grant (the "Financing") to the Recipient, which 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 grant is fifteen million three hundred ninety-six thousand United States Dollars (USD 15 396 000).
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, shall be opened at the Bank of Eritrea to receive the proceeds of the grant. The Recipient shall inform the Fund of the officials authorised to operate the Designated Account.
4. There shall be a Programme operational account in local currency (Nakfa) to receive the proceeds of the Financing from the IFAD Designated Account, for the exclusive benefit of the Programme.

5. The Recipient shall provide counterpart financing for the Programme in an amount equivalent to six million eight hundred seventy-five thousand United States Dollars (USD 6 875 000) to cover duties and taxes, operational costs, repairs and maintenance of facilities.

### **Section C**

1. The Lead Implementing Agency shall be the Ministry of Marine Resources of the State of Eritrea.

2. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Programme.

3. The Programme Completion Date shall be the tenth anniversary of the date of entry into force of this Agreement, or such other date as the Fund may designate by notice to the Recipient, and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Recipient.

4. Procurement of goods, works and services from the Financing shall be carried out in accordance with the IFAD Project Procurement Guidelines and as provided for in the Project Procurement Arrangements letter (PAL). IFAD's prior reviews and No Objections shall be routed through IFAD's Online Procurement End-to-End (OPEN) system.

### **Section D**

1. The Fund will administer the Grant and supervise the Programme.

### **Section E**

1. The following are designated as additional grounds for suspension of disbursements:

- (a) The Project Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Recipient, has determined that it has had, or is likely to have, a material adverse effect on the Programme.
- (b) In the event that the Recipient did not request a disbursement of the Financing for a period of at least 12 months without justification.

2. The following are designated as additional grounds for cancellation of disbursements:

- (a) In the event that the Recipient did not request a disbursement of the Financing for a period of at least 12 consecutive months without justification subsequent to the first eighteen (18) months from the entry into force of the Agreement.

3. The following are designated as additional conditions precedent to withdrawal:

- (a) The IFAD no objection to the Programme Implementation Manual (PIM) shall have been obtained.
- (b) Key Programme staff have been appointed as per Section II of Schedule 1 of this Agreement.
- (c) The Designated Account in USD shall have been opened by the Recipient.

- (d) A suitable off-the-shelf accounting software shall have been procured, installed and implemented at National Programme Coordination Office (NPCO).
- (e) The 18 months Annual Work Plan and Procurement Plan have received IFAD's Non-Objection.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Recipient:

Minister of Finance and National Development  
Ministry of Finance and National Development  
P.O Box. 198  
Asmara, Eritrea

Minister of Marine Resources  
Ministry of Marine Resources  
P.O Box. 27  
Massawa, Eritrea

For the Fund:

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

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

THE STATE OF ERITREA

\_\_\_\_\_  
"[Authorised Representative Name]"  
"[Authorised Representative title]"

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
"[Authorised Representative Name]"  
"[Authorised Representative title]"

Date: \_\_\_\_\_

## Schedule 1

### *Programme Description and Implementation Arrangements*

#### I. Programme Description

1. *Target Population.* The program has a target beneficiary of 21,320 households (106,600 people), made up of 40% women, 20% youth and 5% people with disabilities. Women-headed households will form 30% of beneficiaries assuming 5 people per household. Programme area. The Programme's geographical area covers Eritrea's six Zobas and 67 sub-Zobas, made up of 2 coastal Zobas (Southern Red Sea and Northern Red Sea) and 4 inland Zobas (Anseba, Gash Barka, Maekel and Dehub). Marine and coastal activities will be mostly concentrated around Southern and Central Dankalia sub-Zobas in ZSRS, and around Massawa, Dahlak and Gelalo sub-Zobas in the ZNRS. Inland fisheries interventions will continue to support the 21 dams under FReMP in phase 1 and scaling up to an additional 29 dams in phase 2.

2. *Goal.* The goal of the Programme is to contribute to improved food security, nutrition, climate resilience and reduced poverty among rural poor households.

3. *Objectives.* The Development Objective is "Enhance sustainable fisheries resources development and ecosystem conservation, increase resilience to climate change and improve beneficiaries' livelihoods, putting emphasis on nutrition, income and food security".

4. *Components.* The Programme shall consist of the following Components:

4.1. *Component 1:* Enhanced sustainable conservation of fisheries resources and ecosystem management. This component aims to achieve sustainable fisheries resources by implementing sustainable fishing practices, conserving critical marine habitats, and fostering community-based resource management of coastal and inland fisheries ecosystems. It builds on the efforts and capacities developed under the Fisheries Resources Management Program (FReMP) and Fisheries Development Project (FDP), to increase the results and impacts of IFAD's investments in ensuring sustainable marine and inland fisheries resources.

4.1.1. *Sub-Component 1.1:* Rehabilitation of Coastal Ecosystems and Livelihoods Development. This subcomponent will support the expansion of communities' engagement in mangrove afforestation and reforestation, establish nursery centers for mangrove and other halophytes, development of ecosystem-based income-generating initiatives and sustainable operationalization of the Fisheries Monitoring Center (FMC) established under FReMP for monitoring, control, and surveillance to eliminate illegal, unreported and unregulated (IUU) fishing..

4.1.2. *Sub-Component 1.2:* Sustainable inland dam fisheries and livelihoods development. This subcomponent will support the sustainable development and utilization of inland dam fisheries, supporting the implementation of the 21 dam management plans developed under FReMP, in collaboration with the Ministry of Agriculture, College of Science and national actors, and continued regular monitoring of fishing activities and water quality assessment in the dams.

4.2. *Component 2:* Enhanced Nutrition-Sensitive Fish Value Chain Development. This component aims to achieve the following key results: Sustainably increased climate- smart production and productivity of fisheries, reduced post-harvest losses, improved processing and value addition, and increased distribution and marketing of fish and fish products. Building on the foundational efforts of FReMP, this component will support climate-resilient and socially sustainable value chain investments and capacity building. The focus will be on addressing weak links across the value chain, including access to inputs, fish production capacities, processing, value addition, demonstrating technical and commercial viability, and expanding market reach to enhance incomes for value chain actors. Women and youth will be deliberately targeted through

strengthening already existing cooperatives and establishing new cooperatives with active participation of women and youth both in membership and leadership roles.

4.2.1. *Sub-Component 2.1: Production, preservation, and processing fish.* This aims to; (i) Increase access to climate smart fish production inputs and assets; (ii) Sustain and continue stocking of the 21 dams and training of communities on fishing activities;(iii) Develop capacity for solar dried and value-added fish products; (iv) Enhanced ice production capacity and fish cold chain facilities. It will build capacity in solar fish drying, conduct feasibility studies and prepare business plans for the solar fish drying facilities, equip the Ras Tarma fish drying facility, develop two hatcheries (one for sea cucumber and second for inland fisheries), and build capacity building for sea cucumber production and processing.

4.2.2. *Sub-Component 2.2: Promote Marketing and Consumption of Fish and Fish Products.* The subcomponent aims to (i) Undertake market studies, and develop marketing strategies and establish market systems for diversified fish products; (ii) enhance fish distribution and outlets to both urban and rural communities; (iii) Promote marketing of fish and fish products; (iv) Support gender-sensitive nutrition education and Social Behavior Change Communication and multi-sectoral partnerships for implementation of nutrition interventions. Women and youth empowerment strategies will be embedded in each component including in targeting, capacity building initiatives and empowering the community.

4.3. *Component 3: Enhanced Programme Coordination, Institutional and Policy Strengthening –* This component will strengthen the Programme management capacities at national and Zoba levels to accomplish the implementation in a timely manner. Furthermore, it will develop the Government’s capacity for inter-ministerial cooperation and sectoral coordination on issues such as catchment management, fishing regulations, registering vessels, monitoring, control and surveillance.

4.3.1. *Sub-Component 3.1: Programme Coordination and Implementation.* The subcomponent will ensure effective Programme management, coordination, monitoring and evaluation, knowledge management, and financial management. It will support technical assistance, and operating costs to strengthen Programme management capacities at national and Zoba levels. Furthermore, it will develop the Government’s capacity to manage, implement and monitor SFLP’s activities. Specifically, support will include staffing and operation of the NPCO; establishment of adequate financial management and procurement management systems; implementation of the communication plan and grievance redress activities; monitoring and evaluation (M&E) and implementation of specific SECAP requirements; and coordination with other ministries.

4.3.2. *Sub-Component 3.2: Develop MMR’s Institutional and Policy Formulation Capacity.* The subcomponent seeks to: a) strengthen institutional and policy formulation capacity of MMR; b) strengthen multi-sectoral partnerships for effective implementation of nutrition interventions; and c) strengthen capacities for the Fisheries Information Management Systems (FIMS).

## **II. Implementation Arrangements**

5. *Lead Implementing Agency.* The Lead Implementing Agency is the Ministry of Marine Resources (MMR) of the State of Eritrea.

6. *Programme Oversight Committee.* The Programme Steering Committee (PSC) will be established to provide an oversight function to SFLP’s implementation. It will be co-chaired MMR and MoFND, composed of ministers and/or representatives of those ministries with direct relevance to the achievement of SFLP’s goal and development objective. The tasks of the PSC will include (a) provision of strategic guidance towards the achievement of Programme objectives and contribute to the higher-level sector policy and strategic goals; (b) review and approval of the Programme’s AWPBs and implementation progress reports; (c) provision of strategic guidance on allocation of Programme resources; and d) facilitate inter-ministerial coordination and collaboration. PSC will be supported by a Project Technical Committee (PTC) responsible for reviewing and synthesizing technical documents for the PSC's final scrutiny and approval. The



chairperson for the PTC will be nominated by MMR Minister, and its members will include the technical representatives from MoFND, MoA, MoH, MoLWE, MoLG, MoLSW, NUEW, NUEYS, Directors General of MMR Technical Departments, and National Programme Coordinator.

7. *Programme Management Unit.* A dedicated programme management team will manage SFLP under the auspices of the existing Ministry's Partnership Cooperation and Coordination Office (PCCO), which oversees all projects under the MMR. It will have responsibility for overall coordination and implementation. 8. *Programme Parties.* Key institutions that are expected to play a key role during SFLP implementation include the CSU, the Ministry of Land, Water and Environment (MLWE), the Ministry of Local Government (MoLG), the SMCP, the National Higher Education and Research Institute (NHERI), various Non-Governmental Organisations (NGOs), including the NUEW and the NUEYS. The Zoba branches of the MMR will be charged with the day-to-day operation. In addition, the Marine Resources Development Department will provide technical support and the Marine Resources Regulatory Services Department will be responsible for quality assurance and food safety certification services, including the direct supervision of quality control laboratory. As necessary, MMR will engage Technical Assistance services.

8. *Monitoring and Evaluation (M&E).* The system will be an iterative process used for identifying problems in achievement of expected outcomes. The M&E strategy and Implementation Plan will be established and implemented by the NPCO from which additional tools shall be derived for application in different levels to support effectiveness and ensure delivery of quality results. Information from the M&E system will then feed into MMR Management Information System (MIS) and IFAD's internal systems considering the different levels of results including Programme specific indicators. The M&E system promote integration of physical and financial progress, and where feasible procurement progress and reporting. The system will also enable reporting of cross-cutting themes and social inclusion considerations.

9. *Knowledge Management.* SFLP will elaborate and implement a Knowledge Management and Communication Strategy that will: (i) provide Programme beneficiaries with the necessary material to sustain the technical knowledge acquired with the support of the Programme through production of training materials and communication platforms for sensitization and continuously assess their adoption; (ii) generate shared knowledge acquired from the experience of the Programme in various fields based on the information collected as part of the monitoring of results or thematic studies; (iii) share this knowledge with the Technical Departments of the Ministry, IFAD, other donors, and implementing partners using various dissemination strategies, which will help to complement the policy support activities under Component 3. In achieving the Policy Component, the Knowledge Management and Communication Strategy will strongly aim to develop and create channels of policy influence and dialogue through development policy briefs/strategies to be disseminated to an audience of high-level policy stakeholders in the fisheries sector. Moreover, SFLP will leverage the expansion of the IFAD South-South and Triangular Cooperation (SSTC) initiatives in Eritrea to double and deepen IFAD's impact by identifying and disseminating knowledge and innovations and supporting policy engagement to enhance poor rural people's productive capacities, market access and resilience.

10. *Programme Implementation Manual.* The Programme will follow the SFLP Programme Implementation Manual (PIM).

**Schedule 2**  
*Allocation Table*

1. *Allocation of Grant Proceeds.*

(a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Grant and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Category	Grant Amount Allocated (expressed in USD)	Percentage
I. Civil Works	2 400 000	100% net of taxes
II. Equipment and Materials	1 100 000	100% net of taxes
	6 956 000	100% net of taxes
III. Goods, Services and Inputs	1 700 000	100% net of taxes
IV. Technical Assistance	1 700 000	
V. Training	1 540 000	
Unallocated		
<b>TOTAL</b>	<b>15 396 000</b>	

(b) The terms used in the Table above are defined as follows:

- (i) The category "Equipment and Materials" include USD 510 000 for vehicles.
- (ii) Unallocated category are funds that can be reallocated to any of the other categories upon request from the Recipient, subject to the Fund's approval. The funds will cater for unforeseen /contingency costs that may arise during the Programme implementation period such as price variations.

2. *Disbursement arrangements*

(a) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 150 000 and shall be incurred only for expenses related to Categories II, III, IV and V. Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

### Schedule 3

#### *Special Covenants*

#### **I. General Provisions**

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 Loan/Grant Account 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. Within 6 months of entry into force of the Financing Agreement, the Programme will procure and install a customized accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.
2. Within six (6) months of entry into force of the Financing Agreement, the Programme will enter into Memorandum of Understandings (MoU) with implementing partners, as may be required, that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.
3. *Planning, Monitoring and Evaluation.* The Recipient shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
4. *Vulnerable People Concerns.* The Recipient shall ensure that the concerns of vulnerable and disadvantaged groups such as Women Headed Households, the youth, and people with disabilities are given due consideration in implementing the Programme and, to this end, shall ensure that:
  - (a) the Programme is carried out in accordance with the applicable provisions of the relevant vulnerable people national legislation;
  - (b) vulnerable people are adequately and fairly represented in all local planning for Programme activities;
  - (c) vulnerable people rights are duly respected;
  - (d) vulnerable groups communities, participate in policy dialogue and local governance;
  - (e) The terms of Declarations, Covenants and/or Conventions ratified by the Recipient on the subject are respected.
5. *Land tenure security.* In the event that purchasing property or acquiring land is required to implement project operations, the Recipient shall ensure that the land acquisition process has already been completed and that compensation processes were consistent with international best practice and free, prior and informed consent principles.
6. *Anticorruption Measures.* The Recipient shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
7. *Sexual Harassment, Sexual Exploitation and Abuse.* The Recipient and the Project Parties shall ensure that the Programme is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

8. IFAD Client Portal (ICP) Contract Monitoring Tool. The Recipient shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Recipient shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Recipient shall ensure that the contract data is updated on a quarterly basis during the implementation of the Program.

9. The Key Programme Personnel are: Programme Manager, Financial Controller, Officer for Monitoring and Evaluation, Knowledge Management Officer, Procurement Officer, Social Inclusion and Gender Officer, and Environment and Climate Officer. In order to assist in the implementation of the Programme, the NPCO, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Programme Personnel shall be seconded to the NPCO in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. Key Programme Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Programme Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Programme's circumstances.

## **II. SECAP Provisions**

1. The Recipient shall carry out the preparation, design, construction, implementation, and operation of the Project in accordance with the nine standards and other measures and requirements set forth in the Updated Social, Environmental Climate Assessment Procedures of IFAD ("SECAP 2021 Edition"), as well as with all applicable laws and regulations to the recipient and/or the sub-national entities relating to social, environmental and climate change issues in a manner and substance satisfactory to IFAD. The recipient shall not amend, vary or waive any provision of the SECAP 2021 Edition, unless agreed in writing by the Fund in the Financing Agreement and/or in the Management Plan(s), if any.

In the first phase, the project's climate risk is categorised as significant, while the environmental and social risks are moderate. Considering the moderate, environmental and social and the substantial climate risks, the Recipient shall carry out the implementation of the Programme in accordance with the measures and requirements set forth in the Environmental, Social and Climate Management Frameworks (ESCMFs) and Environmental, Social and Climate Management Plans (ESCMPs), Chance Finds Procedure Plans, Targeted adaptation assessment. Grievance redress mechanism, stakeholder engagement plan and labour assessment and management plan (the "Management Plan(s)"), should be, taken in accordance with SECAP requirements and updated in the second phase of the project after environment and social screening.

The Recipient shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Recipient has complied with the requirements applicable to the original adoption of the Management Plan(s).

2. Where applicable the Recipient shall not, and shall cause the Implementing Agency, all its contractors, its sub-contractors, and suppliers not to commence implementation of any works, unless all Programme affected persons have been compensated and/or resettled in accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

3. The Recipient shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Programme stakeholders and interested parties in an accessible place in the Programme-affected area, in a form and language understandable to Programme-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

4. The Recipient shall ensure or cause the Implementing Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Programme with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Programme implementation that, with respect to the relevant IFAD Programme:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Recipient shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
  - Consult with Programme-affected parties on how to mitigate the risks and impacts;
  - Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
  - Adjust, as appropriate, the Programme-level grievance mechanism according to the SECAP requirements; and
  - Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

**Serious ESHS incident** means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the financing or within the Recipient's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Recipient (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Programme workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement, any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to

arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. The Recipient shall ensure or cause Implementing Agency, contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Without limitation on its other reporting obligations under this Agreement, the Recipient shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Programme and propose remedial measures. The Recipient will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.

## Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility				
<b>Outreach</b>	<b>1 Persons receiving services promoted or supported by the project a/b/</b>				Progress reports/MIS	Annual	MMR, NPCO	The socio-political situation remains favourable & may allow large active young force to demobilize from the military & engage in gainful engagement (prudent estimate being 20%) Engagement of women is assumed 40% (IFAD12) & persons with disability 5%			
	Young - Young people								0	3332	6664
	Total number of persons receiving services								0	10660	21320
	<b>1.b Estimated corresponding total number of households members</b>				Progress reports/MIS	Annual	MMR, NPCO				
	Household members - Number of people								0	53300	106600
	<b>1.a Corresponding number of households reached</b>				Progress reports/MIS	Annual	MMR, NPCO				
	Women-headed households - Households								0	3198	6396
Non-women-headed households - Households				0				7462	14924		
Households - Households				0	10660	21320					
<b>Project Goal</b> Contribute to improved livelihoods food security, nutrition, climate resilience and reduced poverty among rural poor households	<b>Reduction in poverty prevalence of the targeted beneficiaries</b>				World Health Organization survey (2017), National surveys	Baseline, MTR, Endline survey	MMR, NPCO	Poverty prevalence is estimated at 66% & targeted to reduce by 10% by end of the project; Absence of climatic shock, inflation (A) Unstable political environment (R); Households are willing to change their nutrition behaviours(A)			
	Poverty prevalence - Percentage (%)								66		58.7
	<b>Increase in Households reporting improved Food and Nutrition security</b>				National Food Security Surveys	Baseline, Midline and endline survey	MMR, NPCO				
Percentage increase - Percentage (%)				0					25		
<b>Development Objective</b> Enhance sustainable fisheries resources development & ecosystem conservation, increase resilience to climate change & improve beneficiaries' livelihoods, putting emphasis on nutrition, income & food security	<b>Increase in average annual production capacity for fisheries (Marine Small pelagic, Marine Large pelagic, Sea cucumber and Inland dam fisheries)</b>				Outcome surveys	Baseline, Midline and Completion		Prohibitive economic & financial policies that undermine the potential in fisheries production, processing & value addition; and Extreme climatic and weather variability (R) Communities willing to adopt technologies & practices promoted (A)			
	Percentage Increase - Percentage (%)								0	10	50
<b>Outcome</b> Outcome 1: Enhanced sustainable conservation of fisheries resources & ecosystem management	<b>1.2.1 Households reporting improved access to land, forests, water or water bodies for production purposes</b>				COI Surveys	Baseline, Midline and endline survey	MMR, DD, RD, NFC, NPCO	Inclusive activities to ensure full participation of all persons (A) Adoption rate assumed as 60% of those that access the production support (A); Producers' organizations engaged in contractual arrangements is assumed to constitute 25% of those that are providing services to their members			
	Households reporting improved access to water -(%)								0	36	80
	Size of households reporting improved access to water - Number of people								0	38376	85280
	Total no. of households reporting improved access to water - Households				0	7675	17056				
	<b>2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities a/</b>				COI Surveys	Baseline, Midline and endline survey	MMR, DD, RD, NFC, NPCO				
	Number of POs - Organizations								0	43	96
	Total number of POs members - Number								0	864	1920
Young PO members - Number				0	259	576					
<b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>											

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Total number of household members	0	23026	51168				
	Households - Percentage (%)	0	27	60				
	Households - Households	0	4605	10234				
	<b>2.2.4 Supported rural producers' organizations providing new or improved services to their members a/</b>							
	Number of POs - Organizations	0	173	384				
	Total number of POs members - Number of people	0	3456	7680				
	Young POs members - Young people	0	1037	2304				
Output Output 1.1: Coastal Ecosystems rehabilitated & Livelihoods Developed	<b>3.1.4 Land brought under climate-resilient practices</b>				Progress report	Annual, Semi-annual	MMR, NPCO	Assuming that 60% of beneficiaries will be reached through support to the cooperative support units
	Hectares of land - Area (ha)	0	18300	61000				
	<b>2.1.2 Persons trained in income-generating activities or business management a/b/</b>				Progress report	Annual, Semi-annual	MMR, NPCO	
	Young - Young people	0	257	572				
	Persons trained in IGAs or BM (total)	0	1287	2860				
	<b>2.1.3 Rural producers' organizations supported a/</b>							
	Total size of POs - Organizations	0	5760	12800				
	Rural POs supported - Organizations	0	288	640				
Output Output 1.2: Sustainable inland dam fisheries & livelihoods developed	<b>Coastal management plan developed</b>					Annual, Semi-annual	MMR, NPCO	4 cage, 50 cucumber, 29 new inland cooperatives, 21 already existing inland cooperatives, 50 artisanal marine cooperatives & 30 small pelagic cooperatives (each group is assumed to have 20 members)
	Number of plans - Number	0	25	50				
	<b>Climate resilient fisheries infrastructure developed</b>				Progress report	Annual, Semi-annual	MMR, NPCO	
	Number of infrastructure - Number	0	25	50				
	<b>2.2.6 Households reporting improved physical access to markets, processing and storage facilities</b>				COI Surveys	Baseline, Midline and endline survey	MMR, DD, RD, NFC, NPCO	
Outcome 2: Enhanced Nutrition-Sensitive Fish Value Chain Development	Households reporting improved physical access to processing facilities - Percentage (%)	0	40	70				
	Households reporting improved physical access to processing facilities - Households	0	8520	14970				
	<b>1.2.9 Households with improved nutrition Knowledge Attitudes and Practices</b>				COI Surveys	Baseline, Midline and endline survey	MMR, DD, RD, NFC, NPCO	
	Households (number) - Households	0	7462	9594				
	Households (%) - Percentage (%)	0	35	45				
Output Output 2.1: Production, preservation, & processing of fish enhanced	<b>1.1.3 Rural producers accessing production inputs and/or technological packages a/b/</b>				Progress report	Annual, Semi-annual	MMR, NPCO	20 kiosks inland fish, 1 hatchery & 5 villages for sea cucumber, 50 cage culture, 50 IAAS, 14 cooperatives in land dams, 2 industrial enterprises for large pelagic & SBDF, 10 artisanal fisher cooperatives for large pelagic & SBDF
	Young - Young people	0	150	300				
	Total rural producers - Number of people	0	750	1502				
	<b>2.1.1 Rural enterprises accessing business development services</b>				Progress report	Annual, Semi-annual	MMR, NPCO	
Output Output 2.2: Marketing and consumption of fish	Rural enterprises - Enterprises	0	87	173				
	<b>2.1.6 Market, processing or storage facilities constructed or rehabilitated</b>				Progress reports	Annual	MMR, DD, RD, NFC, NPCO	
	Total number of facilities - Facilities	0	72	152				
Market facilities constructed/rehabilitated	0	24	46					



Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
& fish products enhanced	Processing facilities constructed/rehabilitated	0	24	60				villages for sea cucumber, 50 cage culture, 50 IAAS, 14 cooperatives in land dams, 2 industrial enterprises for large pelagic & SBDF, 10 artisanal fisher cooperatives for large pelagic & SBDF; 6 schools each with 500 students & pupils respectively are assumed to be reached (3 high school & 3 middle schools)
	Storage facilities constructed/rehabilitated	0	24	46				
	<b>1.1.8 Households provided with targeted support to improve their nutrition a/ b/</b>				Progress reports	Annual	MMR, DD, RD, NFC, NPCO	
	Total persons participating - Number of people	0	9594	13858				
	Households - Households	0	9594	13858				
	Household members benefitted	0	47970	69290				
	Young - Young people	0	3419	5771				
	<b>Number of learners in schools reached with nutrition education a/ b/</b>				Progress reports	Annual, Semi-annual	MMR, NPCO	
	Total Learners - Number	0	1500	3000				
	Outcome 3: Strengthened policy, institutional capacities & programme implementation	<b>SF.2.1 Households satisfied with project-supported services</b>				COI Surveys	Baseline, Midline and endline survey	
Household members - Number of people		0	37310	74620				
Households - Percentage (%)		0	35	70				
Households - Households		0	7462	14924				
<b>SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers</b>				COI Surveys	Baseline, Midline and endline survey	MMR, DD, RD, NFC, NPCO		
Household members - Number of people		0	31980				63960	
Households - Percentage (%)		0	30				60	
Households - Households		0	6396				12792	
<b>Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</b>				Progress report	Baseline, Midline and endline survey	MMR, NPCO		
Number - Number		2	2				4	
Output 3.1: MMR's institutional & policy formulation capacity developed	<b>Policy 1 Policy-relevant knowledge products completed</b>				Relevant legal in-country institutions or through qualitative surveys	Annual	MMR, DD, RD, NFC, NPCO	Fisheries cooperatives law, protocols revised, regulations and SOP revised, Nutrition guidelines on MNFs developed SMTP for availing loans (revolving fund) to fishers, renovate and support QC Lab, landing sites
	Number - Knowledge Products	2	3	7				
	<b>Policy 2 Functioning multi-stakeholder platforms supported</b>				Progress report	Annual, Semi-annual	MMR, NPCO	
	Number - Platforms	0	2	3				
	<b>Regulatory/policy institutions strengthened</b>				Progress report	Annual, Semi-annual	MMR, NPCO	
Institutions and financial institutions established/strengthened - Number	0	3	3					

a/ 40 per cent women

b/ 5 per cent persons with disabilities

## Integrated project risk matrix

<b>Risk categories and subcategories</b>	<b>Inherent</b>	<b>Residual</b>
<b>Country context</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Political commitment</b>	<b>Moderate</b>	<b>Moderate</b>
Risk(s): The ongoing Sudan Crisis and regular conflicts in the Red Sea region and attacks by rebels may impact the country's ability to invest in the marine and other development sectors and mobilize counterpart funds.		
Mitigations: Engage with humanitarian to tap into their early warning systems, risk/conflict assessment tools and crisis modification. In addition, flexibility and quick deployment of IFAD's Restructuring Policy as needed.		
<b>Governance</b>	<b>Moderate</b>	<b>Moderate</b>
Risk(s): <ul style="list-style-type: none"> <li>• Poor or non-functional public auditing systems</li> <li>• Insufficient standards mechanism and procedures in place.</li> </ul>		
Mitigations: Reinforcement of internal control system for project, strengthening of Government and Ministries institutional capacities are scheduled in project component 3 in term of adequate training, equipment and technical assistance for policy enforcement and implementation. As well, producer organizations and cooperatives will benefit from project support to build their institutional capacities.		
<b>Macroeconomic</b>	<b>High</b>	<b>High</b>
Risk(s): The Gross Domestic Product (GDP) of Eritrea relies heavily on services (59.9 per cent) and non-manufacturing (17.3 per cent). Industry accounts for 5.9 percent, while agriculture and fisheries contribute only 16.9 per cent, although the sector employs 65-70 per cent of the population. The fisheries sector alone contributes about 3% of the country's GDP. In addition, private-sector activity remains weak, prices are controlled, and most segments of the fisheries value chain are controlled by Government, which could be a deterrent for sustainable investments by beneficiaries. Overall, this could impact the sustainability of fisheries investments.		
Mitigations: <ul style="list-style-type: none"> <li>• SFLP will ensure that business plans underpin investments.</li> <li>• The Programme will support the development of a sector-wide Fisheries Management Plan and viability assessments of various enterprises, including boat-making, fish-drying etc.</li> <li>• SFLP will scale up the asset financing model developed under FReMP to sustain the country's small-scale fishing sector and train producer organizations to manage asset financing revolving funds.</li> <li>• SFLP will also focus on addressing a demand from local markets and import substitution.</li> </ul>		
<b>Fragility and security</b>	<b>High</b>	<b>High</b>
Risk(s): <ul style="list-style-type: none"> <li>• Climatic and environmental vulnerability of the country can induce reverse situations by drought which lowers or make projects efforts void.</li> <li>• Ministries are facing a lack of skilled staffs and equipment to accompany the development and reconstruction objective.</li> </ul>		
Mitigations: <ul style="list-style-type: none"> <li>• The Government has prioritized the agriculture and fisheries sectors with youth involvement, which may play a great role in peace and social stability.</li> <li>• The country team will closely monitor the nation's social and security situation, allowing for strategy adjustments as needed, including addressing issues related to fragility.</li> </ul>		

<b>Sector strategies and policies</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Policy alignment</b>	<b>Moderate</b>	<b>Moderate</b>
Risk(s): Even though it is generally agreed that several institutions (Ministry of Agriculture, Ministry of Land, Water and Environment, National Union of Eritrean Women, National Union of Eritrean Youth) will play an essential role in SFLP, there is limited coordination across sectors.		
Mitigations: <ul style="list-style-type: none"> <li>• SFLP will support the development of a framework for involving the relevant public and private institutions with the scope to formalize the partnerships through MoUs.</li> <li>• Programme Coordination Offices (PCOs) have been established at the national and Zoba levels to effectively coordinate and implement the different Programme activities.</li> <li>• Programme planning, implementation, monitoring, and evaluation have been mainstreamed into the decentralized Government institutional frameworks and aligned with Government's strategic development goals and sector policies.</li> </ul>		
<b>Policy development &amp; implementation</b>	<b>Moderate</b>	<b>Moderate</b>
Risk(s): <ul style="list-style-type: none"> <li>• The key policy frameworks to guide the implementation of SFLP have not been finalized/approved i.e. <ol style="list-style-type: none"> <li>National Development Plan,</li> <li>Cooperative Development Policy and</li> <li>Fisheries Development Strategy and</li> <li>Aquaculture Development Strategy.</li> </ol> </li> <li>• There are significant systemic gaps at the institutional and policy levels, e.g., appropriateness of procedures and regulatory frameworks to guide the implementation of rural development projects (e.g., national procurement framework, limited technical and institutional capacities at all levels, inadequate financial management and M&amp;E systems which impact on the ability to quantitatively demonstrate development impact.</li> </ul>		
Mitigations: <ul style="list-style-type: none"> <li>• FREMP supported the development of key policies, i.e., the Fisheries Management Plan and the Aquaculture Development Strategy.</li> <li>• SFLP will also continue following up on the Cooperative Development Policy. However, in the interim, all cooperatives are registered under the Ministry of Marine Resources</li> <li>• Capacity needs assessment has been conducted. This will inform capacity development interventions and the provision of specialized technical assistance.</li> </ul>		
<b>Environment and climate context</b>	<b>High</b>	<b>High</b>
<b>Project vulnerability to environmental conditions</b>	<b>High</b>	<b>High</b>
Risk(s): The cumulative effects of salinity, erosion and siltation of river channels, lakes and dams can deteriorate water quality and fish breeding habitats, thereby degrading fish production, fish migration potential resulting in increased vulnerability or deterioration of target populations' livelihoods and ecosystems.		
Mitigations: <ul style="list-style-type: none"> <li>• Restored coastal ecosystem services through the rehabilitation and planting of mangroves, can reduce coastal erosion, increasing habitat for fish.</li> <li>• Restored terrestrial ecosystem services through interventions in watershed management, reducing soil erosion and sedimentation of downstream reservoirs and rivers, increasing water retention and dry-season water availability</li> </ul>		

<ul style="list-style-type: none"> <li>• Institute measures to reduce soil erosion like contouring and terracing, stabilising slopes and banks, grass strips, re-vegetation, use of gabions, etc.)</li> <li>• Capacity building on environmental management and Ecosystem rehabilitation will be promoted.</li> <li>• Restocking and promotion of saline tolerant fish species in dams and reservoirs</li> <li>• Supply of potable water to the coastal and island communities and fishery processing</li> <li>• Invest in infrastructure for desalinisation</li> <li>• Site-specific Environmental and Social Management Plans (ESMPs) will be developed to minimize adverse environmental impacts.</li> </ul>		
<b>Project vulnerability to climate change impacts</b>	<b>Substantial</b>	<b>Substantial</b>
Risk(s): The targeted populations are vulnerable to drought, erratic rainfall, and high temperatures, which affect fish productivity resulting in increased vulnerability or deterioration of target populations' livelihoods and ecosystems		
Mitigations: <ul style="list-style-type: none"> <li>• Climate-smart fish production, climate change awareness, and early warning systems will be promoted.</li> <li>• The project will invest in renewable energy. LED solar lighting and efficient drying kilns in fish processing, cooling trucks, refrigerators and cooler boxes on tracks</li> <li>• SFLP will also promote the dissemination of climate information for fishers/farmers to make informed decisions.</li> <li>• The climate risks will be mitigated by investment in improving and sustaining climate resilient ecosystems both at the coast (including mangrove rehabilitation) and inland (watershed management).</li> <li>• Monitor fish migration patterns and analyze migration extent influenced by climatic changes.</li> <li>• A targeted adaptation assessment was developed during design to assist in developing site-specific adaptation options.</li> </ul>		
<b>Project scope</b>	<b>Low</b>	<b>Low</b>
<b>Project relevance</b>	<b>Low</b>	<b>Low</b>
Risk(s): The fact that SFLP is a national programme may result in resources (financial and technical) being spread too thinly, which may negatively impact implementation and affect the achievement of the development objectives.		
Mitigations: Cautious programme planning will be sought to avoid unnecessary budget expenditure.		
<b>Technical soundness</b>	<b>Low</b>	<b>Low</b>
Risk(s): <ul style="list-style-type: none"> <li>• Poor handling or lack of adequate technical solutions for the issues of renewable energy during the design of the project.</li> <li>• Failure of the design to address the issues of a viable business model under the prevailing macroeconomic context that is not market driven.</li> <li>• Poor availability of reliable data for perspectives during design in terms of socio-economic data, exports and production trends and statistics in the country.</li> </ul>		
Mitigations: <ul style="list-style-type: none"> <li>• Recruitment of highly experimented infrastructures consultant specialized on renewable energy.</li> <li>• A partnership with World Fish is foreseen for data collection and availability prior to design.</li> <li>• Reflexions during design will be built on Government policies related to private investment and business opportunities and experiences of the</li> </ul>		

National fishery commission on fish market. Discussions and consultations will go on exploring all opportunities and regulatory framework.		
<b>Institutional capacity for implementation and sustainability</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Implementation arrangements</b>	<b>High</b>	<b>High</b>
<p>Risk(s):</p> <ul style="list-style-type: none"> <li>• High rate of staff turnover.</li> <li>• Generally low levels of financial management capacity.</li> <li>• Cooperative Support Unit (CSU) is still weak to be able to manage the size of the fishing inputs planned and the related loans to fishers.</li> <li>• In the prior project, the PSC and PTC were rarely convened in a formal manner. Guidance and decisions for the top governance structure are wanting. This leaves lower-level Management waiting for guidance and advice on some implementation measures.</li> <li>• Lack of a standalone project team.</li> </ul>		
<p>Mitigations:</p> <ul style="list-style-type: none"> <li>• MMR has appointed technical leads for the project from the MMR Departments, who will be responsible for the technical execution of the project. This will assist with the overall coordination and preparation of technical specifications.</li> <li>• Provision of specialized international technical assistance in Project coordination and management as well as fiduciary system. This will also ensure institutional capacity development at all levels, based on capacity training of young staff, as well as underpinning investments in business plans.</li> <li>• FM requirements are to be kept as simplified as possible.</li> <li>• Boost the capacity of CSU (skills and equipment), including the purchase and installation of the Loan Performance Software, and ensure business plans underpin investments.</li> <li>• SECAP and specific quotas for the inclusion of women and youth. Include self-targeting activities attractive to these social categories (women and youth).</li> <li>• Capacity development for team</li> <li>• Assign at least a standalone project coordinator.</li> </ul>		
<b>M&amp;E arrangements</b>	<b>Moderate</b>	<b>Moderate</b>
<p>Risk(s):</p> <ul style="list-style-type: none"> <li>• Weak M&amp;E systems, GIS and CKM Capacities to consolidate, analyze data and report on outcomes for enhanced usage in planning and reporting on programmes achievements.</li> <li>• Different reporting systems across the Zobas</li> <li>• Poor access, such as internet for the timely reporting and tracking</li> <li>• Implementation scope for planning and reporting</li> <li>• Clarity of stakeholder's roles and involvement in M&amp;E and CKM</li> <li>• Limited Information on National Development Plans (NDP) as a basis for planning and reporting on MTP Outcome Indicators for references</li> </ul>		
<p>Mitigations:</p> <ul style="list-style-type: none"> <li>• Specialized Technical Assistance and use of college and university interns/graduate to support M&amp;E, GIS as well as CKM implementation</li> <li>• Participation in PRIME training of project staff</li> <li>• Monitoring and evaluation (M&amp;E) and knowledge management system will build on the strengths and weaknesses of FReMP's project years and the other IFAD-supported Programmes in Eritrea</li> <li>• NPCO M&amp;E Specialist has developed simple and user-friendly tools for data collection, data entry, processing (analysis) and reporting</li> <li>• Allocate resources for connectivity.</li> </ul>		
<b>Procurement</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Pillar I – Legal, Regulatory and Policy Framework</b>	<b>Substantial</b>	<b>Substantial</b>

Risk(s): There lacks a functional public procurement framework that can be relied upon for processes and procedures.		
Mitigations: Project procurement will use IFAD's Handbook and IFAD's Standard Procurement Documents for all procurement activities.		
<b>Pillar II – Institutional Framework and Management Capacity</b>	<b>Substantial</b>	<b>Substantial</b>
Risk(s): There lacks a verifiable framework on local financial procedures and systems, including responsibilities of the normative/regulatory function. There is poor internet infrastructure that cannot support publication of public procurement information and the Rate of change in Technology may impact substantively on the overall pricing for key procurement transactions and pose a challenge on information transfer by bidders. Procurement is not recognized as a profession though there are procurement functions in Government. Characterized by high staff turnover. There is no strategic policy making on procurement informed by the system's performance.		
Mitigations: IFAD Financing covenants will define the budgeting and disbursement cycles while the IFAD project procurement principles as defined in guidelines will apply. The use of IFAD's Contract Monitoring Tool shall ensure publication on IFAD's Project Procurement site. Publish contract awards in the same platforms they are advertised. All project procurement staff are to be provided with a TOR and trained in BUILDPROC. The project will also benefit from using the same NPCO as FReMP who are already familiar with IFAD requirements.		
<b>Pillar III – Public Procurement Operations and Market Practices</b>	<b>Substantial</b>	<b>Substantial</b>
Risk(s): There is limited market research, with poorly specified requirements resulting in high rate of unsuccessful procurements and roll-over of requirements to subsequent planning periods. The supplier market is largely unresponsive, with barriers to entry for local suppliers, leading to a concentration of same suppliers for project procurement needs and a reliance on Direct Contracting/SSS. Contracts are characterized by time and cost overruns.		
Mitigations: Use of technical support expertise in needs analysis, defining requirements and packaging procurements. Close monitoring by IFAD, Use of CMT and training for both procurement and technical staff. Use of Simplified Project Procurement Procedures for Fragile and Conflict Affected Situations (March 2023).		
<b>Pillar IV – Accountability, Integrity and Transparency of the Public Procurement System</b>	<b>Substantial</b>	<b>Substantial</b>
Risk(s): There is no established programme to train internal and external auditors to ensure that they are qualified to conduct high-quality procurement audits. The appeal mechanism is not defined by law. From review of past appeals, these are handled at the level of the Minister with no possibility for further appeal. There is no record of anti-corruption measures in place. The society is reputed to be of high integrity despite being ranked 162nd among the 180 countries in the 2022 corruption Index.		
Mitigations: Project audits to be undertaken in a timely manner as required by loan covenants, and auditors to have adequate knowledge of public procurement as a condition for carrying out procurement audits. There should be use of IFAD prohibited practices provisions in SBDs/SPDs along the whole procurement cycle.		
<b>Financial management</b>	<b>High</b>	<b>High</b>
<b>Organization and staffing</b>	<b>High</b>	<b>High</b>
Risk(s): There are two administrative levels of implementation of the programme that will have fiduciary responsibilities, namely the national level, which will have the National Programme Coordination Office (NPCO)		

and the Zoba Programme Coordination Office (ZPCO) at regional levels for all six participating regions where activities are carried out on the ground. Previous IFAD-funded projects implemented through similar structures have had issues with the timeliness and quality of financial reports from Zobas to the national level, which has consistently led to delays in financial reports to the NPCO and IFAD. Another risk is that FIVAC will also have some level of complexity because the programme is co-financed by GCF. While PMU may have relatively experienced and qualified personnel, the Zobas often lack qualified staff with experience in managing funds from IFAD, GCF, and other donors.		
Mitigations: To mitigate the risk of quality and timeliness of financial reporting from Zobas, it is proposed to have accountants in each Zoba to ensure accuracy, completeness, and timeliness of financial reports and bank reconciliations from Zobas to the NPCO. To ensure the staff at both the NPCO and ZPCO are familiar with IFAD and GCF procedures, FMD will provide capacity-building training to the finance staff who will be selected to manage the finances of the project. The capacity building will include familiarisation with procedures for financial reporting, expenditure categorization across components and categories, financial reporting timelines, and other financial management related to the programme.		
<b>Budgeting</b>	<b>High</b>	<b>High</b>
Risk(s): The programme has multiple financiers, namely IFAD, GEF, government contributions, and beneficiary contributions. There is a risk of a mix-up in budgeting and expenditure allocations among these multiple financiers. There may also be a risk that annual work plans and budgets are not prepared or revised on a timely basis and are not executed in a coherent manner, resulting in funds not being available when needed, ineligible costs, reallocation of programme funds, and slow implementation progress. Budget accuracy has also been an issue in the ongoing FReMP project		
Mitigations: The cost tables, PDR, and PIM have adequate details on key activities to be implemented and sources of finances for these costs. Subsequently, the AWPB will be prepared with adequate details on financing for key activities to ensure adequate guidance to the accounting team in recording the expenditure. The AWPB will be codified to show, for each activity, the sources of funding, the component, location (Zoba), quarter of planned activity, and any other analysis code required to simplify reporting to the government and donors. The NPCO will coordinate the budget preparation processes in close coordination with ZPCOs. Budget monitoring will be carried out periodically, at least on a quarterly basis, and any significant deviations will be discussed within the project steering committee for remedial actions. The approved budget will be coded in the accounting system to allow monitoring by location, component, and category.		
<b>Funds flow/disbursement arrangements</b>	<b>Substantial</b>	<b>Substantial</b>
Risk(s): There is a risk of commingling of funds at the NPCO, which will be provided with advances for the implementation of programme activities. The funds are received at the Central Bank of Eritrea and then sent to the NPCO accounts at the Ministry of Marine Resources. The NPCO then sends advances to the ZPCO based on planned activities. In addition to external development partners financing, there are counterpart funds expected to be received from the government of Eritrea.		
Mitigations: To mitigate the risks of commingled funds and ease of accounting for any advance provided, funds will be held in programme-designated accounts in foreign currency for which there will be monthly bank account reconciliation and financial reports. The NPCO would also maintain separate operational accounts for each financier and the		

government contribution. Each Zobas will have a separate operational account for donor funding and government contributions. There will be monthly financial reports from ZPCOs to NPCO for monitoring operations and to facilitate quarterly reports to donors.		
<b>Internal controls</b>	<b>High</b>	<b>High</b>
Risk(s): The NPCO will be responsible for the overall financial management of the Programme. It will be responsible for releasing funds against agreed plans drawn out of the approved AWPBs, disbursing funds to implement ZPCOs, and coordinating monitoring and financial reporting for the programme as a whole. There may be a risk that appropriate controls over programme funds are not in place, leading to the inefficient or inappropriate use of programme resources.		
Mitigations: Internal controls have been instituted in the whole framework of financial and administrative procedures. The identified controls range from proper record keeping and posting, authorization of accounting, procurement, and administrative documents, balancing and checking, physical security of assets, double signing (approval) arrangements, to financial reporting and monitoring. There will be an internal audit function to check overall compliance with internal controls and provide support towards improving systems, procedures, and processes. The control environment will be monitored using both internal and external audits and oversight.		
<b>Accounting and financial reporting</b>	<b>High</b>	<b>High</b>
Risk(s): There is a risk of delays in the consolidation of programme financial reports at NPCO which will be preparing consolidated financial reports for the programme and inaccurate financial reporting due to the complex nature of the programme which has multiple financiers, categories, and components. There is also the possibility of delays and inaccuracies in financial reporting due to improper coding of transactions and the multiple currencies that may be involved. There is also the possibility of delays and inaccuracies in financial reporting due to the multiple Zobas involved in the implementation of the programme and having fiduciary responsibilities.		
Mitigations: To mitigate the risks of financial reporting, an appropriate accounting system capable of off-line recording and merging data from multiple locations will be acquired to facilitate financial analysis and reporting by component, category, financier, reporting quarter, cumulative for the year, and cumulative since the start of the programme, including the recording of memorandum data on in-kind contributions (IKC). The system will allow data from the Zobas to be consolidated at the NPCO to ease reporting to IFAD. There will be a harmonised financial reporting template for all financiers to ease financial reporting.		
<b>External audit</b>	<b>Substantial</b>	<b>Substantial</b>
Risk(s): The project will be audited by the Office of the Auditor General, the Supreme Audit Institution of Eritrea. There is a risk of inadequate audit coverage of the programme audit considering the programme covers all the Zobas of the country. There is a risk of inadequate audit coverage of the programme audit considering the OAG of Eritrea may be understaffed and not adequately resourced. There is also the risk of delays in the release of audit reports because of slow review processes and approval by the Auditor General.		
Mitigations: Mitigations: early engagement of the Auditor General (OAG) for discussion on the quality of audit services; selection of private auditors approved by IFAD; (ii) training of the private auditors and finance staff on IPSAS cash-basis accounting; (iii) IFAD Finance Officer participation in audit entry and exit meetings; (iv) follow-up and reviews by the IFAD Finance Officer on implementation of prior audit recommendations. During design, explore the availability and capacity of the Office of the Auditor		



General to better supervise work done by the approved private auditors to improve the financial reporting quality of the project. A comprehensive audit coverage plan has been prepared that will ensure adequate audit coverage. The plan provides for adequate annual audits at NPCOs and ZPCOs. Every ZPCO will be audited once every two years to ensure regular reviews throughout the programme's implementation. The project will be audited by a private external auditor but supervised by the Office of the Auditor General, which is the Supreme Audit Institution of Eritrea. The auditor will prepare a work plan to ensure adequate coverage of ZPCOs and major risk areas of the programme. The audit terms of reference will be approved in advance by IFAD in line with the guidance provided in the IFAD Handbook on Financial.		
<b>Environment, social and climate impact</b>	<b>Substantial</b>	<b>Low</b>
<b>Biodiversity conservation</b>	<b>Low</b>	<b>Low</b>
Risk(s): Dams selected for fisheries programmes may be affected by agricultural and other activities in their catchment areas, resulting in their siltation and the destruction of the fish habitat, ultimately affecting fish production. Fish quality will be affected (fish from polluted water can cause human health problems or not be accepted for food). Overproduction of fish from dams will also affect the lower stream agricultural activities and the water quality. Mangroves may be cut down for energy as firewood for households and sea cucumber fishing operations.		
Mitigations: <ul style="list-style-type: none"> <li>• SFLP will work closely with MoA so that the catchment areas of dams will be managed properly.</li> <li>• Plant trees and vegetation in the catchment areas to reduce soil erosion, which contributes to siltation.</li> <li>• SFLP will promote mangrove and halophyte planting, resulting in various positive impacts, including the i) Protection of coastal erosion and micro-climate balance.</li> <li>• Regularly monitor water quality to detect and address pollution sources early.</li> <li>• Training will be provided to fishing communities on fishing practices, restocking, alternative production systems and sustainable harvesting.</li> </ul>		
<b>Resource efficiency and pollution prevention</b>	<b>Low</b>	<b>Low</b>
Risk(s): The risk of pollution of water and soil from boat/engine Maintenance.		
Mitigations: Proper handling of waste from the maintenance processes, e.g., used oil should not be discharged into the environment but collected and properly recycled. Site-specific ESMPs will also guide practical steps to reduce pollution.		
<b>Cultural heritage</b>	<b>Low</b>	<b>Low</b>
Risk(s): There is a very low risk that SFLP will be implemented in areas of cultural heritage sites where it could cause loss of resources of historical, religious or cultural significance.		
Mitigations: Feasibility studies developed under SFLP, especially regarding infrastructure development, will ensure cultural heritage sites will not be targeted by project interventions.		
<b>Indigenous peoples</b>	<b>Low</b>	<b>Low</b>
Risk(s): Eritrea does not recognize the concept of 'indigenous peoples'; however, there are various ethnic groups. Instead of the Indigenous People concept, a vulnerable and disadvantaged community comprising groups such as Women Headed Households, returnees, IDPs, the youth and the elderly will be considered.		

Mitigations: The project targeting strategy has a focus on the vulnerable in each project area, which in turn is selected based on multiple and explicit criteria. SFLP will ensure rigorous implementation of the targeting and social inclusion strategy. Community-based methods such as community conversations along with robust GRM mechanisms will aid the project in identifying risks of exclusion and can trigger mitigation measures. Partnerships with key stakeholders, including organisations with persons with disabilities, will guide NPCO on disability-inclusive designing and facilitate participation in project activities, including persons with disabilities from different ethnic groups.		
<b>Community health and safety</b>	<b>Low</b>	<b>Low</b>
Risk(s): Diseases and illnesses related to fishery operations		
Mitigations: SFLP will promote the implementation of health and safety and emergency response plan, create awareness, educate, and follow occupational and health standards for each activity and monitoring. SFLP will work with the Government mines agency to ensure that sections with the known presence or risk of land mines would not be targeted. The programme will provide basic first aid training and life jackets and other safety equipment's to fishers operating in the 50 inland dams supported by SFLP.		
<b>Labour and working conditions</b>	<b>Moderate</b>	<b>Moderate</b>
Risk(s): The long-standing national requirement of community labour contribution for several weeks a year might represent a risk, but a more significant risk of triggering IFAD labour-related safeguards is the potential of conscript (universal national service) labour being used unremunerated or inadequately remunerated in infrastructure-related activities either by contractors and/or as a government contribution		
Mitigations: SFLP will promote cash for work programmes and engage competitive bidding methods in the procurement of all works. The classification of professional staff will be guided by the TORs and qualification as detailed in the PIM. SFLP will also facilitate a labour assessment study during implementation to guide in identifying additional mitigation measures.		
<b>Physical and economic resettlement</b>	<b>Low</b>	<b>Low</b>
Risk(s): No activities anticipated to trigger IFADs' rigorous thresholds for economic or physical resettlement		
Mitigations: SFLP will facilitate the organization, capacity building and linkage of appropriate financing mechanisms to engage in meaningful income-generating activities and improve the livelihoods of community members.		
<b>Greenhouse gas emissions</b>	<b>Low</b>	<b>Low</b>
Risk(s): Possible emissions from fishing vessels and the fuel used at processing plants		
Mitigations: The project will promote the use of fuel-efficient fishing vessels; promote the use of static fishing gear where possible; promote the use of renewable energy in fish processing, i.e., drying, storage and transportation. The risk will be assessed using the FAO Ex Ante carbon tool.		
<b>Vulnerability of target populations and ecosystems to climate variability and hazards</b>	<b>Substantial</b>	<b>Substantial</b>
Risk(s): The target area is vulnerable to rainfall variability and droughts. The area is also prone to wildfires and water scarcity.		
Mitigations: Climate-smart fish production will be promoted <ul style="list-style-type: none"> <li>community-based fire management strategies. Conduct regular fire prevention awareness campaigns, establish firebreaks around aquaculture</li> </ul>		

<p>sites, and train community members in firefighting techniques to reduce the risk of wildfires affecting the project.</p> <ul style="list-style-type: none"> <li>• Develop knowledge base and decision-support systems for climate change and fisheries and aquaculture including improved monitoring and early warning systems.</li> <li>• Adapting to climate change by diversifying the fisherman's livelihoods.</li> <li>• Choose fish species that are well-suited to drought conditions and can tolerate fluctuations in water levels and quality. Species like tilapia are known for their adaptability to varying environmental conditions. Disaster Risk Reduction planning should be mainstreamed. All interventions must have a feasibility study which incorporates disaster risk. The GEF project financing will finance some of the most pressing risk mitigations.</li> </ul>		
<b>Stakeholders</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Stakeholder engagement/coordination</b>	<b>Moderate</b>	<b>Moderate</b>
<p>Risk(s):</p> <ul style="list-style-type: none"> <li>• Harmonization between NPCO and Zoba PCOs – financial management, M&amp;E, implementation</li> <li>• Weak inclusion of beneficiaries in decision-making related to activities concerning or involving the beneficiaries can lead to a lack of ownership and low sustainability of the project's interventions</li> </ul>		
<p>Mitigations:</p> <ul style="list-style-type: none"> <li>• Based on IFAD's Framework for Stakeholder Engagement (2019), a stakeholder engagement strategy/plan will be prepared using participatory tools in AWPB preparation, implementation and monitoring.</li> <li>• The Programme will adopt a bottom-up community-driven planning process in alignment with the GoSE's decentralized participatory planning system tailored to local needs and community priorities.</li> <li>• GRM committees will be established at the NPCO, ZPCO and cooperatives level</li> </ul>		
<b>Stakeholder grievances</b>	<b>Moderate</b>	<b>Moderate</b>
<p>Risk(s): As a result of limited knowledge and experience among IFAD staff, consultants, project staff, and senior government representatives from lead project executing agencies on how to set up and operate grievance redress mechanisms, there is a likelihood that grievance redress mechanisms (including with respect to allegations of non-compliance with IFAD's E,S,C standards, fraud, corruption, or SEA) will be inefficient, leading to unaddressed stakeholder complaints that may undermine the benefits of a meaningful and continuing engagement and feedback from populations targeted and their representatives throughout the project cycle.</p>		
<p>Mitigations: SFLP will carry out capacity building for Project staff and senior government representatives from lead project executing agencies to effectively engage stakeholders and feedback for IFAD investments. A grievance redress mechanism will be developed for the project to provide a channel through which complaints can be raised.</p>		