



February 2009

REPUBLIC OF YEMEN

**IMPROVED CAPACITY FOR ENSURING THE QUALITY
AND SAFETY OF YEMENI SEAFOOD PRODUCTS**

THIRD PROGRESS REPORT

August 2008 – January 2009

PROJECT STDF 69

A PROJECT FINANCED BY STDF AND YSEA

This report has not been formally edited by YSEA and the International Trade Centre (ITC)

August 2008 – January 2009

Project Name:	IMPROVED CAPACITY FOR ENSURING THE QUALITY AND SAFETY OF YEMENI SEAFOOD PRODUCTS		
Executing Agency:	Yemeni Seafood Exporters Association (YSEA)	Project supervisor:	International Trade Centre UNCTAD/WTO (ITC)
PROJECT DESCRIPTION:	<p>The project is aimed at enabling YSEA to develop the capacity of its members to better meet the commercial requirements of SPS measures and thereby improve the quality and safety of seafood products emerging from Yemen. In particular the project's main objectives are to:</p> <ul style="list-style-type: none"> - Raise the minimum standard of Yemeni seafood in terms of quality and health in order to reduce the risk sometimes associated with these products and to improve opportunities for value adding. - Instil a greater understanding of export market needs and requirements so that Yemeni seafood producers can respond to these markets and maintain their competitiveness with other producers. - Enable YSEA to become an effective and proactive organisation that provides both the private and public sector with the information and resources to improve the quality of their products and ability to access key overseas markets. 		
Project Start Date:	1 August 2007	Project End Date:	31 July 2009 (Request for extension of project duration until 31 December 2009 has been submitted to WTO)

1. Budget overview

	STDF contribution to YSEA (USD)	YSEA Contribution (USD)	Total (USD)	% of Total project cost
Projected Total Project Budget (USD)	408,750.00 ¹	80,975	489,725.00	100 %
Total expenditure to date (USD)	128,439.01	45,127.15	173,566.16	36%
Expenditure for reporting period (USD)	14,613.22	17,986.00	32,599.22	7 %
Unspent funds (USD)	280,310.99 ²	35,847.85	316,158.84	65%

¹ The STDF total contribution to the project is USD 425,510.00. This amount is broken down as follows: USD 408,750.00 to YSEA and USD 16,760.00 to ITC to cover its estimated supervisory services costs associated with five trips to Yemen (DSAs and flight tickets to Yemen)

² The third instalment of project funds (i.e. USD 81,749), due by October 2008, has not yet been transferred to YSEA and this is required to speed up implementation of the project activities

2. General Reporting

A. BROAD PROGRESS ACHIEVED TO DATE:

The year and half of the project was devoted to complete the project start-up phase that was necessary to build the local capacity and the foundation for an effective and efficient implementation of the project activities and commence the delivery of the Work Packages' outputs. The main work achieved to date consists, inter alia, of the following:

- (i) Finalisation of contracting actions between YSEA, WTO and ITC as supervisory agency;
- (ii) Strengthening of the project management structure with definition of roles and responsibilities of the relevant stakeholders;
- (iii) Development of YSEA administrative procedures with regard to contracting arrangements for International and National Consultants, travel planning and financial payment disbursement along the lines of the ITC/UN procedures/formats;
- (iv) Appointment of all project team members; besides the YSEA project members, the project team is composed of a Project Manager, three YSEA Thematic Coordinators, five National and five International Consultants;
- (v) Starting of all the Work Packages with conduct of five missions of International Consultants and two ITC monitoring missions;
- (vi) Drafting of mission reports carried out to Yemen and project outputs with broad collection of feedback among concerned parties (YSEA, ITC and the project team);
- (vii) Drafting of YSEA strategy 2009 – 2015, discussed and finalized with YSEA Board of Directors;
- (viii) Development of YSEA action plan for the year 2009;
- (ix) Starting the arrangements to hold a workshop on the fisheries sector in the last half of March 2009;
- (x) Transferring by WTO to YSEA of 40 per cent of the total STDF contribution e.g. USD 163,499;
- (xi) Project office in Sana'a furnished with required equipments as mentioned in the project budget.

B. BROAD WORK ACHIEVED THIS PERIOD:

The last six months have been devoted to continue planning and carrying out the implementation of the remaining project activities. A lot of effort has been made by the main parties to speed up the delivery. The following work has been achieved in the last six months:

Work related to the management of project activities

- Regular conference calls over Skype among YSEA, ITC and international consultants have been conducted to monitor the status of project implementation.
- On 1 November 2008 a meeting was held in YSEA office to discuss the status of implementation of STDF 69 and to collect feedback on the missions' reports and address technical issues. The meeting was attended by YSEA Secretary General, National Project Coordinator, Project Manager, National Consultants on Marketing, Training, and Quality Control. Based on that meeting, YSEA made the required comments to ITC on the activities carried out up to the end of October 2008.
- The second progress report covering the period February – August 2008 was submitted in October 2008. The third instalment of funds (i.e. USD 81, 749) has not been transferred to YSEA up to day; this is subject to approval of the second progress report by STDF.

Work related to the implementation of project activities

- A mission of the IC on Business Management (WP 3.1) was planned and executed from 14 to 19 December 2008

- The following work has been achieved:

- *WP 1.1: Application of risk assessment methodologies*
- *WP 1.2: Development of an SPS standard*
- *WP 2.1: Development of an SPS Strategy*

The report of the first mission (26 April to 10 May 2008) led by the IC on Quality Control (I. Goulding) concerning the above WPs has been finalized and is to be circulated among stakeholders.

The draft Guide on Food Safety Hazards for fish processing in Yemen is being drafted by the IC. Collection from the main stakeholders of the feedback on the guide is ongoing. Once finalised and approved, the guide would be translated into Arabic.

The draft Sanitary Standard for export of fisheries products has been drafted by the IC and NC on Quality Control. Collection from the main stakeholders of the feedback on the guide is ongoing.

The outline on the SPS Strategy is being drafted and will be shared with the main stakeholders, and representatives of the private and public sectors in Sana'a in March 2009 on the occasion of a workshop on the fisheries sector organized by YSEA.

- *WP 1.3: "Develop Yemeni seafood quality mark"*
- *WP 2.2: "Compile SPS regulation database"*

A second mission of the International Consultant on Marketing is planned from 24 February to 4 March 2009. The draft SPS Standard document (WP 1.2) would be used as inputs to develop the quality mark.

As part of the promotion activities run by YSEA:

- Two fisheries enterprises, members of YSEA, i.e. Burum Seafood Co and Altamimi Fisheries Company participated in the second Seafood Expo 2008 – Dubai for the period 27 – 29 October 2008. This participation was sponsored by the Yemeni participating companies and helped give some visibility to YSEA.
- YSEA participated in the first Arab fishery investment conference held in Sana'a 23 – 24 November 2008.
- YSEA participated in the first national conference on exporting non – oil products in Sana'a on 24 – 25 November 2008, where YSEA Secretary General presented a paper to the conference on "Promote the Yemeni exports towards enhancing non – oil Yemeni exports and increase its competitiveness". The conference was organized by the Yemeni Exports Supreme Council.

- *WP 1.4: Develop a cross-sector training strategy based on common standards*

A Skype conference call among main parties was hosted on 18 November 2008 to monitor progress. Training programme and curricula have been drafted and require clearance by the parties to commence the delivery of the training programme in April 2009.

WP 3.1: Support development of a vision, strategy and action plan for YSEA

A second mission, led by the IC on Business Management (L. Joker) conducted from 14 to 20 December 2008, helped design the draft YSEA strategy 2009 – 2015. The draft strategy is a result of a joint development process in which the participation of the YSEA Secretary General, YSEA Executive Manager and Project Manager has been crucial. On 19 December 2008 the draft strategy was presented to and endorsed by YSEA BoD.

A SWOT analysis has been developed and included in the strategy to provide an overview of the current situation of the fisheries sector in Yemen; as such it forms an important background for the subsequent

strategy for YSEA towards 2015.

The deep involvement of YSEA Secretary General and Executive Manager in developing the strategy should ensure ownership of the strategy and the capacity to revise and add to the more operational part of the strategy, e.g. Services and Action Plan. The strategy will enable YSEA in the longer term to deliver services to its members based mainly on income sources from the industry itself and to a lesser extent from national agencies and international donor agencies. The Services described in the strategy have been identified and developed during 2008 and will need revision annually as new initiatives will transpire continually from the work being undertaken by YSEA as well as from external side, effects of the recession of the global economy being one major factor to monitor.

The required budget for operating the office of YSEA is based upon the assumption that Services would be financed and therefore would require the recruitment of additional staff to provide services towards members as well as to manage and implement different projects. More detailed budgets will be elaborated in the concept notes that are to be developed for each of the Services:

- S 1: Advisory and mediator role towards the national and international authorities
- S 2: International Seafood Promotion and study tours
- S 3: Services to YSEA members
- S 4: Executive Management and Line Management Training
- S 5: Code of conduct for YSEA members
- S 6: Landing site – pilot model demonstration and improvement of post harvest handling
- S 7: Studies and research

The YSEA and YSEA members will be able to foster considerable amounts of funds for implementing the work packages (30%); however, without external funding a much less ambitious work plan will be possible for YSEA. For the period 2009-2015 an estimated USD 2.6 million would be required for YSEA to realise the work packages identified and for at achieving the vision: “Develop the Yemeni seafood sector in a sustainable and transparent manner by addressing pertaining issues from catch to consumer, involving all stakeholders and by building capacity of the YSEA members to increase global market share of high quality products”. The international donor community shall be approached with the strategy and more detailed concept notes describing the expected outcome of the work packages, in order to raise the necessary funds for implementing the strategy.

The strategy will be presented to the industry and politicians on the occasion of the Workshop on the fisheries sector in Yemen (March 2009) and possibly adjusted afterwards to ensure that it has both industry backing and political acceptance.

WP 3.2 “Develop an Association website”

The development of the YSEA website is ongoing and done at national level with extensive follow up from the International Consultant from home. YSEA and the domestic designer started uploading the required information in accordance with the sections and subsections of the website structure. The revised structure of the website is now available on line at www.ysea-yemen.org/index.php. A website content administrator is needed to speed up the development and uploading of content on the web.

C. BROAD WORK REMAINING FOR NEXT PERIOD AND BEYOND:

The coming months will be devoted to deliver the outputs stated in the project document and apply the approach identified for each WP during the international missions both at national and international level and, *inter alia*, to:

- (a) Finalise missions' reports and share them with stakeholders;
- (b) Collect feedback from stakeholders on draft Guide on Risk Assessment (WP 1.1), SPS standard (WP 1.2) and SPS strategy for finalisation; develop Quality Mark (WP 1.3) and SPS database (WP 2.2)
- (c) Transfer full ownership of the project implementation to YSEA with regard to planning, initiating and monitoring project activities against the project verifiable outcomes;
- (d) Plan and execute the second international missions for all international consultants:
 - Marketing (WP 1.3 and 2.2): 14 – 26 February 2009
 - Quality Control and Standards: 14 to 26 March 2009
 - Training (WP 1.4): April 2009
- (e) Closely follow up on the work executed by the National Consultants in between missions of International Consultants;
- (f) Plan and prepare the YSEA workshop on Fish Marketing and SPS measures in Yemen, aimed at bringing together a wide range of sectoral stakeholders (i.e. Ministry of Fish Wealth, Ministry of Industry and Trade, WB, ITC) to share information regarding current activities in the fisheries sector to ensure well-coordinated and coherent response to the need for compliance with SPS requirements and to further develop the fisheries sector.
- (i) Plan participation to the European Seafood Exposition in Brussels 2009

The third ITC supervisory mission is likely to take place on the occasion of the foreseen conference on Fish Marketing and SPS measures in Yemen.

D. OTHER COMMENTS:

Despite the efforts to try to complete the activities within the foreseen project duration, the extension of the project duration till December 2009 is required to enable YSEA to have full ownership of the project and enhance its smooth implementation and deliver the most practicable and effective outputs that can be executed in the Yemeni Fishery Sector.

YSEA as implementing agency needed to build its capacity to be fully responsible for the implementation of the project with a close supervision and support by ITC. YSEA made significant improvements in managing the project initiatives from an administrative point since the beginning of the project. After extensive support provided by ITC to initiate and monitor the implementation of the activities, YSEA should now be in a position to take full ownership of the project implementation and to lead the monitoring and evaluation of the technical progress of the project. Hence, ITC will gradually reduce its daily assistance to YSEA, and focus on overseeing the project implementation by YSEA in accordance with its terms of reference and timetable, identify problems as and when they arise and recommend steps to YSEA to resolve them or suggest changes in project design or timetable to accommodate solutions to implementation problems where necessary. The Project Manager with the support of the YSEA Secretary General and Project Coordinator has to give full attention to speed up the delivery of the outputs.

It must be noted that the contribution of National Consultants and Technical Coordinators is a critical issue to successfully complete all project activities. Their support is particularly important, as according to the project document the emphasis of the project is on the use of experienced local consultants, while International Consultants are engaged with the main role of providing guidance and an international perspective to the National Consultants and the YSEA Coordinators. The contribution of some contracted National Consultants and Technical Coordinators to the project remains limited in terms of time and technical inputs. Hence, the ICs have to design the deliverables of the projects with limited information. The YSEA team is required to closely monitor the execution of the assignments of the National Consultants and Coordinators and take required measures whenever any constraint might arise during the implementation of the project. Salary of the National Consultants would be paid only upon assessment of the successful delivery of assigned tasks.

Taking the above into consideration, the last six months achieved a good impact to the project implementation concerning:

- To draft the YSEA Strategy 2009-2015 and identify the services and budget required to make YSEA a leading association in the development of the fisheries sector in Yemen
- To draft the SPS standard and SPS risk assessment guide

It must be noted that the Yemeni fisheries sector faced a remarkable depression in the last three months, which affects YSEA members (exports during the first month of 2009 dropped by 70 % compared with 2008). This situation puts too much stress on the shoulder of YSEA to move towards the Ministry of Fish Wealth to find the right reason as it seems that this depression may continue for the first half of 2009. In this critical situation for the private sector, YSEA can help its members and attract them to be full members.

3. Deliverable / Targets Table (*Log-frame*)

Item ID	Item Description	Target Finish Date	Actual or Forecast Finish Date	Status: (% Complete)	Comments
1	WTO contract signed with YSEA	August 2007	8/8/2007	Complete	
2	WTO contract signed with ITC	August 2007	3/9/2007	Complete	
3	Clearance of Inception Report	September 2007	November 2007	Complete	
4	Clearance of first interim report (six months)	February 2008	May 2008	Complete	
5	Clearance of second interim report (twelve months)	September 2008	October 2008	Complete.	
6	Clearance of third interim report (eighteen months)	March 2009	March 2009	Under preparation.	
7	Clearance of final report	July 2009		Not started	A request to extend the project duration till December 2009 is being submitted to WTO on November 08
8	Transfer of project funds (first instalment)	September 2007	20/11/2007	Complete	USD 61,312 (15 per cent of the project funds)
9	Transfer of project funds (second instalment)	February 2008	24/05/08	Complete	USD 102,187 (25 per cent of the project funds)
10	Transfer of project funds (third instalment)	August 2008	November 2008	Not started	Subject to WTO clearance of project's second interim report (USD 81,749)
11	Transfer of project funds (fourth instalment)	February 2009	April 2009	Not started	Subject to WTO clearance of project's third interim report (USD 81,749)
12	Transfer of project funds (outstanding balance)	September 2009	September 2009	Not started	Subject to WTO clearance of final Project including presentation of a final invoice by YSEA (USD 81,753)
13	Project Manager contracted	October 2007	15/11/2007	Complete	
14	YSEA personnel staff	September	November	Complete	

	contracted	2007	2007		
15	International and National Consultants contracted	December 2007	May 2008	Complete	Five International Consultants, five National Consultants
16	YSEA Administrative Procedures: Hiring of consultants, travel arrangements	December 2007	May 2008	Complete	
17	WP 1.1 Develop risk assessment methodologies	November 2008	April 2009 ³	In progress (30%)	QC IC and NC contracted. First mission carried out on 26 April – 10 May 2008. Draft Guide on Risk Assessment developed. Second IC's mission scheduled from 14 to 26 March 09.
18	WP 1.2: Development of a SPS Standard	May 2008	February 2009	In progress (50%)	QC IC and NC Consultants contracted. First mission carried out on 26 April – 10 May 2008. Draft SPS Standard developed. Second IC's mission scheduled from 14 to 26 March 09.
19	WP 1.3: Develop Yemeni seafood quality mark	August 2008	April 2009	In progress (25%)	Marketing IC and NC contracted. First mission carried out on 26 July – 2 August 2008. Second IC's mission scheduled from 24 February to 4 March 09.
19.1	European Seafood Exposition 2008 - Brussels	April 2008	22-24 April 2008	Complete	The budget initially allocated to attend four expositions would be used to participate in only two or three events (high cost of participation and limited time). Exhibition report to be finalised.
19.2	European Seafood Exposition 2009 - Brussels	April 2009	28 - 30 April 2009	In progress (25%)	Correspondence has been carried out with Brussels and Yemeni

³ The forecast finish dates of all the WPs are very challenging for the counterpart. The forecast finish dates would be postponed by four months if the STDF WG clears the request for extension of project duration till end of December 2009.

					companies who are going to participate. Few companies may participate due to the high costs of participation and reduced exports in 2009.
20	WP 1.4: Develop harmonised training standards	July 2009	July 2009	In progress (25%)	IC and NC on training contracted. First mission carried out on 13 – 24 June 2008. Curricula, target groups agreed upon. Second IC's mission planned in April 2009.
21	WP 2.1: Develop sector-wide SPS strategy	June 2008	April 2009	In progress (25%)	QC IC and Marketing NC contracted. First mission carried out on 26 April – 10 May 2008. Draft outline of SPS Strategy drafted. Second IC's mission scheduled from 14 to 26 March 09.
22	WP 2.2: Compile SPS regulation database	September 2008	June 2009	In progress (20%)	Marketing IC and NC contracted. First mission carried out on 26 July – 2 August 2008. Second IC's mission scheduled from 24 February to 4 March 09.
23	WP 3.1: Develop Business Planning Capacity	April 2009	April 2009	In progress (85%)	Business Management IC and NC contracted. First mission carried out on 7–15 May 2008. Second mission carried out on 14 – 19 December 2008. Draft YSEA Strategy 2009-2015 and 2009 Action Plan developed. NC not available to contribute to the project.
24	WP 3.2: Develop YSEA Website	November 2008	March 2009.	50%	International and National Web designers contracted. Proposal of

					structure drafted, uploading of required material being in progress and can be launched as soon as possible.
25	ITC First Monitoring Mission	October 2007	8-16 October 2007	Complete	
26	ITC Second Monitoring Mission	May 2008	7-17 May 2008	Complete	
27	ITC Third Monitoring Mission	November 2008	March 2009	On going (20%)	Subject to the execution of the workshop on SPS
28	ITC Fourth Monitoring Mission	February 2009	June 2009		
29	ITC Fifth Monitoring Mission	June 2009			
30	Workshop on marketing and SPS issues in the fisheries sector in Yemen	November 2008	March 2009	On going (40%)	Subject to availability of key stakeholders (i.e. Minister of Fish Wealth)
31	Project external evaluation	End of the project	End of the project	Not started	

4. Target Delay Notes

Target Item ID	Target Delay Notes
16-23 and 30	<p>A) All the main project activities are delayed by at least five months. To be able to successfully implement all the challenging project activities and deliver the stated verifiable outcomes within the initial duration of the project, all the concerned parties have been asked to highly commit themselves to handle a very intensive schedule and give priority to the project implementation whenever required.</p> <p>B) The reason for delay is mainly due to the time required for building local capacity in managing such a challenging technical, internationally funded project, for the development of YSEA administrative procedures, identifying suitable and available International and National Consultants, getting inputs from the parties. During the period from 19 November 2008 to 31 January 2009, there was reduced supervision from ITC as the ITC Managing Officer left ITC and took up a new position at ITC on 1 February 2009; in addition ITC wanted YSEA to gradually take a leading role in the implementation of the project.</p> <p>C) High pressure is put on all the parties to meet the project's deadlines that were initially set in the project document. In order to ensure a smooth and successful delivery of project outputs, it is required to extend the project duration until December 2009.</p>

5. Mid (End)-project financial statement

PROJECT STATUS IN COMPARISON WITH BUDGET

Items	<i>STDF Contribution</i>			<i>YSEA Contribution</i>		
	Actual costs	Original Budget	Balance	Actual costs	Original Budget	Balance
1.YSEA staff costs				29,625.00	42,375.00	12,750.00
2. Local consultancy (Fee and DSA)	39,250.00	96,000.00	56,750.00			
2.1 Project Manager	21,750.00	30,000.00	8,250.00			
2.2 Q C consultant	2,000.00	2,500.00	500.00			
2.3 B M consultant	1,000.00	3,000.00	2,000.00			
2.4 Training consultant	4,000.00	13,000.00	9,000.00			
2.5 Marketing consultant	4,000.00	9,500.00	5,500.00			
2.6 Website designer	3,450.00	5,000.00	1,550.00			
2.7 Local DSA	3,050.00	33,000.00	29,950.00			
3. International consultancy (Fee and DSA)	42,462.00	160,950.00	122,848.00			
3.1 Q C and Standards	10,000.00	63,750.00	53,750.00			
3.2 Business Management	6,000.00	11,250.00	5,250.00			
3.3 Training	7,500.00	15,000.00	7,500.00			
3.4 Marketing	6,000.00	22,500.00	16,500.00			
3.5 Website	2,625.00	5,250.00	2,625.00			
3.6 DSA	9,537.00	43,200.00	38,023.00			
3.7 Transportation	800.00		-800.00			
4. ITC Project supervisory	4,000.00	5,760.00	1,760.00			
5. Ex post evaluation	0	10,000.00	10,000.00			
6. International flights & Travel claim	8,976.85	39,600.00	30,623.15			
6.1 Quality Control	2,307.19					
6.2 Business Management	2,704.52					

6.3 Training	1,419.18					
6.4 Marketing	1,278.04					
6.5 Executive Manager (Expo 2008)	1,267.92					
7. ITC international flights	8,000.00	11,000.00	3,000.00			
8. Domestic flights	3,182.78	12,200.00	9,017.22			
8.1 Project Manager	1,329.34					
8.2 National QC	307.31					
8.3 National BM	85.88					
8.4 National Marketing	307.31					
8.5 National Training	458.13					
8.6 International QC	201.56					
8.7 International BM	246.62					
8.8 International Training	246.62					
9. Equipments	4,375.00	8,000.00	3,625.00			
10. Workshops	0	20,000.00	20,000.00			
11. Training material	0	12,000.00	12,000.00			
12. Training costs				0	17,000.00	17,000.00
13. Promotion	30,192.39	45,000.00	14,807.61			
14. Office rent and utilities				7,200.00	12,000.00	4,800.00
15. Secretarial support				8,302.15	9,600.00	1,297.85
16. Translation	0	5,000.00	5,000.00			
17 Total project contribution	128,439.01	408,750.00	284,670.98	45,127.15	80,975.00	35,847.85
18 Total (with contribution to ITC on items 4 and 7)	140,439.01	425,510.00	289,430.98	45,127.15	80,975.00	35,847.85

First two Instalments to YSEA (USD)	Unspent funds of the committed period (USD)	Unspent funds of the committed period (%)	Comments
163,499.00	35,059.99	21%	The transfer by WTO of the third instalment (USD 81,749 USD) is required to enhance implementation of project activities