



AQUACULTURE DEVELOPMENT IN SISTAN-BALUCHESTAN 2005 - 2008

*Project financed by Italian Cooperation
Italian Ministry of Foreign Affairs*

I FINANCIAL REPORT

May 2005– December 2005

Executed by CIRSPE, Italy

ROME, FEBRUARY 2006

ITALIAN COOPERATION

THE ITALIAN MINISTRY OF FOREIGN AFFAIRS

**GENERAL DEPARTMENT OF
DEVELOPMENT COOPERATION**

ISLAMIC REPUBLIC OF IRAN

SHILAT IRANIAN FISHERY ORGANISATION

**UNITED NATIONS
DEVELOPMENT PROGRAMME
(UNDP)**

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Technical brief description:

The objective of the project is to reduce poverty and social imbalance while raising the income level of the local populations and communities in the *Province of Sistan-Baluchestan through the reinforcement and dissemination of aquaculture activities*. The project's main target is to strengthen and expand aquaculture activities in two areas in the Sistan Baluchestan Province, in terms of production, technology, economic results, in order to increase the socio-economic level of target groups and the local communities involved. The project is expected to have significant impact on the living standards of target groups, as well as indirect socio-economic benefits for the local communities, and also generate a model for provincial level replication. The specific objectives, therefore, are: i) Identification of valid production strategies for aquaculture in Sistan-Baluchestan; ii) Identification of appropriate technologies for both the different contexts (fresh water and sea water); iii) The Expansion of the base production and the diversification of the product; iv) Institutional capacity building and professional growth on the part of the Shilat-Iranian Fisheries Organisation . The project comprises 3 main components: technical assistance, training and supply of technology and equipment.

Project Manager
Roberto Ugolini

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1. DESCRIPTION

1. This document is the First Financial Report of the project “Aquaculture Development in Sistan Baluchestan. The reference period between May-November 2005. The Report describes all the expenditures of the reference period.
2. In June 2003 the Italian Ministry of Foreign Affairs has approved the financing of the project “Aquaculture Development in Sistan Baluchestan” (act n.49; 24/6/2003; N. aid 6945.01.3).The United Nations Development Programme (“UNDP”) has agreed to cooperate in the implementation of the project, with the modality of cost-sharing agreement to allocate the project budget in the beneficiary Country, that has a fund of “3.034.000.00 EURO” by grant.
3. On the 25th of February 2004 The Italian Government/Ministry of Foreign Affairs signed the contract agreement with the United Nations Development Programme (“UNDP”) and also UNDP and Shilat signed the agreement for the project implementation. That was strictly connected to the identification of contractors for the components of the project, as follows: technical assistance, training, and equipment.
4. The Ministry of Jihad and Agriculture – SHILAT Fisheries Organisation has been designated as the implementing agency. The CIRSPE (Italian Fisheries Research Centre-Rome) has been designated as the contractor for providing technical assistance and training for a total budget of 1.744.000 Euro, on the base of an agreement with SHILAT on February 2004.
5. CIRSPE/SHILAT contract has been articulated as follows:

Items	I	II	III	IV	V	VI	Total
Technical assistance	201.500	201.500	162.500	162.500	115.500	114.500	958.000
Training	76.000	0	0	0	0	0	76.000
International travel	37.500	25.000	20.000	20.000	20.000	20.000	142.500
Local travel	9.650	9.650	9.650	9.650	9.600	9.600	57.800
Management	128.600	128.600	61.350	61.350	59.900	59.900	499.700
Purchasing (experts)	10.000	0	0	0	0	0	10.000
Total	463.250	364.750	253.500	253.500	205.000	204.000	1.744.000
%	26,56	20,91	14,53	14,53	11,75	11,69	100

The parties are reconsidering this initial budget proposal on the base of UNDP method and codification, taking also into account the new exigency and needs both of the project and SHILAT (see Technical Report).

6. UNDP has taken the duty to manage the budget related to the equipment that will be purchased on the base of identification by SHILAT and CIRSPE technical approval, for a value of 1.130.503 Euro (auditing 4.500 Euro) (Budget code 72200). A budget of 159.405,77 Euro is allocated for UNDP such as agency expenses (Budget code 75100).
7. The project begun on the 19th of May 2005, with the organisation of the first activities in CIRSPE office in Rome, after receiving the first instalment by UNDP. The first Italian expert arrived in Teheran on the 2nd of June, with the duty to organise all the logistic aspects for the project needs. During June and July, the organisation aspects have been improved, with several activities both in Italy (CIRSPE office in Rome) and in Teheran. In Rome office, administrative aspects have been clarified and CIRSPE project staff is working on the project organisation. The office/guests house has been rent in Teheran and the office organisation is day by day improving. According to the project time schedule the activities will end on may 2008.
8. At the same time the procedures for technical equipments purchasing have been optimised and some items have been purchased by UNDP (computers, printers, vehicles). The two lists of technical equipment for the project needs have been completed and it have been authorised by CIRSPE. Now UNDP is working to order the equipment, according the project procedures and organisation (Budget code 72200).
9. A new budget proposal (see the Technical Report) intends to reduce the allocated budget for “international consultant” to support the management in Gowater/Chabahar, Zahak/Zabol farms. According this approach the budget proposed for Contractual service is now of 95.000 Euro for Zabol Hatehry and 74.000 Euro for shrimp rearing management in Chabahar area. These budgets are now fixed.
10. Apart from that a budget, should be allocated to contribute to missions of SHILAT technicians on sites (Budget code 74500) and for other professional service on site (Budget code 74500). According SHILAT request this budget can also increase till an amount of 50.000 Euro.
11. Concerning project and Donor visibility a budget for gadgets has been allocated. Apart from that for Internet web site there a total budget of 18.821 Euro, for Newsletter also there is a total budget of 18.821 Euro. This budgets are now fixed.
12. A budget for spare part for farm must be also considered for a total of 10.000 Euro (code 72100).
13. CIRSPE also proposes to define the budget for backstopping for its Italian Office in Roma, for the whole project, as follows:
 - General expenses (6%;104.640 Euro) and administrative backstopping (54.000 Euro) for a total of 158.640 Euro (Budget code 74500). This budget will be used also for the cost of administrative staff involved in the project in Rome office. These budget is now fixed.
 - Technical backstopping 116.000 Euro (Budget code 71200). This budget will be used for technical staff involved in the project in Rome office: planning, technical Reports, Data analysis, bibliography, scientific work. This budget can be increased till a maximum of 200.000 Euro, according the need of the project management, and considering also the international political context, the security aspect for eh

Italian/International experts both in Teheran and on sites (Zahedan/Zabol and Chabahar). This approach can permit the conclusion of the project and the achievement of the technical/scientific objectives, by a strong, qualified and properly planned management by the Italian Scientific Coordinators and the Project manager.

2. FINANCIAL CODIFICATION

AQUACULTURE DEVELOPMENT IN SISTAN BALUCHESTAN FINANCIAL CODIFICATION

<i>UNDP CODE 00038795 TECHNICAL ASSISTANCE</i>			
71200	Farms management	International consultant	CIRSPE
71600	Farms management	Travel	CIRSPE
75100	Farms management	Facilities administration	UNDP
71200	Production plans	International consultant	CIRSPE
71600	Production plans	Travel	CIRSPE
75100	Production plans	Facilities administration	UNDP

<i>UNDP CODE 00038796 TECHNOLOGICAL PACKAGES</i>			
71200	Equipment instal.	International consultant	CIRSPE
71600	Equipment instal.	Travel	CIRSPE
72100	Equipment instal.	Contractual Serv.	CIRSPE
75100	Equipment instal.	Facilities administration	UNDP
71200	Procurement equip	International consultant	CIRSPE
72200	Procurement equip	Equipment furniture	UNDP
75100	Procurement equip	Facilities administration	UNDP

<i>UNDP CODE 00038797 TRAINING</i>			
71200	Training	International consultant	CIRSPE
71600	Training	Travel	CIRSPE
75100	Training	Facilities & administration	UNDP

<i>UNDP CODE 00038798 ADVOCACY INITIATIVES</i>			
71300	Internet site	Local consultant	IRAN
72800	Internet site	Information technology	IRAN
75100	Internet site	Facilities & administration	UNDP
71300	Management	Local consultant	CIRSPE
74100	Management	Professional service	CIRSPE
74500	Management	Miscellaneous expenses	CIRSPE
75100	Management	Facilities & administration	UNDP
71300	Newsletter	Local consultant	CIRSPE
74200	Newsletter	Audio visual	CIRSPE
75100	Newsletter	Facilities & administration	UNDP

3. CIRSPE FINANCIAL MANAGEMENT

The CIRSPE expenditures for the reference period May-November are the followings:

TECHNICAL ASSISTANCE

UNDP Code	Undp code	Description	EURO
00038795	71200	International consultant	69.536,78
00038795	71600	Travel	11.862,50
00038795	71200	International consultant	128,08
00038795	71200	International consultant backstopping	27.179,76
00038795	71600	Travel	2.816,28
00038795		Total	111.523,4

TECHNICAL ASSISTANCE

0038796	71200	International consultant	0
0038796	71600	Travel	0
0038796	72100	Contractual service	0
0038796	71200	International consultant	0
00038796		Total	0

TRAINING

0038797	71200	International consultant	0
0038797	71600	Travel	0
00038797		Total	0

ADVOCASY INITIATIVE

0038798	71300	Internet Local consultant	0
0038798	72800	Internet Information technology	0
0038798	71300	Local consultant	10.169,72
0038798	74100	Professional service	0
0038798	74500	Miscellaneous expenses	66.004,06
0038798	71300	Newsletter Local consultant	0
0038798	74200	Newsletter	0
00038798		Total	76.173,78

TOTAL

00038795	Total	111.523,4
00038796	Total	0
00038797	Total	0
00038798	Total	76.173,78
TOTAL		187.697,18

4. EXPENDITURE DESCRIPTION

AQUACULTURE DEVELOPMENT IN SISTAN BALUCHETAN CIRSPE FINANCIAL MANAGEMENT - EXPENDITURE DESCRIPTION

<i>UNDP CODE 00038795 TECHNICAL ASSISTANCE</i>		
71200	International consultant	<p>CIRSPE experts in Iran (salary, taxes, food and accommodation in Zahedan, Zabol,, Cahbahar): scientific supervision; Technical supervision logistic/security/visa; administrative/project needs mission organisation; technical coordination</p> <p>Technical backstopping in Italy Project planning; mission organisation; data analysis; technical Report, Financial Report; Administrative/management control</p> <p>Other international consultants</p>
71600	Travel	<p>CIRSPE International flights and Local flights in Iran</p>
75100	Facilities administration	UNDP Agency expenditure

<i>UNDP CODE 00038796 TECHNOLOGICAL PACKAGES</i>		
71200	International consultant	<p>CIRSPE CIRSPE experts in Iran (salary, taxes, food and accommodation in Zahedan, Zabol,, Cahbahar): scientific supervision; Technical supervision mission organisation; technical coordination</p> <p>Technical backstopping in Italy Project planning; data analysis; technical Report, Administrative/management control</p>
71600	Travel	<p>CIRSPE International flights and local flights in Iran</p>
72100	Contractual Serv.	<p>CIRSPE Contract for service in Iran local company Productive cycle management</p>
72200	Equipment	<p>UNDP Technical equipment, fish/shrimp fry, Farm maintenance</p>
75100	Facilities administration	UNDP Agency expenditure

UNDP CODE 00038797 TRAINING			
71200	Training	International consultant	CIRSPE To be planned and discussed
71600	Training	Travel	CIRSPE To be planned and discussed
75100	Training	Facilities administration &	UNDP Agency expenditure

UNDP CODE 00038798 ADVOCACY INITIATIVES			
71300	Internet site	Local consultant	IRAN Web site management
72800	Internet site	Information technology	IRAN Web site management
75100	Internet site	Facilities administration &	UNDP Agency expenditure
71300	Management	Local consultant	CIRSPE personnel in Iran Salary, insurance, food accommodation in zabol, Zahedan, Chabahar
74100	Management	Professional service	Local service SHILAT incentives
74500	Management	Miscellaneous expenses	CIRSPE Administrative backstopping Italy General expenses Italy International expert insurance CIRSPE Teheran office management Visa, Taxi and car transport Telephone internet Contribution Shilat project mission Farm/Project emergency Gadget/visibility
75100	Management	Facilities administration &	UNDP Agency expenditure
71300	Newsletter	Local consultant	IRAN Editing Newsletter
74200	Newsletter	Audio visual	IRAN Editing Newsletter
75100	Newsletter	Facilities administration &	UNDP Agency expenditure

6. NEXT PHASE ACTIVITY

For the Following 6 months (December 2005-June 2006) the main activities will be the followings:

A. Technical assistance

A.1. Organisation and planning

Logistics in Iran
Project planning

A2. Task 1

Farm maintenance study (by Shilat)
Farm maintenance (by Shilat)
Equipment installation
Technological improvement
Reproduction of native species
Larvae transport
Larvae restocking in Hamun lake
Grass carp reproduction
Grass carp rearing
Hamun lake fishery study
Experimental fishery
On job training

A2. Task 2

Equipment list
Shilat Farm maintenance
Shilat farm test
Private hatchery contract
PL production
PL stocking
PL rearing
On-job-training

B. Supplies/technology

B1. Definition of the equipment and materials

B2. Purchasing

B3. Installation

B4. Performance tests

C. Training of Shilat personnel

C1. Training planning

C2. On job training

D. Dissemination and visibility: involving both the project activities and the results

D1. Internet

D2. Quarterly newsletter

D3. Seminars with beneficiaries

E. Evaluation monitoring

E1. Beneficiary seminars

E3. Intermediate reports (six-month intervals)
E5. Administrative accounting reports

7. NEW BUDGET PROPOSAL

On the basis of new exigencies of the actors of the project (Shilat and private sector) CIRSPE has prepared a new budget proposal, in order to facilitate the project management, reducing the risk and, above all, giving the right importance to the human and professional resources of the Islamic Republic of Iran, where it is already possible to find, for some aspects, technicians with a good experience in the aquaculture sector. This proposal takes into account the professional knowledge of Shilat.

- The Ministry of Jihad and Agriculture - Shilat Iranian Fisheries Organisation has been designated as the implementing agency. The CIRSPE (Italian Fisheries Research Centre-Rome) has been designated as the contractor for providing technical assistance and training for a total budget of 1.744.000 Euro, on the base of an agreement with SHILAT on February 2004.
- UNDP has taken the duty to manage the budget related to the equipment that will be purchased on the base of the identification by SHILAT and CIRSPE's technical approval, for a value of 1.130.503 Euro (auditing 4.500 Euro) (Budget code 72200). A budget of 159.405,77 Euro is allocated for UNDP such as agency expenses (Budget code 75100).
- The new budget proposal intends to reduce the allocated budget for "international consultant" to support the management in Gowater/Chabahar, Zahak/Zabol farms (Budget code 72100). Apart from that a budget should be allocated to contribute to missions of SHILAT technicians on sites (Budget code 74500) and for other professional services on site (Budget code 74500). CIRSPE also proposes to define the budget for backstopping for its Italian Office in Rome.
- The following are the main modification on budget proposals.
 - Zabol hatchery management 95.000 Euro (code) 72100 ;
 - Shrimp rearing management Chabahar area 74.000 Euro (code 72100);
 - Missions of SHILAT technicians on sites 40.000 Euro (code 74100) (this budget can be increase till 50.000 Euro).
 - Internet web site 18.821 Euro (code 71300 e 72800)
 - Newsletter 18.821 Euro.(code 71300 e 72800)
 - CIRSPE general expenses (6%;104.640 Euro) (code 74500)
 - CIRSPE administrative backstopping (54.000 Euro) (Budget code 74500).
 - CIRSPE Technical backstopping 100.000 Euro (Budget code 71200). (This budget can be increase till a maximum of 200.000 Euro)
 - Spare part for farm management 10.000 Euro (code 72100)

AQUACULTURE DEVELOPMENT IN SISTAN BALUCHESTAN
CIRSPE PROJECT BUDGET EURO - REVISION N.1 (15/2/2006)

1 Euro = 1,134 \$ 1 \$=0,881 Euro

UNDP CODE 00038795 TECHNICAL ASSISTANCE				19/5/05	15/2/06
71200	Farms management	International consultant 30 m/u	CIRSPE	320.589,26	305.012,33
71600	Farms management	Travel	CIRSPE	17.149,00	17.149,00
71200	Production plans	International consultant 25 m/u	CIRSPE	420.565,83	251.421,36
71200	Production plans	Tec backstopping 10/mu	CIRSPE	48.000	56.000
71600	Production plans	Travel	CIRSPE	119.707,00	119.707,00
	Total			908.011,09	749.289,69

UNDP CODE 00038796 TECHNOLOGICAL PACKAGES				19/5/2005	15/2/06
71200	Equipment instal.	International consultant 1m/u	CIRSPE	15.867,87	8.000,00
71200	Tech. packages	Tec backstopping 11 m/u	CIRSPE	20.000,00	60.000,00
71600	Equipment instal.	Travel	CIRSPE	124.372,25	42.784,58
72100	Equipment instal.	Contractual Serv.Zabol Chabahr	IRAN	112.086,46	184.000,00
71200	Procurement equip	International consultant 2 m/u	CIRSPE	8.967,08	15.000,00
	Total			281.293,66	309.784,58

UNDP CODE 00038797 TRAINING				19/5/2005	15/2/06
71200	Training	International consultant/training	IRAN	85.186,04	85.186,04
71600	Training	Travel	IRAN	21.296,09	21.296,09
	Total			106.482,13	106.482,13

UNDP CODE 00038798 ADVOCACY INITIATIVES				19/5/2005	15/2/06
71300	Internet site	Local consultant Internet	IRAN	7.613,16	18.821,80
72800	Internet site	Information technology	IRAN	11.208,64	0
71300	Management	Local consultant	IRAN	87.601,00	69.800,00
74100	Management	Professional service	IRAN SHILAT	3.171,6	50.000,00
74500	Management	Miscellaneous expenses General 6% backstopping CIRSPE office Tehran Farm emergency	CIRSPE IRAN	296.956,74	421.000,00
71300	Newsletter	Local consultant Newsletter	IRAN	7.613,16	18.821,8
74200	Newsletter	Audio visual	IRAN	11.208,64	0
	Total			425.372,94	578.443,6

0038795	Total			908.011,09	749.289,69
0038796	Total			281.293,66	309.784,58
0038797	Total			106.482,13	106.482,13
0038798	Total			425.372,94	578.443,6
	TOTAL			1.721.159,82	1.744.000

Considering CIRSPE/SHILAT agreement (of 1.744.000 Euro) about 22.000 Euro have been included in code 72200 (Equipment) for a mistake and transferred to code 72100.

8. COMMITMENTS OF THE IRANIAN PARTNER

The Iranian partner is represented by the Ministry of Agriculture of Teheran (Ministry of Jihad Agriculture) and by Shilat – Iranian Fisheries Organisation

Considering the new exigencies of the project the Shilat has made the following commitment:

- Teheran Expert assistance
 - Assistance for visa request;
 - Assistance for missions organisation to Sistan Baluchestan

- Zabol/Zahak hatchery facilities
 - restructuring and maintenance of roadway;
 - restructuring and maintenance of hatchery building;
 - restructuring and maintenance of the guest house for the accommodation of 15 people.
 - Shilat staff management and organisation for the project activities;
 - Collaboration to data collection and questionnaires
 - Consolidation of extension service to support the private sector
 - Rearing monitoring according the productive plan
 - Technical equipment installation and maintenance
 - Collaboration to Fingerlings production
 - Fingerling transport and stocking in public and private ponds
 - Collaboration to seminary organisation

- Shrimp farm in Gowater/Chabahar:
 - Shilat staff management and organisation for the project activities;
 - Consolidation of extension service to support the private sector
 - Rearing monitoring according to the productive plan
 - Technical equipment installation and maintenance
 - PL production (agreement with private hatchery)
 - PL transport/stocking in private ponds (aggrement with private sector)
 - Collaboration to seminary organisation
 - Collaboration to data collection and questionnaires

- Equipments
 - Two project cars purchased by the project must be used for project necessity in Sistan Baluchestan.
 - One car will be used by Shilat according its need in Teheran and the last one will be used by CIRSPE Italian staff in Teheran.
 - N. 3 Computers will be installed in CIRSPE office in Teheran
 - Technical equipment (UNDP budget) must be installed in the farms.

- Technical project management
 - The technical activity in Zabol area (Hamun lake and Zahak hatchery) and Chabahar area must be replicated on 2007 by Shilat directly, using Iranian budget allocation for Shilat experts, fingerlings, and other inputs and needs. On 2007 maximum effort must be carry out to transfer the project data to the private sector, to implement and

increase the private sector production, enterprise number, etc. This effort could be done by the Shilat extension service: technical assistance, credit by banks, fingerlings distribution, etc.

ANNEX 1 – EXPENDITURE TABLES IN DETAIL

ANNEX 2 – FINANCIAL PLAN

(Rev. 1 - 15/2/2006)

AQUACULTURE DEVELOPMENT IN SISTAN BALUCHESTAN
CIRSPE PROJECT BUDGET EURO - REVISION N.1 (15/2/2006)

UNDP CODE 00038795 TECHNICAL ASSISTANCE				15/2/06
71200	Farms management	International consultant 30 m/u	CIRSPE	305.012,33
71600	Farms management	Travel	CIRSPE	17.149,00
71200	Production plans	International consultant 25 m/u	CIRSPE	251.421,36
71200	Production plans	Tec backstopping 10/mu	CIRSPE	56.000
71600	Production plans	Travel	CIRSPE	119.707,00
	Total			749.289,69

UNDP CODE 00038796 TECHNOLOGICAL PACKAGES				15/2/06
71200	Equipment instal.	International consultant 1m/u	CIRSPE	8.000,00
71200	Tech. packages	Tec backstopping 11 m/u	CIRSPE	60.000,00
71600	Equipment instal.	Travel	CIRSPE	42.784,58
72100	Equipment instal.	Contractual Serv.Zabol Chabahr	IRAN	184.000,00
71200	Procurement equip	International consultant 2 m/u	CIRSPE	15.000,00
	Total			309.784,58

UNDP CODE 00038797 TRAINING				15/2/06
71200	Training	International consultant/training	IRAN	85.186,04
71600	Training	Travel	IRAN	21.296,09
	Total			106.482,13

UNDP CODE 00038798 ADVOCACY INITIATIVES				15/2/06
71300	Internet site	Local consultant Internet	IRAN	18.821,80
72800	Internet site	Information technology	IRAN	0
71300	Management	Local consultant	IRAN	69.800,00
74100	Management	Professional service SHILAT incentives	IRAN	50.000,00
74500	Management	Miscellaneous expenses General 6% backstopping CIRSPE office Tehran Farm emergency	CIRSPE IRAN	421.000,00
71300	Newsletter	Local consultant Newsletter	IRAN	18.821,8
74200	Newsletter	Audio visual	IRAN	0
	Total			578.443,6

0038795	Total			749.289,69
0038796	Total			309.784,58
0038797	Total			106.482,13
0038798	Total			578.443,6
	TOTAL			1.744.000

Considering CIRSPE/SHILAT agreement (of 1.744.000 Euro) about 22.000 Euro have been included in code 72200 (Equipment) for a mistake and transferred to code 72100.