



GLOBAL ENVIRONMENT FACILITY  
INVESTING IN OUR PLANET

Naoko Ishii  
CEO and Chairperson

December 30, 2014

Dear Council Member:

World Bank as the Implementing Agency for the project entitled: ***Regional (Comoros, Mozambique, Tanzania): First South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish 1) under the Regional: LME-AF Strategic Partnership for Sustainable Fisheries Management in the Large Marine Ecosystems in Africa (PROGRAM)*** has submitted the attached proposed project document for CEO endorsement prior to final approval of the project document in accordance with World Bank procedures.

The Secretariat has reviewed the project document. It is consistent with the proposal approved by Council in April 2014 and the proposed project remains consistent with the Instrument and GEF policies and procedures. The attached explanation prepared by World Bank satisfactorily details how Council's comments and those of the STAP have been addressed. I am, therefore, endorsing the project document.

We have today posted the proposed project document on the GEF website at [www.TheGEF.org](http://www.TheGEF.org). If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

Naoko Ishii  
Chief Executive Officer and Chairperson

Attachment: GEFSEC Project Review Document  
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee



# WORLD BANK APPRAISAL STAGE: GEF DATA SHEET

**PROJECT TYPE: FSP Endorsement**  
**TYPE OF TRUST FUND: GEF Trust Fund**

For more information about GEF, visit [TheGEF.org](http://TheGEF.org)

## PROJECT INFORMATION

Project Title: First South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish1)			
Country(ies):	Comoros, Mozambique, Tanzania (United Republic of)	GEF Project ID: <sup>1</sup>	5905
GEF Agency(ies):	The World Bank	GEF Agency Project ID:	P132029
Other Executing Partner(s):	Indian Ocean Commission (IOC)	Submission Date:	December 22, 2014
GEF Focal Area (s):	International Waters	Project Duration(Months)	72
Name of Parent Program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/>	Strategic Partnership for Sustainable Fisheries management in the LMEs in Africa (4487)	Agency Fee (\$):	1,240,000

## A. FOCAL AREA STRATEGY FRAMEWORK<sup>2</sup>

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
IW:2: Catalyze multistate cooperation to rebuild marine fisheries and reduce pollution of coasts and Large Marine Ecosystems (LMEs) while considering climatic variability and change	Implementation of national/local reforms; functioning of national inter-ministry committees	National and local policy/legal/institutional reforms adopted in Comoros, Mozambique and Tanzania (United Republic of)	GEFTF	15,500,000	57,399,471
<b>Total project costs</b>				15,500,000	57,399,471

<sup>1</sup> Project ID number will be assigned by GEFSEC.

<sup>2</sup> Refer to the [Focal Area/LDCF/SCCF Results Framework](#) when completing Table A.

## B. PROJECT FRAMEWORK

<b>Project Objective:</b> The Project Development and Global Environmental Objective are to improve the management effectiveness of selected priority fisheries at regional, national and community levels.						
<b>Project Component</b>	<b>Grant Type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>Grant Amount (\$)</b>	<b>Confirmed Cofinancing (\$)</b>
<b><u>Component 1.</u></b> Enhanced regional collaboration	TA & Inv	Regional cohesion and coordination improved to avoid conflicts and suboptimal sectoral investments, and to promote economies of scale and equitable distribution of wealth.	<p>Development of common regional Minimum Terms and Conditions for access to regional fisheries</p> <p>Preparation of strategic action plan to increase the regional sustainable economic benefits from fisheries</p> <p>Development of bilateral and multilateral protocols and procedures to combat illicit fisheries activities</p> <p>Promotion of initiatives on joint or regional fisheries patrols fisheries</p> <p>Preparation of a consolidated annual SWIOFC work program</p> <p>Preparation of common policy positions</p>	GEFTF	0	3,000,000
<b><u>Component 2.</u></b> Improved governance of priority fisheries	TA & Inv	Strengthened governance and management of the fisheries	<p>National and local policy / legal / institutional reforms adopted</p> <p>Implementation of fisheries management plans and co-management arrangements</p>	GEFTF	15,500,000	39,200,000

		<p>Reduced levels of illegal fishing, measured by rates of fishing infractions</p> <p>Transparent information on the status of the fisheries available publicly to all stakeholders</p>	<p>Fishing vessel and license registry in place</p> <p>Strengthened fisheries catch and effort database to feed real-time information into management decisions</p> <p>Strengthened units for fisheries monitoring, control and surveillance</p> <p>Increased patrols in national waters / landing sites</p> <p>Use of satellite-based vessel monitoring systems where appropriate</p> <p>A dashboard of publicly available information on the fisheries</p> <p>Communications campaigns with stakeholders on sustainable fisheries, participation in IW:LEARN</p>			
<p><b>Component 3.</b> Increased economic benefits to the region from priority fisheries</p>	TA & Inv	<p>Increased local value added from the fisheries in targeted countries</p> <p>Increased value of fish exports from targeted countries</p>	<p>Small-scale fish landing site infrastructure</p> <p>Strengthened quality control systems</p>	GEFTF	0	6,900,000
Subtotal					15,500,000	49,100,000

Project management Cost (PMC) <sup>3</sup>	GEFTF	0	8,299,471
<b>Total project costs</b>		15,500,000	57,399,471

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<sup>3</sup> PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

**C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)**

(Note: \$25.7 million AFD soft loan in Mozambique and US\$6.6 million WWF, as well as additional \$32.1 million IDA, though part of the overall baseline, are not accounted below).

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount (\$)
GEF Agency	World Bank: Regional (P132123)	Grant / Soft loan	43,455,600
GEF Agency	World Bank / JSDF: Comoros (P125301)	Grant	2,729,400
GEF Agency	World Bank / JSDF: Mozambique (P150546)	Grant	1,853,000
GEF Agency	World Bank / NDF: Mozambique (P149992)	Grant	5,200,000
GEF Agency	World Bank / DGF (P130569)	Grant	1,100,000
Government of Comoros	Budget allocation for fisheries management	In-Kind	761,471
Government of Mozambique	Budget allocation for fisheries management	In-Kind	1,000,000
Government of Tanzania	Budget allocation for fisheries management	In-Kind	1,000,000
Inter-Govt Institution	Indian Ocean Commission	In-Kind	300,000
<b>Total Cofinancing</b>			<b>57,399,471</b>

**D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>**

Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
			Grant Amount (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
GEFTF	International Waters	Comoros	3,500,000	280,000	3,780,000
GEFTF	International Waters	Mozambique	7,000,000	560,000	7,560,000
GEFTF	International Waters	Tanzania (Un. Rep. of)	5,000,000	400,000	5,400,000
<b>Total Grant Resources</b>			<b>15,500,000</b>	<b>1,240,000</b>	<b>16,740,000</b>

<sup>1</sup> In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

<sup>2</sup> Indicate fees related to this project.

**E. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No.**

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

**ANNEX A: PROJECT PREPARATION GRANT (PPG) REPORTING<sup>4</sup>**

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
PPG was not used	0	0	0
<b>Total</b>	0	0	0

**ANNEX B: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)**

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

Not Applicable.

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<sup>4</sup> If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities; and report to Trustee on the closing of PPG in the quarterly report to Trustee.

**PROJECT INFORMATION DOCUMENT (PID)**  
**APPRAISAL STAGE**

Report No.: PIDA9505

<b>Project Name</b>	South West Indian Ocean Fisheries Governance and Shared Growth Project 1 (P132123)
<b>Region</b>	AFRICA
<b>Country</b>	Africa
<b>GEF Focal Area</b>	International Waters
<b>Sector(s)</b>	General agriculture, fishing and forestry sector (100%)
<b>Theme(s)</b>	Other environment and natural resources management (66%), Environmental policies and institutions (34%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P132123
<b>Borrower(s)</b>	Ministry of Planning and Development, Vice Presidency of Finance, MINISTRY OF FINANCE
<b>Implementing Agency</b>	DGRH, Ministry of Fisheries, Ministry of Livestock and Fisheries Development, Mainland, Ministry of Livestock and Fisheries, Zanzibar, Deep Sea Fishing Authority, Indian Ocean Commission
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	06-Aug-2014
<b>Estimated Date of Board Approval</b>	25-Nov-2014
<b>Decision</b>	
<b>Other Decision</b>	

## I. Project Context

### Country Context

Nine countries border the waters of the South West Indian Ocean (SWIO) – the island nations of Comoros, Madagascar, Mauritius and Seychelles, and five mainland countries: Somalia, Kenya, Tanzania, Mozambique and South Africa. Together with Yemen, Maldives and France, these countries are members of the South West Indian Ocean Fisheries Commission (SWIOFC), a regional fisheries body. In recent years, the fisheries sector has formally accounted for up to 30 percent of Gross Domestic Product (GDP) in Seychelles, 8 percent in the Comoros, about 4 percent of GDP in Mozambique, 2 percent in Tanzania, and 0.5 percent in Kenya and South Africa. The SWIO region's seafood exports (excluding South Africa) were approximately US\$1.3 billion in 2008, half of which were attributable to tuna and shrimp. Local industrial fisheries (mainly for shrimp) and tuna processing comprise a substantial part of the foreign exchange earnings. Both in terms of value and total catch, the tuna fisheries are by far the most important in the region, followed by shrimp and other crustaceans. Aquaculture is one of the most rapidly growing food industries in several of these



countries, and recreational fishing (sport fishing and diving) is a growing source of revenues.

The fisheries sector further plays an important role for the livelihoods of SWIO coastal populations. The small-scale and subsistence fisheries are of major social importance as an economic backbone of livelihoods and economies in rural coastal communities. An estimated 107 million people live within 100 kilometers of the coast in the SWIO countries, with the coastal population increasing at a disproportionately high rate. While data are poor and likely underestimate the importance of the sector, employment in the fisheries sector is thought to be in excess of one million and directly and indirectly involves a high proportion of the coastal populations of SWIO region. These are often among the most vulnerable, marginalized and landless communities, and highly exposed to climate change impacts. Over 45 percent of the workforce are women, mostly involved in the small-scale fisheries, including collecting, processing, marketing and aquaculture.

The sector is a major contributor to nutritional health and food security in the SWIO region. The coastal rural population, and in particular the poorest, has often limited alternatives to fish for providing animal protein, as well as essential nutrients, vitamins, minerals and trace elements. Fish accounts for around 50 percent of animal protein intake in Comoros and Seychelles, 26 percent in Mozambique and Tanzania, and 20 percent in Madagascar and Mauritius (FAO, 2007).

#### Comoros

Comoros is a Union of three different islands (Grande Comore, Anjouan and Mohéli), each with different cultures and needs. Comoros has been a relatively peaceful country despite the multiple coups in earlier decades and a new government has rekindled the reform process. GDP per capita is US\$785 and about 45 percent of the population lives below the poverty line. Comoros is characterized by few natural resources, an economy predominantly occupied by a few primary industries (vanilla, cloves, ylang-ylang), a young and increasing population, a small domestic market, and inadequate transport infrastructure. Given limited agricultural land, fisheries have an important role to play in maintaining food security.

Agriculture and fisheries represent about one-half of the country's GDP. Remittances from the Comorian diaspora amount to approximately 20 percent of GDP. Real GDP growth is projected to strengthen moderately from 2.5 percent in 2012 to the 3.5-4 percent range over 2013-2014, driven by a favorable performance of the agricultural sector, robust remittances and associated housing construction, and a modest recovery in foreign direct investment. While positive aggregate growth is a welcome break from the past, it is still too low: with a population growth estimated at 2.4 percent a year, much faster economic growth, sustained over a long period, and complemented by targeted programs, will be needed to reduce poverty. Comoros ranks 158 out of 189 countries in the 2013 Doing Business Index.

#### Mozambique

Mozambique's economic growth averaged 8.1 percent over the period 1995–2010, but relies largely on a growing number of 'megaprojects' and associated investments. The high economic growth has not achieved inclusive or pro-poor objectives, as per-capita household expenditures in the bottom three deciles experienced absolute declines (2002-2009) and economic growth and poverty reduction in rural areas lags behind the urban and megaproject growth poles. The national poverty reduction plan (Plano de Acção para Redução da Pobreza, or PARP) attributes the recent poverty trends to: (i) low

productivity in agriculture and fisheries; (ii) vulnerability of the rural economy to climatic shocks; and (iii) worsening terms of trade due to fuel and food price increases. Low levels of education also reduce labor mobility and opportunities to earn higher incomes. Around 80 percent of the workforce has not completed the first level of primary school, while only about 31 percent of the private sector workforce has completed at least the second level of primary school. Meanwhile, an estimated 300,000 young people are entering the labor market each year and with limited jobs in the formal economy, they are absorbed in the informal sector, including artisanal fisheries. Chronic malnutrition is high (some 47 percent of children under 5 are malnourished), only 6 percent of rural households have access to safe sanitation, and gender inequality remains high (Mozambique is ranked 125th out of 146 countries).

Mineral wealth and extractive megaprojects are likely to transform Mozambique's economy in the next decade. Massive investments in coal, gas, aluminum, beryllium, and titanium will create expanding growth poles and transport corridors but with likely stress on the marine environment. Meanwhile Mozambique ranks 139 out of 189 countries in the 2012 Doing Business Index.

## Tanzania

The United Republic of Tanzania is the largest country in East Africa with an EEZ of 223,000 km<sup>2</sup>, or about 24 percent of the land area, a continental shelf of about 17,900 km<sup>2</sup> in area and from 6 to 80 km wide, and a 1,400 km coastline. URT is administered by a two-government system, namely the Government of the United Republic of Tanzania (Union Government) and the Revolutionary Government of Zanzibar. About 16 million people live on the coast and the coastal population is growing at a more rapid rate than the rest of the country.

The URT has experienced a high level of economic growth averaging between five to seven percent per annum over the past decade. Economic performance is driven mainly by growth in mining, telecommunications, tourism, and construction. Exports have grown by about 17 percent annually since 2005, with gold accounting for 40 percent of total merchandise exports. The services sector has grown at around 8 percent over the past decade, driven by growth in trade, transportation, and tourism. But agricultural productivity, a primary economic activity of about 80 percent of households, has not grown at the same extent, resulting in insignificant changes in rural poverty.

Despite the economy's growth, poverty remains prevalent, with rural poverty stagnant at around 40 percent since 2001, and unemployment becoming a concern with nearly 2.4 million unemployed people – most of them young – representing 10.7 percent of the total labor force. Tanzania ranks 145 out of 189 countries in the 2013 Doing Business Index.

## **Sectoral and institutional Context**

### Comoros

The Comoros Exclusive Economic Zone (EEZ) is estimated at more than 160,000 km<sup>2</sup> covering 900 km<sup>2</sup> of continental shelf and 427 km of coastline. The EEZ is about 70 times the size of the country's land area and straddles the important tuna fishing grounds at the mouth of the Mozambique Channel. The sustainable yield of the marine capture fisheries is estimated to be 33,000 tons – mainly large pelagic species, such as tuna. About one-third of the fishing grounds are exploitable by traditional fishing methods targeting the resources of the narrow continental shelf. The domestic fleet lacks the capability to harvest offshore resources, which are captured by foreign vessels mostly operating under access agreements generating substantial revenues for the national budget. Coastal waters are

generally fully exploited, particularly the fisheries for high-value demersals (snapper, grouper and similar species). Underexploited resources are reported to include lobsters, cephalopods (octopus), sea cucumber and bivalve mollusks.

The fisheries sector contributes 8 percent to GDP (about 24 percent of the 'agriculture GDP') and also makes up 5 percent of total foreign exchange annually. The sector is a net supplier of foreign exchange and through fisheries access agreements is a key component of the country's balance of payments. The small-scale fisheries directly employ about 8,500 (about 6 percent of the country's population) and up to 30 percent of the population is dependent on fishery. Fishing households – both full-time fishers and subsistence fishers who alternate between agricultural work and fishing – make up a significant proportion of the households below the poverty level (40 percent of inhabitants in Grande Comore and 70 percent in Anjouan). Per capita fish consumption is 29 kg per year, almost entirely supplied from the domestic fisheries. Marine ecosystem services represent an estimated 37 percent of the total economic value of ecosystem services, and Mohéli Marine Park, the first marine protected area (MPA) in the Comoros was established in 2001.

Most of the coastal fisheries are under heavy pressure with very limited potential for expansion (with the notable exception of the tuna fisheries). There are no significant mariculture or fish exports (though recent foreign investment may generate exports). Tuna is fished predominantly by foreign fleets not landing in Comoros; therefore opportunities for economic growth, employment and value added, based on tuna, are currently limited. However the fees paid to the Government for access of foreign vessels to the jurisdictional waters and their resources amount to approximately US\$1.3 million per year.

The National Directorate for Fisheries (Direction Générale des Ressources Halieutiques, DGRH) and its line Ministry, the Ministry of Production, Environment, Energy, Industry and Craft, exercise central authority on fisheries. The fishers are grouped in cooperatives and at island level the three 'island regional syndicates' are grouped under the Syndicat National pour le Développement de la Pêche aux Comores (SNDPC). The SNDPC is the principal interlocutor between the fishing communities and the fisheries administration and has an important role in promoting compliance, registration of fishers and as a conduit for the administration of fisheries and projects. A range of Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs) are engaged in conservation of the coelacanth, whale watching, coral reef monitoring and eco-tourism. The main objective of Comoros' Fisheries Development Strategy (Stratégie d'Aménagement des Pêcheries) is to contribute to poverty reduction of the most disadvantaged fishing households by developing sustainable fish production and processing, with particular attention to the role of women.

Comoros' legal and institutional frameworks, human capacity and infrastructure for fisheries are all weak. This contributes to deficient management of small-scale fisheries and monitoring of the offshore tuna fisheries, which are dominated by foreign fleets operating under access agreements or illegally. Weak governance and a poor investment climate also limit domestic and foreign investment and contribute to poor sector growth. The lack of fishing port facilities, transportation, distribution, processing, and export infrastructure, combined with a small and domestic market with weak purchasing power, make supplying the local market unprofitable for large fishing vessel and fleet operators. The knowledge of the environmental, social and economic state of the fisheries is deficient and current capability for applied fisheries research is low. However, government commitment, along with an improving investment climate and potential for further increases in production, make the small-scale fisheries a prospect for strong and sustainable development in the future.

## Mozambique

The fisheries sector makes a substantial direct and indirect contribution to poverty alleviation. It contributes to food security, balance of payments, public revenues, employment and gender equity. Despite a relatively low direct contribution to GDP (2 percent), the social contribution of fisheries is considerable. About 850,000 households, or about 20 percent of the population, rely on fisheries for some part of their income and even more may rely on fishing for subsistence and food security. Many fishing communities are small, isolated, poor, and in a semi-subsistence situation, and fishing and fish marketing are usually part of a complex livelihood strategy often integrated with agriculture. Fisheries are the foundation of economic growth in many rural and some urban areas. Fish is a key component of the Mozambican food basket (27 percent of protein) and rising imports show that domestic supply is not meeting demand. Women make up almost half the labor force and are mostly engaged in gleaning, such as gathering shellfish in the intertidal areas, and in post-harvest processing and marketing.

The sector could make significant additional contributions to inclusive growth, food security and employment. Recent estimates show that economic rents from shrimp fisheries could be increased by about US\$30 million per year. Aquaculture remains an infant industry for which the national Fisheries Master Plan (Plano Director das Pescas 2010-2019) has set ambitious goals. Linking sustainable community fisheries to urban markets, industrial growth poles and export markets can underpin employment and growth. There is increasing interest from small and medium enterprises (SMEs) in 'semi-industrial' fisheries for snapper, tuna, swordfish and other high-value species. Value-chains are embryonic: only 10 percent of the rural fisheries' labor is employed in processing and marketing. This indicates substantial opportunities for post-harvest value-addition.

The sector faces several threats. Weak management of the important shrimp fisheries combined with rising fuel prices and reduced demand for high-value shrimp means the sector's economic performance has declined in recent years. The number of artisanal fishers involved in marine fisheries doubled from 2002 to 2007 leading to overexploitation of artisanal fisheries. Declining terms of trade, low, or negligible domestic value addition to fish products, and recent outbreaks of farmed shrimp diseases all contribute to weak sector growth. An unattractive business climate including poor access to investment capital and credit has meant low private sector investment. With high interest rates and a weak network of rural and micro-credit organizations, financing sustainable fisheries and aquaculture remains challenging.

The Ministry of Fisheries (Ministério das Pescas, MP, or Ministry) has overall responsibility for fisheries and works through a range of subsidiary institutions, including those dedicated to small-scale fisheries, aquaculture, research, fish quality, sector finance and fisheries administration. Equity in joint venture shrimp companies and other investments are held by a state company (Emopesca E.E.) while strategic port infrastructure is vested in four financially-autonomous port companies under the Ministry. A number of industry associations represent the private sector in a well-established formal dialogue.

The Fisheries Master Plan was formally launched in December 2010 and articulates the strategic plan of the government for the sector. It is closely aligned with the PARP and the Government's 5-year Plan (Plano Quinquenal do Governo). Food security is its first priority, followed by poverty reduction and improved balance of payments. Aquaculture and improved human and institutional capacity are seen as important means to these ends. It also provides long-term quantitative targets for the fisheries sector's contribution to the national objectives and is based largely on a series of sub-sectoral strategic plans (e.g., shrimp, small-scale fisheries, and aquaculture). The targets for 2019 include a 3-kg increase in per capita fish consumption (from 8 to 11 kg) based on national production; an increase of

US\$100 million in net foreign exchange; and a massive increase in large- and small-scale aquaculture production to over 100,000 tons per year. While progress towards the production and economic targets is lagging, a series of reforms are under way. These include some separation of powers (i) over fisheries and aquaculture concessions, and (ii) with respect to enforcement. In addition, a new fisheries act enabling long-term (up to 15 years) fisheries concessions to be granted has been laid before the national assembly.

## Tanzania

Tanzania's small-scale fisheries account for 98 percent of total fish production, 1.3 percent of GDP and contribute up to 9.9 percent of fish exports, worth an estimated US\$12.4 million, the vast majority of which come from the lakes. While the contribution of small-scale fisheries to GDP may appear marginal, the sector is a vital source of food security, employment and income, and combined with agriculture serves as the mainstay of coastal livelihoods.

The small-scale fisheries sector is however constrained by inadequate infrastructure, including lack of capacity for processing, storage and transportation facilities. Post-harvest fish losses (quantity or value) due to lack of storage, processing and marketing facilities are estimated to be around 20 percent. Destructive fishing techniques, particularly dynamite fishing, constitute a major threat to small-scale fisheries and coastal tourism through degradation of reefs and critical habitats. Weaknesses in management and enforcement aggravate the current situation.

Some fisheries management, planning and oversight functions have been decentralized to the community level through Beach Management Units (BMUs) in Mainland and Village Fisheries Committees (VFCs) in Zanzibar. Such arrangements in principle empower local fishers to monitor and take responsibility for the management and development of local marine resources.

The URT has an important seaweed mariculture industry. In Zanzibar over 15,000 people, mainly women, earn a modest income from seaweed cultivation, producing around 5,000 tons (dry weight) per year. A range of value added products are produced but the income earned by growers is meager, as little as US\$0.10 per kg of the dried raw material. There is important potential for aquaculture (including mariculture) along the coast, provided the enabling environment is in place.

As fisheries are not considered a Union matter, mainland Tanzania and Zanzibar manage their fisheries resources separately. The Deep Sea Fisheries Authority (DSFA) is responsible for the management of fisheries in the country's EEZ, including for issuing tuna fishing licenses to foreign vessels. Overall policy in mainland fisheries has been guided by the National Fisheries Sector Policy and Strategy Statement since 1997, and in Zanzibar by the Fisheries Sector Policy of 2002.

The overall goal of the National Fisheries Policy is to promote conservation, development and sustainable management of fisheries resources for the benefit of present and future generations. The Fisheries Sector Development Program (FSDP) for the mainland has been designed to realize the objectives of Tanzania Development Vision 2025 and the National Fisheries Sector Policy. The overall goal of the FSDP is to develop a sustainable, competitive and more efficient fisheries and aquaculture industry that contributes to the improvement of the livelihoods of stakeholders and the national economy while preserving the environment. A number of other policy and planning instruments target marine and fisheries resources, including: the Tanzania Prawn Fishery Management Framework of 2004, the Zanzibar Environmental Policy of 1992, and the National Environment Policy of 1997.

## **II. Project Development Objective(s)/Global Environmental Objective(s)**

### **A. Project Development Objective(s)**

The Project Development Objective is to improve the management effectiveness of selected priority fisheries at regional, national and community level

## **III. Project Description**

### **Component Name**

Component 1. Enhanced regional collaboration

### **Comments (optional)**

All SWIOFC countries will participate in this first component, implemented by the IOC. It will support the provision of a regional public good through regional coordination and cooperation for the management and sustainable development of fisheries in the SWIO. Sub-component (1.1) (Enhancing capacity for managing priority regional fisheries and challenges) will support engagement with all SWIOFC countries to start developing a regional strategy to increase national and regional benefits from priority regional fisheries, collaboration on trans-boundary living marine resources, and address shared challenges. It will also support implementation of a core regional work plan toward implementing this strategy. Sub-component (1.2) (Regional coordination and collaboration) will support the further development and consolidation of institutional arrangements for regional fisheries collaboration, through the SWIOFC and the IOC. The sub-component will also support regional knowledge management and exchange.

### **Component Name**

Component 2. Improved governance of priority fisheries

### **Comments (optional)**

The component primarily targets policies, strategies, institutions and legal frameworks, and actions by the public sector necessary to improve priority fisheries management and performance, as well as regional marine environmental health and resilience to climate change. It will be backed by activities aimed at understanding the resource base, and building human and institutional capacity necessary to implement fisheries policies and management plans. Three closely-linked and mutually supportive activities, directed to both the public sector and coastal communities, are envisaged: (2.1) Knowledge and management of priority fisheries; (2.2) Improving the performance of public institutions and assets; and (2.3) Information, communication and awareness.

### **Component Name**

Component 3. Increased economic benefits from priority fisheries

### **Comments (optional)**

The component primarily targets increasing the value addition and diversifying fishers' livelihoods to reduce poverty and pressure on the region's fisheries, improving the regional business climate, enabling the private sector productivity and investment, and supporting public investments critical to a viable private sector. Measures decided by the co-management plans developed under component 2 will be implemented here, including compensation for potential access restrictions. The Project will support the following sub-components: (3.1) Improved business and investment climate; (3.2) Expansion of opportunities for priority fisheries and value addition; and (3.3) Planning and investment in strategic infrastructure.

### **Component Name**

Component 4. Project management and coordination

**Comments (optional)**

The component will support regional Project coordination and implementation, country-level implementation and management, and monitoring and evaluation at regional and country level. It will operate through Regional and National Steering Committees (RSC/NSCs) and Regional and National Implementation Units (RIU/NIUs), through the following sub-components: (4.1) Project management at regional level; and (4.2) Project management at country level (Comoros, Mozambique, and Tanzania).

**IV. Financing (in USD Million)**

Total Project Cost:	91.00	Total Bank Financing:	75.50
Financing Gap:	00.00		
<b>Financing Source</b>			<b>Amount</b>
International Development Association (IDA)			42.70
IDA Grant			32.80
GEF			15.50
Total			91.00

**V. Implementation**

The SWIOFC, as the regional fisheries body, is the existing platform for regional dialogue and cooperation on fisheries management and development. As such, it acted as the steering committee for the previous SWIOFP. The SWIOFC would be the ideal candidate to manage the Project but it currently lacks the capacity to do so: it is a relatively young institution with a small secretariat supported by FAO and limited financial autonomy. The IOC, being a regional leader in fisheries and marine environment with strong internal capacity for project management, and having successfully implemented regional Bank and other donor-funded projects, has been chosen by the member countries to support project implementation, until such time as this responsibility can be taken over by the SWIOFC.

The following regional implementation arrangements have been agreed upon: a Regional Implementing Unit (RIU), consisting of a regional coordinator housed under SWIOFC and a finance and procurement unit (FPU) housed within the IOC, will be responsible for regional component implementation and coordination. It will operate under the oversight of a Regional Project Steering Committee (RSC) of SWIOFC composed of Fisheries Permanent Secretaries. The FPU will be responsible for the administration of the regional project funds and related fiduciary aspects. This arrangement will provide for a forum for all SWIOFC member countries to participate in the discussion of regional issues.

At the national level, the Project will be implemented by the respective ministries/agencies with a mandate for fisheries management, through the establishment of (i) National Project Steering Committees (NSCs) and (ii) National Project Management Units (NIUs). Implementation capacity is variable in most of the national fisheries agencies. However, in the three countries (Comoros, Mozambique and Tanzania), basic national-level implementation capacity has been established through recent or existing World Bank fisheries or coastal zone projects.

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01	<b>X</b>	
Natural Habitats OP/BP 4.04	<b>X</b>	
Forests OP/BP 4.36		<b>X</b>
Pest Management OP 4.09	<b>X</b>	
Physical Cultural Resources OP/BP 4.11	<b>X</b>	
Indigenous Peoples OP/BP 4.10		<b>X</b>
Involuntary Resettlement OP/BP 4.12	<b>X</b>	
Safety of Dams OP/BP 4.37		<b>X</b>
Projects on International Waterways OP/BP 7.50		<b>X</b>
Projects in Disputed Areas OP/BP 7.60		<b>X</b>

### **Comments (optional)**

## VII. Contact point

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