

South West Indian Ocean Fisheries Governance and Shared Growth

Discussion Paper

September 4, 2011

Background

The World Bank has, at the request of various governments, invested in support of environmentally, socially and economically sustainable development of fisheries and other coastal and marine resources in countries riparian to the Southwest Indian Ocean (SWIO). Likewise, many other donors have also supported government efforts to preserve biodiversity and improve livelihoods of people living in these areas- which generally are amongst the “poorest” areas from the perspective of average annual per capita income.

Over the next 1-3 years, almost all of the Bank coastal and marine fisheries projects will end, and at the request of the beneficiary governments, transition into follow-on projects. Likewise, there are a number of important new projects due to come on-line in these sectors by other donors such as the EU, AfDB, Norway, IFAD, etc. Clearly, the 8 countries of the SWIO region are at a critical turning point regarding the future development of this most critical of all ecosystems... the Coastal Zone and Exclusive Economic Zone (EEZ).

Just as clearly, donors (and particularly the World Bank), are looking at developing a more efficient and effective way of delivering support that countries need in this most critical area. While the Bank currently links national projects along the coast to each other in legal documents, and Bank projects cooperate closely with other donors to avoid overlap, this is proving to be an inefficient system of development support.

The following discussion paper presents an alternative approach to donor support of development in the coastal zone and associated EEZ. It emphasizes integration over ad hoc cooperation, and that buffers against “stop:start” support for establishing a system of sustainable use of critical coastal and marine habitats that, by their nature, require sustained investment over periods of at least 20-30 years. The proposed approach also presents a more “NEPAD-like” approach to capacity building and natural resource management through regional cooperation and experience-sharing between relevant government agencies.

The suggested objective is to sustainably increase the overall contribution of the coastal and marine fisheries resources of the South West Indian Ocean to the economy of the riparian countries with a balanced distribution of the revenues.

PLEASE READ!!!

Steps in Project Preparation and where this document is positioned

The basic steps to be taken in obtaining funding by the Bank/GEF for this project are as follows:

1. The proposed project must find its way into the Bank funding pipeline. This step requires mutual consent by both the Bank and beneficiary countries, and is particularly true if Bank funding is to come from an IDA Credit (loan), as would be the case here. The Bank undergoes a regular, 5 year, exercise between its Country Offices and the Ministries of Finance to identify the priority sectors that will be the focus of Bank lending for the next 5 year period. This is formalized through a Bank document, which is approved by the various Ministries of Finance, known as the Country Assistance Strategy (CAS), Country Partnership Strategy (CPS) or Interim Strategy Note (ISN). This proposed project is a bit different as it will be “regional”, but any difference is very subtle. This is particularly true in the Africa Region, which is the only Bank region with a Regional Integration Department (and it has its own “strategy on regional investment priorities”). A new project, whether national or regional, can only find its way into the Bank funding pipeline through a Bank internal process that results in a formal presentation of a “Project Concept Note (PCN)” to a Bank management meeting chaired by the relevant Country or Regional Integration Director. This 3-4 hour meeting will discuss the PCN in detail and decide that it is either: i) not relevant to the Bank/CAS and will not be funded; ii) with modifications, the PCN would become relevant to CAS objectives and upon further review could be included in the funding pipeline; or iii) is completely relevant to the CAS and can be funded, pending outcome of the preparation process and the resulting review/approval of the Project Appraisal Document (PAD).
2. If a project’s PCN is approved by Bank management and enters into the funding pipeline (it is given a very specific delivery date (fiscal year) where it is to be presented to the Bank Board for approval), and the project preparation period begins. Please note that at this point, the focus of preparation shifts from an internal Bank process to a process that is owned and managed by the beneficiary countries and other relevant stakeholders in the project. The Bank becomes an interested partner whose main role is to ensure that the project that is described and budgeted by the preparation team in the PAD will meet the objectives agreed to by Bank management at the PCN meeting. Those of you that participated in the SWIOFP, MACEMP, KCDP or other Bank projects will recognize the project preparation stage as one that lasts up to 12-24 months, requires many formal and informal meetings between participants, long internal discussions within Ministries and between Ministries and outside stakeholders, and preparation of a number of difficult reviews, legal documents, etc. And thrown into this mix will be a number of Bank Preparation Missions (probably at least 3-4) that will review output of the preparation team. The main output of this stage of preparation is the PAD (and probably an Environmental and Social Assessment). The PAD is reviewed by Bank management and ultimately submitted to the Bank’s Board of Directors for approval.
3. After Board approval, there is a 3 month period where the beneficiary countries get ready to implement the project (meeting “Effectiveness Conditions” as specified in the Credit and Grant legal agreements). When a Project is declared Effective, money can flow from the Credit and Grant and work can begin.

This “Project Discussion Paper” is designed to solicit views of the potential beneficiary countries and relevant project stakeholders over what is needed in the near shore and EEZ fisheries and coastal zone sectors to promote environmentally, socially and economically sustainable use of natural resources in these areas, including preservation of biodiversity and environmentally sensitive areas. This discussion paper will lead to preparation of a **Project Concept Note (PCN)** which will be marketed and presented to Bank management for possible funding. Please remember that the PCN is an internal Bank document and must be structured in such a way that Bank Management is convinced that the project is relevant to the various national / regional Strategies (CAS, CPS or ISN i.e., document agreed between the Bank and its client countries stating their areas of collaboration) and that there are few implementation risks (i.e., the project can be implemented smoothly and achieved its objectives). The PCN is therefore kept relatively general so that the preparation team has enough flexibility to identify the actual subcomponents / activities to be funded under the project.

If Bank approval of the PCN is obtained, it will be up to the beneficiary Governments and relevant stakeholders to design, cost and manage the project preparation.

Proposed Project Scope

Currently the World Bank has linked (through national Grant, Credit and Project Agreements) coastal, and marine fisheries projects through the following: i) *Kenya*- Kenya Coastal Development Project; ii) *United Republic of Tanzania*- Marine and Coastal Environmental Management Project; iii) *Mozambique*- JSDf-supported coastal project; iv) *Comoros*- JSDf- supported coastal project; v) *Regional*- Southwest Indian Ocean Fisheries Project (SWIOFP). All of these projects are in various stages of implementation, but are universally seen as initial stages in long term development strategies for the coast and marine environments. And, in fact, the Governments of Tanzania, Mozambique and Comoros have indicated a desire for new Bank investments in the coastal zone. Likewise, all 8 African countries in the SWIO have indicated a strong desire for a follow-on project to the SWIOFP. Existing Bank investments through the projects mentioned above is more than USD 120 million. Already requested and expected new investments would add an additional USD 210-250 million to this total.

Traditionally, these new investments would occur at the national level, with loose requirements to develop regional linkages with neighboring countries specified through project legal documents. This approach is proving to be non-viable for the following reasons:

1. Regional linkages of purely national projects are invariably weak, transient and limited to the life of the project, and play little if any role in long-term national management of a shared natural resource;
2. Rarely result in development of “NEPAD-like” approaches to sharing of skills, experience and resources between linked African nations (foreign consultancies continue to be the norm, even when necessary expertise is available from a neighboring country);
3. Is inherently costly for the donor to supervise effectively. The cost to the Bank of preparing and supervising a large number of smaller, national projects is proving to be prohibitively expensive, making the proposed new investments in the coastal zone and EEZ problematic.

Fortunately, there is a working regional model of combining national needs for identifying and managing shared natural resources already in existence. The SWIOFP is a regional initiative that services the targeted national needs of all 8 African countries within the SWIO. Likewise, there are existing and successful regional natural resource management projects funded by other donors in the SWIO.

Given the existing working project models used by the Bank and other donors, and the similar nature of donor investments in fisheries and coastal zone management and development in the region, it should be possible to develop a Bank investment that leverages **integration** of all major donor activities while simultaneously resulting in economy and efficiency of Bank/donors operating costs needed to identify, prepare and supervise investments in the sector. This discussion paper suggests a project that is coordinated, supervised and integrated at the regional level through existing management structures but managed and implemented at the national level through national institutions. Funding of regional coordination, integration, supervision over the proposed project should come through the project and be channeled to the existing body or group that is best placed to undertake these roles.

Project Approach

The proposed project would require regional coordination and national implementation.

Regional Coordination

Regional Coordination- Policy and Steering Level

Coordination will occur at the Project level and Component level. Overall regional coordination would involve high level political decision-making over program implementation and be the focus of action on interim and final project outputs. Regional coordination would also occur at the component or subcomponent level between countries participating in a common activity.

It is expected that high level project coordination at the political level (regional project policy and steering function) would be through the SWIOFC. This option has the benefit of:

1. Placing the results of this project, which is mainly management and development of fisheries including better integration in national economies (particularly those that straddle boundaries of two or more member states) before an existing regional fisheries body comprising senior political, managers and scientists of countries bordering the SWIO for review and common action
2. Strengthening the scientific and economic information available to the Commission and linking to databases that the Commission already operates (the WIO-Fish database and databases produced by cruise results and secondary data of the SWIOFP)
3. Problems are that the Commission does not have permanent staff and lacks physical facilities. It operates under an article of the FAO Constitution¹ that stresses discussion and coordination rather than management.

While political policy and steering can be efficiently handled by the SWIOFC, the project itself will need an overall coordinating body to act as the main interface with the World Bank and those groups (Component Coordinating Groups - CCG) that are directly coordinating and supervising at the regional component/subcomponent level. A Regional Management Unit (RMU) will need to be created to fill this function. It should be a formal "subcommittee" of the SWIOFC and report to the SWIOFC Manager.

Regional Coordination- Overall Project Coordination Level

The Regional Management Unit would be small and focused, consisting of a Regional Executive Secretary (RES), a Deputy RES, a Regional Procurement Advisor, a Regional Financial Manager and a Monitoring & Evaluation specialist (the composition of the RMU/Technical Committee will be "tweaked" during project preparation). Since it would be part of the SWIOFC, the senior staff of the RMU- Regional Executive Secretary and his/her Deputy- would need to be senior civil servants seconded (through a competitive process amongst nominees put forward from all project beneficiary countries) to

¹ "[...] Commissions [...] to advise on the formulation and implementation of policy and to coordinate the implementation of policy"

1. If transboundary management issues directly or indirectly (such as watershed issues - see output of WIO and project) related to fisheries are to be effectively addressed, it can only be done through a regional management body, and the SWIOFC the only such body currently in existence and with the appropriate focus and general mandate.
2. But, the Commission's mandate, as currently set by the member countries, is weak. This discussion paper assumes that the countries within the Commission will, over the preparation period of about 2 years, agree to strengthen its management mandate, as without this happening, it is most unlikely that the output of the proposed Project will be acted upon.
 - a. The structure of the Commission will also need to change to ensure that an ecosystem-based approach to fisheries management is taken. At present, the Commission only has one Technical Committee that is basically focusing on catch and fishing pressure. Either the existing Technical Committee would need to broaden its focus to include biodiversity issues (by-catch, secondary (indirect) impacts of fishing on other fish species (predator:prey relationships); and on habitat (trawling impacts and issues related to mangroves and fish breeding/feeding, etc.)), or a new Technical Committee would need to be formed. In either case, technical input from other regional groups such as the Nairobi Convention, would need to be included.
 - b. This discussion paper assumes that the RMU would be an organ of the SWIOFC, and perhaps even the backbone of a new, permanent, Technical Committee of the Commission with duties in addition to coordinating the proposed project. If the countries agree to this, and that the Commission needs a stronger regional "management" mandate as described above, then it is logical to assume (as this discussion paper does) that the countries will agree to identify a permanent home for the Commission with a core permanent management staff (Commissioner, accountant, secretary).
 - c. If the above turn out to be agreeable to the members of the Commission, the proposed project would fund construction of the Commission building, relevant equipment and furnishings, staff salaries, and operational budget for the life of the proposed project (it is assumed that long term funding of the Commission would be developed and implemented during the life of the proposed project).
3. The discussion paper assumes that operational budget of the strengthened Commission, including a permanent Technical Committee that would also serve as the RMU for the new project, would be allowed by the Bank to open its own Designated Account to cover its operational expenses, making it financially independent. Annual audits would need to be procured through tender, with results being reported by the Commissioner to the Chairman of the Commission.
4. This discussion paper also assumes that an MOU will be developed between beneficiary countries and the strengthened Commission, and donors/organizations supporting management groups that serve as a component/subcomponent coordinator and/or supervisor that disbursement into national Designated Accounts can only be made following "no objections" by the Commission and component/subcomponent coordinators.

the project. The successful candidates would be under a performance-based contract, receive living allowance, medical insurance, education support, relocation and vacation leave funded by the Project. The home institution would continue to pay the salaries of these staff. The RMU is expected to be either “a” or “the” Technical Committee of the SWIOFC. The members of the Technical Committee would report to the “Commissioner” (equivalent to a Permanent Secretary who would be full time and support the Chairman of the Commission), who would be procured on competency, skills, and experience (and as such a consultant and retained solely on demonstrated performance). The duties and functions of the RMU (and its staff) would be:

1. Large, regional procurement of common items such as regional consultancies (consultancies to service more than one country), procurement of research and enforcement vessels, fund regional meetings including annual workplan and budget reviews and approvals, and procurement undertaken at the request of one or more of the National Management Units on its behalf;
2. Production and dissemination of collective project outputs (these can be delegated to National implementation units, but regional coordination responsible for collation and production of “project” results);
3. Project-level financial management (disburse to National Management Units and compile information needed from CCGs for Project Financial Management Reports to be transmitted to the Bank;
4. Organization and hosting of Project regional meetings including Annual Workplan and Budget meetings, Regional Policy and Steering Meetings by the SWIOFC, symposiums on Project Progress/important issues (transboundary issues);
5. Linkages with outside organizations, maintenance of the project website, and representing the project at relevant international meetings (such as GEF “window” meetings);
6. Collect information from CCGs, collate and publish semi-annual project progress reports;
7. Reach out to all fisheries projects and institutions in the SWIO to compile a compendium of results for the SWIOFC Technical Committee and from this to publish a bi-annual “state of the fishery” report of all major coastal and near-shore fisheries in member states.
8. Describe environmental impacts on fisheries and fishery impacts on biodiversity and environmentally sensitive habitats (linkage to Nairobi Convention, UNEP, other relevant environmental agencies, NGO’s, projects);
9. Organize logistics for semi-annual Bank supervision missions.

Regional Coordination- Component Level

Component Coordination Groups (CCG) to organize the various parts of project supervision and monitoring and to collate results and prepare formal semi-annual progress reports. CCGs would operate at component and subcomponent levels, would be subsidiaries of the RMU and could be existing project management units (regardless of funding source²), regional fisheries bodies, regional programs (like

² if existing project management units, regional organizations or programs were chosen as CCGs, the proposed project would support required extra staff, additional office equipment, transport/per diems, and other operating

NEPAD, Nairobi Convention, etc.), or a mutually agreed permanent organization with regional ties. They would:

1. Oversee quality of independent component monitoring and evaluation (these can be through NGOs, local offices of relevant regional organizations, regional projects with existing and relevant offices capable of providing independent monitoring and evaluation services to the project- for which the project will pay);
2. Plan and coordinate research and enforcement cruises or similar regional activity for a component;
3. Facilitate preparation of component-level budgets and disbursements under each Annual Workplan and Budget;
4. Coordinate internal component meetings, exchange of technical personal for technical coordination, information exchange and/or learning and training.

National Implementation

National Implementation Units (NMU) would be formed in each country and would be structurally and functionally similar to those units formed for purely national projects. They would have unique national programs under this proposed regional project which would be designed during preparation to: i) be in harmony with the national programs of the other participating countries; ii) be within the total budget envelope for the regional project; iii) meet the individual country needs of their coastal districts and the various EEZ's fisheries; and iv) would be designed under the assumption that this new regional project would be but one phase of a multi-phase investment in the coastal zone and regional fisheries development and management. Where this approach would differ from purely national projects is that it would also include:

1. Funded links to neighboring countries to address transboundary terrestrial coastal and marine fisheries issues such as illegal fishing or illegal practices in terrestrial and marine areas of coastal national parks, creation and joint operation of transboundary conservation areas (both terrestrial and marine), etc.
2. Development and pilot implementation of regional principles and possible approaches to management of global public goods including marine mammal, turtle and seabird protection, and by-catch management;
3. Harmonization of national fisheries legislation and access and licensing agreements in regard to management of fishing fleets;
4. Identification and operationalization of a regional approach to: i) fisheries Monitoring, Control and Surveillance (MCS); 2) fisheries enforcement (common operation of fisheries protection vessels and

expenses need by these groups to undertake the additional responsibilities assigned for the life of the project. The project would also develop, with the cooperation and agreement of the members of the SWIOFC, a funding mechanism for this regional cooperation structure that would see it (particularly operation of the SWIOFC) by the end of the proposed project.

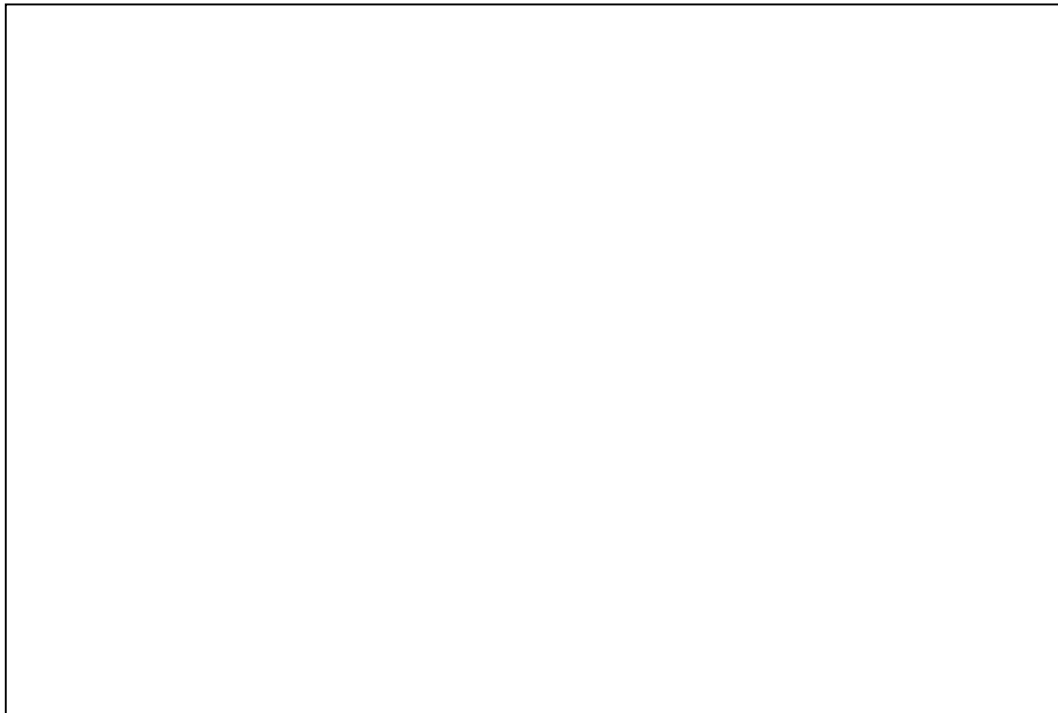
gional coordination of purely national subcomponents would target “NEPAD-Like” transboundary training, exchange of information and expertise, harmonization of export certification processes including reporting and standards, market research, product branding, and sales support. Fisheries contribution to improved coastal livelihoods and revenue generation at the national level would be through diversification of the catch rather than increased catch of existing fisheries, reduction in post-harvest losses from existing fisheries, support to value addition and value chain expansion. Support for marine and terrestrial protected areas and biodiversity preservation would target activities that would make these financially viable, require improved awareness and responsibilities of local communities through public-private partnerships, establishing regional governance and operational standards, transboundary networking and enforcement mechanisms to protect biodiversity and environmentally sensitive areas, development of environmentally, socially and economically sustainable national and regional tourist circuits by creation on new or improvement of existing infrastructure within and serving protected areas, support for concessioning, etc.

5. Stronger regional management of transboundary and migratory fisheries through support of membership requirements, awareness and responsibilities of member states to the IOTC and IOTC capacity to coordinate between non-coastal and coastal state members, and strengthening the mandate and capabilities of the SWIOFC.

6. Support for regional and subregional meetings, technical exchanges between scientists/technicians/managers of beneficiary countries to promote NEPAD principles of making maximum use of knowledge, facilities and expertise in the region.

7. Support of higher education institutions in project beneficiary countries by creation and operation of research grants, university staff research sabbaticals, undergraduate scholarships in appropriate sectors, and long term training of staff in institutions participating in the project through local universities (these training and education grants/scholarships could be largely through competition with a regional group of recognized experts serving as a review panel).

Possible Project Components



Components and main subcomponents would now include:

COMPONENT 1: Governance and Management for sustainable fisheries and shared growth

Regional

- a. Strengthening regional fisheries bodies (including support to implement “strategic action plans” for fisheries management made by the SWIOFC, and national awareness and local fisheries regulation harmonization recognizing obligations and agreements made within both the SWIOFC and IOTC. Introduction and adoption of agreed actions under ASCLME, WIOLaB, SWIOFP and other regional initiatives by the SWIOFC and subsequent harmonization within national legislation)
- b. Harmonizing of legislation and management of national management areas such as fish no take zones, seasonal closure, local management plans within conservation areas, etc. where fishing pressure and/or fisheries straddle national boundaries
- c. Development of regional fisheries MCS, enforcement and prosecution capability
- d. Safety and security at sea (see Annex 1)
- e. Strengthening management of important coastal and marine public goods

National

- a. Strengthening Spatial Planning process for inclusion in National Development Planning
- b. Strengthen Government support for coastal Micro, Small and Medium Sized Enterprises through creation of a Government approach that integrates Natural Resource Management ministries with the activities of ministries managing investment promotion, support to cooperatives, and business regulations
- c. Strengthening ministries responsible for managing terrestrial and marine parks and conservation areas and linking these ministries with agencies and private sector associations associated with the tourist sector
- d. Strengthen legislation and government organizations responsible for fish export certification, investment promotion, and marketing/sales assistance to the private sector.

COMPONENT 2: Improving Stakeholder Livelihoods and Revenue Generation from Coastal Districts

Regional

- a. Region-wide planning for infrastructure needs targeting support of the industrial fisheries with the objective of avoiding destructive competition, prioritizing support infrastructure needed in each country and developing (with project support) feasibility studies and preliminary designs of the priority infrastructure for “marketing” to other donors for financial support
- b. Support to help develop a region-wide “right of access” license format that recognizes a “total regional catch” of each large pelagic species and how that total allowable catch will be allocated nationally
- c. Strengthening of the links between the IOTC and the SWIOFC (and other relevant bodies) to better differentiate between research and rights allocation and enforcement of rights allocations both nationally and regionally
- d. Identify transboundary fisheries or fisheries that straddle 2 or more national boundaries for development, including joint stock assessment, management plans, support to small-scale

and semi-industrial enterprises, and coordinated enforcement of management strategies and catch limits.

National

- a. Targeted pilot development of key coastal/near shore natural resources shown by land capability or stock assessment, social and environmental impact assessments, and market assessments to be suited to an area and potentially profitable (spatial planning)- actual activities would vary by country, with Bring more of the value of the industrial and large pelagic fisheries, onshore - support for rational and coordinated regional investment in fishing ports, cold storage, processing, transshipment facilities, etc. This support can be national, subregional (two or three countries), or regional (such as development of a SWIO branding label).
- b. Alternative and environmentally and socio-economically sustainable livelihood promotion- initially through cost-sharing grants with local cooperatives, and long term through improving access to affordable credit and improved environment for local equity investment into coastal MSME's. This could include development of a project initiated (but later purely public) guarantee instrument for intermediary lending between commercial banks and local microfinance groups, support to microfinance NGOs , support to village financial self-help groups, etc.
- c. Leverage of private sector investment in the coastal zone (public:private partnerships)- This could include legal support strengthening the ownership of local natural resources by local residents and communities, support for specific pilot resource developments including aquaculture, processing and sales, or other sustainable resource developments that link local MSME use of a resource with the marketing and sales capabilities of the private sector (such as mangrove honey, mangrove crab fattening, seaweed farming, biofuel production on marginal lands, etc.).
- d. Capacity building of Micro, Small and Medium Sized Enterprises- this would include business advice, assistance with establishing production cooperatives, assistance to MSME's when entering into a joint venture with a local investor, etc.

COMPONENT 3: Improved public and private sectors' capacities for policy design and implementation and regional collaboration

- a. Project Management, including Regional and Component Coordination and National Implementation- this could include financial support for goods and operations need by existing regional groups or project management units that would need to incrementally expand operations to include coordination/supervision of components and subcomponents of the proposed project, support to the SWIOFC, development of transboundary assessments of issues and relevant strategic action plans for affected countries, etc.
- b. Project outreach to the fishing industry, coastal stakeholders, interested international groups

that is described in the project components and sub-components section above are examples of what could be included in the proposed regional project. Countries will have the option, during project preparation, of being more specific regarding their national and regional needs. Further, countries will be allowed to opt into or out of each sub-components (as was the case in SWIOFP). What is up for discussion during the meeting of the SWIOFC is the approach, concept and basic technical and managerial approaches to be included in the proposed project.

C. Support for basic fisheries research (through competitive research grants, training of managers, national and regional stock assessments, etc.)- This could include specific, project supported, research grants to students (PhD), regional institutions (universities, NGO's, parastatal research groups) procured through competition, or sabbatical support for local or international university staff to undertake specific work with local government research institutions. As it would support universities and staff in all beneficiary countries, it would be managed regionally through the SWIOFC, but actual selection of the "procurement" and training would be by a committee formed by the Commission specifically for this task.



Rationale for the Proposed Approach

At approximately USD 210-250 million, the proposed project would be the largest coastal and marine investment ever undertaken in the African Region. While there are risks to undertaking a large, multi-country, multisectoral project, there are also very significant benefits. The proposed project is specifically designed to maximize the benefits of a regional approach, and to minimize risks by linking and taking advantage of the management infrastructure, skills and experience of existing projects, project management units, regional program and organizations to provide regional coordination and supervision over the proposed Bank investment. Project benefits would be as follows.

- 1) Leverage integration of donor activities in the coastal zone, near and offshore fishery sectors. The proposed project would be designed to largely support ongoing donor efforts linking Bank funding to ongoing projects (both Bank and other donors). This would allow the role of CCG to be undertaken through existing and similar activities of other donors through the following process.
 - a. Identifying existing projects that have already started in the region that are functionally similar to activities to be supported under the Bank project. These projects would already be working with the same institutions in at least some of the countries that would benefit from the proposed Bank Project. They would also be funding activities that are complementary or precursor to work that would be funded under the Bank project.

- b. Activities under the new Bank project would be focused³ to adding incrementally new and complementary activities to those of the other donor's project, strengthening the existing work by expanding it to countries not covered under that donor's project, and/or ramping up on those parts of the other donor's project that have proven to be successful at the pilot stage.
 - c. Project investments compatible with the above that are included in the national projects would be implemented at the national level. However, disbursement of Bank funds for these incremental/expanded activities at the national-level would require CCG "no objection", and be supervised at the regional-level by the "parent" donor project. Where this requires additional staff, facilities, and operating budget to disburse and manage cash flows and undertake independent supervision of implementation at the national level, the Bank project would include funds for that donor's project to procure what is needed.
 - d. Bank supervision of the proposed project would therefore focus on the regional coordination (i.e. the donor projects that have agreed to participate in the proposed project and been funded to handle regional financial management and independent technical supervision of one or more project components/subcomponents). As a result, Bank supervision would be at the CCG-level, and visits to each of the likely 8 countries in the project would not be needed. It is therefore expected that the supervision budget for this new Bank operation would only be slightly more than for a single national project.
 - e. This approach also goes far beyond the usual edict given to Bank staff and staff of other donors to "reach out" or "coordinate" to avoid "overlap" of projects. This approach allows full integration of donor activities.
 - f. Finally, linking donors has the benefit of improving likelihood that follow-on projects that build towards achieving the critical mass of investment needed for donors to exit the sector, leaving it on a self-sustaining basis, would be achieved.
- 2) Leverage improved regional fisheries management by maximizing the impact of all donor activities in the marine fisheries sector through linking output to a strong, regional, fisheries management body.
- a. Currently, the SWIOFC is a body mandated to discuss regional fisheries management and development issues rather than implementing them. The IOTC is also a regional fisheries body, but one that focuses only on the management of the large pelagic fishery and that has both owners and user's of that fishery as members i.e., coastal and non-coastal States. While the proposed new project focuses mainly on fisheries other than the large

³ There is one significant departure to this. The Bank investment would include fishers' safety and security at sea. This is a new activity not undertaken by any donor, including the Bank, at any significant level in the SWIO. As such it might need special handling during project implementation. A description of what might be included in this subcomponent is included in Annex 1.

pelagics there is likely to be areas where national beneficiaries identify areas of investment that overlap on both SWIOFC and IOTC mandates or can be complementary.

b. It is anticipated that the countries benefiting from the proposed project will again ask the SWIOFC to serve as its policy and steering committee (it is currently the policy and steering committee of the SWIOFP). But unlike SWIOFP, which was mainly a research project, the new Bank project is very likely to require regional management (national governments acting in concert through legislation and government-mandated action). This will require a fundamental change in the mandate, structure and operation of the SWIOFC. If the member countries of the SWIOFC agree, the new Bank project would also need to fund:

1. The draft operational guidelines and mandate for review and adoption by member countries
2. At least two regional meetings of SWIOFC states to review and adopt the operational guidelines and mandate and to agree on a country to permanently host the SWIOFC, staff and staffing levels, and operational budget.
3. The national legislative agreements and required changes to national fisheries acts to change the FAO mandate of the SWIOFC to one that includes management
4. Draft for submission to national member states for a self-funding mechanism of the commission to be agreed and implemented by the last year of the new project.
5. Construction of an SWIOFC office building, equipment for that office, at least one vehicle, operational budget for the commission for the life of the project,
6. Since the Regional Management Unit will be overseen by the SWIOFC, it should be housed in the new SWIOFC building and use the facilities and staff of the Commission. This will create savings by avoiding the need to establish a completely separate office for the new project's regional management unit, which would help defray some of the costs of establishment of the permanent home of the SWIOFC.
7. All output from the new regional Bank project would be presented for review at the Technical Committee Meetings and again, with recommendations from the Technical Committee, at the Annual Meeting of the SWIOFC. It is also expected that all fisheries projects associated with the new Bank project, regardless of donor source, will present interim results and outputs to the Technical Committee and Annual Meetings of the SWIOFC as a courtesy.

Possible opportunities for linking the proposed Bank project with existing projects

This discussion paper should result in recommendations from reviewers for projects that might be considered candidates for CCG's. A very brief review of ongoing projects supported by the EU, French Foreign Assistance and others has already identified possibilities that include:

- New Fisheries project hosted by COI with EU (DG DEV CO) funding - This project is just starting and includes components relevant to the proposed Bank project. These are at least: i) governance; ii) MCS; iii) management; and iv) markets and market development. The Bank project could provide incremental finance through this project to national agencies to extend benefits of this project to countries that it doesn't currently cover, and to expand its activities to all countries on regional enforcement, MCS coordination, expanded regional management, etc.
- RECOMAP project (or a regional/subregional project that is similar) hosted by COI and funded by EU (DG DEVCO). This project manages small grants for sustainable natural resource management projects in coastal districts in most countries that would be in the Bank project.
- Regional Management of Fisheries (MCS) - EU (DG MARE) funded project that covers strengthening national surveillance of fisheries and regional coordination of surveillance in COI/IOC countries. This project is to end at the end of the year, but expects a 2-year extension. There is overlap between this project and the new EU project discussed above. The EU needs to rationalize the overlap before final decisions can be taken regarding its inclusion in the new Bank program.
- A new French Project (FFEM/MAEE/AFD) that is likely to focus on preservation of biodiversity in the SWIO.

... will be drafted for submission to bank management, based on the revisions suggested by the September meeting of the SWIOFC to this discussion paper. Assuming the Bank accepts the PCN, project preparation will begin. The possible preparation scenario is described below, but this should also be discussed by the SWIOFC in September.

1. Once funding of preparation is secured (Project Preparation Facility and/or grant from the GEF or other donor) then.... The SWIOFC would coordinate all preparation activities. This includes managing (either directly if the Bank allows, or indirectly through a system similar to that employed by the SWIOFP) all preparation funds. Preparation will be divided into four groups with one beneficiary country elected by all beneficiaries to host groups' meetings and activities. These groups could be: i) Science ii) Operations (including project management) and procurement; iii) Project Costs and Financial Management; and iv) Legal. Each country responsible for one of these groups will prepare a budget for a meeting or procurement of such things as consultant services or small goods purchases and submit to the Commission for approval. Once all groups have met and produced draft outputs for general discussions, the Commission will host a Plenary Session. All stakeholders (not just beneficiaries) must be included in the Plenary (including the World Bank). Beneficiary representatives must include a representative of their Ministry of Finance. Preparation groups are "working level" and meetings are expected to require about 5 days each. Plenary Sessions are meetings where each preparation group presents their results and recommendations to their managers (permanent secretaries of involved ministries, directors of technical and management departments of these ministries, managers of relevant regional bodies and other stakeholders in the project, and the World Bank). The managers will stipulate what is acceptable and what needs additional input/review/work by the preparation groups.
2. It is expected that at least 3 Plenary Sessions (and associated 3 meetings of each preparation group) will be needed. The final Plenary Session will present the draft PAD for discussion and formal approval by each beneficiary government and regional organization/donor to be involved in the project.

Annex 1: Possible activities for funding under a Safety and Security at Sea Subcomponent

Introduction

Whereas the safety of fishers has been a concern within the region over a long period of time, the SWIOFC countries agreed to cooperate in addressing the problem that led to a regional study conducted in 4 of the countries, Comoros, Kenya, Madagascar and the Seychelles. The result of the studies being set before the regional workshop on Safety at sea for small-scale fisheries in the South West Indian Ocean (SWIO), held in the Comoros in 2006.

This proposal follows the agreed approach from the Comoros workshop in 2006, and takes into consideration recent developments within the region in relation to security and safety of fishers.

Approach

A holistic approach to safety for fishers would be followed to ensure that the integration of the services necessary, on a continuous basis, can be effectively addressed. At government level, current legislation would be reviewed for the management of fisheries in general and the safety of fishing vessels and fishers in particular. Such a review would also cover the linkages, if any, between merchant shipping administrations, those responsible for safety in the work place, safety training and the extent to which these relate to fisheries management and fishing operations.

When assessing the role of fisheries administrations, the structure would be carefully examined in relation to any role in fishing vessels safety management, safety training and how monitoring, control and surveillance programmes relate to safety at sea.

With regard to the design and building of fishing vessels, legislation would be reviewed with regard to requirements for standards of construction, supervision during construction, the requirement for safety certificates and regulations covering the continuous monitoring of the condition of a fishing vessel and its safety equipment. This would include the minimum standards for the register of a fishing vessels and or license to fish as the case may be.

Furthermore, in reviewing legislation, the FAO Code of Conduct for Responsible Fisheries would be addressed in relation to fisheries management, fishing operations and safety of fishers and fishing vessels.

The implementation of training and awareness programmes would be a cooperative effort between the Government, the private sector, the fishers and their communities while legislation, in relation to safety standards, conditions of service in the fishing industry and the management of fisheries, would be a government responsibility. Although these programmes would be effectively implemented in parallel, actual activities might not be executed concomitant one with the other. Several of the activities could be developed and harmonized at a regional level, such as legislation, safety standards, training, SAR, MCS, VMS, etc. The cooperation and coordination between maritime and fisheries administrations is important

This holistic approach to safety for fishers is illustrated by the safety at sea management cycle given below that calls for an integrated approach requiring cooperation between fisheries and maritime administrations, communications and airborne services. It also clearly illustrates that it is important to use the outcome from the accident reporting system to develop sea safety strategies at all levels, and to understand what is not working and what can be improved.

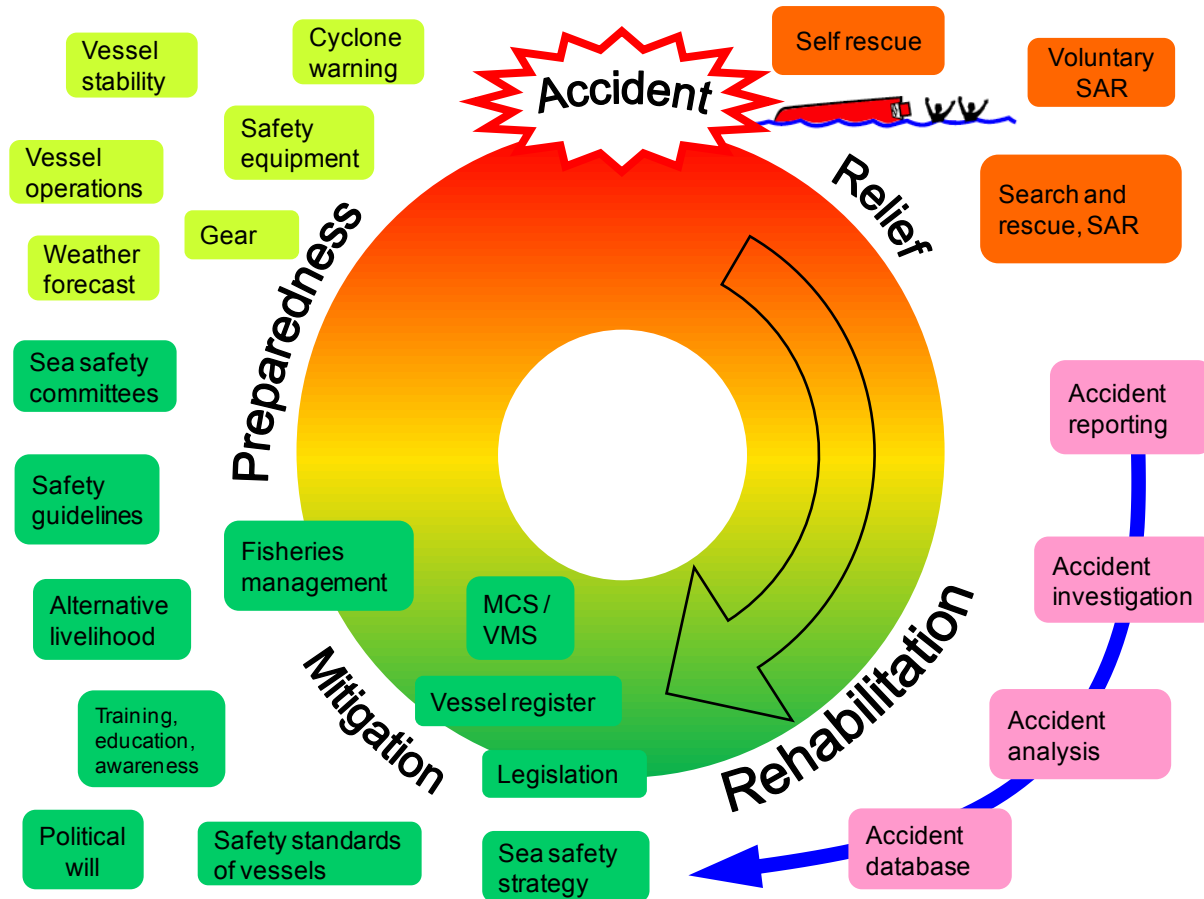


Figure 1 The safety at sea management cycle.

Step 1

Accident reporting

The first step is always to understand the size of the problem, the causes and consequences of the accidents at sea. For this reason each of the countries should set up an accident reporting system, using

the newly developed FAO guidelines for accident reporting systems. It is proposed to involve the countries in the region and if relevant, make use of existing national structures or organizations, such as beach units for this exercise. The reporting structure will be from the village level, to province level and thereafter to the national level, if the country is small the province level could be left out.

During the process of setting up an accident reporting system a competent authority responsible for the safety of fishers would be identified.

After the accident reporting system has been in place for approximately 1 year each of the countries would have a better understanding of how many accidents occur, where they occur the types of accidents and how they occur. Thus, the countries will be able to categorize the various problems that have been identified and to identify where responsibilities lie in relation to the implementation of relevant legislation.

Baseline survey

In parallel with the development of an accident reporting system, an assessment of the fleet and census of fishers would be carried out that would cover all sectors from inshore to offshore fisheries to determine:

- their distribution along the coast (beach landing sites, small harbours and ports);
- requirements for emergency centers;
- assistance needs for training and extension services;
- industry capacity to provide voluntary participation in search and rescue schemes; and,
- alignment of government sector capability to implement pertinent legislation.

In addition both public and private servicing sectors would also be assessed that would include, but not necessarily limited to:

- a) Public sector
 - requirements in legislation for fishers to hold a certificate of competency;
 - an inventory of training institutions for fishers;
 - examination centers for the certification of fishing vessel personnel; and,
 - defining the role of the Coast Guard, Marine police and Search and Rescue units.
- b) Private sector
 - shipbuilding/boatbuilding sectors and their location;
 - training schemes for naval architects, marine engineers and boat builders;
 - suppliers of safety equipment and their location;
 - levels of import duties for safety equipment (if any); and,
 - service facilities for routine inspection of life saving equipment; if non existing, determine location of nearest facility in the region.

The programme would have the advantage of drawing on the FAO/ILO/IMO guidelines to assist competent authorities in the implementation of the voluntary instruments developed by FAO/ILO/IMO that cover all sizes of fishing vessels, both decked and undecked, as set out in Appendix A. The

document, commonly referred to as the Implementation Guidelines was approved by the Maritime Safety Committee of IMO in 2011 and forwarded to ILO and FAO for acceptance. Since the document covers all types and sizes of fishing vessels it would be used as an aid in carrying out the baseline surveys.

Step 2

Training and awareness

Training and awareness programmes would be developed at a regional level, following an assessment of the baseline survey as set out above, the outcome from the accident reporting system, and taking into consideration already available material such as that included in the Safety for fishers website, www.safety-for-fishermen.org, where material could be down loaded and adapted, as necessary, to local conditions when developing regional or national material for training and awareness raising.

Whereas a regional approach would be adopted, the application of the regional strategy would recognize the interdependence of the participating countries related to regional responsibilities and the need for cooperation. Thus elements of the strategy would be incorporated in legislation and training and awareness programme planning at country level.

At the regional level, training and awareness activities would be developed and tailored to focus on the problem areas identified in the base line study that are:

- transboundary or on the high seas as the case may be;
- island States; and
- riparian States.

The baseline study would have identified training institutions within the region and examples would be the Mauritius Maritime Training Academy (MMTA) and the Fisheries Training & Extension Centre (FiTEC) in Mauritius, ENEM in Madagascar ... The prospectus of such institute would be carefully evaluated with regard to the capacity to train trainers in the country of location and accept trainees from within the region. The possibility to call on expertise from institutes to provide short term training of trainer courses in other countries within the region would also be explored

Needed safety equipment would be provided in connection to training and awareness activities. The type of safety equipment provided will be based on the baseline survey and the outcome from the accident reporting system.

Safety standards and legislation

A review of the baseline survey and the accident reporting system related to legislation would be carried out to determine the need, or otherwise, to update or develop new regulations. At the same time, existing legislation and safety standards would be reviewed in the light of the progress in addressing progress in the development of a harmonized system at the regional level.

Relevant FAO/ILO/IMO instruments should be used when developing national standards and legislation on the safety of fishing vessels and fishers. These instruments, both mandatory and voluntary are set out in Appendix A.

In addition, the Safety guide for small fishing boats, BOBP/REP/112, developed for South Asia may also be used since it is complementary to the draft FAO/ILO/IMO Safety Recommendations.

Agencies involved could be the maritime and fisheries administrations plus those with a mandate for health and safety and the legislative authority.

Fisheries management

According to FAO, sea safety is an integral part of fisheries management, and fisheries managers should be informed and aware of that any changes in fisheries management systems will affect the safety of fishers in one way or the other. In this regard, recent studies have shown that fisheries management decision taken in isolation may have a negative effect in relation to safety at sea. This matter would be studied at both regional and country level following the results of the baseline survey with regard to causes of accidents in consultation with fishers and fisheries managers.

Regional Monitoring Control and Surveillance (MCS) and Vessel Monitoring Systems (VMS) activities would be assessed for compatibility with a safety at sea strategy. This would also require an assessment of the technology in use for MCS and VMS, as well as, an understanding of regional and national arrangements for position reporting, the management of information and of shore based installations where these exist. There would also be an assessment of existing requirements for radio communication between fishing vessels, fisheries management, maritime administrations, as appropriate, and shore based installations, how these are monitored and response capability.

With regard to MCS, systems in place would be studied with a view to incorporation in safety at sea strategy, it being understood that MCS activities within EEZ's may require adjustment to effectively contribute to a reduction in accidents and loss of life through fishing activities.

Furthermore, the newly implemented Marine Electronics Highway (MEH) project for East Africa, with the objective to reduce the risk for accidents at sea that result in major oil spills, may also provide a tool to improve the safety of fishers in the region. The matter would be carefully studied at regional and national level to determine the extent it could be applied to fishing activities.

Agencies to be addressed would be the fisheries and maritime administrations, those responsible for legislation and search and rescue services.

Vessel register

It is recognized that not all flag States call for fishing vessels of all sizes to be registered and or to be issued with formal documents in the form of a license or authorization to fish. In this regard, the baseline survey would provide the relevant information for comparison with the other flag States in the region. Furthermore, within the programmed objectives, there would be scope to develop a harmonized system setting out acceptable requirements for the register of a fishing vessel and the maintenance of the register. In parallel, the minimum requirements required to identify a fishing vessel and its ownership would be applied to the license / authorization to fish and the details entered in a public record.

The baseline survey would also provide an indication of fishing vessels within the region that are required by international law to be registered and to be issued with a certificate of registry as applicable to vessels on an international voyage and would apply to even small vessels that may sail through waters under the jurisdiction of another State.

Furthermore, in relation to the “register of ships”, the baseline survey would identify fishing vessels that fall under the ambit of maritime administrations and others that may be the responsibility of fishery administrations.

Therefore, in reviewing the registry and licensing issues there would be need to ensure linkages with, for example:

- provision in legislation setting out conditions for the register of a fishing vessel;
- permission to build a fishing vessel;
- permission to import a fishing vessel including the demise charter of a fishing vessel;
- regulations in relation limitation of fishing vessel capacity;
- renewal of certificates of registry;
- requirements for safety certificates;
- an authorization to fish; and,
- ensuring that responsibilities are clearly defined.

Consequently, the overall requirements for the register of a fishing vessel and its maintenance on the register would be addressed and not limited to the duties of a registrar of ships. In particular, appropriate level of qualified staff would be trained to cover, inter-alia:

- compliance with relevant international conventions and protocols;
- surveys of fishing vessels/annual safety certificates;
- surveys during new vessels construction;
- examiners for certificates of competency; and,
- accreditation of boat builders and safety equipment repair and testing centers.

Agencies involved would be the maritime and fisheries administrations.

Search and Rescue (SAR)

The operational experience of the regional Maritime Rescue Coordination Centre (MRCC) in Mombasa, with sub-centers in Dar es Salaam and Seychelles, set up with the support from the International Maritime Organization (IMO), would be studied with regard to its capacity to handle the regional Search and Rescue (SAR) operations. Similarly, the possibility to create Local voluntary SAR organizations would be examined with particular attention given to areas where the national SAR service lacks the means to effectively carry out SAR operations.

Special attention would be given to remote islands and/or remote regions in a country. Such local voluntary SAR units, given proper training and equipment (such as communication equipment) if established, would play an important role in training of fishers and making fishing villages aware of the problem.

Agencies involved could be the coast guard, the navy, the marine police, and existing voluntary SAR organizations.

Security and Piracy

To solve the Somali piracy issue the root of the problem has to be addressed. The Somali government needs substantial support in enforcing its own Coast Guard and the National Anti-Piracy Task Force (NAPTF) to be able to properly fight the piracy and terrorism. All the project activities related to piracy would be coordinated with other UN initiatives, in particular IMO activities in the same field.

A more direct activity to manage piracy would be to use the newly established Piracy Information-Sharing Centers (ISC), situated in the regional Maritime Rescue Coordination Centre (MRCC) in Mombasa, with sub-centers in Dar es Salaam and Seychelles, to combat piracy in the region. The ISCs and MRCCs have been set up with the support from the IMO.

Furthermore the ongoing project “Regional Fisheries Monitoring Plan in the South West Indian Ocean” which has a component on sharing information on piracy in the region currently informs the industrial fishing fleet about pirate activities in the region. The project is also sharing information with other organizations fighting piracy, like ATALANTA and NATO.

Within the region six-hourly piracy forecast are provided by the private security company Dryad Maritime for the Indian Ocean region. Although there is a cost for the use of this facility, how such information packages can be made use of to inform the fishing communities and operators of the larger fishing vessels, would be explored.

A simple way to map the piracy risk and share this information on a website or via social media such as twitter would be further developed, to make fishers aware of the pirate activities and what areas to avoid.

The newly developed project at IOC/RECOMAP addressing security and piracy in the region should be supported.

The fishers would be provided with guidance on how to act prior, during and after an attack. The Best Management Practices to Deter Piracy off the Coast of Somalia and in the Arabian Sea Area, developed by the shipping industry. The document provides general information of interest to fishing vessel operators and has a specific section focusing on the security of fishing vessels. This document would be further studied with regard to a more regional perspective.

Agencies involved could be the coast guard, the maritime administration, the navy, marine police and fisheries administrations.

Appendix 1A

List of relevant legally binding instruments, internationally agreed codes of practice and voluntary guidelines to be addressed in the development of a sea safety and security strategy.

International Maritime Organization (IMO)

- International Convention for the Safety of Life at Sea (SOLAS), 1974, its Amendments and Protocols.
- Torremolinos International Convention on the Safety of Fishing Vessels, 1977 and the Torremolinos Protocol of 1993 relating thereto (not in force).
- International Convention on Standards of Training, Certification and Watchkeeping for Fishing Vessel Personnel (STCW-F), 1995 (not in force).
- Document for Guidance on Training and Certification of Fishing Vessel Personnel (voluntary).
- Code of Safety for Fishermen and Fishing Vessels, Part A (2005) (voluntary).
- Code of Safety for Fishermen and Fishing Vessels, Part B (2005) (voluntary).
Voluntary Guidelines for the Design, Construction and Equipment of Small Fishing Vessels (2005).
Safety recommendations for decked fishing vessels of less than 12 metres in length and undecked fishing vessels.
- Draft guidelines to assist competent authorities in the implementation of part B of the code of safety for fishermen and fishing vessels, Voluntary guidelines for the design construction and equipment of small fishing vessels, and Safety recommendations for decked fishing vessels of less than 12 metres in length and undecked fishing vessels.
- International Convention on Maritime Search and Rescue (1979).

Food and Agriculture Organization of the United Nations (FAO)

- Port State Measures Agreement.
- Code of Conduct for Responsible Fisheries (FAO, 1995) (voluntary).
- Standard specifications for the marking and identification of fishing vessels (FAO, 1989) (voluntary).

International Labour Organization (ILO)

- Work in Fishing Convention No.188 and Recommendation No.199 .