I. Introduction and Context

Country Context

1. Nine sub-Saharan island and mainland developing countries fish the waters of the South West Indian Ocean (SWIO). The fish stocks, the fishing fleets, the trade links and the challenges of building shared economic growth based on sustainable use of their marine resources are common to all the countries. In particular, the tuna fisheries are not only shared by all countries, but they are the region’s most valuable fish resource. As the tuna is fished predominantly by countries from outside the SWIO, opportunities for economic growth, employment and value added, based on tuna, are currently limited. The proposed South West Indian Ocean Fisheries Governance and Shared Growth Program (SWIOFish) would include the island nations of Comoros, Madagascar, Mauritius and Seychelles and all East Africa’s mainland countries: South Africa, Mozambique, Tanzania, Kenya and Somalia. Increasing the economic contribution from sustainable fisheries is a shared regional objective of all the countries. The area of the combined Exclusive Economic Zones (EEZ) of the countries is 1.5 times the land area of these countries. An estimated 107 million people live within 100 kilometers of the coast in the target countries and the coastal zone is under increasing environmental pressure as the coastal population is increasing at a disproportionately higher rate. Poverty is widespread throughout this coastal region, and the economies of most of the countries are heavily dependent on natural resources. GNI per capita ranges from $500 or less in Mozambique,
Somalia and Tanzania to more than $5,000 in Mauritius, Seychelles and South Africa. The target countries are all members of the African Union, six are SADC members, while four are Indian Ocean Commission members and five are COMESA members. All countries participate in the existing World Bank-managed, GEF-funded South West Indian Ocean Fisheries Project (SWIOFP), and are members of the South West Indian Ocean Fisheries Commission (SWIOFC).

2. Sector Importance. The fisheries sector accounts for between 10-30% of GDP in Comoros and the Seychelles and 4% of GDP in Mozambique, and up to 35% of foreign exchange. Employment in the fisheries sector is estimated to be about one million and involves a high proportion of the coastal population often among the most vulnerable, marginalized and landless communities in the front line of climate change. Many workers are women involved in the small-scale fisheries, including processing, marketing and aquaculture. The sector is a major contributor to nutritional health and food security in the region, contributing around 50% of animal protein intake in Comoros and Seychelles and 26% in Mozambique and Tanzania. The region’s seafood exports (excluding South Africa) account for approximately $1.3 billion in 2008 ($1.9 billion in 2006), of which tuna and shrimp account for half. Specific national sector importance is described with more details in the attached annex.

3. The WIO supports one of the largest industrial tuna fisheries, representing about 23% of the world catch. About 1.4 million tons of tuna valued at about $2.5 billion are landed annually from the region. An estimated 70% of this catch comes from the SWIO and 45% is landed or transhipped in the target countries, but large part of the catch is processed outside the region. While the precise share and benefits accruing to the target countries remains to be established, tuna is by far the most important fishery in the region.

4. Marine environment. All countries are characterized by a relatively narrow continental shelf and large EEZs. Madagascar and Mozambique however have shelf areas with important shrimp fisheries, while Mauritius and Seychelles have an extensive offshore plateau. Tanzania, Kenya and Somalia all have limited shrimp fishing grounds, while South Africa also has limited trawl areas in the SWIO area. All countries have extensive coral reefs threatened by fishing, coastal environmental degradation and ocean acidification and the region is home to a number of threatened flagship marine species including dugong, turtle, great white shark and the rare and iconic ‘fossil fish’, the coelacanth. The British Indian Ocean Territory, or BIOT, and French overseas territories, Réunion, Mayotte and several uninhabited islands, are located in the SWIO and surrounded by extensive EEZs.

5. Main fisheries. Three main types of capture fisheries can be distinguished: the oceanic tuna fisheries account for the majority of the catch, about 40% of the tuna is harvested by foreign fleets fishing under license or illegally; the small-scale fisheries account for the vast majority of sector employment (over one million people); and the local industrial fisheries (mainly for shrimp) and tuna processing account for a substantial part of the foreign exchange earnings. Aquaculture is also one of the most rapidly growing food industries in several of these countries. An estimated 28 percent of fish resources of the region are over exploited or depleted and a further 40% are fully exploited. The high value resources, such as shrimp, lobster, or sea-cucumber tend to be overexploited and improved governance would yield substantial economic benefits. Uncontrolled small-scale fishing progressively undermines the resource base upon which the poorest coastal communities depend, and co-management approaches can guide pathways out of poverty. Tuna fishing, processing and marketing is dominated by foreign companies; the benefits retained in the
region are modest but since large part of the catch is harvested into the national waters, the combined countries can potentially exercise a significant influence on management and access to the resources to increase benefits retained in the region.

6. Regional fisheries institutions. The sector is supported by several regional institutions with a fisheries mandate. Regional policy orientations are provided by the African Union, through a NEPAD ‘summit declaration’ on fisheries. The SADC’s Protocol on Fisheries provides guidance for SADC members. The Indian Ocean Commission (IOC), COMESA, and the Africa, Caribbean Pacific (ACP) Group of States, which has an active fisheries ministerial committee, all have policies or strategic statements on fisheries. Two regional fisheries organizations - including both coastal states and flag countries of the foreign fishing fleets - are mandated to manage shared regional fish stocks of tuna and deepwater species. The South West Indian Ocean Fisheries Commission does not have a management mandate, but provides a regional platform for coastal state collaboration on fisheries and guides the existing World Bank-managed, GEF-funded South West Indian Ocean Fisheries Project. While target country membership and engagement in these organizations varies, the SWIOFC provides a cooperation mechanism for all the region’s coastal and island states.

7. All countries, with the exception of Mauritius, have recent or ongoing World Bank Group engagements in fisheries, through analytical work (Madagascar, Mozambique, Seychelles, South Africa), loan projects (Tanzania and Kenya), IFC investment in aquaculture (Madagascar), grant projects (Comoros, Mozambique, Seychelles, Somalia and South Africa) and the regional GEF-funded SWIOFP (all countries). These analyses and demand driven engagements focused on challenges common to the countries. These include: weak fisheries governance and human capacity, erratic economic performance of the large-scale fisheries, degradation of many inshore resources vital to the wellbeing of the small-scale fishing communities, and failure to capture the economic benefits, including value added and multiplier effects. The reasons include deficient policy frameworks, lack of coherency among the multiple institutions involved in the sector, lack of transparency in fishing concessions, transfer pricing, competition between countries with respect to tuna resources and the resulting inability to influence the capture of benefits from the tuna fishery, which is the region’s most economically important fishery.

8. Through the SWIOFC (commission) and its companion SWIOFP (project), the countries have also identified the need for complementary interventions and the advantages of cooperative efforts on fisheries. These range from collaboration on prevention of illegal fishing, security and safety at sea, and trade and investment facilitating cooperation on training and establishing common policies and positions on the vital tuna fisheries. A consensus has emerged on formation of a structured regional approach founded on a common objective of economic growth and poverty reduction based on sustainable use of marine resource. The core demands are for improved governance, increased national and regional capture of the benefits, and improved regional collaboration to take advantage of synergies and contributions to shared economic growth.

Sectoral and Institutional Context

9. Economic performance of fisheries. The region’s marine fish resources are an underperforming natural asset capable of a substantially greater contribution to economic growth and poverty alleviation. The economic underperformance is largely due to deficient fisheries and marine governance characterised by overfishing, illicit fishing activities, weak economic links between foreign-owned fishing fleets and the local economy. Deficiencies in the distribution of benefits can typically be attributed to a complex of issues facing small producers: weak tenure, poor
access to markets and credit, and deficient community co-management arrangements and community empowerment. At the regional scale the industrial fishing and processing companies face similar challenges in capturing a share of the growth dividend. Tenure is weak and often lacks transparency, for example, fishing licences have short duration, undermining long-term security of investment. The costs of fuel and other factors of production, the cost of maintenance and the cost of market access are high compared to Asian competitors. Products are mostly sold into a buyers’ market with prices and quality standards for shrimp, tuna and many of the regions’ other seafood exports set internationally. For several of the countries seafood transfer pricing, or disadvantageous foreign fishing arrangements, are common. In addition, with some exceptions, the valuable tuna resources are harvested largely by foreign industrial vessels that often make only a minor contribution to the local economy. Much of the tuna fishery remains an ‘offshore economy’ with the region’s developing coastal states capturing only a fraction of the product value.

10. Poverty and fisheries. While fisheries can have a vital safety net function for the poor, the accompanying resource degradation as it becomes a livelihood of last resort is well recognized. Similarly, as small-scale fisheries modernization occurs, the limited potential of many coastal fisheries requires that fishing effort be reduced, for example in terms of fewer vessels, while opportunities emerge for enhanced value-chains that would create more local value-added and jobs. The co-management activities under the project directly address these questions, recognizing that only the communities themselves can take the necessary decisions, but that shared experiences with other communities can guide these processes.

11. Two forms of overfishing need to be distinguished: biological and economic. Biological overfishing occurs when the fish stock is depleted below the carrying capacity of the ecosystem, so the harvest potential is below the biological maximum. Biological overfishing contributes to economic overfishing. Economic overfishing occurs when the costs of catching are higher than necessary and profits and economic rents are depressed. Where the fishing operations benefit from subsidies, the fishery may be in deficit in real terms. In the case of vertically integrated operations, such as the tuna or shrimp industry, the losses accruing in harvest operations may, however, be recovered in processing or marketing, but generally outside the coastal countries. The objective of the program is for the target countries to improve the net benefits from the fisheries and capture these benefits in their economy. This means a focus on eliminating biological overfishing and reducing economic overfishing to secure real net returns and associated multiplier effects in their economies. This in no way compromises environmental objectives, such as conserving biodiversity, because achieving the economic objective requires effective environmental management. The reforms require engagement with a responsible private sector and supporting public-private partnerships on fisheries, aquaculture and coastal tourism.

12. Resource access policies and instruments. A key control point for all countries is the access to the fish resources. In order to capture an equitable share of the benefits from this access the proposed project would create, or enhance the key policy, institutional and business fundamentals. These include: (i) clarity on access policies and design and implementation of the instruments to control and manage access, including preferential access for small-scale fishers to coastal resources and national operators to regional waters; conditions of access for foreign fleets and related investments; (ii) establishing robust and transparent governance instruments, including valuation and payments for access and improved enforcement; (iii) improving the business climate for fisheries and aquaculture investment to support a better fisheries harnessing to national economies and to move ‘offshore fisheries economy’ onshore; and (iv) collaboration among countries on
management, on access, on enforcement, on replication of success and in knowledge sharing and applied marine science.

Relationship to CAS

13. Contribution to World Bank Africa strategies. The World Bank’s new Africa Strategy focuses support to countries to: (i) build competitiveness and employment, and (ii) on vulnerability and resilience, with a foundation on governance and public sector capacity. The investments would be designed to follow this strategy, aiming to sustainably increase the competitiveness of region’s fisheries and ultimately the wealth it generates for the countries, through the introduction of governance reforms in the sector needed to secure the natural capital base, and through leveraging private investment and partnerships. The proposed program would be fully consistent with the Regional Integration Assistance Strategy for Sub-Saharan Africa (RIAS), which emphasizes that management of shared natural resources, such as fisheries and is one of the main rationales for World Bank investments in cross-border integration and collaboration. In fact one of the pillars of the RIAS is to support coordinated interventions to provide regional public goods, focusing on regional water resources, forestry and fisheries.

14. Rationale for Bank Involvement in the Sector. The rationale for World Bank involvement in the sector is that the region’s marine fish resources could make a substantially greater contribution to the countries’ social, environmental and economic benefits. This would require public investments in: (i) strengthened governance that is more transparent and empowers users to have a long-term stake in the health of the resources; (ii) creating opportunities to capture greater benefits from the ‘offshore’ fisheries and value added from the fish products; (iii) regional collaboration on shared fisheries management, fisheries enforcement and knowledge. The approach is drawn partly from the recent World Bank publication Where is the Wealth of Nations?, which highlights the capital value of countries’ natural assets, such as marine fish resources, and provides a strong economic justification for sustainably managing renewable resources to provide long-term contributions to growth; from the World Bank publication The Sunken Billions - The economic justification for fisheries reform; from the accumulated experiences of successful fisheries worldwide; and from the application of the World Bank’s Governance and Anti-Corruption Strategy to natural resource exploitation. The investments would open opportunities for private sector investment, such as a replication of IFC’s highly successful investment in shrimp farming in Madagascar, or the ICF engagement in the tuna fisheries in the Pacific Islands.

15. Country and regional policies and World Bank engagement. The governments have widely recognized the important contribution by the marine fish resources to economic growth, foreign exchange earnings, public revenues, employment and food security. As such, the countries increasingly share the common concern of ensuring the sustainability of the resources and generating greater returns from their use over the long-term, as well as increasing the portion of those returns that are captured locally. This concern is reflected in each of the country’s macroeconomic policies and strategies and in many of the Poverty Reduction Strategy Papers (PRSPs) in the region, the fisheries sector has been listed as a key driver of economic growth, a key source of public sector revenues, or a vital contributor to national food security. Growth and good governance are a core element of each country’s engagement with the World Bank and the importance of the fisheries sector is flagged in the country partnership strategies. There are existing World Bank fisheries, or coastal zone projects in all countries and World Bank analytical work has identified the strategic approaches to fisheries-led sustainable growth. The GEF-funded, World Bank-managed SWIOFP provides an existing overarching platform for regional dialogue and
coordination (including regional financial management, procurement and monitoring), and experience with national implementation. The GEF-funded, Bank-managed Strategic Partnership for Fisheries in Africa provides a grant financing window to leverage Bank investments. The Strategic Partnership allocations for the proposed first phase have already been approved in principle by GEF Council i.e., Mozambique ($7.0 million), Comoros ($3.5 million) and Tanzania ($5.0 million).

16. Regional fisheries policies. The proposed program builds off the stated demands and policies expressed by African and regional leaders. Ministerial declarations and regional economic policies have repeatedly called for attention to the economic governance of the fisheries resources, pro-poor small-scale fisheries and regional collaboration. The AU/NEPAD Summit on Fisheries called for support from the international financial institutions for “improved governance of fisheries; ensuring the environmental sustainability of fisheries; examining means to progressively replace ‘open access’ to fisheries resources with ‘limited access regimes’ and introduction of rights-based fisheries; taking steps to control fleet and fishing capacity; and ensuring an equitable balance of resource allocation between small-scale and industrial fishers”. The recent Conference of African Ministers of Fisheries and Aquaculture reaffirmed the need for closer regional cooperation on fisheries, in particular to combat illicit fishing activities, to manage shared fisheries and on trade. The recent ACP fisheries ministers meeting in the Seychelles welcomed the international cooperation in combating piracy and improving maritime governance in the WIO region, and stressed the role of fisheries as a driver of economic growth and the core economic dimensions of fisheries governance required to capture of benefits along sustainable value chains. The SADC Protocol on Fisheries obliges SADC members to co-operate, either directly or through international fisheries organizations or arrangements. The IOC Strategy and Fisheries and Aquaculture Strategy recognize the need to implement a regional fisheries policy, to cooperate for insuring a responsible and sustainable fisheries development, and the conservation and optimal use of fish resources.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

17. The development objective of the South West Indian Ocean Fisheries Governance and Shared Growth Program (SWIOFish) would be to increase the shared benefits from economic growth based on sustainable fisheries and coastal marine resources. A series of complementary regional investment and national investments would achieve the development objective by: (i) strengthening the countries’ governance capacity to manage fisheries, including reducing illicit fishing activities; (ii) investments to increase the profitability and sustainable production of fisheries and aquaculture and the proportion of the value-added captured by the countries; (iii) supporting policies that share the benefits from sustainable use of marine resources among the economic agents and that prioritize pro-poor and community fisheries; and (iv) building robust regional cooperation on fisheries.

18. The specific objectives of the first phase of the program are (i) to strengthen the capacity for fisheries’ economic governance and harnessing to national economies starting with Comoros, Mozambique and Seychelles; and (ii) to consolidate and strengthen regional cooperation on fisheries and marine resource management among the country members of the SWIOFC. The primary targets for the first phase are (i) the economic management of the most economically important fisheries, (ii) co-management of the small-scale fisheries and (iii) planning and/or implementing critical infrastructure investments to increase contribution to national economies.
19. The rationale behind the objective is that the SWIO countries are endowed with valuable, shared, but underperforming assets – their living marine resources. These natural assets currently provide economic and social returns which are far below their potential. This is attributable to poor governance, illustrated by overexploitation, ecosystem degradation, illicit fishing activities, or failure to capture upstream and downstream components of the value chain in the local economy – for example, most of the tuna fishing is undertaken by foreign fleets and, even if a large part of the processing is done in the region, real contribution to national economies remains uncertain, and in some cases the economic returns are in decline, as in the case of Mozambique’s shrimp fishery. The proposed program would address the key constraints of weak national governance and human capacity and of poor business environment, and planning the emerging regional collaborative framework on a robust and sustainable foundation.

20. The outcome of the program would be (specific baseline and target values would be established during program preparation):

(i) Reversal in the decline of the economically important domestic industrial fisheries, notably the shrimp fisheries and the commercial line fisheries (as measured by the fish stocks status determined by the SWIOFC Scientific Committee);
(ii) Economic contribution and employment increased through local value added retention or creation in upstream and downstream extensions of the fisheries (including aquaculture) value chains.

Key Results (From PCN)

21. Proposed key results and intermediate indicators for phase 1 of the program would be as follows (to be further quantified with countries during preparation):
- Improved economic governance of fisheries resources:
  • Clear principles and policies established to increase sustainability of and wealth from fisheries through strengthened rights and transparent allocation of these rights that balance economic efficiency with social benefits;
  • Means of tracking the economic performance of economically important fisheries established in each country, including assessment of net benefits to the national economy;
- Increased employment and value added
  • Baseline values for ‘Doing sustainable fisheries business’ established and substantially improved in each country by project end;
  • Critical infrastructure constraints (including ‘soft’ infrastructure, such as trade credits, products certification and infrastructure management) identified and designs/plans prepared and/or implemented to address the constraints;
- Co-management of small-scale fisheries
  • Co-management frameworks implanted at local level and/or performance of existing framework evaluated;
  • Registries of small-scale vessels and gears (such as fixed fish traps) and aquaculture permits operational;
  • Best practices and lessons on co-management shared in the region.
- Cost-effective regional collaboration
  • Fisheries Monitoring Center in place and operational in each country;
  • Tuna vessel monitoring system (VMS) data exchanged automatically between countries;
  • Regional observer program prepared for tuna fishery;
  • Catch and landings data by fleet and EEZ shared and crosschecked;
  • Joint position on principles for allocation of access rights to tuna resources agreed.
III. Preliminary Description

Concept Description

22. The SWIOFish includes the following components and sub-components as a menu of activities available for all participating countries. The project would have three operational components and a fourth project management component namely, 1. Improved governance of fisheries, 2. Increased fisheries contribution to national economies, 3. Regional collaboration and 4. Program management and coordination. The details of the components would vary by country, each country will select their areas of interest and tailor the activities to their specific needs, but all countries will participate in the regional activities.

23. Component 1. Improved governance of fisheries. The component has two primary axes: (i) coherent fisheries policies with a sound economic rationale and development trajectory and (ii) human and institutional capacity building to implement the policies and plans. Underpinning the component and linking to Component 2, are (i) a clear definition of the role of the public sector, the limits to that role; (ii) clarity on the obligations of a responsible private sector; and (iii) a strong emphasis on limiting access to fisheries through robust tenure and rights for both capture fisheries and aquaculture.

24. This component would support the implementation of core policy instruments. Four activities are envisaged: (i) the establishment of a dashboard of indicators to track the progress of the sector towards its national policy and planning goals and provide a basis for adaptive management and adjustment of policies and programs; (ii) the economic management of selected fisheries (including aquaculture), with a focus on the most economically and socially important fisheries; (iii) the management of strategic public fisheries infrastructure, on an economically sound basis, with particular reference to non-performing assets; (iv) design and implementation of a national framework for small-scale fisheries co-management.

25. Component 2. Increased fisheries contribution to national economies. The private sector engine of growth is constrained by several factors including: (i) a weak investment and business climate compounded by misdirected state supports and incentives and, in some cases, pervasive corruption; (ii) underperforming / poorly viable community fisheries businesses and small and medium enterprises (SME) and (iii) dysfunctional or degraded critical infrastructure and services, such as fishing ports, cold chains, sanitary control services.

26. Consequently the program would support the following activities: (i) reduction of critical constraints to business, (ii) support to viable community fisheries businesses and SME and (iii) strategic hard and soft infrastructure (services) planning and building.

27. Component 3. Regional collaboration. The investment activities would include the following: (i) regional collaboration on tuna fisheries and on monitoring control and surveillance (MCS), directed particularly at illicit fishing activities, and development of synergy with safety at sea; (ii) support for bycatch and flagship species management (e.g. turtle, marine mammals); (iii) regional knowledge exchange; (iv) technical support for the regional coordination process hosted by the SWIOFC.

28. Component 4. Program management and coordination. This component would support national implementation of the project and regional coordination. It will provide technical assistance
and operating costs to the National Management Units (NMU) embedded in the fisheries ministries of each country to manage the nationally-implemented investments and the Regional Management Unit (RMU) close to the SWIOFC.

29. Human and institutional capacity development. This is a cross-cutting theme in all components and would have a strong gender dimension as about half the fisheries sector labor force is women. It would deliver on three broad fronts: policy analysis capacity and instruments; implementation and management capability for governance and enterprises; private sector investment analysis and management capability. The theme would target not only those directly engaged in the sector, but others whose performance is critical to the success of the sector.

30. Phased implementation and mixed financing. The regional program will be comprised of a regional investment thread, initially financed by GEF, with regional IDA financing coming on line a year to two years after project effectiveness; and a national thread financed by GEF and IDA which has already been allocated by the countries. The phasing of the projects was agreed to as a good alternative to holding up national project development and implementation until the regional resources were available. In addition to phasing the financing, the project will also phase in participating SWIOFC Member countries when they are ready financially and/or technically.

31. The participating countries can be grouped into four groups: (i) Comoros, Mozambique and Seychelles where substantial policy development based on sustainable economic growth in the fisheries is a priority and where existing grant-funded projects have established an operational foundation and where project approvals were given by CMUs with national IDA or IBRD allocations; (ii) Tanzania and Kenya where existing World Bank coastal zone and fisheries loan projects already provide a complementary basis. The Kenya Coastal Development Project is in a start-up phase and includes funding for regional activities, while a proposed second phase of the MACEMP project in Tanzania would focus on governance and shared growth in the fisheries sector; (iii) Madagascar and Mauritius. Analytical work has been carried out in Madagascar but preparatory work would be required for Mauritius; (iv) Somalia and South Africa: Somalia has important tuna and lobster resources, but piracy threatens regional security and has contributed to substantial costs for the region’s fishing and trade. Somalia would benefit from grant funding for human and institutional capacity building. South Africa is a regional broker of knowledge and expertise and contributes to cost-effective regional enforcement capability. Both would benefit from regional grant funding (GEF and regional IDA grant to the regional coordinating institution) for regional activities.

32. Comoros, Mozambique, Seychelles and Tanzania would be the first group of countries to join phase 1 of the program. The total cost of Phase 1 for this group is US$53.5 million over 5 years, including aggregate individual national IDA financing of US$35.0 million (Comoros and Mozambique) and IBRD financing of US$3.0 million (Seychelles); and a total GEF funding of US$15.5 million to be implemented at regional and national levels (US$3.5 for Comoros, US$7.0 million for Mozambique and US$5.0 for Tanzania). Tanzania will join the first phase SWIOFish with GEF financing, even prior to a national IDA allocation, as it is necessary to have this financing come in the first phase if it is not to be lost as the GEF funding is only available until November 2013. Tanzania’s IDA budget envelope and timing of release will be determined within the next fiscal year. Once regional IDA financing is available, an estimated $40.0 million would be available for Comoros, Mozambique and Tanzania [IDA eligible countries]. In addition, GEF is willing to consider two additional $1.0 million Medium-Size Projects for Seychelles and Mauritius.
and Mozambique and Seychelles which could be included as part of Phase 1.

33. Phase 1 of the program is an initiation phase that establishes the Program’s framework in each country and effectively extends and consolidates the existing SWIOFP activities (project will terminate in March 2013) under the formal international agreement establishing the SWIOFC. Phase 1 would be primarily a capacity building exercise directed at: (i) the key policy applications to balance economic and social outcomes, including transparency in allocation of and payments for access and tracking of economic and social performance of fisheries; (ii) design and possibly building of prioritized hard and soft infrastructure (in some cases as pilots for later replication) to support increased local value-added to the marine harvests; (iii) setting under-performing fisheries on a pathway to recovery; (iv) establishing or improving the co-management frameworks; and (iv) nurturing SME start-ups to achieve a robust critical mass of commerce. At the regional level Phase 1 would focus on: the development and sustainable collaboration of MCS to reduce illicit fishing activities and security and safety at sea to reduce casualties, establishment of joint positions on tuna management and benefits accruing to the African coastal developing members of the IOTC. Progress measured on the specified indicators would be reviewed with the countries at the mid-term evaluation of Phase 1 and used to inform Phase 2.

34. Phase 2, while building on the Phase 1 structure and achievements, would be a deepening and expansion phase that would further strengthen the policy reforms and empower stakeholders and users to have a greater role in the long-term health of the resources. The second phase would also support wider regional collaboration and networking to harness benefits along a more extended domestic value chains. The core functioning of the regional coordination through SWIOFC would become fully self supporting. Subject to achievement of targets on the key tuna fishery, greater attention would be directed to endangered species such as sharks, coelacanth, turtles and marine mammals.

35. As a result of the governance reforms and resource management measures supported via the IDA, IBRD and GEF financing, the Program would assist the countries to increase and share the economic, social and environmental benefits from sustainable use of fish and marine resources. With a sound policy basis built to secure the natural capital base of the fisheries resources and expanding human and institutional capacity, the greater part of the funds would catalyze private sector investment in profitable fisheries and aquaculture enterprises and through multiplier effects drive additional economic growth and employment along the values chains and their support services. Direct reduction in poverty would occur through increased incomes, much of it for women, who make up almost half the labour force. Food security, foreign exchange balance, rule of law and the business climate would improve, while the important public revenues from sale of fishing access rights would be stabilized and increased. The grant funds would also help conserve critical environment and species, some underpinning marine tourism revenues, and generate cost-effective synergies at regional level by driving improvements through sharing of best practices and knowledge exchange. Raised awareness of the value of living marine resources would alter perceptions and incentives providing future generations with a more robust rationale for sustainable use.

IV. Safeguard Policies that might apply

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Pest Management OP 4.09 | ✗
Physical Cultural Resources OP/BP 4.11 | ✗
Indigenous Peoples OP/BP 4.10 | ✗
Involuntary Resettlement OP/BP 4.12 | ✗
Safety of Dams OP/BP 4.37 | ✗
Projects on International Waterways OP/BP 7.50 | ✗
Projects in Disputed Areas OP/BP 7.60 | ✗

V. Tentative financing

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