



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 06-Dec-2021 | Report No: PIDC33120

**BASIC INFORMATION****A. Basic Project Data**

Country Somalia	Project ID P178032	Parent Project ID (if any)	Project Name Somali Sustainable Fisheries and Blue Economy Development Project (P178032)
Region AFRICA EAST	Estimated Appraisal Date Aug 22, 2022	Estimated Board Date May 31, 2022	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance of the Federal Republic of Somalia	Implementing Agency Ministry of Fisheries and Marine Resources of the Federal Government of Somalia	

**Proposed Development Objective(s)**

The Project Development Objective is to improve the sustainable management of selected fisheries and enhance the capacity of targeted coastal communities to benefit from fisheries production.

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	50.00
<b>Total Financing</b>	50.00
<b>of which IBRD/IDA</b>	50.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	50.00
IDA Grant	50.00



Environmental and Social Risk Classification

High

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

1. **Somalia is a large country with a rich diversity of ethnicities and natural resources.** With the longest coastline in continental Africa and a strategic location in the Horn of Africa, Somalia has a land mass of 637,657 km<sup>2</sup> and an Exclusive Economic Zone (EEZ) of more than 850,000 km<sup>2</sup>. The country's marine waters are home to valuable marine resources that can support sustainable fisheries, offshore and in coastal areas, to strengthen food security, employment, revenue generation and economic growth.

2. **Since 2012, and after more than two decades of civil war, Somalia is taking steps towards stability, reconstruction, poverty reduction and inclusive growth.** The provisional constitution provides a framework for federalism for the country, including the Federal Government of Somalia (FGS) and five Federal Member States (FMSs). In addition, Somaliland is an autonomous region that declared its independence in 1991 and has since maintained a separate government. Ethnic and clan-based rivalries hamper consensus regarding the division of roles and responsibilities between federal and state authorities and the limited practical control of the country beyond urban areas by both FGS and FMS governments makes it difficult to deliver much-needed services to the public. Somalia continues to face protracted conflict, insecurity and humanitarian challenges globally on its territory, with relief efforts by development partners and NGOs, further hampered by COVID-19. Al-Shabaab and other terrorist groups continue to carry out frequent attacks in Mogadishu and in other southern areas of the country.

### Sectoral and Institutional Context

3. **With a vast marine area, Somalia's marine fisheries could make important contributions to the national economy, local livelihoods, food supply and export earnings.** Somali waters are seasonally productive and home to various fish and shellfish species, including valuable pelagic tuna resources. Conversely, the narrow continental shelf limits shallow-water habitat and, therefore, the abundance of demersal species. The seasonally abundant offshore pelagic and the more limited nearshore demersal fish species are accessible to small-scale fishers as well as to large industrial vessels. Demersal resources are vulnerable to overexploitation if management of these resources is not strengthened quickly. The domestic fishing industry is largely artisanal in nature and is characterized by small-scale vessels primarily using gillnets, handlines, and traps. Approximately 122 fish landing centers have been identified along the Somali coast. National statistics remain outdated. The current distribution of fishing effort by small-scale fishers is unknown, and habitat types have not been mapped.

4. **While domestic fisheries in Somali waters are largely artisanal, several industrial vessels operate in both coastal and offshore areas with limited benefits flowing back to Somali.** On the narrow continental shelf, a fleet of industrial trawlers operates under non-transparent agreements, licensed by FMSs, in particular Puntland, in violation of Somali



fisheries law, which prohibits trawling. It has been estimated that almost 50 percent of fish caught in Somali waters were taken by foreign vessels, typically with little to no benefit to the Somali economy. Since 2018, international partners, including the World Bank, have supported the Federal Government to issue the first legal and transparent fishing licenses targeting tuna and tuna-like species.

**5. Weak governance and the lack of management systems threaten the sustainable exploitation of fish stocks.**

The lack of clearly delineated management responsibilities between FGS and FMSs in Somali fisheries prevents coordinated action to sustainably manage fisheries resources. Losses, in terms of value of the catch, from Illegal, Unreported, and Unregulated (IUU) fishing in Somalia's sizable marine jurisdiction have been estimated at \$100-450 million annually, suggesting that potential economic benefits from fisheries could be orders of magnitude greater.

**6. Reinforcing surveillance and enforcement capacity is a key priority to reduce IUU fishing activity.**

Somali authorities have limited surveillance capacity in the vast maritime domain of the country limiting their enforcement ability. In 2017, with the support from the Food and Agriculture Organization of the United Nations (FAO) and funded by the Italian government, Somali authorities in the FGS and FMS were equipped and trained with a Vessel Monitoring System (VMS) to track licensed vessels through satellite devices. This allowed the creation of a first Fisheries Monitoring Center (FMC) at the MFMR of the FGS. Somalia is also a party to the FAO Port State Measures Agreement (PSMA).

**7. The Ministry of Fisheries and Marine Resources (MFMR) of the FGS has a broad mandate to provide an enabling environment for the promotion of sustainable development of the fisheries sector for socioeconomic development and food security, yet it lacks the capacity to execute many of its most basic functions.**

Facilities, equipment, and trained staff are lacking for fishery to develop and implement adequate policies and management measures, data collection and analysis, research, monitoring of vessels and surveillance to prevent IUU fishing and promote safety-at-sea and the adoption of management measures. Similarly, Ministries in charge of fisheries in the FMS have also large capacity (human and technical) gaps that need to be filled.

**8. The development of domestic fisheries value chains is limited by poor beach landing facilities, handling and processing infrastructure and equipment, and seasonal rough sea conditions.**

In general, Somali marine resources are not thought to be overfished, although local overexploitation depletion is most probably occurring in some places close to urban areas such as Mogadishu, Kismayo, Bossaso, etc. Opportunities abound to increase overall fishing productivity, and expand or develop value chains for domestic, regional, and international markets, in particular through reduction of post-harvest losses (currently estimated at 25%), infrastructure development, and improvements in fishing techniques and handling.

**9. Unique and high value marine and coastal areas that could play a key role in enhancing fishery productivity and management are not protected against growing threats, including climate change. Somali estuaries, mangroves, coral reefs, etc. provide nursery and feeding grounds for many species.**

These areas also provide co-benefits including biodiversity conservation, coastal and climate resilience, livelihood, scenic assets for future tourism, and carbon sequestration. They are threatened by direct exploitation (e.g., tree cutting in mangroves for wood fire or construction), sea level rise and erosion, increased sea surface temperatures, overgrazing by livestock, etc. There are no Marine Protected Areas (MPAs) declared in Somalia or appropriate legal framework for their establishment.

**10. The impacts of climate change on fisheries include acidification, sea-level rise, higher water temperatures, and changes in ocean currents.**

These directly affect fish stocks, and perhaps more importantly, the marine and coastal ecosystems on which they depend. Climate change has already begun to alter ocean conditions, particularly water temperature and various aspects of ocean biogeochemistry. Responses to ocean-atmospheric changes have been



projected to lead to altered patterns of species richness, changes in community structure, ecosystem functions, and consequential changes in marine goods and services, including in Somalia's EEZ. This highlights the importance of preemptive planning and Federal coordination.

#### Relationship to CPF

11. **The proposed project is aligned with the Somalia Country Partnership Framework for FY19-22, which aims to increase economic resilience as a basis for poverty reduction and inclusive growth.** The CPF supports the diversification of productive agriculture and sustainable fisheries. The project is also aligned with the National Development Plan 2020-2024, which highlights the fisheries sector's potential to contribute to Somalia's economic development and poverty reduction. The project also offers the potential to alleviate some constraints to sector growth such as the artisanal nature of the fleet, substandard or outdated landing infrastructure along the coast, limited enforcement capacity, and underdeveloped value chains.

#### C. Proposed Development Objective(s)

12. **The Project Development Objective is to improve the sustainable management of selected fisheries and enhance the capacity of targeted coastal communities to benefit from fisheries production.**

#### Key Results (From PCN)

13. **The Project will focus on three key result areas**

1. Increased capacity of government and communities to manage fisheries
2. The reduction of IUU fishing in Somali waters
3. The development of value-chains and reduction of post-harvest losses

14. **The proposed PDO indicators are:**

1. Number of Illegal<sup>1</sup> vessels operating in Somali waters (Number)
2. Fisheries sustainable management index<sup>2</sup> (Value)
3. Number of operational community fisheries infrastructures built (Number)
4. Number business plans developed for stakeholder groups (e.g., cooperatives, fishers' associations) benefiting from infrastructure investments developed (Number)

#### D. Concept Description

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<sup>1</sup> Illegal fishing is defined as activities i) conducted by national or foreign vessels in waters under the jurisdiction of a State, without the permission of that State, or in contravention of its laws and regulations, ii) conducted by vessels flying the flag of States that are parties to a relevant regional fisheries management organization but operate in contravention of the conservation and management measures adopted by that organization and by which the States are bound, or relevant provisions of the applicable international law; or, iii) in violation of national laws or international obligations, including those undertaken by cooperating States to a relevant regional fisheries management organization (FAO, source: <https://www.fao.org/iuu-fishing/background/what-is-iuu-fishing/en/>).

The project will focus will be semi-industrial and industrial vessels operating in Somali waters in contravention of the Somali legal and regulatory framework.

<sup>2</sup> A composite index will be developed to monitor improvements in management of selected fisheries. The index will include stocks assessments conducted, data collected and use for management advices, number of management plans and co-management agreements adopted, etc.



**15. The project has been designed to build capacity at the federal and state levels and in communities as well as to provide the foundation for productive sustainable fisheries to contribute to the national economy, food security and livelihoods of coastal communities.** The components and selected activities are intended to facilitate implementation and provide opportunities for increasing scale and complexity as implementation progresses.

**16. The project will include two major components.** Component 1 will support the development of fisheries governance and management, with the necessary capacity reinforcement of the institutions. Component 2 will support fishing community capacity building and small-scale and climate resilient fisheries infrastructure in the five Federal Members States as well as in the Banadir region. The two components will be closely linked since resource governance is key to the sustainable development of a domestic fisheries sector supporting livelihoods, enhancing nutrition, and generating income. In turn, enhancement of revenue and economic benefits from fisheries is necessary to justify public investment in resource management. Sustainable management of fisheries resources in Somalia will ensure the preservation of valuable resources while incentivizing and guiding private sector investment to realize the potential of a sector that has remained largely untapped until now. Improved management would ensure that investment under Component 2 does not lead to overexploitation of the resources. It would also contribute to the reduction of IUU fishing, which has been occurring in Somali waters for decades, through improved compliance with legislations and regulations on the books, by national authorities and vessels, through better identification and of illegal activities and better. The interdiction or reduction of illegal activities by semi-industrial and industrial vessels in Somali waters would in turn create a space for the sustainable development of the domestic artisanal fisheries

### **Project Components**

#### **Component 1: Strengthening Marine Fisheries Governance and Management (\$12 million)**

**17. This component will (i) support coordination mechanisms, the development of policy, legal and regulatory frameworks, fisheries information systems and management plans, at the federal and state levels, as the foundation of long-term and sustainable fisheries resource management; (ii) address the most immediate management issues through reduction of IUU fishing, and (iii) develop a national model for the co-management of artisanal fisheries.** The component will include soft investments in technical assistance and coordination with emphasis on institutional capacity-building.

**18. Three subcomponents are anticipated:**

Subcomponent 1.1: Lay a foundation for effective, transparent, and equitable fisheries resource governance. This will include the following key activities:

- a) Creation of a coordination platform between Federal and State governments;
- b) Strengthening policy, legal and regulatory frameworks
- c) Strengthening knowledge on stock status and supporting applied fisheries research;
- d) Management planning for priority fisheries; and
- e) Analytics to support longer-term fisheries strategies.

Subcomponent 1.2: Developing a comprehensive Monitoring Control and Surveillance system to reduce IUU fishing in Somali waters. This will involve the following key activities:

- a) Strengthening of the FMCs, MCS systems and tools (e.g. VMS, AIS, etc.)



- b) Enhancing governmental oversight on fishing activities and enforcement capacity at the Federal and State level
- c) Support for the development of surveillance partnerships

Subcomponent 1.3: Piloting co-management in targeted communities. This subcomponent will include the following key activities:

- a) Formation and capacity building for fisher associations or cooperatives;
- b) Participatory resource assessment and monitoring; and
- c) Fisher and vessel registration and licensing.

**Component 2: Increasing the Capacity of Dependent Communities to Benefit from Sustainable Marine Fisheries (\$33 million)**

**19. This component will focus on building the capacity of communities to capture more value from sustainable fishing through (i) improving gear, handling and processing, (ii) improving enterprise management skills, private sector partnerships and market information, and (iii) providing various types of critical small-scale fisheries infrastructure to address value chain barriers and crowd in additional private investment.** Design of capacity and infrastructure investments will be community-led, informed by value chain and capacity needs assessments, and coordinated with simple business plans developed for individual or small clusters of fisheries associations.

**20. Two subcomponents are anticipated:**

Subcomponent 2.1 Building capacity to improve the sustainability and value of selected Somali fisheries. This will involve the following key activities:

- a) Value chain and capacity needs assessment;
- b) Cooperative business plan development; and
- c) Improved fish gear, handling & processing.

Subcomponent 2.2: Climate-resilient, small-scale fisheries infrastructure. This subcomponent will further refine and target priority small-scale infrastructure needs.

**Component 3: Project Management Monitoring and Evaluation (\$5 million)**

**21. This component will support effective implementation of project activities and fiduciary management and effective monitoring and evaluation, and the application of the Bank’s Social and Environmental Framework.** It will provide equipment, technical assistance, training, and incremental operating costs to the Ministry of Fisheries and Marine Resources to strengthen its capacity to manage, implement, and monitor project activities.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	TBD

Summary of Screening of Environmental and Social Risks and Impacts

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**APPROVAL**

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