

Document of  
The World Bank

Report No: PAD962

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT FROM THE  
GLOBAL ENVIRONMENT FACILITY TRUST FUND  
IN THE AMOUNT OF \$9,174,311 MILLION

CONSISTING OF

US\$2,199,949 TO THE BAY OF BENGAL PROGRAMME INTER-GOVERNMENTAL  
ORGANISATION (BOBP-IGO)

US\$2,162,637 TO THE CONSERVATION INTERNATIONAL FOUNDATION (CI)

US\$1,949,220 TO THE FOOD AND AGRICULTURE ORGANIZATION (FAO) FOR THE  
BENEFIT OF MEMBER COUNTRIES OF THE WESTERN CENTRAL ATLANTIC FISHERY  
COMMISSION (WECAFC)

US\$1,500,000 TO THE PACIFIC ISLANDS FORUM FISHERIES AGENCY (FFA), AND

US\$1,362,504 TO THE WORLD WILDLIFE FUND, INC. (WWF)

FOR THE

OCEAN PARTNERSHIPS FOR SUSTAINABLE FISHERIES AND BIODIVERSITY  
CONSERVATION – MODELS FOR INNOVATION AND REFORM

AUGUST 6, 2014

WORLD REGION

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## CURRENCY EQUIVALENTS

Currency Unit = US\$1

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

|          |   |
|----------|---|
| ABNJ     | Areas beyond National Jurisdiction                                |
| BOBP-IGO | Bay of Bengal Programme Inter-Governmental Organisation           |
| CAS      | Country Assistance Strategy                                       |
| CBMC     | Consortium on Billfish Management and Conservation                |
| CI       | Conservation International Foundation                             |
| CDRRP    | Tamil Nadu and Puducherry Coastal Disaster Risk Reduction Project |
| CMM      | Conservation and Management Measures                              |
| CSP      | Country Strategy Paper  |
| DA       | Designated Account  |
| DWFN     | Distant Water Fishing Nations                                     |
| EA       | Environmental Assessment  |
| EA       | Executing Agency  |
| EEZ      | Exclusive Economic Zones  |
| EPO      | Eastern Pacific Ocean   |
| ESMF     | Environmental and Social Management Framework                     |
| FAO      | Food and Agriculture Organisation                                 |
| FIMSUL   | Fisheries Management for Sustainable Livelihoods                  |
| FPI      | Fisheries Performance Indicator                                   |
| GEF      | Global Environment Facility                                       |
| GloTT    | Global Think Tank   |
| GPCU     | Global Program Coordination Unit                                  |
| GPO      | Global Partnership for Oceans                                     |
| IATTC    | InterAmerican Tropical Tuna Commission                            |
| IBRD     | International Bank for Reconstruction and Development             |
| ICCAT    | International Commission for the Conservation of Atlantic Tuna    |
| IDA      | International Development Agency                                  |
| IFR      | Interim Financial Report  |
| IIFET    | International Institute of Fisheries Economics and Trade          |
| IOTC     | Indian Ocean Tuna Commission                                      |
| ISP      | Implementation Support Plan                                       |
| LEGEN    | Legal Environment   |
| LME      | Large Marine Ecosystem  |
| ORAF     | Operational Risk Assessment Framework                             |
| PAD      | Project Appraisal Document  |
| PCom     | Project Components  |
| PIC      | Pacific Island Countries  |
| PMU      | Project Management Unit   |

|        |   |
|--------|---|
| PROP   | Pacific Regional Oceanscape Program                   |
| PRSP   | Policy Reduction Strategy Paper                       |
| PSC    | Project Steering Committee                            |
| RFMO   | Regional Fisheries Management Organisations           |
| SMART  | Specific, Measurable, Attainable, Relevant, Timebound |
| TTL    | Task Team Leader                                      |
| UNCLOS | United Nations Convention on the Law of the Sea       |
| UNEP   | United Nations Environmental Program                  |
| UNFSA  | United Nations Fish Stocks Agreement                  |
| WCPCF  | Western and Central Pacific Fisheries Commission      |
| WCPO   | Western Central Pacific Ocean                         |
| WECAFC | Western and Central Atlantic Fisheries Commission     |
| WWF    | World Wildlife Fund                                   |

|                                  |                     |
|----------------------------------|---------------------|
| Regional Vice President:         | Philippe Le Hou rou |
| Senior Global Practice Director: | Paula Caballero     |
| Practice Manager:                | Valerie Hickey      |
| Task Team Leader:                | Tim Bostock         |



**WORLD REGION: OCEAN PARTNERSHIPS FOR SUSTAINABLE FISHERIES AND  
BIODIVERSITY CONSERVATION – MODELS FOR INNOVATION AND REFORM**

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## PAD DATA SHEET

World

*Ocean Partnerships for Sustainable Fisheries & Biodiversity Conservation (P128437)*

### PROJECT APPRAISAL DOCUMENT

*Environmental and Natural Resources*

| Basic Information  |   |
|--|---|
| Date: July 1, 2014   | Sectors: General agriculture, fishing, & forest sector (25%);<br>Public administration, Agriculture, Fishing, and Forestry (25%)<br>Agro-industry, marketing, and trade (25%)<br>Other industry (25%) |
| Senior Global Practice Director: Paula Caballero   | Themes: Biodiversity (25%); Environmental Policies & Institution (25%); Other Private Sector Development (25%); Other Economic Management (15%); Other rule of law (10%)                              |
| Practice Manager: Valerie Hickey   | EA Category: B-Partial Assessment   |
| Project ID: P128437  |   |
| Lending Instrument: Investment Project Financing (IPF)   |   |
| Team Leader(s): Tim Bostock  |   |
| Responsible Agency(ies): <b>Conservation International (CI)</b>  |   |
| Contact: Carolyn Hicks   | Title: Director, Finance and Operations<br>Global Marine Division   |
| Telephone No.: 703 341.2453  | Email: <a href="mailto:chicks@conservation.org">chicks@conservation.org</a>   |
| Responsible Agency(ies): <b>Bay of Bengal Programme Inter- Governmental Organisation (BOBP-IGO)</b>  |   |
| Contact: Yugraj Singh Yadava   | Title: Director   |
| Telephone No.: 91 44 2P4936188 (O); +91 9841042235 (mobile)  | Email: <a href="mailto:yugraj.yadava@bobpigo.org">yugraj.yadava@bobpigo.org</a>   |
| Responsible Agency(ies): <b>Forum Fisheries Agency (FFA)</b>   |   |
| Contact: James Movick  | Title: Director General   |
| Telephone No.: +677 21124 ext 271 Mob: +677 94548  | Email: <a href="mailto:info@ffa.int">info@ffa.int</a>   |
| Responsible Agency(ies): <b>Food &amp; Agriculture Organization for the benefit of the members of Western Central Atlantic Fisheries Commission (FAO/WECAFC)</b> |   |
| Contact: Laurent Thomas  | Title: Assistant Director General, Technical Cooperation Department   |
| Telephone No.: (+39) 06 57051  | Email: <a href="mailto:Laurent.Thomas@fao.org">Laurent.Thomas@fao.org</a>   |
| Responsible Agency(ies): <b>World Wildlife Fund (WWF)</b>  |   |
| Contact: Vishwanie Maharaj   | Title: Senior Program Economist, Fisheries  |

Telephone No.: 202-495-4711

Email: [Vishwanie.Maharaj@wwfus.org](mailto:Vishwanie.Maharaj@wwfus.org)

Project Implementation Period: Start Date: End Date:

Expected Effectiveness Date:

Expected Closing Date:

**Project Financing Data(US\$M)**

|                                 |   |                          |
|---------------------------------|---|--------------------------|
| <input type="checkbox"/> Loan   | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> |
| <input type="checkbox"/> Credit | <input type="checkbox"/> Guarantee        |                          |

**For Loans/Credits/Others**

|                      |         |                        |   |
|----------------------|---------|------------------------|---|
| Total Project Cost : | \$9.174 | Total Bank Financing : | 0 |
| Total Cofinancing :  |         | Financing Gap :        | 0 |

| Financing Source                    | Amount(US\$M) |
|-------------------------------------|---------------|
| RECIPIENT                           |               |
| IBRD                                |               |
| IDA Grant                           |               |
| IDA: Recommitted                    |               |
| Others: Global Environment Facility | \$9.174       |
| Financing Gap                       | 0             |
| Total                               | \$9.174       |

**Expected Disbursements (in USD Million)**

| Fiscal Year | FY14 | FY15 | FY16  | 17    |  |  |  |  |  |
|-------------|------|------|-------|-------|--|--|--|--|--|
| Annual      |      | 3.32 | 3.632 | 2.22  |  |  |  |  |  |
| Cumulative  |      | 3.32 | 6.952 | 9.174 |  |  |  |  |  |

**Project Development Objective(s):** to catalyze pilot investment into selected transformational public-private partnerships that mainstream the sustainable management of highly migratory fish stocks spanning areas within and beyond national jurisdictions.

**Components**

| Component Name   | Cost (USD Millions) |
|--|---------------------|
| (1) Definition & development of business plans for long-term transformational pilots for sustainable fisheries in priority ocean areas | \$5.761m            |
| (2) An innovation support facility component   | \$2.163m            |
| (3) Inter-Regional Coordination, Implementation Support and Monitoring and Evaluation  | \$1.250m            |

**Compliance****Policy**

|   |   |  |
|---|---|--|
| Does the project depart from the CAS in content or in other significant respects? | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| Does the project require any waivers of Bank policies?                            | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| Have these been approved by Bank management?                                      | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| Is approval for any policy waiver sought from the Board?                          | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |



|   |            |           |
|---|------------|-----------|
| Does the project meet the Regional criteria for readiness for implementation? | Yes [x ]   | No [ ]    |
| <b>Safeguard Policies Triggered by the Project</b>                            | <b>Yes</b> | <b>No</b> |
| Environmental Assessment OP/BP 4.01   | X          |           |
| Natural Habitats OP/BP 4.04   | X          |           |
| Forests OP/BP 4.36  |            | X         |
| Pest Management OP 4.09   |            | X         |
| Physical Cultural Resources OP/BP 4.11  |            | X         |
| Indigenous Peoples OP/BP 4.10   | X          |           |
| Involuntary Resettlement OP/BP 4.12   | X          |           |
| Safety of Dams OP/BP 4.37   |            | X         |
| Projects on International Waterways OP/BP 7.50                                |            | X         |
| Projects in Disputed Areas OP/BP 7.60   |            | X         |

### Legal Covenants

| Name   | Recurrent | Due Date                | Frequency |
|--|-----------|-------------------------|-----------|
| Effectiveness Covenant – World Wildlife Fund (WWF) |           | 90 days after signature |           |

#### Description of Covenant:

This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

- (a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary corporate action.
- (b) Members of the Inter-American Tropical Tuna Commission have provided a no objection to the Recipient acting on behalf of the Inter-American Tropical Tuna Commission in the implementation of the part of Component 1 Schedule 1 which deals with the development of business plans for long-term transformational pilots in the Eastern Pacific Ocean.

### Team Composition

#### Bank Staff

| Name                   | Title                            | Specialization                   | Global Practice | UPI    |
|------------------------|----------------------------------|----------------------------------|-----------------|--------|
| Tim Bostock            | Senior Fisheries Specialist      | Team Leader                      | GENDR           | 235218 |
| Michael Arbuckle       | Senior Fisheries Specialist      | Adviser                          | GENDR           | 322885 |
| John Virdin            | Sr Natural Resources Mgmt. Spec. | Sr Natural Resources Mgmt. Spec. | GENDR           | 182935 |
| John W. Fraser Stewart | Sr Natural Resources Mgmt. Spec. | Sr Natural Resources Mgmt. Spec. | GCCIA           | 78499  |
| Madhavan Balachandran  | Sr. Financial Management Spec    | Sr. Financial Management Spec    | UDRCA           | 200947 |
| Quynh Xuan Thi Phan    | Financial Officer                | Financial Management             | UDRCA           | 304048 |
| Jinan Shi              | Senior Procurement Specialist    | Senior Procurement Specialist    | GGODR           | 95542  |
| Valerie Hickey         | Acting Sector Manager            | Biodiversity Specialist          | GENDR           | 253690 |
| Victor Bundi Mosoti    | Senior Counsel                   |                                  | LEGEN           | 350967 |
| Marketa Jonasova       | Operations Officer               | Operations Officer               | GAGDR           | 146055 |
| Nenuca Robles          | Operations Analyst               | Operations Analyst               | GPSOS           | 16931  |
| Shane Ferdinandus      | Program Assistant                | Administrative Support           | GENDR           | 347880 |
| Olha Krushelnytska     | Consultant                       |                                  | EASNS           | 293768 |



## I. STRATEGIC CONTEXT

### A. COUNTRY / GLOBAL CONTEXT

1. Healthy ocean ecosystems and fisheries are vital to the food security and wellbeing of much of the world's population, especially in developing coastal and island countries. Fisheries and aquaculture provide 16 percent of global animal protein, supporting many millions of livelihoods (UNEP, 2006; FAO, 2010). Seafood has a first-sale value of more than US\$190b/yr and is amongst the most globally traded food commodities, accounting for some 10 percent of total agricultural exports (FAO, 2012). Seafood exports from developing countries are particularly important and at over US\$25b/yr in 2009, are substantially higher than other agriculture commodities such as rubber, cocoa, bananas and coffee (FAO, 2012).

2. Increasing human impact on the underlying natural processes and ecosystems upon which these wide ranging benefits depend, represents the single greatest threat to their sustainability. In economic terms, many marine fisheries can be considered as underperforming natural resource assets whose natural capital base is being increasingly overdrawn and systematically undervalued. The net present value of future benefits is being eroded by overfishing and degradation of natural habitats and ecosystem function.

3. The nature and persistence of this threat can be thought of as symptomatic of a failure of fisheries governance and institutional<sup>1</sup> systems. An increasing human population, climate change, economic acceleration and associated demand for seafood and other ocean resources are all significant compounding factors. The negative impacts of this failure are felt particularly by many of the Bank's client countries whose economies, livelihoods and food security depend on fisheries. FAO's biennial publication *The State of World Fisheries and Aquaculture*, paints a gloomy picture of global trends over recent decades towards increasing biological –and therefore economic- overexploitation of fish stocks. Indeed, fisheries are increasingly characterized by their levels of overcapitalization, overexploitation, illegal activity and negative spillover impacts on biodiversity and ecosystem services. By-catch involving often iconic species across all *taxa*, and indiscriminate harvesting that ignores broader ecosystem impacts are particular problems. Yet, while ineffective fisheries management continues to generate such negative, wealth destroying outcomes (e.g. World Bank, *Sunken Billions*, 2009), perversely a proportion of the fishing industry continues to receive cost-reducing subsidies amounting to some \$15-30b/year.

4. The concerns and threats described above provided strong rationale, in 2004, for the World Bank's decision to re-engage in supporting sustainable fisheries. The primary objective of this re-engagement was to assist client countries to invest in systematic improvements in managing their coastal fisheries i.e. fisheries within national jurisdictions (or Economic Exclusion Zones EEZ), in order to generate and sustain value, and contribute to shared growth, food security and national welfare objectives. While many of the fish stocks that are economically important to developing countries fall within such national jurisdictions, others – the '*shared highly migratory stocks*' such as tunas, billfishes and sharks- are transboundary, shared with neighboring coastal developing states and/or with distant water fishing nations operating within 'areas beyond national jurisdiction' or ABNJ<sup>2</sup>. These stocks are extremely high in value in terms of both market and non-market factors. First, financial returns spurred by

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<sup>1</sup> *Institutions* in this sense are defined as the formal and informal rules that determine the way ocean resources are valued and used – see also para 8 below.

<sup>2</sup> ABNJ are recognized as one of the least managed global commons on Earth and represent a new frontier for efforts to address global environmental and sustainable development challenges. ABNJ comprise around 230m km<sup>2</sup> of the Earth's 510m km<sup>2</sup> total surface area, while Exclusive Economic Zones (EEZs) cover 130m km<sup>2</sup>. While ABNJ account for almost 65 percent of ocean area and 95 percent of their volume they provide less than 10% of global fisheries production, due mainly to the higher primary productivity of coastal, continental shelf areas, and their relative ease of access.

incremental market demand support a large and diverse fishing industry of global importance for national economies, livelihoods, seafood supplies and food security. For example, 85 countries engage in tuna fisheries with landings valued at over \$10b/yr and exports representing 8% of international seafood trade. Billfish and sharks are important to burgeoning recreational sector worth an estimated US\$161b in 1995. Second, they are a crucial component of oceanic biodiversity and fulfil fundamental roles within healthy, productive marine ecosystems.

5. Owing to their transboundary nature, the management of fisheries on such stocks represents a particularly complex management challenge. Aside from the global imperative to address the institutional failures referred to in paragraph 3 and recover lost wealth, the economic rationale for the World Bank's targeted involvement in improving the management of *shared highly migratory stocks* stems from a combination of additional factors. These focus on the socioeconomic importance of the current and potential future stake held in these fisheries by many of the Bank's clients and the need to ensure effective management arrangements are in place within and beyond national jurisdictions to prevent this stake from being undermined (see Section VI Appraisal). Of particular relevance to this project is that many countries have expressed interest in engaging in the development of such management arrangement to ensure economic benefits can accrue sustainably and equitably to their economies.

6. **The project will respond directly to this by providing technical assistance and analytical support to identify and design a series of investment proposals<sup>3</sup> for transformational pilot projects for well managed fisheries based on shared highly migratory stocks that straddle the EEZ of several of our Bank client states and adjacent ABNJ.** . The investment proposals resulting from the project will demonstrate a strong value proposition to enable downstream investments and contribute to wider regional interests in improved management of these stocks. Best practice reform processes with proven effectiveness -particularly those involving a committed partnership between the public and private sectors- will inform pilot design and investment plans. The project is one of four, funded under a new GEF-funded global ABNJ Program and led by FAO (refer to '[Common Oceans](#)' below).

## **B. SECTORAL AND INSTITUTIONAL CONTEXT**

7. Many of the world's most valuable fisheries are founded on these shared, highly migratory stocks which comprise arguably some of the most iconic members of high seas biodiversity – the tunas, billfishes and sharks. Annex 2 provides background information and analyses respective to each of these in terms of their importance to the global economy, food security, livelihoods and biodiversity. Annex 2 also outlines the current status, trends and threats associated with each.

8. **International institutional context.** The declining trends in many highly migratory fisheries can be attributed largely to the current failure in institutional arrangements that govern access to these resources and the ways in which they are exploited. This can be attributed to the view held throughout much of human history that ocean resources are limitless- an understandable misconception given the ocean's size and remoteness, and the almost indiscernible patterns of change (Report of the [Blue Ribbon Panel](#), 2013). These weaknesses have led to increasingly poor fisheries performance – a classic *tragedy of the commons* played out in many parts of the world (Hardin 1968, but also explored in World Bank 2009 – the *Sunken Billions*<sup>4</sup>). Economic spillovers or externalities are particularly acute in shared highly migratory

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<sup>3</sup> Referred to also as **pilot investment plans** or **business plans** and defined in **Section II**.

<sup>4</sup> In considering the significance of effective fisheries management in the context of declining trends, the World Bank and FAO (2010) note that although 75 percent of the capture fishery resources are characterized as being fully exploited, overexploited,

stocks where fleets compete in a *race to fish*, to capture rents from these valuable species. Competition occurs at multiple levels – within and between adjacent states, and between states’ EEZs and ABNJ.

9. The project is set within a complex array of international instruments, some legally binding, some voluntary, that have emerged over the last few decades in response to this failure and growing concerns for more effective management of shared highly migratory fisheries resources. Key legally binding instruments are the United Nations Convention on the Law of the Sea (UNCLOS), the UN Fish Stocks Agreement<sup>5</sup> (UNFSA), and Agreement to promote Compliance with international conservation and management measures by fishing vessels on the high seas. Key voluntary instruments are the FAO Code of Conduct for Responsible Fisheries and associated International Plans of Action to manage overcapacity; illegal, unreported, unregulated (IUU) fishing; by-catch including sharks, seabirds, turtles, cetaceans; as well as FAO Technical Guidelines for Responsible Fisheries; managing excess fishing capacity; ecosystem and precautionary approaches; integrated management; marine protected areas and fisheries; by-catch and the reduction of discards; responsible trade; etc. The project is consistent with the requirements and guidance provided by these legal instruments and aims to contribute towards enhancing the implementation of some of their requirements.

10. **UNFSA** is of particular relevance to this project. This instrument specifically addresses the conservation and management of straddling, highly migratory stocks. Consistent with the UNCLOS, the UNFSA obliges states *inter alia* to agree measures to ensure the optimal utilization of these stocks either through bilateral arrangements or through regional organizations. UNFSA provides that such measures take account of ‘special conditions’ of developing States (such as economic dependency) and that *any management measures established for ABNJ in respect of these stocks do not undermine the effectiveness of management measures adopted by coastal States within their jurisdictions*. In this regard, given the crucial importance of stakes held in these shared fisheries to the current and prospective economic wellbeing of several of our Bank clients, and the fact that these stakes risk being undermined unless effective fisheries management arrangements within and beyond<sup>6</sup> national jurisdictions are established and observed, UNFSA provides a powerful institutional rationale for World Bank engagement through this project in efforts to improve the management of these important fisheries.

11. **The ‘Common Oceans’ ABNJ Program.** Recognizing the range of threats that unsustainable fishing practices represent to marine biodiversity and ecosystem integrity, the GEF approved this program in 2011 under the coordination of FAO with the goal of promoting “efficient and sustainable management of fisheries resources and biodiversity conservation in the ABNJ, in accordance with the global targets agreed in international forums”. This would be accomplished through four components: (1) Sustainable management of tuna fisheries and biodiversity conservation in the ABNJ (FAO); (2) Sustainable fisheries management and biodiversity conservation of deep-sea ecosystems in the ABNJ (FAO/UNEP); (3) **Ocean partnership for sustainable fisheries and biodiversity** (World Bank; the project described in this PAD), and (4) Global coordination for marine ABNJ (FAO and Global Oceans Forum) – more information can be found at the FAO’s website ‘[Common Oceans](#)’.

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depleted or recovering from a *biological* perspective, this invariably implies these are all economically *overexploited* i.e. from an “economic perspective, 75 percent of the global capture fishery resources are overexploited (World Bank and FAO, 2009)”.

<sup>5</sup> Relating to the conservation and management of straddling fish stocks and highly migratory fish stocks.

<sup>6</sup> Including territorial seas and archipelagic waters.

### C. HIGHER LEVEL OBJECTIVES TO WHICH THE PROJECT CONTRIBUTES

12. **GEF.** The project’s approach is fully consistent with GEF’s fifth replenishment strategy (GEF-5) International Waters IW-4 and Biodiversity BD-2 focal area strategies, **aimed at enhancing capacity to deliver sustainable fisheries together with marine biodiversity conservation outcomes.** GEF-5 envisages lessons from successful activities informing debates and reforms in global, regional and national policies, institutions and regulatory processes aimed at transformational investments. The Project will take an integrated ‘coast-to-coast’ approach to effective management of shared high migratory fish stocks moving inside and outside of ABNJ. In areas of significant biodiversity this will provide valuable opportunities to address conservation and protection needs simultaneously with sustainable use.

13. **World Bank twin goals.** The project contributes directly to the Bank's overarching mission to galvanize international and national efforts to end poverty and to promote shared prosperity. It will do this by supporting efforts by developing coastal and island countries to catalyze investment into improved management of shared highly migratory fisheries. Pilot business plans that incorporate principles of *blue growth*<sup>7</sup> will ensure that improved management of these fisheries contributes sustainably to the wellbeing of poorer segments of society in Bank client countries. In this regard the project addresses the recommendations of the [Blue Ribbon Panel](#) to “*align ocean health and human wellbeing*”.

14. **CAS/CSP.** In participating regions and countries, the project complements national environmental strategies and priorities, CAS, CSP and PRSP to promote improved natural resources management as a contribution to sustainable development. Indeed, in all the CAS/CPS of regions where the project will operate, the health of natural resource ‘capital assets’ such as high value fisheries, is central to poverty reduction, sustainable shared growth and increasing resilience. For example, the CPSs for India and Sri Lanka (resp. period FY2013–2017 and period FY2013–2016) both address a range of aspects related to a green economy and tackling the region’s recognized unsatisfactory performance on environmental sustainability. Shifts are foreseen towards a more ‘knowledge-based, globally integrated, competitive, environmentally friendly’ economies with a focus on food and nutrition security and markets. Loss of natural resource assets and biodiversity through environmental neglect are universally seen as risks that will impact on economic performance and growth.

15. **Global Goods.** The project is considered unique and innovative within the Bank in that its key long-term goal is to inform both regional and global solutions to shared stocks management and biodiversity conservation through high impact investments into exemplifier pilots. In addition to its focus on designing transformational pilots, the project will promote regional integration and south-south collaboration and knowledge exchange on effective collective management arrangements for these high migratory resources. At a global scale, the project recognizes that these fisheries and associated marine biodiversity are global goods playing vital contributing roles to global food security and to many of our client states’ economies. Project processes and results are therefore likely to be of significant interest to international bodies and agencies engaged in conservation and management of shared highly migratory species, including particularly the relevant UN Agencies including FAO (see below, but with special regard to the ‘ABNJ Tuna Project’ – below), national and regional fisheries management organizations (RFMOs).

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<sup>7</sup> “Blue growth” extends the notion of green growth within the aquatic context. Blue economies thus focus on promoting growth and sustainable development on the basis of ecosystem health – the natural ‘capital’ upon which human wellbeing relies.

16. **Complementary Initiatives.** The project complements and in some cases leverages several ongoing initiatives supported by the Bank and other development partners. These include:

- Bank IDA investment under *Pacific Regional Oceanscape Program - PROP* – Section III and Annex 4.
- Bank IDA investment under *Tamil Nadu and Puducherry Coastal Disaster Risk Reduction Project (CDRRP)* and CDRRP component *Fisheries Management for Sustainable Livelihoods (FIMSUL)*. The project will consider joint development one of the proposed FIMSUL co-management pilots – Section III and Annex 3.
- FAO-implemented GEF ABNJ Program (Section B). As noted above, of special significance to this project in terms of coordination will be the FAO-led *ABNJ Tuna Project*.
- Global Partnership for Oceans (GPO). The project could leverage additional expertise and parallel finance from the GPO, a coalition of over 130 Governments, research institutions, companies, civil society and multilateral organizations, facilitated by the World Bank. The GPO incorporates the Global Program on Fisheries (PROFISH) which has supported efforts to address threats to fisheries and oceans around the world and which has been instrumental in framing the GPO. Developed through PROFISH, the Global Alliance for Fisheries (ALLFISH) model for collaboration with the private sector seafood and finance sectors) will help inform effective ways to leverage private investment in sustainable investment scenarios and reform processes.
- ‘50-in-10’ Coalition. This newly convened grouping is a potentially strong project partner. Although initial ideas for collaboration were discussed at a workshop in Vancouver last year, more specific activities are expected to materialize early on during project implementation and once mutual interests have become clearer.

17. **Project Additionality.** Following on from the above, The World Bank Group (WBG) working closely with the wide range of partners under this project, offers at least three specific comparative advantages in terms of adding value (**Annex 12**):

- Capacity and convening power (e.g. addressing political economy constraints to governance reform; enabling finance for transitional process including through private sector engagement and public / private financial markets especially IFC);
- Analytical skills including on global commons issues related to fisheries management;
- Adopting an enhanced global public goods agenda focused on oceans and marine environment.

## II. PROJECT DEVELOPMENT OBJECTIVES

### A. PDO

18. The project’s development objective *is to catalyze pilot investment into selected transformational public-private partnerships that mainstream the sustainable management of highly migratory fish stocks spanning areas within and beyond national jurisdictions.*

19. To deliver this PDO the project will, in summary: (a) finance technical assistance in four primary project regions<sup>8</sup> to identify and design business investment proposals for

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<sup>8</sup> **Four primary regions** in which subproject proposals are to be developed include: Western and Central Atlantic and Caribbean, Bay of Bengal India/Tamil Nadu, Western and Central Pacific and Eastern Pacific Ocean.

transformational pilot projects for better management of targeted shared and highly migratory stocks; (b) provide an innovation facility to ensure the latest scientific and technical knowledge informs these pilots; and (c) help mobilize a Global Think Tank to promote south-south learning and information sharing between regions.

20. Financing the pilots, once designed, is beyond the scope of the Project. Nevertheless, the design of all pilot proposals will ensure that they attract finance and are able contribute to increasing sustainable benefits to client countries while enhancing biodiversity conservation. Incremental impacts from the eventual pilot investments will depend on scope and scale. However, these are expected to be ‘transformational’ (i.e. ground breaking and influential) contributing to economic growth, biodiversity conservation, social welfare and food security, including benefits to global seafood supplies. Impacts will be felt by local communities and economies, and at national level within the four project regions.

## **B. PROJECT BENEFICIARIES**

21. Project beneficiaries include both men and women from the private sector (fishing industry from harvesting through to value chains / processing and investment), the public sector (national ministries, regulatory and trade promotion authorities), and international bodies including regional fishery bodies, RFMOs and LMEs. The numbers and specificity of stakeholders can only be determined once the precise nature and location of the pilot developments are determined. In all cases, stakeholders’ shared commitment to reforms will be a major factor in determining pilot locations and specific beneficiaries. Benefits are expected to accrue through stakeholder engagement in both the pilot planning process (particularly through capacity building, training etc) and in downstream pilots. Further description of benefits by sub-project can be found in **Annex 1** Supplemental Information and **Annexes 3-7**.

## **C. PDO LEVEL RESULTS INDICATORS**

22. The following quantifiable / measurable results will be achieved by project:

- **Indicator One: Increased investment in sustainable fisheries on shared highly migratory stocks.** The value proposition offered by business plans for public private partnerships<sup>9</sup> catalyzes investment in at least two pilot projects<sup>10</sup> within at least two of the four primary regions.
- **Indicator Two: Improved capacity of client states to engage effectively in regional / international policy processes.** Increasing client state capacity to engage in constructive sub/regional dialog on innovative management of shared highly migratory fisheries (SHMF), including at respective RFMO and UN-related meetings and events.
- **Indicator Three: Increased inter-regional Cooperation.** A robust lesson learning, knowledge exchange and capacity building facility –Global Think Tank- established and used by all four regional subprojects for knowledge exchange and ‘south-south’ capacity building on effective management of inform regional and global solutions<sup>11</sup> to improved management of shared highly migratory fisheries.

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<sup>9</sup> The term **business plans** for project pilots is used interchangeably with **business investment plans / proposals**. As per PDO, these are the principle project outputs and will be developed within each subproject region by respective EAs.

<sup>10</sup> **Pilots/pilot projects** are defined here to reflect the GEF-5 call for ‘innovative transformational pilots’ that demonstrate cost effective ways to deliver more sustainable fisheries management and associated biodiversity conservation.

<sup>11</sup> Including solutions under the FAO-led Tuna Project component of the ABNJ Programme.



### III. PROJECT DESCRIPTION

#### A. PROJECT COMPONENTS

23. To achieve the PDO, the project will be regionally executed through Grant Agreements divided amongst five sub-projects, four regional and one global (Figure 1, Annex 8 provides a schematic illustration of this arrangement). Three interrelated project components are described below.

24. **Component 1: Definition and development of business plans for long-term transformational pilots for sustainable fisheries in priority ocean areas (\$5.76m).** This main component will be implemented under Grant Agreements with four regional Executing Agencies (EA) identified during preparation (Table 1; Annexes 3 to 6). Each regional sub-project will undertake the prioritization, analysis and development of *business plans* for pilot projects (ref. project PDO) addressing more effective management of fisheries on shared highly migratory stocks occurring within developing coastal and island states' EEZ and adjacent ABNJ. The business plans will offer the potential for relatively rapid transformation towards sustainable and responsible fisheries. In the context of this project, such transformation can be characterized as a combination of three principal benefits: economic efficiency, biodiversity conservation / ecosystem health, and social equity.

25. The design process for the pilot business plans will be disseminated widely throughout the region, through the respective EA's active engagement in discussions on shared stocks management with regional stakeholders. These include: public and private sector actors from a range of Bank client countries- essentially *inter-ministerial committees* and other appropriate stakeholder groupings, and regional fishery bodies (particularly RFMOs but also LMEs) with a mandate for conservation and management of these stocks. Although at least two of the pilot business plans are expected to attract finance by the end of the project, such future investments in pilots are outside of the scope of the project even though these may occur within the project's lifetime (Annex 2).

26. A further key facet of the project is facilitation of access for fish products from the prospective future pilots to premium regional and international markets and value chains. Cementing supply side arrangements that have the potential to add very significant value to existing fisheries, offers the potential to leverage local management reforms where both public and private sector partners recognize the real value proposition of reforms at national, regional and global levels.

**Table 1 – Component 1 Executing Agencies - Summary Focus of Pilot Design Activities**

| Region  | Grant (\$m approx) | Description   |
|---|--------------------|---|
| <i>Bay of Bengal India/Tamil Nadu [Sri Lank and Maldives]</i> (Annex 3) | <b>1.98</b>        | <b>Target fisheries.</b> Small-scale tuna long-line fisheries in Bay of Bengal region (potentially other highly migratory pelagic stocks). Focus on S India, Tamil Nadu.<br><b>Business case.</b> Potential to combine high value niche markets (regional and EU) based around public/private partnership on management and effective effort control.<br><b>Clients.</b> Potential to work with small scale <i>Thoorthoor</i> fleet in Tamil Nadu in partnership with Bank IDA (Tamil Nadu and Puducherry <i>Coastal Disaster Risk Reduction Project</i> CDRRP and <i>Fisheries Management for Sustainable Livelihoods</i> FIMSUL) in developing a co-management pilot as business cases for future investment.<br><b>Executing Agency:</b> Bay of Bengal Programme (BOBP-IGO). |
| <i>Western and</i>  | <b>1.35</b>        | <b>Target fisheries.</b> Tuna fishing operations mainly by distant water fishing nations  |

|   |             |   |
|---|-------------|---|
| <i>Central Pacific</i><br>(Annex 4)                             |             | <p>under the Parties to Nauru Agreement’s Vessel Day Scheme.</p> <p><b>Business case.</b> Supporting efforts by Pacific states to increase economic returns by designing and implementing targeted rights-based management reforms; potential focus on potential capitalization of a VDS fund and facility to secure a community share of tuna access revenues for fishing communities.</p> <p><b>Clients.</b> Close collaboration agreed with Bank IDA investment (Pacific Regional Oceanscape Program – PROP).</p> <p><b>Executing Agency:</b> Forum Fisheries Agency.</p>  |
| <i>West/Central Atlantic and Caribbean</i><br>(Annex 5)         | <b>1.75</b> | <p><b>Target fisheries.</b> Billfish – recreational and commercial small-scale fisheries.</p> <p><b>Business case.</b> Likely to revolve around institutional mechanisms to create and enforce rights for commercial / artisanal fishers to adopt catch, release and tagging systems (or non-targeting of iconic species) in exchange for financial compensation / value generation to be potentially financed by the recreational sector.</p> <p><b>Clients.</b> Potentially a consortium of private sector gamefish recreational and commercial fishing interests within a range of client states who have already expressed interest.</p> <p><b>Executing Agency:</b> WECAFC/FAO. <i>Note:</i> WECAFC was established in 1973 by Resolution 4/61 of the Food and Agriculture Organization of the United Nations (FAO) Council under Article VI (1) of the FAO Constitution<sup>12</sup>. Thus although FAO is the Executing Agency, WECAFC based at FAO’s offices in Bridgetown, Barbados, will undertake all of the work. Henceforth, we refer to “WECAFC/FAO” as the Executing Agency of this regional sub-project.</p>                              |
| <i>Eastern Pacific Ocean and Global Think Tank</i><br>(Annex 6) | <b>0.68</b> | <p><b>Note:</b> this sub-project also combines Component 3 wrt Global Think Tank under which regional Eastern Pacific Ocean tuna will treated initially as a test case (details Annex 6).</p> <p><b>Target fisheries.</b> Skipjack tuna fisheries – large scale purse seine vessels fishing in this region, primarily but not limited to, those flagged to Ecuador, EU member nations and Mexico.</p> <p><b>Business case.</b> Options to be explored include (1) tradable bigeye tuna catch [and bycatch] quotas in exchange for an exemption to the IATTC annual closure; (2) trading of existing authorized (under IATTC resolution) harvest capacity (expressed as hold capacity); (3) development of potential mechanisms to convert hold capacity into tradable tonnage quota; (4) other possible collective / rights-based approaches, considering both effort and catch limit management systems..</p> <p><b>Clients.</b> Builds on existing efforts pursued by the tuna RFMO Inter-American Tropical Tuna Commission (IATTC) and ideas being discussed by member nations, industry, observers, etc.</p> <p><b>Executing Agency:</b> WWF (US)</p> |
| <i>Total</i>  | <b>5.8m</b> |   |

27. **Component 2: An innovation support facility component (Approx. \$2.2m).** This Component will be led by *Conservation International* (CI) under a Grant Agreement with the Bank and in partnership with each of the four regional EAs outlined above in Component 1 (Annex 7). Grants will support a range of innovative activities focused on improved management of shared highly migratory fisheries – analyses, evaluations and field tests, events – that will contribute in parallel to the effective delivery of Component 1 and the Project’s PDO. The fund will be opportunistic and incremental, for example developing efforts of interested

<sup>12</sup> <ftp://ftp.fao.org/FI/DOCUMENT/wecafc/statutes.pdf>

private operators and associations. The criteria and challenges that this fund seeks to address have been defined during project preparation and include three sets of activities:

- Conduct analyses/evaluations to inform fisheries management decisions
- Field test new fishing gears or technologies, including for fisheries monitoring, control and surveillance (MCS)
- Coordinate regional and global workshops/exchanges and networking to build capacity and share experiences and lessons learned.

Component 2 activities will be closely coordinated and, where appropriate, integrated with inter-regional work taking place under the Global Think Tank - Component 3.

**28. Component 3: Inter-Regional Coordination, Implementation Support and Monitoring and Evaluation (Approx. \$1.3m<sup>13</sup>).** This Component will provide parallel support for Components 1 and 2 in the two following areas.

**29. Global Think Tank.** Inter-regional coordination, outreach and collaboration between the four regional sub-project activities work will be achieved through a small, but potentially influential, *Global Think Tank* (GloTT). This will comprise the four regional EAs together with CI as EA for the innovation facility (see Component 2), a multidisciplinary group of thematic specialists, GEF, and FAO (Section C refers). The GloTT would provide space in which regions could come together to discuss sustainable management of shared highly migratory stocks and conservation of associated ecosystems and species. Agreement will be reached at the first GloTT meeting on a shared regional agenda covering (a) exchange of experiences and learning associated with regional sub-projects' pilot design and planning process; and (b) south-south awareness, capacity building and knowledge sharing on theory and practice of shared highly migratory fisheries. Specific topics will be prioritized for discussion and where needed, analytical work commissioned. Key outputs of the GloTT will include a seminal Economic and Sector Work for Bank/GEF publication and other appropriate knowledge products on the management, performance and prospects for these fisheries and associated marine biodiversity.

**30. M&E tools.** In regard to monitoring and evaluation, this Component will design and deploy tools and approaches (including the Bank's Fisheries Performance Indicators - FPI) to enable effective benchmarking of performance and progress against agreed targets (**Section IV B**). Component 3 will also informally monitor any pilot projects that are successful in securing external finance during the project's lifetime, ensuring appropriate lessons are learned and disseminated.

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<sup>13</sup> See Table 2: this amount including (a) Global Think Tank (bundled with Grant Agreement for WWF); and (b) M&E (integrated in Grant Agreements with regional EAs).

## B. PROJECT FINANCING

### Lending Instrument

31. Global GEF grant funds (30% International waters and 70% biodiversity).

**Table 2: Project Financing**

| Project Components  | GEF grant (US\$) |
|---|------------------|
| <b>Component 1: Definition and development of business plans for long-term transformational pilots for sustainable fisheries in priority ocean areas</b><br>(Grant Agreements with the four regional EAs – below) |                  |
| 1.1. BOBP-IGO - Bay of Bengal (Annex 3)   | 1,979,955        |
| 1.2. FFA - Western Central Pacific (Annex 4)  | 1,350,000        |
| 1.3. WECAFC/FAO) - Caribbean (Annex 5)  | 1,754,298        |
| 1.4. WWF-US - Eastern Pacific (Annex 6)   | 676,650          |
| <i>SubTotal Comp 1</i>  | <i>5,760,903</i> |
| <b>Component 2: An innovation support facility component</b><br>(Grant Agreement with Conservation International)   | 2,162,637        |
| <i>SubTotal Comp 2</i>  | <i>2,162,637</i> |
| <b>Component 3: Inter-regional coordination, implementation support and monitoring and evaluation</b>   |                  |
| 3.1. Inter-regional work and Global Think Tank ( <i>note 1</i> )  | 549,604          |
| 3.2. Monitoring and Evaluation ( <i>note 2</i> )  | 701,167          |
| <i>SubTotal Comp 3 (see notes)</i>  | <i>1,250,771</i> |
| <b>Total Project Costs (= total agreed GEF Grant allocation)</b>  | <b>9,174,311</b> |

*Note 1: amount to be bundled into 1.4 Grant Agreement with WWF*

*Note 2: amount aggregated with value of regional Grant Agreements.*

## C. LESSON LEARNED

32. The project design reflects several key lessons from past and current analytical work related to successful fisheries management arrangements primarily in EEZs. ‘Success’ in this context is considered to be a combination of economic rationality (increasing productivity and efficiency), social equity (fisheries wealth effectively distributed) and conservation (healthy natural capital / ecosystems). Further detail is provided under **Annex 2**.

## IV. IMPLEMENTATION

### A. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

33. Project implementation will be through regionally executed Grant Agreements with the five Executing Agencies (EA) identified during preparation and outlined above (see also **Fig. 1 Annex 8**). Implementation will comprise technical assistance at national, regional and global levels as described below, the latter providing a mechanism for project-level technical guidance.

34. **National.** At the national / sub-national level, effort will focus on developing business plans for pilots under Component 1 with inputs from Component 2. Key stakeholders will

include fishers, communities, processors, markets, government and so forth – i.e. inter-ministerial committees<sup>14</sup> and stakeholder groups in each of the four regions where pilot business plans are to be defined and developed. The focus will be on capacity/awareness building, strengthening local institutions, and defining scenarios for public private partnership arrangements that would provide the financial underpinnings (i.e. value proposition) of the business plans. Although the project is defined by the Bank as Technical Assistance (‘TA’) and will have no long-term footprint, small-scale, time delimited validation trials may be necessary under each regional sub-project. These would for example demonstrate potential pilot outcomes early on, help encourage further local ownership, reinforce the business planning process, and attract financial interest and potential downstream investment. Trials could include testing market access, assessing new technologies (covering say circle hooks for long-lines, integrated data gathering / catch monitoring equipment, tagging equipment, surveillance gear and instrumentation) and management arrangements. For example, in the Bay of Bengal, it may be necessary to test post-harvest tuna handling improvements for EU market access; in the Caribbean catch, tag and release trials may be needed to assess technology systems and supporting institutional arrangements.

35. **Regional.** Networking, awareness raising and capacity building aspects at a regional level are a vital component of project outreach / influence to be supported under Components 1 and 2. The project will explore the potential benefits that could accrue through **coastal states collaboration on a regional basis on collective action in managing shared high migratory fisheries**. This process will also inform a strengthened regional voice on innovative and economically rational management approaches at international forums especially RFMO meetings. Business plans for pilots at national level should help identify economies of scale potentially achievable at a regional level.

36. **Global.** Building on the above, all five EAs (together with a multidisciplinary group of thematic specialists) will come together as a Global Think Tank (GloTT), supported by Component 3, to facilitate lesson learning from respective processes and results, and to inform outputs relevant to more effective management of shared highly migratory stocks. Both regional and global dimensions of the project will benefit from *south-south* collaboration and lesson learning under the GloTT. Although it is rarely possible to directly transfer best practice from one region to another, such collaboration will nonetheless stimulate strong stakeholder interest<sup>15</sup> and seed discussion on possible institutional approaches appropriate to their region.

37. **Technical Advice and Supervisory inputs.** The GloTT will also provide the vehicle for project technical advice / input from the World Bank’s technical team. Routine supervision will be undertaken by the World Bank with involvement of Regional Bank CMU/SM staff as appropriate.

## **B. RESULTS MONITORING AND EVALUATION (M&E)**

38. Three interrelated dimensions of M&E are identified: (a) Project level under Bank supervision; (b) Sub-Project level under the responsibility of each Executing Agency; and (c) Programmatic level under the overarching FAO-led ABNJ Programme. All three dimensions together with a set of appropriate monitoring indicators are addressed within the project’s Results Framework (**Annex 1**). Full details of M&E are considered and presented under

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<sup>14</sup> For example, one such inter-ministerial group under consideration and might be convened in India relates to tuna management, processing and trade.

<sup>15</sup> For example, small scale long-liners in India and Sri Lanka are keen to share knowledge on fishing methods, on board handling, and market and trade.

**Annex 8** to which the reader is referred for further information. Overall, M&E results will inform a results-based approach. Decisions on annual grant allocations will be based on the successful achievement of agreed work plans and budgets. An M&E report will be submitted annually to the World Bank, together with an updated project work program and budget.

### C. SUSTAINABILITY

39. Several dimensions are identified under this heading relating both to the actual impacts of the pilot planning and design process and to the potential impacts of eventual pilot investment.

40. **Impact of pilot planning and design.** The project's upstream investment in capacity building will build a solid foundation upon which future pilot investment and potentially wider sectoral investment can be built. This focuses on (a) building key institutional and technical capacity and awareness (economically rational fisheries management, market opportunities, post-harvest handling and quality, fishing operations, and so forth); (b) facilitating working relationships between and amongst relevant stakeholder groups – the ministries, departments and agencies (and where relevant through appropriate inter-governmental and inter-ministerial committee arrangements) responsible for fisheries and the private sector / fishers and external markets; and (c) fostering inter-regional / south-south collaboration which aims to strengthen aspects related to collective action management arrangements, building on existing best practice.

41. **Future impacts of pilots.** Although beyond the scope of the Project, pilots once financed and operational<sup>16</sup>, are expected to demonstrate relatively rapid incremental impacts in terms of contributions to economic growth, biodiversity conservation, social welfare and food security (which may include benefits to global seafood supplies). However, to enable future pilots to achieve these successful outcomes, business plans must have the ability to attract long term investment. The project will therefore pursue a vigorous effort to identify and engage with potential financial institutions and expertise early on during implementation and as soon as pilot concepts and tentative business plans for pilot investment emerge. Such institutions may be from the public and / or private sector and could include the WBG, particularly in this case, the International Finance Corporation. Once private finance is identified, efforts will be made to secure wider Bank funding in support of any necessary transitional and supporting arrangements including further analytical work, stakeholder consultation and training, specific to the needs of each pilot investment. Reference is again made to the definition of business plans under **footnote 7**.

42. **Sustainability beyond the project.** Once the project terminates, completed business plans that have yet to attract investment finance will continue to be promoted by all EA partners and, where appropriate by the Bank, to ensure opportunities to finance the pilots are optimized. Moreover, the momentum created by the project's process and approach is expected to continue not only within each EA, but also by other management agencies with interests in generating innovative thinking in contributing to the global challenge of better management of shared highly migratory stocks. During implementation, opportunities to internalize relevant project systems and processes into EA and wider stakeholder groups operations will be explored. The key role of effective knowledge sharing /dissemination is emphasized in this regard.

43. **Knowledge exchange and communications.** To ensure uptake and sustainability, the project recognizes the need to promote knowledge sharing and 'south-south' peer to peer lesson learning at all operational levels – local /sub-regional and national and global. Overall

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<sup>16</sup> Key Result ii notes that at least two pilots are expected to secure long-term financing that is entirely external to the project, during the life of this project.

effectiveness of project delivery will depend especially on generating regional and global influence on shared stocks management. The proposed *Global Think Tank* will play a crucial role in promoting this aspect. Moreover, up to one percent of the GEF IW grant will be allocated to IW-Learn to support learning activities, including portfolio knowledge sharing and South-South leaning exchanges and participation in IW: Learn conferences.

## V. KEY RISKS AND MITIGATION MEASURES

### A. RISK RATINGS SUMMARY TABLE

| Risk   | Rating   | Risk                                     | Rating   |
|--|----------|--|----------|
| <b>Project Stakeholder Risks</b>                               |          | <b>Project Risk</b>                      |          |
| - Stakeholder Risk   | Moderate | - Design                                 | Moderate |
| <b>Operating Environment Risk</b>                              |          | - Social and Environmental               | Low      |
| - Country  | Moderate | - Program and Donor                      | Moderate |
| - Sector and Multi-Sector                                      | Moderate | - Delivery Monitoring and Sustainability | Moderate |
| <b>Executing Agency (IA) Risks (including Fiduciary Risks)</b> |          | - Other (Optional)                       |          |
| - Capacity   | Moderate | - Other (Optional)                       |          |
| - Governance   | Moderate |  |          |
| - Fraud and Corruption   | Low      |  |          |

### B. OVERALL RISK RATING EXPLANATION

*The overall risk rating is moderate.*

44. Specific analyses, identification and mitigation of risk in respect of each subproject are provided under **Annexes 3 to 6**. This section focuses on more generic risks that could affect overall project operations and performance.

45. **Stakeholder intransigence / prioritization.** The project recognizes the risk of achieving public [political] and private sector commitment to reform processes such a transition towards new forms of fisheries management involving allocative processes<sup>17</sup>. During preparation, emphasis was placed on identifying **high potential opportunities**. Prioritization was focused on factors such as potential to build on existing political commitment, investment opportunities and opportunities for biodiversity ‘quick wins’ and led to candidates for pilot business plan development which are considered to have relatively low risk.

46. The project will manage this risk by building on this preparatory effort. More specifically it will focus on awareness raising, rigorous consultation/ stakeholder dialogue and participatory ‘visioning’ on policy scenarios and likely outcomes. The project will also examine opportunities to leverage policy reforms based on access to value added markets and value chain demand.

47. **Asymmetry of interests between Bank clients and DWFN.** The asymmetry that exists between developing coastal states and DWFN represents a barrier to the development of coherent management arrangements for shared highly migratory stocks. Specific factors include

<sup>17</sup> Regulatory agencies tend to resist the move from conventional command-and-control style of approach towards one that recognizes the need for more effective governance of fisheries tenure including devolved access and use rights by fishers

the relative interests and responsibilities of coastal States and DWFNs, the nature of respective investments, and the different consequences of sub-optimal shared fisheries management on those two classes of users<sup>18</sup>. A further factor is with regard to access to markets.

48. While the scope for pilot business plans to manage this risk is limited owing to the size of this challenge, pilot design processes and associated regional outreach are expected to contribute significantly to discussions and visioning on collective action management at scale that might place constraints on high seas (ABNJ) fishing. Such constraints may be linked to licensing or access agreements covering EEZ fisheries, or may seek management arrangements agreed by all participants in the fishery. Useful lessons can again be learned from the Western and Central Pacific (see Section I B. Sectoral and Institutional Context). The project will also leverage support from DWFN markets several of which are becoming increasingly sensitized by consumer action to the need for 'responsible' and 'sustainable' sourcing of products such as sashimi and fresh tuna loins.

49. **Livelihoods loss through reduced fishing effort.** Overcapitalization in many fisheries is a serious global problem which constrains sustainable socio-economic benefits and livelihoods. There is therefore an inherent risk that future pilot investments may involve forms of capacity reduction say through vessel buy-back schemes, or decisions on caps and quota allocations in target fisheries that may imply some reduction on jobs.

50. Where necessary, the pilot business planning process will manage this through taking appropriate safeguards measures whose specificity will be assessed on a case by case basis during implementation and once the nature of each business plans become clear. Where small scale fisheries are involved (such as the Bay of Bengal and Caribbean), the project will ensure effective and equitable co-management / collective action arrangements are internalized in the pilot business plans. These would draw on successful models from elsewhere, where such arrangements have offered stakeholders the ability to take full economic advantage of proposed reforms, including by building livelihoods into value chains. In this context, the entrepreneurial role of women in fishing communities will receive particular attention and support.

## VI. APPRAISAL SUMMARY

### A. ECONOMIC AND FINANCIAL ANALYSES

51. Given the dispersed and indeterminate nature of future pilots within the four target regions, it is difficult at this stage to offer precise economic or financial analyses. Nevertheless, useful extrapolations can be made from recent 'global goods' economic and sector work undertaken by the Bank in partnership with FAO.

52. What is absolutely clear from empirical work to date (including from the regions in which the project will operate) is that valuable shared highly migratory fisheries are capable of contributing far more significantly to economic growth within our client states than is currently the case.

53. **Backgrounder on global fisheries mismanagement .** The potential significance of natural capital in the form of capture fisheries to the world economy can be gauged from the fact that these resources yield annual harvests in the order of 85 million tons with a gross 'first landing' value of around US\$80 billion. They provide employment, direct and indirect, to more than 120 million people as well as food and food security to more than 2 billion many of whom

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<sup>18</sup> DWFN vessels and associated infrastructure investment is relatively small and short term when compared to the large and long-term responsibility of Coastal States in terms of resource ownership. Thus, the consequences of adverse fishery outcomes are generally much larger and more enduring for coastal States in a shared fishery than for DWFNs.



reside in developing countries. Thus, the significance of world capture fishery resources to the world economy is not in dispute.

54. However, a key question that should be asked of any capital asset, produced or natural, is what flow of net economic benefits the assets are providing to society through time. In the case of capture fisheries, as with other forms of natural capital, these net economic benefits are referred to as resource rents. The World Bank/FAO report *The Sunken Billions* argues that the **world's capture fishery resources are non-performing assets with rates of return less than or equal to zero**. This implies that global fisheries mismanagement results in an annual cost to the global economy which, this report concludes, is in the order of US\$50 billion in forgone resource rent. The cumulative loss to society from 1974–2008 was estimated to be in excess of US\$2 trillion (World Bank and FAO, 2009).

55. Cases studies commissioned as part of the *Sunken Billions* report show that economic overexploitation of capture fishery resources is spread throughout the world, to be found both within developed and developing fishing states regardless of their economic or political systems. **Crucially**, the report notes that this foregone value could be recovered under optimal resource management arrangements. However, reversing the *status quo* situation to ensure that capture fishery resources can make their full potential contribution to the world economy will require massive resource investment in overexploited fish stocks. Establishing effective resource investment programmes within coastal state EEZs is difficult, particularly in the developing world given that positive investment requires that costs be borne today in the expectation of economic return tomorrow.

56. **The case for shared highly migratory stocks.** Arguably the greatest challenges as well as the highest returns are to be found through establishing such investment programmes for shared and highly migratory stocks. Aside from this global imperative to address management and governance weaknesses and recover lost wealth, the economic rationale for targeted involvement in improving the management of shared highly migratory stocks derives from the combination of several factors including:

- the crucial socioeconomic importance of the 'stake' in these fisheries held by Bank's clients in the target regions;
- the absolute need to ensure this stake is protected through effective management arrangements within EEZs; and
- the fact that this stake risks being undermined unless ABNJ removals from these fisheries are also effectively managed.

57. As discussed elsewhere in this document, incentives to *race for fish* lie at the heart of all fisheries management challenges and highly migratory species are no exception. To be effective, the specific management arrangements to be considered by the project must tackle the unconstrained competition and excess fishing capacity which progressively destroys economic value, placing marine biodiversity at risk. Such competition exists at several levels of fishing, both within and beyond national jurisdictions, and between an often wide range of actors. Where competition for increasingly scarce resources remains unconstrained, the large rents associated with these stocks drive overexploitation, destroy wealth and jeopardize ecosystems. These very destructive incentives must be removed if economic loss and environmental degradation are to be avoided (**Section I**).

58. Building on best practice and sound economic underpinnings, the pilot business plans will provide a set of practicable management solutions to tackle the problem of destructive competition noted above, particularly within and between coastal States but also between coastal

States and ‘catches in ABNJ. These plans will incorporate comprehensive analyses of economic costs and benefits.

59. Wherever possible, the project will ensure that lessons learned from emerging best practice are disseminated, for example, through south-south collaboration and the GloTT process (**Section IV A / B**).

## **B. TECHNICAL**

60. To date, the World Bank has focused largely on supporting better management of fisheries within the waters of individual countries, and not management of shared fisheries that extend beyond the jurisdiction of these client countries. Developing countries’ stakes in these fisheries (especially tuna stocks) are distinct from (see *Asymmetry* – Section V, B) and often relatively small when compared to DWFN interests. Clearly, for coastal states such as the Pacific Islands, these shared stocks are major natural assets contributing very significantly to national economies. In other regions such as the Bay of Bengal, they are vital for local economies, contributing to livelihoods and food security for much of the region’s vulnerable coastal population. The performance of these economies and the welfare of their citizens depend differentially upon individual and collective capacity of countries to derive both value and nutrition from those shared fisheries. This capacity has historically been poor due a range of factors including lack of awareness, weak fisheries governance and institutions, or greater coastal state interest in inshore fishing. However, progress has been particularly hampered by few opportunities to implement effective management regimes and the slow rate of progress of RFMOs in addressing theoretical and practical management problems associated with shared stocks.

## **C. FINANCIAL MANAGEMENT**

61. A desk review assessment of the Financial Management of the five following Executing Agencies (EA) was conducted: Food and Agriculture Organization of UN (through Western Central Atlantic Fisheries Commission), Bay of Bengal Programme Inter Governmental Organization, Pacific Islands Forum Fisheries Agency, World Wildlife Fund Inc. and Conservation International. Each will be a grant recipient of this project. It was observed that all the five agencies do have satisfactorily performing financial management systems, but requires strengthening to shoulder additional responsibility. Two of the implementing agencies i. Bay of Bengal Programme Inter Government Organization and ii. Pacific Islands Forum Fisheries Agency has no prior experience in managing World Bank grants and satisfactory knowledge of World Bank fiduciary policies and procedures. Despite the fact that the EA’s budgeting, accounting, internal control financial reporting and auditing systems are in place, there is a need for support from the World Bank to build capacity in carrying out of financial management tasks to fully satisfy the Bank’s fiduciary requirements under OP/BP 10.0. A Project Management Unit (PMU) would be established in each EA with responsibility for day-to-day management of the project including grant management.

62. The overall fiduciary risk is rated as moderately satisfactory at the beginning of the project and the periodic fiduciary monitoring and evaluation during the project implementation will reassess the stated risk.

63. The executing agencies will prepare and submit to the Bank Interim Financial Reports (IFRs) within 45 days after the end of every calendar semester. Financial statements will be prepared in accordance with the International Public Sector Accounting Standards. The grant agreements will require the submission of audited financial statements for the project grant to the

Bank within six months after the year end. In the case of FAO the financial management policy will follow the Financial Management Framework Agreement (FMFA) signed between the World Bank and UN Agencies since FAO is one of the signatory to this agreement, however the reporting requirement will be every calendar semester along with the progress report.

64. Each project grant recipient will use the transaction-based disbursement procedures at effectiveness. A brief summary of the financial management capacity assessment and financial management arrangements of each of the EA's are provided in **Annex 8, Implementation Arrangements**.

#### **D. PROCUREMENT**

65. Procurement assessment carried out by the Bank concludes that the EAs have the capacity to carry out and manage the procurement under this project. A Project Management Unit (PMU) would be established in each EA with responsibility for day-to-day management of the project including procurement. The overall procurement risk is rated low. A brief summary of the procurement capacity assessment and procurement arrangements are provided in Annex 8 Implementation Arrangements.

#### **E. ENVIRONMENT AND SOCIAL (INCLUDING SAFEGUARDS)**

66. The project is regional in scope and will invest in the preparation of business plans to support sustainable fisheries in up to four seascapes. While this is a TA project with no physical investment, the development of business plans under Component 1, when implemented regardless of the funding source, will have physical footprints and will generate both adverse and positive environmental and social impacts that will need to be addressed. For these reasons, OP4.01 is triggered.

67. As a precautionary approach, OP 4.04 (Natural Habitats), OP 4.10 (Indigenous Peoples) and OP 4.12 (Involuntary Resettlement) are also triggered. The business plans developed by this TA will lead to subsequent investments that are likely to impact natural habitats, although most of these impacts are expected to be positive. Indigenous Peoples are also likely to be present in some of the areas and are likely to benefit from reform pathways when implemented. Finally, subsequent investments identified from the business plan may result in loss of access to natural resources in legally designated parks.

68. To ensure that the business plans are developed with due consideration of environment and social impacts and in compliance with OP 4.01, OP 4.04, OP 4.10 and OP 4.12, an Environment and Social Management Framework (ESMF) was prepared during preparation. The ESMF will guide the screening of the business plans for environment and social impacts and the preparation of appropriate safeguard instruments for each plan. The ESMF contains an environmental and social assessment screening process associated with specific investments proposed in each business plan, as well as examples of good practice avoidance, minimization and mitigation measures for the breadth of reform pathways that the business plan may propose. It also contains a Process Framework that describes the procedures and requirements in case there is loss or restriction of access to natural resources. The ESMF will ensure that each business plan will put in place a robust approach to consider environmental and social risks and impacts in line with Bank safeguard policies, and to prepare appropriate good practice safeguard instruments for the actual reform pathways identified in the final business plan.

## **F. OTHER SAFEGUARDS POLICIES TRIGGERED**

69. The project triggers safeguard policies OP/BP 4.01, 4.04, 4.10 and 4.12 (resp. Environmental Assessment, Natural Habitats, Indigenous Peoples Involuntary Resettlement). No other Safeguard policies are triggered.

70. **Annex 8** provides further, detailed information on Safeguards.

**Annex 1: Results Framework and Monitoring**

**PROJECT: OCEAN PARTNERSHIPS FOR SUSTAINABLE FISHERIES AND BIODIVERSITY CONSERVATION–MODELS FOR INNOVATION AND REFORM  
COUNTRY: GLOBAL**

| <b>PDO: The Project Development Objective is to catalyze investment into selected transformational public-private partnerships that mainstream the sustainable management of shared highly migratory fish stocks spanning areas within and beyond national jurisdictions. Target groups - see footnote<sup>19</sup></b> |      |  |           |                            |  |  |   |                                    |   |
|---|------|--|-----------|----------------------------|--|--|---|------------------------------------|---|
| Indicators  | Core | Unit of Measure  | Base-line | Cumulative Target Values** |  |  | Data Source/ Methodology                                    | Responsibility for Data Collection | Indicator descriptors / qualifiers etc.   |
|   |      |  |           | YR 1                       | YR 2   | YR 3 & 4                                     |   |                                    |   |
| <b>PDO Level Results Indicators</b>   |      |  |           |                            |  |  |   |                                    |   |
| <b>Indicator 1: Increased investment in sustainable fisheries on shared highly migratory stocks (SHMS)</b><br><br>[Pilot business plans (BPs) provide sufficient value proposition to catalyze public private partnerships investment]  | □    | i) No. of BP satisfactorily completed (see footnote <sup>20</sup> )<br><br>ii) No. of business plans financed from third party [non-project] funds | Zero      |                            | 2 BP (cumulative)<br><br>0-2 BP (cumulative) | 4 BP<br><br>2BP                              | Completed BPs / Project records                             | Task Team and regional EAs         | BPs attract finance and mainstream fishery and BD performance (includes FPI for benchmarking) |
| <b>Indicator 2: Improved ability of client states to engage effectively in regional / international policy processes</b><br><br>[Pilot BP design and analytics inform increasing ability to engage in constructive sub/regional dialogue on collective / cooperative management of SHMS]                                | □    | Proactive regional engagements discussing mechanisms for collective action on SHM fisheries management (see footnotes 17 and 21)                   | Limited   |                            | 1-2 regions<br><br>tbd (for actions taken)   | All 4 regions<br><br>tbd (for actions taken) | Project records / draft regional accords or strategies etc. | Task Team and regional EAs         | Dialogue extends to RFMO, LME and UN-related meetings and events.                             |
| <b>Indicator 3: Increased inter-regional cooperation</b><br><br>[Global Think Tank effectively facilitates learning and capacity building within all four regional subprojects, informing national, regional and global solutions relevant to SHMS management, including pilot design.]                                 | □    | No. of regions effectively involved in developing and sharing knowledge on SHMF management.  | Zero      | At least 2 regions engaged | All 4 regions engaged                        |  | Project records and GloTT event reports                     | Task Team and regional EAs         | Add'l GloTT funding may be sought from partners; web presence significant                     |
| <b>Intermediate Results Indicators</b>  |      |  |           |                            |  |  |   |                                    |   |
| <b>Component 1: Definition and development of business plans for long-term transformational pilots for sustainable fisheries in priority ocean areas</b>  |      |  |           |                            |  |  |   |                                    |   |
| <b>Intermediate Result indicator 1:</b> Four regional subprojects established to define business plans for sustainable SHMF   | □    | No. of regional subprojects established  | Zero      | 4 regional subprojects     |  |  | Project records/reports                                     | Task Team and regional EAs         | See Note under Intermediate Result indicator 1  |

<sup>19</sup> Primary target group is sector wide and includes inter-ministerial committees and stakeholder groupings comprising the fishing industry (harvesting through to value chains / processing and investment), the public sector (national ministries, regulatory and trade promotion authorities), and a range of international bodies (including RFMOs and LMEs.).

<sup>20</sup> Verifiable indicators of BP 'quality' determined during Year 1(see last column and respective PAD M&E sections).

<sup>21</sup> Verifiable indicators for each region will depend on the specificity of subproject activities and will be developed during the Year 1.

|   |                          |   |              |   |  |                        |   |                            |   |
|---|--------------------------|---|--------------|---|--|------------------------|---|----------------------------|---|
| <b>Intermediate Result indicator 2:</b> Business planning processes active in all four regions  | <input type="checkbox"/> | Processes underway and reflecting key factors on (i) financial attractiveness and (ii) sustainable development including BD conservation (see footnote <sup>22</sup> and refer to respective PAD M&E sections)                    | Zero         | 1-2   | All underway                                       |                        | Project records/reports                       | Task Team and regional EAs |   |
| <b>Component 2: An innovation support facility component</b>  |                          |   |              |   |  |                        |   |                            |   |
| <b>Intermediate Result indicator 3:</b> A funding and disbursement sub-project mechanism operational.   |                          | Establishment of sub-project  | Zero         | Fund established & disb'ts cumulative           | 4 sub-projects supported                           | Fully disbursed by EOP | Project records/reports                       | CI / Task Team             |   |
| <b>Intermediate Result indicator 4:</b> Funds allocated to activities in the four sub-regions to support pilot business planning processes by informing management and conservation decision making.                                | <input type="checkbox"/> | i) Policy analyses and business planning completed<br>ii) Field tests (eg technologies, management arrangements, MCS) completed<br>iii) Sub-regional capacity building and knowledge exchange events See footnote <sup>23</sup> . | Zero         |   | i) At least 6<br>ii) At least 4<br>iii) At least 6 |                        | Project records/reports                       | CI / Task Team             | Where appropriate and as per Annex 7, these to be closely linked to GloTT effort. |
| <b>Component 3: Inter-Regional Coordination, Implementation Support and Monitoring and Evaluation</b>   |                          |   |              |   |  |                        |   |                            |   |
| <b>Intermediate Result indicator 5:</b> Global Think Tank established and operational   | <input type="checkbox"/> | i) GloTT established and operational plan agreed between all 4 project regions<br>ii) No. of GloTT events (see footnote <sup>24</sup> )<br>iii) b) Knowledge platform established   | Zero (all)   | i) GloTT & plans established<br>ii) 1<br>iii) 1 | ii) 2  | ii) 2                  | Project reports and WB and other publications | Task Team and regional EAs | Decision on web presence and comm strategy made at Inception                      |
| <b>Intermediate Result indicator 6:</b> Economic and Sector Work for Bank/GEF publication (and other knowledge products) to inform the management, performance and prospects for these fisheries and associated marine biodiversity | <input type="checkbox"/> | ESW publication prepared under GloTT auspices   | Zero         | [discussion]                                    | Zero draft   | ESW completed          |   |                            | 1 x ESW is considered the minimum output  |
| <b>Intermediate Result indicator 7:</b> M&E frameworks including roll out of the WB Fisheries Performance Indicators to determine baselines and BP quality methodologies in the 4 subproject regions                                | <input type="checkbox"/> | i) No. of regions with M&E framework<br>ii) FPI roll out and trainings (under GloTT)  | Zero<br>Zero | 2 regions<br>-do-                               | 4 Regions<br>-do-                                  |                        |   |                            | FPI may require project adaptations   |

<sup>22</sup> Business plans will (a) incorporate public-private partnership commitment to reform and value proposition for investment (i.e. the economic, technical, financial and political/institutional rationale needed to attract public and/or private sector investment) and (b) demonstrate strong potential contributions to economic growth, biodiversity conservation and food security

<sup>23</sup> No. of reports and specific list including theme, content etc will be specified during Year 1

<sup>24</sup> Details to be specified at Inception during Year 1.

## ANNEX 2: DETAILED PROJECT DESCRIPTION

### GLOBAL

**Project Name:** Ocean Partnerships for Sustainable Fisheries and Biodiversity Conservation  
– Models for Innovation and Reform

#### BACKGROUND & INVESTMENT RATIONALE

1. **Status and Trends in Fisheries.** The significance of capture fisheries resources to the world economy cannot be overstated. These vast ‘natural capital assets’ yield annual harvests in the order of 85 million tons with a gross landed value of some US\$80 billion. Furthermore, they provide employment, direct and indirect, to more than 120 million people as well as food and food security to more than 2 billion many of whom reside in developing countries (World Bank and FAO, 2009). However, the key question to ask is in regard to the sustainability of these benefits.

2. All natural capital assets have the inherent capacity to generate flows of net economic benefits to society through time. In the case of capture fisheries, these benefits are referred to as fisheries resource rents. The World Bank/FAO *Sunken Billions* report (World Bank and FAO, 2009) shows, however, that the gross mismanagement of capture fisheries at a global level results in these being *non-performing assets with rates of return are less than or equal to zero*. The report quantifies the resulting annual cost to the global economy in the order of US\$50 billion as forgone resource rent. This represents a cumulative loss to society from 1974–2008 in excess of US\$2 trillion.

3. Many of the world’s most valuable fisheries are founded on shared, highly migratory stocks which straddle areas within and beyond national jurisdictions. These stocks comprise arguably some of the most iconic members of high seas biodiversity – the tunas, billfishes and sharks. ABNJ, more commonly referred to as the ‘high seas’, are characterized by a number of complex ecosystems that include not only the open seas, but also archipelagic waters, seamounts, submarine ridges and the seafloor itself. ABNJ are considered to be the world’s largest remaining *global commons*. Managing these *commons* to ensure their long-term ecological health and sustainability represents a major challenge (FAO 2013).

4. **The Case for Investing in Shared Stocks Management.** Aside from the acknowledged global imperative to address management and governance weaknesses and recover these ‘sunken billions’, the economic rationale for targeted involvement in the management of shared highly migratory stocks fisheries issues derives from the combination of several factors including:

- the crucial importance of the ‘stake’ in shared fisheries held by Bank’s clients in the target regions, to their social, economic and environmental wellbeing;
- the absolute need to ensure this stake is protected through effective management arrangements within EEZs; and
- the fact that this stake risks being undermined unless ABNJ removals from these fisheries are also effectively managed.

5. In short (and as is the case for fisheries more generally), these valuable shared highly migratory stocks are capable of contributing far more significantly to economic growth within our client states than is currently the case.

6. **Tuna.** More than 85 countries engage in tuna fisheries. Globally, tuna landings are valued at over \$10b, while exports amount to some 8% of seafood traded internationally. As

is the case with many other *de facto* open fisheries around the world, the capacity of many tuna fisheries now substantially exceeds requirements for sustainable and optimal extraction. Without more effective management, stocks that are already biologically and economically already overexploited will suffer the consequences. Overexploitation of these fisheries is well documented. FAO (2012) notes that among the seven principle species of tuna, one third were estimated to be overexploited, 37.5 percent fully exploited, with just 29 percent “non-fully” exploited. FAO also notes that in the long-term, without significant management improvements, the status of tuna stocks is likely to deteriorate in the face of burgeoning market demand. This is likely to impact negatively on the economies of many Bank client countries. These stocks underpin millions of livelihoods and food security in regions such as the Bay of Bengal (where around 50% of the EEZ-based tuna catch is by local small scale vessels). The economies and citizens of Pacific Island Countries (PICs) in the Western Central Pacific are highly dependent upon the sustainability of revenues generated from tuna access arrangements with large scale operators from distant water fishing nations (DWFN).

7. While skipjack tuna represents about 55% of the global catch and is generally considered to be in reasonable shape (notwithstanding the severe paucity and unreliability of data), bycatch from skipjack fishing, such as bigeye, is vulnerable and at risk if skipjack catches are increased. In spite of burgeoning global demand, there is little room if any for further expansion of tuna fisheries and effort needs now to focus on fisheries productivity, efficiency and value addition.

8. **Billfish.** Similar declining trends have been recognized in billfish species which include blue and white marlin, sailfish and spearfish. Although billfish are generally not targeted directly by DWFN fleets in ABNJ, they are nevertheless important incidental by-catch species from tuna long-line fisheries. Billfish serve two crucial yet highly disparate markets: *commercial* and *recreational* fisheries. Regarding the former, the commercial fisheries are often characterized by small-scale, multi-species fishing operations which supply low value seafood market in regions such as the Caribbean where they contribute significantly to local livelihoods, income and food security amongst local populations. In regard to the latter, as recreational gamefish, they are amongst the most prized ‘trophy’ species in the world. They support a vast and highly capitalized tourism sector valued at some \$70b per year, in itself a conservative estimate given this excludes the indirect impacts (World Bank, Hidden Harvests, 2012). FAO (2012) notes that recreational fisheries may generate 12 percent of the total world catch, and estimates that recreational fishers probably number more than 140m worldwide.

9. Recreational fishing and the associated tourism business are developing rapidly in many Bank client states including Africa and Caribbean. Given that most recreational fishing involves ‘catch and release’, the potential for socioeconomic development associated with conservation is increasingly recognized. The divergence in value between recreational and commercial fisheries provides a substantial opportunity for conservation and value creation which this project aims to exploit. This embraces the notion of catch / release / tagging / compensation systems based around allocated rights. Recognizing the massive conservation value of these systems, they have considerable potential for being transferred to commercial fisheries. Appropriate compensation mechanisms which draw on the wealth generated from the recreational sector, could lead to powerful and sustainable win-win (social, economic and conservation) outcomes for recreational and commercial fishers alike.

10. **Sharks.** Although not currently a direct focus of this project, shark species share many of the problems associated with tunas and billfish – either being taken as targeted species, or incidentally as by-catch. For example, in some pelagic long-line tuna fisheries,



due to the efficiency of the gear and methods used, sharks can make up half the catch. Although many fisheries target sharks for food, more notorious is the practice of ‘finning’ for speciality Asian markets. The impact on populations of sharks caught either as bycatch or as a ‘target’ species in tuna fishing is of considerable concern. More recently, several Regional Fisheries Management Organisations (RFMOs), in addition to putting in place conservation and management measures (CMMs), have put in place data reporting requirements on shark catches to inform future management needs.

11. **Other oceanic biodiversity.** In addition, the high seas are the habitat -often transitory- for many other iconic and ecologically important species including marine mammals, seabirds, turtles as well as countless types of microscopic flora/fauna. Many of the former can be impacted by fishing, especially for tuna, through being caught incidentally as ‘by catch’. The lack of data on catches is extremely poor and unreliable. Other parallel compounding impacts are likely from climate change and oceanic pollution.

## PROJECT DEVELOPMENT OBJECTIVE

12. **PDO.** The project’s development objective *is to catalyze investment into selected transformational public-private partnerships that mainstream the sustainable management of highly migratory fish stocks spanning areas within and beyond national jurisdiction.*

13. The PPP investments will be through a series of pilot project business plans that are to be defined by the project and which represent key outputs from the four project regions<sup>25</sup>. Business plans are expected to comprise a package of proposals that (depending on context) combine **transition finance** (‘soft’ investments into e.g. capacity building, further analytics, consultations, etc. - typically donor financed from say WB or bilaterals) and **debt-equity finance** (‘hard’ investment responding to the pilot investment value proposition typically sourced from a private investor or investment bank / IFC).

14. The following quantifiable / measurable results will be achieved by project:

- **Indicator One: Increased investment in sustainable fisheries on shared highly migratory stocks.** The value proposition offered by business plans for public private partnerships<sup>26</sup> catalyzes investment in at least two pilot projects<sup>27</sup> within at least two of the four primary regions.
- **Indicator Two: Improved capacity of client states to engage effectively in regional / international policy processes.** Increasing client state capacity to engage in constructive sub/regional dialog on innovative management of shared highly migratory fisheries (SHMF), including at respective RFMO and UN-related meetings and events.
- **Indicator Three: Increased inter-regional Cooperation.** A robust lesson learning, knowledge exchange and capacity building facility –Global Think Tank- established and used by all four regional subprojects for knowledge exchange and ‘south-south’ capacity

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<sup>25</sup> **Four primary regions** in which subproject proposals are to be developed include: Western and Central Atlantic and Caribbean, Bay of Bengal India/Tamil Nadu, Western and Central Pacific and Eastern Pacific Ocean.

<sup>26</sup> **Business Plans** are defined here as key project outputs to be developed and fully agreed within each subproject region by respective EAs. Although no prescriptions are offered, business plans are expected to comprise a package of proposals that (depending on context) combine **transition finance** (‘soft’ investments into e.g. capacity building, further analytics, consultations, etc. - typically donor financed from say WB or bilaterals) and **debt-equity finance** (‘hard’ investment responding to the pilot investment value proposition typically sourced from a private investor or investment bank / IFC)

<sup>27</sup> **Pilots/pilot projects** are defined here to reflect the GEF-5 call for ‘innovative transformational pilots’ that show the way forward and demonstrate cost effective ways to deliver more sustainable fisheries management and associated biodiversity conservation.

building on effective management of inform regional and global solutions<sup>28</sup> to improved management of shared highly migratory fisheries.

15. Caveat on project scope. Although financing and implementation of the pilots is beyond the scope of the project, pilots once financed and implemented (which can happen either during or after project completion), will contribute to increasing sustainable benefits to coastal and island developing countries while enhancing ocean biodiversity conservation. Incremental impacts from pilot investments will depend on scope and scale. These are expected to be ‘transformational’ (i.e. ground breaking and influential), contributing to economic growth, biodiversity conservation, social welfare and food security, including benefits to global seafood supplies. Impacts will be felt by local communities and economies, and at national level within all four regions.

16. The project will provide total grants estimated at US\$9.24 million divided amongst five sub-projects (one global and four regional) each operating under a Grant Agreement with the World Bank. The project comprises three Components. The remainder of this Annex provides a more detailed description of these. Full descriptions of each of the five sub-projects are provided under Annexes 3 to 7.

## PROJECT COMPONENT STRUCTURE

### **Component 1: Definition and development of business plans for long-term transformational pilots for sustainable fisheries in priority ocean areas (Approx \$5.8m).**

17. This main project component comprises four regional sub-projects executed under Grant Agreements with the regional Executing Agencies (EA) identified during preparation (detailed in **Annexes 3 to 6**. Under this component, each regional sub-project will prioritize, design and develop *business plans*<sup>29</sup> for pilot projects related to improved management of fisheries on shared, highly migratory stocks (mainly tuna and billfish) both within and beyond national jurisdiction. The pilot design process will building on best practice and sound economic underpinnings (see Lessons Learned section below). The pilot business plans will provide a set of practicable management solutions to tackle the problem of destructive competition noted above, particularly within and between coastal States but also between coastal States and ‘catches in ABNJ. These plans will incorporate comprehensive analyses of economic costs and benefits.

18. The pilot design process per se will have wider, regional ramifications and significance through respective EAs’ active engagement in discussions on shared stocks management (see below – **Regional Outreach**). Project effort leading to the development of the pilot business plans will involve *inter alia*:

- Preparatory analyses, including identifying reform pathways, innovative markets, and supporting detailed sector analytics and scenario planning.
- Assembly of individual business plan proposals for each selected pilot.

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<sup>28</sup> Including solutions under the FAO-led Tuna Project component of the ABNJ Programme.

<sup>29</sup> Although no prescriptions are offered, **Business Plans** are expected to comprise a package of proposals that:

- **First**, incorporate public-private commitment to reform and value proposition for investment. In other words, BPs will combine the economic, technical, financial and political/institutional rationale needed to attract public and/or private sector investment. Such investment is likely to combine transition finance (‘soft’ investments into e.g. capacity building, further analytics, consultations, etc. - typically donor financed from say WB or bilaterals) and debt-equity finance (‘hard’ investment responding to the pilot investment value proposition typically sourced from a private investor or investment bank / IFC).
- **Second**, BPs will demonstrate strong potential contributions to economic growth, biodiversity conservation and food security.

- Identification of public and/or private investment capital for eventual pilot implementation<sup>30</sup>.

19. **Table 2** provides a summary of the four sub-projects while **Box 1** provides some indicative, generic examples of what might constitute possible future investments resulting from the business plans. Further details are laid out under each regional subproject (**Annexes 3-6**). Given the Project sets out as a design exercise for future investments, greater specificity can only emerge during implementation i.e. during pilot design.

**Table 2 – Summary Executing Agencies and Sub-projects Activities**

| Region   | Description  |
|--|--|
| <i>Bay of Bengal India/Tamil Nadu [Sri Lank and Maldives]</i><br>(Annex 3) | <p><b>Target fisheries.</b> Small-scale tuna long-line fisheries in Bay of Bengal region (potentially other highly migratory pelagic stocks). Focus on S India, Tamil Nadu.</p> <p><b>Business case.</b> Potential to combine high value niche markets (regional and EU) based around public/private partnership on management and effective effort control.</p> <p><b>Clients.</b> Potential to work with small scale <i>Thoorthoor</i> fleet in Tamil Nadu in partnership with Bank IDA (Tamil Nadu and Puducherry <i>Coastal Disaster Risk Reduction Project CDRRP</i> and <i>Fisheries Management for Sustainable Livelihoods FIMSUL</i>) in developing a co-management pilot as business cases for future investment.</p> <p><b>Executing Agency:</b> Bay of Bengal Programme (BOBP-IGO).</p> |
| <i>Western and Central Pacific</i><br>(Annex 4)                            | <p><b>Target fisheries.</b> Tuna fisheries prosecuted mainly by distant water fishing nations under the Parties to Nauru Agreement’s Vessel Day Scheme.</p> <p><b>Business case.</b> Supporting efforts by Pacific states to increase economic returns by designing and implementing targeted rights-based management reforms; potential focus on potential capitalization of a VDS fund and facility to secure a community share of tuna access revenues for fishing communities.</p> <p><b>Clients.</b> Close collaboration agreed with Bank IDA investment (Pacific Regional Oceanscape Program – PROP).</p> <p><b>Executing Agency:</b> Forum Fisheries Agency.</p>  |
| <i>West/Central Atlantic and Caribbean</i><br>(Annex 5)                    | <p><b>Target fisheries.</b> Billfish – recreational and commercial small-scale fisheries.</p> <p><b>Business case.</b> Likely to revolve around institutional mechanisms to create and enforce rights for commercial / artisanal fishers to adopt catch, release and tagging systems (or non-targeting of iconic species) in exchange for financial compensation / value generation to be potentially financed by the recreational sector.</p> <p><b>Clients.</b> Potentially a consortium of private sector gamefish recreational and commercial fishing interests within a range of client states who have already expressed interest.</p> <p><b>Executing Agency:</b> Western and Central Atlantic Fisheries Commission (WECAFC/FAO).</p>   |
| <i>Eastern Pacific Ocean and Global Think Tank</i>                         | <p><b>Note:</b> this sub-project will be combined with Component 3 – Global Think Tank under which regional Eastern Pacific Ocean tuna will treated initially as a test case (details Annex 6).</p> <p><b>Target fisheries.</b> Skipjack tuna fisheries – large scale purse seine vessels fishing in this region, primarily but not limited to, those flagged to Ecuador, EU</p>   |

<sup>30</sup> This will be achieved by integrating a range of financial partners into the Pilots’ business plan development.

|           |  |
|-----------|--|
| (Annex 6) | <p>member nations and Mexico.</p> <p><b>Business case.</b> Options to be explored include (1) tradable bigeye tuna catch [and bycatch] quotas in exchange for an exemption to the IATTC annual closure; (2) trading of existing authorized (under IATTC resolution) harvest capacity (expressed as hold capacity); (3) development of potential mechanisms to convert hold capacity into tradable tonnage quota; (4) other possible collective / rights-based approaches, considering both effort and catch limit management systems..</p> <p><b>Clients.</b> Builds on existing efforts pursued by the tuna RFMO InterAmerican Tropical Tuna Commission (IATTC) and ideas being discussed by member nations, industry, observers, etc.</p> <p><b>Executing Agency:</b> WWF (US)</p> |
|-----------|--|

**Box 1: Some possible examples of type / range of pilot investments in fisheries improvement based on business plans.**

- a) Investment into private enterprise including infrastructure works for high-value / value-added processing with improved market access; innovative technologies to reduce bycatch and improve catching efficiency; buy-back schemes and other operations to reduce fishing capacity. Investments and the value proposition these offer, would leverage public-private commitment to institute secure and exclusive access, including appropriate allocative and enforcement mechanisms agreed by key parties.
- b) Investment into public sector schemes (such as national collective action initiatives) to improve the ‘business model’ of existing management schemes such as the Pacific Vessel Day Scheme, or new collective action models yet to be identified, in order to generate value proposition incentives for enabling reform and downstream investment.
- c) Investment to enable inshore fishers / fishing communities to have a share in the economic benefits that accrue from tuna fishing say through facilitation of their participation in rights allocations and markets for quota and/or vessel days.
- d) Investment into tourism/fisheries schemes such as innovative information technologies in the Caribbean for monitoring billfish (also shark) catch / tag / release compensation programs involving recreational and commercial fishers.
- e) Integral with the above would be opportunities for investment in technologies for improved real time catch data generation and management to support future management and certification schemes, and cost effective fisheries monitoring and surveillance.
- f) Similar investment opportunities in pollution control may be available where processing of high value fish may be impacted negatively by pollution from say urban outfalls. Asserting access rights to hygienic and sanitary working conditions may provide a value proposition to exporters.

20. **Ensuring sustainable production and biodiversity.** Whereas biodiversity conservation and sustainable fisheries are often perceived as conflicting objectives, the project considers these as mutually dependent. Indeed the project aims to address concerns shared by GEF under its Fifth Strategy and the Bank that **continued mismanagement of fisheries globally, represents one of the most serious threats to marine / ocean biodiversity** (refer to **PAD, Section C**). The project thus recognizes that reformed fisheries management is well placed to contribute significantly to biodiversity conservation – mainstreaming the notion of *sustainable production seascapes* - and that empirically based solutions to the former should inform delivery mechanisms for the latter. In this regard, the business plans will, in particular, address important environmental and biodiversity spillovers

from fishing, notably bycatch, habitat destruction and wider ecosystem impacts. They will do so by ensuring that impacts are effectively internalized within the management system, and thereby the economic choices of individuals, firms or communities – i.e. *user pays* principles will be adopted.

21. **Measuring potential development impacts.** Although beyond the scope of the Project, pilots once financed and operational<sup>31</sup>, are expected to demonstrate incremental impacts in terms of contributions to economic growth, biodiversity conservation and food security (which may include benefits to global seafood supplies). Pilot business plans should offer the potential for relatively rapid transformation towards sustainable and responsible fisheries that incorporate the following three outcomes. Specific semi-quantitative/qualitative indicators will be developed for each during the early stages of the project, once the key parameters (stakeholders, fishery type, markets, specific biodiversity issues, national policy context, etc.) are defined.

(a) **economic efficiency:** related to productivity and profitability of fisheries, particularly a strong value proposition for investment under prospective pilot operations;

(b) **social equity:** although difficult to define as a SMART indicator, this relates to likely positive social welfare outcomes for those involved (communities, private sector and so forth), and includes an effective distribution of wealth from enhanced fisheries, including income and livelihood opportunities, as well as wider societal benefits. It also incorporates interests of small scale operators in added value opportunities through improved market access and recognizes the key role of women in fisheries value chains and the local economy; and

(c) **biodiversity conservation and ecosystem health:** demonstrable future benefits to oceanic biodiversity<sup>32</sup> associated with these stocks. This not only includes reduced pressure on fish stocks, many of which are iconic in their own right, but also on incidental non-target catches of say sharks, turtles and marine mammals (see also below).

22. **Measuring financial attractiveness.** The project recognizes that increasing economic returns from fisheries without addressing *common pool resource* problems inherent in many fisheries will simply serve to attract further capacity into the fishery. To be effective in attracting investment finance, business plans must incorporate commitments by public and private sector partners towards developing, implementing and complying with reformed policies and institutional frameworks that address these problems, for example by constraining existing fishing capacity through a move towards more secure use rights. **Only once such commitments are met will there be a clear value proposition to stimulate downstream investment.** In this regard, the seminal report of the [Blue Ribbon Panel](#) (World Bank, 2013) recognizes that a paradigm shift is needed in how we use and conserve ocean resources to address current inadequacies. The Panel's report suggests that rising resource demand and non-existent or inadequate economic incentives and management tools to cope with such demand, have led to poorly regulated / unregulated competition. Currently, users compete away benefits derived from ocean use with little incentive to conserve or improve ocean goods and services for future generations, prejudicing the future wealth, livelihoods, and food security of coastal populations. Project arrangements governing future access will

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<sup>31</sup> Key Result ii notes that at least two pilots are expected to secure long-term financing that is entirely external to the project, during the life of this project.

<sup>32</sup> Healthy ecosystems and an ecosystems approach are at the heart of the project. Indeed the project responds directly to GEF 5 Strategy which sees mismanagement of fisheries as the key threat to oceanic biodiversity.

attempt to leverage off opportunities for postharvest value chain improvements linked to new market opportunities, such as fresh / sashimi grade tuna exports from the Bay of Bengal.

23. **Regional Outreach.** This key aspect of Component 1 involves networking, awareness raising and capacity building by EAs within the sub-project regions (e.g. in the Bay of Bengal region, these comprise India, Sri Lanka, Maldives and Bangladesh). It draws directly on the pilot business planning process and approach to inform and strengthen regional discussion and planning on sustainable management of shared stocks, particularly at international RFMO and LME meetings. Each regional sub-project will explore the potential benefits that might accrue from collaboration and collective action on improved management of shared fisheries within their respective regions. Regional exploratory effort will be taken to a further, inter-regional level, through the Global Think Tank (Component 3, see below). Regional outreach will also be partially covered by Component 2 activities operated through Conservation International (below).

24. **Global markets.** A further key aspect of this component will be to facilitate access to premium markets and value chains regionally and especially in US, EU and Japan. This will involve networking amongst project partners (potentially involving specialist agencies) and technical support from leading seafood buyers focusing on those with policies on 'responsible' and sustainable procurement and product quality. Cementing supply side arrangements that have the potential to add very significant value to existing fisheries, offers the potential to leverage local management reforms where both public and private sector partners recognize the real value proposition of reforms, and building the case for support on the water, at national, as well as regional and global levels.

25. **Component 2: An innovation support facility component (Approx. \$2.2m).** This Component will be led by *Conservation International* (CI) under a Grant Agreement with the Bank and in partnership with each of the four regional EAs outlined above. In this regard, this Component is detailed under **Annex 7**.

26. Funds allocated under the Grant Agreement will support a range of innovative activities that will contribute to the effective delivery of Component 1 and the Project's PDO. Inputs aim to stimulate innovation that directly supports prioritized pilot business planning activities and the Project's PDO, and will complement and support the development of the business plans for selected pilots.

27. The fund will have scope to be opportunistic and incremental, for example developing efforts of interested private operators and associations. Service providers may include the private sector, NGOs and the academic sector. The criteria and challenges that this Component seeks to address have been defined during project preparation and include three sets of activities:

- Conduct analyses/evaluations to inform management decisions
- Field test new gears or technologies, including for monitoring, control and surveillance (MCS)
- Coordinate regional and global workshops/exchanges and networking to build capacity and share experiences and lessons learned. This also serves as a contribution to Component 3.

28. CI is committed to providing some \$10 million in-kind parallel financing through technical support, grants, long-term financing for marine protected areas, and loans to small and medium enterprises.

### **Component 3: Inter-Regional Coordination, Implementation Support and Monitoring and Evaluation (Approx \$1.3 million).**

29. This Component aims to strengthen regional outreach and (crucially) to enable collaboration between the four regional sub-projects on an inter-regional/international platform as follows.

30. At the global level, the project's responds to GEF's call for knowledge that informs and influences international debates and processes related to the management of shared highly migratory stocks and the conservation of associated marine biodiversity. This will be undertaken through a small, but potentially highly influential, Global Think Tank (GloTT) with representation from each of the five regional subprojects together with a multidisciplinary group of globally experienced fisheries specialists including from the FAO ABNJ Program and other international bodies as appropriate. GloTT will be facilitated by the WWF-US while chairing and other operational needs of the group will be defined at an Inception Workshop to be convened during the first three months of project operation. Aside from direct involvement in the pilot business planning process, all EAs will collaborate in knowledge sharing workshops and south-south initiatives with regions that currently benefit from emerging best practices, e.g. from the Western Central Pacific. Component 2 activities operated through CI, especially where these cut across all four regions, will contribute to this group. In summary, the indicative objectives of the Global Think Tank would be:

- i. to exchange experiences and learning associated with regional subprojects' pilot project design processes. Initial effort (potentially led by the WCPO sub-project) will go into developing a draft theory paper on the management of shared highly migratory fisheries (including any relevant legal inputs);
- ii. to facilitate south-south awareness and capacity building. Again consultations with partners suggest that this might effectively begin with WCPO regarding experiences (strengths, weaknesses, etc.) with the Vessel Day Scheme and moving towards best practice;
- iii. to draft a [set of] seminal Economic and Sector Work documents/s for Bank/GEF publication and other appropriate knowledge products on the management, performance and prospects for these fisheries and associated marine biodiversity. This ESW would be developed from the draft theory paper, drawing together the key findings from all regions.

31. Monitoring and Evaluation. Component 3 also embeds project technical monitoring and evaluation (M&E) by defining and deploying tools and approaches to benchmark and assess performance and progress against agreed targets (Section IV B). Monitoring tools will be deployed to assess performance baselines for fisheries targeted by regional pilot business planning activities. These tools will include the Bank's Fisheries Performance Indicators (FPI) to enable effective benchmarking of performance and progress against agreed targets<sup>33</sup>.

32. M&E of specific activities and lessons learned, will feed into the overall M&E system established for the entire FAO ABNJ Program (see Section I). The Project employs a Results Framework and monitoring plan based on a menu of standardized core indicators derived from the ABNJ Program Result Framework. Outputs will be evaluated for the degree to which they are contributing to the expected outcomes and ultimately to the ABNJ Program's goal. The ABNJ Global Program Coordination Unit (FAO) has offered to assist project teams

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<sup>33</sup> Each EA will be responsible for the preparation of assessments of its pilot project/region, based on an agreed upon set of guidelines and methodology.

as needed to implement M&E arrangements. The Project will also complete GEF IW and BD Tracking Tools for submission as required.

33. Monitoring future pilots. Although each pilot business plan will include its own M&E system, in the case that business plans are fully successful in attracting investment during the project lifetime, the project will also maintain an informal monitoring role for the remainder of the project period. This will ensure appropriate lessons are learned including informing effective and constructive engagement by Bank client states with RFMOs processes related to improved management of highly migratory stocks.

### **LESSONS LEARNED FROM CURRENT AND EARLIER WORK**

34. This final section demonstrates that the design of all project components has taken account of lessons learned from past and current analytical and practical work undertaken by the World Bank and partner agencies related to successful fisheries and emerging best practice around the world.

35. First, defining ‘success’ in the context of fisheries management can be complex given the wide range of expectations of those involved in policy making, and the lack of awareness and understanding of the very substantial potential benefits that well-managed fisheries can offer. In the context of this project, ‘success’ is considered as a combination of economic rationality (increasing productivity and efficiency), social equity (fisheries wealth effectively distributed) and conservation (healthy natural capital / ecosystems) i.e. the Bank’s ‘triple bottom line’. This definition is fully consistent with the Bank’s twin goal of poverty elimination and shared prosperity and the recommendations of the Blue Ribbon Panel (2013) that seeks to align ocean health and human wellbeing.

36. Second, the project bases its approach on an emerging understanding of the nature of the institutional failures that constitute the key threat to oceans and how these might effectively be mitigated. This strongly suggests that addressing the problems in the wrong way - i.e. by tackling the effects or symptoms rather than causes (institutional failures) would result in a continuing and potentially escalating net loss to society and to sustainable development. Effective reform that builds on these lessons requires a systemic change in the way governance of the oceans is approached.

37. Third, project design also recognizes that while the consequences of these failures are both ecological and economic in character, the causes and the solutions are essentially economic in nature. This point not only underscores the Bank’s comparative advantage in leading this project (i.e. the Bank’s expertise in economic governance of and investment, etc.), but also demonstrates the significant value and opportunities afforded by the future partnership with FAO and others under the ABNJ Program partnership.

38. The ‘Rent Drain’. The project responds directly to several of the World Bank’s past and current economic and sector works. Some examples are provided below. In particular, the seminal report *The Sunken Billions* (World Bank and FAO, 2009) demonstrated that global mismanagement of capture fisheries results in an annual cost to the global economy in the order of US\$50 billion as forgone resource rent (see above Status and Trends in Fisheries) representing a cumulative loss in excess of US\$2 trillion in the decade leading up to 2008. The report underscores the fact that economic overexploitation of capture fisheries exists throughout the world both within developed and developing nations regardless of economic or political systems. Although this foregone value could be recovered under better management arrangements, reversing the status quo situation requires massive and concerted investment into overexploited fish stocks. Establishing such investment within coastal state EEZs is difficult, particularly in the developing world given that positive investment requires



costs be borne today in the expectation of economic return tomorrow. However, the greatest challenges are likely to be found in establishing such investment programmes for shared and highly migratory stocks.

39. Growth and ‘Wealth of Nations’. Many of the points raised by the Sunken Billions report are reflected in the findings of the Growth Commission and Where is the Wealth of Nations? (World Bank 2006 – Wealth of Nations), another key economic sector work to which this project responds. The latter demonstrated that the transformation of natural capital (such as fisheries and forest assets) into other forms of capital (produced, human and governance) depends ultimately on the existence of a set of institutions capable of managing these natural resources, generating resource rents, and directing these rents into other forms of capital, thereby contributing to and reinforcing wider economic growth, welfare and societal benefits. In situations where fisheries have operated successfully, such institutions have been instrumental in unlocking the potential economic value of fisheries. Resource policy, fiscal policy and the political economy all have a major role to play in this transformation.

40. Dealing with overcapacity. As noted previously in this document, incentives to race for fish lie at the heart of all fisheries management challenges and highly migratory species are no exception. To be effective, the specific pilot management arrangements to be considered by the project must begin by drawing on past experience in tackling unconstrained competition and excess fishing capacity, factors which are progressively destroying economic value and placing marine biodiversity at risk. The proposed Global Think Tank will provide an important vehicle for lesson learning and south-south collaboration. It is expected that particularly salient lessons can be learned from the WCPO Pacific Island nations’ experience in managing high demand for access to tuna fisheries through the Vessel Day Scheme (see above, Component 3).

41. Tenure Governance. Governing and managing use rights over shared stocks in transboundary areas poses particular common pool resource problems that can only be resolved through regional or international cooperative arrangements. The need for cooperation at a regional level with regard to fisheries management is well recognized. The project will draw heavily on this thinking (e.g. Gordon Munro, Van Houtte A and Willmann R: Conservation and Management of Shared Fish Stocks: Legal and Economic Aspects, FAO Fisheries Technical Paper 465, Rome, 2004) to inform both pilot design and regional and inter-regional approaches related to increasing management performance of shared highly migratory stocks (ref above Global Think Tank).

42. Following on from the above, worldwide there is a move away from free and open access to fish resources towards access regimes based around use rights of different kinds. This move seems inexorable and irreversible. It has been spurred by the ineffectiveness of conventional management systems that fail to address the race to fish. Under effective rights-based tenure arrangements (where use rights are assured), the value of resource becomes a secure asset and encourages long-term investment in productive industries. The project recognizes that there is no unique formula as to the form that these use rights should take and different countries have experimented with different types and at all levels of operation. The allocation of rights and the conditions attached to their use gives coastal states great latitude in deciding how the wealth benefits of fish resource exploitation can be distributed<sup>34</sup>. The

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<sup>34</sup> FAO has recently produced a useful series of guidelines on tenure governance in fisheries: Governance of Tenure Technical Guidelines on Implementing Improved Governance of Tenure in Fisheries: a Technical Guide to Support the Implementation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (2013)

challenge for the project is to empower rights holders to benefit as much from good stewardship as from harvesting.

43. Global Program for Fisheries (PROFISH). The project will draw heavily on the PROFISH programme that has been underway since the mid-'00s and which focuses on public sector governance and notably on policy reform. It recognizes that weak governance arrangements in fisheries, particularly the lack of a clear definition of use rights, is the main driver of overexploitation and overcapitalization that inevitably leads to the unsustainable outcomes characterized by overfishing in many fisheries around the world today – the loss in natural resource wealth, environmental degradation and biodiversity loss, and increasing hardship in many fishery-dependent communities. PROFISH activities also focus on dialogue with industry on sustainable fisheries issues, including the establishment of a sustainable fisheries industry alliance (ALLFISH), which is addressing GEF-4 focal area on International Waters SP1, with the objective to put in place a framework and process to engage the fishery industry and other stakeholders, including the LME projects and their commissions, in efforts to improve fisheries governance, advance the recovery of fish stocks and make fisheries sustainable.

## Annex 3: Regional Sub-Project for the Bay of Bengal

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### Summary

1. This regional sub-project will develop a *business plan* or *plans* that will attract investment into a long-term *pilot* on sustainable fisheries based in coastal Tamil Nadu in South India. In this regard, the sub-project not only contributes to the main project's development objective, but also contributes directly to a new World Bank IDA investment project - *Fisheries Management and Sustainable Livelihoods* (FIMSUL-2) component of a wider *Coastal Disaster Risk Reduction Project* (CDRRP) covering Tamil Nadu and Puducherry.

2. Business plan design will consider public-private partnership arrangements based on principles of sound and effective management of highly migratory stocks, principally tuna. In order to ensure a strong value proposition for future pilot investment, the project will undertake detailed analytical and participatory planning focused on a combination of strong fisheries management and access to high value global markets. Two further key aspects pertinent to investment include the pilot's prospective ability to have positive, measurable impacts on biodiversity conservation and inclusive social welfare / sustainable livelihoods.

3. Lessons learned will be shared through the main project's Global Think Tank, and will inform regional and international efforts towards more effective management of shared highly migratory species. Regional outreach will facilitate engagement with the Indian Ocean Tuna Commission (IOTC) and the Bay of Bengal Large Marine Ecosystem Project (BOBLME).

4. The project will be implemented by the Bay of Bengal Programme Inter-Governmental Organisation (BOBP-IGO) over three years (2014-17) with a budget of US\$2.2 million. It will procure technical assistance, as required, using both national and international experts. Further technical support will be provided through collaboration with Conservation International (CI), an international NGO with relevant expertise in key areas, including international fisheries management and biodiversity conservation.

## I. COUNTRY AND REGIONAL CONTEXT

5. The Bay of Bengal (BOB) is a sub-region of the Indian Ocean (IO) bounded by India, Sri Lanka, Bangladesh, Myanmar, Thailand, and Indonesia, and containing the Maldives (Appendix 2). While each country has unique characteristics, there are also many common features and connections. Despite a relatively low current rank on the Human Development Index (HDI) and high levels of poverty (in the case of India and Bangladesh specifically), each country has shown strong evidence of development progress in the past ten years, including above average economic growth (>2.2 per cent) (Table 1). The Indian Ocean not only links these countries together in terms of geopolitics, culture, and ecology, but it also enables a long-established maritime trade in a wide range of goods and services that underpin the regional economy.

|                              | <b>World</b> | <b>India</b> | <b>Sri Lanka</b> | <b>Maldives</b> | <b>Bangladesh</b> |
|------------------------------|--------------|--------------|------------------|-----------------|-------------------|
| Area (sq. km, 000s)          | 148,940      | 3,300        | 66               | 0.3             | 144               |
| Population (total)(millions) | 7,046        | 1,240        | 20               | 0.34            | 155               |
| Population growth (%)        | 1.2          | 1.3          | 1                | 1.9             | 1.2               |
| Economy (GDP, US\$ billions) | 71,666       | 1,842        | 59               | 2               | 116               |
| GDP growth rate              | 2.2          | 3.2          | 6.4              | 3.4             | 6.3               |
| GNI per capita, PPP (US\$)   | 12,129       | 3,840        | 6,120            | 7,690           | 2,070             |
| HDI rank                     | -            | 136          | 92               | 104             | 146               |
| HDI score                    | 0.694        | 0.554        | 0.715            | 0.688           | 0.515             |
| Poverty Level (% pop)        | -            | 29.8         | 8.9              | -               | 31.5              |

*Source: World Bank (National Country Profiles)*

6. While several BOB countries already exploit tuna and similar stocks on continental shelves and within Exclusive Economic Zones (EEZ), there is an increasing regional interest in exploring opportunities for expanding these fisheries both within and beyond national jurisdictions. The potential to establish appropriate on-board and shore-based handling and processing infrastructure and to engage with high value global markets for products such as sashimi, is recognized, but not fully realized in practice. However, given an effective institutional (policy / legal) context for economically rational management, there appears to be little doubt that these resources could make important and sustained contributions to regional growth and socio-economic development.

## II. SECTORAL AND INSTITUTIONAL CONTEXT

7. Marine fish and fisheries are an integral and long-established element of coastal community life and economy in countries on the BOB (Table 2). The value of production and exports makes fisheries an important source of employment and income, as well as food supply. Yet the use of new technologies and intensification of fishing in more recent times, particularly in the fishing of important stocks in inshore areas, has given rise to serious concerns about how fisheries can keep fulfilling the vital economic and social roles it does. Limited precise data and assessments of fisheries performance per se exist, which highlight the challenges for management policy, law and institutions, together with limited

implementation capacity. The key implication of this is an increasing risk of economic and biological overexploitation of inshore fish stocks<sup>35</sup>.

| <b>Table 2. Bay of Bengal Region – National fisheries comparison</b> |              |                  |                 |                   |
|--|--------------|------------------|-----------------|-------------------|
|  | <b>India</b> | <b>Sri Lanka</b> | <b>Maldives</b> | <b>Bangladesh</b> |
| EEZ (total area)(sq. km 000s)  | 2,020        | 0.517            | 0.859           | 0.067             |
| Fisheries status – offshore  | Un-developed | Developing       | Developing      | Un-developed      |
| Fisheries status – inshore   | Developed    | Developed        | Developed       | Developed         |
| Total annual landings, MT 000s                                       | 5,905        | 286              | 144             | 1,998             |
| Supply per caput   | 4.8          | 17.4             | 144.1           | 13.3              |
| Value of landings (US\$ millions)                                    | 4,845        | 228              | -               | 2,435             |
| GDP contribution (%)   | 1.47         | 2                | 6               | -                 |
| Annual trend in landings   | Stable       | Increasing       | Decline         | Stable            |
| Value of exports (US\$ millions)                                     | 1,365        | 94               | 124             | 458               |
| Total number of fishers (millions)                                   | 8.7          | 0.25             | 0.014           | 23                |
| Fishing technology   | Mixed        | Mixed            | Modern          | Mixed             |
| Status of management   | Low          | Low              | Low             | Low               |
| Fisheries performance  | Low          | Low              | Low             | Low               |

*Source: FAO (Fisheries Department and Databases and Reports)*

Note: India's EEZ in the BOB is actually about 1.2 million square km, and that there are also about 1.2 million square km of ABNJ in the actual BoB region BOBLME (2011). Fisheries catches for the Bay of Bengal Large Marine Ecosystem since 1950. BOBLME-2011-Ecology-16.

8. The offshore resources of the BOB and the greater Indian Ocean have not been exploited by the BOB coastal nations to the same extent until quite recently. While productive and valuable tuna stocks (especially yellowfin and skipjack) migrate between coastal areas and the areas beyond national jurisdiction (ABNJ), knowledge about these stocks has remained limited and a variety of technological and economic factors have constrained their exploitation by BOB states. However, other nations, including distant water fishing nations (DWFN) such as Japan, China, EU and Korea, have been exploiting these species and wider IO tuna for decades with gross production values running into many millions of US dollars each year.

<sup>35</sup> A recent report for the BOBLME highlights the trend of increased fish landings for the IO and the BOB, along with data weaknesses and policy implementation challenges, which together constitute a serious threat to the future of the region's fisheries, and the roles which they play in contributing to food security and livelihoods (BOBLME (2011) Fisheries Catches for the Bay of Bengal Large Marine Ecosystem since 1950. BOBLME-2011-Ecology-16).

9. India and other countries along the BOB have a strong interest in increasing investment in fishing these offshore stocks – a strategy which is expressed for example, in the 2013 Tamil Nadu State Policy on Fisheries. Given the interest in fleet expansion, it is crucially important to ensure strong fisheries management arrangements are in place to offset the risk of overexploitation and environmental damage. The scope of these arrangements will moreover also require among other things a more precise understanding of how management arrangements established within national jurisdictions might be affected by fishing mortality in ABNJ.

10. Fisheries stakeholders at all levels in Tamil Nadu and other coastal states acknowledge the need to establish appropriate and effective fisheries management arrangements at the regional BOB, sub-regional, and national levels to create incentives for both public and private investment in the sector. The earlier FIMSUL-<sup>136</sup> project captured this critical step in its participatory ‘vision statement’. The importance of a well-founded management framework for tuna and similar stocks will strengthen collaboration amongst fishers, relevant agencies (e.g. country and state fisheries management institutions), the IOTC (IOTC -see footnote on performance review and response<sup>37</sup>) and relevant research institutions. BOB coastal states are not starting from a blank sheet in this regard. All of the countries involved in this project have undertaken substantial investments in research and development of the fisheries sector. India alone has at least fourteen national institutions dedicated to R&D in fisheries.

11. The project will work in close coordination with FIMSUL-2, the fisheries governance component of CDRRP based in Tamil Nadu. It aims to develop business plans for one of the proposed co-management pilots envisaged by the FIMSUL-2 project. Although the principal focus of the project effort will be in India (based on the development of business plans for a co-management pilot), it is expected to have far wider regional institutional relevance. The project will work with stakeholders from regional coastal states (primarily Sri Lanka, the Maldives, and Bangladesh) and with regional/ international bodies (IOTC / BOBLME), to support discussions, design and potential for implementing collaborative management of tuna and similar stocks within the region (IO) and sub-region (BOB). The exact definition of regional and sub-regional stocks will in due course have to be refined as part of the work of the project, with reference to up-to-date research and advice from IOTC and other national organizations.

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<sup>36</sup> FIMSUL-1 - Fisheries Management for Sustainable Livelihoods, FAO/World Bank, see <https://sites.google.com/site/fimsul/>

<sup>37</sup> In response to international calls for a performance review of the performance of Regional Fisheries Management Organisations (RFMOs), the IOTC agreed in 2007 to participate. A review panel undertook an assessment based on criteria developed from a joint meeting of tuna RFMOs at Kobe, Japan, 2007 including (i) Adequacy of the Agreement for the Establishment IOTC Agreement relative to current principles of fisheries management, (ii) Consistency between scientific advice and conservation and management measures adopted, (iii) Effectiveness of control measures established by the IOTC; and (iv) Efficiency and transparency of financial and administrative management. In 2009, the IOTC performance review panel published a report outlining 75 recommendations to improve the functioning of the IOTC (<http://www.iotc.org/files/misc/performance%20review/IOTC-2009-PRP-R%5BE%5D.pdf>). The work which is currently being undertaken (and completed) by the IOTC to follow-up on these recommendations – including improving statistical reporting on catches, increasing participation by developing country scientists, setting a deadline for fleet development plans, creation of new working groups in key areas such as fishing capacity levels, the amendment of IUU resolutions and other work – has been reported recently ([http://www.iotc.org/files/proceedings/2013/s/IOTC-2013-S17-05\[E\].pdf](http://www.iotc.org/files/proceedings/2013/s/IOTC-2013-S17-05[E].pdf)). Clearly for the current project, it will be important to consider, early-on, how it might be possible to work with and contribute to the current efforts (above) being undertaken by the IOTC at a regional level.

### III. RELEVANCE TO GEF, WORLD BANK AND REGIONAL STRATEGIES

12. The project is relevant to GEF and World Bank strategic initiatives. It recognizes benefits and services provided by healthy ocean ecosystems and the need to establish effective management arrangements that address threats to sustainability – management arrangements that will require strengthened institutions responsible for sustainable development of fisheries. The project aims to address prevailing constraints and will contribute directly to the goal of the GEF ABNJ Programme led by FAO, which aims to deliver efficient and sustainable management of fisheries resources and biodiversity conservation in the ABNJ, in accordance with the global targets agreed in international forums.

**Table 3. World Bank – South Asia – Country Assistance Strategies (CAS) – Summary**

| Country                      | India (FY 13- FY17)   | Sri Lanka (Forthcoming)   | Maldives (FY09 – FY13)  | Bangladesh (FY 11- FY 14)  |
|------------------------------|---|---|---|--|
| <b>Key objective</b>         | To support poverty reduction and shared prosperity.   | Strengthening Sri Lanka’s position as a middle-income country.  | Guide development process, budget allocation, accountability (Strategic Action Plan).   | Support government’s vision of rapid poverty reduction.  |
| <b>Supporting objectives</b> | (i)Integration (physical connectivity and market mechanisms);<br>(II)Transformation (better use of limited resources);<br>(III)Inclusion (promote human development). | (i)Facilitating sustained private and public investment;<br>(ii)Supporting structural shifts in economy;<br>(iii)Promoting improved living standards. | (i)Strengthen delivery of social assistance;<br>(ii)Improve access to higher education;<br>(iii)Demonstrate economic benefits of improved marine resource management. | (i)Accelerated growth (infrastructure and business environment);<br>(ii)Sustainable growth (resource management);<br>(iii) Inclusive growth;<br>(iv) Stronger governance (private sector, investment). |

*Source: World Bank (website, accessed 2013)*

13. The project aligns well with regional CAS, both by promoting public and private investment in sustainable fisheries in EEZ and ABNJ, and by implementing activities which promise to have a transformational effect on governance and capacity building (Table 3).

### IV. OBJECTIVE

14. The principal objective of the project is to develop comprehensive business plan(s) to support long-term public-private partnership investment in a fisheries improvement pilot(s) based on shared, highly-migratory species such as tuna (yellowfin and skipjack) and billfishes (tuna and similar stocks). This responds directly to the development objective of the overarching project: Ocean partnership for sustainable fisheries and biodiversity.

15. Successfully achieving the development objective represents the project’s contribution to FIMSUL/CDRRP in India as noted above.

16. The primary target groups for the pilot investment and business planning process will be fishers and associated communities in Tamil Nadu who fish stocks that are part of regional

and sub-regional IO (ABNJ) fisheries, and stakeholders engaged in fish processing, marketing, and trade.

## Key Results

17. Measures of success in achieving the development objective will be:
  - i. **Business plan(s) that demonstrate** (a) value proposition for investors, (b) future benefits to oceanic biodiversity associated with these stocks,<sup>38</sup> and (c) positive social welfare outcomes for participating communities.
  - ii. **Investment in business plan(s).** By the end of the project, business plans catalyze public and/or private investment and commitments.
  - iii. **Conducive institutional context.** Well-defined fishery policy incorporating best practice from international, regional and national experiences together with supporting legal framework is developed, agreed upon, and implemented jointly by government and fishers.
  - iv. **Value added ‘responsible’ markets** accessed with strong links and commitments supporting the business plan/s.
  - v. **Effective engagement of India and other BOB coastal states in regional and international policy processes and in the Global Think Tank on shared stocks management.** By the end of project, there will be strong evidence of increased developing country capacity to (i) voice views on sustainable management of highly migratory fisheries, in particular with RFMOs, (ii) contribute to UN processes including UNGA (UN General Assembly) consultations and resolutions on sustainable fisheries, and resumed Review Conference on the United Nations Fish Stocks Agreement (UNFSA) and (iii) extract and disseminate lessons learned and increase South-South awareness, in part through exchanges established by the end of Year 1 (in order to advise, support, monitor and report on regional activities and results from each of the four participating regions).
  - vi. **Capacity strengthened (across public and private sectors).** State Department of Fisheries (DOF) of Tamil Nadu and the Union Territory of Puducherry with senior officers trained in fisheries management; increased capacity of existing fishing communities to engage in enterprise creation and operation (generating incremental benefits through increasing productivity, income, employment, food, etc.); developed mechanisms for engaging key stakeholders in decision-making processes and representing their interests in local, national and international fisheries management arrangements; training provided for participants from main fishing communities in fisheries management; new capacity in fish product development, handling, and marketing.
18. **Long-term objectives.** In partnership with FIMSUL-2 (CDDRP), the project’s aspirational goal is to ensure fisheries contribute sustainably to economic, social and environmental benefits for coastal communities. It is emphasized that the project restricts itself<sup>39</sup> to the design of the pilot investment project/s (business plans). However, once

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<sup>38</sup> Healthy ecosystems and an ecosystems approach are at the heart of the project. Indeed the project responds directly to GEF 5 Strategy which sees mismanagement of fisheries as the key threat to oceanic biodiversity.

<sup>39</sup> The project may undertake small-scale pre-pilot validation trials to test management systems, fishing strategies and technologies. The scale of this can only be determined during implementation.



funded, (which can happen either during or at the end of the project), pilot investment is expected to contribute to sustainable and productive fisheries for tuna and similar stocks. Project performance will be determined by how successful the pilot business plans are deemed to be in providing (a) value proposition that attracts investment, and (b) in delivering the benefits described above.

## V. PROJECT CONCEPT, COMPONENTS AND RESULTS

### Concept

19. Several dimensions –essentially principles- will be explored by the project. These are considered critical to project success and will be taken forward under the six Components described in the subsequent section. The project will consider how these dimensions can best contribute to the successful business plan/s. For example, the project will explore the possibility of incentive-based self-regulation of fishing effort through a combination of fishing rights and market premiums for tuna products linked to well-defined production systems and particular fleets.

- **Institutional strengthening and capacity-building.** Determining the ways in which institutions and organizations (both public and private) can be enabled through appropriate reforms and capacity-building to take up new opportunities for fisheries development and management, and to support the production of a related business case for future investment.
  - Component 1 will provide support to the project implementing agency (PIA);
  - Component 4 will address capacity needs across the sector in general.
- **Understanding fisheries systems.** Working with the primary stakeholders (fishers, processors and traders), who have long-standing first-hand experience within the sector, to better understand the fisheries systems (especially high seas), the opportunities for improved fisheries management and fish trade (Table 4.1).
  - Component 2 will utilize improved knowledge of the fisheries systems concerned.
- **Promoting effective fisheries management.** Collaborating with government and a full range of other key stakeholders to build awareness about and capacity in the essential role of effective fisheries management in underpinning any future investment. Collaborative partners are anticipated to include IOTC, IOR-ARC (Indian Ocean Rim Association for Regional Cooperation, Fisheries Support Unit or FSU) and FAO (through initiatives such as the BOBLME project, and its coordination of the GEF ABNJ programme) with collaborative opportunities built throughout this 3 year project.
  - Component 3 focuses on a new fisheries management approach, which will be supportive of on-going IOTC-BOB sub-regional initiatives, as well as bring new perspectives and solutions to current and future challenges.
- **Collective action by BOB States.** Recognizing the internationally-shared nature of the tuna stocks and other highly-migratory fish, the importance of collaboration between countries in defining potential management solutions is crucial. While IOTC's role in this regard is pivotal along with international instruments such as United Nations Convention on the Law of the Sea (UNCLOS) and the UNFSA, responsive action by states is hampered by acknowledged weaknesses in and variations between states' capacities to

effectively manage common and shared fish stocks. Serious consideration is being given to addressing concerns about the future sustainability of IO tuna stocks and benefit flows. The project represents an opportunity to coalesce action across relevant actors, and to find solutions that can be promoted at the IOTC, sub-regional and country level.

- Component 3 will work with BOB States on a new fisheries management approach.

- **Exploring opportunities for regional shared stocks management.** Collaborating with fishers and traders at a regional level (for example, fishermen from Tothoor in Kaniyakumari, Tamil Nadu and from Negombo in Sri Lanka), to encourage the experience sharing and a common understanding of the possibilities that might emerge from improved fisheries management and performance. South-South exchange of experience and encouraging stakeholder engagement with regional and international management mechanisms and decision-making.

- Component 3 will also work with primary stakeholders on a new fisheries management approach.

- **Knowledge generation.** Working with stakeholders at all levels to improve knowledge sharing. Knowledge on shared highly migratory stocks is needed to underpin decision making at all management levels (producers, national institutions, regional management bodies and regional marine planning initiatives such as the BOBLME). Appropriate analysis of existing knowledge management systems and the development of mechanisms to ensure that knowledge sharing is improved, will be key. (Table 4.2 shows a characterization of information flows in the DOF, Tamil Nadu, which was part of a study to recommend improvements for decision-making from FIMSUL-2 – this type of innovative analysis needs to be used to underpin reforms).

- Component 5 will focus on knowledge management for fisheries development and management.

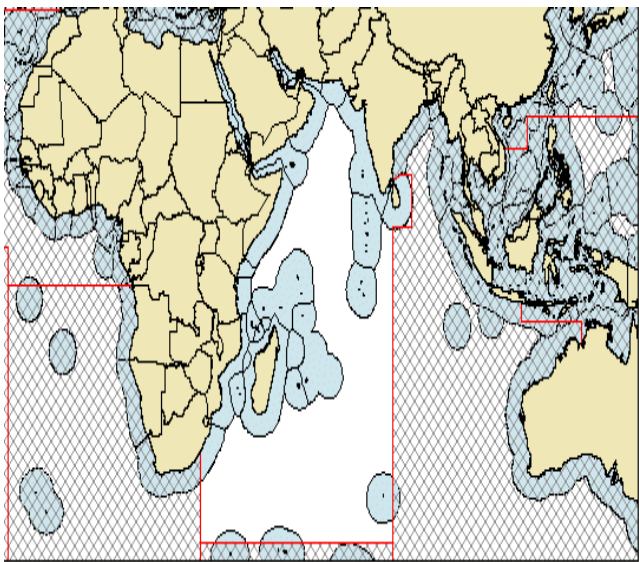
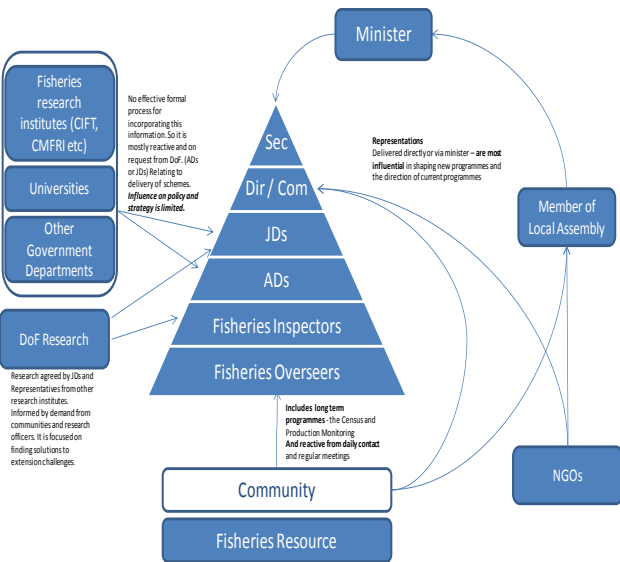
- **Linking with international markets.** A better understand the potential for fishers in India and the BOB to engage with the export market. For example, whether there is an opportunity to develop a trade in high quality tuna to European markets (Table 4.5) and what this would involve in terms of technical capacity-building and investment. And ultimately to investigate whether a new ‘premium product’ and the associated returns, could be used as an incentive for fishers to align their fishing activities within a regional fisheries management system (for example, by establishing a catch quota system and allocating rights to operators, linked to the requirements of being able to specify a quality product of known origin, such long-line high-grade yellowfin tuna loins).

- Components 2 and 3 will consider the market dimension for fisheries development, in particular, and in turn, this relationship will be reflected in Component 6 in developing the business case for future fisheries investment.

**Table 4. Indian Ocean – Fisheries for highly-migratory species (tuna, billfishes) – Entry Points**

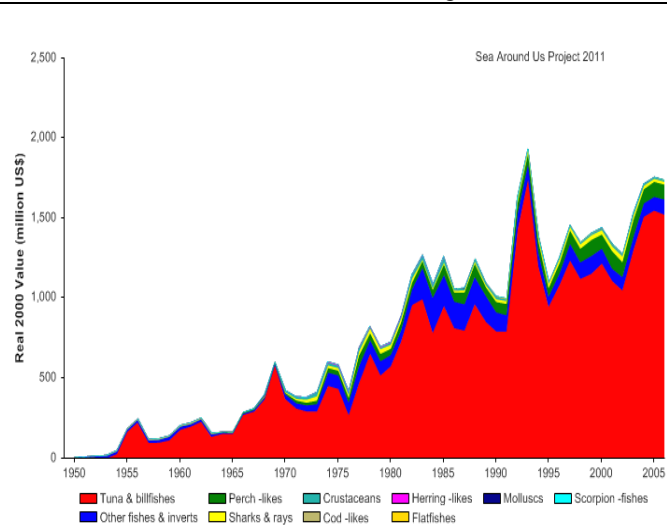


4.1. Fishermen such as those based at Toothor in Kanyakumari District, Tamil Nadu, India range over great distances (with recent trips to Oman and the Andaman Islands, shown above), and have an in-depth knowledge of high seas (or ABNJ fisheries);



4.2. Tamil Nadu, DOF, Institutional arrangements (FIMSUL)

4.3. Indian Ocean – Western ABNJ



4.4. IO ABNJ – Western – tuna & bilfish catch (red)



4.5. London – fish market – global trade

## Approach and Methodology

20. The project draws on BOBP-IGO's strong links with fishing communities throughout the region and governments of the countries around the BOB. In addition, it already has a track-record of building sub-regional cooperation between India, Maldives, Sri Lanka, and Bangladesh and has begun to set up consultative mechanisms with these countries regarding their engagement in the IOTC.

21. The project comprises 6 inter-related components as shown in Figure 1 and Tables 5 and 6. The outputs of each of the components are summarized in Appendix 1.

22. The pilot development process is planned to operate for 36 months based in Tamil Nadu. Close links will also be established with other BOB countries including Sri Lanka, Maldives and Bangladesh, where there is potential to establish new, valuable and effectively managed fisheries of tuna and other highly-migratory fish species in the future.

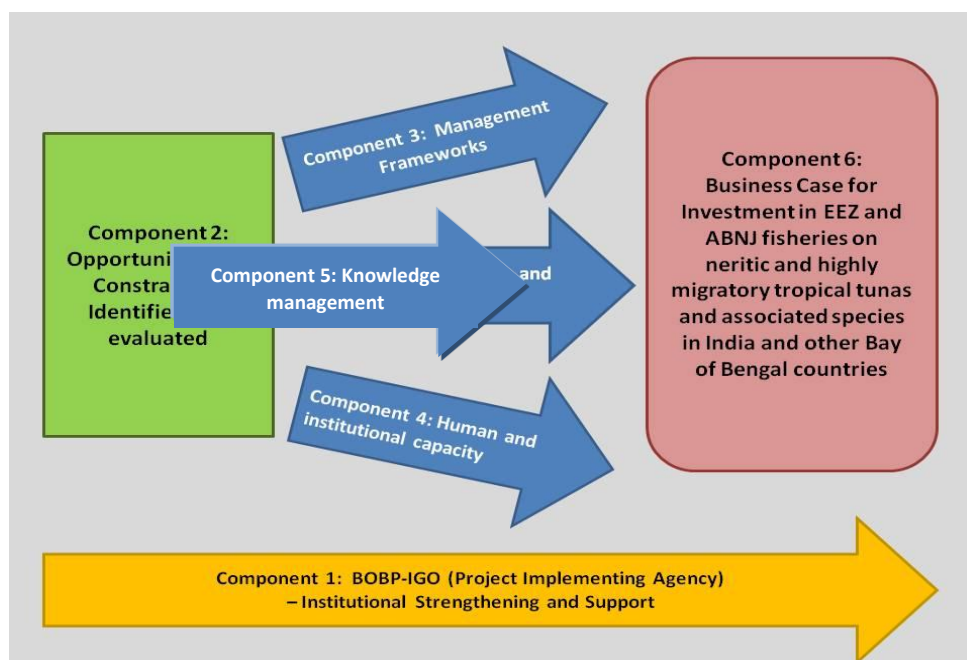


Figure 1. Pilot Concept

23. The pilot development process will be implemented by the BOBP-IGO, along with additional support from both national and international experts to strengthen and build further capacity in existing institutions. Further support and inputs will be provided through collaboration with Conservation International (CI), as explained in Appendix 3. The project will also participate in the Global Think Tank on shared highly migratory stocks management to be implemented under the main project Component 3.

24. **Component 1 (Months 1-36)** will provide institutional strengthening and support to the project implementing agency (PIA) – the BOBP-IGO based in Chennai.

There will be four sub-components:

**1.1. Start-up phase** - the project will be reviewed and an initial assessment of institutional needs and capacities will be undertaken, leading to an initial planning for implementation document.

- 1.2. **Inception phase** – to ensure that the basic institutional arrangements are in place to initiate project implementation (including key staff, equipment and management systems).
- 1.3. **Project management unit (PMU)** - will be established and made fully operational over time, with appropriate project management staff, skills and systems. Furthermore, the possibility of establishing a ‘Fisheries Advisory Group’(FAG), based within the Department of Fisheries, with representation from current projects and programs in the region (especially FIMSUL-II) will be explored, as way to promoting collaboration and coherence between interventions/activities in the sector.
- 1.4. **Monitoring and Evaluation System (M&E)** - a key part of the activity of the PIA will be the operation of a project monitoring and evaluation system (M&E), which will be initiated early on, following the establishment of the project coordination unit, with appropriate systems and training provided.

25. **Component 2 (Months 1-18)** will identify and evaluate *the opportunities and constraints* relevant to the fisheries sector of south India and the BOB region in general.

There will be four sub-components:

- 2.1. **Sector analysis** - a detailed characterization and status analysis of the sector will be undertaken, using a range of secondary (and if needed, primary) information and data. This will also include an examination of regional and international perspectives on IO fish stocks and fisheries (working closely with key partners such as the BOBLME, IOTC and the IOR-ARC initiatives) and an analysis of the stakeholders involved in the sector.
- 2.2. **Opportunities and constraints review** - the range of possible future development opportunities, and associated constraints, within the fisheries sector will be identified and analyzed.
- 2.3. **Market and trade opportunities** - in order to explore the opportunities presented by the onshore sector, a dedicated investigation and analysis of market and trade opportunities will be undertaken.
- 2.4. **Feasibility studies** - will focus on producing a number of feasibility studies of key fisheries investment options including assessments of their potential impacts.

The following components 3, 4, 5 are interrelated and constitute an important set of transformational activities to upgrade and enable the stakeholders and the governance context within which they operate to take advantage of future development opportunities.

26. **Component 3 (months 4-36)** will design and implement a supportive IOTC-BOB sub-regional *management approach and process* for tropical and neritic tuna fisheries on highly migratory species (particularly focusing on skipjack, yellowfin and associated species) in south India.

There are four sub-components.

- 3.1. **Review of Fisheries management** - a characterization and analysis of current management arrangements (including relevant conservation and management measures) for fisheries at local, state, national levels, and the BOB sub-region of the IOTC will be conducted.
- 3.2. **Management options** - to identify and compare a range of different management options for the future. Scenario analysis will be undertaken with key stakeholders ranging from resource users, their representative organizations, national institutions and regional

fisheries management bodies and management initiatives such as IOTC and BOBLME. It is intended to adopt an inclusive approach to this work, and encourage the participation and collaboration of stakeholders at all levels.

- 3.3. **New fisheries management approach** - using the previous analysis as a platform, a new approach for sub-regional tropical tuna fisheries management in the BOB, for the future, will be designed and agreed with stakeholders. It will operate through two parallel pathways - (i) the definition of a process to support and enhance existing fisheries management frameworks, where appropriate, and, (ii) by enabling the identification and adoption of new and innovative pathways to address both opportunities and constraints into the future. In both cases, it is intended that the project activities (above) will collaborate with, and support existing mechanisms operated at regional (*e.g.* IOTC), national (*e.g.* BOB countries) and local (*e.g.* district co-management) levels, while at the same time, bringing a new perspective, and possible new solutions, to current and future fisheries management challenges in the sub-region.
- 3.4. **Implementation** - the implementation of a new approach to fisheries management, will involve close collaboration with a full range of stakeholders and organizations at all levels of the fisheries involved. Both the supportive process and the new pathways (above) will involve specific actions including capacity-building, analysis, consensus-building, institutional strengthening and governance reform. In this context, the possibilities for establishing an appropriate stakeholder forum at the national or regional level (*e.g.* 'tuna group or council') will be explored.

27. **Component 4 (months 7-36)** will build *human and institutional capacity* within the fisheries sector.

There are four inter-related sub-components:

- 4.1. **Capacity needs assessment** - an analysis of institutional roles and responsibilities in relation to fisheries management will be carried out, followed by a review and audit of human and institutional capacity needs within both the public and private sub-sectors. This will include an assessment of the capacity and organizational needs of different stakeholder groups involved in the concerned fisheries and the scope for building their capacity to organize and represent their interests in decision-making regarding management and development of the sector.
- 4.2. **Strategy and plan** – on the basis of the review and assessment results, a capacity-building strategy and plan will be designed.
- 4.3. **Implementation** - the capacity-building plan will be implemented and monitored. It is envisaged that a key part of this capacity-building plan will consist of the facilitation of South-South links between stakeholders and institutions in the region (and beyond, as appropriate) to enable knowledge and experience exchange and the development of common platforms for learning and articulating the concerns of stakeholders in the sector at all levels. The capacity-building plan will be revisited on an on-going basis, applying the lessons generated by the implementation process.
- 4.4. **Impact assessment** - a review and assessment of capacity-building impact and the implications for a future approach will be produced.

28. **Component 5 (months 7-36)** will focus on **knowledge management** within four inter-related sub-components:

- 5.1. **Current status study** – a review and assessment of the current state of knowledge management within the fisheries sector will be undertaken.
- 5.2. **Future options compared** - the options for improved knowledge management will be identified and compared, paying particular attention to the flows of information between stakeholders in the sector, government agencies and linkages with international management bodies such as the IOTC.
- 5.3. **New knowledge management system** - a new system of knowledge management will be designed and implemented, including a possible new unit in the State of Tamil Nadu DOF, and with links to the State of Kerala DOF<sup>40</sup> also, as appropriate. Particular attention will be paid to ensuring that new forms of knowledge management encompass linkages with the IOTC and the sharing of information and learning from the producer level up to the highest regional fisheries management decision-making mechanisms.
- 5.4. **Impact assessment** - the new system will be reviewed and assessed, and the results used to propose a future improved strategy.

29. **Component 6 (months 7-36)** will develop the **business case for future investment** in EEZ and ABNJ fisheries in south India and the BOB.

There are four inter-related components:

- 6.1. **Pilot proposal (business plans) options** - will be identified and described in collaboration with key stakeholders, based on the work of the other inter-related project components (above), with a focus on capitalizing upon opportunities for transformation and the establishment of well-managed fisheries based on highly migratory stocks that straddle EEZs and adjacent ABNJ.
- 6.2. **Pilot project development** - a series of detailed feasibility studies and implementation plans for selected and specific pilot investments will be prepared. The project(s) will demonstrate a strong value proposition to catalyze downstream investments relevant to the transformation and future sustainability (economic, social and conservation outcomes) of the fisheries concerned. Performance assessment methodology will be defined using relevant Fisheries Performance Indicators (FPI). Project design will also be informed by international best practices on reform strategies and tools.
- 6.3. **Stakeholder involvement** - the roles and responsibilities of key stakeholders and institutions at all levels will be defined and agreed. The pilot design will seek to enhance existing roles and associated processes, in this regard, where appropriate, and clarify and outline where reform is needed and how this can be achieved. Particular attention will be given to wider regional interests in more effective management of these fisheries.
- 6.4. **Investment strategy** - possible investment sources and an investment strategy will be identified and agreed. Engagement with investment expertise will be undertaken as appropriate (*e.g.* International Finance Corporation (IFC), banks and other sources of development finance). Investment options, and past experiences and performance, will be identified and compared as a basis for strategy design.

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<sup>40</sup> Presently, most of the Toothoor fishing boats are landing their catch (including tuna) at the Kochi Fishing Harbours in Kerala on account of proximity to fish processing and export units.

**Table 5. Logical Framework – Proposed Pilot Project – South India and Bay of Bengal**

|                            | <b>Narrative summary</b>   |
|----------------------------|--|
| <b>GOAL</b>                | Fisheries sectors exploiting the EEZ and ABNJ in India and BOB region make a positive net contribution to sustainable development (economic, social and environmental benefits).   |
| <b>PURPOSE</b>             | An enabling environment for the sustainable management of EEZ and ABNJ fisheries in India (and BOB region) is made operational.  |
| <b>INPUTS/<br/>OUTPUTS</b> | <u>Component 1</u> : <b>Project Implementing Agency (PIA) – Bay of Bengal Programme Inter-Government Organisation- Institutional strengthening and support</b> undertaken and completed successfully.  |
|                            | <u>Component 2</u> : <b>Opportunities</b> (and constraints) for improved fisheries development and management identified and evaluated in EEZ and ABNJ.  |
|                            | <u>Component 3</u> : <b>Management frameworks</b> for EEZ and ABNJ fisheries development and management actions established and implemented.   |
|                            | <u>Component 4</u> : <b>Human and institutional capacity</b> , in both public and private sectors , and civil society, to play significant roles in improved management approaches , and realisation of development opportunities in both EEZ and ABNJ, developed. |
|                            | <u>Component 5</u> : A <b>knowledge management system</b> to ensure generation, communication and use of appropriate knowledge for development and management of ABNJ fisheries established.   |
|                            | <u>Component 6</u> : <b>Business case</b> and implementation plans for pilot investments to take up best opportunities in EEZ and ABNJ fisheries in future developed and finalized.  |



| Table 6: Gantt Chart – ABNJ – South India Pilot preparation project |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
|---|--------|---|---|---|---|---|---|---|---|----|----|----|--------|----|----|----|----|----|----|----|----|----|----|----|--------|----|----|----|----|----|----|----|----|----|----|----|--|--|--|--|
| YEAR  | Year 1 |   |   |   |   |   |   |   |   |    |    |    | Year 2 |    |    |    |    |    |    |    |    |    |    |    | Year 3 |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| Months  | 1      | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13     | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25     | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 |  |  |  |  |
| <b>1. PIA – Strengthening</b>                                       |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 1.1. Startup Phase  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 1.2. Inception Phase  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 1.3. Coordination Unit  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 1.4. M&E  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| <b>2. Opportunities-Constraints</b>                                 |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 2.1. Characterisation   |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 2.2. Analysis   |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 2.3. Market analysis  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 2.4. Feasibility studies  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| <b>3. Management Frameworks</b>                                     |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 3.1. Policy review  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 3.2. Scenario analyses  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 3.3. New design   |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 3.4. Implementation   |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| <b>4. Capacity Building</b>   |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 4.1. Audit  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 4.2. CB Plan  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 4.3. Implementation   |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 4.4. Review   |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| <b>5. Knowledge Management</b>                                      |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |
| 5.1. Audit  |        |   |   |   |   |   |   |   |   |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |        |    |    |    |    |    |    |    |    |    |    |    |  |  |  |  |

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| 1.2. Options                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1.3. Design, implementation  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1.4. Review                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 6. Business Plan             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.1. Pilots                  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.2. Feasibility studies     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.3. Roles, responsibilities |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.4. Investment              |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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## VI. KEY RISKS AND ISSUES

30. There are at least five key risks and issues which may affect the project:

**High costs / technical / political challenges of managing highly-migratory fisheries.** This will be managed in the short-term through identifying high potential opportunities for pilot projects (including PPP focused on high value market access that leverage management reforms) and in the longer-term through regional collective action approaches offering economies both regional political commitment and economies of scale.

**Stakeholder resistance – perceived threat of change.** This will be managed by ensuring comprehensive stakeholder consultation from inception in order to catalyze innovative action that complement rather than detract from existing processes for better fisheries management (such as through IOTC and BOBLME), and to demonstrate optional mechanisms to secure the benefits of the global public goods of ocean/ecosystem services in a sustainable way.

**Investment in India detracts from regional focus.** This will be managed through fostering strong regional stakeholder linkages (e.g. Tamil Nadu / Sri Lanka / Maldives), south-south awareness and shared learning, including through the Global Think Tank. BOBP-IGO's existing and highly respected track record of working with fishing communities and the relevant public / private sector institutions throughout the BOB sub-region (as well as with the IOTC) will be further strengthened.

**Complexity of the project - stakeholders, operational levels and geographies.** This will be managed through continued and rigorous project design focused on broad-based consultation, high quality international and national technical assistance, and effective project management through BOBP-IGO.

**Political Changes – national elections in India – new senior officials in Delhi and new fisheries policies.** This will be managed through additional awareness-raising once the new government at the Centre is in place. However, since senior officers in the Ministries/Departments of the Government of India are not political appointees, their positions do not change after the elections. Change of senior officers after elections normally take place in the States, but since Tamil Nadu will not be having the assembly elections, no changes are expected.

## VII. IMPLEMENTING AGENCY ASSESSMENT

31. The implementing agency for the project will be the Bay of Bengal Programme Inter-Government Organisation (BOBP-IGO) based in Chennai.

32. BOBP-IGO is mandated to enhance cooperation among member-countries, other countries and organizations in the region, and to provide technical and management advisory services for sustainable coastal fisheries development and management in the Bay of Bengal region.

33. Based on the needs identified by the member-countries, BOBP-IGO implements the following fisheries management programmes:

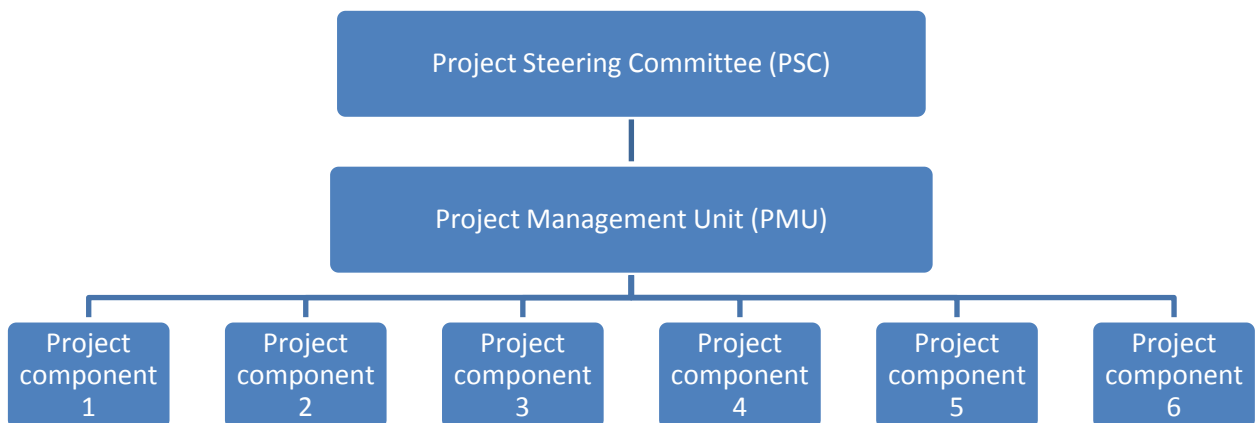
- Regional Programme on Safety at Sea for Artisanal and Small-Scale Fishermen;
- Regional Programme for Fish Stocks Assessment in the Bay of Bengal;

- Capacity Building and Information Services for Fisheries Development and Management in the Bay of Bengal Region;
- Taking the Code of Conduct for Responsible Fisheries (CCRF) to the Grassroots Level;
- Setting up of Regional Information Network; and
- Networking with stakeholders at different levels.

34. BOBP-IGO recognizes the importance of reducing risks and enhancing livelihoods through balancing and developing:

1. an ecosystem approach to managing fisheries, iconic species, conserving biodiversity;
2. building communities, and gender mainstreaming;
3. reducing post-harvest losses;
4. strengthening MCS;
5. managing and disseminating knowledge; and
6. adapting to climate change.

35. The BOBP-IGO, as the PIA, will have overall management responsibility for the project, and the Director of the BOBP-IGO will act as the overall Project Manager (PM). The project management framework (Figure 2) will be organized at three levels: Project Steering Committee (PSC), Project Management Unit (PMU) and Project Components (PCom). Through the effective and inter-related operation of these components, the governance arrangements for the project will be established and maintained at a high standard, built upon such best practice principles as the definition of relevant goals, establishment of clear roles and responsibilities, plus strong accountability and transparency. This will ensure a high level of project performance, principally the achievement of key objectives, within the defined budget and time-frame.



**Figure 2. Project management framework**

36. A cost effective ProPSC will be formed by relevant project staff, key experts and relevant national, regional and international stakeholders from both public and private sectors to provide oversight and strategic guidance to the project, along with ensuring that all the key project outputs are delivered according to the project document and plan. It is intended that representatives (government, civil society and the private sector) from all national fisheries sectors within the BOB region will also be invited to join the PSC, including members from India, Sri Lanka, Maldives and Bangladesh. In the case of India, it is envisaged that the following key institutions will be represented on the PSC: the State Fisheries Departments of Tamil Nadu, Kerala, Puducherry and Andhra Pradesh; the Ministry of Agriculture (Department of Animal Husbandry, Dairying & Fisheries), India; BOBLME; IOTC; relevant central fisheries research institutions; Marine Products Export Development Authority of the Ministry of Commerce, Government of India; representatives of the fish export industry; representatives of key producer organizations; appropriate representatives from civil society and NGOs; FAO (either New Delhi or the Regional Office-RAP, Bangkok); and World Bank.

37. In the early phases of the project, the possible representatives from the other BOB countries will also be identified, and an appropriate and workable regional membership and modus operandi for the PSC, will be designed and implemented in line with the project objectives. However, wherever possible, PSC meetings will piggyback with other events (such as BOBP-IGO meetings). Where this is not possible, other than under exceptional circumstances, attendees will be expected to cover their own costs.

38. The PSC meetings will review proposed project implementation plans (say 12 month periods), presented by the Project Manager (PM), along with up-to-date project progress reports. Where necessary the PSC may recommend amendments and changes to the project document and plan, and advise the Project Manager accordingly.

39. PSC members are assigned with ‘mainstreaming’ the work and outputs of the project into national and regional policy as appropriate. As the project develops, efforts will be made to establish channels of communication between stakeholder forums established during the course of the project and the PSC in order to enable feedback from stakeholder groups and their representatives regarding the project’s strategy and implementation. The precise form and frequency of such feedback mechanisms will be established as the work progresses. It is envisaged that this may also play an important role in supporting the mainstreaming and dissemination of learning generated by the project.

40. A **Project Management Unit** (PMU) will be set up and made operational within the offices of the BOBP-IGO. The PMU will facilitate the role of the PM (who will report to the PSC and the World Bank). This will be achieved through support provided by a dedicated Project Coordinator (PC) (to be recruited) together with a team of relevant administrative and support staff (provided in part by the BOBP-IGO, with additional capacity to be provided by the project as required).

41. The PC will have responsibility for managing the day-to-day implementation and delivery of the work of all the project components (below), including timeliness and technical quality. Support staff tasks and functions will include secretarial services, library and database management, computing support, communications and information (website design and management, publication design, production and circulation), financial management, monitoring and accounting, procurement management, and logistics and transport arrangements.

42. The PC will work in collaboration with, and receive support from the “project core team” of experts (see below) with reference to project management and technical advice. The PC will also be responsible for preparing and approving, on behalf of the project, the MoUs with external experts, NGOs and any other support staff required for the successful implementation of the project. Terms of reference and selection criteria for appropriate agencies and personnel for such collaboration will be prepared in close collaboration with the project core team, following Government of India and World Bank procedures as required.
43. Overall, the PMU will take responsibility and provide leadership, oversight and administration concerning the implementation of the work of the project, and provide regular progress reports (both technical and financial) to the PSC and the World Bank.
44. A set of six components will be operated by the project over three years, leading to the production of the final Business Case for future investment in the sector. Each of the six components has four main activities and outputs which underpin the achievement of the main goal.
45. The precise methods and operating arrangements for each component (1-6) will be worked out during the Inception Phase; although the exact arrangements may change over time, as part of a process of regular review (to cope with constraints and take advantage of opportunities which may arise).
46. Each project component (1-6) will be led by a dedicated expert in the subject area concerned who will report to the Project Manager. The BOBP-IGO will engage both international and national technical experts and organizations under specific contracts to lead and contribute to the component activities, and this dedicated group of experts will make up the “project core team”.
47. The issuance by the BOBP-IGO of any contract, and purchase of materials or equipment that are necessary to provide the necessary Technical Assistance, using funds provided by the GEF/ World Bank under this project, will be done according to the established procurement rules, regulations, policies, and procedures of the Government of India and the World Bank.
48. The BOBP-IGO, and the project team, will work closely with counterparts in the DOF(Government of Tamil Nadu), and other relevant government departments in India and other BOB countries, to ensure the successful implementation of the project components (the exact arrangements will be worked out during the Inception Phase on the basis of further groundwork and liaison with the key institutions and stakeholders concerned).
49. The BOBP-IGO and the project team will also work closely with a wide range of stakeholders in the fisheries sector (government, fishers, processors, traders etc. – see section below). This is likely to involve collaboration with representative and advocacy organizations, including NGOs and private sector associations, and with national, regional and international partners and organizations (public and private sector).
50. Particular attention will be focused initially on the Toothoor fishers of Kaniyakumari, south Tamil Nadu, as a potential focus for the future pilot and business case. Opportunities to engage with other potential fisher groups in the region during the implementation of the project will also be explored.

51. It is anticipated that much of the data collection, workshop staging and meetings at a local level will be coordinated and organized through NGOs and other local organizations under contract to the project (this is a well-established mechanism for working in the fisheries sector in India, and which worked well for the earlier FIMSUL project).

52. The project and team will also liaise closely and collaborate with other projects in the region, notably the FAO-implemented FIMSUL-2 Programme (part of CDRRP) in Tamil Nadu, and the FAO BOBLME programme. The possibility of setting up a 'Fisheries Advisory Group' (FAG), based within the DOF, to promote communication, collaboration and coherence between the different projects will be explored early-on.

### **Monitoring and Evaluation**

53. The Project Monitoring and Evaluation will begin with the approval of the Project. Initially, the Project Implementation Agency or the PIA (BOBP-IGO) will monitor the progress in terms of the approval received from the concerned agencies (World Bank, etc.).

54. It is planned that there will be an Inception Phase (first 1-6 months), between the receipt of the final approval and the beginning of the project activities. It is proposed that during the inception phase the detailed M&E Plan will be developed, as by then the partner agencies and personnel will be on board and their exact role will be well-defined.

55. The basic metrics/indicators used for the project-specific M&E will be a report on the completion of each of the project sub-components (Appendix 1) and the associated specific outputs. The timeline for each component is presented in Table 6.

For example, under Component 2: Opportunities for the Future (Appendix 1):

Output 2.1. Characterization and status analysis of the fisheries sector, including use of the World Bank's Fisheries Performance Indicators tool (Report, Month 12) (see Table 6).

Output 2.2. Identification and analysis of development opportunities and constraints (Report, Month 12).

Output 2.3. Dedicated analysis of onshore sector, market and trade (Report, Month 12).

Output 2.4. Feasibility studies of fisheries investment options (Report, Month 18).

56. The detailed M&E Plan will be developed for each component and they will contribute to the overall M&E Plan.

57. Once, the PSC is set up (during the Inception Phase), the Chair, PSC, will monitor the progress. Project Manager (PM) will report to the Chair, the World Bank and other concerned agencies.

58. BOBP-IGO is experienced in implementing projects and operating appropriate M&E. However, for this pilot development project, it might be necessary to provide additional training and funds to augment the current institutional set-up. This issue will be investigated during the project inception phase, with a development of an appropriate strategy, which might include using project funds to buy-in additional expert M&E training and advice.

### **Stakeholder Analysis**

59. Engagement with the wide range of stakeholders, concerned with fisheries in the ABNJ around India and the BOB, will be a critical part of the project process. A detailed

assessment of these stakeholders and their potential roles and responsibilities would constitute an important component of the initial detailed characterization and status analysis of the sector to be carried out at the beginning of project implementation. Definition of the roles and levels of engagement of different stakeholder groups will depend on the outcomes of this analysis, but it is envisaged that the following stakeholder groups are likely to play important roles:

- Fishers currently involved, or with clear potential to become engaged in, fishing in the ABNJ and with an interest in improved management and development potential. Currently, several groups with these characteristics have been identified (fishers in Toothoor, Tamil Nadu and small-scale offshore operators in Negombo, Sri Lanka) and it is expected that other appropriate groups would be identified during the project in Tamil Nadu, Kerala, Puducherry and Andhra Pradesh states in India, as well as in Bangladesh, Sri Lanka and the Maldives;
- Apart from boat owners, operators and crew members in these communities, other community members would be engaged in consultations, with particular attention being paid to fish buyers, traders and processors, many of whom are women, and whose involvement in decision-making about developments in the fisheries will be critical;
- Existing organizations and associations representing the interests of these primary stakeholders and producer groups will play an important role in articulating the interests of their membership. Building their capacity to engage with other agencies, policy-makers and wider management processes will be an important part of the project's work. The South Indian Federation of Fishermen Societies (SIFFS), with its head office in Thiruvananthapuram, Kerala is one of the most important and effective organizations operating in Tamil Nadu and Kerala, and along with the Toothoor-based Association of Deep Sea-going Artisanal Fishermen are expected to play a particularly important role in this;
- Where appropriate, other state and national-level NGOs in India, Sri Lanka and the Maldives may be engaged to assist the project in their work at the community level and to serve as an interface between fishers and state or national level institutions;
- Fish merchants and traders, whether individuals or through their representative associations, are also expected to play an important role and will be engaged during consultations about any eventual pilot fisheries development projects to ensure appropriate linkages with marketing channels nationally and internationally. Engagement with merchants and traders will also extend beyond the national level to explore appropriate linkages with the international fish trade;
- For the development of high-quality market linkages, international certification agencies, such as the Marine Stewardship Council (MSC), may have a role to play, further explored during project implementation;
- Other service providers involved in supporting fisheries, such as gear suppliers, boat builders, fuel providers, etc. will also be involved, as their understanding of the project and the demands it may place on them will be critical;
- Key Government departments, who will play a central role in the project and its implementation, will be the Tamil Nadu, Puducherry, Kerala, Andhra Pradesh State Departments of Fisheries. Capacity-building activities of the project in fisheries



management, pilot activity development and knowledge management will focus, at least initially, on these key institutions.

- Fisheries research institutions in the region, particularly the Central Marine Fisheries Research Institute (CMFRI) in India, and other government research institutions in the sector have a potentially important role to play in providing technical support and research services to the project. Linkages with these institutions will be developed during the course of the project;
- Export promotion bodies, such as the Marine Products Export Development Authority (MPEDA), will play an important role in linking producers with markets abroad and also in promoting quality control and food safety;
- At the national and state levels, Department of Animal Husbandry, Dairying and Fisheries (Ministry of Agriculture, Government of India) Tamil Nadu Department of Fisheries, as well as Ministries of Fisheries in Bangladesh, Sri Lanka and the Maldives, will also play a central role in addressing issues associated with management of fisheries in their EEZs, the development of appropriate policy frameworks for their respective countries and engaging with international mechanisms concerned with fisheries in the ABNJ;
- The IOTC, as the primary regional fisheries management body responsible for fisheries in ABNJ areas in the IO, will be also a key stakeholder in the project and will contribute to the development of appropriate mechanisms for linking pilot developments at the field, local and national level. Other key international initiatives in the region, including the BOBLME project, will also potentially be key players to be engaged with;
- FAO has an oversight role for the ABNJ process and will be engaged with through their national representatives in New Delhi (India), Dhaka (Bangladesh, Colombo (Sri Lanka) and Male (the Maldives). Channels for ensuring communication and coordination with the FAO's Regional Office for Asia and the Pacific (RAP) in Bangkok and the ABNJ Coordinator at FAO Headquarters in Rome will also be established;
- The BOB-IGO will be responsible for the overall implementation of the project, building on its strong networks with both government and non-state actors in the region and their existing strengths in working with a range of stakeholders in the concerned countries.

60. A more complete stakeholder's analysis will be prepared based on work during the Inception Phase of the project.

## VII. RESOURCING

### (a) Summary

61. The project will be managed and implemented by the Bay of Bengal Programme Inter-Government Organisation (the PIA) based in Chennai, India. The total project budget is US\$2,199,949 which is broken down into the following Components (final agreed budget details are available under separate, respective FM and Procurement tables):

62. Component 1 (Institutional strengthening and support for the PIA) has the largest indicative budget of US\$573,749 (26%) and covers the costs of the PIA in managing, supporting and contributing to the implementation of the other five components.

63. The other components have the following indicative allocations:

Component 2 (Opportunities for the future): US\$424,600 (19%)

Component 3 (Management reform): US\$316,500 (14%)

Component 4 (Capacity-building): US\$538,700 (25%)

Component 5: (Knowledge management): US\$202,700 (9%)

Component 6: (Business Plan): US\$143,700 (7%).

#### **(b) Technical composition of the ‘core project team’ and areas of expertise**

64. The required technical composition of the ‘core project team’, made up of both national and international experts, should include the following:

- (i) National Expert on Fisheries Policy and Fisheries Development: at least 15 years’ experience of fisheries policy analysis in India and the Bay of Bengal Region; including interaction and collaboration with policy-makers and their advisors at regional, national and state levels; evidence of successfully providing policy advice and guidance at all levels, through participation in relevant for a and teams, and a strong record of relevant publications; appropriate experience of capacity-building;
- (ii) International Expert on Fisheries Management and Fisheries Economics: at least 15 years’ experience of fisheries management and fisheries economic analysis at international level, including work in India and the Bay of Bengal Region relating to tuna and highly-migratory fish; including interaction and collaboration with a full range of stakeholders in both the public and private sectors on key issues relating to fisheries management performance and reform processes; evidence of participation in international fisheries development programmes, policy analysis and advice, and underpinning economic analysis of fisheries systems;
- (iii) International Expert on Fisheries Livelihoods, Stakeholder Engagement and Knowledge Management: at least 15 years’ experience of work in the inter-related areas of fisheries livelihoods, stakeholder engagement, and knowledge management; with experience in India and the Bay of Bengal Region; including the analysis of livelihoods as part of a fisheries development process, where appropriate stakeholder participation has been designed and supported over time; including the design and implementation of capacity-building programmes, supported by relevant knowledge systems; good evidence of wide-ranging advice and support to policy-makers and their advisors in these key areas above;
- (iv) International Expert on Fisheries Policy, Conservation and Bio-diversity: at least 15 years’ experience of fisheries policy work at both national and international levels, with particular reference to conservation and bio-diversity; to include interaction and collaboration with policy-makers and sectoral and non-sectoral stakeholders at a full range of levels; evidence of analysis, contributions to and influencing policy on fisheries and biodiversity conservation, and a strong familiarity with recent developments concerning international policy, law and relevant guidelines, and their application;

65. In addition to the ‘core project team’, it is expected that additional ‘experts’ (both national and international) will be recruited and utilized within the project, as and when

required, and in particular to address new opportunities which arise within the overall process. This could include 'experts' in the following areas:

- Industry development
- Fishing enterprise management
- Business Planning
- Fish product development
- International tuna markets
- Fishing and onshore technology
- International law
- Product certification
- International fishing agreements

**APPENDICES**

**Appendix 1: Summary of Outputs by Component (Months 1 – 36)**

| <b>Components</b> | <b>(1) PIA Strengthened</b>   | <b>(2) Opportunities for future</b>  | <b>(3) Management reform</b>  | <b>(4) Capacity-Building</b>  | <b>(5) Knowledge management</b>  | <b>(6) Business Plan(s)</b>   |
|-------------------|---|--|---|---|--|---|
| <b>Outputs</b>    | <p>1.1. Project start-up completed;</p> <p>1.2. Project Inception phase completed;</p> <p>1.3. Project Management Unit in operation;</p> <p>1.4. M&amp;E system operating</p> | <p>2.1. Characterisation and status analysis of the fisheries sector;</p> <p>2.2. Identification and analysis of development opportunities and constraints in the fisheries sector;</p> <p>2.3. Dedicated analysis of onshore sector, markets and trade opportunities;</p> <p>2.4. Feasibility studies of fisheries investment options plus impact assessment;</p> | <p>3.1. Review and analysis of current governance framework for fisheries at local, state, nation and regional levels;</p> <p>3.2. Scenario analysis identifying and compare future and different governance options;</p> <p>3.3. Agreed design for a new governance framework for the future; along with a process for reform;</p> <p>3.4. Implementation and support of new governance framework.</p> | <p>4.1. Review and audit of human and institutional capacity needs;</p> <p>4.2. Design of capacity-building strategy and plan;</p> <p>4.3. Implementation of capacity-building plan;</p> <p>4.4. Review and assessment of capacity-building impact and future approach;</p> | <p>5.1. Review and assessment of current system of knowledge management within the fisheries sector;</p> <p>5.2. Identification and comparison of options for improved knowledge management;</p> <p>5.3. Design and implementation of a new system of knowledge management, including a possible new unit in the DoF;</p> <p>5.4. Review and assessment of the new system, and proposal for a future strategy;</p> | <p>6.1. Pilot investments identified and described with key actors;</p> <p>6.2. Detailed feasibility studies and implementation plans for pilot investment completed;</p> <p>6.3. Roles and responsibilities of key actors and institutions defined and agreed;</p> <p>6.4. Investment sources and investment strategy identified and agreed.</p> |

## Appendix 2: Bay of Bengal Programme

### Inter-Governmental Organization



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## FACTSHEET

### Who are we?

The Bay of Bengal Programme Inter-Governmental Organisation (BOBP-IGO) is a regional fisheries advisory **body established in 2003** under the **BOBP-IGO Agreement** to enhance co-operation among member-countries, other countries and organizations in the Bay of Bengal region and provide technical and management advisory services for sustainable marine fisheries development and management to its member-countries.

### Where do we work?

The area of competence of the BOBP-IGO is **Northern Indian Ocean**. Bangladesh, India, Maldives and Sri Lanka are the founding members of the Organisation. The region is home to about 6 million fisherfolk and supplies 8% global capture fisheries.

### What is our mission?

To promote and establish responsible fisheries in a time bound manner to ensure **socio-economic well-being** of the marine fishers and **ecological security** of fisheries resources in the Bay of Bengal while catalyzing the growth of the sector to substantiate economic development of the member-countries.

### What do we do?

We are focused on helping the member-countries in sustaining fisheries production and ensuring livelihood security for millions of fisher folk in the region. In line with their felt needs, a range of activities are planned for implementation including scientific and policy advice for **ecosystem-based fisheries management, capacity building** and **community empowerment, gendering** fisheries management, **networking, knowledge management** and promoting **occupational safety** for small-scale fisherfolk.

### How do we do it?

BOBP-IGO has a well-structured **relationship** with **top level** policymakers in fisheries and environment to **grassroots** fisherfolk organizations. The Organisation has also set up institutional linkages with major **regional research institutions** who are members of its Technical Advisory Committee. The Organisation through its wide-spread presence receives both administrative and grassroots requirements and commitments and scientific advisory to address them. The secretariat on its part balances the needs and means and carries out the activities.

The BOBP-IGO has strong international linkages and works with many UN organizations such as FAO, UNDP, WMO, IMO and also on bilateral basis with

Ministries/Agencies of other countries such as Japan and USA.

### ***Some recent achievements***

#### ***Regional and National Management Plans for sharks***

Joint programme with the Bay of Bengal Large Marine Ecosystem Project (BOBLME) to develop regional and national management plans for sharks and its associated species.

**Result:** The Maldives after a detailed cost-benefit analysis decided to completely ban shark fishing in its waters. A traditional shark fishermen group in Kanyakumari District of Tamil Nadu, India adopted a shark fin attached policy. The Ministry of Environment and Forest has also recently issued an advisory on fin-attached policy. Shark management plans for Bangladesh, India and Sri Lanka under finalization.

#### ***Indo-Sri Lanka Dialogue on joint management of Gulf of Mannar***

Collaborative programme with BOBLME and IUCN/MFF to develop a framework for joint management of the Gulf of Mannar by India and Sri Lanka.

**Results:** A dialogue process is going on and common agendas are identified. The issue has now also been incorporated in Ministerial Level Joint India-Sri Lanka Fisheries Committee.

#### ***Regional and National Management Plans for Hilsa***

The Indian Shad, Hilsa (*Tenualosa ilish*) is one of the largest fisheries in northern Bay of Bengal comprising Bangladesh, India and Myanmar. The BOBP-IGO is working with these countries to develop national plans for India and Myanmar and a regional plan to manage hilsa fishery.

**Result:** The Ministry of Agriculture, Government of India constituted a committee for preparation of management plan for Hilsa. West Bengal, the most prominent hilsa fishing province of India is strengthening its legal framework to promote hilsa conservation.

#### ***Safety at Sea for Small-scale Fishermen***

Policy intervention leading to introduction of Group Insurance Scheme for fishermen in Bangladesh bringing them for the first time under social security net.

#### ***Capacity Building***

Training of 100+ fisheries officials from 6 countries in the Code of Conduct for Responsible Fisheries.

Technical assistance to Government of Maldives for setting up a website on management of atolls.

### **Appendix 3: Conservation International (CI) – Contribution to the work programme**

Conservation International will provide a package of innovative Technical Assistance (TA) to support and enhance the work program elements of the “Ocean Partnerships for Sustainable Fisheries and Biodiversity Conservation – Models for Innovation and Reform” Bay of Bengal Program-Intergovernmental Organisation (BOBP-IGO) pilot project component. Details and priorities will be determined following the project inception workshop (based on agreed opportunities, synergies with relevant regional initiatives) and, will be provided under the following categories of assistance:

- Conduct analyses/evaluations to inform management decisions
- Field test new gears or technologies, including for monitoring, control and surveillance (MCS)
- Coordinate regional and global workshops/exchanges and networking to build capacity and share experiences and lessons learned.

Activities may include, but are not limited to the following:

#### **Component 2 (months 1-18) to identify and evaluate the opportunities and constraints relevant to the fisheries sector of south India and the BOB region in general.**

- Awareness raising prior to, at, and following the project inception process including with the following regional, country and stakeholder initiatives: IOTC; IOR-ARC; BOB-LME; India, Sri Lanka, Bangladesh, Maldives, and Australian Government Departments (*e.g.* Agriculture, Forestry and Fisheries, AusAID, DFAT), CCDRP/FIMSUL-II project, to:
  - promote the potential for synergies for this project in the region, and ensure that the project supports or enhances evolving initiatives in the Indian Ocean (IO) region, including particularly initiatives related to ‘sustainable fisheries’ and ‘food security’;
  - support development of an IOR-ARC strategy for providing regional support through a Fisheries Support Unit (FSU) – including fostering opportunities for south-south learning and exchange in the region and between the Oceans Partnership project components (as part of the ‘learning and exchange’ and ‘think tank’ components of the overall ‘partnerships’ project).

#### **Component 3 (months 4-36) will aim to design and implement a BOB-sub-regional management approach and framework that supports regional IOTC fisheries management initiatives for neritic and highly migratory tropical tuna species (particularly focusing on skipjack, yellowfin and associated species) in south India.**

- Facilitating awareness building and knowledge transfer to support and enhance:
  - Implementing the Code of Conduct for Responsible Fisheries, and building on relevant commitments, decisions and resolutions relevant to management of shared stocks of living marine resources in the Indian Ocean (*e.g.* UNCLOS, UNFSA, CBD Aichi Target 6, IOTC Resolution 10/05 (data and reporting), 05/05 (sharks) etc, Millennium Development Goal 7 – Sustainable Development, CMS, ASEAN, UNGA commitments)

- Integration (where possible) with developing BOB-LME program TDA/SAP design and project work to promote integrated resource management including through supporting collaborative regional fishery assessments and management plans – providing information to support developing collaborative fishery assessments, regional and sub-regional management plans, and harmonization of data collection and standardization to promote collaborative fisheries management approaches, including identifying information sources and methods to support fisheries data and stock assessment / capacity building work
- Progress towards strengthened management arrangements could be ‘peer-reviewed’ during [one of the first] South-South learning and exchange forums that could be hosted in the sub-region (timing and venue to be determined).

**Component 4 (months 7-36) will focus on building human and institutional capacity within the fisheries sector.**

- Promoting knowledge sharing and exchange to support capacity building, improving the knowledge base, and contributions to improved governance and management;
- Building awareness of relevant international (global and regional) commitments, IOTC Resolutions, and initiatives relevant to the conservation and management of neritic and highly migratory tropical tunas in the Bay of Bengal sub-region of the Indian Ocean;
- supporting review of the capacity-building plan as it is being implemented and monitored – and re-focused as necessary.

**Component 5 (months 7-36) will focus on knowledge management within four inter-related sub-components.**

- Identifying opportunities to strengthen collaboration and support enhanced knowledge management and transfer among stakeholders

**Component 6 (months 7-36) will make the business case for future investment in EEZ and ABNJ fisheries in south India and the BoB.**

- Identifying opportunities to develop sustainable fishing practices, including field-testing of gears/equipment, provision of data to inform management arrangements and decision-making;
- Contributing to identifying possible investment sources and investment strategy.



## Annex 4: Regional Sub-Project for the Western Central Pacific

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### I. SUMMARY

1. This Western Central Pacific regional subproject directly contributes to the main project's development objective by designing a business plan(s) that will attract finance into a long-term pilot project on sustainable tuna fisheries. As co-financing to the IDA-financed Pacific Islands Regional Oceanscape Project (PROP) and in partnership with FAO's Tuna Project under the FAO-led ABNJ Programme, the project will define specific actions necessary to enhance the effectiveness of the region's Vessel Day Scheme (VDS). More specifically, the project within PROP aims to:

- (a) Sustainably increase the revenues to participating countries from access to the tuna fisheries (a regional policy/governance review of the VDS and PNAO; and VDS standardization);
- (b) Identify the means for inclusive in-country distribution of the benefits from tuna access (including the notion of a "Community VDS"); and
- (c) Facilitate global outreach through the project's Global Think Tank (including the preparation, dissemination and use of a theoretical and framework for shared stocks management; and engaging in south-south interaction with other regional subprojects.

2. The specific business plan/s of this subproject's are likely to comprise long-term mixed investments supporting the implementation of recommendations on VDS governance enhancements; and piloting the potential capitalization of a VDS fund and facility to secure a community share of tuna access revenues for fishing communities.

3. The executing agency is the Forum Fisheries Agency, who is also implementing regional Bank IDA investments from the PROP.

## II. COUNTRY AND REGIONAL CONTEXT

4. The Pacific Islands Ocean Region covers some 11 per cent of the world's ocean area and is home to 22 small island countries and territories. The economies of Pacific Island countries (PICs), 11 of whom are members of the Bank<sup>41</sup>, are fundamentally shaped by this geography. About nine million people live several hundred islands covering roughly 40m km<sup>2</sup> of the Pacific's surface. Because of their small size and remoteness, these countries are at risk of volatility and subject to external economic and natural shocks. This region contains one of the highest concentrations of fragile states in the world. Capacity constraints are exacerbated by small populations, and in some cases also reflect weak governance.

5. Shared, transboundary resources, services and biological diversity of the Pacific Ocean are essential to PICs' economies and development, as well as being of significant value internationally. These resources include (i) oceanic fisheries (largely tuna) that provide the majority of public revenues for several PICs; (ii) coastal fisheries that directly sustain rural livelihoods and contribute heavily to food security and national exports in many cases; and (iii) global (and local) public goods in the form of natural habitats and biodiversity of significance both internationally and locally. For some Bank member PICs, especially the fishery-dependent small-island states (Federated States of Micronesia, Kiribati, Marshall Islands and Tuvalu) ocean resources such as fish stocks comprise the primary natural resource on which future economic growth is based.

## III. SECTORAL AND INSTITUTIONAL CONTEXT

6. This region's *oceanic fisheries* supply much of the world's tuna, with global demand steadily increasing. The wider Western Central Pacific Ocean area produced a record high of 2.6 million tons of tuna in 2012, representing over half of all of the world's tuna catch and yielding revenues at first sale on the order of over US\$ 6.5 billion. Roughly half of this tuna catch was taken from PIC waters, or some 30 percent of the world's tuna catch. The total first sale value of the tuna caught in PIC waters was estimated to be some US\$3.9 billion in 2012, of which PICs received just 6% as a result of access fees paid by largely foreign fleets. Even at this minimal level of return from what is one of the more profitable fisheries in the world, revenues from sale of access constitute the largest single source of public revenues for a number of PICs.

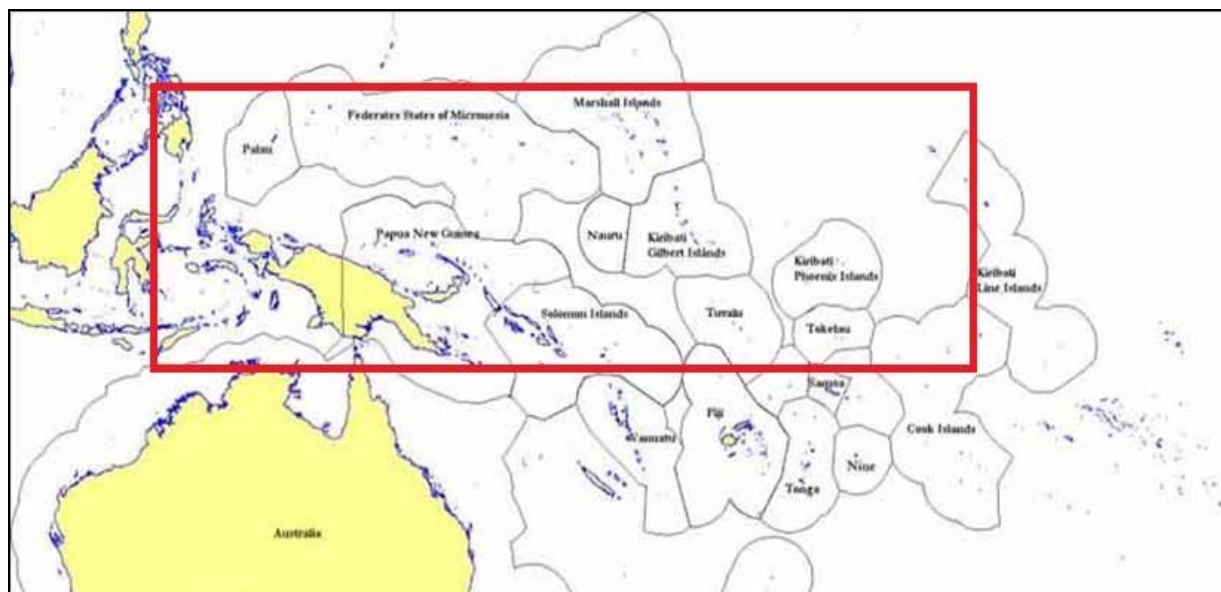
7. The performance of most PIC economies and the welfare of their citizens are consequently very dependent upon their individual and collective capacity to derive value from these shared fisheries. This capacity has historically been suppressed by a range of factors including (a) the lack of agreed methodology for the management of shared fisheries even at the level of theory; (b) few practical opportunities to implement effective shared fisheries management regimes and (c) a disappointing rate of progress from RFMOs in addressing theoretical and practical problems associated with shared stock management.

8. According to the Secretariat of the Pacific Community's (SPC) Division of Fisheries, Aquaculture and Marine Ecosystems, the WCP purse seine catch in 2010 was about 1.818

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<sup>41</sup> Federated States of Micronesia (FSM), Fiji, Kiribati, Palau, Papua New Guinea, Republic of the Marshall Islands (RMI), Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

million tons of which 1.4 million tons was skipjack. Total skipjack catch (including longline and other methods) was approximately 1.7 million tons, while Maximum Sustainable Yield (MSY) for that stock is approximately 1.5 million tons. Although the 2010 Catch was above MSY, skipjack biomass is also above the level that will produce MSY (although the SPC estimates that this stock is reducing by approximately 200 thousand tons per annum at current levels of effort). In comparison, the longline fisheries are smaller but in a more stressed condition. 2010 catches of bigeye and yellowfin tunas were 64 thousand tons and 82 thousand tons respectively.<sup>42</sup> Yellowfin is already considered to be approaching the biomass capable of producing MSY (bMSY) and bigeye tuna is at bMSY. At current skipjack prices of approximately US\$2,100/ton, total primary value of the WCP purse seine skipjack fishery is around US\$3 billion per annum.



**Figure 1 WCP Purse Seine Fishery**

**Table 1. Estimated WCP Purse Seine Effort and Removals (2012)**

| Purse Seine Effort/Catch | Days                 | Equivalent Ton @30T/Day |
|--------------------------|----------------------|-------------------------|
| PNA TAE                  | 35,000               | 1,050,000               |
| US Treaty                | 5,000                | 150,000                 |
| FSM Arrangement          | <sup>43</sup> 6,000  | 180,000                 |
| Archipelagic Waters      | <sup>44</sup> *8,000 | 240,000                 |

<sup>42</sup> The Western and Central Pacific Fishery: 2010 Overview and Status of Stocks, Harley, S., Williams, P., Nicol, S., Hampton J. Secretariat of the Pacific Community (SPC), Tuna Assessment Report 11, page1. Note that this estimate is affected by incomplete data from Indonesia, Philippines and Vietnam. Also, the 2010 estimate of catch was the lowest for five years, whereas the 2012 catch is expected to be the highest on record.

<sup>43</sup> Estimate of actual Days used within the FSM licensing arrangement

<sup>44</sup> \* denotes a rough, but credible estimate in the absence of data.

|                          |               |                               |
|--------------------------|---------------|-------------------------------|
| Other WCP Coastal States | *7,000        | 210,000                       |
| High Seas                | *5,000        | 150,000                       |
| <b>Total</b>             | <b>66,000</b> | <b>1,980,000<sup>45</sup></b> |

9. **High Seas Fisheries.** The **high seas** catch in the WCP skipjack purse seine fishery is approximately less than 10% of the total (**Table 1**). This proportion of ABNJ catch vs. EEZ is higher than the average from elsewhere and reflects the greater relative significance of tuna fisheries in this region. In this regard, although FAO has no accurate breakdown of ABNJ catch *per se*, the combined total of pelagic and demersal is likely to be less than 2% of global overall fisheries production. This is despite ABNJ accounting for 63% of ocean area. The explanation for this apparent discrepancy is mainly ecological, with the most biologically productive parts of the oceans lying on continental shelves and mostly within EEZs. In contrast, the high seas are relatively barren, containing a small number of sea mounts and providing a transitory home for highly migratory pelagic species.

10. **The fisheries management challenge.** Incentives to compete -or to *race for fish*- lie at the heart of many fisheries management challenges. Left unconstrained, competition will destroy economic value and jeopardize ecosystem integrity - ‘externalities’ which take their most potent form in valuable shared fisheries such as the purse seine skipjack fishery of the WCPO. Destructive competition in this fishery occurs simultaneously at several levels, particularly within and between coastal States, but also between coastal States and ABNJ. The search for practical solutions is a key objective the Pacific Regional Oceanscape Project (PROP) within which this GEF Project is to be technically integrated. About half of shared tuna stocks are currently managed under the PNA’s Vessel Day Scheme (see below) which generates rents of vital importance to local economies. Yet, ABNJ provide opportunities for these rents to be captured by DWFN operators before they can be received by the Coastal States whose collective restraint -under the Vessel Day Scheme- generates them in the first place. Given the lack of alternative economic opportunities to most PICs, failure to establish a sustainable and economically efficient shared fishery could lead to increasing effort to develop fragile inshore reef and lagoon fisheries, representing a concomitant risk to marine biodiversity. The track record of such inshore development in the region is very poor.

11. **Towards a Solution.** There are four major shared fisheries in the WCPO which require separate management even though their theoretical geographic boundaries overlap, and the target species of one fishery can be a by-catch of another.

- i. Tropical skipjack, yellowfin and bigeye/purse seine - extending from around 20° north to 20° south.
- ii. Southern albacore/longline and troll - south to New Zealand from below 10° south.
- iii. Northern albacore/longline and pole and line - north to Japan from above 10° north.

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<sup>45</sup> Note that this aggregated estimate exceeds the 2010 estimate of SPC of 1,818,255 tons (above) and is therefore about 300,000 tons above the long term level of sustainable harvest in this fishery. Given the high recent prices for skipjack tuna, it is likely that catch has expanded in the two years following 2010.

iv. Tropical bigeye/yellowfin/longline fishery - 20° north to 20° south.

12. The former, which will be the focus of this GEF project, is by far the most valuable to Bank clients in the region. The skipjack stock constituting the bulk of the catch is not yet overfished (and is therefore capable of generating large fisheries rents) and has an embryonic fisheries management system – VDS that offers considerable opportunity to be built upon in order to secure greater economic returns for WCPO coastal states. Enhancements to this fishery offer further opportunities to inform an additional sub-project activity related to the albacore long-line fishery.

13. **Vessel Day Scheme.** Since 2009, Parties to the Nauru Agreement (PNA) countries comprising the geographic core of the skipjack purse seine fishery, have operated the VDS under the Palau Arrangement with a current Total Allowable Effort (TAE) of approximately 35,000 Days allocated to the Parties (exclusive of the FSM Arrangement and US Treaty commitments). At present, each Day under the VDS translates into roughly 30t of purse seine catch (including yellowfin, bigeye and other by-catch). The scheme has been successful in increasing annual licence and Day revenues to the Parties from around \$70m/yr in 2010 to more than \$170 m/yr in 2012<sup>46</sup>. Vessel Day prices in 2010 were below \$2,000 and in 2012 were a minimum of \$5,000.

14. Despite this success, a large amount of effort remains outside of the TAE. Indeed, by the rough estimate below, at least 47% of skipjack purse seine catch may be outside of the TAE in 2012. Neither does the TAE for Skipjack take account of any equivalent for Days of Effort taken outside of the industrial purse seine fishery such as from long-lining, nor from artisanal catches in archipelagic or other inshore areas. The VDS as it stands, therefore, is only a partial framework for the management of part of a shared fishery. Although it currently covers a significant proportion of the fishery, it falls short of covering a complete fisheries management unit and identifying rights holders within the area covered.

15. From the perspective of fisheries management theory, however, the purse seine VDS has several things to commend it. Indeed, the VDS is increasingly recognized as an internationally significant model for shared fisheries management and has, as already mentioned, already generated significant increases in economic returns to PICs. Despite wide agreement between Parties that its noted shortcomings require early attention, there remains much debate about what is needed and how this might be achieved. **The key support provided by this project in concert with the PROP, will be to contribute towards defining specific actions necessary to enhance the VDS and to commence the implementation of those actions.**

16. From earlier work (World Bank support to PNAO on *Business Plan*<sup>47</sup> 2011), it is possible to summarize some strengths and weaknesses of the VDS:

## Strengths

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<sup>46</sup> In only two years the VDS has lifted coastal State revenues in the fishery by around \$100m/yr. However, this benefit is only a modest indication of what a more robust and extensive VDS could achieve which is conceivably \$4-500m/yr

<sup>47</sup> *Business Plan PNAO Office 2011*, 55 pages, World Bank and PNAO.

- i. A fisheries management unit has been defined: the tropical (20<sup>0</sup> north to 20<sup>0</sup> south) purse seine skipjack fishery from Kiribati in the East to Indonesia in the West.
- ii. Right holders in the fishery are being recognised. Currently the signatories to the Palau Arrangement include the eight PNA Countries plus Tokelau with the Cook Islands scheduled to join the VDS in 2013. There is acceptance that coastal states within the fishery can join the VDS.
- iii. There is a formula by which right holders establish relative Party Allowable Effort (PAEs) under the TAE. This formula is based upon a combination of EEZ size and historical skipjack harvest data).
- iv. Parties have established a minimum Day price (\$6,000 in 2013). This is nominally the marginal Day price within the VDS.

### **Weaknesses**

- i. The VDS is incomplete (it is possible that almost half of all purse seine harvesting in the fishery is occurring outside of the VDS).
- ii. The link between science-based fishing mortality limits and the number of fishing days allowed under the VDS is unclear in terms of yellowfin and bigeye stocks.
- iii. Compliance with the VDS by participants is inconsistent. In 2012, Kiribati overfished its PAE by around 70% and Papua New Guinea applies its own definition of what constitutes a Non-Fishing Day (NFD) to accommodate much higher levels of fishing than would be allowed under the standard definition.
- iv. The proposed new structure, ownership and governance arrangements for PNAO outlined in the 2011 Business Plan have not been implemented and an effective organisation under robust governance that is capable of preserving the strengths and addressing the weaknesses above does not exist.

17. **Competition at the Margin.** The VDS has given a hint of its economic power and potential to benefit its developing State members. These benefits rely on the collective interest of sellers to limit the total supply of Days, to defend the integrity of Days, and to maintain a high marginal Day value. While this is working relatively well, **internal competitive threats** remain from misalignments between the individual and collective interests within the VDS. In particular, the value of a Day may be undermined by ‘substitute’ Days considered as fishing opportunities outside the VDS. Harvesters’ choices on whether to opt for such substitutes or remain within the VDS are generally determined by economic comparative advantage. Although better catch rates may be available under the VDS, lower costs associated with outside substitutes, will provide incentives to fish outside the VDS.

18. Although this internal competition at the margins is well recognized in the region, there is further recognition that there is no ‘one size fits all’ solution. However, what is not yet generally recognised is the role that the VDS (in particular the Day market) must play over time in keeping the whole skipjack value chain focussed on efficiency and the optimization of product value.

Individual actions or trade-offs that weaken the Day market do not simply affect the Party concerned but potentially disempower the VDS as a driver of efficiency for the entire sector. Substantial **external competitive threats** to the VDS are twofold:

- Non-VDS participants may attract purse seine fishing within their respective EEZs by setting terms and conditions that make harvesting more attractive in their EEZ than within the VDS. Although their zone may have lower catch rates than within the VDS, this disadvantage can be mitigated by offering licensing discounts.
- The ‘freedom’ to fish on the high seas at ‘zero’ cost is risky. However, as Day prices increase, the relative attractiveness of high seas fishing improves and more effort can be expected to migrate there.

19. This second external threat to the VDS and its adverse economic consequences for developing States is the primary focus of GEF project effort. As noted above, however, much of this effort will be wasted unless the range of competitive threats is managed simultaneously.

20. Even if wholly successful, the project will not close off the opportunity for DWFNs to fish ABNJ areas. However, high seas fishing would carry two potentially significant opportunity costs for its practitioners. First, in the short term, VDS coastal States may refuse licences to such vessels to fish within their respective EEZs (as is partially implemented now). Second, in the longer term, the RFMO may be required to restrict ABNJ fishing if it can be shown that such fishing undermines measures taken within areas of national jurisdiction (the VDS) or that it is contrary to the ‘interests and aspirations’ of Coastal States.

21. **Potential for VDS enhancement.** The solution to dealing with current issues calls for some strengthening of VDS governance arrangements to enable it to effectively meet its challenges. Although generally known as the PNA VDS, the Scheme is in fact implemented under the Palau Arrangement which is one of three overlapping but separate sub-regional arrangements or agreements:

- **The Nauru Agreement** (a general political co-operation arrangement over fisheries issues in a sub-region of the WCPO. 8 members)
- **The Palau Arrangement** (the body governing the design of the purse seine and longline VDSs. There will be 10 members in the purse seine VDS in 2013, a minimum of 5 signatories to initiate the longline VDS with the potential for both Schemes to gain additional parties).
- **The Federated States of Micronesia Arrangement** (a reciprocal purse seine access agreement effectively requiring the commitment of Days. 8 members).

22. All three arrangements involve complex relationships which are generally acknowledged to be inefficient and confusing for the participants. The PNAO has fallen into the roles of secretariat for the three bodies above and the World Bank’s support to PNAO covering its Business Plan included a range of recommendations aimed at addressing these inefficiencies. The GEF project will help take some of these forward to help consolidate the core role of PNAO as the executive organization supporting the Palau Arrangement.

#### IV. RELEVANCE TO PROP PROJECT AND OTHER ABNJ REGIONAL SUB-PROJECTS

23. GEF project activities are nested within and fully consistent with the PROP project, financed by national and regional IDA funds. The approach supports a range of planning activities leading to agreement on collective action by PICs to close alternatives (i.e. internal and external competition) to the use of Vessel Days by purse seine operators, to the greatest extent possible consistent with international law.

24. This action will stabilize the attributes of the Day market as a strong and uniform property right. The activities will also inform wider aspects of the project including its application to the southern albacore long-line fishery. Further project activities will include an examination of the potential to extend a proportion of economic benefits derived from the VDS to inshore / artisanal fishing communities. Possible scenarios would be modelled and business plan/s developed to catalyze the capitalization of a community VDS fund.

25. The above actions will be informed by an underpinning shared fisheries management theory which, together with lessons from WCPO best practice, have wider application to other ABNJ regional sub-projects including Bay of Bengal, Caribbean and EPO.

26. The design of the sub-project avoids overlap with other projects that have significance to ABNJ. In particular, it is fully consistent with the FAO-led Tuna Project, one component of the overall ABNJ Program (see main PAD).

#### V. OBJECTIVES

27. In partnership with the PROP, this subproject will support participating Pacific Island Countries sustainably increase the net economic benefits provided to them by the region's purse seine and long-line tuna fisheries. This will be achieved by designing and implementing targeted management reforms to the regional tuna fisheries currently operated under the PNAO's Vessel Day Scheme. In this context, the specific aim of the GEF subproject is to develop appropriate business plan(s) supporting long-term public private partnership investment in these fisheries that will contribute to this objective.

##### **Key Results**

28. The following key results are envisaged in partnership with PROP via parallel regional IDA and GEF grants:

- i. Sound PNAO governance and a standardized administrative and funding arrangement to support the Palau Arrangement established in partnership with PROP Component 1.1.
- ii. Support to the development of a "Community VDS" concept in partnership with PROP, specifically to model scenarios and develop an ABNJ project *business plan* (per ABNJ project PDO) to facilitate/catalyze fund capitalization, under PROP Component 1.2.
- iii. Dissemination of best practice lessons to other ABNJ project activities (including FAO) through a *Global Think Tank* on effective management of shared and highly migratory fisheries (including completion, dissemination, regional agreement on underpinning management theory for shared stocks), under PROP Component 4.



## VI. Project Concept, Components and Results

29. There are three interrelated Components to the GEF Project. The first two of these will be undertaken integrally and incrementally with the PROP (IDA Grant).

30. From a financial management and administrative perspective, detailed funding inputs respective to each project will be identified and agreed during Inception to ensure full project (including PROP) coherence with current related development effort. At this stage, however, the activities laid out below will form the basis of the GEF grant under this subproject. Furthermore, given the considerable interest in the performance of the Vessel Day Scheme by a range of international development agencies, it is accepted that the following component activities particularly under A. (recommendations from a regional policy/governance review) may require amending and/or restructuring depending on results that might emerge ahead of project implementation.

31. The Forum Fisheries Agency will implement the following activities in partnership with PROP.

**Component 1<sup>48</sup>. *Strengthen both the sustainable management and value of access to Pacific Island tuna fisheries, and the portion of this value captured by the region.***

32. These activities would support strengthening the VDS for the purse seine fishery and extending a similar management system to the long-line fisheries, in order to sustainably increase the benefits to participating countries from access to these fisheries.

33. More specifically, this sub-component would finance the following activities at the regional level:

**1.1: Technical assistance to PNAO to support implementation of the recommendations of a regional review of the VDS & PNAO (US\$0.25 m GEF).** This activity would provide a sub-grant to PNAO for targeted technical assistance to support the implementation of the recommendations agreed by its members to take actions that will strengthen the VDS in the purse seine fishery and / or across related longline fisheries during the 2014 regional review of the policy framework of the VDS and the accompanying governance and organizational structure to of the PNAO to administer it. More specifically, as needed by the PNAO this activity would provide technical assistance for:

- (i) PNAO governance reforms,
- (ii) Legal reforms and instruments (including templates);
- (iii) Economic analyses; and
- (iv) Provision of secondee or dedicated advisor.

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<sup>48</sup> Shown in PROP PAD as Component 1.1

**1.2: Coordinated technical assistance to countries to strengthen the VDS for the purse seine fishery and expanding this system to the long-line fisheries (US\$0.95 m GEF).** This activity would support coordinated technical assistance by FFA to participating countries to include:

- (v) Conducting a rolling regional review of the functions and services required to manage tuna fisheries and identify opportunities for regional, sub-regional and national level location and provision of fisheries management services (e.g. management, science, monitoring and surveillance and enforcement hubs, etc);
- (vi) Support to countries for policy reforms and stakeholder consultations;
- (vii) Legal advice to countries;
- (viii) General implementation support for the results of the functional reviews;
- (ix) Development of a model to incorporate financial flows (revenues and expenditures) into national information management system portals; and
- (x) Development and implementation of a training course on commercial and economic management of fisheries, for officials from both Finance Ministries and fisheries agencies.

**Component 2<sup>49</sup>: Ensure an equitable distribution within Pacific Island countries of the benefits of a more valuable natural capital asset (\$0.1 m GEF)**

34. These activities would support Pacific Island countries to make informed decisions and investments to ensure an inclusive distribution of the benefits from increased tuna access revenues. This would include collaboration with IFC to leverage access values to a healthy resource, into local investments up the value chain where feasible, that can increase employment. Similarly, this would include piloting local VDS funds to channel access revenues directly to fishing communities.

**2.1: Pilot Community VDS funds (\$0.1 m GEF).** This activity would support FFA to provide technical assistance to conduct scenario analyses for a pilot community VDS fund whose objectives would be secure a share of tuna access revenues for fishing communities in participating countries, by purchasing vessel days. Specific activities will include:

- (i) Participatory scenario analyses. This activity would provide technical assistance to discuss, define needs and design a Community VDS Fund whose objective would be to secure a community share of tuna access revenues for fishing communities. Various scenarios would be evaluated and business plan/s developed that would help catalyze fund capitalization. This effort would begin in Tuvalu as a first case study.
- (ii) Community VDS funds. This activity would build upon the above by examining the possibility to establish a community VDS fund for each of the 8 islands, based on a dedicated commitment of vessel days each year from the country's allocation.

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<sup>49</sup> Shown in PROP PAD as Component 1.2

### Component 3. Global outreach and knowledge sharing by FFA (US\$0.2 m GEF)

35. This Component will support Components 1 and 2 and facilitate the subproject/FFA's integration with and contribute to the Global Think Tank (GloTT – Project PAD Component 3 refers), helping to raise awareness of key lessons from WCPO region in other ABNJ regional sub-projects. The agenda and precise modus operandum of the GloTT will be agreed at an inception workshop during the first three months of project operations.

36. A supporting aspect of this component is a Theoretical Framework on Shared Highly Migratory Fisheries Management which will eventually form the basis of the overall project output – an Economic and Sector Work paper. The Framework would be applicable not only to the WCPO but also potentially, to the other shared fisheries under the overall Project i.e. Bay of Bengal, Eastern Pacific Ocean and Caribbean (and potentially elsewhere). The Framework would help in the systematic benchmarking and documentation of current vs. optimal practice, would inform development / sequential reform needs and help identify opportunities for 'south-south' sharing of experience based on proven techniques.

37. Although the development of this paper will be the responsibility of the main project under the coordination of the GloTT, a detailed analysis of best practice that draws on WCPO and PNA's experience in PIC collective action (particularly VDS and progress with VDS reform) will be crucial to the paper's success. Under this component, therefore, FFA will lend strong support and advice to help ensure the effective development of this paper.

#### VII. KEY RISKS AND ISSUES

38. Key risks to achieving the development objectives are:

- **Ineffective donor coordination.** This will be managed through the project / PROP's focus engendering coherent mechanisms to support PI States in achieving more effective and coordinated governance of PNA/Palau Arrangement.
- **Incomplete uptake of PNAO/VDS governance reform.** This will be managed by fostering ensuring effective and transparent governance processes that recognize coastal states's roles as shareholders and decision-makers.
- **VDS failure before reforms bite.** This will be managed by ensuring activities focus on building and reinforcing stakeholder awareness of the financial benefits that will accrue from a more robust and extensive VDS
- **Stock status of yellowfin and bigeye bycatch of the purse seine.** This will be managed through ensuring effective ongoing stock status monitoring systems are in place and ultimately considering the need for any reduction in SJ fishing days.
- **Ongoing competition at the margins.** This will be managed through ensuring the project (with PROP) maintains a focus on options for closing off alternatives to the use of Days

## VIII. RESOURCING

39. As noted under Section IV, the following budget is considered as provisional depending on the level of input and effort by other development agencies into the PNAO regional policy and governance review (final agreed budget details are available under separate, respective FM and Procurement tables):

| <b>Component</b>   | <b>Indicative Activity</b>  | <b>Thousand<br/>US\$</b> |
|--------------------|---|--------------------------|
| <b>Component 1</b> | <b>Strengthen both the sustainable management and value of access to Pacific Island tuna fisheries, and the portion of this value captured by the region.</b> |                          |
| 1.1                | <i>Technical assistance to PNAO to support implementation of the recommendations of a regional review of the VDS &amp; PNAO</i>                               | 250                      |
| 1.2                | <i>Coordinated technical assistance to countries to strengthen the VDS for the purse seine fishery and expanding this system to the long-line fisheries</i>   | 950                      |
|                    | Total Component 1   | 1,200                    |
| <b>Component 2</b> | <b>Ensure an equitable distribution within Pacific Island countries of the benefits of a more valuable natural capital asset</b>                              |                          |
| 2.1                | <i>Participatory scenario analyses - scenarios evaluated and business plan/s developed that would help catalyze VDF fund capitalization.</i>                  | 100                      |
|                    | Total Component 2   | 100                      |
| <b>Component 3</b> | <b>Global outreach and knowledge sharing by FFA</b>   |                          |
| 3.1                | <i>Integration with and contribution to the Global Think Tank (GloTT) and to a key overall project ESW output on shared stocks management.</i>                | 200                      |
|                    | Total Component 3   | 200                      |
|                    | Overall Total   | 1,500                    |

## **IX. IMPLEMENTING AGENCY ARRANGEMENTS**

### **Monitoring and Evaluation**

40. Monitoring and evaluation will be assured by the executing agency, that will establish a fiduciary unit for management of the project, including collection of outputs and key indicators of success (see below).

### **Management structure**

41. The PROP, including the grant, will be managed by a fiduciary unit to be established at FFA, with a full time financial management specialist financed by IDA. This unit would provide ongoing implementation support to PROP participating countries for financial management and procurement. This unit will also support monitoring and evaluation of the PROP, including this GEF grant, working closely with the participating countries to collect, compile, analyze and disseminate the results of the PROP as measured by the key results indicators. The unit will prepare all contracts and expenditures according to Bank guidelines, while FFA will draw upon its wide technical staff and expertise to support design of terms of reference and supervision of outputs from contracts.

## Annex 5: Regional Sub-Project for the Western Central Atlantic / Caribbean

Executing Agency: Western Central Atlantic Fishery Commission (WECAFC/FAO)

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### I. SUMMARY

1. Billfish species including blue and white marlin, sailfish and spearfish, make significant contributions to Caribbean economies, livelihoods and food security through two very distinct fishery systems - *commercial* and *recreational*. On the one hand, the commercial fisheries are small-scale, multi-species operations supplying low value seafood markets and contributing significantly to local livelihoods, income and food security (the sector assures the livelihoods of an estimated 10 million people in the region). On the other hand, billfish are amongst the most prized ‘trophy’ species in the world as recreational game fish. Globally, billfish support a vast and highly capitalized tourism sector valued at some \$70b per year. Billfish are also important incidental by-catch species from large scale tuna long-line fisheries operating both within and beyond national jurisdictions.

2. Declining trends due to overfishing have been recognized in most billfish species across the Atlantic. This represents a threat to both of these subsectors and to the overall sustainability of respective contributions to regional economies. Collective action by Caribbean nations to improve management and conservation billfish resources in the region and to influence decision making at the ICCAT level, offer significant opportunities to reverse this situation.

3. The objective of this Caribbean Billfish Project (CBP) is to develop business plans for one or more long-term pilot projects aimed at sustainable management and conservation of billfish within the Western Central Atlantic Ocean. The divergence in value between the commercial and recreational subsectors represents a significant ‘entry point’ and opportunity for conservation and value creation which this project aims to exploit. The completed business plans will incorporate the economic, technical and financial rationale and feasibility to attract investment involving private and public capital.

4. The project will also contribute significantly to regional capacity building, information sharing systems and management and conservation planning for billfish. The Executing Agency of this subproject is described as “WECAFC/FAO”. In this regard, it is noted that WECAFC was established in 1973 by Resolution 4/61 of the Food and Agriculture Organization of the United Nations (FAO) Council under Article VI (1) of the FAO Constitution and that although FAO is the Executing Agency, WECAFC based at FAO’s offices in Bridgetown, Barbados, will undertake all of the work described below. Henceforth, we refer to “WECAFC/FAO” as the Executing Agency of this regional sub-project.

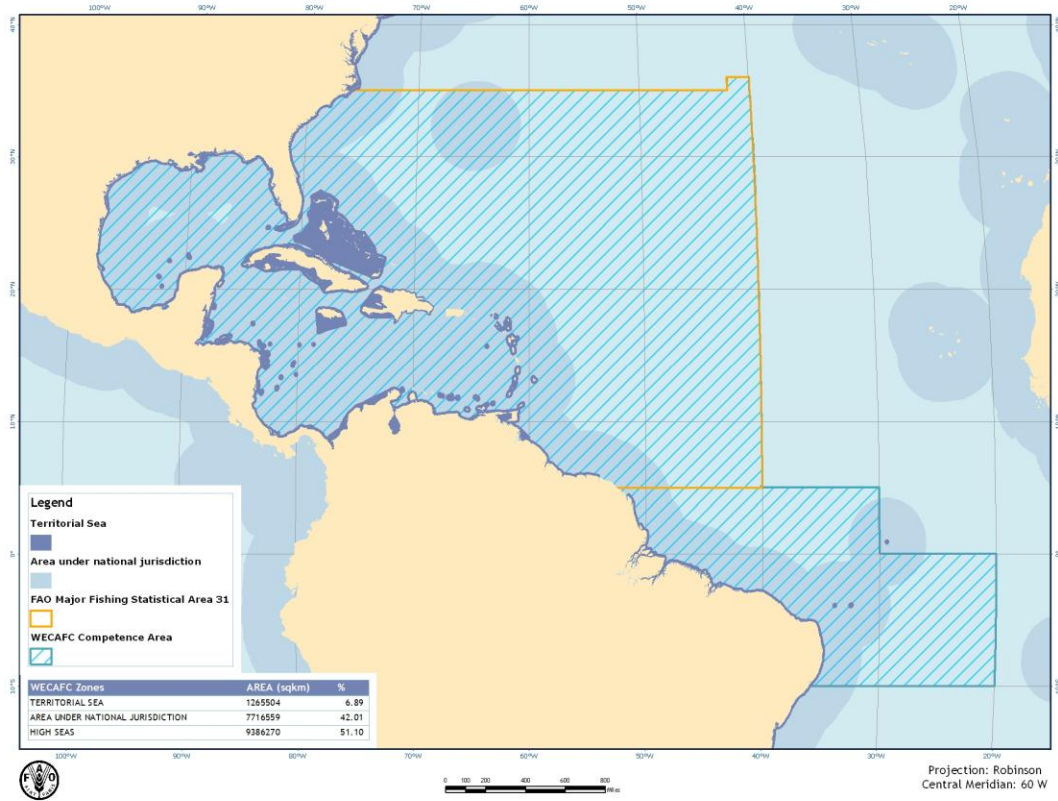
## **II. COUNTRY AND REGIONAL CONTEXT**

5. Billfish are a group of species which are members of the family Istiophoridae, which also includes blue and white marlin, sailfish and spearfish. Billfish resources in the Atlantic are managed under the authority of International Commission for the Conservation of Atlantic Tunas (ICCAT). The IUCN has listed several of the species as vulnerable and the ICCAT has listed blue and white marlin as overfished, while sailfish appear to be overfished but a lack of adequate catch data from artisanal harvesters makes assessment difficult. No assessment has been attempted for the spearfish species. In 2013, ICCAT recommendation 12-04 “to further strengthen the plan to rebuild blue marlin and white marlin stocks” came into effect, setting hard national landing quotas and prohibiting the entrance of recreationally caught billfish into commercial markets for all nations fishing Atlantic billfish within and beyond national jurisdictions. The ICCAT members shall inform the Commission annually of steps taken to implement this Recommendation through domestic law or regulations, including monitoring, control and surveillance measures. However, several of the nations in the Western Central Atlantic are not ICCAT members, indicating that there are still challenges with respect to regional engagement in multilateral management including the capacity of several of the nations to create and enforce management systems as well as to engage with ICCAT.

6. Billfish species have very different values depending on their use. Recognizing the declining trend in the stock and the socio-economic value of the billfish species for income generation and food security, improved management has a substantial potential to make a difference with respect to better ecosystem balance and improved livelihoods. The current level of harvesting of billfish in the ABNJ of the Atlantic Ocean is undermining the management and conservation efforts made by the Caribbean states for these species. The conviction that collective action is urgently needed on the part of Caribbean states to manage and conserve billfish resources in the area under their mandate and to influence decision making at the ICCAT level has become a matter of broad consensus. While billfish as recreational gamefish are among the most prized in the world, at the same time they are amongst the cheapest fish in local markets in many of the countries in the Western Central Atlantic and Caribbean. This divergence creates a substantial potential to both provide better stock conservation and to create economic value if appropriate institutional structures are established that allow the proceeds of high-value uses to be shared by fishers and communities that are consuming billfish as a low price alternative.

7. Although labeled Caribbean for convenience, this sub-project will be set within the Western Central Atlantic Ocean. This ranges from Brazil in the south to the USA in the north,

and includes coastal waters, territorial seas, EEZs of numerous Caribbean Small-Island Developing States (SIDS), overseas territories and Areas Beyond National Jurisdiction (ABNJ - 51% of the area is considered ABNJ and 86% as deep seas). See Fig 1 for a map of the area to be covered by the project.



**Figure 1: The WECAFC/FAO mandate area, including the major fishing areas Western Central Atlantic (FAO Area 31) and the northern part of the Southwest Atlantic (FAO Area 41)**

### III. SECTORAL AND INSTITUTIONAL CONTEXT

8. The fisheries sector in the Western Central Atlantic is a very important driver of the regional economy. It provides employment to an estimated 900,000 people in the primary sector (capture fisheries) and around 3 million jobs in ancillary activities (such as processing, marketing, services provision to the fleets). The sector assures the livelihoods of an estimated 10 million people in the region. The total value of fish and fisheries products exports from the Caribbean nations added up to 2.2 billion USD annually in recent years (excluding exports by the USA and Brazil). Fish and fisheries products are important for regional food security in the Caribbean with consumption levels ranging from a mere 8-10 kg per capita per year in some islands to over 23 kg in other countries in the region (the current world average is 18 kg per capita per year).

9. Billfish serve two important yet disparate markets in the Caribbean region: commercial and recreational fisheries. Both subsectors are important providers of employment and income in the region. The commercial fisheries can be characterized as small-scale, multi-species fishing



operations. These supply low value seafood markets in the Caribbean and contribute significantly to livelihoods, income and food security amongst local populations.

10. By contrast, billfish are amongst the most prized ‘trophy’ game fish species in the world for the recreational subsector. Globally billfish support a large, growing and highly capitalized tourism subsector valued at some \$70b per year, a conservative estimate given this excludes the indirect impacts (World Bank, Hidden Harvests, 2012).

11. The divergence in value between these subsectors represents a significant opportunity for conservation and value creation which this project aims to exploit. In particular, given that most recreational fishing involves ‘catch and release’, the potential for socioeconomic development associated with conservation is increasingly recognized.

12. The precise overall impact of recreational fisheries on the economies of the Caribbean islands has not been estimated – a gap in existing information which this project will aim to address. However, with tens of thousands of recreational fishing vessels in operation, recreational activity clearly constitutes an economically important sector. Specific data from a 2009 study in Costa Rica, estimated that over 760,000 US anglers travel to the Caribbean to sportfish every year. In Costa Rica, it is estimated that visiting anglers spent US\$467 million with \$329 million for travel, \$119 million for lodging, \$15.6 million for restaurants, \$88 million for fishing services and \$6 million for local transportation. These expenditures generated over 30,000 jobs in Costa Rica alone. A 2007 study of the Los Cabos region in Mexico estimated that over 350,000 anglers fished in the waters of the Los Cabos. On average, every visiting angler spent \$1,785 on lodging, charter boats, food and other expenses. Their expenditures generated \$1.25 billion in total economic activity, \$636.6 million in retail activity, supported 24,426 jobs in Mexico, and generated \$245.5 million in local and federal tax revenue. From these limited studies it is clear that fishing for billfish is an economically important activity in the region.

13. Billfish are generally not targeted by the Distant Water Fishing Nation (DWFN) long-lining fleets that consider billfish as by-catch only.

14. The key regional bodies addressing stewardship of billfish in the Western Central Atlantic region are:

- the Western Central Atlantic Fishery Commission (WECAFC/FAO), which has 34 members in the region,<sup>50,51</sup>
- ICCAT with 15 member states in the Western Central Atlantic Region (out of a total of 48 members).<sup>52</sup>

15. There are also several other Regional Fisheries Bodies (RFB) with specific purposes in the region, which collaborate in various formats including joint Working Groups.

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<sup>50</sup> Further information about WECAFC/FAO can be found at <http://www.fao.org/fishery/rfb/wecafc/en>.

<sup>51</sup> The members of WECAFC/FAO are the following: Antigua and Barbuda, Bahamas, Barbados, Belize, Brazil, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, European Union, France, Grenada, Guatemala, Guinea, Guyana, Haiti, Honduras, Jamaica, Japan, Mexico, Netherlands, Nicaragua, Panama, Republic of Korea, Saint Kitts and Nevis, Saint Lucia, Saint Vincent/Grenadines, Spain, Suriname, Trinidad and Tobago, United Kingdom, United States of America, Boliv Rep of Venezuela.

<sup>52</sup> Further information about ICCAT can be found at <http://www.iccat.org/en/>

16. This project has been developed by several institutions, which are members of the Working Group on Recreational Fisheries originally founded by WECAFC/FAO, OSPESCA, CRFM and Caribbean Fishery Management Council (CFMC). The establishment of this group in 2012 reflects the extremely high value uses of billfish related to recreational fishing and the increased recognition of this value in the region. Other key collaborators in this Group include private organizations, particularly the International Game Fish Association (IGFA) and the Billfish Foundation (TBF) ; ICCAT, the Gulf and Caribbean Fisheries Institute (GCFI), the US National Oceanic and Atmospheric Administration (NOAA), the International Council on the Exploration of the Sea (ICES), the University of the West Indies (UWI/CERMES), and the Caribbean Network of Fisherfolk Organizations (CNFO). The participation of IGFA in this project is of particular importance as this organization represents the relatively high value users of billfish.

#### **IV. RELEVANCE TO THE CARIBBEAN REGION POLICIES AND STRATEGIES**

17. This project addresses priority area C “Reducing Vulnerability to Natural Disasters and Strengthening Environmental Management” of the Regional Partnership Strategy for the Organization of Eastern Caribbean States (OECS) for the period 2010-2014. In particular it contributes to reducing the major threats to the marine ecosystems in the OECS countries; threats that include overexploitation of the resource base, loss of natural habitats, changes in water quality and quantity, and climate change. The Regional Partnership strategy asserts that “If current trends continue, an estimated US\$350-870 million will be lost annually between 2015-50 through declining fish catches, reduced tourism, and loss of shoreline protection associated with coral reef degradation.” If the wider Caribbean region as a whole is considered the loss of economic value will be at least four or five times as high.

18. The importance of large pelagic fisheries, including billfish, for the region is recognized by the countries that participated in recent years in the GEF (International Waters) funded Caribbean Large Marine Ecosystem (CLME) project. The Strategic Action Programme (SAP) of the CLME, which was endorsed by more than 25 governments in 2013, incorporated a strategy (5B) “Enhance the governance arrangements for implementing an ecosystem approach for large pelagics fisheries”. The GEF funded CLME+ project will contribute to SAP implementation over the coming years. In view of the wide scope of the SAP, it is foreseen that this regional CBP sub-project will make a significant contribution to the joint efforts under SAP Strategy 5B and to SAP Actions foreseen, including:

- 5B.1 (A) Establish key agreements and operationalise arrangements among organizations with a stake in large pelagics fisheries in order to implement EAF
- 5B.2 (B) Strengthen the capacity of the (sub-)regional organizations and enhance the full implementation of the large pelagics fisheries policy cycle
- 5B.3 (A) Strengthen the Region’s position in the ICCAT decision making process through
- enhanced intra-regional coordination and cooperation

- 5B.4 (A) Operationalise and strengthen an integrated, sub-regional decision support system (DSS) for the large pelagic fisheries (in coordination with the flying fish arrangements).

19. The CBP is also expected to contribute to and inform discussions by members of WECAFC/FAO on the potential transition of WECAFC/FAO from a regional fishery advisory body into a Regional Fisheries Management Organization (RFMO). This process would not only strengthen the implementation of the UNFSA in the region, but would also cover a major gap in RFMO coverage in the Atlantic Ocean.

20. Climate Change and variability adaptation is critical for Caribbean SIDS in almost all sectors. A partnership of FAO, CRFM, WECAFC/FAO, Caribbean Community Climate Change Centre (CCCCC) and Caribbean Disaster and Emergency Management Agency (CDEMA) developed and agreed a “Strategy and Action Plan for disaster risk management and climate change adaptation in fisheries and aquaculture in the CARICOM region” in 2013. The Strategy receives support from GEF’s Special Climate Change Fund (SCCF) project on “Climate Change Adaptation in the Eastern Caribbean Fisheries Sector”. The CBP will engage with this activity and in particular, support its efforts to strengthen fisheries management and mainstream climate change adaptation into management practices.

## **V. OBJECTIVES**

21. The overall rationale and objective of the CBP is to develop business plans for one or more long-term pilot projects aimed at sustainable management and conservation of billfish within the Western Central Atlantic Ocean. Business plan development will be informed by validation trials in at least two Caribbean states (countries or overseas territories). These will test innovative management arrangements and technologies. The divergence in value between the commercial and recreational subsectors represents a convenient ‘entry point’ and significant opportunity for conservation and value creation which this project aims to exploit. The completed business plans will incorporate the economic, technical and financial rationale and feasibility to attract investment involving private and public capital.

22. The project will also contribute to regional capacity building, information systems and management and conservation planning for billfish

## **VI. PROJECT COMPONENTS AND RESULTS**

23. There are four project components. Each is supported by a set of activities agreed amongst regional stakeholders and described in detail below.

1. *Generating value and conservation outcomes through innovative management.*
2. *Strengthening regional billfish management and conservation planning.*

3. *A Functional and Responsive Consortium on Billfish Management and Conservation (CBMC).*
4. *Business plans developed for pilot investments in sustainable management and conservation of billfish.*

**Component 1. Generating value and conservation outcomes through innovative management.**

- **Result 1.1.** Enhanced knowledge and understanding of the socio-economic and ecological value of Billfish resources in the Western Central Atlantic and a clear value proposition for reform of current billfish governance structures. Results will inform pilot selection.

24. From several perspectives, billfish are good candidates to address the relationship between commercial and recreational fishers using rights-based management instruments. The billfish is among the lowest priced species in local fish markets in the Caribbean, indicating a relatively low contribution to profitability for artisanal fishers. By contrast it is among the most sought-after species by recreational anglers, giving them a high value in this primarily non-consumptive use. A key challenge to motivate investment in enhanced management is to document current values through economic analyses, and to consider potential institutional arrangements that could be brought into play to provide a strong economic incentive for local fishers to abstain from landing billfish. Such a scenario, in which billfish mortality is effectively reduced, would send strong signals to recreational fishers, operators and associated industries that this could enhance long-term returns to their business.

25. While it might generally be easy to understand that billfish has a much higher value in recreational fisheries than as food in local markets, there are no clear data available that indicate the magnitude of the values that can be captured by communities in the Caribbean states. A crucial activity under Result 1.1 will be obtaining realistic socioeconomic and market information covering both commercial and recreational fishing for billfish. This will be a particularly important starting point for the countries or regions which are being considered for pilot cases (see Result 1.3). This information will be used to analyze potential allocation scenarios, supporting institutions and likely benefits that could accrue as a result of reforms in these pilot locations.

26. Socioeconomic information will also be used to generate awareness amongst regional and national level tourism authorities such as Caribbean Tourism Organization (CTO) on the value of these industries per se, as well as the potential to generate far greater value from billfish through improved management arrangements. Results will also feed into the billfish management planning process at ICCAT's Standing Committee on Research and Statistics (SCRS).

- **Result 1.2.** Billfish management options and opportunities explored to enable potential pilot site selection, including reviews of regulatory and institutional arrangements in potential pilot locations.

27. Regulatory and institutional reform in fisheries management has increasingly centered on arrangements that are based on a clearer definition of access and use rights and varying degrees of devolution of management responsibility to the rights holders. Assigning exclusive rights to individual fishers or communities aims to eliminate de facto open access problems, terminate the ‘race to fish’ and lead eventually to improved efficiency, productivity and operational profitability. Such ‘rights-based approaches’ can also be used to address allocation between different fleets and stakeholder groups, including between recreational and commercial sectors. Economic value can be created through voluntary rights reallocation to more valuable uses for compensation, including abstaining from utilizing the right. This process, which will be a crucial aspect of this project, permits the value to be shared among the initial rights holders (normally community groups if reduced landings and value generation are to be achieved) and the new users – the recreational sector.

28. Activities under Result 1.2 will explore management options that capitalize on the significant potential to create value using approaches governing the relationship between recreational and commercial fishers. Such options will need to take account not only of the lack of awareness of the range of management options available (including different forms of rights-based depending on context), as well as the weak institutional and management capacity in many Caribbean countries. The CBP will assess capacity together with the existing institutional, legal and policy context in a number of potential locations. The findings will be taken into account when making a final selection for pilot trials. In order to succeed, there will be an institutional infrastructure in place (covering both public sector administration and small-scale fishers’ and recreational fishers’ organizations) that enables change, and there will be both commercial and recreational fishing industries that are at least partly targeting billfish. Cultural and political acceptance and commitment to better management, encouraging the efforts of the project, will be crucial factors pilot selection.

29. While rights-based systems have been proposed in other settings to allocate fishing rights between artisanal, commercial and recreational sectors, none have been tried in practice. Achieving excludability will be a key challenge calling for cooperation between states and stakeholders. Although exclusive rights are possible within EEZ, solution options will take account of the unique challenge associated with shared highly migratory stocks management, a broader aspect that will also be addressed under the main project’s Global Think Tank. Guidance will be sought through the think tank, and lessons learned from experiences outside of the region where, for example, coastal states have effectively engaged in collective action on highly migratory species. The Western Central Pacific is one such region where SIDS have collectively (under Parties to the Nauru Agreement) developed an input control system bases on vessel day permits which constrain overall tuna purse seine catch effort and prohibit fishing in ABNJ. Institutional design will need to be adapted to the specific circumstances in each case, with stakeholder involvement by the local fisheries communities, local fishers’ organizations, game fishing associations, tourism authorities, and others.

30. Result 1.2 activities will enable a final selection of trial sites. An initial selection of potential pilot locations included Antigua & Barbuda, Aruba, Bahamas, Barbados, Brazil (one region), Colombia, Dominican Republic, Grenada, St Lucia, Trinidad and Tobago and Venezuela. In addition, overseas territories of France, the United Kingdom and the Netherlands as well as islands of the USA, including Martinique, Bermuda, Bonaire and Puerto Rico have expressed interest in participating in these pilots and project activities in general.

- **Result 1.3.** Pilot trials established in at least two Caribbean states (countries or overseas territories) to test and validate innovative management and supporting arrangements. Lessons learned will inform regional approaches in developing and adopting the billfish management and conservation plan for the Western Central Atlantic (Key Result 2).

31. Based on the findings of Result 1.2, activities under Result 1.3 will be initiated, supported, and coordinated by IGFA in close coordination with the national fisheries authorities of the participating countries, communities and Consortium members. Pilot trials will be necessary to validate institutional options on rights allocation, and for technical validation of a variety of innovations including tagging systems, new fishing gear such as circle hooks, and new monitoring equipment such as cameras/mobile GPS devices for commercial fishers to document catch-release. Results from the trials will directly inform Component 4 business plans for large scale pilots. As such the trials will support validation of the earlier research findings (Result 1.2) in practice and enable final selection of management and development measures for the large-scale pilot investment projects. Assuming a reasonable level of success, small-scale pilot trials are likely to merge seamlessly into the larger pilot investment projects once finance has been identified.

32. The pilot trials for ‘proof of concept’ are a new concept to the region and the fisheries sector in the Caribbean. As such it is essential to communicate clearly and properly document benefits, failures and lessons learned.

33. Conservation International has expressed strong interest in supporting the pilot developments and trials and will participate and separately fund technical assistance.

## **Component 2. Strengthening regional billfish management and conservation planning.**

- **Result 2.1** A regionally-agreed billfish management and conservation plan for the Western Central Atlantic, spanning areas within and beyond national jurisdiction of the Western Central Atlantic.

34. The work towards achieving this key result will be coordinated by the WECAFC/FAO Secretariat, making use of the partnership approaches and communication structures established

within the *Consortium on Billfish management and Conservation in the Western Central Atlantic*, (Result 3).

35. A regional Billfish management and conservation plan for the Western Central Atlantic is currently under preparation by key project stakeholders and promises good regional ownership with positive indications of commitment on compliance. The project will build upon and support this regional effort. It will also be increasingly informed by drawing on information emerging from Component 1.

36. The plan seeks to enable regional management arrangements that will benefit the stocks, their long-term sustainability, and the economic and food security contributions of the fishery. The plan will assist in creating a context in which harvest levels can be monitored based on stronger scientific research and catch information. The plan will also facilitate enhanced involvement and cooperation of Caribbean states in exchanging views and knowledge on science and management. The plan will foster management and conservation alternatives that protect spawning potential, reduce by-catch and by-catch mortality, increase regional control measures and help optimize socioeconomic returns.

37. A comprehensive, inclusive and participatory process will be followed over an 18 month period. This process will begin with an extensive analysis on the use of rights based management in transboundary and highly migratory fisheries of pelagic species<sup>53</sup>, on recreational / commercial artisanal programs, as well as a baseline study on billfish resources and billfish fisheries in the region. Cooperation with other ABNJ regional projects will be sought through the Global Think Tank. ICCAT SCRS information will form the basis for the study.

38. As noted above, innovative management arrangements are to be explored by the project, including the interplay between commercial and recreational fisheries. While current ICCAT landing limits are a useful starting point, they are insufficient to manage and conserve the billfish stocks. The regional plan is seen as essential in facilitating buy-in from ICCAT non-contracting parties and ensuring long-term responsible fishing of these resources.

39. The final draft plan will be presented to the various RFBs for regional level endorsement at the 2016 session of WECAFC/FAO. At a later stage, through ICCAT and other RFBs active in the wider Atlantic Ocean, the scope and coverage area of the plan may be extended. This will however require further awareness raising and commitment, aspects that are not directly covered by CBP.

- **Result 2.2.** Increased capacity within participating Caribbean states to engage in determining improved shared high migratory fish stocks management focused on billfish in the Western Central Atlantic, including contributions toward a more coherent ‘Caribbean engagement’ on these stocks at international fora including ICCAT.

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<sup>53</sup> This will draw on work to be led by the Forum Fisheries Agency on a Theory of Shared High Migratory Stocks Management, which will be disseminated and discussed under the Global Think Tank .

40. It is generally recognized that many coastal developing states and SIDS lack the capacity to effectively participate in international fora on fisheries and ocean governance including UNCLOS processes. The majority of the Caribbean states fall into this category. Engaging all Caribbean nations to ensure they have an effective voice in new management arrangements discussed and/or promoted at international level is expected to be of considerable regional value and will be facilitated through this project. A particular challenge is the management of shared highly migratory fish stocks such as tuna and billfish. Caribbean nations' access to and benefits from these stocks needs to be balanced against the interests of distant water fishing nations (DWFN) who currently take a large part of the catch.

41. Activities under this Result will comprise awareness raising and capacity building amongst Caribbean nations' fisheries administrations and stakeholders. This will focus on aspects that are of direct relevance to billfish management arrangements under consideration by CBP. Project engagement in the Global Think Tank will be particularly strategic. This will enhance stakeholder awareness of management arrangements used in other regions such as the Western Pacific, and enable wider consultation on their application or adaptation for use in the Western Central Atlantic region.

42. Capacity building through Caribbean stakeholders' engagement in the management planning processes (Result 2.1) should enable more effective participation in consultative processes related to UNCLOS, UNGA, ICCAT etc. Where possible, use will be made of existing groupings, such as the CRFM Working Group on ICCAT matters, to ensure proper information dissemination, communication and a joint approach/voice of the Caribbean nations in the various international fora.

43. WECAFC/FAO will work closely with Caribbean states and RFBs to ensure coherent and coordinated approaches. The project will promote and build capacity to implement best practice in the Caribbean states where necessary, consistent with various relevant international fisheries instruments such as FAO Compliance Agreement, UN Fish Stocks Agreement, and the 2009 Port State Measures Agreement.

### **Component 3. A Functional and Responsive Consortium on Billfish Management and Conservation (CBMC)**

- **Result 3.1.** A Consortium on Billfish Management and Conservation (CBMC) in the Western Central Atlantic established, comprising relevant organizations (RFB/RFMOs, INGOs, CSOs and private sector representatives) together with an agreed work plan and budget that responds to project needs.

44. The CBMC will be created to oversee the development and outreach for management planning (above) and other project components. During the course of the project the CBMC will have an important operational role in providing advice on technical and scientific bases for



decisions and recommendations on measures concerning general conservation and management of billfish resources, including the biological, social and economic aspects of billfish fisheries.

45. The Consortium will be formalized through a Memorandum of Understanding (MOU) and agreed terms of reference.

46. As such it is expected to become a true partnership; a further development of the Working Group on Recreational Fisheries. The founding partners of the Consortium will be IGFA, WECAFC/FAO, CRFM, OSPESCA, CFMC, CNFO and ICCAT. Other partners will be approached, keeping in mind the advantages of a public-private sector balance in which CBOs and NGOs also have prominent roles.

47. The IGFA will initiate the consortium establishment and provide the secretariat for the Consortium.

- **Result 3.2.** A regional Billfish management information system established by the CBMC and hosted at the WECAFC/FAO Secretariat

48. In recognition of the significant global gaps in billfish catch and landing information and the consequent difficulties in managing this resource, the project will aim to establish a regional fisheries management information system (FMIS) for billfishes. Being generally a by-catch species in catches of commercial (long-line) fleets in the Western central Atlantic, the data and statistics on the species are often poor. The information gathered under the project will be collected, and analyzed and made available to the CBMC and partners and interested stakeholders and through linkages with international groups, such as the i-Marine community.

49. The FMIS aims to facilitate the availability of the necessary information for informed decision making and management planning for billfish management and conservation in the Western Central Atlantic. It will strengthen the information base of the Caribbean states, and also help these countries to better report data to ICCAT. The FMIS is expected to include basic fisheries catch and effort data together with biological, stocks inventories, and key socioeconomic and market information obtained under Result 1.1.

50. New ICT tools for fisheries information will be used and FMIS will be accessible by all stakeholders in the sector. Cost-effective solutions will be identified in partnership with others, as the project itself has allocated limited funding for this FMIS. The system will explore the synergies available of integrating with FAO's Fisheries Resources Monitoring System (FIRMS)<sup>54</sup>. Opportunities also exist to integrate data gathered and analyzed by Conservation International, WWF and other project partners.

51. The FMIS system (including possible integration with FIRMS) will permit review and analysis of data via the Web, use of mapping and GIS tools and enable links with other systems

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<sup>54</sup> FIRMS has entered recently into a partnership with WECAFC/FAO, and has information sharing agreements with many RFMOs (including e.g. IATTC, ICCAT, CCAMLR, GFCM), which guarantees long-term sustainability and access to information. The FIRMS partnership will also play an active role in the Caribbean LME+ project implementation, in particular regarding sub-regional decision support systems for key fisheries including large pelagics.

such as FAO FishStatJ, ICES databases, CRFM regional fisheries database, IGFA tagging databases, ICCAT databases, ICCAT's billfish research program under SCRS, and so on. To inform the FMIS, activities may include the design and testing of new annual statistical information collection systems for recreational fisheries. This is in-line with the mandate of Working Group on Recreational Fisheries.

52. WECAFC/FAO will provide the necessary ICT infrastructure to host the FMIS in its Sub-regional Office for the Caribbean (Barbados) and ensure long-term feasibility and sustainability of the system through integration with FIRMS. Eventually however, the maintenance and management of this system may be handled by the FIRMS secretariat or one of the other partners. Management and operational costs involved in maintaining the database after project termination will need to be addressed in its design stage already, ensuring sustainability at low costs.

#### **Component 4. Business plans developed for pilot investments in sustainable management and conservation of billfish**

- **Result 4.1.** Business plans for pilot investment projects on sustainable management and conservation of billfish in up to two locations in the Caribbean.

53. From the start of the project under Component 1 (Results 1.2 and 1.3) and following the establishment of the CBMC, efforts will be made to identify and prioritize suitable locations to initiate the key project inputs into business planning for long-term large-scale pilot investment projects.

54. In pursuit of these pilot investment projects and by means of the necessary validation trials, the Consortium will explore public private partnership arrangements to evaluate options, develop proposed approaches and develop business plans for investment pilots at a large-scale.

55. The results and lessons learned from the other Components will come together to ensure a feasible business case. Leadership from CBMC will ensure that effective public-private partnership opportunities are fully explored.

56. This Component is expected to deliver at least one economically feasible business case with a value proposition that attracts external financial assistance before termination of the project. It is foreseen that the business case will clearly demonstrate positive environmental consequences (such as reduction in by-catch, increased health of the stocks and increased distribution of spawning areas) of billfish management and conservation, internalized within the economic choices of competent individuals, firms and fishing communities in the Caribbean states. Continuing linkages with the World Bank Group and the early engagement of interested and appropriate investment / financing institutions will ensure that investment/business cases will meet the criteria of these institutions.

57. Financial institutions will be part and actively involved in the project from the start to ensure buy-in and commitments to the results that emerge during implementation and

particularly in the design of the investment proposal. Activities foreseen in support of this fourth Key Result include the organization of a regional conference to generate public and private sector buy-in and commitment to the investment proposal, ensuring proper stakeholder involvement and linkages with other ongoing initiatives, preparation of the proposal in the format that is required by the investors, formal presentation of the investment proposal and to shepherd the proposal through approval processes in the financial institutions and of the governments involved.

## **VII. KEY RISKS AND ISSUES**

58. The main risks are summarized below and mitigation measure proposed. The overall implementation risk is **low/medium** in view of the mitigation measures identified and available. The detailed and inclusive consultations with all key stakeholders during preparation and the fact that the objectives of the project fit well with and support the increased effort with respect to stock protection and management by ICCAT are both key factors serving to reduce risk.

- **Limited regional institutional capacity.** This will be addressed through the focus on capacity development and institutional strengthening with support from regional fishery bodies. Opportunities for pilot business plan development will build on existing institutions and structures wherever possible.
- **Limited political commitment to reform.** This will be addressed through identifying strong political leadership and mandate, ensuring a strong stakeholder base (including industry, communities and NGOs) underpins planning; and good communication / social messaging on policy setting.
- **Regional policy incoherence.** This will be addressed through regional management planning processes and through new structures including the CBMC.

**Stakeholders.** An initial stakeholder analysis was carried out in the participatory formulation process of this project. It revealed that the following key stakeholders are to be involved in the project.

- Regional Fishery Bodies: WECAFC/FAO, ICCAT, CRFM, OSPESCA, CFMC
- International Organizations: FAO, GEF, ICES
- Recreational Fisheries INGOs: IGFA and TBF
- Environmental NGOs: Conservation International, IUCN, TNC, CANARI
- National fisheries authorities in participating countries.
- Small-scale fisheries representatives : CNFO and national cooperative societies in pilot countries
- Recreational Fisheries associations in participating countries

- Regional and international financial institutions: World Bank, IDRD, CBD, IADB
- Regional fisheries research institutions: GCFI and CERMES of UWI
- Regional economic cooperation institutions: OECS, CARICOM, SICA
- Distant Water Fishing Nations (DWFNs): fisheries authorities from WECAFC/FAO members Japan, Spain, Korea, etc. and other DWFNs
- Projects: such as Too Big To Ignore (TBTI), MAGDALESA (EU funded) and CLME (GEF funded), and other ABNJ projects.

59. The PMU and CBMC will make every effort to include the above stakeholders in project implementation. Most have been involved in the formulation process and others have been made aware through the regional fishery bodies involved. At the start of the project a detailed stakeholder analysis will be prepared by the PMU for review and discussion by the PSC.

## **VIII. IMPLEMENTING AGENCY ASSESSMENT**

### **A. Introduction**

60. The proposed project area for this ABNJ project component is the WECAFC/FAO mandate area, including the Western Central Atlantic (FAO AREA 31) and northern part of the Southwest Atlantic (FAO Area 41). The project area fully incorporates the areas covered by the GEF funded CLME+ project “Catalysing Implementation of the Strategic Action Programme for the Sustainable Management of shared Living Marine Resources in the Caribbean and North Brazil Shelf Large Marine Ecosystems”.

61. WECAFC/FAO, established in 1973, has the objective to promote the effective conservation, management and development of the living marine resources of the area of competence of the Commission (Area 31 and the northern part of Area 41). The WECAFC/FAO, as executing agency, will provide for the Project Management Unit (PMU). The PMU will be hosted by the secretariat of the WECAFC at the FAO Sub regional Office for the Caribbean (SLC), located in Barbados.

62. All 34 members of WECAFC/FAO will participate in the project to various degrees. Their participation will be in region level activities, as well as national activities in those countries that will be selected for piloting certain rights-based management measures. The regional fisheries bodies active in the region (CRFM, OSPESCA, CMFC, ICCAT), the private sector, International NGOs (e.g. IGFA, Conservation International) and Civil society organizations (e.g. CNFO) will participate as well in this project, and clear linkages and collaboration will be established with the CLME+ project and the GEF Special Climate Change Fund (SCCF) project on “Climate Change Adaptation in the Eastern Caribbean Fisheries Sector” as well as other relevant projects in the region.

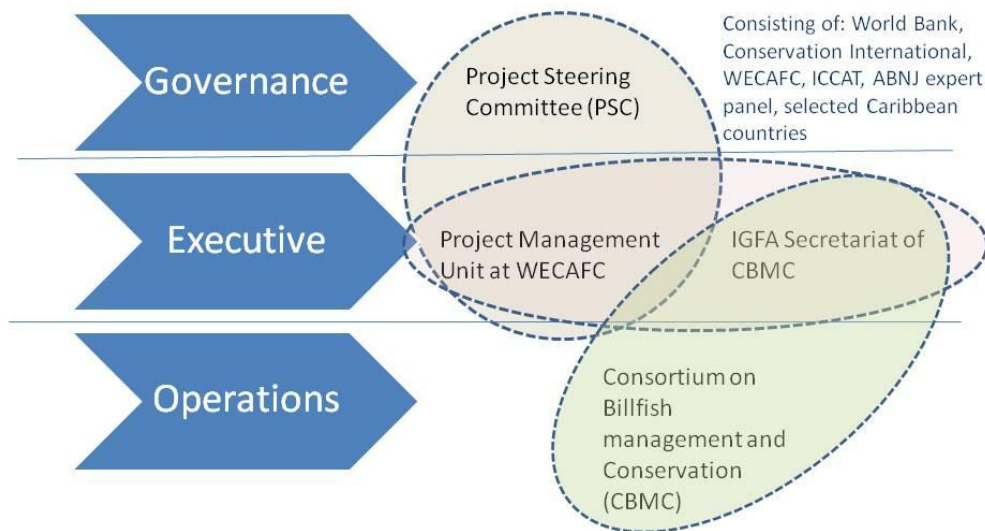
63. Regular contacts and interactions will be maintained with additional entities such as Distant Water Fishing Nations (DWFN) that are not member of WECAFC/FAO but are fishing in its mandate area, as well as with the Caribbean Tourism Organization.

64. Effective monitoring and reporting arrangements will be used, using FAO-World Bank agreed methodologies and timeframes. Use will be made from standard (agreed) formats, and include project cycle management, logical framework approaches, stakeholder assessments and result based monitoring.

## **B. Management arrangements**

65. The project management structure is presented in Figure 2. The organizational arrangements include a cost effective Project Management Unit (PMU), a Project Steering Committee (PSC), and the CBMC. Project management arrangements will enable close and effective working relationships with all key stakeholders. The PMU will provide for administration and coordination, project management leadership and have overall technical and administrative responsibility for the project. The PSC will be responsible for providing general oversight of the project implementation and will ensure that all agreed activities upon under the project are adequately prepared and carried out. The CBMC will provide technical and scientific advice and services to the project and in its day-to-day work, ensure partnerships, sharing of information and take care of project visibility.

66. The project management structure is divided in a governance, executive and operational part, represented respectively by the PSC, PMU + IGFA, and the CBMC.



**Figure 2: Project management arrangements**

*Project Management Unit (PMU)- Institutional Home*

67. WECAFC/FAO, as executing agency, will provide the Project Management Unit (PMU) to include a Subregional Fishery Officer at zero cost to the project to provide overall project coordination as Project Manager. He will provide the Secretariat function for the PSC and be assisted in the PMU by any necessary administrative support. Support may occasionally be sought from relevant technical units within the FAO Fisheries and Aquaculture Department (FI) Rome. **The Project Manager will have overall responsibility for managing and overseeing the technical quality of the project work conducted by all partners under the project.**

68. Formally recognized executing partners of WECAFC/FAO in this project will be IGFA, CRFM, NOAA and OSPESCA. Their roles as executing partners will be laid down in an MoU between the partners at the start of the project.

69. In summary, the PMU at WECAFC/FAO will have the following TORs:

- Provide project (office) administration and coordination with the World Bank, ensuring timely submission of project progress and financial reports.
- Provide project management leadership and have overall technical and administrative responsibility for the project.

70. The PMU will facilitate and ensure the sharing and flow of information and linkages with other ABNJ projects, within the Caribbean region, internationally, among and between regions. FAO will provide technical support to the project in a very broad sense, tapping into the expertise from its programmes on fisheries resources, fisheries management, fisheries information management, sustainable development, enterprise development, legal advice, etc.

71. The FAO Subregional Office for the Caribbean (SLC), which also hosts the WECAFC/FAO Secretariat and is located in Barbados, will be responsible for, inter alia, the overall financial management of the project funding provided by GEF through the World Bank to WECAFC/FAO, ensuring the necessary human resources and equipment inputs are provided in a timely manner to ensure smooth implementation of the project and delivery of project results, the submission of project progress and financial reports to World Bank/GEF.

72. In close consultation with the World Bank/GEF WECAFC/FAO will contract partners (NGOs, IGOs, Private sector) from the region, with the highest qualifications and technical competencies in-house available to carry out several of the project activities. It is foreseen that the expertise available within the executing partners IGFA, CRFM, CFMC, NOAA and OSPESCA and other relevant partners will be used extensively. In particular IGFA will play the lead coordinating role within the proposed consortium (CBMC) below.

73. The issuance by WECAFC/FAO of any contract, and purchase of materials or equipment that are necessary to provide the necessary Technical Assistance, using funds provided by the GEF/ World Bank under this project, will be done according to FAO's established procurement rules, regulations, policies, and procedures.

#### Project Steering Committee

74. The Project will be governed by a Project Steering Committee (PSC) which will be responsible for providing general oversight of the Project implementation and will ensure that all agreed activities upon under the Project are adequately prepared and carried out.

75. In particular, the PSC will have the following TORs:

- Provide overall strategic guidance to the PMU in the execution of the project;
- Ensure all project outputs are delivered in accordance with the Project Document;
- Review, recommend amendments if appropriate, and endorse the draft Annual Regional Work Plan of the project;
- Facilitate the “mainstreaming” of relevant project findings and recommendations into national policy.

76. The PSC will be comprised of one representative from each of the following institutions and executing partners: World Bank, WECAFC/FAO, ICCAT, Conservation International and selected Caribbean countries. The latter will be selected in close coordination with CRFM and OSPESCA Secretariats. ABNJ expert panel members will join as required. Other collaborating

countries and institutions will be invited as appropriate for PSC meetings. **PSC operations will be kept as cost effective as possible.** Annually meetings will be held wherever possible by ‘piggy backing’ on other regional meeting. In some circumstances, virtual meetings of the PSC may be called. The PSC will also maintain oversight of the implementation of the pilot projects. A regional Chair of the PSC will be selected at the first meeting. The Project Manager will provide the PSC secretariat functions, such as preparing documents for review and the PSC meeting minutes/reports.

### **Consortium on Billfish Management and Conservation (CBMC)**

77. From the start of the project, IGFA will initiate and lead the consortium’s establishment, providing the secretariat for the Consortium. The founding partners of the Consortium will be: IGFA, WECAFC/FAO, CRFM, OSPESCA, CFMC, CNFO and ICCAT. Other partners may be approached, keeping in mind that a public-private sector balance in which CBOs and NGOs have prominent role to play is required for the consortium to deliver at all levels.

78. CBMC representatives together with WECAFC/FAO would become natural partners under the main project’s Global Think Tank

79. Upon its establishment, the CBMC will function as a technical advisory body to the project. The CBMC, led by the TBF and in close coordination with the PMU, will be cost-effective tool to support the implementation of the Key Results under this project, as well as other programme activities the consortium decides to take on-board.

80. The IGFA, will carry out its secretariat functions of the CBMC under contract from WECAFC/FAO. The CBMC will develop a general work programme. The CBMC members will agree to work as a consortium with the work programme as the binding force. It will, amongst others promote better management and build awareness on the advantages of rights-based management of billfish, ensure visibility of the project, ensure sharing of information between the CBMC members/partners and dissemination of information generated by the project.

81. Although the scope of the CBMC will be wider than the project, and is expected to sustain after termination of the project. The Terms of Reference for the CBMC are the following. The CBMC will provide for the duration of the project the following services:

- provision of technical and scientific advice and services to the project and in its day-to-day work;
- assist the PMU in the development of the annual work programme of the project;
- ensure effective consultation, dissemination of information and uptake of project findings by the CBMC members and other relevant stakeholders;
- technically review the specific management recommendations and other advice from the project to the various participating regional fisheries bodies (WECAFC/FAO, CRFM, OSPESCA, ICCAT);



- provide and share information on billfish fisheries and conservation and other data relevant to the functions of the project between the partners and strengthen ties between partners;
- contribute to and participate in the overall project's *Global Think Tank*
- increase visibility of the project and its activities and outcomes, the CBMC itself, and promote the implementation/uptake of project produced advice and recommendations.

82. Meetings of the Consortium will be convened on an as needed base. In summary, the role of the Consortium to technically review the management recommendations and advice from the project for the various participating regional fisheries bodies (WECAFC/FAO, CRFM, OSPESCA, ICCAT) will have to show its value. IGFA, as Consortium Secretariat, will ensure advocacy, promotion and increase visibility of the project and its activities and outcomes, the CBMC itself, and promote the implementation/uptake of project produced advice and recommendations.

83. The project management arrangements, presented above (also in figure 2) enable the project to work in partnership with all key stakeholders. The distribution of governance, executing and operational responsibilities guarantees a high quality of the results foreseen. The pilot cases will benefit highly from such a structure, which already appears to be fruitful, as the project partners have managed to produce and agree on criteria for the selection of the pilots in the workshop held in March 2013 in Ft. Lauderdale. The same management arrangements will ensure that Key Result 4 “A business plan/case developed for investment in long-term, sustainable management and conservation of the Billfish resources in the Western Central Atlantic” will be accepted by all major stakeholders involved, securing buy-in and viability of the pilots developed.

### **C. Monitoring and Evaluation Arrangements**

84. The Project Steering Committee (PSC) will have an important formal oversight and monitoring role in the project. Prior to PSCs, Project Performance Evaluation Report (PPER) will be prepared and circulated at least one month beforehand. The PPER will conform to other broader M&E needs of the ABNJ Project. The PSC meetings will inter alia assess: (i) project achievements against targets; and (ii) efficiency and effectiveness of project management.

85. The Budget Holder (Subregional Coordinator of the FAO Subregional Office for the Caribbean (SLC), will be responsible for financial monitoring and reporting to the World Bank. The Project Manager and SLC International Administrator will also have operational monitoring and management information responsibility on a day-to-day base and FAO representations in the region will provide administrative support in making payments etc. as authorized by the budget holder.

86. The World Bank will provide specific project-related training where required. This will include application of the Fisheries Performance Indicator systems (FPI) for performance benchmarking, and operational aspects such as Safeguards. Specific needs will be determined at the Inception Workshop.

87. A detailed work plan and budget / logical framework will be developed within two months after the approval of this project for the general monitoring and monitoring activities and will comply with the reporting requirements. Final agreed budget details are available under separate, respective FM and Procurement tables.

#### **D. Reporting arrangements**

##### Inception Report

88. An inception report will be prepared by the Project Manager in collaboration with the IGFA upon the initiation of project implementation. This report will include a more detailed work plan and budget, including a list of immediate procurement needs

##### Six-monthly Progress Reports

89. The PMU will arrange with partners to prepare brief progress reports every six months (Jan-June) according to the established procedures with the World Bank. All consultants will prepare mission reports.

##### Annual Reports

90. The PMU will prepare brief Annual Reports that summarize project achievements on the basis of the Six-monthly Progress Reports and may also contain relevant additional documentation on technical and/or management aspects. The Annual Reports will be prepared on the eleventh month of each project year, and submitted through the Subregional Coordinator SLC to FAO Headquarters for review and Official transmission to the Donor.

##### Terminal Report

91. The PMU at WECAFC/FAO will also be responsible for the preparation of a draft Terminal Project Report not later than four months before the end of the project.

##### Financial Reports

92. Financial reporting will be submitted in accordance with FAO and World Bank agreed reporting formats and scheduled within the overall framework including the submission of the final financial report.

**Annex 6: Regional Sub-Project for a Global Think Tank and Tuna Fisheries in the Eastern Pacific Ocean**

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## I. SUMMARY

1. This subproject responds to the well-recognized gaps in knowledge on institutional performance and best practice with respect to effective management of shared highly migratory fisheries and the conservation of associated marine biodiversity. In responding to this knowledge gap, the subproject will contribute to the World Bank project *Ocean Partnerships for Sustainable Fisheries and Biodiversity Conservation – Models for Innovation and Reform*, working at both global and regional (Eastern Pacific Ocean) levels:

2. **At the global level**, it will facilitate a collaborative process across all four regional sub-projects under the World Bank's GEF ABNJ project to discuss sustainable management of shared highly migratory fisheries and conservation of associated marine biodiversity. This will be undertaken through a small, but potentially influential, **Global Think Tank (GloTT)** with representation from each of the four regional subprojects, together with a multidisciplinary group of globally experienced fisheries specialists, and representatives from the FAO Tuna Project. This activity responds to GEF's call for knowledge that informs and influences international debates and processes related to the management of shared stocks.

3. **At the EPO regional level**, the subproject will be developed along two sequential lines:

- First it will bring GloTT expertise to bear in considering and evaluating optional 'test case' scenarios for rights based management of the EPO tuna purse seine fishery; scenario analyses will be informed by both the GloTT and a regional Stakeholder Advisory Group to be established by the project.
- Second, a separate but related workstream will follow that engages stakeholders more broadly in the EPO region to build awareness and select and further develop EPO scenarios with the aim of developing a future business plan. Under guidance from the Stakeholder Advisory Group, the subproject will engage in outreach and technical support to members of the Inter-American tropical Tuna Commission (IATTC), EPO industry members and other stakeholders in considering management scenarios that could be developed into future business plan/s.

4. Discussions and evaluation of management scenarios will build on the analyses, outreach, and discussions that IATTC, WWF and ISSF have undertaken in recent years to address security of access, sustainable fishing, employment in the tuna industry and improving long-term value. The outcome of the EPO work stream will be detailed designs and financial analyses for one or more promising management scenarios prioritized by stakeholders. These could attract investment for future implementation i.e. prospective business plans for the EPO.

5. The World Wildlife Fund (WWF) is the proposed Executing Agency (EA).

## II. CONTEXT

### *Global context*

6. Many of the world's most valuable fisheries are founded on highly migratory stocks which comprise arguably some of the most iconic members of high seas biodiversity – the tunas, billfishes and sharks. However, they face severe threats from overfishing, habitat loss, pollution and acidification. These threats are manifestations of wide-scale failure of institutional frameworks to secure sustainable and efficient management. These stocks underpin millions of livelihoods and food security in regions such as the Bay of Bengal (where around 50% of the EEZ-based tuna catch is by local small scale vessels), key fishing communities in Latin America and the Caribbean. The economies and citizens of Pacific Island Countries (PICs) in the Western Central Pacific are highly dependent upon the sustainability of revenues generated from tuna access arrangements with large scale operators from distant water fishing nations (DWFN).

7. More than 85 countries engage in the harvest sector of tuna fisheries. Globally, tuna landings are valued at over \$10 billion, while exports amount to some 8% of seafood traded internationally. Overexploitation of these fisheries is well documented. FAO (2012) notes that among the seven principle species of tuna, one third were estimated to be overexploited, 37.5 percent fully exploited, with just 29 percent “non-fully” exploited. FAO also notes that in the long-term, without significant management improvements, the status of tuna stocks is likely to deteriorate in the face of burgeoning market demand.

8. The stocks that migrate between ABNJ and national jurisdictions present complex management challenges. While there is a lot of biophysical data about these resources, there is a critical need to reform to build upon and improve management frameworks to achieve sustainable social, economic and environmental outcomes.

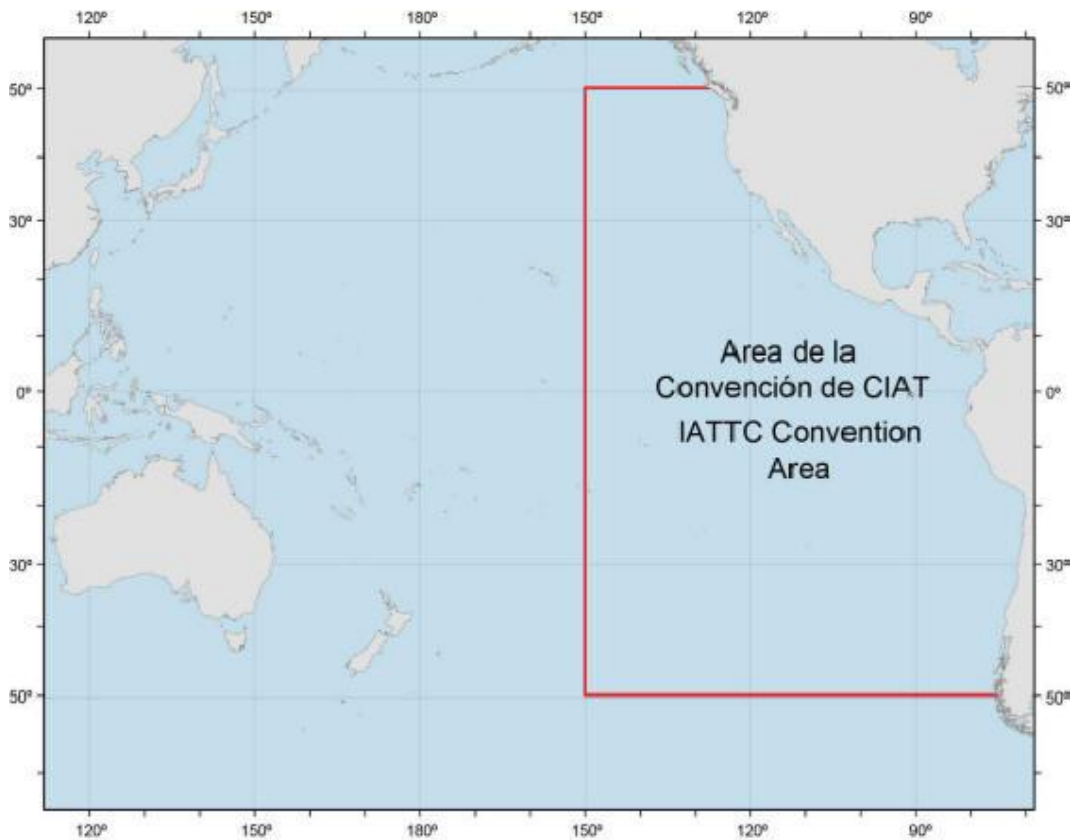
9. This project will respond to this need by providing a space in which regions could come together to discuss theory and practice of shared stocks management and conservation of associated ecosystems including exchange of experiences and south-south awareness and learning shared highly migratory fisheries and discuss specific topics and challenges. The strategy will help make widely accessible and understandable regional and global best practices to support outreach to country level actors and regional institutions, decision makers and beneficiaries at local level. Formal and informal communication channels, a mix of media and formats tailored to the intended audiences will be used to disseminate knowledge products.

### *Regional context*

10. The subproject will also examine the EPO purse seine tuna fishery both as a test case and as a focus for future business case design. The EPO purse seine fishery is a trans-boundary fishery spanning several coastal states' Exclusive Economic Zones (EEZs) as well as high seas areas. The fishery is managed by the Inter-American Tropical Tuna Commission (IATTC), which has 21 members including coastal states and distant water fishing nations.<sup>55</sup>

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<sup>55</sup> The members of the IATTC are Belize, European Union, Nicaragua, Canada, France, Panama, China, Guatemala, Peru, Colombia, Japan, Chinese Taipei, Costa Rica, Kiribati, United States, Ecuador, Korea, Vanuatu, El Salvador, Mexico, and Venezuela. Bolivia, Honduras, Indonesia and Cook Islands are Cooperating Non Members.



**Figure 1. Agreement area for the IATTC as defined in the Antigua Convention**

11. The EPO tuna fishery has two major components – a purse seine fishery with a catch of 554,961 metric tons and a longline fishery with a catch of 21,980 metric tons (2012, preliminary figures).<sup>56</sup> The longline catch is taken largely by distant water fishing nations (Japan, Korea, China and Taiwan-China) operating exclusively in the high seas (HS). The purse seine fleet operates in the EEZs and in the high seas. In 2012, vessels flagged by four Latin American coastal states (Ecuador, Mexico, Panama and Colombia) took just over 80% of the purse seine catch. The purse seine fleet is broadly divided into vessels that set on fish aggregation devices (FADs) that primarily target skipjack tunas and incidentally capture small bigeye and yellowfin tunas—in which Ecuador is the major participant—and vessels that set on dolphins and primarily target large yellowfin and skipjack tunas—in which Mexico is the major participant.

12. Tuna landings from the EPO accounted for 20% of the global tuna catch in 2011 and there are a number of communities in Latin America that are economically dependent on tuna related commerce. Thus, addressing overfishing and fleet overcapacity problems are critically important to securing the future interests of fishing businesses in the tuna industry and sustaining the livelihoods and economic interests of communities and countries that depend on this multi-billion dollar industry.

<sup>56</sup> IATTC. 2013. Fishery Status Report—No. 11. Tunas and Billfishes in the Eastern Pacific Ocean in 2012, Tables A-2a and A-4.

13. Concern continues to be expressed by a range of stakeholders, including the International Seafood Sustainability Foundation (ISSF) and WWF, about the sustainability of bigeye and yellowfin catch in the fishery, inefficiencies due to excess harvesting capacity, and the need for effective management solutions.<sup>57</sup> In 2002, the IATTC established a closed regional vessel registry (RVR) in which each purse seine vessel has an authorized hold capacity.<sup>58</sup> The target hold capacity was set at 158,000 m<sup>3</sup> and the authorized (active and inactive) capacity is at 219,000 m<sup>3</sup>. Without closures, the existing excess capacity would most certainly result in overfishing of the bigeye and yellowfin tuna stocks. More recent settlement of capacity claims and disputes will increase the total authorized purse seine capacity in the EPO. As new and latent capacity becomes active, the resulting increased mortality of bigeye and yellowfin is likely to result in IATTC consideration of longer purse seine closures. The economic returns to the industry will also decrease as the overcapacity situation is exacerbated. A 2013 study estimated that current capacity should be reduced by 22% to 24% to achieve economic efficiency (defined as maximum potential catches), depending upon the MSYs and catch restrictions imposed.<sup>59</sup>

14. Since 1993 the catch of smaller sized bigeye and yellowfin tuna mortality has increased substantially as the purse seine FAD fishery expanded. Although the most recent stock assessments indicate that the EPO purse seine fishery is not facing a management crisis, the yellowfin stock is nevertheless below the MSY level and the current exploitation of bigeye tuna is very close to the MSY target reference points. These interpretations are, however, subject to uncertainty and are strongly dependent on assumptions made.

15. Coastal states and the industry would most likely face economic risks in the future if active fishing capacity were to expand to the authorized level of capacity or if the current purse seine closures are not adequate to ensure the sustainability of yellowfin or bigeye stocks. There are pending requests for additional authorized capacity that if granted will exacerbate the problem. Management based on hold capacity, a proxy for fishing effort, will require updating as vessel efficiency improves due to technological change. Other factors such as productivity changes driven by climate change, increases in the price of fuel, or changes to subsidies can also affect economic returns in this fishery.

16. The purse seine fishery is the focus of the subproject because it is responsible for the majority of the tuna catch and already has a pre-existing allocated capacity measure – well capacity.

#### *Sectoral / Regional Institutional Context*

17. This subproject is set within a complex array of international instruments, some legally binding, some voluntary, that have emerged over the last few decades in response to fishery

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<sup>57</sup> ISSF. 2013. ISSF Position Statement Presented during the 85<sup>th</sup> Meeting of the Inter-American Tropical Tuna Commission in Veracruz, Mexico 10-14 June 2013

WWF. 2013. WWF Position Statement for the 85<sup>th</sup> Meeting of the InterAmerican Tropical Tuna Commission (IATTC)

<sup>58</sup> IATTC. C-02-03 Capacity resolution

<sup>59</sup> IATTC. SAC-04 Meeting report of the Scientific Advisory Committee to the IATTC, April 29-May3, 2013, La Jolla, CA, USA.

declines and growing concerns for more effective management of ocean resources. These are presented and discussed in more detail in the main Project Appraisal Document Section 1 B.

18. Specific partners for the EPO specific work are IATTC, WWF, ISSF, members of industries in the Eastern Pacific and other key stakeholders in the EPO. Several initiatives by project partners over the past few years have investigated the use of innovative tools to tackle management challenges facing the tuna industry at the global and regional levels.

19. **IATTC** is responsible for the conservation and management of tunas and other marine resources in the EPO. The Convention Area adjoins the area of competence of the Western Central Pacific Fisheries Commission (WCPFC). Over the past decade IATTC hosted several technical workshops on incentive-based tools for fisheries management and financial transition mechanisms. In 2006, preliminary technical meetings were held to explore ideas to effectively solve the capacity problem, leading to a June 2008 workshop on RBM and buybacks jointly sponsored by the World Bank and NOAA Fisheries.<sup>60</sup> The IATTC viewed these workshops as the first stage in planting the seeds of a process to transform the principles and practices of international management of tunas. Participants concluded that a future RBM design process could develop a regional instrument with an embedded regional financing arrangement brokered by the World Bank. This subproject largely responds to IATTC's call for more effective management solutions (particularly RBM).

20. Japan and the European Union have introduced proposals to address EPO purse seine fleet capacity.<sup>61</sup> With the recognition that additional expertise will be needed, the Commission decided, at its June 2013 annual meeting in Veracruz, Mexico, to convene a workshop of technical experts, including the scientific staff of the Commission, to discuss comprehensively and objectively the various issues linked to fleet capacity, its impact on the resources, and seek innovative ways to reduce overcapacity. This subproject will fund two of the workshops.

21. WWF has been actively promoting sustainable fisheries management within fishing communities, markets, associations, governments and inter-governmental institutions. Its global Smart Fishing Initiative<sup>62</sup> provides an integrated framework for transformation of fisheries by focused fisheries, market, and financial strategies implemented in dozens of participating countries. The WWF network approved rights based management as a key transformational strategy for reforming fisheries around the globe noting that this approach offers the opportunity to “transform global fisheries performance [...] to achieve balance between economic, ecological and social needs”. WWF believes that clear and enforceable fishing entitlements and responsibilities are important for the successful management of capture fisheries. WWF notes<sup>63</sup> that “Rights based management can strengthen stewardship incentives among fishers to follow ecosystem-based management practices, result in more secure access to fisheries resources for communities and businesses, provide sustainable jobs in fishing dependent communities and can

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<sup>60</sup>Joint IATTC and World Bank Profish workshop on rights-based management and buybacks in international tuna fisheries. La Jolla, California, May 5-8, 2008.

<sup>61</sup> IATTC-85. Prop H-2 and IATTC-85 H-1.

<sup>62</sup> Position Statement – Smart Fishing Initiative [weblink]

<sup>63</sup> Rights Based Management: Conserving Fisheries. Protecting Economies [weblink].



assist in poverty alleviation, improve food security [and help eliminate] overinvestment in fishing capacity, and recovering lost economic benefits from capture fisheries”.

22. Tunas are regarded as priority species fisheries under WWF’s Smart Fishing Initiative. Over the past five years, WWF has explored rights based tools for improved governance of tuna fisheries with a focus in the IATTC and Western Central Pacific Fishery Commission (WCPFC) convention areas. Basic knowledge products<sup>64</sup> were prepared to provide the scientific basis for outreach efforts in the EPO. WWF’s outreach has engaged industry and government representatives in 12 Latin American members of the IATTC, plus key coastal states in the WCP and Indian Ocean regions.

23. **ISSF** is a global partnership between the tuna processing/trading industries, the world’s leading fishery scientists and WWF. ISSF has worked with partners from RFMOs, governments, tuna processing and vessel industries, and NGOs to organize discussions on some of the key problems in tuna stewardship. Results of workshops<sup>65</sup> in Bellagio (2010), Guayaquil (2011), Cordoba (2011), Mexico City (2012) and Maui (2013) provide a roadmap for ongoing efforts to address the problems of overcapacity, long term economic and ecological sustainability, and ensuring the interests of coastal developing states are taken fully into account. Specifically these workshops resulted in:

- Recognition of the need to focus on managing fishing capacity of the tuna fishery in order to meet economic and conservation objectives.
- Consideration of buy-back schemes and funding mechanisms to reduce excess capacity.
- Recognition that enforceable access rights allocated to states and/or vessels have potential to result in capacity reduction, and that transferability of rights can significantly enhance economic outcomes. Although context-specific, such ‘rights based approaches’ may focus on effort (e.g. capacity) or output (catch).
- Recognition of concerns in the EPO regarding the risk of competitive disadvantage with respect to other regions. Tuna RFMO management approaches vary, coastal states’ roles vary, and often subsidies create market distortions that impact fishing decisions. There is therefore a risk that the playing field is not ‘level’ i.e. there may be a lower opportunity cost of fishing elsewhere, where management arrangements may be less robust.
- Recognition that tuna is a global resource of vital importance to food supplies and economies – and as such the industry needs to agree and adopt a responsible, robust and global approach.

24. Through the innovation grant facility led by Conservation International (CI), technical assistance will be provided to promote south-south awareness and capacity building and carry

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<sup>64</sup> Most of these reports are based on confidential information and WWF is in the process of preparing versions for broader distribution.

<sup>65</sup> ISSF, 2010. Bellagio Framework for Sustainable Tuna Fisheries: Capacity controls, rights-based management, and effective MCS.

ISSF, 2011. Guayaquil Eastern Pacific Ocean Rights-based Management Workshop.

ISSF, 2011. Cordoba Conference on the Allocation of Property Rights in Global Tuna Fisheries.

ISSF, 2012. Workshop on Rights Based Management, Capacity and Buybacks in the EPO. Mexico City.

out gear experiments. Details will be developed by a Stakeholder working Group of which CI is a member.

### III. GOALS AND OBJECTIVES

25. The goals or aspirational objectives based on effective subproject results are:

- (a) *Better institutional frameworks for management of shared highly migratory fisheries and the conservation of associated marine biodiversity; and*
- (b) *Effective rights-based management of EPO tuna purse seine fisheries that generates sustainable economic benefits for coastal states; enhances ocean biodiversity through sustainable stock management; and improves long-term financial viability of fishing fleets.*

26. The specific development objectives of the subproject are:

- (a) *To facilitate knowledge sharing and regional collaboration between the four regional sub-projects on an inter-regional/international platform; and*
- (b) *To prepare business plan for pilot investments in economically, technically and ecologically feasible purse seine tuna management systems in the EPO that can eventually attract public and/or private investment for implementation.*

27. Key results expected from the subproject are:

#### **GloTT**

- Improved knowledge sharing and agreed draft theory of management for shared highly migratory stocks based on rational economic and social principles
- Seminal economic and sector work documents for World Bank/GEF publication

#### **EPO**

- Establishment of a Stakeholder Advisory Group with Year 1
- Development and modeling of 4-6 RBM scenarios within 2 years

28. Report and recommendations on EPO scenarios based on recommendations from the Global Think Tank

- Selection by the Stakeholder Advisory Group, of one or more preferred RBM scenarios (latest year 3)
- Detailed designs and financial analysis of the preferred RBM scenarios
- Potential investment by CI in technical assistance to complement or support the RBM scenarios<sup>66</sup>

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<sup>66</sup> Proposed work includes investment in gear experiments to reduce purse seine bycatch and field trips to exchange knowledge about existing and planned innovative tuna management programs (south-south awareness and capacity building).

## IV. PROJECT CONCEPT

### A. Description

29. The project concept has three inter-related works streams; to establish the GloTT and facilitate inter-regional coordination and collaboration, within which the EPO purse seine fishery will be a test case for RBM scenario development. Drawing on the scenario development and with IATTC approval, more specific effort will focus on developing a business case for the most promising scenarios.

30. Inter-regional work will be undertaken through a small, but potentially influential, Global Think Tank (GloTT) comprising the four project EAs and an external multidisciplinary group of thematic specialists. The GloTT will also engage in development of EPO test case scenarios and subsequent discussions with industry, IATTC Members, and other stakeholders. The outcome will be detailed designs and financial analyses for one or more promising RBM scenarios that have been identified by stakeholders. These could attract investment for future implementation (i.e. prospective business case proposals for the EPO).

31. Within the three work streams the subproject has five main components:

#### *Inter-regional coordination and collaboration*

1. Facilitation of inter-regional coordination by GloTT

#### *'Test Case' for EPO Scenarios*

2. Stakeholder Advisory Group
3. Management Scenario building

#### *EPO outreach and business plan*

4. Outreach and awareness raising towards a future business plan.
5. Support IATTC technical expert meetings on fleet capacity management

For sequential considerations, refer to **Appendix 2**.

### **Inter-regional coordination and collaboration**

#### ➤ *Component 1: Facilitation of inter-regional coordination by GloTT*

32. The GloTT will have shared ownership amongst all regional subprojects under the GEF-ABNJ project. However, this subproject (through WWF) will facilitate and manage the process to achieve effective inter-regional coordination and collaboration. The EAs for each regional subproject and the World Bank will nominate members to serve on the GloTT. It is expected that this group will meet at least once per year. A possible kick off session could be held in conjunction with the 2014 biannual meeting of the International Institute of Fisheries Economics and Trade (IIFET), Brisbane, July 2014<sup>67</sup>. WWF will convene its meetings and provide coordination support, for example in the preparation of a final report(s). However the process is a

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<sup>67</sup> The Seventeenth International Conference of the International Institute of Fisheries Economics & Trade (IIFET) will be held at Queensland University of Technology (QUT), Brisbane, Australia, 7 – 11 July 2014.

collaborative effort, where each regional EA will assist in agenda and meeting arrangements. The indicative objectives of the GloTT in relation to inter-regional coordination are:

- i. to exchange of experiences and learning associated with pilot project design
- ii. to facilitate south-south awareness and capacity building
- iii. to share knowledge on the theory of shared highly migratory fisheries and discuss specific topics and challenges prioritized amongst the EAs and interested stakeholders (including some commissioned analytical work). It is expected that the WCPO will lead on this effort.
- iv. to produce a set of seminal Economic and Sector Work documents for Bank/GEF publication and other appropriate knowledge products on the management, performance and prospects for these fisheries and associated marine biodiversity.

### **Test Case EPO Scenarios**

#### **➤ *Component 2: Stakeholder Advisory Group***

33. Stakeholder Advisory Group will be established and will play a critical role in this project. The group will be the primary vehicle to progress informed discussion and evaluation of management scenarios for the EPO test case and will be comprised of regional experts with global expertise. The GloTT will provide global expertise to the deliberations of the Stakeholder Working Group as it evaluates initial RBM scenarios as a part of the evaluation process of the EPO test case.

34. Establishing the Stakeholder Advisory Group will require networking with interested parties and a flexible approach to membership. Initially membership will comprise representatives of the partners (IATTC, ISSF, and WWF) with regional and global tuna expertise. Members will also include industry, sub regional organizations and specialist stakeholders that are clearly supportive of RBM approaches and ready to engage with the project. Over time membership would expand as further industry champions are identified. The success of the Advisory Group will depend on the quality of the participants. Participants should be, at least in principle, supportive of RBM approaches and willing to engage in a constructive dialogue about the RBM scenarios.

35. The Stakeholder Advisory Group would meet at least once a year to discuss scenarios and explore the implications of changes in the base parameters, in order to reach a common understanding and agreement about the most viable options.

36. Results from the bio-economic modeling (Component 3) will be available indicating the expected costs and benefits for each scenario. Simulation modeling can be used to examine the implications of altering scenario parameters (e.g. alternative allocation methods, transitions options), allowing informed conclusions as to the most promising scenarios. The modelers will participate in the meeting so that variants can be simulated and discussed. This will provide a foundation for the Stakeholder Advisory Group to identify promising RBM scenarios (prospective business cases) for the EPO purse seine fishery.

37. The Stakeholder Advisory Group is expected to evaluate the implications of:
  - i. Key rights-based management components (management objective, nature and extent of rights, allocation of rights, and MCS and administrative systems to ensure regime integrity).
  - ii. Mechanisms to provide for new Members with legitimate interests in fishing.
  - iii. Mechanisms to provide returns to Coastal States to recognize their sovereign ownership interests in EEZs that will be built on principles in the Bellagio, Cordoba reports, consistent with the IATTC resolutions, the Antigua Convention and international legal instruments.
  - iv. Any necessary transition process.

38. The intended outcome is that stakeholders identify the most viable scenarios based on expected costs and benefits, and acceptability to IATTC Members. These scenarios would be prospective business plans for the EPO.

➤ ***Component 3: Management scenarios***

39. The scenario-building component will be carried out with primary input from the Stakeholder Advisory Group and oversight from the GloTT. The Stakeholder Advisory Group will advise on scenarios that create incentives to generate and sustain wealth and a productive fishing industry. Component 3 includes the following tasks:

- i. Development of 4-6 RBM scenarios, including initial parameters
- ii. Modeling of scenarios for stakeholder discussion, including:
  - a. Bio-economic modeling based on scenario parameters and data obtained from IATTC and industry<sup>68</sup>
  - b. Simulation modeling based on scenario parameters and plausible cost assumptions

40. The scenarios developed will build on and support initiatives established and considered by the IATTC to prevent overfishing and manage fleet capacity. Possible options to limit catches of small tunas, output limits (quota) or input limits (FAD-sets) could be established. Some work on both of these options has already been carried out. IATTC staff recently prepared an analysis of individual-vessel quota (IVQ) options to determine the size of the overall quota that would be equivalent to a purse seine closure in terms of limiting catches.<sup>69</sup> At the 2012 Western and Central Pacific Fisheries Commission annual meeting Japan presented an option for annual FAD-set limits.<sup>70</sup>

41. To increase the efficiency and cost-effectiveness of the fleet, options include hold capacity trading, tradable quota (tonnage), and a system to control effort. such as the PNA Vessel

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<sup>68</sup> If sufficient industry operating cost data are not readily available, proxies for important parameters will be calculated based on “expert” information and simulations.

<sup>69</sup> IATTC. 2013. Individual-Vessel Quotas for Purse Seine Vessels that Fish on Fish-Aggregating Devices (FADs). Document SAC-04-11. <http://www.iattc.org/Meetings/Meetings2013/MaySAC/Pdfs/SAC-04-11-Individual-Vessel-Quotas.pdf>

<sup>70</sup> Japan. 2012. <http://www.wcpfc.int/doc/WCPFC9-2012-DP23/Japan-conceptual-proposal-Bigeye-Yellowfin-and-Skipjack-Management>

Day Scheme. Work on hold-capacity trading and output limits has been carried out by IATTC<sup>71</sup> in recent years. These options build on the existing hold-capacity limits established by the IATTC.

42. Possible rights-based scenarios to limit catch of small yellowfin and bigeye tunas and manage fleet capacity are described in **Appendix 2**. These are included as a starting point for scenario building only.

#### **EPO outreach and business plan (subject to IATTC formal approval)**

##### **➤ Component 4: Outreach and awareness raising towards business plan**

43. This component will develop awareness and build capacity among industry, coastal states and other stakeholders about the project results to date and benefits of rights-based approaches to address management challenges in the EPO. The aim is to increase learning across all audiences, foster the identification of preferred management scenarios, and identify champions who could participate in the Stakeholder Advisory Group.

44. Country level and sub-regional meetings and workshop will be held. The workshops will be informed by outputs from Component 3 scenarios with the aim of developing viable models that could form the basis of a future business plan/s.

45. Technical assistance from CI will be accessed to fund a field trip for stakeholders from the Eastern Pacific to meet stakeholders in the Western Central Pacific and foster “real world” learning about innovative management practices that are in place in each RFMO jurisdiction and scenarios under consideration for the WCP and EPO.

##### **➤ Component 5: Support IATTC Technical Experts Meetings on Fleet Capacity Management**

46. In June 2013 the IATTC approved convening an expert group to provide advice to the Commission on innovative ways to manage fleet capacity in the EPO. The group will discuss and analyze methods—including rights-based options—to reduce overcapacity in the purse seine fishery.

47. This component will provide financial support for at least one meeting per year of the IATTC expert working group on fleet capacity. Scenarios developed under Component 2 and results from the Stakeholder Advisory Group’s scenario analysis and evaluation (Component 3) will be made available to the IATTC expert group.

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<sup>71</sup> IATTC. 2011. Draft Rules of Procedure regarding capacity loans or concessions and chartering of vessels with temporary transfers of capacity <http://www.iattc.org/Meetings/Meetings2011/Oct/PDF/CAP-12-Oct-2011-Minutes.pdf> and Evaluation of Total Allowable Catch System for the Purse Seine and Longline Tuna Fisheries in the Eastern Pacific Ocean. Document IATCC-82-INF A. <http://www.iattc.org/Meetings/Meetings2011/Jun/PDFfiles/IATTC-82-INF-A-Evaluation-of-TAC-program.pdf>

## **B. Key risks and Issues**

48. Key risks to achieving the development objective are:

- Inability to secure data for modeling

This will be managed by working closely with IATTC and fisheries economists from California and Latin America. If data are available to prepare a bio-economic model for one scenario, others may be modeled using simulation approaches.

- Failure to secure participation of key stakeholders in the Stakeholder Advisory Group

This will be managed by developing constructive relationships with stakeholders during the early outreach phase, and through personal networks of partners. It will also be important to keep participants well-informed about the scenario-building and the intended workshop program.

- Failure to maintain constructive dialogue within the Stakeholder Advisory Group to build a stakeholder consensus around promising RBM scenarios

This will be managed by establishing clear expectations about the conduct of discussions and nature of conclusions.

- Failure to reach IATTC membership agreement for Components 4 and 5.

This will be managed by intensive awareness raising on the benefits of the program with participating states and interests.

## **C. Implementing Agency Assessment**

49. This project is to be undertaken in a complex environment. It is dealing with a common pool resource under multiple jurisdictions, requires capacity-building and outreach within the industry and public sector, and depends on the ability to generate confidence and constructive working relationships among stakeholders.

50. The proposed Executing Agency (WWF-US) has well founded technical and operational qualifications and experience to serve as the EA including:

1. History of engagement with the all Regional Fisheries Management Organizations, including the IATTC
2. Strong presence in countries involved in EPO tuna fishing, in both coastal and fishing states
3. Engagement with the tuna industry and with ISSF
4. Role in the evolving policy discussion around capacity and RBM in the region
5. Strong technical expertise in, and commitment to, RBM for fisheries
6. international credibility
7. Experience serving as the EA for the US Government and international agencies, including World Bank
8. Infrastructure to administer a project of this sort

9. Ability to implement the project at a reasonable cost
10. Willingness to act as fund clearing house (ensuring equitable distribution to various groups as per an agreed work plan).
51. WWF-US in partnership with other agencies, will have eight main tasks:
  1. Facilitate the formation and work of the GloTT
  2. Guide the development and modeling of RBM scenarios
  3. Establish the Stakeholder Advisory Group
  4. Support the Stakeholder Advisory Group's deliberations and evaluation of RBM scenarios
  5. Outreach and awareness-raising
  6. Guidance to CI on technical assistance
  7. Delivery of support for IATTC experts meetings on fleet capacity
  8. Prepare recommendations for use in developing a business-case based on Stakeholder Advisory Group's preferred scenarios.
52. Tasks will be overlapping, rather than sequential. The EA will ensure relevant and appropriate analyses are carried out to develop and model scenarios for discussion and evaluation by the GloTT. Delivery of the analyses will be done by the EA and other agencies such as IATTC, ISSF or consultants with particular expertise. The EA will facilitate GloTT and Stakeholder Advisory Group discussions and prepare meeting reports (key conclusions, promising RBM scenarios to consider as prospective business plans).

#### **D. Monitoring and Evaluation Arrangements**

53. The EA will establish appropriate performance indicators for each component during the first year of implementation. Monitoring will be conducted by WWF-US based on existing financial and reporting procedures. The timing of the mid-project review will be determined by the GloTT and Stakeholder Advisory Group.

#### **V. PROJECT GOVERNANCE AND EXECUTING ARRANGEMENTS**

54. Management of this project is captured in two main functional components, project governance and operations. The operational arrangements and reporting requirements are similar for the EPO regional subproject and inter-regional cooperation, project governance will be carried out by two separate bodies.

##### **A. Governance Arrangements**

55. Inter-regional Coordination and advice on EPO scenario building will be carried out by through the GloTT.

56. Under the auspices of the GloTT, the Stakeholder Advisory Group will be assembled to provide project governance for EPO specific work. Initially membership will comprise representatives of the EPO partners (IATTC, ISSF, and WWF) and industry, sub regional organizations and specialist stakeholders that are clearly supportive of RBM approaches and



ready to engage with the project. The Stakeholder Advisory Group will be responsible for providing general oversight of the EPO work streams and the project implementation and will ensure that all agreed activities are adequately prepared and carried out. Project reports (financial and technical) will be provided for review.

57. World Bank representatives would also be asked to participate in this working group. Over time, membership would expand as further industry champions are identified. The Stakeholder Advisory Group would meet in-person at least once a year.

58. IATTC member countries and a broad group of EPO industry members will participate in the project to various degrees.

## **B. Operational Arrangements**

59. WWF-US will carry out project operations, with the following responsibilities:

- Provide project (office) administration and coordination with the World Bank, ensuring timely submission of project progress and financial reports.
- Provide project management leadership and have overall technical and administrative responsibility for the project.
- Coordinate with the other EAs under the ABNJ project.

60. The project will be staffed by a *Program Officer* who will provide overall project coordination and report to the **Project Advisor**. The Project Coordinator will be responsible for administering the project that will entail preparing progress reports, organizing meetings of the Stakeholder Advisory Group and GloTT, reviewing and finalizing financial reports supplied by WWF's Agreements and Compliance staff, preparing meeting agendas and reports, managing the budget, overseeing consultant contracts, disseminating technical materials and managing the project work conducted by all partners (Partners' roles will be defined at the start of this project and documented).

61. The **Project Advisor** will supervise the Program Officer and provide technical support that will include developing terms of reference for consultants, review and finalization of consultant reports, . These tasks will be carried out in close consultation with the World Bank/GEF and project partners.

62. WWF-US will facilitate and ensure the sharing and flow of information and linkages with other ABNJ projects and at international and regional fora. Additional support will be provided by technical experts on fisheries economics, fisheries management, information management, sustainable development, financial analyses, project planning, legal, etc. at WWF-US and WWF offices in key countries.

63. The issuance by WWF of any contract, and purchase of materials or equipment that are necessary to provide the necessary Technical Assistance, using funds provided by the GEF/World Bank under this project, will be done according to FAO's established procurement rules, regulations, policies, and procedures.

## **C. Reporting arrangements**

### *Inception Report*

64. An inception report will be prepared by the Project Advisor in collaboration with the World Bank upon the initiation of project implementation. This report will include a more detailed work plan and budget, including a list of immediate procurement needs

### *Six-monthly Progress Reports*

65. The EA will arrange with partners and consultants to prepare brief progress reports every six months according to the established procedures with the World Bank.

### *Annual Reports*

66. The EA will prepare brief Annual Reports that summarize project achievements on the basis of the Six-monthly Progress Reports and may also contain relevant additional documentation on technical and/or management aspects.

### *Terminal Report*

67. WWF will also be responsible for the preparation of a draft Terminal Project Report not later than four months before the end of the project.

### *Financial Reports*

68. Financial reporting will be submitted in accordance with WWF and World Bank agreed reporting formats and scheduled within the overall framework including the submission of the final financial report.

## **D. Budget**

Final agreed budget details are available under separate, respective FM and Procurement tables.

## APPENDIX 1A: PROJECT WORKPLAN FOR THE GLOBAL THINK TANK

| Description of activities  |  | Project Year 1 |   |   |   | Project Year 2 |   |   |   | Project Year 3 |   |   |   |
|--|--|----------------|---|---|---|----------------|---|---|---|----------------|---|---|---|
| <b>Component 1: Inter-regional coordination across all regional subprojects<br/>(Items are indicative and details will be developed at an inception meeting)</b> |  |                |   |   |   |                |   |   |   |                |   |   |   |
| 1.1  | Consult with other EAs, World Bank and other parties to appoint members to the Global Think Tank   | x              |   |   |   |                |   |   |   |                |   |   |   |
| 1.2  | Preparation of a common management theory – funded by the WCP Sub-project  |                |   | x | x | x              | x |   |   |                |   |   |   |
| 1.3  | Develop methodology to assess regional subprojects. (biological, economic and social aspects) and recommendations on M&E tools e.g., FPIs  |                |   |   |   |                |   | x |   | x              | x |   |   |
| 1.4  | Global Think Tank review and compilation of expert analyses of the EPO baseline assessment and scenario building outputs (Components 2 and 3 outputs).   |                |   |   | x |                |   | x |   | x              | x | x |   |
| 1.5  | Field trips to other regions (CI funded and organized)   |                |   |   |   |                | x |   |   |                |   |   |   |
| 1.6  | Global think tank meetings   |                | x | x |   |                | x |   |   | x              |   | x |   |
| 1.7  | Preparation of technical reports   |                |   |   |   |                |   | x |   |                | x | x |   |
| <b>Component 2: EPO scenario building under the auspices of the Global Think Tank</b>  |  |                |   |   |   |                |   |   |   |                |   |   |   |
| 2.1  | Bio-economic modeling (Phase 1 and 2)  |                | x | x | x | x              | x | x | x |                |   |   |   |
| 2.2  | Simulation modeling (Phase 1 and 2)  |                | x | x | x | x              | x | x | x |                |   |   |   |
| 2.3  | Financial analysis   |                |   |   |   |                |   |   |   | x              | x | x |   |
| <b>Component 3: Stakeholder Advisory Group facilitation and support for EPO scenario building</b>  |  |                |   |   |   |                |   |   |   |                |   |   |   |
| 3.1  | First formal meeting of project partners   | x              |   |   |   |                |   |   |   |                |   |   |   |
| 3.2  | Appointment of the stakeholder advisory group  | x              |   |   |   |                |   |   |   |                |   |   |   |
| 3.3  | Meetings of the stakeholder advisory group   |                | x |   | x |                | x |   | x |                | x |   |   |
| <b>Project management</b>  |  |                |   |   |   |                |   |   |   |                |   |   |   |
|  | Technical support: preparation of technical materials, terms of reference for consultants, review and finalization of consultant reports   | x              | x | x | x | x              | x | x | x | x              | x | x | x |
|  | Administrative support: preparation of meeting agendas and reports, meeting planning and logistics, budget management, management of consultant contracts and dissemination of technical materials | x              | x | x | x | x              | x | x | x | x              | x | x | x |

**APPENDIX 1B: WORKPLAN FOR THE EPO REGIONAL SUB-PROJECT**

| Description of activities  |   | Project Year 1 |  |   |  | Project Year 2 |  |  |   | Project Year 3 |  |  |  |   |  |  |   |
|--|---|----------------|--|---|--|----------------|--|--|---|----------------|--|--|--|---|--|--|---|
| <b>Component 4: Outreach and awareness raising to develop a future business case</b> |   |                |  |   |  |                |  |  |   |                |  |  |  |   |  |  |   |
| 4.1  | At least two workshops in (Mexico, Ecuador, or Colombia)              |                |  |   |  | x              |  |  |   |                |  |  |  | x |  |  |   |
| 4.2  | At least one workshop in Central America (OSPESCA)                    |                |  |   |  |                |  |  | x |                |  |  |  | x |  |  |   |
| 4.3  | Baseline assessment of the EPO tuna purse seine fishery.              |                |  |   |  |                |  |  | x |                |  |  |  | x |  |  |   |
| <b>Component 5: Support IATTC experts meetings on EPO fleet capacity management</b>  |   |                |  |   |  |                |  |  |   |                |  |  |  |   |  |  |   |
| 5.1  | Preparation of meeting notices and technical reports                  |                |  | x |  |                |  |  | x |                |  |  |  |   |  |  |   |
| 5.2  | Two meetings of the experts on fleet capacity management              |                |  |   |  | x              |  |  |   |                |  |  |  | x |  |  |   |
| 5.3  | Dissemination of recommendations to IATTC members and other delegates |                |  |   |  |                |  |  | x |                |  |  |  |   |  |  | x |

## APPENDIX 2. POSSIBLE RBM SCENARIOS WITH A BRIEF DISCUSSION OF IMPORTANT COMPONENTS

### Introduction

69. The following rights-based management scenarios are offered for consideration simply in response to several requests from stakeholders for specific examples that illustrate how innovative, rights-based systems might work in practice. As such, they are illustrative and in no way represent any form of project commitment to any particular scenario.

#### *1. Purse seine bigeye and small yellowfin*

70. Management options to limit catches of bigeye and small yellowfin include output limits (catch quota) or input limits (FAD-sets) for the purse seine fishery. These options are set within a context where current IATTC closure periods impose unwanted inefficiencies on both fleet and local processors / canneries due to vessels down time during closure.

71. Broadly, either option would require setting an overall annual limit (total catch quota in tons or total FAD-sets) that is equivalent to the protection offered by the closure period.

72. Rights could be allocated to participants within these overall limits, with administrative, monitoring and compliance systems being established to ensure integrity of the management regime i.e. that rights held are not exceeded and that sanctions are severe and fully applicable if fishing continues beyond the limits defined under individual rights holdings.

73. Overall limits would be set and regularly reviewed on a scientific basis by a competent authority (IATTC) and the imposition of an annual closure period would come to an end. This scheme could be open to all purse seine vessels provided they carry an observer.

74. Each IATTC Member or Cooperating Non-Member (CPC) could receive an annual allocation for onward distribution to its qualifying flagged vessels. The allocation to CPCs could be based, say, on an agreed share of the overall limit, where the share is determined as a percentage of the hold capacity authorized to each vessel on the RVR.

75. If successful, such an approach to limit catch of bigeye and small yellowfin would help stabilize and eventually rebuild stocks at risk in the EPO. Key advantages include:

- (1) creating incentives for fleet owners to invest in methods to avoid catching tuna from at-risk stocks tunas—directly in the case of catch quota and indirectly in the case of FAD-set limits.
- (2) avoiding damaging costs to the fleet and canneries of purse seine closures, and potential for entering into year-round opportunities for fleet owners and processors to enter into continuous fishing and supply contracts.
- (3) In addition, tradability of annual catch quota could allow vessels that are more ‘efficient’ at avoiding catches of bigeye and small yellowfin tunas to benefit by selling their surplus tonnage.

76. In future, this system could be linked to the longline fishery. Longline operators could purchase FAD-sets or catch quotas, reducing fishing effort in the purse seine fishery, increasing

recruitment to the longline fishery, leading to to a corresponding increase in value to the longline fishery.

77. Given the presence of observers, it would be relatively easy to monitor real-time compliance with an input limit such as FAD-sets. Ensuring compliance with catch quotas is likely to be more complex. The observers' catch estimates would usually be corroborated once the catch is landed, either by the receiving cannery or through a port sampling program. Since such corroboration is *ex-post* there is a risk that the individual and total catch quota may be exceeded.

78. Thus, a key challenge for both options is to ensure effective sanctions can be imposed when catch limits are exceeded. In the absence of such sanctions, the value of compliance to other vessels will be undermined and eventually the system will fail to create the economic incentives to stay within agreed catch limits.

## ***2. Management measures based on fleet capacity***

79. Management options based on fleet capacity include hold capacity trading, output limits, and effort limits.

### *Hold capacity trading*

80. This input-based option would build on current hold capacity trading activities in the EPO. Hold capacity ownership rights would need to be clearly specified, particularly regarding the rights held by each CPC, and universal rules adopted regarding trading and transfers (e.g. relating to leasing capacity to other states or to fishing enterprises operating under another CPC's flag). Transfer' rules might consider multi-year agreements and constraints may be needed regarding leasing capacity to fish in another CPC's EEZ without the express agreement of the coastal state. To ensure integrity of the hold capacity limit, administrative and governance arrangements including sanctions (see above) would need to be agreed and established. Unambiguous monitoring of CPC hold-capacity entitlement on a vessel by vessel basis would be needed.

81. A commonly agreed trading system for hold capacity in the purse seine fishery could give fishing enterprises greater flexibility to use their fleets within the EPO and facilitate long-term supply arrangements with canneries, as well as forming the basis to discuss transition arrangements to manage any excess capacity.

82. Extensions to this scenario could include

- (1) overall hold-capacity limit aligned to the status of tuna stocks,
- (2) buying out of excess hold-capacity with a mixture of private and public capital, and
- (3) interests of new Members provided for through purchase of hold capacity.

### *Output limits: Cap and trade tonnage*

83. An output-based approach to manage fleet capacity could establish rights to a share of the overall Total Allowable Catch (TAC). The allocation of such output shares among CPCs could

be based on the percentage of hold capacity held by each CPC or other formulas acceptable to the parties.

84. IATTC could set the overall TAC (in tons) for the purse seine tuna complex (SKJ, YFT and BET) for a specified management area and target reference point, and ensure it is reviewed regularly to take into account new stock assessment information.

85. Discussions among stakeholders could consider trading criteria and guidelines. Options include allowing CPCs to sell their annual tonnage to their flagged vessels, to other CPCs, or to fishing enterprises whose vessels are flagged to other CPCs, and providing for long-term arrangements to sell annual tonnage.

86. A variant on an output-based RBM approach could be for a group of coastal states to pool their annual quota and distribute the sale revenue in accordance with each state's relative contribution. This would provide vessels with greater flexibility to 'follow the stocks' within a group of EEZs.

87. Any catch-based RBM system will require investment in administrative, monitoring and compliance systems to ensure that catch limits are being adhered to.

#### *Effort Limits*

88. Establishing regionally agreed effort limits in the EPO purse seine tuna fishery is an input-based option to manage fleet capacity. An effort based approach is used extremely successfully by Pacific Island Nations in the Western Central Pacific under the so-called Vessel Day Scheme (VDS). An similar EPO scheme compatible with the VDS could enable efficiency gains for fleets operating in both regions, targeting tuna stocks across the Pacific. Compliance with a VDS is relatively easy to monitor. In addition, insights for an EPO VDS could be gained through the Global Think Tank process and outreach from the WCPO to EPO regions.

89. An EPO VDS could recognize coastal states' sovereign rights in their EEZs and all states' legitimate interests and rights to fish in the high seas, potentially by distinguishing between Coastal State Vessel Days and High Seas Vessel Days. The IATTC would (i) set the EPO limit on total quantity of Vessel Days; (ii) set the EPO standard for usage of days by vessel characteristics / size categories, and (iii) regularly review the overall limit and standards with the aim of aligning removals with achievement of the target reference point.

90. Allocation would requires decisions on allocation of EPO limit between collective EEZs and HS, allocation of annual entitlements among coastal states, and allocation of High Seas Vessel Days. There are several potential allocation options open for consideration and these would be discussed during project implementation. For instance whether the total EPO effort limit should be allocated broadly between the high seas and the EEZs of coastal states, and criteria to allocate effort limits among coastal states—as well as transferability options.

91. To ensure integrity of the effort limit, administrative systems would need to be established to maintain an up-to-date register to ensure vessels operating in the EPO purse seine fishery have an effort entitlement, monitor the usage of such effort entitlements, sanction any breaches of vessel effort limits, and ensure the overall EPO effort limit is not exceeded.

## Annex 7: Innovation Support Facility

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### I. SUMMARY

1. This sub-project (alternatively referred to as ‘project’) will deliver Component 2 of the main *ABNJ Project* (main narrative PAD and Annex 7 refer). It will be led by *Conservation International* (CI) under a Grant Agreement with the Bank and in partnership with each of the four regional EAs<sup>72</sup>. The sub-project will support a range of innovative activities that will contribute to the effective delivery of the ABNJ Project’s Component 1 and its PDO. In this regard, funds will directly support prioritized pilot business planning activities and is intended to be opportunistic and incremental. Service providers may include the private sector, NGOs and the academic sector. The criteria and challenges that this fund will address have been defined and agreed between regional sub-project partners during preparation. Three sets of activities are proposed:

- Conduct analyses/evaluations to inform management decisions
- Field test new gears or technologies, including for monitoring, control and surveillance (MCS)
- Coordinate regional and global workshops/exchanges and networking to build capacity and share experiences and lessons learned.

2. This sub-project also serves as a contribution to Component 3 Global Think Tank on Shared Highly Migratory Stocks Management.

3. In addition, CI is committed to providing some \$10 million in-kind parallel financing through technical support, grants, long-term financing for marine protected areas, and loans to small and medium enterprises.

### II. BACKGROUND

4. Healthy oceans are critical to the food security and wellbeing of much of the world’s population. For example, fisheries and aquaculture provide 16% of global animal protein

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a. <sup>72</sup>West/Central Atlantic and Caribbean: Western and Central Atlantic Fisheries Commission (WECAFC)  
b. Bay of Bengal India/Tamil Nadu [Sri Lanka and Maldives]: Bay of Bengal Programme (BOBP-IGO)  
c. Western and Central Pacific: The South Pacific Forum Fisheries Agency  
d. Eastern Pacific Ocean: WWF (US)



(UNEP, 2006; FAO, 2010) and, worldwide, support some 250 million livelihoods, particularly in developing coastal and island states. Seafood has a first-sale value of more than \$190b/yr (World Bank, 2012). Marine and coastal tourism was estimated to be worth some \$161b in 1995; and total marine ecosystem services were valued at US\$20.9 trillion/yr, 63% of the total global estimated value of ecosystem services (Costanza, 1997). With such wide-ranging benefits, there are increasing concerns about the performance of ocean ecosystem services as well as the threats to their sustainability. The negative impacts of unsustainable development are of particular relevance to many of the World Bank's client countries where economies, livelihoods and food security depend heavily upon oceans, particularly fisheries.

5. Conservation International has been a key partner since the early concept stages of the overall Bank-led GEF-funded Project '*Oceans Partnership for Sustainable Fisheries and Biodiversity Conservation – Models for Innovation and Reform*' whose objective is to develop business plans to attract investment in long-term, management for sustainable fisheries and biodiversity conservation in areas beyond (and within) national jurisdiction. This sub-project will be led by Conservation International and contributes to each of the four regional sub-projects (Bay of Bengal, Western and Central Pacific, Eastern Pacific and Caribbean) by supporting complementary innovative technical assistance (TA). The sub-project will be implemented in consultation with the World Bank and regional partners, and responds directly to the priorities and interests identified during the preparation period.

6. Three broad categories of investment (below) have been considered. A suite of 'top priority' activities are identified for implementation during the first 18 months. Most of these have both global and regional relevance. All activities will be further scoped, detailed and prioritized in close collaboration with each of the ABNJ Project's regional executing agencies<sup>73</sup> at an Inception Workshop to be convened during the initial stages of implementation.

7. Several additional activities also considered as high priorities, but require significant additional time to scope. These are proposed for further consideration and potential implementation during the second 18 month period of the grant.

8. **Global Think Tank.** During preparation of the ABNJ Project, a proposal to establish a small *Global Think Tank on Shared Highly Migratory Stocks Management* (GloTT) has been strongly supported by partners and agreement has been reached to implement this under ABNJ Project Component 3 (refer main **PAD; Annex 3; Annex 8**). The GloTT is a knowledge exchange mechanism for sharing experiences across all four of the ABNJ Project's regions and to enable south-south learning. Given the similarities between several of the proposed activities under this [CI-led] sub-project and those considered under the GloTT (especially where these cut across all four regions), this proposal considers how synergies and complementarities might best be enabled. The indicative objectives of the Global Think Tank are:

- To exchange experiences and learning associated with pilot project design. Initial effort will go into developing and sharing of the theory (including any relevant legal inputs) relevant to improved and economically rational management of shared highly migratory stocks;
- To facilitate south-south awareness and capacity building.

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<sup>73</sup> Bay of Bengal Programme IGO covering the Bay of Bengal, SP Forum Fisheries Agency covering the WCPO, WWF (US) covering the EPO, and WECAFC covering the Caribbean

- Share knowledge on the theory of shared highly migratory fisheries and discuss specific topics and challenges prioritized amongst the EAs and interested stakeholders (including some commissioned analytical work); and
- To produce of a [set of] seminal Economic and Sector Work documents/s for Bank/GEF publication and other appropriate knowledge products on the management, performance and prospects for these fisheries and associated marine biodiversity.

9. This is discussed in further detail below and respective to each proposed activity.

### III. SUB-PROJECT OBJECTIVE

10. The overall objective of the sub-project is to contribute to the transformational impact that pilot projects are expected to realize and inform the design of regional pilot business plans. Three forms of TA are proposed, all of which will inform both regional and global solutions to shared stocks management and biodiversity conservation:

- Conduct analytical work to inform management decisions where gaps in knowledge are identified with partners;
- Field test and validate new gears and technologies, including for Monitoring, Control and Surveillance (MCS); and
- Provide training to build capacity and share experiences/lessons learned including through south-south exchanges.

11. A summary breakdown of objectives and activities by region and theme is provided under Annex 1.

### IV. PROPOSED ACTIVITIES AND RESULTS

#### 1. Conduct analytical work to inform management decisions where gaps in knowledge are identified with partners.

*Interim results monitoring indicator<sup>74</sup>: Conduct at least 6 analyses/evaluations to inform management decisions*

12. Together with key partners and in close coordination with the GloTT process, CI will conduct analyses to inform critical fisheries management decisions. A number of potential analyses have been identified as valuable either to specific regional sub-project geographies or globally<sup>75</sup>. The need for additional analyses may be identified as the pilot projects evolve. Six of these have been selected by regional partners as top priority analyses for implementation in the first 18-month phase of activities:

a. **Assess the contribution to ecosystem services to conservation and sustainable use of biological diversity of ABNJ.** With guidance from the regional EA and in the context of the proposed pilot activities, and ongoing work in the region, to support Pacific Island countries /

<sup>74</sup> Important note - a detailed breakdown of activities and indicators will be generated and agreed by CI in consultation with all ABNJ Project partners during the first 6 months of operations.

<sup>75</sup> In particular, synergies will be explored with the regional sub-project in Western Central Pacific Ocean and GloTT, which includes the development of a **Theoretical Framework on Shared Highly Migratory Fisheries Management**. This 'framework' will be considered as a generic blueprint applicable to fisheries in other ABNJ Project regions. Such synergies agenda / modus operandum will be agreed at an inception workshop during the first three months of ABNJ Project operations.

region assess and build understanding of the contribution to ecosystem services (including marine biological diversity and fisheries) of areas beyond national jurisdiction under a range of governance and management scenarios. Effective governance and management of all marine ecosystem services, including those in areas of high seas, is essential to meeting the future needs and aspirations of countries in this region. Analyses will assess what sector and national policies and priorities have been made regarding ABNJ and pool this into a regional discussion document aimed at uniting effective management and areas of interest and concern for high seas management in the Pacific Islands region. Analyses will consider effective management scenarios from a Pacific country/regional view point to support consideration, adoption and implementation of coherent national, and regional policies. **Region: Pacific Island Countries.**

**b. Critical assessment of MPA effectiveness for ecosystem based fisheries management.** Conduct a global synthesis study of the role, if any, of different spatial management approaches in contributing to tuna stock sustainability, partnering with well-known marine conservation and fisheries experts. The study will assess position and catch data over the past 20+ years in and around Marine Protected Areas (MPAs) of different management effectiveness levels. This study will provide an independent evaluation of the ecological and economic impacts of MPAs and determine of the role, if any, of MPAs in contributing to tuna management objectives. **Region: Global.**

**c. Economic impact analyses.** In order to guide policy formulation and direct management strategies, CI will conduct an economic impact analysis to review management alternatives that would aim to optimize the value of billfish capture considering differential values as tourism (recreational fishing) vs. capture (subsistence/commercial) resource. **Region: Caribbean.**

**d. Tagging studies to determine migration patterns.** CI will work with a partner organization to conduct tagging studies, using both conventional and satellite tags, that reward artisanal fleets for conventional tag return and that help determine migration patterns and post-release survival. **Region: Caribbean.**

**e. Analyses to inform large scale spatial planning.** Potentially a priority for several geographies, CI will first focus on analyses to feed into spatial planning (time/area closures for white/blue marlin spawning grounds) in the Caribbean, characterization of the fleets/gear associated with billfish capture based on data from the International Commission for the Conservation of Atlantic Tunas (ICCAT) to identify the key countries where progress can be made to reduce low income billfish capture. **Region: Caribbean / Global**

13. Subject to further consultations with the World Bank and regional sub-project partners, several further analyses are envisaged for potential implementation during the second 18 months of implementation. All have potential synergies with the GloTT and will be considered in this context by all partners. These include the following:

- Evaluation of common property pooled resource harvesting options/scenarios, including assessments of the comparative benefits of fishing at Maximum Sustainable Yield (MSY) or Maximum Economic Yield (MEY) in coastal and small island developing country contexts;
- Biological life cycle, physical, and other ecosystem information compilation and analysis;
- Assessments of governance and distribution of benefit options;
- Trial application of FAO methodologies/FPIs for evaluating the status of unassessed fisheries; and
- Assessment of regional impacts of subsidies, and provision of incentives to support sustainable fisheries and biodiversity conservation.

14. CI will draw on our Science-to-Action expertise, developed through the successful implementation of the Marine Managed Area Science project (<http://www.science2action.org/>), to ensure that the results of these analyses are translated for various targeted audiences to be utilized in management decisions not only in the pilot project geographies, but more generally as well.

## **2. Field test new gears or technologies, including for monitoring, control and surveillance**

*Interim results monitoring indicator: at least four new gears or technologies applicable to business plan development*

15. Numerous innovative new technologies and gear modifications are being developed that can support sustainable management of fisheries and the ecosystems on which they depend. CI will partner with leading organizations already undertaking such work, including the International Seafood Sustainability Foundation (ISSF) to work with fisheries managers and industry leaders to test the utility of two classes of tools: monitoring, control and surveillance (MCS) technologies; and gear modifications.

a. **Remote sensing and UAVs. Scope the feasibility and establish partnerships to enable the** testing of unmanned aerial vehicles (UAVs) and/or remote sensing as an actionable MCS tool for fisheries activities in large, remote ocean areas. MCS is critical for effective fisheries management, and poses a significant challenge globally, but particularly for coastal and small island developing states that have limited resources and capacity, but are stewards Exclusive Economic Zones (EEZs) that are sometimes many time the size of their land territory. Innovative new technologies, such as unmanned aerial vehicles (drones), increasingly high resolution remote sensing capabilities, operated in partnership with developed countries and/or industry, offer promising solutions. Working initially with the Government of Kiribati, CI will trial the use of these MCS tools in the Phoenix Islands Protected Area, and assess whether existing legal frameworks and infrastructure is sufficient to allow the Government of Kiribati to take effective enforcement action based on the outputs of remote surveillance. Trial data may also be used to quantify the extent and impact of Illegal, Unreported, and Unregulated (IUU) fishing. Successful completion of this activity depends upon in-kind commitments of partners yet

to be secured, thus in the first 18 months of the ABNJ project, CI will endeavor to secure the necessary partnership commitments to enable the trial to be carried out in the second 18-month phase. **Region: Pacific Islands Countries / Global.**

b. **Electronic observer systems.** Electronic observer systems can enable a cost effective and independent verification of catch composition (target and bycatch) to enforce catch shares for by-catch and incidental capture limits. Effective management depends on accurate catch records of both by-catch and target species. Incentives exist for vessels to report inaccurately and observers, where they exist, are subject to error and influence. CI will deploy electronic catch monitoring systems to assess reliability and accuracy of observers. **Region: Eastern Pacific / Global**

c. **VMS/AIS devices.** Trial Vessel Monitoring System/Automatic Identification System (VMS/AIS) devices on vessels most likely to account for bycatch in order to record accurate position data on which to base recommendations for time/area closures to reduce bycatch of non-target species and juvenile tunas. Effective management depends on accurate vessel positions combined with catch and vessel characteristic data in order to establish spatial and temporal measures that reduce by-catch and limit tuna mortality in especially important areas and periods. CI will contract VMS/AIS providers to obtain and analyze position and catch data. **Region: Eastern Pacific / Global.**

d. **Improved Fish Aggregation Device.** In coordination with ISSF and IATTC scientists, field test novel fish aggregating device (FAD) designs to reduce by-catch and attraction/entanglement of non-target species and size classes, including turtles, sharks, juvenile bigeye tuna capture in the Eastern Pacific Ocean and incidental billfish capture in the Caribbean. CI will contribute to the ISSF research and advocacy project for FADs with alternative materials that are biodegradable and non-entangling, deploying novel FAD designs at sea to test the effect on non-target mortality and target catch rates. **Region: Eastern Pacific / Global**

16. Subject to further consultations with the World Bank and regional sub-project partners, further activities are envisaged for potential implementation during the second 18 months of this sub- project. These activities may include test sorting grids, and other new gears to reduce bycatch and attraction/entanglement of non-target species and size classes, including juvenile bigeye tuna capture in the Eastern Pacific Ocean and incidental billfish capture in the Caribbean. Traditional purse seine nets use mesh size conducive to capturing non-target pelagics and undersized (juvenile) tunas. In the Caribbean, CI may conduct gear trials on green stick gear, different hook types and independent buoy gear (for swordfish bycatch) to increase artisanal avoidance and survival.

### **3. Provide training to build capacity and share experiences/lessons learned including through south-south exchanges.**

*Interim results monitoring indicator: Coordinate at least 6 workshops/exchanges to build capacity, raise awareness and share experiences and lessons learned*

17. A number of innovative approaches to and tools for ecosystem based fisheries management exist already, and sharing the most successful, as well as the lessons learned from the development or initial implementation process will ensure the amplification of these experiences globally. CI has a strong track record of amplifying adoption of successful models to new geographies and stakeholders, and will work closely with stakeholders to connect them with potential solutions and learning opportunities. Four initial opportunities for awareness raising, learning and capacity building have been prioritized, and additional workshop/training priorities to be conducted in the second 18 months of the sub-project will be developed in consultation with the World Bank, pilot project leads, and stakeholders.

**a. Shared stocks management knowledge exchange.** Facilitate workshops and/or exchange visits to increase understanding of improved shared stocks management, including information, and assessment of governance arrangements necessary for effective RBM/ Vessel Day Schemes (VDS). These workshops and/or south-south exchanges will facilitate learning about the process and lessons learned by the PNA in the allocation of vessel days and establishment of governance mechanisms for implementing VDS and/or other RBM concepts such as locally managed marine areas (LMMAs). **Region: Global.**

**b. Reduction of post release mortality.** Exchange of knowledge on reduction of fish mortality in setting, catch and release situations. These workshops will be designed to increase capacity and understanding of best practices to reduce bycatch mortality in the Caribbean and possibly in the Bay of Bengal. **Region: Caribbean / Global.**

**c. Fishery science training.** Hold a regional workshop to increase fisheries science capacity in Caribbean nations. ICCAT member countries tend to be weakly trained and underrepresented at ICCAT scientific meetings, which undermines their ability, understand and support tuna conservation measures. CI will facilitate a 7-day crash ‘graduate’ level fisheries science course for promising scientists from Caribbean countries. **Region: Caribbean.**

**d. Networking and communities of practice.** Awareness raising and building networks amongst communities of practice are important elements that can strengthen the prospects of success for Pilot projects. In the Bay of Bengal there are several regional (IOTC and IOR-ARC), sub-regional (BOBLME, World Bank FIMSUL-II) and country related initiatives that are developing over the period 2014-2015. To maximize opportunities for synergies arising from the Pilot, and these initiatives, awareness building and outreach will be provided to enhance BoB-sub-regional coastal states efforts towards strengthened cooperative management arrangements for shared stocks, including through facilitating dialog and information flows amongst relevant stakeholders. **Region: BoB / Global**

18. Additional workshops or south-south exchanges may be developed during the final 18 months, depending on budget availability, demand from key stakeholders and consultation with regional sub-project needs. Additional workshops may include such topics as: techniques for reducing bycatch mortality, or the costs and benefits of implementing voluntary standards.

## **V. KEY RISKS AND ISSUES**

19. The activities proposed are all relatively low risk, given their nature (analyses, field testing, and capacity building). However, more thorough in-region consultation and vetting of the proposed activities following finalization of the associated pilot projects may alter the

prioritization and/or feasibility of the proposed activities. They are well linked with the overarching objectives of the ABNJ Project and fully feasible within the allotted timeframe and budget. Anticipating the emergence of new TA priorities or opportunities as the regional activities progress, we propose to leave a portion of the overall budget flexible within the three categories of activities to enable CI to address these emerging priorities/opportunities and further develop synergies with the GloTT. Moreover it is acknowledged that the ABNJ Project's inception workshop will result in some calls for reprioritization and/or further assessment of some of the proposed activities.

20. Of the three activity categories, the highest risk is the field testing, because this involves new validation applications of technologies, for which (by their nature) outcomes are unpredictable. Additionally, some of the proposed activities require a secured in-kind commitment from key partners (e.g. activity 2.a: Pilot test to determine utility of remote sensing and/or UAVs for fisheries monitoring, control and surveillance), which, although expected, will take time and engagement to secure. In all cases, the risks that exist can be effectively mitigated through proper planning, and in the case of field testing, the development of protocols and results monitoring.

## **VI. IMPLEMENTING AGENCY ASSESSMENT**

21. Conservation International's Global Marine and Science Programs combine field experience with scientific and economic tools and expertise to improve human well-being through better management of marine ecosystems. CI's Marine Program has worked with over 150 partners including governments, corporations, and civil society organizations to attain both the enabling conditions and policies & practices required for sustainable management of marine ecosystems. CI's engagement builds on market mechanisms and other sources of sustainable financing to achieve benefits to people, especially the poor in coastal communities within marine biodiversity hotspots, that proper marine management can deliver. CI's Marine Program has achieved many outcomes contributing to improved marine management, including:

- a) Supporting the creation of 46 new Marine Protected Areas (MPAs) since 2004. These areas cover 64 million hectares (more than 247,000 square miles, or one-and-a-half times the size of California);
- b) Catalyzing development of four Seascapes (Abrolhos, Bird's Head, Eastern Tropical Pacific, and Sulu-Sulawesi) designed to coordinate multiple programs toward a unified marine management goal at a broad scale;
- c) Contributing to the development of the Coral Triangle Initiative, Pacific Oceanscape, and World Heritage listed Phoenix Islands Protected Area.

## **VII. MONITORING AND EVALUATION ARRANGEMENTS**

22. CI will establish metrics appropriate to each of the activities outlined above in consultation with the Coordinating Committee and the World Bank. Monitoring of partner-executed activities will be conducted by CI Marine field staff under the guidance of the Technical Leads, while CI-executed activities will be monitored by CI HQ staff under the guidance of the Sub-Project Lead, based on pre-established financial and technical reporting cycles. The metrics for activities to be carried out in the first year of this sub-project will be established within three months of start up to allow proper time for discussions, vetting and

finalization with the World Bank and local partners. The metrics for additional activities will be established and agreed with the World Bank and partners before beginning implementation of those activities. Due to the range of technical assistance proposed by CI, there will be a variety of potential metrics developed to show the impact of CI work.

### **VIII. MANAGEMENT ARRANGEMENTS**

23. ABNJ Technical Assistance Sub Project Lead, based in Arlington, VA, will be responsible for overall project management, including:

- providing project administration and coordination with the World Bank;
- ensuring timely submission of project progress reports;
- facilitating multiple-geography activities;
- ensuring effective communication between geographic leads.

24. ABNJ Technical Assistance Coordinating Committee will be comprised of the Project Manager, Technical Leads for each geography (Caribbean and Eastern Pacific Ocean will be managed by the same Technical Lead), and the Director for Multilateral Relations. The Coordinating Committee will:

- provide strategic input into the execution of the sub-project ;
- ensure all sub-project outputs are delivered in accordance with this document.

25. Individually, the **Technical Leads** for each geography will:

- ensure the effective consultation, activity design, dissemination of information and uptake of sub-project findings by regional executing agencies and relevant stakeholders;
- provide technical and scientific advice and services to the sub-project in its day-to-day execution;
- assist the Project Manager in the development of the annual work plan for the sub-project

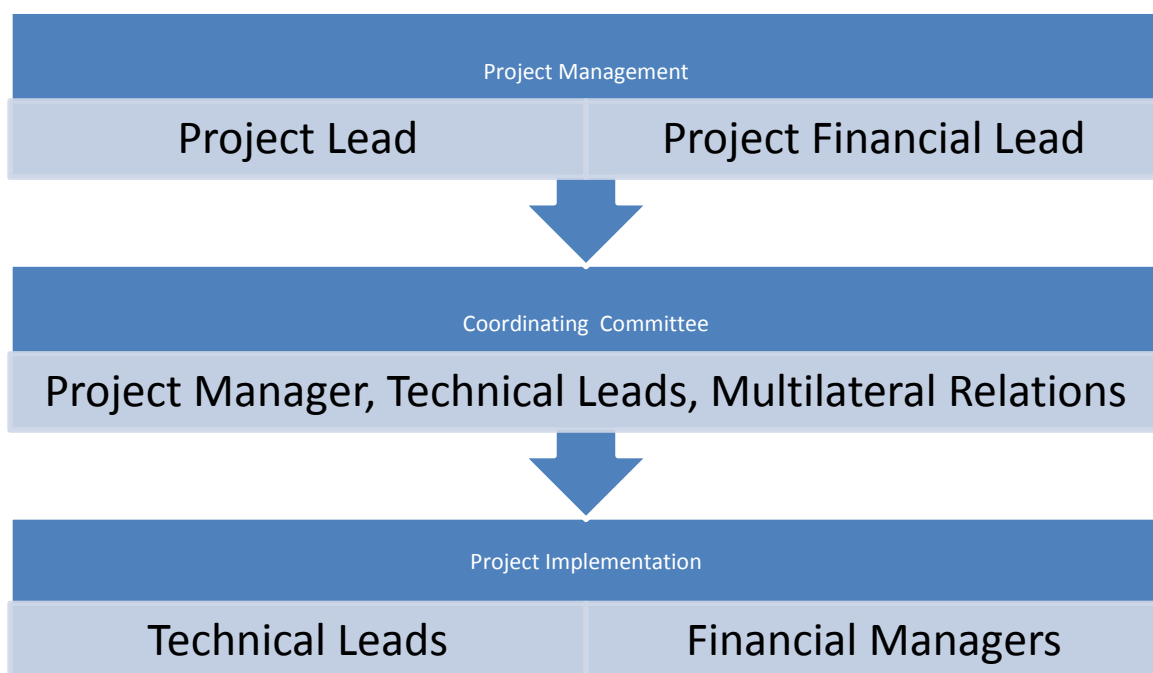
26. The **Director for Multilateral Relations** will provide oversight to ensure compliance with World Bank safeguards policies and procedures.

27. ABNJ Technical Assistance Project **Financial Lead**, based in Arlington, VA, will be responsible for ensuring compliance with award terms and conditions, including:

- support the Project Manager in monitoring budget/financial schedules and compliance on a regular basis;
- provide financial oversight and guidance to each Project Financial Manager to ensure cross-divisional coherence and compliance with donor requirements;
- monitor entire sub-project budgeted vs. actual expenses;
- coordinate financial reporting to the World Bank;



- ensure the World Bank’s procurement policies and procedures are followed when executing contracts.
28. Additionally, the **Project Financial Managers** for each geography will:
- support Technical Leads in monitoring budget/financial schedules and compliance on a regular basis;
  - follow the World Bank’s procurement policies and procedures are followed when executing contracts monitor the budgeted vs. actual expenses for their respective geography;
  - work with the Project Financial Lead on the reporting to the World Bank.



## Annex1: Breakdown summary of Activities by Region and Theme

(Figures are indicative from preparation - final agreed budget details are available under respective FM and Procurement tables).

|   | Western & Central Pacific | Eastern Pacific   | Caribbean | Bay of Bengal | Global Think Tank | YR 1 | YR 2 | YR 3 | Estimated Budget per Activity |
|---|---------------------------|---|-----------|---------------|-------------------|------|------|------|-------------------------------|
| <b>Conduct studies to inform management decisions</b>                           |                           |   |           |               |                   |      |      |      |                               |
| a   | *                         |   |           |               |                   |      |      |      | \$ 203,685                    |
| b   | *                         | *   | *         | *             | *                 |      |      |      | \$ 132,123                    |
| c   |                           |   | *         |               |                   |      |      |      | \$ 44,155                     |
| d   |                           |   | *         |               |                   |      |      |      | \$ 76,285                     |
| e   | *                         |   | *         | *             | *                 |      |      |      | \$ 37,741                     |
| f   | *                         |   | *         |               | *                 |      |      |      | \$ 44,341                     |
| g   |                           |   |           | *             |                   |      |      |      | \$ 146,068                    |
| h   |                           | *   | *         | *             | *                 |      |      |      |                               |
| i   |                           |   |           | *             | *                 |      |      |      |                               |
| j   |                           |   |           | *             |                   |      |      |      |                               |
| <b>Priority Items Total</b>   |                           |   |           |               |                   |      |      |      | \$ 538,330                    |
| <b>Sub-total</b>  |                           |   |           |               |                   |      |      |      | \$ 684,398                    |
| <b>Field test new gears and technologies</b>                                    |                           |   |           |               |                   |      |      |      |                               |
| a   | *                         |   |           | *             | *                 |      |      |      | \$ 119,626                    |
| b   |                           | *   |           | *             | *                 |      |      |      | \$ 160,315                    |
| c   |                           | *   |           | *             | *                 |      |      |      | \$ 187,815                    |
| d   |                           | *   |           | *             | *                 |      |      |      | \$ 94,315                     |
| e   |                           | *   | *         | *             | *                 |      |      |      | \$ 182,315                    |
| <b>Priority Items Total</b>   |                           |   |           |               |                   |      |      |      | \$ 562,071                    |
| <b>Sub-total</b>  |                           |   |           |               |                   |      |      |      | \$ 744,386                    |
| <b>Provide training to build capacity and share experiences/lessons learned</b> |                           |   |           |               |                   |      |      |      |                               |
| a   | *                         |   | *         | *             | *                 |      |      |      | \$ 166,719                    |
| b   |                           |   | *         | *             | *                 |      |      |      | \$ 113,621                    |
| c   |                           |   | *         | *             | *                 |      |      |      | \$ 79,796                     |
| d   |                           |   | *         | *             | *                 |      |      |      | \$ 108,199                    |
| e   | *                         | *   | *         | *             | *                 |      |      |      | \$ 265,517                    |
| <b>Sub-total</b>  |                           |   |           |               |                   |      |      |      | \$ 733,853                    |
| <b>Grand total</b>  |                           |   |           |               |                   |      |      |      | \$ 2,162,637                  |
| <b>Bold Star:</b>   |                           | Priority geography  |           |               |                   |      |      |      |                               |
| <b>Non-Bold Star:</b>   |                           | Potential geography based on future conversations with pilot leads/partners |           |               |                   |      |      |      |                               |
| <b>Dark Blue:</b>   |                           | Priority and planned activity   |           |               |                   |      |      |      |                               |
| <b>Light Blue:</b>  |                           | Potential activity based on future conversations with pilot leads/partners  |           |               |                   |      |      |      |                               |

## ANNEX 8: IMPLEMENTATION ARRANGEMENTS

### REGION: OCEAN PARTNERSHIPS FOR SUSTAINABLE FISHERIES AND BIODIVERSITY CONSERVATION – MODELS FOR INNOVATION AND REFORM

#### *Project Administration Mechanisms*

1. The following administrative arrangements have been discussed and agreed between all parties:

A. **Four Grant Agreements with the regional Executing Agencies (EA)** identified during preparation and shown below:

- a. West/Central Atlantic and Caribbean: Food and Agriculture Organization for the benefit of the members of the Western and Central Atlantic Fisheries Commission (FAO/WECAFC<sup>76</sup>)
- b. Bay of Bengal India/Tamil Nadu [Sri Lanka and Maldives]: Bay of Bengal Programme (BOBP-IGO)
- c. Western and Central Pacific: The South Pacific Forum Fisheries Agency
- d. Eastern Pacific Ocean (to include Global Think Tank): WWF (US)

B. **One Grant Agreement with Conservation International** covering the Project's Component 2 activities related to innovation funds.

2. A strongly **decentralized approach** to administration is proposed. The project calls for an appropriate and relatively high degree of autonomy by all EA in tackling the significant project challenges of (a) generating the pilot business plans and (b) simultaneously attempting to influence the international stage on effective management of shared highly migratory stocks. In this regard it is emphasized that regional EAs and respective associates and partners have been prioritized and screened during preparation, not only for their technical capacity and political commitment, but also for their proven skills and comparative advantage in administering a wide range of successful international development and research projects in this field.

3. At the overall project level, comprehensive technical advice and supervision support will be provided by the World Bank through its direct engagement in the *Global Think Tank* (GloTT - discussed below). Aspects related to general project cycle management and supervision (fiduciary, M&E, Safeguards, etc) are covered below under the appropriate headings.

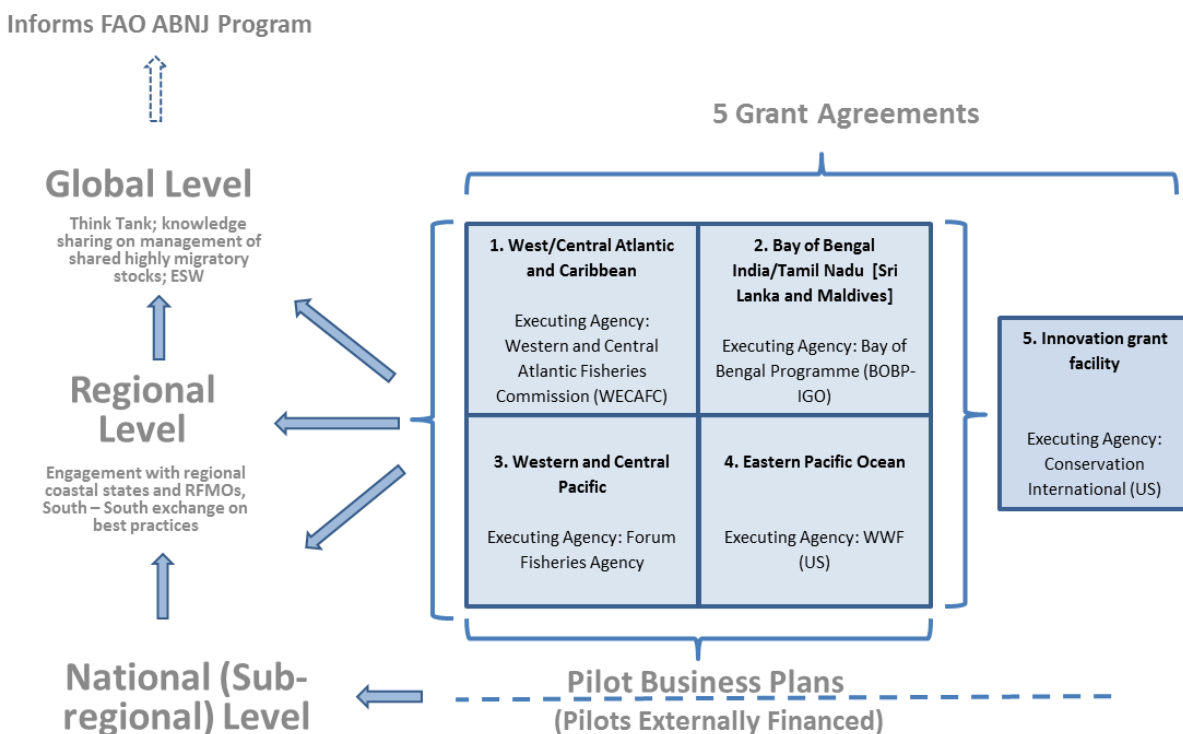
4. Some capacity building within EAs may be required from time to time to ensure consistency with Bank operations and across regions. This is likely to include, for example, training and awareness in aspects of World Bank Financial Management, Procurement and Safeguards. These skills will be provided, wherever possible, through sourcing respective training expertise through Bank Regional Offices. In the two regions where the project will be collaborating with Bank IDA investments (Bay of Bengal and WCPO), such training inputs will be fully coordinated to ensure mutual benefit and cost effectiveness.

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<sup>76</sup> WECAFC was established in 1973 by Resolution 4/61 of the Food and Agriculture Organization of the United Nations (FAO) Council under Article VI (1) of the FAO Constitution<sup>76</sup>. Thus although FAO is the Executing Agency, WECAFC based at FAO's offices in Bridgetown, Barbados, will undertake all of the work.

5. A schematic representation of institutional and administrative arrangements is provided under **Figure 1**. Full details these arrangements respective to each regional subproject are provided under **Annexes 3 – 7**, while the following section (**Regional Implementation Mechanisms**) provides a summary of these with respect to each EA.

Figure 1: Project Institutional and Administrative Arrangements



6. As can be seen from Figure 1, project implementation embraces comprehensive technical assistance (termed ‘TA’ by the World Bank) at national (or subregional), regional and global dimensions as follows.

7. **The National/subregional dimension** will focus on development of business plans for prospective pilot projects. Specific EA activities have been identified under each subproject (**Annexes 3 – 6**) and will be supported by inputs from Conservation International (**Annex 7**). Together, these will focus on capacity / awareness building, strengthening local institutions, and defining scenarios for public private partnership arrangements that would provide the financial underpinnings and value proposition for the business plans. Stakeholders include fishers, communities, processors, markets, government, inter-ministerial groupings, and so forth. EAs will also ensure any necessary validation trials take place to properly inform the project’s objective. These may be time delimited ‘scaled-down pilots’ whose purpose would be *inter alia* to demonstrate potential outcomes early on, help encourage further local ownership, reinforce the business planning process, and attract financial interest and potential downstream investment.

They could include testing market access, new technologies and assessing management arrangements. Examples have been provide above under Section IV – Implementation.

8. **The Regional dimension** will comprise efforts by EAs to facilitate networking, awareness raising and capacity building. These are a vital component of project outreach / influence and will be supported by Components 1 and 2. In particular, EAs will explore opportunities for coastal states to collaborate and engage in collective action on improved management of shared high migratory fisheries. This process will also inform a strengthened regional voice on innovative and economically rational management approaches at international forums especially RFMO meetings. In the Bay of Bengal region, for example, effort may focus on collaboration between India, Sri Lanka, Maldives and potentially Bangladesh. In the WCPO, where collective action on shared stocks already exists (Vessel Day Scheme), effort will focus on improving, enhancing and extending this. For example, this may include enabling inshore fishers / fishing communities to share in the economic benefits that accrue from tuna fishing through facilitation of their participation in rights allocations and markets for quota and/or vessel days.

9. Regional work will also be supported through *south-south* collaboration and exchanges between regions currently benefiting from emerging best practice. Particular interest in this regard is foreseen between the Western Central Pacific, Eastern Pacific and Bay of Bengal. Regional activities are particularly intended to inform a strengthened regional [political, economic and technical] voice on sustainable management of shared stocks at international forums primarily with key RFMOs including IOTC, IATTC, WCPFC and ICCAT. Business plans for pilots at national level should help identify economies of scale potentially achievable at a regional level.

10. **The global dimension** will focus on a Global Think Tank whose role will be to promote regional outreach and collaboration amongst the five project EAs, to share knowledge and develop a global goods *Economic Sector Work* on the effective management of shared highly migratory stocks. This responds to GEF's call for knowledge that informs / influences international debates and processes related to the management of shared highly migratory stocks and the conservation of associated marine biodiversity.

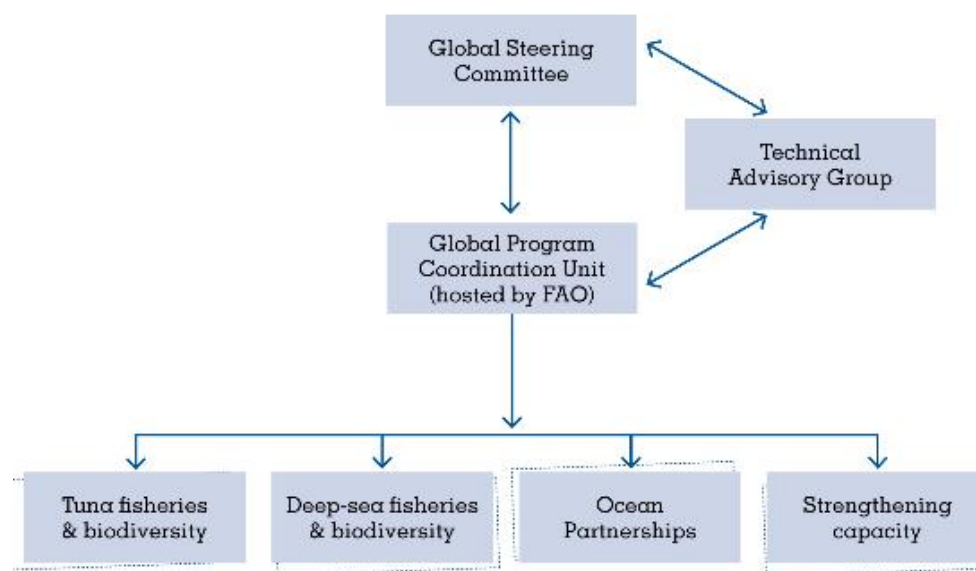
11. Funds to support and facilitate the Think Tank will be allocated to WWF-US under their Grant Agreement. EAs and the World Bank will nominate Think Tank members. It is expected that this group will meet at least once a year and wherever possible, piggy back on larger events (such as FAO COFI) in which many of the EA membership already participate. A possible inception session, for example, could be in conjunction with the 2014 biannual meeting of the International Institute of Fisheries Economics and Trade (IIFET), Brisbane, July 2014. While WWF will help convene meetings of the GloTT and coordinate the preparation of a final report(s), the process is a strictly collaborative. The WWF Project Coordinator will be responsible for ensuring the Global Think Tank process operates as effectively and efficiently as possible.

12. **Project Technical Supervision.** The GloTT will also provide the ideal vehicle to ensure that the highest level of technical advice and support on overall project implementation is made available to all EAs. The World Bank's technical fisheries team (AES) will participate in all GloTT meetings to provide guidance and evaluate overall progress. Knowledge sharing on best practice will play major role in defining sustainable fisheries arrangements at the global level. Bank technical engagement will facilitate the development of the ESW knowledge product. A

Bank team will also undertake site visits on an annual basis where needed, to undertake technical and administrative performance reviews.

13. **EA consulting contracts.** All EAs are expected to undertake activities under Component 1 through a wide range of local, regional or international agencies, firms or individuals. These were all identified and agreed in principle with the EAs during project preparation. All consulting activities will follow detailed profiles drafted and agreed during early stages of implementation, according to specific needs identified at that time. Profiles will be developed to include detailed background, objectives, tentative activities, implementation arrangements with work plan and budget, and monitoring and evaluation guidelines. All contracted consulting activities will be supervised by the EAs to ensure due diligence and effective implementation.

14. **Coordination with overarching ABNJ Program.** Under the FAO-led ABNJ Program (PAD, Section I), FAO’s Global Partnerships for Responsible Fisheries Programme (FishCode) hosts a Global Programme Coordination Unit (GPCU) comprising a core group led by an ABNJ Program Coordinator (**Figure 2**). The GPCU is supported by a Global Steering Committee comprised of representation from key partners. The project TTL will be the focal point for coordination with this Global Steering Committee which will meet at least once a year.



**Figure 2: FAO ABNJ Program Governance Structure**

15. While the project will enjoy a degree of autonomy with respect to the GPCU as articulated within the Program documentation ( “the Ocean Partnership Project (OPP) implemented through the World Bank will have separate coordination arrangements”), every effort will be made by the project to engage fully and effectively with the Program. In particular, ABNJ Program Component 1 (Global Tuna Project) has special relevance to this project. Specific coordination arrangements will be defined during early stages of implementation, but

primary coordination routes will involve both the GPCU (for general matters) and through the GloTT (for technical matters) as noted above.

16. The ABNJ Program is also intending to establish a Technical Advisory Group made up of scientific and technical experts that work to ensure participation and full involvement of key partners from the policy, technical, and scientific communities as well as industry. Wherever possible and convenient, the project will ensure this Group interacts and/or participates in the GloTT.

*Summary of Regional Implementation Mechanisms*

17. Specific implementation arrangements for each regional subproject are summarize in Table 3 below with further details in Annexes 3-6.

**Table 3: Summary of Regional Implementation Arrangements**

| <b>Region and EA</b>   | <b>Implementation Arrangements</b>  |
|--|---|
| <p><i>West/Central Atlantic and Caribbean</i></p> <p><b>Executing Agency:</b> Western and Central Atlantic Fisheries Commission (WECAFC/FAO)</p> | <p>All 32 member countries from WECAFC/FAO, which is an FAO <i>regional fishery body</i>, will participate in the project to various degrees. The WECAFC/FAO, as EA, will provide for the Project Management Unit (PMU). The PMU will be hosted by the secretariat of the WECAFC at the FAO Sub regional Office for the Caribbean (SLC), located in Barbados.</p> <p>The organizational arrangements include a highly cost effective Project Management Unit (PMU), a project Steering Committee (PSC), and the Consortium on Billfish Management and Conservation (CBMC).</p> <p>The PMU will provide for administration and coordination, project management leadership and have overall technical and administrative responsibility for the project. The PSC will be responsible for providing general oversight of the project implementation and will ensure that all agreed activities upon under the project are adequately prepared and carried out. The CBMC will provide technical and scientific advice and services to the project and in its day-to-day work, ensure partnerships, sharing of information and take care of project visibility.</p> |
| <p><i>Bay of Bengal India/Tamil Nadu [Sri Lanka and Maldives]</i></p> <p><b>Executing Agency:</b> Bay of Bengal Programme (BOBP-IGO)</p>         | <p>The BOBP-IGO will have overall management responsibility for the project, and the Director of the BOBP-IGO will act as the overall Project Manager (PM) who will report to the PSC and the World Bank.</p> <p>The project management framework will be organized at three levels:</p> <p><b>Project Steering Committee</b> (PSC) will provide oversight and strategic guidance to the project, along with ensuring that all the key project outputs are delivered according to the project document and plan. The following key institutions will be represented on the Project Steering Committee: the State Fisheries Departments of Tamil Nadu, Kerala, Puducherry and Andhra Pradesh; the Ministry of Agriculture</p>  |

|  |   |
|--|---|
|  | <p>(Department of Animal Husbandry, Dairying &amp; Fisheries), India; BOBLME; IOTC; relevant central fisheries research institutions; Marine Products Export Development Authority of the Ministry of Commerce, Government of India; representatives of the fish export industry; representatives of key producer organizations; appropriate representatives from civil society and NGOs; FAO (either New Delhi or the Regional Office-RAP, Bangkok); and World Bank. The PSC will meet at least once every 12 months.</p> <p><b>Project Management Unit (PMU)</b> set up within the offices of the BOBP-IGO in Chennai, India, will facilitate the role of the PM, take responsibility and provide leadership, oversight and administration concerning the implementation of the work of the project, and provide regular progress reports (both technical and financial) to the PSC and the World Bank. A dedicated Project Coordinator (PC) will have responsibility for managing the day-to-day implementation and delivery of the work of all the project components and fiduciary tasks.</p> <p>A set of six <b>Project Components (PCom)</b> will be operated by the project over three years, leading to the production of the final Business Case for future investment in the sector. Each of the six components has four main activities and outputs, which underpin the achievement of the main goal. Each project component will be led by a dedicated expert in the subject area concerned who will report to the PM.</p> |
| <p><i>Western and Central Pacific</i></p> <p><b>Executing Agency:</b> Forum Fisheries Agency</p>   | <p>The sub-project activities are nested within and fully consistent with the PROP project, and the first two components will be undertaken integrally and incrementally with the PROP. The activities will be informed by a shared fisheries management theory developed in component three which, together with lessons from WCPO best practice, will be tested on four different fisheries within the project (WCPO, Bay of Bengal, EPO and Caribbean) to assess its adequacy within different contexts. The Global Think Tank will facilitate outreach south-south knowledge sharing under component three.</p>   |
| <p><i>Global Think Tank and Eastern Pacific Ocean</i></p> <p><b>Executing Agency:</b> WWF (US)</p> | <p>WWF will carry out project operations with the following responsibilities:</p> <ul style="list-style-type: none"> <li>• Provide project (office) administration and coordination with the World Bank, ensuring timely submission of project progress and financial reports.</li> <li>• Provide project management leadership and have overall technical and administrative responsibility for the project.</li> <li>• Coordinate with the other EAs under the ABNJ project</li> </ul> <p>The project will be staffed by a Program Officer who will provide overall project coordination and report to the Project Advisor.</p> <p>Implementation will comprise two interrelated aspects:</p> <p><b>Inter-regional Coordination of the Global Think Tank:</b> The GloTT will have shared ownership amongst all regional subprojects under the GEF-ABNJ project. However, this subproject (through WWF) will facilitate and manage the process to achieve effective inter-regional coordination and collaboration. The EAs for each regional subproject and the World Bank will nominate members to serve on the</p>   |



|  |   |
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|  | <p>GloTT. It is expected that this group will meet at least once per year. A possible kick off session could be held in conjunction with the 2014 biannual meeting of the International Institute of Fisheries Economics and Trade (IIFET), Brisbane, July 2014.<sup>77</sup> WWF will convene its meetings and provide coordination support, for example in the preparation of a final report(s). However the process is a collaborative effort, where each regional EA will assist in agenda and meeting arrangements.</p> <p><b>Regional EPO subproject:</b> A Stakeholder Advisory Group (SAG) will be assembled to provide overall project governance. The group will be the primary vehicle to progress informed discussion and evaluation of management scenarios for the EPO test case and will be comprised of regional experts with global expertise. The GloTT will provide global expertise to the deliberations of the Stakeholder Working Group as it evaluates initial RBM scenarios as a part of the evaluation process of the EPO test case. Initially membership will comprise representatives of the partners (IATTC, ISSF, and WWF) and industry, sub regional organizations and specialist stakeholders that are clearly supportive of RBM approaches and ready to engage with the project. World Bank representatives will also serve on this working group. Over time membership would expand as further industry champions are identified. The SAG would meet at least once a year.</p> |
| <p><i>Innovation Support Component</i></p> <p><b>Executing Agency:</b><br/>Conservation International (US)</p> | <p>CI will contribute to regional pilot projects by designing and executing complementary and innovative TA, in consultation with the World Bank, and in response to the priorities and interests of regional partners and EAs wherever appropriate.</p> <p>ABNJ Technical Assistance <b>Project Lead</b>, based in Arlington, VA, will be responsible for overall project management, including:</p> <ul style="list-style-type: none"> <li>• providing project administration and coordination with the World Bank;</li> <li>• ensuring timely submission of project progress reports;</li> <li>• facilitating multiple-geography activities;</li> <li>• ensuring effective communication between geographic leads.</li> </ul> <p>ABNJ Technical Assistance <b>Coordinating Committee</b> will be comprised of the Project Manager, Technical Leads for each geography (Caribbean and Eastern Pacific Ocean will be managed by the same Technical Lead), and the Director for Multilateral Relations. The Coordinating Committee will:</p> <ul style="list-style-type: none"> <li>• provide strategic input into the execution of the project;</li> <li>• ensure all project outputs are delivered in accordance with the project document.</li> </ul>  |

<sup>77</sup> The Seventeenth International Conference of the International Institute of Fisheries Economics & Trade (IIFET) will be held at Queensland University of Technology (QUT), Brisbane, Australia, 7 – 11 July 2014.

|  |  |
|--|--|
|  | <p>Individually, the <b>Technical Leads</b> for each geography will:</p> <ul style="list-style-type: none"> <li>• ensure the effective consultation, activity design, dissemination of information and uptake of project findings by regional executing agencies and relevant stakeholders;</li> <li>• provide technical and scientific advice and services to the project in its day-to-day execution;</li> <li>• assist the Project Manager in the development of the annual work plan for the project.</li> </ul> <p>The <b>Director for Multilateral Relations</b> will provide oversight to ensure compliance with World Bank safeguards policies and procedures.</p> <p>ABNJ Technical Assistance Project <b>Financial Lead</b>, based in Arlington, VA, will be responsible for ensuring compliance with award terms and conditions, including:</p> <ul style="list-style-type: none"> <li>• support the Project Manager in monitoring budget/financial schedules and compliance on a regular basis;</li> <li>• provide financial oversight and guidance to each Project Financial Manager to ensure cross-divisional coherence and compliance with donor requirements;</li> <li>• monitor entire project budgeted vs. actual expenses;</li> <li>• coordinate financial reporting to the World Bank;</li> <li>• ensure the World Bank’s procurement policies and procedures are followed when executing contracts.</li> </ul> <p>Additionally, the <b>Project Financial Managers</b> for each geography will:</p> <ul style="list-style-type: none"> <li>• support Technical Leads in monitoring budget/financial schedules and compliance on a regular basis;</li> <li>• follow the World Bank’s procurement policies and procedures are followed when executing contracts, monitoring the budgeted vs. actual expenses for their respective geography;</li> <li>• work with the Project Financial Lead on the reporting to the World Bank.</li> </ul> |
|--|--|

*Knowledge Management*

18. As indicated above the project will make a significant contribution to global knowledge on the management of shared highly migratory stocks and the conservation of associated marine biodiversity. This contribution responds to GEF’s call for knowledge that informs / influences international debates and processes related to this crucially important topic. The *Global Think Tank (GloTT)* will have several globally oriented knowledge functions. These will draw on

respective EAs' and associated experts' comparative advantages to inform global goods outputs and to foster south-south collaboration and knowledge exchange (see **Section I–I Project Description; Annex 2**).

19. The World Bank as GEF Implementing Agency, will ensure its anchor fisheries expertise (currently located in AES) is used both in helping convene the GloTT and to support its work, providing a conduit for the future ESW publication on effective management of shared highly migratory stocks. The Bank team will also ensure all project-related documentation is effectively compiled into a project-wide database and web portal for development under GloTT with close collaboration with all project partners<sup>78</sup>.

20. The project will collaborate closely with the FAO ABNJ Program on all knowledge and data management issues, ensuring coherence and consistency of messaging. A Communications Team has already been established for the ABNJ Program composed of communications specialists nominated by Conservation International, FAO, GEF, Global Ocean Forum, IUCN, UNEP, World Bank, and WWF. This team will hold responsibility for the development and oversight of the ABNJ Program's overall external communications strategy (see below), ensuring the visibility and promotion of the programmatic goals and objectives, contributing thus to their achievement, through targeted outreach.

#### *Proposed Communication approach*

21. A detailed project-wide Communication Strategy will be developed during the first four months of implementation with input from all EAs, FAO and other relevant partners. The strategy will take account of GEF branding guidelines, as detailed in the GEF Communication and Visibility Policy, which outline how GEF Agencies communicate and present GEF-funded activities to donors and other stakeholders. The Communications Strategy will embrace a strong web presence including a portal, to ensure effective management of knowledge products emanating from the various activities at different levels – national, regional and global (GloTT). Responsibility for the development and management of web systems will be collective, with NGO partners particularly WWF and CI playing leading roles. Formal and informal communication channels and a mix of media and other formats tailored to the intended audiences will be used to disseminate knowledge products.

22. Subject to further discussion during inception, the Communications Strategy is likely to focus on the following:

- promoting collaboration through building a community of practice among the EAs and key stakeholders
- disseminating knowledge on innovations and best practice in shared stocks management and other relevant issues
- facilitating access to information on regional and global best practices to support outreach to country level actors and regional institutions, decision makers and beneficiaries at local level.

23. Finally, as noted above, up to one percent of the GEF IW grant will be allocated to IW-Learn to support learning activities, including portfolio knowledge sharing and South-South leaning exchanges and participation in IW: Learn conferences.

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<sup>78</sup> It is assumed that WWF-US and Conservation International will lead the development of this web portal.

## Financial Management, Disbursements and Procurement

### Financial Management.

24. **Financial Management Assessment.** As noted at the beginning of this Annex, five Grant Agreements are proposed with the following EAs:

- Western Central Atlantic Fisheries Commission (WECAFC/FAO), through the Food and Agricultural Organization of the United Nations (FAO) operating from FAO’s Regional Office for the Caribbean, Barbados.
- Bay of Bengal Programme Inter-Governmental Organization (BOBP-IGO), Chennai, India
- The South Pacific Forum Fisheries Agency (FFA), Honiara, Fiji
- World Wildlife Fund Inc. (WWF), USA
- Conservation International (CI) – Arlington, VA, USA, covering global activities related to implementing the Component 2 innovation funds.

25. A Financial Management (FM) Assessment of each grant recipient (EA) has been undertaken with the objective of determining whether each EA has in place adequate arrangements to satisfy the minimum requirement of the Bank’s OP/BP 10.00 with regards to the proposed Grant from GEF [global] Trust Funds to fund this project. **Table 3** provides a summary of the findings of this assessment. Adequate FM arrangements which will ensure *inter alia*: a) efficient and economical utilization of funds for the intended purposes; b) preparation of accurate, reliable and timely periodic financial reports, c) safeguarding of the entity’s assets, and d) adequate capacity availability to comply with World Bank disbursement guidelines.

26. The assessment concluded that all five EAs have adequate Financial Management Systems for the purpose of the project. Regarding experience in managing World Bank grants, however, although WECAFC/FAO, WWF and CI all possess such experience, BOBP-IGO and FFA do not. In these two latter cases, appropriate controls (internal and external) together with relevant capacity and awareness building measures (e.g. training of finance officers and accountants), will be needed at the PMU level to mitigate any risk. This will be provided during project implementation and progress will be monitored. FM-related risks for both agencies will be reassessed during implementation.

**Table 3: Summary of Financial Management Assessment:**

| Risk                 | Risk Rating | Risk Mitigating Measures Incorporated into Project design  | Residual Risk | Condition <sup>79</sup> (Y/N) |
|----------------------|-------------|--|---------------|-------------------------------|
| <b>Inherent Risk</b> |             |  |               |                               |
| Country Level        | M           | Bay of Bengal Programme Inter- Governmental Organization, Chennai IN<br>Mitigated by the proposed funds flow arrangement   | M             | N                             |
| Entity Level         | S           | The capacity of the local grantees is likely to be weak. New grantees might lack experience in the implementation of a project.<br><br>The PMUs established for each grant recipient are responsible for | M             |                               |

<sup>79</sup> Condition of Negotiation, Board or Effectiveness

|  |   |   |   |   |
|--|---|---|---|---|
|  |   | monitoring and supervising the grantees. The OM developed by each grant recipient is intended to improve procedures for monitoring and implementation.  |   |   |
| Project Level                                    | S | If sub-grants are given for implementation, then the recipient may have varying degree of capacity and skills. Therefore, ensuring adequate supervision and compliance is difficult.<br><br>Training on compliance with the OM needs to be provided by PMUs. The internal audit of each PMU will ensure compliance with the OM of each PMU. Bank supervision will also be intensified for regional grants and global grants.  | M | N |
| <b>Control Risk</b>                              |   |   |   |   |
| Accounting                                       | M | All the identified grant recipient have computerized accounting system. The financial reports for the project will be generated out of this system with an agreed reporting format  | M | N |
| Internal controls                                | M | An OM that is applicable to all PMUs will be developed and in place by project effectiveness. The Bank will furnish a suitable model to each EA for further development and submission in draft by the time of the Inception Meeting. This will describe policy and internal control procedures and will ensure operational harmonization across the project. In all situations EAs will follow Bank Procedures.<br><br>Disbursement of grant funds will only commence after clearance by TTL.<br><br>An independent audit agency will undertake the audit of each program / PMU focusing on economy, efficiency, and effectiveness within 24 months from effectiveness and then each completed FY during the project period. | M | N |
| Financial Reporting                              | M | With the exception of WECAFC/FAO, IFRs from each PMU FM system will be generated and will be submitted in the agreed format to the Bank within 45 days after the end of each calendar semester. In the case of WECAFC/FAO an alternative IFR reporting schedule was agreed as follows: the delivery date for the Progress Reports and IFRs would be 30 days (i.e. 31 July) after the end of the first calendar semester, and 60 days (i.e. 28 February) after the second calendar semester (i.e. July-December). The WECAFC/FAO grant will also be operated within the FMFA.  | M | N |
| Funds Flow                                       | M | WECAFC/FAO and CI have pool accounts from grant funds; other PMUs will open single designated account to receive grant funds.   |   |   |
| Overall Risk Rating                              | M |   | M |   |
| H - High, S - Substantial, M – Moderate, L – Low |   |   |   |   |

27. **Planning, budgeting, accounting, and internal controls.** FM arrangements will be implemented using the existing financial management systems respective to Project Management Units (PMU) established under this project by each EA, with due consideration given to the capacity of each PMU. Each PMU FM unit will incorporate the following key attributes: a) key elements of FM, including budgeting, funds flow, accounting, internal controls, reporting and audit; b) computerized systems and FM procedural manual; c) qualified staff to take up FM responsibilities if trained in relevant Bank procedures and requirements, including

procurement<sup>80</sup>; d) acceptable controls to mitigate fiduciary risks when sub-grants are involved; e) independent internal audits that could shoulder such responsibilities with adequate training, and f) full alignment with international accounting systems.

28. It has been proposed that WECAFC/FAO will follow the FMFA framework agreement for financial management of the grant but the other four grant recipients will follow financial management practices acceptable to the World Bank under OP/BP 10.00.

29. The proposed account management arrangements respective to each grant recipient are as follows:

- WECAFC/FAO will receive the grant funds into its Trust Fund account in compliance with the Financial Management Framework Agreement (FMFA). However WECAFC/FAO will establish and maintain a separate project account to receive the funds transferred for implementing the agreed project activities. After the Project documents and Grant Agreement have been reviewed and signed, the FAO Technical Cooperation Department will prepare the Withdrawal Application (WA) signed by the authorized signatory of FAO and submit to the World Bank (as stated in the Disbursement Letter ) in order to proceed with funding request under the signed Grant Agreement. Further funds request as stated in the disbursement, FAO will submit Unaudited Financial Reports (UIFR in the agreed format) which will have six months cash forecast along with the WA and other deliverable if any. Deliverables or reports will be itemized in the Grant Agreement. A budget holder who is an authorized signatory will be designated to operate the Project with the responsibility of disbursement of funds for the implementation of activities and monitor the project expenditures and commitments. Any budget revision will be submitted for clearance to the World Bank (Donor). FAO will submit periodic financial statements (UIFR) to the World Bank showing details of receipts, funds allocated and interest credited. The reports will be submitted in an agreed format which will be attached to the Grant Agreement. The financial statements will be issued and certified by the authorized signatory of FAO Finance Department.
- WWF, BOBP-IGO and FFA will open individual project accounts in a commercial bank acceptable to the World Bank guidelines.
- Conservation International will receive funds into its pool account since it has adequate controls in place to monitor external donor funds and related expenditures.

30. All withdrawal applications and direct payments (if required) will be processed by the PMU of each recipient. Each grant recipient will be responsible for budget preparation and execution, financial reporting, establishment of internal controls system and undertaking internal audits.

31. **Financial Accounting Reporting and Monitoring.** Responsibilities for periodic and consolidated financial reporting (for IFR purpose) and production of overall financial statements (for external audit purposes) will rest with the PMU of each EA grant recipient. All five EA will use their own financial management systems to monitor expenditure and will provide reports in the format agreed with the World Bank.

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<sup>80</sup> As noted in previous section, capacity building of FM staff is found to be necessary in the case of Bay of Bengal Programme Inter- Governmental Organization, Chennai India and Pacific Islands Forum Fisheries Agency. In the case of Food and Agricultural Organization of the United Nations (FAO) – Italy, World Wildlife Fund Inc. – Washington DC, Conservation International Foundation – Arlington VA do have staff who are conversant with World Bank fiduciary requirements

32. All EAs will individually prepare semi-annual Interim Financial Reports (IFRs) during project implementation. The EAs own FM systems will record eligible expenses of the project and this will form the basis for the preparation of the periodic financial statements in the World Bank agreed format. The IFRs will include the following FM aspects:

- Sources and uses of funds by funding source and
- Uses of funds by activities of the project;
- Projected expenditures and cash forecast for the next six months;
- Bank reconciliation statement for the Designated Account (DA) and
- The Operations Account, showing the cash balance available at end of the semester under review.

33. The IFRs will cover all activities financed through the Bank funds. Each interim financial report will be submitted to the World Bank no later than 45 days after each reporting period, and shall capture six-month period. In the case of WECAFC/FAO, an alternative IFR reporting schedule has been agreed as follows. The delivery date for the Progress Reports and IFRs would be 30 days after the end of the first calendar semester (i.e. 31 July), and 60 days after the second calendar semester (i.e. 28 February). The WECAFC/FAO grant will also be operated within the FMFA.

34. An IFR template and Terms of Reference for audit have been developed and agreed upon between WB and all EAs.

35. All five EA will have an operational manual in place for project implementation and grant management. The financial procedures manual of the five agencies will further elaborate on the adequate internal control frameworks and risk management strategy that will apply to the project. Regular reporting arrangements and supervision plan will also ensure that the implementation of the project is closely monitored and that appropriate remedial actions are taken.

36. Based on the FM questionnaire, all five agencies have experienced and qualified FM staff who can effectively manage internal control system and internal audit functions. Financial reporting by CI, FAO and WWF has been satisfactory in other World Bank projects. Reporting by BOBP-IGO and FFA will to be monitored closely to assess financial reporting compliance.

37. **External Audits.** Financial statements of each EAs project related activities will be subject to an annual audit ( FAO will follow the FMFA guideline) by a reputable, competent and independent auditing firm based on the terms of reference agreed upon with the Bank. External auditors will be funded by the grant and will also be expected to prepare Management Letters that include observations, comments and any recommendations for improvements in accounting records, systems, internal controls and compliance with financial covenants in the respective Grant Agreement.

38. The project will be required to produce, no later than six months of the following fiscal year, audited annual financial statements. In line with the new Access to Information Policy, the project will comply with the Bank disclosure policy of audit reports (e.g. make publicly available, promptly after receipt of all final financial audit reports (including qualified audit

reports) and place the information provided on the official website within one month of the report being accepted as final by the team).

**Table 3.2 Audit report required:**

| Audit Report   | Due Date  |
|--|---|
| Project Specific Financial Statements and Management Letter. (FAO will follow FMFA for submission of audit reports). | Submitted within six months after the end of each financial year. |

***Disbursements and funds flow:***

39. Advance and reimbursement method will be used for disbursements of the GEF Grant. Advances will be based on IFR reporting. Detailed results will be defined / agreed respective to each EA, at an Inception Workshop some three months after effectiveness. Advances will be made into each EA’s project fund account. The uses of advances will be tracked through its accounting system and Bank reconciliation statement for the Designated Account (DA). The ledger account used for monitoring the receipt and the use of the advances for WECAFC/FAO and CI fund account is considered as the designated account (DA) for advances; however for WWF, BOBP-IGO and FFA, the bank statement and reconciliation statement will be used instead since they will operate segregated accounts to receive grant funds. The ceiling for the designated accounts will be decided based on the projected expenditures and cash forecast for the six-month period that is included in the IFR.

40. The project will use the transaction-based disbursement procedures at effectiveness. An initial advance up to the ceiling of the Designated Account (DA) will be disbursed upon receipt of a withdrawal application signed by the authorized borrower’s representative. Subsequent advances to the DA will be upon submission by the borrower of documentation evidencing the use of the previous advance for eligible project expenditures. During implementation, the periodic IFRs as agreed in the grant agreement and produced by each EA will be reviewed and cleared. The proceeds of the five trust funds will be disbursed as show below:

- WECAFC/FAO. The Grant to WECAFC/FAO will follow the FMFA arrangements and will be disbursed based on IFRs. Advances will be linked to agreed results. A pooled USD Designated Account will be used for this Grant. As soon as the Grant Agreement has been approved, WECAF/FAO will request an advance for the first year of operation (as per forecast in annual implementation plan). Subsequent advances will be based on further agreed annual work plans and will be released on only after WECAFC/FAO has documented over 80% of the earlier advance. Finally, WECAFC/FAO will use their own funds equivalent to the final reimbursement amount, later claiming the actual eligible expenditure up to this amount before the grant closure date.
- CI. The Grant to CI will be disbursed based on IFRs and a pooled USD Designated account will be used for this Grant.
- WWF, BOBP-IGO and FFA. Grants to these organizations will follow transaction based disbursements and segregated USD Accounts will be opened for these grants. The SOE thresholds and the DA ceiling will be defined in the Disbursement Letter.



41. In the case of all the Grants, the following methods of Disbursement will be available: Advance, Reimbursement and Direct Payment.
42. Final reimbursement of the grant funding balance will be contingent upon receipt of the final audit report of each grant of the respective EA.
43. **FM Implementation Support Plan.** Financial Management supervision mission will be undertaken twice a year. On-site supervision will also include desk reviews such as the review of the eligible expenditure account source documents, IFRs and audit reports. In depth reviews may be undertaken if deemed necessary. The supervision will be integrated with project implementation reviews. Some supervision budget may be allocated to increase the efficiency of controls and support to implementation. Joint supervision missions with procurement staff may be conducted. A review of the project expenditures will be carried out regularly as part of the scope of each implementation review mission to ensure that expenditures incurred under all project's parts remain eligible for Bank funding.
44. **Conclusions.** The conclusion of the assessment is that the FM arrangements in place at the five EAs meet the Bank's minimum requirements under OP/BP 10.0, and therefore are adequate to provide, with reasonable assurance, accurate and timely information on the status of the project required by IDA. The overall FM residual risk rating of the project is **MODERATE**.
45. Since BOBP-IGO and FFA have no previous experience with World Bank requirements, the project team will ensure that adequate fiduciary capacity building exercise is available from the Country Office to support the PMU fiduciary staff in understanding and complying with the World Bank requirements especially for financial management, procurement and disbursement.

### ***Procurement***

46. **Procurement Arrangements.** Procurement for the proposed project will be carried out in accordance with the World Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits, dated January 2011* (Procurement Guidelines), and the *Guidelines: Selection and Employment of Consultants by World Bank Borrowers, dated January 2011* (Consultants Guidelines), and the provisions stipulated in the Grant Agreements. The description of various items under different expenditure categories is presented below. For each contract to be financed by the Grant, the different procurement methods or consultant selection methods, estimated costs, prior review requirements, and time frame will be agreed between the EAs and the Bank project team in the Procurement Plan.
47. **Procurement of Works.** No works contract will be financed under this project.
48. **Procurement of Goods and Non-Consulting Services.** International Competitive Bidding (ICB) procedures shall be used for procurement of goods estimated to cost US\$100,000 or more per contract. Shopping may be used to procure goods estimated to cost less than US\$100,000 per contract. Direct Contracting may be used under the circumstances described in Para. 3.7 of the Procurement Guidelines, but subject to the Bank's prior review.
49. **Selection of Consultants.** Consultants required under the project would be recruited in accordance with the following procedures. Consulting service contracts expected to exceed US\$300,000 equivalent per contract would use the Quality and Cost Based Selection (QCBS) or Quality Based Selection (QBS) in conformity with the Consultants Guidelines. Consulting

services contract estimated under US\$300,000 equivalent per contract would follow the Selection Based on Consultants Qualifications (CQS). Under the circumstances described in paragraph 3.9 of the Consultants Guidelines, consultants may be selected and awarded on a Single-Source Selection (SSS), subject to the Bank’s prior approval. Selection of Individual Consultants: Individual consultants would be selected and contracts awarded in accordance with the provisions of paragraphs 5.1 through 5.5 of the Consultants Guidelines. Under the circumstances described in paragraph 5.6 of the Consultants Guidelines, individual consultants may be selected and awarded on a single-source basis, subject to the Bank’s prior approval.

50. **Procurement Thresholds and Prior Review Thresholds.** Prior review and procurement method thresholds for the proposed project are shown below.

| <b>Procurement Methods</b>                | <b>Procurement Thresholds</b>  | <b>Prior Review Thresholds</b>  |
|---|--|---|
| <i>Goods and Non-Consulting Services:</i> |  |   |
| International Competitive Bidding (ICB)   | ≥US\$100,000   | All contracts subject to prior review   |
| Shopping                                  | <US\$100,000   | First one contract subject to prior review  |
| Direct Contracting                        | Meet the criteria set out in para. 3.7 of the Procurement Guidelines | All contracts subject to prior review   |
| Selection Methods                         | Applicability  | Prior Review Thresholds   |
| Firms (QCBS, QBS, LCS, CQS and SSS)       | In accordance with the Bank’s Consultants Guidelines                 | ≥US\$100,000, and all SSS contracts   |
| Individual Consultants                    |  | ≥US\$50,000 (exception made to SSS, legal and procurement related assignments, where all contracts are subject to prior review) |

51. **Procurement arrangements specific to particular consulting services:** Each EA will provide guidance and assistance to associated agencies to ensure that all procurement and consulting service requirements are carried out in accordance with the Grant Agreement and Bank procurement guidelines. Grants above US \$100,000 would be subject to additional external technical review, including the World Bank review, as appropriate. In addition, the EA will carry out prior review and approval of all procurement requests estimated to cost US\$5,000 or more. All other procurements may be arranged by the grantees without prior review, but shall be subject to post-review on a sample basis. Examples of the most significant EA consulting

procurement needs include the following: (a) WWF with Inter-American Tropical Tuna Commission; (b) Forum Fisheries Agency with Parties to Nauru Agreement Office; and (c) WECAFC/FAO with the International Game Fish Association. All of these will use a single source selection procurement process with appropriate justification.

**52. Assessment of the Agency's Capacity to Implement Procurement: Implementation Arrangements:** The following five executing agencies have been identified as executing agencies. A Project Management Unit (PMU) will be established within each of these and will be responsible for project coordination and implementation including procurement.

- Bay of Bengal Program (BOBP-IGO): responsible for Bay of Bengal India/Tamil Nadu,
- Forum Fisheries Agency (FFA): responsible for Western and Central Pacific,
- Food and Agriculture Organization for the benefit of the Western and Central Atlantic Fisheries Commission (FAO/WECAFC): responsible for West/Central Atlantic and Caribbean,
- World Wild Fund (WWF-US): responsible for Eastern Pacific Ocean and Global Think Tank, and
- Conservation International (CI): responsible for Innovation Support Component 2.

**53. Procurement Risks and Mitigation Actions.** Conservation International (CI) and WWF have previously executed activities funded through the Bank and are familiar with the Bank's procurement procedures. They have also carried out significant amount of procurement using own funds and those provided by various donors. They have sufficient experience and capacity in managing procurement. Similarly WECAFC (FAO Agency) has capacity and experience in managing procurement in accordance with FAO procurement system and FAO Manual. The remaining two EAs, Bay of Bengal Program and Forum Fisheries Agency, have limited Bank-related procurement capacity and experience. However, given the project comprises technical assistance (primarily through consultant services), there are no works contracts involved.

**54.** The main procurement-related risks identified include: (i) weak capacity in some implementing agencies and (ii) delay in implementation due to lack of familiarity with the Bank procurement procedures, improper planning and contract supervision. To address the risks, the mitigating measures include: (i) establishing PMU in each executing agency to take charge of project coordination and implementation including procurement, (ii) appointing a dedicated project coordinator for managing day-to-day implementation and take fiduciary responsibility, (iii) using the Bank Standard Request for Proposals and Contract Templates in selection of consultants, and (iv) providing intensive implementation support through the Bank team during implementation. The overall procurement risk is considered as **LOW**.

**55. Procurement Plan.** Draft Procurement Plans have been prepared and discussed between the Bank and each EA for the first 18 months of implementation. The draft procurement plans will be finalized prior to the grant negotiation. The procurement plans will be available on each EA's own website and on the Bank's external website once they are approved by the Bank. The procurement plans will be updated in agreement with the Bank annually, or as required, to reflect project implementation needs and improvements in institutional capacity.

**56. Procurement Documents.** In the case of shopping for goods, EA shall use its own documents seeking quotations from qualified suppliers. For the selection of individual consultants, EA shall use its own contract templates for engagement of individual consultants. For selection of firms, EA shall use the Bank's Standard Request for Proposals and Standard Contract Templates. For the award of Grants, EA shall use the procedures and documents included in the EA's internal procedures. Further, since the discrete tasks to be performed should be clearly identified, payments should be linked to specified outputs.

***Environmental and Social (including safeguards)***

57. The project is regional in scope and will invest in the preparation of business plans to support sustainable fisheries in up to four seascapes. While this is a TA project with no physical investment, the development of business plans under Component 1, when implemented regardless of the funding source, will have physical footprints and will generate both adverse and positive environmental and social impacts that will need to be addressed. For these reasons, OP4.01 is triggered.

58. As a precautionary approach, OP 4.04 (Natural Habitats), OP 4.10 (Indigenous Peoples) and OP 4.12 (Involuntary Resettlement) are also triggered. The business plans developed by this TA will lead to subsequent investments that are likely to impact natural habitats, although most of these impacts are expected to be positive. Indigenous Peoples are also likely to be present in some of the areas and are likely to benefit from reform pathways when implemented. Finally, subsequent investments identified from the business plan may result in loss of access to natural resources in legally designated parks.

59. To ensure that the business plans are developed with due consideration of environment and social impacts and in compliance with OP 4.01, OP 4.04, OP 4.10 and OP 4.12, an Environment and Social Management Framework (ESMF) was prepared during preparation. The ESMF will guide the screening of the business plans for environment and social impacts and the preparation of appropriate safeguard instruments for each plan. The ESMF contains an environmental and social assessment screening process associated with specific investments proposed in each business plan, as well as examples of good practice avoidance, minimization and mitigation measures for the breadth of reform pathways that the business plan may propose. It also contains a Process Framework that describes the procedures and requirements in case there is loss or restriction of access to natural resources. The ESMF will ensure that each business plan will put in place a robust approach to consider environmental and social risks and impacts in line with Bank safeguard policies, and to prepare appropriate good practice safeguard instruments for the actual reform pathways identified in the final business plan.

60. The project risks will be thoroughly assessed and dealt with by the EAs (and the World Bank team, whose responsibility it is to screen for the presence of Indigenous Peoples early on in BP preparation) in each corresponding region, based on safeguard needs for the pilot business plans design and in correspondence with the Environmental and Social Management Framework (ESMF) developed by the EAs. In order to do this, each Grant Agreement accommodates Safeguards awareness and training that will be deployed when specific pilot business planning circumstances dictate, and appropriate safeguards instruments developed as part of each business plan. The Bank will ensure an effective level of liaison with all EAs on this matter.

| <b>Safeguard Policies</b>                    | <b>Triggered</b> | <b>Explanation (Optional)</b>  |
|--|------------------|--|
| Environmental Assessment<br>OP/BP 4.01       | <b>Yes</b>       | <p>While this is a TA project with no physical investment, the development of business plans under Component 1, when implemented regardless of the funding source, will have physical footprints and will generate both adverse and positive environmental and social impacts that will need to be addressed. For these reasons, OP4.01 is triggered.</p> <p>To ensure that the business plans are developed with due consideration of environment and social impacts and in compliance with OP 4.01, an ESMF was prepared during preparation. The ESMF will guide the screening of the business plans for environment and social impacts and the preparation of appropriate safeguard instruments for each plan. The ESMF contains an environmental and social assessment screening process associated with specific investments proposed in each business plan, as well as examples of good practice avoidance, minimization and mitigation measures for the breadth of reform pathways that the business plan may propose. This Framework will ensure that each business plan will put in place a robust approach to consider environmental and social risks and impacts in line with Bank safeguard policies, and to prepare appropriate good practice safeguard instruments for the actual reform pathways identified in the final business plan.</p> |
| Natural Habitats<br>OP/BP 4.04               | <b>Yes</b>       | <p>The business plans developed by this TA will lead to subsequent investments that are likely to impact natural habitats, although most of these impacts are expected to be positive.</p> <p>The ESMF prepared for the project includes provisions of how each business plan will screen for potential impacts related to natural habitats, and will describe the necessary measures to avoid, minimize or mitigate these adverse impacts.</p>  |
| Forests OP/BP<br>4.36                        | <b>No</b>        | Following discussions during preparation, it was agreed that the business plans developed by this TA will not impact mangrove forests.   |
| Pest Management<br>OP 4.09                   | <b>No</b>        | Following discussions during preparation, it was agreed that there will be no impacts from this Project related to pest management.  |
| Physical Cultural<br>Resources OP/BP<br>4.11 | <b>No</b>        | Following discussions during preparation, it was agreed that there will be no impacts from this Project related to physical cultural resources.  |

|  |            |  |
|--|------------|--|
| Indigenous Peoples OP/BP 4.10                  | <b>Yes</b> | <p>Indigenous Peoples are likely to be present in some of the areas and are likely to benefit from reform pathways when implemented.</p> <p>Each area and business plan will be screened to determine whether Indigenous Peoples are present. The ESMF prepared for the project includes an Indigenous Peoples Planning Framework (IPPF), the main elements of which would be a free, prior and informed consultation process to ensure that IPs are not adversely affected by project activities (e.g. siting of infrastructure and construction work related to component 2) and that they are not excluded from project benefits.</p> |
| Involuntary Resettlement OP/BP 4.12            | <b>Yes</b> | <p>The subsequent investments identified from the business plan may result in loss of access to natural resources in legally designated parks.</p> <p>The ESMF prepared for the project includes a Process Framework (PF) that describes the procedures and requirements in case there is loss or restriction of access to natural resources.</p>  |
| Safety of Dams OP/BP 4.37                      | <b>No</b>  | Neither this project nor the implementation of the business plans will involve building dams nor will any of the future investments envisaged depend on an existing dam.   |
| Projects on International Waterways OP/BP 7.50 | <b>No</b>  | Following discussion with LEGEN and the RSA, it was agreed that there will be no impacts from this Project or downstream implementation of Business Plans on international waterways as described under OP 7.50.   |
| Projects in Disputed Areas OP/BP 7.60          | <b>No</b>  | There may be unresolved territorial claims or disputes within the project boundaries identified during the preparation of Business Plans. In this case, the Business Plan activities in these areas will be declared ineligible and removed from the Business Plans.   |

## *Monitoring & Evaluation*

61. The global scope and reach of this project call for an M&E system that is robust enough to facilitate systematic data gathering and analysis from national/subregional/regional activities and to ensure this is effectively fed back to inform any improvements in project operations. Data will be tracked for each of the indicators identified in the Results Framework (Annex 1) and will be aggregated at the project level.

### *Specificity of M&E Measurement*

62. Three interrelated dimensions of M&E are identified and described below: (a) **Project level** with Bank responsibility; (b) **sub-project level** under the responsibility of each Executing Agency; and (c) **global / programmatic level** under the overarching FAO-led ABNJ Program.

63. Project-level. The Results Framework (Annex 1) notes that the overall achievement of the PDO will be measured primarily through the following combination of metrics:

64. number of pilot business plans for transformational public-private partnerships and their effectiveness in attracting third party investment;

65. enhanced ability of partner regions and clients to voice views on shared management of highly migratory fisheries, in particular with respective RFMOs;

66. global knowledge – existence of effective inter-regional/global collaboration and cooperation in defining more effective management arrangements for shared highly migratory stocks.

67. The project's focus on attracting investment into pilots calls for a set of objectively verifiable indicators incorporating a range of quantitative and qualitative measures. Qualitative measures will examine the potential impact of business plans in terms of (a) attractiveness to finance and (b) likelihood they will deliver rapid 'transformation' – i.e. change towards sustainable and responsible fisheries. The Results Framework proposes that appropriate indicators will be defined with each subproject EA during the first year of project operations, most likely as part of the first meeting of the Global Think Tank. Indicators are expected to draw on the Bank's Fisheries Performance Indicators (FPI) system that will enable consistent measurement across, and comparisons between, subprojects. Financial expertise will be sought to consider parameters associated with financial attractiveness<sup>81</sup>. These and other aspects are discussed in further detail under Annex 2.

68. The overall effectiveness of project delivery, especially in terms of generating regional and global influence on shared stocks management, will be determined through continued scrutiny of project knowledge outputs (communications) and Global Think Tank.

69. Bank due diligence supervisory M&E processes require a range of financial and other metrics to be deployed in measuring the degree of successful administration and implementation of agreed project inputs. These are further detailed in Annex 8.

70. Subproject level (Institutional Capacity for Regional and National-level M&E). Responsibility for overall monitoring and evaluation at this level will be vested within each sub-

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<sup>81</sup> Potentially involving a *Dragon's Den* type of approach where potential investors and regional project proponents meet to consider future pilot investment scenarios.

project. EAs and respective associates and partners have been selected and prioritized during preparation not only for their technical commitment, but also for their institutional skills and background in administering a wide range of successful international development and research projects in this field. In this regard, all EAs are deemed to have effective M&E systems that meet the needs of the project.

71. EAs will establish metrics based on the agreed activities, results and indicators specified within each subproject proposal (Annexes 3-7) in consultation with the World Bank. EAs will ensure all indicators contribute directly and clearly to the overall project results. The metrics for activities to be carried out in the first year of the project will be established within three months of the start of the project to allow proper time for discussions, vetting and finalization with the World Bank and local partners. The metrics for additional activities will be established and agreed with the World Bank and partners before beginning implementation of those activities. Each EA will use these metrics autonomously to monitor and evaluate delivery effectiveness based on the agreed results and assessment criteria specified under each subproject (Annexes 3-7).

72. EAs will identify / allocate M&E specialist with responsibility for appropriate systems and tools to ensure systematic collection, compilation of relevant M&E assessment data. This will permit an effective level of performance measurement against agreed targets.

73. EAs will establish their own governance arrangements with responsibility for oversight and monitoring of all deliverables. The basic metrics/indicators used for the subproject-specific M&E will be a Project Performance Evaluation Report (PPER). Monitoring will inter alia assess: project achievements against target; and efficiency and effectiveness of project management. EAs will formally report on their M&E findings on an annual basis.

74. EAs will support the actual costs of all necessary data collection and analysis<sup>82</sup>. Where applicable, M&E will include gender-disaggregated data. The Bank may provide tailored M&E advice, training and expertise where needed. For example, the Bank will provide training in the use of Fisheries Performance Indicators (FPI) for [standardized] baseline performance measurement for specific fisheries identified for pilot design and business plan development. Support for and training in FPI systems will be rolled out with central support from the Bank. EAs will subsequently report on FPI scores on a regular basis once the target fisheries have been defined.

75. Overall, M&E results will inform a results-based approach. Decisions on annual grant allocations will thus be based on the successful achievement of agreed work plans and budgets. An M&E report will be submitted annually to the World Bank, together with an updated project work program and budget.

76. The Project will also meet the requirements of GEF IW and BD Tracking Tools. All sub-projects have completed baselines for both aspects.

77. Global-level (Programmatic M&E). Under the FAO-led ABNJ Program (PAD, Section I), FAO will host a Global Programme Coordination Unit (GPCU). This will comprise a core group led by an ABNJ Program Coordinator and including an M&E specialist having responsibility for the overall M&E of the ABNJ Program. Monitoring and evaluation of specific

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<sup>82</sup> Approx 10% of the total Regional subproject Grant Agreement value has been considered necessary for allocating to M&E.



activities and lessons learned will, where relevant, feed into the M&E system established for the entire FAO ABNJ Program. Project outputs will be evaluated for the degree to which they also contribute to the expected outcomes of the ABNJ Global Program. The FAO-based GPCU has offered to assist the project team as needed in ensuring an adequate level of consistency between M&E arrangements under development for both the project and the Global Program.

78. Aside from monitoring and evaluation of technical progress towards the PDO, Bank due diligence supervisory M&E processes require a range of financial and other metrics to be deployed in measuring the degree of successful administration and implementation of agreed project inputs.

79. Data reliability

80. The project’s objectives and indicators were selected to (i) ensure an accurate attribution of the project’s success through its achievement of the PDO and (ii) gauge the ability of EAs to report on progress of its activities. A special effort was made to ensure that the indicators selected are simple and have low cost data requirements. Linkages among all the EAs will be critical. The use of the Bank’s Fisheries Performance Indicator system will enable a useful degree inter-regional data comparison.

***M&E Scheduling***

81. The project team will be responsible for scheduling reporting as shown in Table 6 below.

**Table 6: Reporting**

|  |  |
|--|--|
| Mid-term progress report by EAs and WB ISR | EAs will prepare mid-term progress reports. World Bank team will prepare Implementation Supervision Reports (ISRs) on a bi-annual basis.   |
| End-of-project evaluation                  | The WB team will recruit a consultant (individual or a firm) to prepare an end-of-project evaluation report: <ul style="list-style-type: none"> <li>i. A review of the achievements (results evaluation);</li> <li>ii. A review of the effectiveness of the project;</li> <li>iii. An evaluation of the cost-effectiveness of the project;</li> <li>iv. An evaluation of the implementation;</li> <li>v. An evaluation of the project impact on the basis of the outcome indicators and other relevant results;</li> <li>vi. Lessons learned.</li> </ul> |

***Monitoring future pilots***

82. Although each pilot business plan will include its own M&E system, in the case that business plans are fully successful in attracting investment during the project lifetime, the project will also maintain an informal monitoring and evaluation role for the remainder of the project period. This will ensure appropriate lessons are learned including informing effective and constructive engagement by Bank client states with RFMOs processes related to improved management of highly migratory stocks.

*Links with FAO ABNJ Program's Global Steering Committee.*

71. As indicated in the Governance Arrangements section above, the project TTL will be the focal point for coordination with the FAO ABNJ Program's Global Steering Committee comprised of representation from key partners, and a Technical Advisory Group made up of scientific and technical experts that work to ensure participation and full involvement of key partners from the policy, technical, and scientific communities as well as industry.

**ANNEX 9: OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)**

**World: Ocean Partnerships for Sustainable Fisheries & Biodiversity Conservation**

|   |  |  |                 |                          |   |                   |                            |
|---|--|--|-----------------|--------------------------|---|-------------------|----------------------------|
| <b>1. Project Stakeholder Risks</b>   |  |  |                 |                          |   |                   |                            |
| <b>1.1. Stakeholder Risk</b>  |  | <b>Rating</b>  | <b>Moderate</b> |                          |   |                   |                            |
| <p>Description:</p> <p>Cooperative efforts amongst the countries participating in the project may be affected by the potential <i>resistance of stakeholders</i> in transitioning towards a management system focused on a better definition access and use rights represents a risk.</p> <p>These risks are considerate moderate largely due to the selection of regions/countries with the existing commitment to the project objectives. The risks will vary by pilot, ie East Pacific and West Pacific region will present low to moderate risk; India and Caribbean region – moderate to substantial risk.</p> |  | <p><b>Risk Management:</b></p> <p>As addressed in the project design, pilots will build upon existing or potential basis for, or interest in, tenure approach among stakeholders, using a transparent participatory approach and engaging broad range of constituents. Additionally, mitigation measures will focus on building awareness with partner agencies especially the FAO<sup>83</sup>, of the opportunities that tenure approach offers for generating sustained economic value from fisheries, food security, and in contributing to social and environmental objectives. Moreover, the project’s preparation phase has been able to select ‘high opportunity’ candidates for pilot business plan development which minimize this risk.</p> |                 |                          |   |                   |                            |
|   |  | <b>Resp:</b>   | <b>Stage:</b>   | <b>Recurrent:</b>        | <b>Due Date:</b>                        | <b>Frequency:</b> | <b>Status:</b> Not yet due |
|   |  | Client   | Imp             | <input type="checkbox"/> | 12/31/2016<br>(mid-term of the project) |                   |                            |
| <b>2. Operating Environment Risks (Note for information: this section is not disclosed at Negotiation and Board presentation stages)</b>  |  |  |                 |                          |   |                   |                            |
| <b>2.1. Country (Note for information: this section is not disclosed at Negotiation and Board presentation stages)</b>  |  | <b>Rating</b>  | <b>Moderate</b> |                          |   |                   |                            |

<sup>83</sup> In particular, drawing on the Code of Conduct for Responsible Fisheries.

**Description:**

*Political economy and institutional resistance to change from command and control to rights based management:*

In India and Caribbean, political and economic situation may pose specific reputational risks to the WB, as the project’s focus might be controversial for some countries.

Specifically in India, where general elections are to be held in summer 2014, the changes are expected among senior officials in Delhi and new fisheries policies.

This risk will vary by country/region of pilot and will vary as follows: Caribbean, India – moderate to substantial risk; East Pacific, West Pacific – low to moderate risk. Overall risk is ranked as Moderate.

*Fraud and Corruption:* Many good anti-corruption rules are in effect, but implementation/enforcement is weak.

**Risk Management:**

This risk is being mitigated through the project design and ex ante analyses that were conducted in informing the decision of choosing the countries - by selecting countries/regions with high governmental committed to the project objectives. Implementation will focus on existing local/regional political and organizational commitments and activity, and build upon these, ensuring that the risk factor will not exceed substantial in some of the regions/pilots.

Specifically for India, the risk associated with political changes will be managed through additional awareness-raising once the new government is in place. However, since senior officers in the Ministries/Departments of the Government of India are not political appointees, their positions do not change after the elections. Change of senior officers after elections normally take place in the States, but since Tamil Nadu will not be having the assembly elections, no changes are expected. Moreover, risk is mitigated by close monitoring of on-the ground country environment, building on the lessons from other Bank programs implemented at the state level; use of standard CPS governance criteria will guide state selection to those states where situation is likely to be less volatile, excluding those with the greatest insecurity and putting a heavy weight on the existence of sound governance, fiduciary instruments and regulations.

Additionally, close monitoring of the macroeconomic environment as part of the standard Bank dialogue with the country authorities will be conducted. Great care will be needed not only in decisions on country engagement, but also to ensure regional and Government buy-in.

Bank supervision on fraud and corruption will continue to be undertaken, including regular FM and procurement reviews; prior procurement reviews of the very few large contracts anticipated and post procurement reviews of smaller contracts.

| <b>Resp:</b> | <b>Stage:</b> | <b>Recurrent:</b> | <b>Due Date:</b>                  | <b>Frequency:</b> | <b>Status:</b> |
|--------------|---------------|-------------------|-----------------------------------|-------------------|----------------|
| Bank         | Prep          |                   | 12/31/2016<br>(mid-term<br>of the |                   | In progress    |

|   |   |                          |                          |   |                   |                |
|---|---|--------------------------|--------------------------|---|-------------------|----------------|
|   |   |                          |                          | project)                                |                   |                |
|   |   | <input type="checkbox"/> |                          |   |                   |                |
| <b>2.2. Sector and Multi-Sector (Note for information: this section is not disclosed at Negotiation and Board presentation stages)</b>  | <b>Rating</b>   | <b>Moderate</b>          |                          |   |                   |                |
| <b>Description:</b><br>Selected countries/regions have adequate national legislation and safeguards framework compatible with World Bank Group policies.  | <b>Risk Management:</b>   |                          |                          |   |                   |                |
|   | Project preparation ensures the policy and legal context in regional activities are consisted with World Bank policies and conducive to future reform for success of the project.   |                          |                          |   |                   |                |
|   | <b>Resp:</b>  | <b>Stage:</b>            | <b>Recurrent:</b>        | <b>Due Date:</b>                        | <b>Frequency:</b> | <b>Status:</b> |
|   | Client  | Prep                     | <input type="checkbox"/> | 12/31/2016<br>(mid-term of the project) |                   | Not yet due    |
| <b>3. Implementing Agency Risks (including fiduciary)</b>   |   |                          |                          |   |                   |                |
| <b>3.1. Capacity</b>  | <b>Rating</b>   | <b>Moderate</b>          |                          |   |                   |                |
| <b>Description:</b><br>Risk to development of coherent management arrangements that effectively address unconstrained competition (the presence of which destroys economic value and places marine biodiversity at risk). | <b>Risk Management:</b>   |                          |                          |   |                   |                |
|   | Pilots to focus on existing initiatives for which the ability to monitor and control has been demonstrated or can be further developed.<br><br>Also, risk will be addressed directly, e.g. through collective action that places constraints on high seas fishing activities linked to their EEZ fisheries, or at least seeking management arrangements agreed by all regional participants in the fishery. Lessons learned will be examined and applied. |                          |                          |   |                   |                |

|  |                        |   |   |   |                   |                               |
|--|------------------------|---|---|---|-------------------|-------------------------------|
|  | <b>Resp:</b><br>Client | <b>Stage:</b><br>Prep   | <b>Recurrent:</b><br><input type="checkbox"/> | <b>Due Date:</b><br>12/31/2016<br>(mid-term<br>of the<br>project) | <b>Frequency:</b> | <b>Status:</b><br>Not yet due |
| <b>3.2. Governance</b>   | <b>Rating</b>          |   | <b>Moderate</b>                               |   |                   |                               |
| <p>Description:</p> <p>Risk of changing government priorities throughout the project implementation and/or of the government regulatory agencies being politically averse to enabling a strengthened stakeholder constituency. Risk</p> <p>This risk is considerate moderate largely due to the selection of regions/countries that demonstrated a noteworthy political will to support the project objectives. The risks will vary by pilot, ie East Pacific and West Pacific region will present low to moderate risk; India and Caribbean region – moderate to substantial risk</p> |                        | <p><b>Risk Management:</b></p> <p>Working closely with local representatives of government agencies in order to get buy-in before launching pilots.</p> <p>Further sensitization of the stakeholders will be conducted to the need for rationalization of fisheries on migratory stocks, and by engaging them early in the process. Close collaboration with RFMPs is foreseen in all regions. The project will also collaborate closely with FAO under the auspices of the GEF ABNJ Program.</p> <p>A further mitigation with regards to markets will be applied via responsible sourcing: new, high value and highly sensitized international markets prize sustainable and responsible supplies.</p> |   |   |                   |                               |
|  | <b>Resp:</b><br>Client | <b>Stage:</b><br>Prep   | <b>Recurrent:</b><br><input type="checkbox"/> | <b>Due Date:</b><br>12/31/2016<br>(mid-term<br>of the<br>project) | <b>Frequency:</b> | <b>Status:</b><br>Not yet due |
| <b>Fraud and Corruption (sub-category of Governance risk)<br/>(Note for information: this section is not disclosed at<br/>Negotiation and Board presentation stages, except the risk</b>   | <b>Rating</b>          |   | <b>Low</b>                                    |   |                   |                               |

|  |   |               |                          |   |                  |                   |                |
|--|---|---------------|--------------------------|---|------------------|-------------------|----------------|
| <b>Management measures which will be merged with those on 3.2 Governance )</b>   |   |               |                          |   |                  |                   |                |
| <p>Description:</p> <p>A certain degree of corruption may be present in the potential pilot project fisheries, including e.g., unauthorized sale of access rights. The risk rating may vary by country – low to moderate, but careful selection will keep risk factor at low level.</p> <p>Magnitude of corruption risk will depend on the country selected for the development of BP, which requires a close monitoring of country environment in each of four regions during the project implementation.</p> <p>See section 2.1. for additional information on corruption risk</p> | <p><b>Risk Management:</b></p> <p>Select pilots in fisheries where the host country has been able to mitigate such risks, e.g. by publicly addressing the challenge.</p> <p>Rapid assessment of each of the countries hosting a pilot project implementation (which is beyond the scope of this TA) will be done by the Executing Agency.</p> <p>As mentioned in section 2.1, corruption risk will be mitigated by close monitoring of on-the ground country environment, building on the lessons from other Bank programs implemented at the state level; conduction of regular FM and procurement reviews, prior procurement reviews of the very few large contracts anticipated and post procurement reviews of smaller contracts.</p> |               |                          |   |                  |                   |                |
|  |   | <b>Resp:</b>  | <b>Stage:</b>            | <b>Recurrent:</b>                             | <b>Due Date:</b> | <b>Frequency:</b> | <b>Status:</b> |
| Client   |   | Prep          | <input type="checkbox"/> | 12/31/2016<br>(mid-term<br>of the<br>project) |                  |                   | Not yet due    |
| <b>4. Project Risks</b>  |   |               |                          |   |                  |                   |                |
| <b>4.1. Design</b>   |   | <b>Rating</b> | <b>Moderate</b>          |   |                  |                   |                |
| <p>Description:</p> <p>Emphasis on management innovations may meet with resistance from recipients as well as fellow donor countries/agencies.</p> <p>Potential resistance from both private and public sector</p>   | <p><b>Risk Management:</b></p> <p>Mitigation measures will focus on building awareness with partner agencies especially the FAO, of the opportunities that such rights offer for generating sustained economic value from fisheries, food security, and in contributing to social and environmental objectives. Moreover, the project’s preparation phase has been able to select ‘high opportunity’ candidates for pilot business plan development which minimize this risk. In addition, a</p>  |               |                          |   |                  |                   |                |

|  |  |                       |   |   |                   |                               |
|--|--|-----------------------|---|---|-------------------|-------------------------------|
| <p>stakeholders to the transition towards new forms of economically rational fisheries management, especially ones involving forms of access and use rights. Regulatory agencies may resist the move from conventional command-and-control style of approach towards one that recognizes effective, enforceable access and use rights by fishers.</p> <p>The risk rating will vary by country, from Low to Substantial (East Pacific, West Pacific – low to moderate risk; India, Caribbean – moderate to substantial risk).</p> | <p>transparent, participatory process is proposed in developing the reform, ensuring full engagement of a broad range of stakeholders and regulators in an informed and public debate from the very beginning.</p> <p>Also, pilot activities will be limited to areas where grass-roots, industry-level support is strong and where government agencies will embrace the pilots.</p> |                       |   |   |                   |                               |
|  | <b>Resp:</b><br>Client   | <b>Stage:</b><br>Prep | <b>Recurrent:</b><br><input type="checkbox"/> | <b>Due Date:</b><br>12/31/2016<br>(mid-term of the project) | <b>Frequency:</b> | <b>Status:</b><br>Not yet due |
| <p><b>4.2. Social and Environmental</b></p>  | <b>Rating</b>  |                       | <b>Low</b>                                    |   |                   |                               |
| <p>Description:</p> <p>This is a TA project with no physical investments, and all proposed design/analytical/TA activities per se involve no safeguards risk. The triggers are only applicable to putative downstream investments that are beyond the project scope, but which nevertheless will be assessed and dealt with by the EA's based on safeguard needs for the pilot business plans design.</p>  | <p><b>Risk Management:</b></p> <p>The Project will take an integrated 'coast-to-coast' approach to effective management of straddling and high migratory fish stocks moving inside and outside of ABNJ. In areas of significant biodiversity this will provide valuable opportunities to address conservation and protection needs simultaneously with sustainable use.</p>          |                       |   |   |                   |                               |
|  | <b>Resp:</b><br>Client   | <b>Stage:</b><br>Prep | <b>Recurrent:</b><br><input type="checkbox"/> | <b>Due Date:</b><br>12/31/2016<br>(mid-term of the project) | <b>Frequency:</b> | <b>Status:</b><br>Not yet due |
| <p><b>4.3. Program and Donor</b></p>   | <b>Rating</b>  |                       | <b>Moderate</b>                               |   |                   |                               |
| <p>Description:</p> <p>Possible sensitivity between client countries and distant water</p>   | <p><b>Risk Management:</b></p> <p>Risk will be mitigated through informing, engaging and getting buy-in from various</p>   |                       |   |   |                   |                               |



|   |   |                       |   |   |                   |                               |
|---|---|-----------------------|---|---|-------------------|-------------------------------|
| fishing nations.  | countries for at least trial implementation through the pilot projects, and through close collaboration with RFMs.  |                       |   |   |                   |                               |
|   | <b>Resp:</b><br>Client  | <b>Stage:</b><br>Prep | <b>Recurrent:</b><br><input type="checkbox"/> | <b>Due Date:</b><br>12/31/2016<br>(mid-term<br>of the<br>project) | <b>Frequency:</b> | <b>Status:</b><br>Not yet due |
| <b>4.4. Delivery Monitoring and Sustainability</b>  | <b>Rating</b>   |                       | <b>Moderate</b>                               |   |                   |                               |
| <p>Description:</p> <p>Delays in the establishment of adequate monitoring frameworks may undermine project implementation and monitoring.</p> <p>Project sustainability will depend on the effectiveness of pilot business plans to attract third party investment.</p> | <p><b>Risk Management:</b></p> <p>On Monitoring: World Bank will be supervising four Executing Agencies, which already deploy M&amp;E systems deemed appropriate to project needs. In case if it might be necessary to provide additional training on M&amp;E, this issue will be investigated during the project inception phase.</p> <p>On Sustainability: Although at least two of the pilot business plans are expected to attract finance by the end of the project, such future investments in pilots are outside of the scope of the project even though these may occur within the project's lifetime. Still, mitigation measures will be applied in the form of ongoing dialog with financial institutions (e.g. IFC) and close coordination with FAO.</p> |                       |   |   |                   |                               |
|   | <b>Resp:</b><br>Client  | <b>Stage:</b><br>Prep | <b>Recurrent:</b><br><input type="checkbox"/> | <b>Due Date:</b><br>12/31/2016<br>(mid-term<br>of the<br>project) | <b>Frequency:</b> | <b>Status:</b><br>Not yet due |
| <b>4.5. Other (Optional)</b>  | <b>Rating</b>   |                       |   |   |                   |                               |

|  |                         |                       |   |   |                   |                               |
|--|-------------------------|-----------------------|---|---|-------------------|-------------------------------|
| Description:   | <b>Risk Management:</b> |                       |   |   |                   |                               |
|  | <b>Resp:</b><br>Bank    | <b>Stage:</b><br>Prep | <b>Recurrent:</b><br><input type="checkbox"/> | <b>Due Date:</b><br>12/31/2016<br>(mid-term of the project) | <b>Frequency:</b> | <b>Status:</b><br>Not yet due |
| <b>5. Project Team Proposed Rating Before Review</b>   |                         |                       |   |   |                   |                               |
| <b>Preparation Risk Rating: Moderate</b>   |                         |                       | <b>Implementation Risk Rating: Moderate</b>   |   |                   |                               |
| Comments:<br>Moderate risk rating was selected for both preparation and implementation due to the various moderate/manageable country/regional challenges that affect preparation efforts, and due to some implementation difficulties experienced by other on-going GEF projects in selected regions. |                         |                       | Comments:                                     |   |                   |                               |
| <b>6. Overall Risk</b>   |                         |                       |   |   |                   |                               |
| <b>Preparation Risk Rating:</b>  |                         |                       | <b>Implementation Risk Rating:</b>            |   |                   |                               |
| Comments:  |                         |                       | Comments:                                     |   |                   |                               |
| Nondisclosable Information for Management Attention (Optional) (Note for information: this section is not disclosed at Negotiation and Board presentation stages)  |                         |                       |   |   |                   |                               |
| Comments:  |                         |                       |   |   |                   |                               |

## ANNEX 10: IMPLEMENTATION SUPPORT PLAN

### COUNTRY: OCEAN PARTNERSHIPS FOR SUSTAINABLE FISHERIES AND BIODIVERSITY CONSERVATION – MODELS FOR INNOVATION AND REFORM

1. The approach for implementation support recognizes the combined regional and global scope of the project and the fact that all activities are TA, with no civil works supported under the project.
2. **Overall project management:** Special attention will be paid to: (i) the supervision of the sub-projects to be implemented in geographically distant sites; (ii) coordination across EAs to identify lessons learned; (iii) engaging variety of stakeholders at local, national and regional levels; and (iv) monitoring project implementation, including results indicators.
3. In particular, supervision by the TTL and at least two technical specialists from the AES Anchor and other WBG, will be critical given the global goods focus of the project (effective shared stocks management systems of global relevance) together with regional and sub-regional implementation. As needed, the task team will seek additional highly specialized technical inputs from international partners and consultants.
4. Supervision will include regular communication and field visits to the areas where the project activities will take place, and will focus on the following main areas:
5. **Procurement management:** Implementation support will include: (i) reviewing procurement documents and offering timely feedback to the task team and EAs; (ii) providing guidance on the Bank's Procurement Guidelines to the EAs; (iii) monitoring procurement progress against the Project's detailed procurement plan; and (iv) monitoring implementation of contracts conforming with the WB's fiduciary guidelines. Procurement supervision will be carried out on a timely basis as required.
6. **Financial management:** Implementation support will include: (i) reviewing financial management documents and providing timely feedback to the EAs on accounting, reporting and internal controls; and (ii) providing guidance on the Bank's FM guidelines. Supervision will also cover specific activities on a random sample basis. Formal supervision of financial management will be carried out semi-annually.
7. FM implementation support missions will be consistent with a risk-based approach, and will involve a collaborative approach with the EAs and the project team. A first implementation support mission will be performed six months after project effectiveness. Afterwards, the missions will be scheduled by using the risk based approach model and will include the following: (i) monitoring of the financial management arrangements during the supervision process at intervals determined by the risk rating assigned to the overall FM Assessment at entry and subsequently during Implementation (ISR); (ii) integrated fiduciary review on key contracts, (iii) review the IFRs; (iv) review the audit reports and management letters from the external auditors and follow-up on material accountability issues by engaging with the task team leader,

EAs, and/or Auditors; the quality of the audit (internal and external) also is to be monitored closely to ensure that it covers all relevant aspects and provide enough confidence on the appropriate use of funds by recipients; and, (v) physical supervision on the ground; and (vi) assistance to build or maintain appropriate financial management capacity.

8. **Legal:** Implementation support will include: (i) verification that legal conditions have been met, and (ii) verification of the Agreements to be entered into between the World Bank and the EAs as part of the overall legal package. The Agreements will regulate implementation support and collaboration of the EAs to achieve the objectives of the Project and to ensure a timely implementation of the Project activities.

9. **Environmental and Social Safeguards:** The project will have no physical investments, and all proposed design/analytical/TA activities per se involve no safeguards risk. The triggers are only applicable to putative downstream investments that are beyond the project scope, but which nevertheless will be assessed and dealt with by the EA's based on safeguard needs for the pilot business plans design. The World Bank team will provide guidance and training to the EAs to address safeguards in general and will advise on any future safeguard measures that need to be considered during the development of the pilot business plans.

10. **Coordination with other Partners:** The project both complements and in some cases leverages several ongoing initiatives supported by the Bank and other development partners (see complementary activities). Implementation support will include: (i) planning for joint events, and, (ii) close coordination with other projects, and other related partnerships in which the Bank and the EAs are active participants.

11. **Mitigation of implementation risks:** Pilots will focus on existing initiatives for which the ability to monitor and control has been demonstrated or can be further developed by the EAs. Lessons learned will be examined and applied.

12. **Mid-Term review:** A Mid-Term Review will be carried out after 18 months of the project's effectiveness. To prepare for the Mid-Term Review, an independent third-party review of implementation progress will be carried out. Results will provide input to any potentially necessary project revisions or restructuring at the time. The Mid-Term Review will cover, *inter alia*, review of the Results Framework, review of the ORAF, review of project's ownership by EAs and review of stakeholder participation, financial management and disbursement, procurement processing, and sustainability aspects.

**Table 7: Implementation support during first two years**

| Time                | Focus   | Skills Needed                      | Resource Estimate | Level of effort | Estimated Number of Travel | Estimated Travel Cost |
|---------------------|---|------------------------------------|-------------------|-----------------|----------------------------|-----------------------|
| First twelve months | Guidance on institutional Arrangements. Project supervision.  | TTL and team                       | \$88,500          | 22 SW           | 4                          | \$30,000              |
|                     | Verify that legal conditions have been met.   | Legal Counsel                      | \$8,000           | 2 SW            |                            |                       |
|                     | FM Training and Supervision. Ensure risk mitigating measures are functioning as proposed. Identification of implementation issues early in the life of the project. | FM Specialist (local tbd)          | \$8,000           | 2 SW            |                            |                       |
|                     | Procurement Training and Supervision, identification of implementation issues early in the life of the project  | Procurement Specialist (local tbd) | \$8,000           | 2 SW            |                            |                       |

|                  |  |  |                  |       |   |                 |
|------------------|--|--|------------------|-------|---|-----------------|
|                  | Guidance and training on M&E. Technical input                              | Fisheries Specialist with expertise in M&E | \$8,000          | 2 SW  | 2 | \$20,000        |
|                  | Operational support  | Operations Officer and Analysts            | \$19,000         | 7 SW  |   |                 |
|                  | Disbursement support   | Disbursement Officer                       | \$8,000          | 2 SW  |   |                 |
|                  | Technical support  | Two Fisheries Specialists                  | \$33,000         | 8 SW  | 4 | \$30,000        |
|                  | Administrative support   | Program Assistant                          | \$3,500          | 2 SW  |   |                 |
| Estimated Totals |  |  | <b>\$184,000</b> |       |   | <b>\$80,000</b> |
| 13-24 months     |  |  |                  |       |   |                 |
|                  | Project supervision.   | TTL and team                               | \$65,000         | 14 SW | 4 | \$40,000        |
|                  | Financial Management supervision: review financial management arrangements | FM Specialist (local tbd)                  | \$8,500          | 2 SW  | 2 | \$20,000        |
|                  | Disbursement monitoring  | Disbursement Officer                       | \$8,500          | 2 SW  |   |                 |
|                  | Procurement monitoring   | Procurement Specialist (local tbd)         | \$8,500          | 2 SW  |   |                 |
|                  | Operational support  | Operations Officer                         | \$8,500          | 2 SW  |   |                 |
|                  | Technical support  | Two Fisheries Specialists                  | \$35,000         | 8 SW  | 4 | \$40,000        |
|                  | M&E support  | M&E Specialist with Fisheries              | \$12,000         | 3 SW  | 2 | \$20,000        |

|               |                        |                   |                  |      |  |                  |
|---------------|------------------------|-------------------|------------------|------|--|------------------|
|               |                        | expertise         |                  |      |  |                  |
|               | Administrative support | Program Assistant | \$3,500          | 2 SW |  |                  |
| <b>Totals</b> |                        |                   | <b>\$149,500</b> |      |  | <b>\$120,000</b> |
|               |                        |                   |                  |      |  |                  |
|               |                        |                   |                  |      |  |                  |

**Table 8: Skills Mix Required**

| Skills Needed           | Number of Staff Weeks | Number of Trips  | Comments   |
|-------------------------|-----------------------|--|--|
| TTL                     | 14 SW annually        | Four missions per year and remote support on rolling basis       | Washington based   |
| 2 Technical Specialists | 8 SW annually         | Two missions per year (each) and remote support on rolling basis | Washington based   |
| Operations Officer      | 2-3 SW annually       | Two missions per year and remote support on rolling basis        | Washington based   |
| FM Specialist           | 2-3 SW annually       | Two missions per year and rolling local visits to IAs            | Washington based with support by local FM Specialists (tbd)          |
| Procurement Specialist  | 2-3 SW annually       | Two missions per year and rolling local visits to IAs            | Washington based with support by local Procurement Specialists (tbd) |
| Disbursement Officer    | 2 SW annually         | Two missions per year and rolling local visits to IAs            | Washington based with support by local Disbursement Officers (tbd)   |

|   |                 |  |  |
|---|-----------------|--|--|
| M&E Specialist with Fisheries expertise | 2-3 SW annually | Two missions per year (each) and remote support on rolling basis | Washington based with support by local specialists (tbd) |
| Administrative support                  | 2 SW annually   |  | Washington based with support by local staff (tbd)       |



## ANNEX 11. TEAM AND PARTNERS

### Team Composition

| Name                   | Title                            | Specialization                   | Global Practice | UPI    |
|------------------------|----------------------------------|----------------------------------|-----------------|--------|
| Tim Bostock            | Sr Fisheries Spec.               | Team Lead                        | GENDR           | 235218 |
| Michael Arbuckle       | Sr. Fisheries Spec.              | Adviser                          | GENDR           | 322885 |
| John Virdin            | Sr Natural Resources Mgmt. Spec. | Sr Natural Resources Mgmt. Spec. | GENDR           | 182935 |
| John W. Fraser Stewart | Sr Natural Resources Mgmt. Spec. | Sr Natural Resources Mgmt. Spec. | GCCIA           | 78499  |
| Madhavan Balachandran  | Sr. Financial Management Spec    | Sr. Financial Management Spec    | UDRCA           | 200947 |
| Jinan Shi              | Senior Procurement Specialist    | Senior Procurement Specialist    | GGODR           | 95542  |
| Valerie Hickey         | Acting Practice Manager          | Biodiversity Spec.               | GENDR           | 253690 |
| Marketa Jonasova       | Operations Officer               | Operations Officer               | GAGDR           | 146055 |
| Nenuca Robles          | Operations Analyst               | Operations Analyst               | GPSOS           | 16931  |
| Shane Ferdinandus      | Program Assistant                | Program Assistant                | GENDR           | 347880 |
| Olha Krushelnytska     | Consultant                       | Consultant                       | EASNS           | 293768 |

### Partners

| Name  | Institution/Country | Role  |
|---|---------------------|---|
| Pacific Regional Oceanscape Program - PROP)                               | WB                  | Collaboration   |
| Tamil Nadu and Puducherry Coastal Disaster Risk Reduction Project (CDRRP) | WB                  | Jointly develop co-management pilots as a business plan for future investment |
| CDRRP component Fisheries Management for Sustainable Livelihoods (FIMSUL) | WB                  | Jointly develop co-management pilots as a business plan for future investment |

|                                     |  |  |
|-------------------------------------|--|--|
| FAO-implemented GEF ABNJ Program    | FAO                                    | Coordination   |
| Global Partnership for Oceans (GPO) | WB                                     | Leverage additional expertise and parallel finance   |
| '50-in-10' Coalition                | Global Sustainable Fisheries Coalition | Potentially strong project partner. Ideas for collaboration will materialize early on during implementation. |

## Annex 12. Project Additionality

1. *Introduction.* A broad and overarching goal of the project is to promote efficient and sustainable management of shared, highly migratory fisheries and biodiversity conservation in areas within and beyond national jurisdiction in accordance with various global targets agreed in international forums. The project specifically aims to define and design pilot business plans / proposals (ref PDO) in four targeted sub-regions. Once financed and operational, these are expected to demonstrate incremental impacts in terms of contributions to economic growth, biodiversity conservation, social welfare and food security, including benefits to global seafood supplies.
2. *Baseline applicable to all Sub-regional components.* Empirical evidence from international best practice demonstrates that approaches to fishery management<sup>84</sup> that recognize secure tenure and use rights (aka rights based management) provide opportunities to reverse the perverse incentives that currently drive overexploitation and overcapitalization in fisheries worldwide. Despite this evidence, however, few fisheries have successfully implemented this approach – indeed, declining trends in many shared, highly migratory fisheries can be attributed largely to the current weaknesses and difficulties associated with institutionalizing arrangements that govern tenure and harvesting rights over these resources.
3. *Additionality.* Baseline initiatives focus primarily on effective, rights-based management of fisheries within national jurisdictions or EEZs, but fall short of defining scalable propositions or future investment. The project provides additionalities / incremental benefits in terms of (a) deriving regional and global solutions to managing shared, highly migratory fisheries that exist both within and beyond national jurisdictions, and (b) developing pilot business plans for investment which could demonstrate workable models for wider replication and support by the baseline project and / or other initiatives.
4. The Project thus represents an opportunity to identify investment opportunities for deploying best practice approaches to the management of fisheries and in so doing, secure healthy ocean ecosystems, and important contributions to food security and economic growth in developing States – including SIDS. Furthermore, by encouraging reforms in the ways oceanic fisheries are managed and regulated, the Project responds directly to GEF’s challenge to mainstream biodiversity conservation and sustainable use of production seascapes.
5. The following ‘alternatives’ and associated benefits will be generated by sub-regional projects:

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<sup>84</sup> Here management is considered to embrace the need for effective monitoring, control and surveillance (MCS), compliance and enforcement of participants in fisheries where overall catch limits and allocations of rights to fish have been developed using best available science and ‘ecosystem’ and ‘precautionary’ approaches to management of stocks and associated species.

**West/Central Atlantic and Caribbean**

- Alternatives proposed here include strengthening regional billfish management and conservation planning.

Project activities would provide benefit of (i) responsible billfish management and conservation at national and regional level; (ii) contribution to reducing the major threats to the marine ecosystems in the OECS countries; (iii) increased capacity by nations in decision making on management of migratory species within and ABNJ and stewardship at international fora; and (iv) increased revenue from recreational fisheries.

**Bay of Bengal India/Tamil Nadu [Sri Lanka and Maldives]**

- Alternative proposed here includes creation of an enabling environment for the sustainable management tuna fisheries in India and the wider BOB / IO region.

Project activities would provide benefit of (i) institutional strengthening; (ii) effective engagement in key stakeholders in decision-making processes; (iii) providing opportunities for employment and livelihood development for the associated communities, including for women and men involved in post-harvest fisheries and the fish trade; and (iv) contributing to environmental sustainability through the establishment of sustainable and productive fish stocks and the conservation of biodiversity

**Western and Central Pacific**

- Alternative proposed here include formulating specific actions necessary to enhance the Vessel Day Scheme (VDS) in the Western Central Pacific and PNAO governance.

Project activities through the Forum Fisheries Agency would provide benefit of (i) regional institutional strengthening; (ii) potential for increasing and distributing VDS / tuna revenues; and (iii) supporting collective effort to strengthen the VDS for the purse seine fishery and extending it to the longline fishery.

**Eastern Pacific Ocean**

- Alternatives proposed here include (i) development of advance rights based management tools for improved governance of tuna fisheries in the IATTC convention area; and (ii) evaluation of scenarios for effective and sustainable management systems to protect and enhance the value of the EPO purse seine fishery.

Value added activities include outreach, dissemination of best practices at the global level, and advocacy for rights based management.

**Innovation Support Component**

- Conservation International will contribute to pilot projects by designing and executing complementary and innovative TA, in consultation with the World Bank, and in response to the priorities and interests of regional partners and executing agencies wherever appropriate.

Value added activities include conducting priority studies for the project and field testing of technologies, and validating and informing about innovative approaches to and tools for ecosystem based fisheries management.

**Further Incremental Benefits and Project Co-financing Arrangements**

6. Best practice approaches to the management of fisheries identified by the Project would be replicated and supported more widely through World Bank's current lending portfolio,

PROFISH, and GPO partners. Total co-financing (parallel and in-kind) are shown in the table below with further details both in the earlier narrative and below.

**Sources of confirmed Co-financing for the project by source and by name (\$)**

(source: GEF Data Sheet)

| Sources of Co-financing | Name of Co-financier (source)   | Type of Cofinancing | Cofinancing Amount (\$) |
|-------------------------|---|---------------------|-------------------------|
| GEF Agency              | World Bank (Pacific Regional Oceanscape Project - P131655)                        | Soft Loan           | 25,000,000              |
| GEF Agency              | WB ( Tamil Nadu and Puducherry Coastal Disaster Risk Reduction Project - P143382) | Grant               | 5,000,000               |
| CSO                     | Conservation International  | In-Kind             | 10,000,000              |

7. *Pacific Regional Oceanscape Program (PROP)*. This IDA-financed project will define specific actions necessary to enhance the effectiveness of the region’s Vessel Day Scheme (VDS). PROP represents \$25m co-financing. More specifically, the project within PROP aims to:

- Sustainably increase the revenues to participating countries from access to the tuna fisheries (a regional policy/governance review of the VDS and PNAO; and VDS standardization);
- Identify the means for inclusive in-country distribution of the benefits from tuna access (including the notion of a “Community VDS”); and
- Facilitate global outreach through the project’s Global Think Tank (including the preparation, dissemination and use of a theoretical and framework for shared stocks management; and engaging in south-south interaction with other regional subprojects.

8. *Tamil Nadu & Puducherry Coastal Disaster Risk Reduction Project (CDRRP) and Fisheries Management for Sustainable Livelihoods (FIMSUL2)*. FIMSUL2 is a key part of CDRRD that deals with effective fisheries co-management in Tamil Nadu and Puducherry, South India. It addresses gaps in the context of a long term vision for the fisheries sector and aims at upgrading infrastructure, developing an approach for co-management of fisheries and addressing safety at sea. CDRRP has two relevant sub-components: (a) fishing infrastructure; and (b) FIMSUL2 covering fisheries co-management, which builds on lessons from the earlier FIMSUL Project. Although the project will be operated by BOBP-IGO, it will be fully coordinated with the CDRRP (FIMSUL II) in the above aspects including potentially shared funding for at least on co-management pilot, fielding of international TA, collaborative workshops, etc. CDRRP/FIMSUL2 represents \$5m co-financing.

9. *Conservation International*. Under project Component 2 (innovation support facility) Grant Agreement led by Conservation International will support a range of innovative activities that will contribute to the effective delivery of Component 1 and the Project’s PDO (above narrative refers). In support of this, CI is committed to providing some \$10 million in-kind

parallel financing through technical support, grants, long-term financing for marine protected areas, and loans to small and medium enterprises.

10. *Global Program for Fisheries (PROFISH)*. The ABNJ project will complement PROFISH, which focuses on public sector governance and notably on policy reform. It recognizes that weak governance arrangements in fisheries, particularly the lack of a clear definition of property rights, is the main driver of overexploitation and overcapitalization that inevitably leads to the unsustainable outcomes characterized by overfishing in many fisheries around the world today – the loss in natural resource wealth, environmental degradation and biodiversity loss, and increasing hardship in many fishery-dependent communities. PROFISH activities also focus on dialogue with industry on sustainable fisheries issues, including the establishment of a sustainable fisheries industry alliance (ALLFISH), which is addressing GEF-4 focal area on International Waters SPI, with the objective to put in place a framework and process to engage the fishery industry and other stakeholders, including the LME projects and their commissions, in efforts to improve fisheries governance, advance the recovery of fish stocks and make fisheries sustainable.

11. *Global Partnership for Oceans (GPO)*. The focus on promoting effective management of targeted highly migratory fisheries by the Project will complement and add value to efforts underway by the partners in the prospective Global Partnership for Oceans to address similar commons issues primarily within EEZs.

12. *ABNJ Program*. As noted above in several places, the project fully complements the FAO-led ABNJ “Common Oceans” Program within which this project is one of four key components (see above).

### **World Bank Comparative Advantage**

13. Finally, the WBG has three particular comparative advantages in this work:
- Capacity and convening power to address political economy constraints to governance reforms and to enable financing of transitional process including through private sector engagement and working with public and private financial markets (e.g. IFC).
  - Specific skills in addressing global commons issues, particularly in fisheries both beyond and within national jurisdictions. Particular knowledge on managing high seas species including tuna.
  - Adopting an enhanced global public goods agenda within which oceans (marine environment including EEZs and areas beyond national jurisdiction).