PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE

<table>
<thead>
<tr>
<th>Project Name</th>
<th>West Africa Regional Fisheries Project</th>
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<tbody>
<tr>
<td>Region</td>
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<tr>
<td>Sector</td>
<td>General agriculture, fishing and forestry sector (100%)</td>
</tr>
<tr>
<td>Project ID</td>
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<tr>
<td>Borrower(s)</td>
<td>GOVERNMENTS OF WEST AFRICA</td>
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<tr>
<td>Implementing Agency</td>
<td>Commission Sous-Regionale des Pêches (CSRP)</td>
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<tr>
<td>Environment Category</td>
<td>[ ] A [X] B [ ] C [ ] FI [ ] TBD (to be determined)</td>
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<td>Date PID Prepared</td>
<td>May 29, 2007</td>
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<tr>
<td>Estimated Date of Appraisal Authorization</td>
<td>May 1, 2008</td>
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<td>Estimated Date of Board Approval</td>
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1. Key development issues and rationale for Bank involvement

Due to exceptional natural conditions, the countries of West Africa, from Mauritania to Ghana, are endowed with some of the richest fishing grounds in the world. The marine fish stocks in the waters of West Africa constitute a significant natural capital asset for these countries, which is transboundary in nature, as both fish stocks and fishing fleets routinely migrate across national borders. More specifically, roughly 1.5 million tons of fish are legally captured in West African waters each year, with an estimated wholesale value of US$2.5 billion. However, this natural capital asset generates far lower returns for the region than would be expected, because: (i) the size of the asset is dwindling due to the inability of countries to control the use of the marine fish resources and prevent their overexploitation and depletion, mostly from illegal or ‘pirate’ vessels (essentially the theft of the resources), (ii) countries have insufficient capacity to manage the resources sustainably and make the asset grow over the long-term, and (iii) the resources are largely taken in an offshore economy by foreign or industrial vessels who rarely land their fish catch in the region or participate in the local economy, so that the countries only capture a fraction of their value. Given this situation, the World Bank estimates that an additional US$300 million in annual value-added could be created in West Africa with better governance and management of the fisheries, as well as greater local investment.

Improving the governance and management of the marine fish resources has become a priority in the sub-region’s countries, in no small part due to their recognition of the important contribution by these resources to economic growth, foreign exchange earnings, public revenues, employment and food security. For example, in Mauritania the marine fisheries contribute 25 to 30 percent of government budgetary receipts\(^1\), in Senegal they contribute 25 to 30 percent of the country’s exports\(^2\), in Guinea-Bissau between 25 to 40 percent of government budgetary receipts\(^3\), and in

Ghana the marine fisheries support roughly 7 percent of the working population\(^4\) As the capacity of this natural capital asset to continue to provide these social and economic benefits diminishes with their overexploitation, particularly after several decades or relatively uncontrolled access to the resources and growing illegal fishing activities, the countries increasingly share the concern of ensuring the sustainability of the resources and generating greater returns from their use over the long-term.

The World Bank is already supporting individual (and in some cases pilot) efforts towards this end in some of the countries, notably in Senegal, Guinea Bissau, Guinea and the Gambia. Furthermore, since 2003 the World Bank has conducted analytical work on the marine fisheries in Senegal, Guinea Bissau, the Gambia, Sierra Leone (led by DFID) and in Ghana, and studies are currently underway in Cape Verde and Mauritania. All of these studies have consistently highlighted the need for governance and management reforms in order to increase the value of the region’s marine fisheries asset and the portion of that value that is captured locally. Similarly, they demonstrated that due to the shared nature of the resources, countries will have to collaborate at the regional level in order to reach these objectives. Furthermore, the countries have clearly expressed their interest in such a regional approach through their participation in the Commission Sous-Régionale des Pêches (CSRP) and the adoption of its Strategic Action Plan (Plan d’Action Stratégique 2002-2010). The Strategic Action Plan notably supports strengthening resource management and increased monitoring, control, and surveillance (MCS) activities to reduce illegal fishing. The proposed project would work closely with the CSRP, as the most appropriate structure to support the regional collaboration needed, as well as ensure complementarity with other donor-supported initiatives in the sector. In addition, Ghana has expressed an interest to collaborate with CSRP member countries, given that Ghanaian migrant fishermen are found in CSRP countries, and thus use the same fish resources.

The CSRP already benefits from the support of several donors, including: (i) *Strengthening of regional cooperation for fishing activity’s MCS* (European Union), (ii) *Support to fisheries management in West Africa* (European Union), (iii) *Support to fisheries and marine environment comanagement initiatives* (France), (iv) *Regional support program to promote sustainable fisheries, and the protection and preservation of marine habitats* (FAO), (v) *Support to the management of fish resources in West Africa* (GTZ), (vi) *Towards regional policies for a sustainable small pelagic fishery in North-West Africa* (Netherlands). These projects have generally invested only at the regional level. In contrast, the proposed project would support investments at the country level towards the realization of a regional vision and objectives, and in coherence with the efforts already underway and/or planned at the national and regional levels. The proposed project would also support gaps in the work at the regional level that are not adequately funded. Lastly, the comparative advantages of the World Bank’s ongoing macro-economic dialogue in each country would be utilized to facilitate the implementation of an economic approach to the use of the marine fish resources, and help to foster an investment climate favorable to increasing local benefits from these resources.

The World Bank has worked closely with the United Kingdom Department for International Development (DFID) in the development of the concept for this proposed project, which would co-finance the regional investments benefiting Sierra Leone, as part of one package of reforms in

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the country. At the regional level, the African Development Bank has formally indicated that they would like to collaborate in the development and preparation of the proposed project. Similarly, the European Commission, France and the FAO have been approached, and discussions have been initiated with Germany and the Netherlands as well.

The member states of the CSRP and Ghana met in Dakar on April 23-24, 2007 to discuss the concept for this proposed project. The group indicated their support for the project and mandated the permanent secretariat of the CSRP to coordinate the preparation. The group further emphasized that the CSRP could, in addition to an administrative and coordinating role for the proposed project, participate directly at three levels: (i) the political discussion on the use of shared resources and the disbursement of revenues; (ii) the dialogue on controlling the movements of fishing vessels, fishermen and the catch; and (iii) a contribution to the improvement of negotiations on regional fishing agreements.

The concept for the proposed project is also based on the strategy of the New Partnership for African Development (NEPAD) for the Comprehensive Africa Agriculture Development Program (CAADP), which aims at a better integration of the fisheries in the continent’s economy, and on the principles of the FAO Code of Conduct for Responsible Fisheries, which promotes the sustainable use of the resources. The proposed project’s objective is also consistent with the eligibility criteria and the operational principles of the Strategic Partnership for Fisheries in Africa, led by the African Union.

The willingness of the countries of West Africa to collaborate to increase the value of their marine fisheries asset, and in particular to implement the needed governance and management reforms, fit squarely within the World Bank’s objective to promote shared economic growth in Africa through the implementation of the Africa Action Plan (AAP). More specifically, regional integration is one of the pillars of the AAP, which notes that “the small average size of Africa’s economies, and the fact that many are land-locked, calls for special emphasis on using regional approaches to build and maintain infrastructure in key trade logistic corridors, to create common institutional and legal frameworks in such areas as customs administration, competition policy and the regulation of common property resources (such as fisheries), and to develop solutions to trans-border problems in health.”

In addition, a review of the implementation of the AAP by the World Bank recommended increasing attention to environmental management, specifically to reduce the cost of environmental degradation and improve the use of natural resources, in part through helping countries “undertake reforms in natural resources management policies (e.g. concessions, tourism, fisheries).”

2. Proposed objective(s)

The objective of the proposed project is to sustainably increase the overall wealth generated by the exploitation of the marine fisheries resources of West Africa, and the proportion of that wealth captured by West African countries, by: (i) reducing illegal fishing, (ii) strengthening the

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countries’ capacity to sustainably govern and manage their fisheries, and (iii) increasing the value and profitability generated by fish resources and the proportion of that value captured by the countries.

Implementing such reforms is a long-term process, which the project would support along the following lines:

(i) In the short-term, the proposed project would provide support to West African countries in complement to ongoing activities in order to eliminate illegal fishing activities in their waters, stop the immediate leakage of value and damage to the resources, and create the conditions for the implementation of access rights and fishing capacity control;
(ii) In the short to medium-term, the proposed project would assist the countries to hold onto these gains by implementing the governance and management structures necessary to control the use of the marine fish resources (such as implementing access rights and fishing capacity controls), in order to prepare for a transition towards an economic approach or wealth-based fisheries management system, including the definition of conditions for a greater contribution and integration of the fisheries into the regional economy; and
(iii) In the long-term, the proposed project would support the implementation of a system of fisheries management based on access rights, which would have value and could be capitalized; and would encourage investments to increase the domestic value added to the fish captured in the region’s waters at the processing, wholesaling and retail stages, as well as create mechanisms to capture and utilize a greater share of the value generated by the resources to finance social and public benefits, thereby creating an increased, sustainable and shared contribution to economic growth in each country.

The proposed project would contribute to the strengthening of the capacity of decision-makers and stakeholders in the region to consider the economic value of the marine fish resources, as a natural capital asset, as well as the required tradeoffs in attempting to achieve multiple and inherently competitive objectives for their use (for example to simultaneously maximize their contribution to employment, food security and economic growth). Much like forestry and sub-soil resources, marine fish resources constitute a natural capital which, if properly managed, can contribute to the wealth of nations. According to the recent book “Where is the Wealth of Nations?”, the value of such natural capital is largely determined by the health of the resources and the ecosystems that support them. Therefore, an economic approach can link improvements in the health of the marine fish resources and ecosystems to higher values of the asset, and therefore the capacity of that asset to contribute to poverty reduction.

3. Preliminary description

The objectives of the proposed project would be achieved through: (i) strengthening national capacity to manage the marine fish resources in accord with regional policies, (ii) reducing illegal fishing activities, and (iii) creating conditions for a greater contribution by the marine fish resources to the economic growth of the countries of West Africa. In terms of the process of implementation, reducing illegal fishing activities would be the immediate priority of the proposed project, as the success of such efforts will determine the capacity of the countries to
implement policies and measures aimed at managing the fisheries, and therefore the potential returns the resources can generate. The following components would be envisaged:

**Component 1. Good Governance and Sustainable Management of the Fisheries**
This component would support the implementation of the policies described in the CSRP Strategic Action Plan for the management of the marine fish resources, in particular through reinforcing the capacity of the countries to: (i) develop and enforce national fisheries policies that define clear objectives for the use of the resources, (ii) develop and implement corresponding resource management plans, (iii) create clear processes for wide stakeholder consultation and increased responsibility in sector management. This component would also support activities aimed at strengthening the management of fishing effort, and the development and implementation of a system of access rights to the resources. Lastly, as a result of demands from the countries of the region, this component would also support continued political dialogue on foreign fishing agreements between the countries as well as with third party states.

**Component 2. Reduction of Illegal Fishing**
This component would support the means to reduce the illegal fishing activities threatening the sustainable management of the marine fish resources. More specifically, the component would strengthen the monitoring, control and surveillance (MCS) systems in each country and their adaptation to the needs of a regionally-coordinated approach. The project would also support the definition, implementation and regularly upgrading of national MCS plans, as well as the tools for their implementation, based on criteria of financial and technical efficiency (for example fisheries monitoring centers, satellite-based vessel monitoring system, etc., as described in the CSRP Strategic Action Plan). Such investments in MCS would be based on the prerequisite creation of mechanisms to ensure sustainable financing of recurrent costs of the system.

**Component 3. Increasing the Contribution of the Marine Fish Resources to the Local Economies**
This component would support the identification and implementation of measures to increase the benefits from fish resources, by increasing the captured share of the value-added and by selling fishing rights to foreign fleets at their correct value, in agreement with national sector policy objectives.

**Component 4. Coordination, Monitoring and Evaluation and Financial Management**
The institutional arrangements for coordination of the proposed project, as well as monitoring and evaluation and financial management would be determined in the course of preparation.

4. Safeguard policies that might apply

The proposed regional project would likely be considered a category B with regard to potential environmental and social impacts. However, as these impacts cannot be clearly defined at this stage, the proposed project would be recommended to proceed with an environmental and social evaluation. Based on this evaluation, an environmental and social management framework would be developed, as well as an involuntary resettlement plan, particularly to support
alternative livelihood activities for fishers and compensation for their displacement from the sector. This would constitute a condition of the negotiations with the countries.

An addition aspect of the environmental and social safeguard policies that could apply to the proposed project would be conflicts over the exploitation of resources in shared waters. This possibility would trigger the application of OP/BP 7.50 concerning international waterways, as well as OP/BP 7.60 on disputed areas.

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5. Tentative financing

Source: ($m.)

BORROWER/RECIPIENT  5
International Development Association (IDA)  90
Global Environment Facility (GEF)  14
United Kingdom Department for International Development (DFID)  25

Total  134

6. Contact point

Contact: John Virdin
Title: Natural Resource Management Specialist
Tel: (202) 473-2077
Fax: (202) 473-5147
Email: jvirdin@worldbank.org