

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA964

Project Name	Fujian Fishing Ports Project (P129791)
Region	EAST ASIA AND PACIFIC
Country	China
Sector(s)	Ports, waterways and shipping (80%), General agriculture, fishing and forestry sector (20%)
Theme(s)	Trade facilitation and market access (10%), Natural disaster management (60%), Education for all (10%), Other environment and natural resources management (20%)
Lending Instrument	Investment Project Financing
Project ID	P129791
Borrower(s)	People's Republic of China
Implementing Agency	Fujian Ocean and Fishery Department
Environmental Category	A-Full Assessment
Date PID Prepared/Updated	12-Jan-2014
Date PID Approved/Disclosed	12-Jan-2014
Estimated Date of Appraisal Completion	27-Dec-2013
Estimated Date of Board Approval	24-Apr-2014
Decision	The Appraisal Stage ISDS was cleared on January 3, 2014 and appraisal completed on January 6, 2014.

I. Project Context

Country Context

China's coast is regularly hit by seasonal storms and typhoons and has the highest landfalls of typhoons in the world according to the International Best Track Archive for Climate Stewardship. Furthermore, the frequency of severe storms and typhoons has increased in the last decade. Based on the data from Fujian Meteorology Bureau, over a period of 33 years, from 1980 to 2012, 140 typhoons passed Fujian Province, among which 49 landed. Such storms can cause great loss of life and property, such as the Saomai typhoon in 2006, which sunk and damaged nearly 2,000 vessels and 241 lives were lost, most of whom were fishermen who drowned as their vessels sunk. These extreme weather events have made the Government of China increasingly aware of the vulnerability of its coast to extreme weather events.

Significant imbalances remain in China's overall development. Although China's east coast is relatively well developed, Fujian Province remains one of the least developed coastal provinces. Fujian has the second longest provincial coastline (3,200 km) in China and it ranks third largest in

terms of aquaculture. Its population and economic assets are very vulnerable to storms and typhoons. In 2009, the State Council issued the report “Several Suggestions on Supporting Fujian Province to Expedite the Development of the West Side Strait Economic Zone”, which examines ways to improve disaster protection systems along Taiwan Strait and construction of fishing ports in Fujian Province. Along the lines of the State Council, Fujian Province listed ocean and fishery safety as one of ten Disaster Management Actions in its 12th Five-Year Social and Economic Development Plan for 2011 – 2015. This project supports the implementation of the national report and local plans, and focuses on reducing the vulnerability of fishing communities in some of the poorest areas along Fujian’s coast, where marine fishery represents a fundamental pillar of the local economy.

Sectoral and institutional Context

Fishery is a very important sector in Fujian and accounts for around 30% of the Agricultural Sector’s GDP in the Province, not including processing industry and other related services. Over the past decades, China has signed or ratified a number of international and bilateral agreements to limit ocean fishery. The total number of fishing vessels registered in Fujian Province has kept steady at about 61,800, which includes 33,800 vessels for open sea fishery and 25,200 for near shore aquaculture. About 420,000 fishermen and their families directly benefit from fish catching, but it also supports an entire chain of fish transport, processing and trading industries. Moreover, aquaculture has been developing and expanding very fast over the last decade.

To sustain the sector and protect fishing vessels from being damaged by extreme weather events, Fujian Province has formulated a strategic plan to guide the development of Fishing Ports in the Province: Site Selection and Construction Plan of Fishing Ports along Fujian Coast (2009 to 2018). The objective of the plan is to optimize the strategic location and layout of ports, expand and rehabilitate port infrastructure and ancillary facilities, reduce disaster risks and improve disaster preparedness and recovery, and improve productivity and livelihood of people working in the sector. According to the plan, 167 fishing ports and 16 shelter anchorage sites will be built, upgraded or expanded between 2009 and 2013, providing shelter to about 83% of fishing vessels registered in Fujian. Between 2014 and 2018, another 72 fishing ports will be built, upgraded or expanded, which would provide shelter to about 97% of the fleet. The rehabilitation and improvement of fishing ports infrastructure and related facilities will also help improve the efficiency of berthing, and loading and unloading of fish; increase productivity and profitability of the sector; improve the quality of services and support to fishermen – e.g. repair and maintenance of vessels and equipment, refrigeration of goods, and refueling and supplying of ships -, provide shelter and improve the quality of products and their access to markets. Rehabilitating and expanding port facilities and improving the connection to the port villages, towns and markets, will contribute to the local economic development and livelihood of fishing communities.

The fishing industry in Fujian Province is undergoing structural changes and moving from predominately coastal fishing to open sea fishing, which will increase the exposure and risks of fisherman. Fishing is a high risk occupation, and the risk is increased as the fishing industry is shifting from coast to marine fishing. The vulnerability of fisherman is directly associated to (i) the migration of new inexperienced fishermen from inland regions and (ii) the lack of skills and low education level of fishermen in general. Consequently, to reduce these risks, Fujian’s Provincial Government is providing in-service training, and requires fishermen in key jobs on major vessels to be trained and certified.

Challenges. In recent years, extreme weather events have frequently hit the coast of Fujian and caused severe loss of life and damages to properties and livelihoods of people, especially fishermen. Based on the International Disaster Database, the damage losses incurred along Fujian's coast can reach several hundred million dollars during very severe weather events. The loss of life, injuries and damages and loss of property are greatly exacerbated by the lack of adequate infrastructure, preparedness, and response and recovery measures. Fishermen are disproportionately affected. In addition, unlike other sectors, loss or damage of fishing vessels causes much more severe damage to the fishermen families and take longer for them to recover as fishing vessels are higher value tools to sustain the livelihood of fishermen and their families. During the 12th Five-Year Plan period, Fujian Province laid out a plan to improve the safety of fishermen and their property and ensure sustainable economic and social development focusing on the most vulnerable fishing communities in the province.

Article 8, "Ocean and Fishery Safety System", of the Special Planning for Disaster Prevention and Alleviation of Fujian Province's 12 FYP defines the safety targets for disaster management for the marine fishery sector to be achieved through a combination of measures, including coastal engineering and construction of protection infrastructure such as shelters, seawalls and breakwaters; and improvement of disaster monitoring and forecasting, early warning systems, and emergency responses and rescue vessels. The aim is to increase the shelter ratio from the existing 68% of port towns to 85% by 2015. It is of high importance to accelerate the construction of safe ports and shelters to reduce disaster risks and socio-economic impacts of future disasters.

Furthermore, the limited skills and low educational levels of fishermen have been identified as main reasons behind the high rate of fishing accidents in Fujian Province. This is partly because that a large number of migrant workers, without fishing experience, are joining the crews of fishing vessels. To address such safety issues, and in recognition that there is a growing demand for advanced skills for fishermen, the Provincial Government has established mandatory training requirements for all fishermen. However, such requirements have placed great pressure on the training institutions of the Province as they have to adjust their traditional long-term training programs for new users, and to meet the changing requirements of the sector, and the needs of both adult and younger learners.

Rationale for Bank's Involvement. The Government of China (GoC) has requested the Bank's involvement in this project so that it can bring innovative concepts not only with regard to fishing port upgrading and construction from an engineering perspective, but also with regard to port planning, optimization and management. In this connection, the Bank will work to demonstrate cost-effective ways to reduce the risks from natural disasters through a combination of coastal engineering, natural protection, preventive planning and improved early warning systems and disaster response mechanisms. The Bank is already working with a team of international experts that are bringing best practices into the design of the fishing ports, their links to the early warning and emergency response systems, involving the beneficiaries as one party to react on the responsive side, and the overall operation of ports in the region.

The Bank's involvement also brings in the best practices of improving productivity of fishing sector and enhancing capacity of disaster management by trained and skilled workforce. Currently, the Bank is supporting the improvement of technical and vocational training in four other Provinces in China: Guangdong, Liaoning, Shandong and Yunnan. The experiences from other vocational

training schools will help to improve the quality and relevance of training programs and increase the productivity of their respective sectors into the project. The Bank also has considerable experience with the inclusion and specialized training of women with regard to early warning and emergency response systems from which it will be able to draw and contribute to this project.

II. Proposed Development Objectives

The Project Development Objective (PDO) is to reduce the vulnerability of fishing communities to extreme weather events in selected counties in Fujian Province.

The project will combine coastal engineering investments with improvement of early warning systems, the creation of an emergency preparedness plan and disaster response systems, as well as capacity building and vocational training, to reduce losses of lives and damages or losses of vessels in selected counties of Fujian Province caused by extreme weather events, such as typhoons and seasonal storms. Lessons learned would be disseminated and could serve as samples for future investment in the sector.

III. Project Description

Component Name

Component 1. Construction and Upgrading of Fishing Port Facilities

Comments (optional)

Component Name

Component 2. Improvement of the Early Warning and Response System

Comments (optional)

Component Name

Component 3. Training and Capacity Building

Comments (optional)

Component Name

Component 4. Technical Support

Comments (optional)

IV. Financing (in USD Million)

Total Project Cost:	103.47	Total Bank Financing:	60.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
Borrower			43.47
International Bank for Reconstruction and Development			60.00
Total			103.47

V. Implementation

The Project Management Office (PMO), affiliated to the Fujian Department of Ocean and Fisheries, will be responsible for the overall preparation and implementation of the project, providing guidance to the implementation units, and coordinating with relevant authorities. A standing Project Leading Group (PLG), chaired by the Vice Governor of Fujian Province and with its office in Fujian Provincial Finance Bureau, will be responsible for the coordination and oversight of the project. At the county level, Xia'pu County has also designated a project management office (CPMO, also called as Office of Xia'pu County Leading Group for Construction of Standardized Fishing Ports) for project implementation. This CPMO will be responsible for the coordination, provision of guidance and oversight for Components 1 and 2 of the project. The Xia'pu State Owned Assets Investment Company Co., Ltd. (XSAIOC) will act as the Project Implementation Unit (PIU) for Components 1 and 2. To facilitate this process, XSAIOC will set up branches in each of the project towns where ports will be upgraded or constructed. XSAIOC will be responsible for contract and financial management as well as the operation and maintenance of the fishing ports upon their completion. The third component of the project will be implemented by the Fujian Ocean Technical School (FOTS), an agency of the FDOF.

Result Monitoring and Evaluation:

A Results Framework has been developed and will be monitored by the PPMO and local implementation agencies. The availability and quality of data has been discussed and agreed with the PPMO and PIUs to ensure proper collection and accuracy of data. Data collection will be conducted by the PPMO with the assistance of the CPMO, XSAIOC and the FOTS. Furthermore, the PPMO and each PIU have agreed to assign one staff dedicated to data monitoring and evaluation. The Bank will review and evaluate the results of the project, which will be presented in the Project Progress Reports.

Sustainability:

The project investments are not only focusing on building or upgrading basic fishing port infrastructures to improve protection to the fishing vessels, but also help develop the fishery sector at selected ports. Infrastructure developed will reduce the risks of damage to and loss of vessels and onshore structures and will significantly reduce the loss of life of fisherman. This risk reduction could allow less disruption of the fisheries production and reduce enormous damage caused by extreme weather events. Since the project is fully aligned with strategies laid out in the Fujian 12th FYP, as well as the sectoral plans, strong ownership and commitment have been received, which should ensure sustainability in the future.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
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

Comments (optional)

VII. Contact point

World Bank

Contact: Shunong Hu
Title: Senior Water Engineer
Tel: 5788+7763
Email: shunonghu@worldbank.org

Borrower/Client/Recipient

Name: People's Republic of China
Contact: Mr. Wu Jianjun
Title: Director, International Department, Ministry of Finance
Tel: 86-10-68551173
Email: wujianjun5168@yahoo.com

Implementing Agencies

Name: Fujian Ocean and Fishery Department
Contact: Mr. Chen Danmin
Title: PMO Director
Tel: 86-591-87878762
Email: fjyghdk@163.com

VIII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>