I. Introduction and Context

Country Context

The marine resources of the Red Sea and Gulf of Aden have provided prosperity for the region for thousands of years through food resources, trade and livelihoods. However, in recent years, these same resources are facing many threats, including over-exploitation of species, destruction of spawning, nursery and feeding grounds, pollution, improper resource management and inadequate fisheries regulations.

Phase I of the Regional Project for the implementation of the strategic Action Plan (SAP) for the Red Sea and Gulf of Aden aimed at improving coastal and marine environments by supporting the implementation of a Strategic Action Plan for the Red Sea and Gulf of Aden. In specific a World Bank supported GEF project addressed the reduction of navigation risks and maritime pollution as well as Integrated Coastal Zone Management (ICZM) through the then newly established regional institution PERSGA. There are a number of lessons from this project, that the approach of phase II is building on:

The evaluation of phase I stressed that a follow-on project building on the Coastal Zone Management component would be required to ensure sustainability. Suggested follow-on investments therefore included the use of coastal zone information to help regulate the exploitation and use of marine and other natural resources in sustainable ways that can support local livelihoods. This means not only ecosystem protection but mapping out areas appropriate for fisheries, tourism, and other sustainable economic development. The proposed approach of phase II is building on these lessons learnt and recommendations of phase I.

With regard to living marine sources, the exact status of fisheries in some nations of the region is unknown because of lack of stock assessment and incomplete fisheries statistics. There is also large disparity among the countries, as knowledge based on catch data is more advanced in some countries than others. Nevertheless, there is a general perception that Regional Red Sea stocks of sharks are over-fished, and over-fishing by industrial trawlers in the near shore waters of the Gulf of Aden has depleted cuttlefish and deep sea lobsters. Industrial trawl fisheries in the Red Sea are placing considerable pressure on shrimp stocks on and other living marine resources (via large by-catch and non-target species). The legal framework providing for fisheries management and development is weak in many of the member states. Internationally accepted models for management are not incorporated and there is limited development of fisheries management plans. Lack of monitoring, control and surveillance systems weakens the ability to regulate this valuable resource. In addition, the institutional and technical capacities for conducting research and stock assessment studies are weak.

In addition, the coastal areas of the littoral states (Djibouti, Egypt, Jordan, Saudi Arabia, Somalia, Sudan and Yemen), represented at the regional level by PERSGA, continue to be a major artery for the transport of oil and oil-related products, as well as being an important focus for offshore production and related industries. Operational leaks, spills and dumping occur frequently and the risk of serious collisions continues to increase as the industry and corresponding shipping traffic grows in this restricted marine area, especially through the bottleneck of the Suez Canal. These activities constitute a principal source of pollution to the fragile marine and coastal environments of the region. In recent years, the region has experienced considerable development of the tourist industry due to its stunning natural beauty, all-year-round good weather and increasing resources dedicated to water sport activities. But these largely uncontrolled developments are also presenting a growing threat to the very resources that make the area so attractive.
Sectoral and Institutional Context

An appropriate approach to capture these different interrelated factors is Ecosystem-based management (EBM). EBM can be an important complement to existing fisheries management approaches, as it considers the whole ecosystem, including humans and the environment, rather than managing one issue or resource in isolation. A comprehensive ecosystem-based fisheries management approach would therefore require managers to consider all interactions that a target fish stock has with predators, competitors, and prey species; the effects of coastal developments, weather and climate on fisheries biology and ecology; the complex interactions between fishes and their habitat; and the effects of fishing on fish stocks and their habitat.

Applying an integrated ecosystem approach will require different legal and institutional frameworks that include not only the governments but a multitude of other stakeholders. For instance, under this approach, fisheries management must address more than the needs of the commercial fishing industry, it must accommodate the wide array of economic and social benefits that people derive from aquatic environments, such as local livelihoods, recreation and tourism, transportation, cultural identity and so on. It widens the group of users that have a legitimate say in how the fishing environment is managed.

Therefore, ecosystem-based management recognizes broader uses and users of the marine environment and the need to accommodate and reconcile the many objectives of these users so that future generations can also benefit from the full range of goods and services provided from the ecosystem. The approach also recognizes that humans are an essential component of the ecosystem in which exploitation of the marine environment takes place, and so it focuses on the interactions with the system. This is in contrast to current fishery management practices, which focus on individual species, and do not manage ecosystems comprehensively.

Improving the governance and management of the marine environment of the RSGA is a stated priority of all of the littoral countries, as manifested in the regional Strategic Action Plan and in the universal support (including annual contributions) for the efforts of PERSGA in organizing resources to implement the Plan. The project responds to the countries# key concerns to urgently initiate on-the-ground activities in order to reverse the growing threats to the marine resources and improve their sound management as well as enhance transboundary collaboration and heighten public awareness. This collaborative approach is actively supported by the countries since the benefits will only accrue if there is a shared vision for the protection and management of the Red Sea and coordinated joint action. The first Red Sea GEF Project (1999-2005) developed a solid platform for collaboration through PERSGA and now this project proposes to continue the regional development into achieving an ecosystems approach to marine resource assessment and management, establishing an operational framework for the management and future expansion of the critical marine protected areas network as well as restoring and maintaining fish stocks to sustainable levels.

The project will build on the work done in phase I, where MMA were identified and their environment studied. The goal of phase II is to bring selected MMAs from an identified status to a status of designated MMA which is operational and protected in reality. For areas that are not meant for marine protection only but commercial and other exploitation, the EBM approach will be piloted, which will allow communities to gain an integrated view and to understand all uses of a coastal area, trade-offs in its development and costs and benefits to the community. This will require capacity building, a legal and institutional basis for EBM management by communities and a baseline for current uses and their impacts on the ecosystem.

Both EBM and MMA area pilots will be monitored during the project, which will enhance the capacity of PERSGA and the involved pilot member countries with their communities to do so.

Relationship to CAS

The project supports the Bank’s strategic partnerships with client countries, as outlined in the most recent Country Assistance Strategies or Interim Strategy Notes, namely: Djibouti CAS for FY09-12; Egypt CAS for FY06-09 and 2008 Progress Report; Jordan CAS for FY06-10 and 2009 Progress Report (new CAS draft in progress); Somalia ISN for FY08-09; Sudan ISN in 2008; and Yemen CAS for FY10-13.

Sustainable development of the fishery and coastal sectors constitute a central part of most of the Country Assistance Strategies (DJ, EG, SO, SU, and YE). Particularly in countries where the economic activity generated from the Red Sea and Gulf of Aden contributes a substantial part to GDP and provides employment to large parts of the active population, sustainable ecosystem management of the shared marine resources is central to the overall development of the region. In addition, several countries are committed to strengthening environmental institutions (EG, JO), and to increasing regional cooperation on various issues related to economic and social development (JO, YE).

More detailed information on how the project supports the strategic objectives in the context of each country, will be provided at the Project Appraisal stage.

II. Proposed Global Environmental Objective(s)

Proposed Global Environmental Objective(s)
The proposed global environmental objective (GEO) is the protection of vital marine habitats and fish stocks in the Red Sea and Gulf of Aden (RSGA) Large Marine Ecosystem (LME). The proposed project development objective (PDO) is to support transition from current practices to an ecosystem-based management (EBM) approach by demonstrating its added value through institutional enforcement as well as on the ground activities in the Red Sea and Gulf of Aden.

Key Results

Achievement of the development objective will be realised through the following key indicators:

(i) Ecosystem-based management approach to fisheries implemented in pilot communities of PERSGA member countries
(ii) Pilot Marine managed areas identified under phase I legally designated as MMAs and under protection
(iii) Marine environmental monitoring activities in PERSGA member states integrated and operational
(iv) PERSGA demonstrates regional leadership in marine conservation

III. Preliminary Description

Concept Description

The Proposed Project will comprise the following four components:

Component 1: Strengthening the principles of marine managed areas. (GEF US $1,400,000; co-financing US $12,200,000)

Component 1 will bring selected MMAs from an identified status to a status of designated MMA which is operational and protected in practicality. For this purpose the component includes provision of training and demonstration effects necessary to implement, use and update marine areas management in each national implementing agency affiliated in the PERSGA network. This component also focuses on improving the capacity of project countries to share information and select marine protected/managed area models (MPAs/MMAs) based on their area(s) of comparative advantage.

Component 1 is expected to be implemented through the following activities:

# Implement master plans of selected MPAs that have been identified but not put in effect yet # including development of legal status for MPAs;
# Identify potential MMAs and demonstrate alternative management models, such as:
  1. Community based management of MPA;
  2. Small scale environmentally friendly aquaculture;
  3. Eco-tourism;
  4. Other alternative livelihoods as relevant.
# Build capacity of institutions and community stakeholders involved in MPAs
# Develop a handbook for indicators of governance, ecological and socioeconomic performance of MMAs specific to the Red Sea and Gulf of Aden, i.e. in Arabic and with specific local examples.
# Update management systems for the existing Marine Protected Areas Network through an assessment of habitats health and status;

Component 2: Implementation of ecosystem based management approach to living marine resources (GEF US $700,000; co-financing US $16,000,000)

Component 2 will provide the institutional, legal, and technical capacity underpinnings needed for communities to transition to an ecosystem-based management (EBM) approach for cultivating living marine resources. EBM approach will be piloted in selected areas, which will allow communities to gain an integrated view and to understand all uses of a coastal area, trade-offs in its development and costs and benefits to the community.

Component 2 is expected to be implemented through the following three activities;
# Development of institutional and a legal framework for ecosystem-based management (EBM) of marine living resources at the community level.
# Implementation of relevant EBM demonstrations at community management levels based on national priorities.
# Establishing a baseline for current uses and their impacts on the ecosystem;
# Technical strengthening and improvement of technology and practices of relevant fisheries and aquaculture industries, related to community monitoring of species life cycles to collect information that directly informs communities on fisheries activities.

Component 3: Optimizing and integrating monitoring activities. (GEF US $650,000; co-financing US $3,400,000)

Ecosystem-based management (EBM) is basically scientifically informed management. Moving from single-species capture to ecosystem management, including monitoring of ecosystem functioning and response to development, entails a need for significantly more sophisticated monitoring. Both EBM and MMA area pilots will be monitored during the project, which will enhance the capacity of PERSGA and the involved pilot member countries with their communities to do so.
In addition to creating baselines from current monitoring activities this component will introduce environmental monitoring in the demonstration sites as well as in the MMAs to be brought into implementation.

Component 3 is expected to be implemented through the following activities:
# Collection of available data from current monitoring activities for enriching a regional database of environmental ecosystem variables;
# Set up special environmental monitoring programs for MMAs and sites that will be developed as demonstration activities in the project.
# Strengthen monitoring and assessment concerning land-based activities and their impacts on coastal ecosystems.

Component 4: Project Management (GEF US $250,000; co-financing US $2,650,000)
This component is expected to support the GEF project in terms of administration, including procurement and financial management. The project will be housed within PERSGA. The project will comply with GEF IW reporting, e.g. to post a GEF-IW compliant webpage, submit a GEF IW tracking tool at project start, Mid-Term Review, and project closure, post information with IW-LEARN as necessary and attend GEF IW Biennial Conferences. Steering Committee travel costs associated with this project are expected to be paid by the GEF project funding. Otherwise note that this component is co-funded 10:1 by PERSGA country contributions.

IV. Safeguard Policies that might apply

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V. Tentative financing

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