A. Basic Information

A.1 Beneficiary Country
Comoros

A.2 Grant Recipient
The grant recipient will be the Direction Nationale des Ressources Halieutiques (National Directorate for Fisheries Resources, DNRH). Grant Agreement will be cosigned by all the three islands Government.

A.3 Name and Address of Implementing Agency
Direction Nationale des Resources Halieutiques
Boite Postale 860, Moroni
Union des Comores

A.4 Is the Implementing Agency a Government entity? #(in case of joint implementation by government and NGO(s), please provide details on the legal status of each agency under Grant Implementation Arrangements below)
Yes

A.5 Administrator
International Development Association

A.6 Grant Name
ROUND 31: COMOROS - COASTAL RESOURCES CO-MANAGEMENT FOR SUSTAINABLE LIVELIHOOD

A.7 Grant Amount in USD (includes incremental Bank costs)
2,999,400

A.8 Does this grant proposal qualify for the special allocation for Africa?
Yes, for agricultural development

B. Grant Development Objectives

The project development objective is to alleviate poverty of the fishing communities in the three islands of the Union of the Comoros, including Grande Comore (or Ngazidja), Mohéli (or Mwali), and Anjouan (or Nzwani). It will help improve about 3,000 households' lives and increase their income through capacity building, conservation knowledge training and collaborative resource management.

C. Eligible Expenditures

List all applicable eligible expenditures below in one or more categories as necessary. Eligible expenditures include consultant services (including audits), local training and workshops, small civil works, goods, sub-grants and incremental Bank costs.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (US. Dollars)</th>
<th>Percentage of Expenditures to be Financed</th>
<th>Percentage of Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOODS</td>
<td>220,000</td>
<td>100%</td>
<td>7%</td>
</tr>
<tr>
<td>CONSULTING</td>
<td>530,500</td>
<td>100%</td>
<td>18%</td>
</tr>
<tr>
<td>TRAINING</td>
<td>549,400</td>
<td>100%</td>
<td>18%</td>
</tr>
<tr>
<td>CIVIL WORKS</td>
<td>117,000</td>
<td>100%</td>
<td>4%</td>
</tr>
<tr>
<td>OPERATING COSTS</td>
<td>272,500</td>
<td>100%</td>
<td>9%</td>
</tr>
<tr>
<td>OTHER</td>
<td>1,040,000</td>
<td>100%</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Total Grant to Recipient</strong></td>
<td><strong>2,729,400</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incremental Bank Cost</td>
<td>270,000</td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total Grant Amount</strong></td>
<td><strong>2,999,400</strong></td>
<td></td>
<td></td>
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</tbody>
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Grant Supplementary Information

Section 1 - Administrative Information

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Trust Fund No. (For CFPTO Use Only)</td>
<td>TF098850</td>
</tr>
<tr>
<td>Resubmission</td>
<td>No</td>
</tr>
<tr>
<td>JSDF Grant Type</td>
<td>Project</td>
</tr>
<tr>
<td>Sector Code</td>
<td>Environment</td>
</tr>
<tr>
<td>Grant Approval Date (For CFPTO Use Only)</td>
<td>00000000</td>
</tr>
<tr>
<td>Task Team Leader</td>
<td>Mr Xavier F. P. Vincent</td>
</tr>
<tr>
<td>TTL Email</td>
<td><a href="mailto:xvincent@worldbank.org">xvincent@worldbank.org</a></td>
</tr>
<tr>
<td>TTL Phone Number</td>
<td>473-2426</td>
</tr>
<tr>
<td>Was a JSDF Seed Fund used to prepare this</td>
<td>No</td>
</tr>
<tr>
<td>grant? If so, please indicate the TF number.</td>
<td></td>
</tr>
</tbody>
</table>

Section 2 - Details of the JSDF Grant

Section 2.1 - Grant Components and Activities
Briefly describe the specific activities (limit 300 words) to be carried out under each component

Component 1: Awareness raising & capacity building for coastal communities
Cost (USD) 569,200

The grant would support: (1) Sensitization to sustainable exploitation; (2) Extension services for sustainable ARTISANAL fisheries and aquaculture practices; (3) Survey of coastal areas capability and identification of alternative practices; and (4) Capacity building for microenterprise management.

Fishers are amongst the poorest in the Comorian society. The beneficiaries of the project will therefore be the poorest residents of the three islands of the Union of the Comoros that depend on natural resources for their livelihood. The Union consists of three remote islands poorly interconnected and poorly linked to the global economy, including Grande Comore (or Ngazidja), Mohéli (or Mwali), and Anjouan (or Nzwani). The JSDF grant will operate in all three islands, but only in pilot villages. The principles and criteria for the selection of the pilot villages will be precisely defined when the project starts. They will include the potential for implementing Fish Aggregating Devices (FADs (*)) and confirmed interest from the communities to exploit and to maintain the FADs. The selection and planning process will also take activities of other bilateral and multilateral donors (JICA, AFD, AfDB, EC), into consideration, harmonize and build on their activities. The project will build in particular on the results of the on-going activities of the South West Indian Ocean (SWIOFP) regarding the identification of new exploitable aquatic living resources, FADs and fishing gear selectivity. The project intervention will be articulated with the future JICA support to the Fishing School in Anjouan Island, in particular for training and sensitization purposes.

(*) FADs are specially designed anchored-buoys that attract fish. They have the advantage of reducing research time, costs and risks of the fishing activities by reducing navigation since the fishers automatically know where to find fish. FADs have been already experimented in Comoros, in particular with the South West Indian Ocean Project. The project will support the anchoring of SHALLOW WATER FADs who are accessible to ARTISANAL fishers with rudimentary boats, the poorest ones. NON-ARTISANAL VESSELS WILL BE PROHIBITED TO OPERATE CLOSE TO THE FADs, IN THE FRAME OF MANAGEMENT PLANS AND THIS PROHIBITION WILL BE ENFORCED THANKS TO THE COAST-WATCH NETWORK (CF. COMPONENT 2).

(1) Sensitization to sustainable exploitation
This component will raise awareness on the sustainable use of natural resources as the main capital for improved livelihood, skills development and partnership building. Locally recruited facilitation teams, experienced in Participatory Rural Appraisal (PRA) will be engaged to demonstrate best practices, cause and effect relationships to local communities. Best practices examples in exploitation and management from the region will be demonstrated to the local facilitation team (for example by bringing implementation teams from successful similar JSDF grants in Tanzania and Mozambique to share experience).
(2) Extension services for sustainable fisheries and aquaculture practices
To ensure effective knowledge and know-how transfer, an assessment will be carried out on community behavior patterns and their motivation for participation in the proposed activities. From knowledge gained the facilitation will adapt strategies to create effective demonstrations on best practices in artisanal fishing or other alternative small-scale aquaculture activities, such as oyster and mussel farming or crab fattening, and motivate coastal residents in the need to diversify livelihood both for improved income generation and adoption to changes, including climatic one.

(3) Survey of coastal areas capability and identification of alternative practices
Locally recruited facilitation teams will work with the local communities to identify sustainable and profitable activities for improving their livelihood and realize a Participatory Rural Appraisal (PRA), improve fishing activities monitoring and undertake research and development (R&D) activities for identifying alternative non destructive practices. THE FISHING ACTIVITIES MONITORING ACTIVITIES WILL BE BUILD ON THE "COMMUNITY SCIENCE TOOLKIT FOR COASTAL AND INSHORE MARINE RESOURCES MANAGEMENT" CURRENTLY BEING PILOTED IN LIBERIA FOR MONITORING COASTAL AND INSHORE MARINE RESOURCES.

(4) Capacity building for microenterprise management.
Capacity building will include organization skills, life-management skills, and conflict management skills, amongst others. LINK WILL BE POSSIBLY ESTABLISHED WITH THE IFC'S SMALL, MEDIUM ENTERPRISES SOLUTIONS CENTER.

Capacity building and leveraging awareness at both the pilot site and group levels will provide the support needed for successful implementation of site level development activities in component 3 below.

<table>
<thead>
<tr>
<th>Monitorable Deliverables/Outputs</th>
<th>Component 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Demonstrations (to at least 3,000 persons) and training (600 persons) completed; 2. Best practices identified for the Comorian context; 3. Exchange of regional experience organised</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost (USD)</th>
<th>561,500</th>
</tr>
</thead>
</table>

This component includes (1) analysis of the sustainability of current practices; (2) preparation of collaborative fisheries & coastal areas management plans; (3) development of pilot coast-watch program including the safety at sea dimension; and (4) support to co-management institutionalization.

(1) Analysis of the sustainability of current practices
Surveys regarding the market and investment climate sustainability of the current practices and a value chain assessment will be conducted under this project in order to understand the situation and provide guidance, lessons for future practices.

(2) Preparation of collaborative fisheries & coastal areas management plans
Village co-management approach of the coastal and near-shore marine areas will be established. The approach will address artisanal fisheries, access to the near shore resources, and facilitate and manage aquaculture operations in village jurisdiction.

Potential alternative fisheries and their appropriate utilization will also be identified (cf. component 1), and locally based management plans developed so that they can be sustainably utilized.

(3) Development of pilot coast-watch program including the safety at sea dimension
The component would also support the development of a pilot coast-watch network. The objective of the network is to test self-regulations mechanisms to deal with outside pressures on natural resources protection and management and to improve safety at sea. The pilot network will be operated by communities' volunteers and supported by the relevant regional and national authorities, in particular the Fishing Monitoring Center. The pilot will serve as a self-regulating mechanism, and rely on social pressures related to the size and cohesiveness of the communities that establish the co-management committees. This grant will finance hardware (e.g., radio, binocular, safety equipment...), which will be owned by the communities. The network will support, together with the SWIOF Project, the collection of fisheries statistics (e.g., number of vessels at sea per day, catches) for management purpose.

(4) Support to co-management institutionalization.
The village resource management plans, established under activity 2 above, will be submitted to the appropriate government ministries or local authorities for endorsement, harmonization with existing legislation, and for future national funding and support. Important governance and legal issues will be identified and measures needed to address them implemented with Grant support in order to institutionalize the co-management of coastal resources, including fisheries.
Monitorable Deliverables/Outputs
1. At least 6 co-management plans completed; 2. Increased capacity to monitor resource use; 3. Management measures validated by the competent authorities; 4. Studies completed (3)

Component 3 | Micro-Projects for ARTISANAL Fishing Communities
Cost (USD) | 1,263,000

This component includes (1) fishing community development micro-projects; (2) the promotion and the dissemination of sustainable practices; and (3) the support to establish financial self-help groups.

(1) Fishing community development micro-projects
This component proposes an innovative approach for improving the business environment for the poor by leveraging improved availability and affordability of finance, and linking local ARTISANAL fisheries and aquaculture products to potential private sector investors in Comoros. This will be supported by small grants which have the objective of empowering communities to access opportunities so that they can request, implement, and monitor micro-projects that contribute to improved livelihood. This will be linked to the business development assistance and extension services provided under Component 1 to ensure that investors have strong local partners with whom to associate.

The grant would support village-level initiatives to prioritize, design, co-finance and implement important village level activities (e.g., Fishing Aggregating Devices, improved landing site with insulated fish containers). These villages-level micro-projects would need to be identified and endorsed at the village level, and additionally support environmentally and sociably sustainable use of natural resources. Assessment would also be made of what other regional-level infrastructure would be needed to support the community-based micro-projects (roads, power distribution, water supply and sanitation, etc.) and support coastal district infrastructure prioritization process which could be supplied to other donors and donor-supported projects.

(2) Promotion and the dissemination of sustainable practices
The sustainable ARTISANAL practices which will add value for the local products will be promoted, such as post-harvest losses reduction practices and techniques, processing, introduction of new ARTISANAL aquaculture facilities and production systems. Artisanal operators from the pilot villages will be eligible to individual advisory services to prepare their individual project. Technical training will be made available.

(3) Support to establish financial self-help groups
The grant will support improved availability and affordability of credit by helping to establish local self-help savings groups that would be able to join existing microcredit network. The grant would support the linkage between the microcredit network and these villages' self-help savings groups to foster collaboration that would facilitate application for, and approval of, future working capital loans to these local groups once they have proven their credit-worthiness.

Implementation
Implementation of micro-projects would be through the Comoros Social Fund (CSF) or similar existing local social action projects, where such exist, and which would have overall and financial management responsibilities. Technical assessment of micro-projects and technical guidance would be provided through DNRH. Where these do not exist, the pilot villages will be trained and a village/local-based evaluation process will be established. The successful JSDF project in Tanzania, and sister-project in Mozambique, which support similar micro-grant process, will be used as a model for this, and training will be organized through a workshop between the JSDF implementers from the three countries.

Weighting will be given to women and youth groups (the micro-grants will only support groups of villagers). Though the exact number of micro-projects (both village and entrepreneurship grants) will depend on demand and budget, individual grants are expected to average US$15,000 with a maximum possible grant of US$30,000. The micro-grants will require village/community/group to contribute, including in kind, to a minimum of 5% of the total micro-project value. The packages available to the recipients are provided under the caveats that: i) the supported activities must not hinder sustainable coastal resource use; ii) an education and awareness element must be integrated into every micro-project to promote sustainable resources use (and linked to component 2); iii) specific micro-projects will be subject to environmental and social impact assessment screening.

Avoid elite capture of JSDF benefits
The design of the grant process will avoid elite capture of JSDF benefits. Specifically, the village and entrepreneurship grants will support (through advisory services) those wishing to apply for a micro-grant to identify priority problems, design
intervention and to help groups prepare proposals for JSDF funding. Micro-projects will be managed by a democratically-elected Management Community. In addition, a resource allocation methodology will be used with the intent to promote transparency in availability of village and entrepreneurship grants and transparency in their allocation and use (in articulation with component 4). Once the Participative Rural Assessment has been undertaken, under component 1, the total amount allocated for the micro-projects will be divided into specific local allocation, in conjunction with the regional authorities and the DNRH. Notification of allocations will provided to the various JSDF target villages so that all know what is available.

Monitorable Deliverables/Outputs
1. At least 30 micro-projects implemented; 2. At least 3 financial self-help groups established

Component 4 | Project Management, Monitoring and Evaluation
Cost (USD) | 335,700

This component includes (1) project management; (2) monitoring and evaluation (M&E) of project performance; and (3) communication.

(1) Project management
Project implementation will be at the local level and facilitated by the local authorities.

The National Directorate for Fisheries Resources (DNRH) will maintain the management, staffing and administrative capacity and the decentralized structure in all the three islands necessary to implement the proposed project. The DNRH’s Project Implementation Unit (PIU) implemented for the SWIOPF with the qualified and trained personnel, knowledgeable with Bank procedures, will manage the financial, administrative and procurement processes for the JSDF grant.

The financial management and supervision of the micro-projects will be done by the Comoros Social Fund (CSF). An agreement between DNRH and CSF will be set up once the proposal gets approved. The Regional offices of the DNRH will be in charge of supporting the project implementation locally in partnership with the Comoros Social Fund (CSF), the regional and local branches of the Fishers’ National Association, NGOs and the Fishing National School (ENP) based in Anjouan Island.

A resource allocation methodology will be used with the intent to promote transparency in availability of village and entrepreneurship grants and transparency in their allocation and use. Notification of allocations will provided to the various JSDF target villages so that all know what is available, so to ensure high level of transparency and accountability.

A Sector Experts Team (SET) with multisectoral capacities, drawn from central and local government agencies, will be created and will include representatives of the National Fisher’s Association. The SET will review micro-projects eligibility against sector norms.

The project will be audited annually by independent auditors following the procedures set forth by the World Bank. The DNRH will have to disclose the result of the audit at national, regional and pilot-villages level. The recipient will prepare an Implementation Completion Report (ICR) that will incorporate the results of the final impact evaluation.

(2) Monitoring and evaluation (M&E) of project performance
Project’s Monitoring and Evaluation (M&E) will be undertaken by an independent NGO(s) selected through a competitive process. The NGO(s) will be responsible for liaising with and assessing project cooperation between stakeholders in the government, community, and private sector. Additionally, the NGO(s) will assess the performance of the local facilitation team as well as members of the administration involved in the project.

(3) Communication
The grant will support communication strategy and activities that get the results of the project and the ongoing findings of M&E out to the stakeholders in the study areas and to Government, donor, CBO and NGO groups active in the coast in Comoros. These will include liaison and partnering with the press to ensure that regular publication of project activities and progress occurs. Other format, such as radio- or TV-broadcast, newsletter or workshop might be used too. Likewise the bank supervision team will hold at least two workshops (one after the first year of implementation and a second after the grant has concluded) to provide others working with similar coastal activities a chance to learn from what was accomplished under this JSDF grant.

The consequence of unsustainable outcomes will be linked to destructive practices though techniques such as theater and other communication tools, and through traditional forums.

Monitorable Deliverables/Outputs
1. Technical and financial progress reports (quarterly)
2. Communication strategy on project objectives and results implemented including disclosure of M&E indicators

**Summary Description for Grant Agreement**

In Comorian society, fishers are at the bottom of social scale and are the poorest with low education, poor housing and the lowest revenues. There are four components in the project, including (1) awareness raising and capacity building for coastal communities; (2) preparation of integrated resource management plans by participating communities; (3) micro-project for fishing communities; and (4) project management, monitoring and evaluation.

The component 1 includes support to: (1) Sensitization to sustainable exploitation; (2) Extension services for sustainable artisanal fisheries and aquaculture practices; (3) Survey of coastal areas capability and identification of alternative practices; and (4) Capacity building for microenterprise management.

The component 2 includes support to: (1) analysis of the sustainability of current practices; (2) preparation of collaborative fisheries & coastal areas management plans; (3) development of pilot coast-watch program including the safety at sea dimension; and (4) support to co-management institutionalization.

The component 3 includes support to: (1) fishing community development micro-projects; (2) the promotion and the dissemination of sustainable practices; and (3) the support to establish financial self-help groups.

This component 4 includes support to: (1) project management; (2) monitoring and evaluation (M&E) of project performance; and (3) communication.

### Section 2.2 Incremental Bank Costs

The costs of normal supervision are expected to be covered through the administrative budget and fee provision. Under exceptional circumstances, if additional resources are needed to facilitate community participation or NGO collaboration under particularly difficult conditions, incremental Bank costs can be requested up to 9 percent of the total grant amount.

| Amount requested in USD | 270,000 |

The Union of Comoros consists of an archipelago of three remote islands with poor connections. Supervision will have to take place in all three islands, and will be intensive on the part of task team with mission every about six months to support the requisite due-diligence. Particularly, M&E will be through community groups and NGOs in the field and more travel to more remote areas are required than usual in Bank operations.

### Section 2.3 - Rationale and Participatory Approach

Briefly present (a) the origin and rationale for the proposal; (b) participatory activities which led to the proposal concept; (c) its innovative features in responding rapidly to the needs of the poor and vulnerable groups; (d) describe the intended beneficiaries and provide an estimated number of beneficiaries and cost per beneficiary.

Comoros’s fishers indicated decreased in the productivity of the coastal waters and lack of profitable opportunities for marketing their products due to poor landing conditions, low technical capacities and reduced commercial networks. On the other hand the authorities indicated a strong interest for involving the local communities in the sector management.

This project will directly address poverty alleviation by: 1) increasing the skills and knowledge needed to utilize natural resources profitably and sustainably, 2) developing mechanisms to take advantage of new economic opportunities, and 3) establishing access to a wider market and thereby higher prices for their commodities; and 4) placing more emphasis on co-management of coastal natural resources.

In October and November 2002, a multidisciplinary team of experts from the Food and Agriculture Organisation (FAO) visited all the three islands of the Comoros archipelago, and consulted with local coastal communities and fishers on the elements of a development strategy in the fisheries sector, and related activities to be implemented to support the strategy. Between January and June 2004 the proposed strategy and activities were presented to the stakeholders, including coastal communities and fishers, in the three islands during regional and national workshops. The present project was prepared on the base of the activities agreed with the coastal communities and fishers.

The project was discussed with the National Fishers Association (SNDPC), the national organization representing the fishers and their local associations, as well as with the National Directorate for Fisheries Resources (DNRH). The SNDPC expressed a strong need for support of the coastal villages and the fisheries operators, confirmed that the situation in the coastal areas did not evolved since 2004 and that the approach is still valid. This grant proposal was also reviewed with the Government.
of Comoros and got high support from the Vice President in charge of fisheries, insuring support for its implementation together with the target populations and their associations.

Solutions for poverty alleviation and environmental preservation should be synonymous, but reality renders them separate because the immediate needs of people to survive can conflict with the long term benefits of preserving a healthy ecosystem able to support important biodiversity. The goal and innovative feature of this project is to bridge these different time horizons by maximizing gains from current resource extraction, adding alternative marine-based income generation activities, and educating the resource user community. In particular the project will provide to the poorest and most vulnerable resources groups answers for their short term horizon needs for financial and technical support while supporting them to build long term vision for and benefits from sustainable resources exploitation.

The Grant integrates all different aspects of the fishery strategy, from conservation to co-management of coastal resources by local communities, into a single intervention. This allows greater synergy and a greater benefit to the local community than if each part of the strategy were undertaken at different times and by different managers.

The target beneficiaries will be the local fishing communities OF APPROXIMATELY 30 PILOT-VILLAGES. The projected impacts of the grant include improved standard of living in JSDF pilot fishing villages and improved resource management. These impacts are indicated by increased disposable income; improved cash flow management (those with bank accounts); improved revenue receipts from pilot villages; new aquaculture ventures established and financially viable; improved profits from artisanal fisheries; finalization and adoption of coastal village resource management plans. It is difficult to estimate exact numbers of people likely to benefit from this grant. But there should be approximately 15,000 people/3,000 household directly and indirectly benefiting from the JSDF-supported small grants, business service advice to micro and small enterprises, extension support to fishers, and establishment with associated capacity building of coastal villages (particularly women) of aquaculture-based livelihood. The project costs average $200 per beneficiary.

SUCCESSFUL PILOTS WILL PERMIT TO EXTRACT LESSONS FOR THE DESIGN OF A LARGER FOLLOW-UP PROJECT EITHER DIRECTLY BY THE WORLD BANK (E.G., IN THE FRAME OF A PLANNED NEW SOUTH WEST INDIAN OCEAN REGIONAL PROJECT) OR ITS PARTNERS (E.G., AFRICAN DEVELOPMENT BANK).

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**Section 2.4 - Sustainability**

Indicate the mechanism for sustainability of the proposed activities after the completion of the grant. This should include a description of the exit strategy and mechanism for long-term sustainability with specific measures and cost.

The participatory approach engaging the community in all aspects of implementation of the grant activities promotes a transition to sustainability after completion of the grant. The grant links economic development with environmental and social protection by identifying and facilitating environmentally and socially sustainable use of the natural resources of the coast, and by leveraging a cooperative structure of natural resource management between the local communities and the Government. The grant provides a portion of the initial capital cost for the management plan preparation, the financial responsibility for implementation and management will rest on the community. This will be aided by the newly established/strengthened savings groups, the business skills training of the community groups, and link with markets which should create new economic growth. Additionally, the community is directly responsible for monitoring and evaluation (M&E) to establish accountability for their natural resources management and economic welfare. The network of information will be established by the technical agents, implementing NGO facilitators, and existing local village organizations. Inter-villages visits and a formalized arrangement for knowledge sharing will be facilitated during the project such that the groundwork and systematic protocol for information sharing will be in place to ensure ease for its continuation.

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**Section 2.5 - Safeguard Issues**

Describe any significant adverse impacts related to environment and social safeguard policies, and how they will be addressed.

The activities are not expected to generate any significant, long term or irreversible adverse environmental or social impacts. Indeed, the management component of the grant is expected to generate positive environmental and social impacts and provide the basis for environmentally sustainable investments. The proposed classification for the grant funded project is Category B, triggering OP 4.01 on Environmental Assessment Safeguard. To mitigate the specific considerations of this OP, the Bank team and client will prepare a simplified EMF for the micro-projects to be supported by the grant. However, in order to ascertain whether any other OP/BPs are triggered by the grant activities, a World Bank safeguard specialist will be in the task team who will oversees any safeguard issues. The safeguard specialist will carry out a thorough field site review of the proposed project prior to execution and confirm the OPs/BPs triggered by the grant investments.
addition, throughout implementation, environmental/social assessment will be part of microproject selection process. The implementing agency will use an approved menu of micro-projects along with a negative list of micro-projects for investment. Only those on the approved list will be supported by the project. It is important to note that any micro-projects that would trigger OP 4.12 on Involuntary Resettlement will not be eligible for financing. The Project will also request that the first five Environmental Management Plans prepared in accordance with the Environmental Management Framework be sent to the Bank for no-objection, to ensure compliance with the safeguards requirements. CONSEQUENTIALY A PROCESS FRAMEWORK, ADAPTED FROM THE ONE PREPARED FOR THE KENYA COASTAL DEVELOPMENT PROJECT (KCDP) COULD BE ADOPTED.

Section 3 - Linkage to Country Strategy and Associated Bank Financed Operation

Section 3.1 - Country/Sector Background
Provide any specific information related to country and sector strategies which may support this proposal.

The Union of the Comoros is a small archipelago with an estimated population of 670,000 covering a territory of about 1,800 km2. The economy of Comoros is characterized by geographical isolation, limited resources, poor macroeconomic management, a small domestic market and a narrow export base, which makes it vulnerable to external shocks.

Fisheries are estimated to generate 8,500 jobs to fishers and 24,000 direct upstream employment i.e., direct employment to close to 5% of the total population of the Union of the Comoros. Fishers groups consist of full-time fishers and subsistence fishers who alternate agriculture works and fishing. Fishers folks are essentially concentrating among the population below the poverty level (40% of inhabitants in Grande Comore and 70% in Anjouan).

Fish is a potential important local source of protein for the Comoros' population who appreciated non-processed fish (fresh). Consumption is however reduced due to high price of fish compared to, mainly imported and sometime subsidized, meat products. Local consumption is estimated to 29 kg/per capita/year, which remain weak in comparison to Seychelles (80kg). Improvement in production through in particular better management and improved techniques for conservation and marketing would impact positively accessibility of the poorest to this protein.

Comoros' Poverty Reduction and Growth Strategy Paper (PRGSP) identify fisheries, agriculture and tourism as sectors with the potential to generate sustained economic growth. This grant will help Comoros build capacity for fisheries sector and enhance private sector activity in order to achieve sustainable growth and protect the environment.

This project is included in the World Bank's Interim Strategy Notes (ISN) and will participate directly to its objective 1: Reduce Social Vulnerability.

Section 3.2 - Bank Financed Operation the Grant will Complement

Project name: South West Indian Ocean Fisheries Project;
Project ID: P072202;
Board date: May 29, 2007

The Project Development Objective relates specifically to assessing the current status of offshore fisheries within the 200 mile Exclusive Economic Zones (EEZ) of coastal states in the South West Indian Ocean.

The project aims to generate scientific knowledge and develop legal and institutional capacity to implement an action plan in order to manage fisheries for maximum economic returns, consistent with a management strategy that stresses environmental sustainability and socially equitable distribution of the benefits of exploitation. The project will adopt an ecosystem approach which will lead to an improved understanding of transboundary and environmental influences on stock health, the life histories of key species and variability in inter-annual estimates of stock abundance.

The objectives of the Project are to (i) identify and study exploitable fish stocks within the Project Area, and differentiate between environmental and anthropogenic impacts on shared fisheries; (ii) develop institutional and human capacity through training and career building; (iii) develop a regional fisheries management structure and associated harmonized
(iv) mainstream biodiversity in national fisheries management policy and through national participation in regional organizations that promote sustainable exploitation of fisheries resources.

COMPONENT 1: Data GAP Analysis, Data Archiving and Information Technology including;
Subcomponent 1: Fisheries data collection and evaluation; Subcomponent 2: Compiling of a data atlas for SWIOFP;
Subcomponent 3: Establishment of Information Technology, data handling and communications systems

COMPONENT 2: Assessment and Sustainable Utilization of Crustaceans, including; Subcomponent 1: Assessment of deep-water crustaceans, and Subcomponent 2: Assessment of shallow-water crustaceans.

COMPONENT 3: Assessment and Sustainable Utilization of Demersal Fishes, including; Subcomponent 1: Assessment of deep-water demersal fish, and Subcomponent 2: Assessment of shallower water demersal fish.

COMPONENT 4: Assessment and Sustainable Utilization of Pelagic Fish, including; Subcomponent 1: Assessment of large pelagic species, Subcomponent 2: Assessment of small pelagic species, and Subcomponent 3: Assessment of super small pelagic species.

COMPONENT 5: Mainstreaming Biodiversity in National and Regional Fisheries Management, including; Subcomponent 1: Assessing of the state of knowledge of non-consumptive resources and marine biodiversity, Subcomponent 2: Identification of key biodiversity values; Subcomponent 3 Identification of interactions with fisheries including by-catch; and Subcomponent 4 Identification of bio-indicators of ecosystem health.

COMPONENT 6: Strengthening Regional and National Fisheries Management, including; Subcomponent 1: Identification of relevant national and international legislation and other instruments relevant to the Southwest Indian Ocean Fisheries Project (SWIOFP) goal; Subcomponent 2: Harmonization of legislation between countries; and Subcomponent 3: Development of regional resource management structures and capacity.

Section 3.3 - Rationale for Grant Funding versus Bank Lending
Briefly describe why the proposed JSDF activities could not be financed under the Bank-financed operation or by other sources.

Financing these activities through a JSDF Grant will allow Comoros to pilot innovative service delivery methods in local fishing communities. Key policies and mechanisms to deliver assistance to artisanal fishers and those undertaking small-scale aquaculture, microenterprise development, and establishment of viable financial self help groups would be tested at the local district and community level. The experience gained would help the Bank refine its efforts to engage with the Government in the natural resource management sector. This JSDF grant would make it possible to scale up Bank involvement in the natural resource management (NRM) much faster. It would also allow the population to benefit from improved NRM and generate rural livelihood much earlier (by at least 2 years) than if the piloting had been included in year one of a larger project (which wouldn't be possible anyway as IDA allocation for large-scale NRM activities would not be possible until an ESW work was completed).

Section 4 - Grant Implementation Arrangements

Section 4.1 - Name and Address of Implementing Agency
Direction Nationale des Resources Halieutiques
Boite Postale 860, Moroni
Union des Comores

Please provide the rationale for the selection of the implementing agency
Briefly describe the organization's mission, country/sector experience, program of activities, sources of financing, and evidence of financial management capacity to assure appropriate use of JSDF funds.

If the grant will be implemented by more than one entity, briefly describe the responsibilities of each implementing agency.

The National Directorate for Fisheries Resources (DNRH) has the management, staffing and administrative capacity and the decentralized structure in all the three islands necessary to implement the proposed project. Further the DNRH has project management experience with the World Bank in particular through the implementation of the South West Indian Ocean Project (SWIOFP). The DNRH is consequently uniquely qualified in Comoros for managing the project. The National Directorate for Fisheries Resources (DNRH) is a technical department of the Vice-Presidency in charge of Agriculture and Fisheries. The DNRH is the authority in charge of fisheries resources management, of the conception and of
the implementation of the national fisheries development policy. For such, the DNRH works with the Fishers' National Association, NGOs and the Fishing National School (ENP) based in Anjouan Island.

The DNRH has offices on all the three islands, each headed by a Regional Director. The regional offices collaborate with the regional and local branches of the National Fishers' Association. The local branches are village-based fisher's associations or cooperatives.

The DNRH is the national implementing agency for the South West Indian Ocean Fisheries Project (SWIOFP) financed by the World Bank and the Global Environmental Facility (GEF). The DNRH coordinates the activities of the SWIOFP within and between the three islands of the Union of the Comoros.

The Director is the National Focal Point for the implementation of SWIOFP and is coordinating a team of five (5) National Components Coordinators, who are based in the various islands of the archipelago. He is assisted by a Permanent Secretary in charge of financial, administrative and procurement management.

A project implementation unit (Unité nationale de gestion de projet) has been created and trained within the DNRH. The DNRH's qualified and trained personnel are consequently knowledgeable with Bank procedures and will be able to manage the financial and procurement processes for the JSDF grant.

To ensure high level of transparency and accountability, at local level micro-projects will be managed by a democratically-elected Management Community. In addition, a resource allocation methodology will be used with the intent to promote transparency in availability of village and entrepreneurship grants and transparency in their allocation and use (in articulation with component 4). Once the Participative Rural Assessment has been undertaken, under component 1, the total amount allocated for the micro-projects will be divided into specific local allocation, in conjunction with the regional authorities and the DNRH. Notification of allocations will provided to the various JSDF target villages so that all know what is available.

The DNRH will also be submitted to annual financial audit, and will have to disclose the result of the audit at national, regional and pilot-villages level in the frame of the component 4.

The DNRH will coordinate the overall project implementation with the support of its regional branches in each island.

The Fishing School (ENP) will participate to the training activities and technical assistance provided by JICA will be solicited to provide specific expertise when needed.

Management of the micro-projects will occur at three levels, namely the Project level through the DNRH structure, the Regional (island) level through the DNRH's regional branch (RB) and the Village level through the Village, with support of the Comoros Social Fund (CSF) whenever possible.

Authority (VA). Specific responsibilities of each level are as follows:

I. Project Management (funds move through the DNRH structure from national to regional offices, which have responsibility for supervising the implementation of the micro-projects, and to Comoros Social Fund (CSF) whenever applicable). The DNRH will maintain a team of experts in the areas of financial management, procurement, participatory planning, information management, auditing, and monitoring and evaluation at both the national and regional levels to:

a) Disburse funds to DNRH's regional branches (RB) or to the Comoros Social Fund (CSF), whenever applicable (or execute direct payment to services providers, e.g., for economy of scale for imported goods such as Fish Aggregating Devices) against a schedule of activities and micro-projects submitted from the RBs.

b) Rely on a Sector Experts Team (SET) which is multisectoral and drawn from government agencies and National Fisher's Association which review micro-projects eligibility against sector norms.

c) Confirm that all micro-projects financed are in line with sector norms and standards issued by central Government on service provision.

d) Disburse funds to VAs (or execute direct payment to providers or disburse through the Comoros Social Fund when applicable) after endorsement.

e) Receive progress reports from DNRH's regional branches on the use of funds before further disbursements.

f) Regularly publish reports on the use of resources and the results.

Other institutions (if any) involved in grant implementation. If sub-grants are a component, describe how they will be managed.
g) Develop tools to promote accountability and transparency in the use of funds.

h) Disclose annual audit reports.

i) Submit quarterly and annual reports to the relevant financiers (e.g., Government, World Bank, and donors).

II. DNRH's regional branch (RB). The RB provides planning guidelines to be followed with respect to:

a) Facilitate a participatory preparation of micro-projects, to conduct desk and field appraisals, and approval, and supervision.

b) Endorse micro-projects from the VAs as long as they meet the eligibility principles and criteria, and conditions stipulated.

c) Engage a service provider (private sector/NGOs, with priority given to the Comoros Social Fund) for all funded micro-projects to assist the grantees.

d) Monitor and report on the activities of local service providers.

e) Receive progress reports on micro-projects implementation.

f) Produce and submit an annual report on service coverage and challenges in the region as a guide for future planning and as contribution to national monitoring efforts.

g) Maintain financial records as required.

III. Village Authority (VA). A democratically-elected Management Community (MC) will:

a) Approve micro-projects

b) Convene meetings and undertake other activities necessary for the monitoring of micro-project implementation in line with JSDF project transparency and accountability guidelines.

c) Prepare reports and forward them to the RB that provide supervision and results data on the various micro-projects undertaken in that village.

Section 4.2 - Consultation with Other Development Partners
Describe consultations with Japanese embassy, JICA, as well as other MDBs (e.g., ADB, IDB, AfDB, EBRD) in the design of grant activities (indicate names of officials contacted at Japanese embassy and dates).

Explain the division of labor among the various partners in order to avoid overlap between programs.

The project was presented and discussed with Mr. Kenichi TAKEYAMA, Counselor, Embassy of Japan in Madagascar, responsible for the Union of the Comoros, on April 7, 2010 (Please see the attached email for reference). On the same day the project was presented and discussed with Mr. Koichi SASADATE, Représentant résident of the Japanese International Cooperation Agency (JICA) and Mr. Andonirina RATODISOA, technical adviser, JICA.

#The World Bank
Fisheries Specialist, Africa Region
Mr. Xavier Vincent
Dear Mr. Vincent,

Thank you for visiting our office and providing us your project in Comoros.
I have received your revised project outline. I have no objection about the project that you are going to apply to JSDF.
I hope you will well coordinate with JICA Madagascar Office in implementing this project.
Thank you for your attention.

Kenichi Takeyama
Coussellor for Economic Cooperation
Embassy of Japan
Madagascar#

Consultations also took place, between April 1 and 6, 2010 with the French Development Agency (AFD) in the Comoros (Mr. Philippe COLLIGNON, Director, AFD Comoros), and the representative of the WIOLA'B (Western Indian Ocean Land Based project) and COREMAP/PROGECO projects in the Comoros.

The project was also discussed with Jean-Louis KROMER, principal fisheries specialist of the African Development Bank (AfDB) in Tunis.
It was agreed with JICA that the JSDF project and the future JICA Fishing School Project should be articulated.
The AFD is involved for many years in micro-credit in the Comoros. The credit-related activities of the JSDF grant will be coordinated with the AFD-financed projects.

It was agreed that the JSDF grant together with the SWIOFP projects will participate to the preparation of a potential AfDB project in the Comoros through, in particular, the collection of statistical data of fishing activities and lessons learning.

Section 4.3 - Monitoring and Evaluation
List and quantify the performance indicators (maximum 5) and explain how the grant activities will be monitored and evaluated against these indicators. Please use outcome-level indicators in line with the project objectives (e.g., productivity enhancement; increased access to social and community services and infrastructure; and improvement in the living conditions of the poor and vulnerable groups). Please indicate targets and performance indicators for monitoring the measures.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Base Value</th>
<th>Base Date</th>
<th>Target Value</th>
<th>Target Date</th>
</tr>
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<tbody>
<tr>
<td>Increase the income of about 3,000 households in the pilot villages of the 3 islands</td>
<td>Baseline Value Baseline household survey will be conducted at the beginning of the project.</td>
<td>12/01/2010</td>
<td>Household survey will be conducted at the end of the project. Increase of 10% of households’ incomes is expected in average.</td>
<td>11/30/2014</td>
</tr>
<tr>
<td>Adoption of coastal management plans in pilot villages</td>
<td>0</td>
<td>12/01/2010</td>
<td>At least 6 pilot villages adopt a coastal management plan</td>
<td>11/30/2014</td>
</tr>
<tr>
<td>Implementation of micro-projects (such as fish aggregating devices, improved landing site, fish market, water supply and sanitation)</td>
<td>0</td>
<td>12/01/2010</td>
<td>30</td>
<td>11/30/2014</td>
</tr>
<tr>
<td>Increase in credit provided to the poor fishing households in project areas</td>
<td>0</td>
<td>12/01/2010</td>
<td>Three hundred (300) households get access to credit.</td>
<td>11/30/2014</td>
</tr>
</tbody>
</table>

Section 4.4 - Risk Affecting Grant Implementation
See attached Risk Assessment Sheet

Section 4.5 - Retroactive Financing
If retroactive financing is envisaged, the automatically generated grant agreement will specify the grant approval date as default retroactive financing date. This date can be manually set in the grant agreement to a later date but not earlier, if desired.

Is retroactive financing needed? No
Retroactive financing amount, if needed.

Section 4.6 - Financial Arrangements
This section should be filled out in consultation with the Financial Management Specialist.

Are interim unaudited financial reports required? If yes, indicate frequency. Note: These reports should normally be used to support disbursement. Interim unaudited financial reports will be produced quarterly.

Describe the audit requirements. Annual Audit
Section 4.7 - Disbursement Arrangements
This section should be filled out in consultation with the Finance Officer.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>Will advances to a Designated (e.g., Special) Account be required?</td>
<td>Yes</td>
</tr>
<tr>
<td>What is the proposed ceiling for advances? (This can be a specific amount or a period if interim unaudited financial reports are used to support disbursement).</td>
<td>6 months</td>
</tr>
<tr>
<td>If a Designated Account will not be used, specify how disbursements will be made (e.g., direct payments, reimbursement for prefinanced expenditures).</td>
<td>Direct payment</td>
</tr>
<tr>
<td>Specify the type of documentation that will be provided to support disbursements, e.g., interim unaudited financial report, SOE, or copies of records (e.g., actual invoices).</td>
<td>interim un-audited financial reports</td>
</tr>
</tbody>
</table>

Section 4.8 - Additional Obligations
Covenants drafted by the lawyer can be inserted in this space when, exceptionally, any additional obligations of the Recipient need to be specified.

a) preparation and adoption of a project implementation manual (PIM) acceptable to IDA, including criteria and terms and conditions governing subgrants, and compliance with the PM in the implementation of the project activities.
b) preparation of relevant safeguard instruments and compliance with such instruments.
c) compliance with anti-corruption guidelines.
d) signature of subgrant agreements for the execution and monitoring of subgrants.

Section 5 - Financing Plan
The DNRH will support the cost of its regular functioning. The South West Indian Ocean Fisheries Project will provide parallel financing to this JSDF grant in particular for research and development on the Fish Aggregating Devices and for the identification of alternative fisheries resources.

Section 6 - Detailed Cost Table
Please consult with Procurement Accredited Staff on the proposed procurement methods.

See attached Cost Table

Section 7 - Technical Review & Clearances
Section 7.1 - Technical Review
SDV Technical Reviewer (Please insert comments below)

SDV Technical Reviewer:
Comment on a) technical feasibility/appropriateness of the grant from the SDV perspective; b) relevance of the proposal to JSDF requirements for innovative approaches to provide direct benefits to disadvantaged/marginalized groups.

Directions for TTLs:
Indicate in capital letters, after each comment, where in the proposal the comment has been reflected. Please provide tab and field references.

I have reviewed the proposal and strongly endorse it. I have the following comments which I hope will be helpful:

* This is an innovative and well thought through proposal which nicely addresses the range of multi-sectoral issues -- and, very importantly, the social dimensions -- in the fisheries sector. Its multi-sectoral approach is precisely the approach which is most needed in this sector but which has, to date, had very limited application. To date, the Bank has generally not given sufficient attention to the social dimensions of fisheries management in its operations. This JSDF activity has
great potential to both work to fill this gap, but also provide important and new learning in this area.

* I strongly support the proposal as a large-scale pilot initiative. As the proposal points out, launching this approach under a standard Bank operation would mean that implementation and outcomes would only be derived in the medium- to long-term, whereas under this JSDF pilot approach lessons of experience can be distilled much sooner and taken up more readily by Bank operations.

* I would recommend that the proposal make it clearer that this initiative focuses specifically on artisanal fisheries. This is implied in the proposal as written now, but is not made explicit. It is important that the initiatives to be supported here are distinguished from the larger-scale more commercial fisheries sector.

* I would also suggest that the proposal make explicit some linkage to the Community Science Toolkit for Coastal and Inshore Marine Resource Management which has been developed, and is currently being piloted in Liberia. This is a useful tool that can be used to build community engagement in monitoring coastal and inshore marine resources, and which fits very closely with the objectives of this JSDF proposal. Not only could the Toolkit and the lessons from its piloting be of use to this JSDF activity, but experiences from the JSDF activity could be disseminated at least in part under the Community Science Toolkit initiative.

THE CHANGES HAVE BEEN INTRODUCED IN TAB 5. DESCRIPTION OF COMPONENT ONE AND THREE WITH A CLEAR MENTION TO “ARTISANAL FISHERIES AND AQUACULTURE PRACTICES” (CF. TEXT IN CAPITAL LETTER IN THE TEXT), AND PROHIBITION TO NON-ARTISANAL VESSELS TO FISH CLOSE TO THE FISH AGGREGATING DEVICES. THE USE OF THE “COMMUNITY SCIENCE TOOLKIT FOR COASTAL AND INSHORE MARINE RESOURCES MANAGEMENT” HAS BEEN INCLUDED IN TAB 5. DESCRIPTION OF COMPONENT ONE / ACTIVITY 3.

Directions for TTLs:
Please provide the name and area of specialization of the SDV Technical Reviewer.
Carolyn Winter: Senior Social Development Specialist

Thematic Technical Reviewer (Please insert comments below)

Thematic Technical Reviewer:
Comment on a) the technical approach from a country/sector viewpoint and b) the relevance of the proposal to JSDF requirements for innovative approaches to provide direct benefits to disadvantaged and marginalized groups.

Directions for TTLs:
Indicate in capital letters, after each comment, where in the proposal the comment has been reflected. Please provide tab and field references.

I have read the JSDF proposal and the team should be congratulated on an excellent job. The proposal is based on examples of similar projects of approximately the same size in the coastal zone of Tanzania, Mozambique and Kenya. It has also been effectively adapted to the unique nature of the country of Comoros. Technically, I have little to add, but would suggest some strengthening in four areas, base on our experience with the preparation of the Kenya Coastal Development Project.

I. Although it is very unlikely that the project will have any resettlement issues, there is likely to be a perceived chance that co-management activities or a microproject could have minor impact on “rights-of-access”. Even a remote chance of this occurring should be taken into consideration. I suggest you adapt the Process Framework prepared for the KCDP to Comoros. The PF for Kenya is general enough that it should suffice, given the presence of a safeguard person on the Task Team. CF. TAB 4 IN “DESCRIPTION”

II. You might want to seek involvement of the IFC in the component of the project that provides capacity building in business management to fishermen and fishing associations. The IFC office in Madagascar could help link you to the Small, Medium Enterprise Solution Center (SSC) which is based in Johannesburg, I believe. THE POSSIBLE LINK WITH THE IFC’S SMALL, MEDIUM ENTERPRISES SOLUTIONS CENTER HAS BEEN INCLUDED IN TAB 5. COMPONENT ONE DESCRIPTION, ACTIVITY 4.

III. You do state that the JSDF is a pilot and that limited areas in the Union of Comoros will be included in the project. You might want to emphasis this a bit more by indicating the number of villages or physical area of the country that will be involved in JSDF pilot activities. And a few words on how successful pilots might be ramped up in a follow-on project would also be useful. INCLUDED IN TAB 11 (CF. CAPITAL LETTERS)

IV. Finally, the proposal could be strengthened by a discussion of how the JSDF will build multisectoral, transparent and participatory management to the coastal zone of Comoros, and how this project management structure can evolve into a mainstreamed management unit for follow-on coastal work. THE POSSIBILITY TO DEVELOP A MAINSTREAMED MANAGEMENT UNIT FOR A FOLLOW-ON LARGE SCALE COASTAL PROJECT IS INCLUDED IN COMPONENT TWO’S DESCRIPTION / ACTIVITY 4, AND POSSIBLE SCALE-UP IN TAB 11.

This is a strong proposal with the potential to evolve into a program of work that will have real development impact on the country. I wish the team good luck in its implementation.

LOCATION OF ANSWERS TO COMMENTS IS INDICATED DIRECTLY IN THE TEXT ABOVE.
Directions for TTLs:
Please provide the name and area of specialization of the Thematic Technical Reviewer.

**William Leeds Lane:** Senior Environmental Specialist, specialized in coastal development

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<tr>
<th>Section 7.2 - Clearances and Comments</th>
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<tr>
<td><strong>Team Member</strong></td>
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<td><strong>Team Leader</strong></td>
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<td><strong>Finance Officer</strong></td>
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<td><strong>FM Specialist</strong></td>
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<td><strong>Procurement Specialist</strong></td>
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<td><strong>Country Lawyer</strong></td>
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<td><strong>Program Manager</strong></td>
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