

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

Report No.: PIDA3723

Project Name	Ocean Partnerships for Sustainable Fisheries&Biodiversity Conservation (P128437)
Region	OTHER
Country	World
Sector(s)	General agriculture, fishing and forestry sector (25%), Other industry (25%), Public administration- Agriculture, fishing and forestry (25%), Agro-industry, marketing, and trade (25%)
Theme(s)	Biodiversity (25%), Environmental policies and institutions (25%), Other Private Sector Development (25%), Other economic management (15%), Other rule of law (10%)
Lending Instrument	Investment Project Financing
Project ID	P128437
GEF Focal Area	Multi-focal area
Borrower(s)	Conservation International Foundation
Implementing Agency	Forum Fisheries Agency (FFA), Bay of Bengal Programme Inter-Governmental Organisation (BOBP-IGO), World Wildlife Fund (WWF), Western Central Atlantic Fisheries Commission (WECAFC)
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	08-Apr-2014
Date PID Approved/Disclosed	10-Apr-2014
Estimated Date of Appraisal Completion	
Estimated Date of Board Approval	19-Jun-2014
Decision	

I. Project Context

Country Context

Healthy ocean ecosystems are vital to the food security and wellbeing of much of the world's population especially to people in developing coastal and island countries. Fisheries and aquaculture provide 16% of global animal protein (UNEP, 2006; FAO, 2010) and, worldwide, support millions of livelihoods, particularly in developing coastal and island states. Seafood has a first-sale value of more than \$190b/yr. Marine and coastal recreational tourism based around diverse and iconic marine life was estimated to be worth some \$161b in 1995. Despite such wide-ranging benefits, there are increasing concerns about the threats to the sustainability of these ocean ecosystem services, which are due primarily to human impacts on underlying natural systems. In

economic terms, many marine fisheries can be considered as underperforming natural resource assets whose natural capital base is being increasingly overdrawn and systematically undervalued. The net present value of future benefits from these is being eroded by destructive fish harvesting practices, pollution and habitat destruction. This outcome is symptomatic of the wide-scale failure of the system of governance and institutional arrangements needed to ensure effective and efficient management of the marine environment and resources. Increasing human population, economic acceleration and associated demand for seafood and other ocean resources, coupled with the threat of climate change, are all significant compounding factors.

The negative impacts of this failure are of particular relevance to many of the Bank's client countries whose economies, livelihoods and food security depend heavily on fisheries. Global studies (e.g. FAO The State of World Fisheries and Aquaculture – SOFIA, 2012) paint a worsening picture of fisheries becoming economically and biologically overexploited both within and beyond national jurisdictions. Increasingly, fisheries are characterized by their overcapitalization, overexploitation, illegal activity and negative spillover impacts on biodiversity and ecosystem services. By-catch involving often iconic species across all taxa, and indiscriminate harvesting that ignores broader ecosystem impacts are particular problems. While on the one hand weak fisheries management continues to generate these negative outcomes and erode ocean wealth (e.g. World Bank, *Sunken Billions*, 2009), on the other hand much of the fishing industry continues to receive cost reducing subsidies amounting to some \$15-30b/year.

Areas beyond national jurisdiction (ABNJ – particularly the 'high seas') are recognized as one of the least managed global commons on Earth and represent a new frontier for efforts to address global environmental and sustainable development challenges. Globally, ABNJ comprise around 230m km², with Exclusive Economic Zones (EEZs) around 130m km² of the Earth's approx 510m km² surface area. While ABNJ account for almost 65% of ocean area and 95% of their volume they provide less than 10% of global fisheries production, due mainly to the higher primary productivity of coastal, continental shelf areas, and their relative ease of access. Nonetheless, ABNJ provide a transitory home for extremely valuable pelagic, highly migratory species such as tunas, sharks, and billfish, species which are caught within and beyond national jurisdictions by developed and developing coastal States and by distant water fishing nations (DWFNs). Many countries are turning to these shared highly migratory fisheries given the increasing overcapitalization and fishing pressure on poorly managed near shore stocks.

The proposed project responds to a long standing demand not only from our client states and their representative fisheries management bodies, but also from a range of key international instruments and resolutions that recognize the need to better manage these fisheries to ensure their long term contributions to economic growth, food supplies and conservation.

Recognizing the range of threats that unsustainable fishing practices represent to marine biodiversity and ecosystem integrity, the GEF approved a new global ABNJ Program in 2011 under the coordination of FAO with the goal of promoting "efficient and sustainable management of fisheries resources and biodiversity conservation in the ABNJ, in accordance with the global targets agreed in international forums". This would be accomplished through four components: (1) Sustainable management of tuna fisheries and biodiversity conservation in the ABNJ (FAO); (2) Sustainable fisheries management and biodiversity conservation of deep-sea ecosystems in the ABNJ (FAO/UNEP); (3) Ocean partnership for sustainable fisheries and biodiversity (World Bank; the subject of this PAD), and (4) Global coordination for marine ABNJ (FAO and Global Oceans

Forum) – more information can be found at the FAO’s website ‘Common Oceans’.

The project will contribute directly to this ABNJ Program through providing technical assistance to identify and design a series of transformational pilots for well managed fisheries based on highly migratory stocks that straddle EEZs of several of our client states and adjacent ABNJ. Pilot proposals (henceforth generally referred to as business plans – defined in Section II) resulting from the project will demonstrate a strong value proposition to catalyze downstream investments and contribute to wider regional interests in more effective management of these fisheries. Reform strategies and tools with proven effectiveness offer crucial best practice lessons for the project and will inform pilot design.

Sectoral and institutional Context

Many of the world’s most valuable fisheries are founded on these shared, highly migratory stocks which comprise arguably some of the most iconic members of high seas biodiversity – the tunas, billfishes and sharks.

The reported declining trends in many highly migratory fisheries can be attributed largely to the current weaknesses in institutional arrangements that govern access to these resources and the ways in which they are exploited. These weaknesses have led to poor fisheries performance – a classic tragedy of the commons played out in many parts of the world (Hardin 1968, but also explored in World Bank 2009 – the Sunken Billions). Economic spillovers or externalities are particularly acute in shared highly migratory stocks where fleets compete in a race to fish, to capture rents from these valuable species. Competition occurs at multiple levels – within and between adjacent states, and between states’ EEZs and ABNJ.

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

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

with sustainable use.

The project contributes directly to the Bank's overarching mission to galvanize international and national efforts to end poverty and to promote shared prosperity. It will do this by ensuring that pilot project design internalizes the notion of blue growth and that improvements in the management of these fisheries contribute sustainably to the wellbeing of poorer segments of society in Bank client countries. In this regard the project addresses the recommendations of the Blue Ribbon Panel (2013) to align ocean health and human wellbeing.

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

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

II. Proposed Development Objectives

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

III. Project Description

Component Name

Component 1: Definition and development of business plans for long-term transformational pilots for sustainable fisheries in priority ocean areas

Comments (optional)

Component 1 will be implemented under Grant Agreements with four regional Executing Agencies. Each regional sub-project will undertake the prioritization, analysis, and development of business plans for pilot projects addressing more effective management of fisheries on shared highly migratory stocks occurring within developing coastal and island states' EEZ and adjacent ABNJ. The business plans will offer the potential for relatively rapid transformation towards sustainable

and responsible fisheries. In the context of this project, such transformation can be characterized as a combination of three principal ‘triple bottom line’ outcomes: economic efficiency, biodiversity conservation/ecosystem health, and social equity.

Component Name

Component 2: Innovation grant facility

Comments (optional)

This Component will be led by Conservation International (CI) under the fifth Grant Agreement with the Bank and in partnership with each of the four regional EAs. Grants will support a range of innovative activities – analyses, evaluations and field tests, events – that will contribute in parallel to the effective delivery of Component 1 and the Project’s PDO.

Component Name

Component 3: Inter-Regional Coordination, Implementation Support and Monitoring and Evaluation

Comments (optional)

This Component will provide parallel support for Components 1 and 2. In regard to inter-regional coordination, it will enable regional outreach and collaboration between the four regional project activities and innovation grant facility. Inter-regional work will be undertaken through a small, but potentially influential, Global Think Tank (GloTT) comprising the five project EAs together with a multidisciplinary group of thematic specialists.

IV. Financing (in USD Million)

Total Project Cost:	50.00	Total Bank Financing:	30.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
Borrower			0.00
Global Environment Facility (GEF)			10.00
IDA Grant from CRW			30.00
Bilateral Agencies (unidentified)			10.00
Total			50.00

V. Implementation

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

At the national/sub-national level, effort will focus on developing business plans for pilots under Component 1 with inputs from Component 2. Key stakeholders will include fishers, communities, processors, markets, government and so forth. The focus will be on capacity/awareness building, strengthening local institutions, and defining scenarios for public private partnership arrangements that would provide the financial underpinnings (i.e. value proposition) of the business plans. Although the project is defined by the Bank as Technical Assistance (‘TA’) and will have no long-term footprint, small-scale, time delimited validation trials may be necessary under each regional sub-project. These would for example demonstrate potential pilot outcomes early on, help encourage further local ownership, reinforce the business planning process, and attract financial interest and

potential downstream investment. Trials could include testing market access, assessing new technologies (covering say circle hooks for long-lines, integrated data gathering / catch monitoring equipment, tagging equipment, surveillance gear and instrumentation) and management arrangements. For example, in the Bay of Bengal, it may be necessary to test post-harvest tuna handling improvements for EU market access; in the Caribbean catch, tag and release trials may be needed to assess technology systems and supporting institutional arrangements.

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

All five EAs (together with a multidisciplinary group of thematic specialists) will come together as a Global Think Tank (GloTT), supported by Component 3, to facilitate lesson learning from respective processes and results, and to inform outputs relevant to more effective management of shared highly migratory stocks. Both regional and global dimensions of the project will benefit from south-south collaboration and lesson learning under the GloTT. Such collaboration will stimulate strong stakeholder interest and seed discussion on possible institutional approaches appropriate to their region.

The GloTT will also provide the vehicle for project technical advice/input from the World Bank's technical team. Routine supervision will be undertaken by the World Bank with involvement of Regional Bank CMU/SM staff as appropriate.

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)

The project is regional in scope and will invest in the preparation of business plans to support sustainable fisheries in up to four seascapes. This is a TA project with no physical footprints. None of the proposed design/analytical/TA activities per se involve any environmental or social safeguards risk. The triggers identified are only applicable to putative downstream investments that are beyond the project scope, but which nevertheless will be fully assessed and dealt with by the EA's based on safeguard needs for the pilot business plans design.

VII. Contact point**World Bank**

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