Strategic Partnership for Fisheries Investment Fund

Creating Wealth Through Sustainable Fisheries

SPFIF IMPLEMENTATION LESSONS LEARNED

ON

PCN AND PROJECT DEVELOPMENT PROCESSES

WWF

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Acronyms

AU	African Union
AUC	African Union Commission
AU-IBAR	African Union Inter-African Bureau for Animal Resources
BMU	Beach Management Unit
CAADP	Comprehensive Africa Agriculture Development Programme
CDA	Coastal Development Authority
CAMFA	Conference of African Ministers of Fisheries and Aquaculture
CAS	Country Assessment Strategy
DSFA	Deep Sea Fishing Authority
EEZ	Exclusive Economic Zones
FAO	Food and Agriculture Organization
FMP	Fisheries management plans
GEF	Global Environmental Facility
ICM	Integrated Coastal Management
IDA	International Development Association
KCDP	Kenya Coastal Development Project
KEFRI	Kenya Forestry Research Institute
KEMFRI	Kenya Marine and Fisheries Institute
KWS	Kenya Wildlife Service
LME	Large Marine Ecosystems
MACEMP	Marine and Coastal Enviromental Project
MPA	Marine protected Areas
NPCA	NEPAD Planning and Coordinating Agency
NPSC	National Project Steering Committee
PC	Project Coordinators
PCM	Project Component Managers
PCN	Project Concept Note
RAC	Regional Advisory Committee
RIAS	Regional Integration Assistance Strategy
SPFIF	Strategic Partnership for Fisheries Investment Fund
SIDA	Swedish International Development Agency
SRFC	Sub-Region Fisheries Commission
URT	United Republic of Tanzania
WARFP	West African Regional Fisheries Programme
WWF	World Wide Fund for Nature

1.0 Preamble

Lessons learned so far from the SPFIF initiative are mainly on the processes of the development of Project Concept Notes (PCNs), and subsequent full proposal after PCN approval. The PCN development by interested countries follows a laid down criteria and with FAO technical assistance develops a PCN that is then subjected for scrutiny and approval by RAC. During the approval process countries must show their sources of co-finances to march the GEF grant at the ratio 1$ GEF grant: 3$ Country co-finances. After the approval, the countries and the World Bank, which is the Implementing Agent of the GEF funds, work together to develop the full proposal, identify and secure co-funds for the project involving other relevant ministries. The implementation of the project is managed and supervised by the project team with the World Bank playing the oversight role.

2.0 General Lessons learned

2.1 World Bank funding for fisheries management

The projects developed under this Fund represent a new line of investments for the World Bank in the fisheries sector, from the traditional model of building boats and ports, to a focus on long-term efforts to strengthen governance

2.2 Availability of co-finances prior to approval of PCN

The countries that have firm committeemen with respect to co-finances for the second tranche proposal has been recognized as one of the ways to expedite project development and implementation.

2.3 Creating Interest for the Partnership Investment Fund

The dissemination of information about the SPFIF initiative has generated interest and demand for the Partnership Investment Fund exceeds the capacity to handle potential projects. Indications are that demand for GEF funds from the Investment Fund to co-finance sustainable fisheries projects remains high and therefore, the need to increase the grant.

2.4 Country Assistance Strategy

Countries that have participated in the Country Assistance Strategy (CAS) process and in reviewing their Fisheries Sector Strategy and Stakeholder Participation, which are requirements for the World Bank Co-financing consideration and the SPFIF Project Concept Note development respectively, have benefited from the exercise and have therefore been able to identify gaps, and areas for interventions and investments.

2.5 Information dissemination

Information dissemination through brochures, newsletter and presentations has helped create awareness on the availability of the fund and countries have prioritized fisheries investments to the extent of co-financing the grant with higher ratio in areas of fisheries management that are not physical or infrastructure development.

2.6 Involvement of RAC and Partners to monitor project Implementation impacts

The 3rd RAC session recommended that the RAC Secretariat be involved in the evaluation of projects so as to document lessons learned, best practices and success stories to draw policy options for various audiences but more specifically the AU. This would expedite the development of appropriate policies aimed at enhancing the management and development of the fisheries sector in Africa to contribute to economic growth and food security. Currently there is no RAC involvement on the country projects after the World Bank takes over after PCN approval.

2.7 Technical and institutional innovations

Projects in this portfolio, which include West African countries and Kenya, aim to introduce a wide range of technical and institutional innovations, including:

1) A national and regional electronic dashboards of key fisheries sector information, in a fisheries industry transparency initiative;
2) Fisheries policy and legal framework reforms
3) Registration and licensing to the artisanal fishing fleets in a number of countries, to close the current open access conditions of the fisheries;
4) Improved cooperation among government agencies to conduct surveillance activities to reduce illegal fishing, particularly by industrial trawl vessels;
5) Empowerment of local fishing communities to develop and implement resource management measures for targeted coastal fisheries;
6) Commercial micro-finance and training for volunteers to leave overcapitalized fisheries to undertake alternative livelihoods; and
7) Transformation of fishing licences into more secure and long-term access rights that in some cases would be transferable.

3.0 General Achievements attained in the implementation of the first tranche of the GEF grant:

3.1 On the Investment fund

1) In 2005 when the GEF Council approved the initiative, the World Bank essentially did not have a fisheries portfolio, except the Tanzania MACEMP. Since that time, the Investment Fund has helped catalyze roughly US$133 million in new World Bank financing to sustainable fisheries in Africa.
2) US$27 million in GEF grant from the Investment Fund have been committed for sustainable fisheries. as follows:
3) Senegal for Sustainable Management of Fisheries Resources Project ($6M); West Africa Region Fisheries Program ($16M, which include Cape Verde , $2M, Liberia, $3M, Sierra Leone $ 5M, Ghana $4M, and Guinea-Bissau $1M); Kenya: for Coast development project ($5M).
4) The World Bank and GEF are investing to promote sustainable fisheries in eight countries in Africa with the first tranche, almost twice the number initially anticipated.

5) The second tranche of the GEF Investment Fund will be enhanced to US$ 40 million for country-level projects and about US$ 5million for the Partnership Funding due to the success attained so far.

3.2 On Strategic Partnership

1) There is improved information exchange among key players in fisheries sector and the leadership role of AU is being recognized and appreciated as critical to expeditious fisheries development.
2) The impact of the initiative on the AU has been significant and likely permanent. The ongoing process of creation of a Fisheries section with permanent staff, and the establishment of the Conference for African ministers of Fisheries and Aquaculture (CAMFA) and proposed CAMFA secretariat, is demonstration of AU commitment to support fisheries development.
3) The Partnership has initiated a process for establishment of coordination mechanism for key players in fisheries sector to ensure coherent development. A coordination structure proposal has been developed and approved by cross-section of stakeholder.
4) Strategic Partnership has made good progress in launching projects in a seven countries with high demonstration value.
5) Sustainable fisheries have been included in the Africa Regional Integration Assistance Strategy (RIAS) of the World Bank, which guides regional investments in a manner similar to the Country Assistance Strategy (CAS) for individual countries.
6) There is enhanced focus on the fisheries sector through various partnership efforts and many countries are now including fisheries in their CAADP compact documents for investment prioritization.
7) In most cases, co-financing of the country level projects is high, revealing strong commitment from the countries to view the Investment Fund in a much broader context.
8) When all Tranche one projects come fully on stream, the impact on the fisheries is expected to be significant, and the demonstration potential equally important.
9) Expanding the scope of this initiative to include NPCA and other partners such as the African Development Bank and Swedish International Development Agency (SIDA) has broadened the impact of the partnership.
10) In terms of communication, a website has been developed and launched for the initiative (www. SPFIF.org) as a platform to help inform the fisheries dialogue in the region, and an 'African Fisheries Partnership Digest' is periodically published to inform stakeholders on progress.

4.0 Lessons learned: Regional/Country Level projects

4.1 Kenya Coastal Development Project

In 2005, the Government of Kenya requested for financial assistance from the World Bank to implement the Fishery Management and Sustainable Coastal Environment Development Project in Kenya (FIMACEDP) also known as Kenya Coastal Development Project (KCDP). The project objective is to promote environmentally sustainable management of Kenya's coastal and marine resources, to be achieved by strengthening the capacity of existing relevant government agencies and by enhancing the capacity of rural micro, small and medium-sized enterprises in selected coastal communities. The KCDP is consistency with Policies of the Government of Kenya which includes Vision 2030 and Regional and International Obligations and aims to support poverty reduction and environmental sustainability.

4.1.1 Stakeholder consultations and how to build synergies

KCDP is a multi-sector, integrated project with numerous stakeholders and several implementing partners. The project lead implementing partners are key Government of Kenya ministries, parastatals and departments mandated with the oversight of coastal and marine resources namely CDA, the Fisheries Department and KMFRI of the Ministry of Fisheries Development, KWS, and KEFRI. Each of these agencies has partners some of which will be sub -implementing partners of KCDP. The project was prepared by five government ministries in consultation with relevant local governments and other stakeholders.

Officials interviewed during the mission to KCDP reported that the development of the KCDP project appraisal document involved extensive country-level stakeholder consultations with public, private sector, non-governmental organizations (NGOs) and targeted communities. Earlier in the stakeholder consultation process, it was realized that relevant NGOs had not been sufficiently consulted yet they were likely to have a wealth of information to support the design process and they were potential implementing and resource partners and could compliment specific project activities. This oversight was corrected and the NGOs were brought on board.

LESSON: SPFIF initiated projects are negotiated between the respective governments and the World Bank. The Governments take the lead in project design; however NGOs can be brought in at an appropriate time for their contributions and collaborative expertise and data.

LESSON: Participatory design process resulted in very good working relationships among the PC, PCMs, technical coordinators and collaborating institutions. A related benefit is the strong ownership and commitment by all participating agencies and the established National Project Steering Committee (NPSC).

4.1.2 anaging community expectations

The targeted coastal communities were adequately involved in the project preparation stakeholder consultations. The awareness creation and communities' involvement in the planning phase has heightened their expectations of the project. A member of the project preparation team who was interviewed by the mission team is indicated that the KCDP design is reflective of the communities' priorities and there are inbuilt mechanisms for obtaining continuous feedback from the communities. However, there is need to ensure that they have sufficient capacity to implement planned activities.

LESSON: Community involvement from the onset is vital for ownership and ensuring that that the project objectives correctly address the vision and the real needs and priorities of the communities. Any unrealistic expectations should be addressed as early as possible.

4.1.3 ffective participation of project preparation team members

Mission findings revealed that the participatory design process resulted in very good working relationships among the PC, PCMs, technical coordinators and collaborating institutions. A related benefit is the strong ownership and commitment by all participating agencies and the established National Project Steering Committee (NPSC). In the beginning there was some confusion about who was leading the design process. The short notice given to team members for the required planning meetings and lack clear leadership for the participating agencies (who happened to be at the same hierarchy level) often resulted non- attendance by some agencies or delayed meetings. This issue resulted in significant delays in completing the KCDP Project Appraisal Document. The additional work load for participating government agency staff members and lack of incentives for their increased workloads was identified as a project design and implementation risk. The KCDP risk management plan has addressed this risk for upcoming the implementation (effectiveness) phase of the project. The need to have well defined feedback mechanisms and support between project and mother institutions, and the need to mainstream he project activities into the governmental agency performance targets has also been addressed. Secondment of staff on a full time basis will eliminate staff having to deal competing priorities.

LESSON: Project design teams with clear leadership from the onset, provision of adequate incentives for government staff on the project preparation teams and effective communication mechanisms are more efficient and effective. Maintaining same officers throughout the design and implementation enhances success

4.1.4 uration of the design process

KCDP project development (PCN and PAD) took approximately three years to complete. Although multiple stakeholders' inputs are necessary and take time, the process could have been shorter if project funds had been released on time, and if there was clear leadership and coordination and incentives to staff form the onset. The hiring of a consultant to support the design team that was done later during the project preparations helped to quicken the design pace. A positive benefit was that the project preparation team members were able to "bond" and develop good working relationships during the process.

LESSON: Project development takes time. However, there is need for SPFIF, in consultation with beneficiary countries s, to explore areas that can be expedited or omitted in the preparation.

LESSON: Engaging consultants to support the project preparation team can be used to assist the teams to expedite their work. However, the design team should start the process (insiders are likely to have more contextual knowledge and information) then use external consultant to package their work.

4.1.5 unding for the design phase

The GEF funds expired before the completion of the planning process. This was attributed to slow funds disbursement from World Bank to the Government of Kenya Treasury and to line Ministry before submission to KMFRI. As a result, the preparatory Fund was discontinued, before the effectiveness conditions for the project had been achieved.

LESSON: Flexible funding rules are required to ensure that the SPFIF- GEF project preparatory fund is available until project preparatory phase is completed.

4.1.6 Sustainability

To get a sense of factors that are likely to have an impact on the KCDP community level alternative livelihood, the mission team visited the Mission Team visited the Kibuyuni village in Shimoni situated in the South Coast of Mombasa Island Kenya, where the community is farming commercial seaweed. This is a pilot project managed by an NGO with technical backstopping by KMFRI. If successful the project could be duplicated in other areas through KCDP component on alternative livelihoods that will be headed by CDA. The site visit findings indicated that KCDP needs to pay sufficient focus to sustainability.

> **LESSON:** KCDP Community- level alternative livelihood activities that are funded through provision of credits (loans) rather than free grants are more likely to be sustainable issues, including financial sustainability and group dynamics.

4.1.7 Challenges encountered

Project preparation

The PCN and PAD preparation was a lengthy process due to the stakeholder consultation process compounded by involvement of many different participating partners, mainly from parallel government institutions.

Project Coordination

The project coordinating institution did not possess the required authority and power to convene the planning meetings and therefore more often than not there the quorum was not achieved.

Capacity building for the project

1) A Project Coordinating Unit (PCU) main streamed into the Kenyan government structure, responsible for project coordination and management has been established. This will also address the meeting convening issues.
2) The World Bank accorded KCDP staff with the necessary training on its financial and procurement procedures to facilitate smooth the project implementation and financial management

4.2 West African Region Fisheries Project (WARFP)

This project implementation is coordinated by the Sub-Region Fisheries Commission (SRFC): The countries involved include; Senegal, Cape Verde, Liberia, Ghana, Sierra Leone, and Guinea Bissau. Through this project a coordinated fisheries management systems that will assist in the reduction of illegal fishing will be created.

4.2.1 Senegal

> **LESSON:** The Sustainable Management of Fisheries Resources Project: Establishment and management of Marine protected Areas (MPAs) for sustainable management of fisheries resources has enhanced stocks conservation.

4.2.2 Liberia

LESSON: Already Liberia has demonstrated that through review of the legal framework that locked out foreign fishing vessels followed by enforcement, the fishery has started to recover and local fishers are reportedly starting to harvest bigger fish.

4.2.3 Sierra Leone

LESSON: **Policy and legal reforms**; the project has supported fisheries policy and legal reforms to ensure clear guidance, goals and implementation strategies that are consistent with international best practice. The country has thus developed a Fisheries Policy, new draft Fisheries Regulations.

LESSON: **Monitoring, Control and Surveillance**; created clear functional units such as the Policy and Planning Unit; Monitoring, Control and Surveillance Unit; and the Commercial Fisheries Unit. They have also used new Regulations to ban pair trawling and the use of monofilament netting materials for fishing purposes and this has led to an increase in fish stock levels. Revenue from the sector is also increasing.

4.3 The Marine and Coastal Environmental Management Project (MACEMP)

The Marine and Coastal Environmental Management Project (MACEMP) is a S51 million GEF/IDA funded project for the United Republic of Tanzania (URT) aimed at improving management of coastal and marine resources, with a view to contributing to economic growth and poverty reduction. Many existing national institutions with a stake in the coast are involved in its implementation with a number of collaborating institutions providing support. Local communities' participation across each project component is key to enhancing local ownership of the project and ensuring sustainability. MACEMP was a pilot model for the SPFIF Initiative. It is financed thorough $51 million IDA funds and $10 million GEF funds with 60 percent of the total funds for the Tanzania Mainland and 40 percent for Zanzibar. Originally a six- year project, MACEMP became effective in August 2005 and was scheduled to close in December 2011. The project has been granted a one year no-cost extension to complete the outstanding project civil works.

MACEMP aims at strengthening the sustainable management and use of the Tanzanian's Exclusive Economic Zone, territorial seas, and coastal resources resulting in enhanced revenue collection, reduced threats to the environment, better livelihoods for participating coastal communities living in the Coastal Districts, and improved institutional arrangements. The Key project expected outcomes include:

1) Increased incomes through improved management of marine resources through increased productivity and added value from improved post-harvest processing and market access;
2) Reduced vulnerability of communities to external shocks through diversification of local production systems; diminished market risks through mutually beneficial private sector and community partnerships; and stabilization, and where possible, reversal of current trends in marine resources degradation and productivity;
3) Increased Government revenues from improved management of off-shore fisheries; and

4) Improved ecosystem services and conservation of globally significant marine and coastal biodiversity.

MACEMP has four components:

1) **Management of the Exclusive Economic Zone** which focuses on the establishment and implementation of a common governance regime for the Exclusive Economic Zone (EEZ) that contributes to the long-term sustainable use and management of EEZ resources.
2) **Management of the Coastal Marine Environment** concerned with establishing and supporting a comprehensive system of managed marine areas in the territorial seas, building on ICM strategies that empower and benefit coastal communities.
3) **Coastal Community Action Fund;** aiming at empowering coastal communities to access opportunities so that they can request, implement and monitor sub-projects that contribute to improved livelihoods and sustainable marine ecosystem management.
4) **Project Implementation Support;** to provide efficient project implementation services. This component consists of two management teams of the project (Zanzibar MACEMP Management Team and Mainland MACEMP Management Team).

4.3.1 Project tender Committees

LESSON: Establishing project tender committees in Project management /coordination Units will expedite country level project t procurement processes.

4.3.2 lternative livelihoods

LESSON: Community-level alternative livelihoods activities and sub-projects whose beneficiaries are well targeted and are funded through revolving Community Village Funds will reach many more people in the community and are likely to be more sustainable: in future the funds through loans may be more sustainable in the long term as it introduces risks and creates sense of ownership .

LESSON: Community- level alternative livelihood projects that are backed by an organized, committed local leadership are more likely to succeed than those without.

4.3.3. Community expectations

LESSON: Unrealistic community expectations should be addressed as early as possible to avoid later misunderstandings and lowered trust and participation by communities in project activities.

4.3.4 Sustainable marine and coastal management

LESSON: Sustainable marine and coastal management interventions and impacts on LMEs are long term in nature. Multi phase programs building on the successes of earlier phases are best suited for this kind of programming.

4.3.5 Key MACEMP successes

Due to the short duration of the mission the mission team was not able to assess the project performance based on the analysis of performance data against targets. However, the discussions held with mission team, interviews with relevant local government officials and site visits to view community projects in the district, highlighted the following successes:

1) **Improved incomes and revenues:** Tangible evidence of improved incomes from deep sea fishing and alternative livelihood projects.
2) **Strengthened legal and institutional frameworks**: through review and harmonization of legal systems including review of The Deep Sea Fishing Authority (DSFA) Act and regulations and Fisheries policy.
3) **Deep Sea Fisheries Authority:** The establishment of a functional the Deep Sea Fisheries Authority has solved the problem of dual management of EEZ.
4) **MPAs:** Establishment of nine new MPAs and reserves and capacity building for their management resulting in increased revenue collections from MPAs
5) **Monitoring, Control and Surveillance (MCS)**: capacity built through development of a Vessel Monitoring System and Local Government Authorities to conduct patrols and surveillance was enhanced through provision of patrol; boats, motor vehicles (total 13 have been procured), motor cycles and bicycles.
6) **Infrastructure:** Improved infrastructure when completed (office buildings, 3 business centers (community banks), 3 modern landing sites). Rehabilitation of cultural heritage monuments.
7) **Human resource development:** Capacity of Human resource development through 5 PhDs, 17 MScs, BScs and Certificate training courses.
8) Establishment of strong linkages between central government and the target Local Government Authorities.
9) **Land use plans**: Successful development of spatial land use plans and Integrated Coastal Management (ICM) plans. The identified ICM activities are now incorporated in district plans and this should assist to ensure sustainability after the end of the project.
10) **Co-management**: Establishment of Beach Management Units (BMUs) to facilitate co-management. 176 BMUs established and Fisheries management plans (FMP) development through involvement of coastal communities completed in 26 BMUs and 14 FMP under way.
11) **Sub-Projects:** Capacity building for the community entrepreneurship appears to motivate communities to face challenges and continue with the project even when they experience setbacks.

12) **Financial sustainability of project benefits:** Likelihood of the World Bank and GEF to fund MACEMP phase 2.

4.3.6 Key challenges

1) **Staff mobility;** majority of the project staff that were involved in the design phase had since moved on.
2) **Procurement processes:** Slow government procurement processes.
3) **Community expectations**: Unrealistic community expectations (too high) especially with respect to the Village Fund
4) **Local Government Authorities participation:** Inculcating sense of ownership by Local Government Authorities LGAs to supervise the sub-projects and to be accountable.
5) **Sub-projects ownership:** Low sense of ownership by some Village Committees and therefore using the money for purposes other than what they were meant for.
6) **Circumstantial:** other challenges such as unexpected increase in prices of goods.

5.0 Lessons and opportunities for AU-IBAR

6

OPPORTUNITY: Policy briefs and advisory notes developed from this process will contribute to inform the AU with respect to the strategic planning for the fisheries sector in Africa.

LESSON: Importance of regional and continental harmonization of legislation and policies in support of conservation, management and utilization of coastal and marine resources, the need for coordinated regional and continental development approaches and empowerment of communities in LMEs to sustainably utilize the coastal and marine resources, as a means to improve their livelihoods and reduce poverty.

OPPORTUNITY: The successes and lessons learned for project design and implementation from KCDP and MACEMP respectively are applicable for scaling-up of similar partnership, stakeholder driven initiatives to other countries or regions in Africa and elsewhere and for identification of potential policy and investment options by AU-IBAR.

6.0 Lessons Summary: What are the Lessons?

How can countries improve on PCNs and Project Development Process?

One It is paramount for countries that are interested in developing PCN and projects under the SPFIF to source for co-finances before commencing the process.

Two All projects should be managed through an established National and/or Regional Coordination Unit.

Three Establishment of Working Groups dedicated to the development and implementation of the projects to create a driving force of dedicated manpower that is accountable to the progress and success of the project is critical.

Four There is need to develop a mechanism to shorten the PCN development and approval process during the implementation of the second tranche of the GEF Partnership Investment Fund to expedite Project development, approval and implementation.

Five Countries should ensure all staff working on the projects receive the necessary training to build capacity on Procurement and Accounting systems required by the recipient countries and the World Bank to ensure accurate and efficient delivery of services.

Six PCNs and subsequent projects must adhere to the stipulated guidelines of ensuring the concept is in line with country, regional and international strategies and should endeavour to create linkages, synergies and partnership with ongoing projects LMEs in the region.

Seven The successes and lessons learned for project design and implementation from KCDP and MACEMP respectively are applicable for scaling-up of similar partnership, stakeholder driven initiatives to other countries or regions in Africa.

Eight Identification of potential policy and investment options for Africa by AU-IBAR will facilitate the development of policy briefs and advisory notes to inform the AU with respect to the strategic planning for the fisheries sector development in Africa.

Nine The involvement of Partners and especially the AU in monitoring the project implementation impacts to advise the fisheries sector policy development process.