NAME OF PROGRAM: GLOBAL COASTAL FISHERIES INITIATIVE Child Project Concept Note

PART I: PROJECT INFORMATION¹

| Project Title: | Coastal Fisheries Initiative – Latin America |
|-----------------------------|--|
| Country(ies): | Ecuador, Peru |
| GEF Agency(ies): | UNDP |
| Other Executing Partner(s): | WWF, CI, GoE, GoP |
| GEF Focal Area(s): | International Waters, Biodiversity |

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²:

| Objectives/Programs (Focal Areas Integrated Approach Pilot | Trust | (in \$) | | |
|--|-------|--------------------------|--------------|--|
| Corporate Programs) | Fund | GEF Project Financing | Co-financing | |
| IW – 3 Program 7 | GEFTF | 6,130,275 | 42,500,000 | |
| BD – 4 Program 9 | GEFTF | 458,716 | | |
| Total Project Cost | | 6,588,991 | 42,500,000 | |

B. CHILD PROJECT DESCRIPTION SUMMARY

| Project Objective: To demonstrate holistic, ecosystem-based management and improved governance of coastal | [|
|---|---|
| fisheries in the South-East Pacific. | |

| Project Components | Financing | Financing | | \$) |
|------------------------------|-------------------|--|--------------------|--------------|
| | Type ³ | Project Outcomes | GEF Project | Co-financing |
| | турс | | Financing | |
| Component A | TA | A.1 Improvement in the enabling | IW 2,919,179 | 20,238,095 |
| Enhancing the capacity of | | environment (processes and | BD 218,436 | |
| key institutions and | | institutional structures) required for | Total= | |
| stakeholders to effectively | | initiating MSP work at national and | 3,137,615 | |
| implement Marine Spatial | | SE Pacific levels, containing | | |
| Planning with associated | | MUMPAs and where in existence | | |
| EBFM techniques both | | management plans including the | | |
| within and outside | | use of TURFs where appropriate | | |
| Multiple Use Marine | | which together have resulted in | | |
| Protected Areas | | sustainable fisheries management | | |
| (MUMPAs) by | | and coastal livelihoods at CFI pilot | | |
| mainstreaming sustainable | | sites for both pelagic and benthic | | |
| fisheries management | | fisheries in line with the SSF | | |
| tools, including (as | | Guidelines. | | |
| appropriate) Territorial Use | | | | |
| Rights in Fisheries | | A.2 Implementation of TURFs | | |
| (TURFs), for shared living | | have resulted in sustainable | | |
| marine resources use in the | | fisheries management and coastal | | |
| SE Pacific. | | livelihoods at CFI pilot sites for | | |
| | | both pelagic and benthic fisheries. | | |
| | | CFI output 1.1. | | |
| | | | | |
| | | A.3. New and already existing | | |
| | | Marine Protected Areas (MPAs) | | |

¹ This Concept Note is intended to convey whatever preliminary information exists at this stage on a child project and that is indicative of how it will contribute to the overall Program.

² When completing Table A, refer to the Program Results Framework, which is already mapped to the relevant <u>Focal Area Results Framework</u> in the <u>GEF-6 Programming Directions</u>.

³ Financing type can be either investment or technical assistance.

| | | have multiple use management plans including fisheries comanagement as means of ensuring the application of EBM principles and improved co- management with successful marine control and surveillance (MCS) systems in operation. CFI output 2.2. | | |
|--|----|--|---|------------|
| Component B Strengthening and consolidating the institutional, policy and legal frameworks for planning (under the Marine Spatial Planning) and administering publicprivate investment including fisheries certification schemes for value addition for sustainable and climate-resilient marine resources governance in the SE Pacific. | TA | B.1 Collaborative and participatory processes among development partners have been successfully tested in Ecuador and Peru in coordination with the Permanent Comission for the SE Pacific (CPPS) and are replicated in new public-private initiatives to increase the number of certified fisheries CFI output 2.3. | IW 2,043,425 BD 152,905 Total= 2,196,330 | 14,166,667 |
| Component C Monitoring and assessing progress and delivery of results from the overall implementation of the holistic ecosystembased management and improved governance of coastal fisheries in the SE Pacific, sharing experiences globally with entities undertaking similar fisheries recovery work. | ТА | C.1 Knowledge regarding CFI experiences of innovative approaches to coastal fisheries comanagement is documented and accessible to the wider global community concerned with coastal fisheries via IW:LEARN, scientific and social media. CFI output 3.1. C.2 .The Ocean Health Index (OHI) has been adopted by all collaborating states and national level evaluations have been undertaken to identify areas where special attention is required for artisanal fishery management, biodiversity protection and water quality improvements.as part of new CFI performance evaluation system. CFI output 3.2. C.3 Project implementation supported by progress monitoring and evaluation. | IW 875,754 BD 65,531 Total= 941,284 | 6,071,428 |
| | | Project Management Cost (PMC) ⁴ | 313 761 | 2 023 810 |
| | | Total Project Cost | 6,588,991 | 42,500,000 |

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust

⁴ For GEF Project Financing up to \$2 million, PMC could be up to10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

| Sources of Co-financing | Name of Co-financier | Type of Co- financing | Amount (\$) |
|-------------------------|-----------------------|--------------------------|-------------|
| National Government | Government of Ecuador | In kind | 20,000,000 |
| National Government | Government of Peru | In kind | 20,000,000 |
| GEF Agency | UNDP | In kind | 200,000 |
| NGO | WWF | In kind | 150,000 |
| NGO | CI | In kind | 150,000 |
| NGO | TNC | Cash | 1,000,000 |
| NGO | OCEANA | Cash | 1,000,000 |
| Total Co-financing | | | 42,500,000 |

C. <u>CO-FINANCING</u> FOR THE PROJECT BY SOURCE, BY TYPE AND BY NAME

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS ^{a)}

| | | | | | (in \$) | | | |
|---------------------|---------------|------------------------------|---------------|-------------------------|------------------------------------|------------------------------------|------------------|--|
| GEF Agency | Trust Fund | Country/ Regional/ Global | Focal Area | Programming of Funds | GEF Project Financing (a) | Agency Fee (b) ^{b)} | Total (c)=a+b | |
| UNDP | GEF | Ecuador, Peru | International | (select as applicable) | 6,130,275 | 551,725 | 6,682,000 | |
| | TF | | Waters | | | | | |
| UNDP | GEF | Peru | Biodiversity | (select as applicable) | 458,716 | 41,284 | 500,000 | |
| | TF | | | | | | | |
| Total GEF Resources | | | | | 6,588,991 | 593,009 | 7,182,000 | |

a) No need to fill this table if it is a single Agency, single Trust Fund, single focal area and single country project.

b) Refer to the Fee Policy for GEF Partner Agencies.

c) If Multi-Trust Fund project :PMC in this table should be the total amount; enter trust fund PMC breakdown here ()

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes 🛛 No 🗌 If no, skip this table.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

| Total PPG requested, including Agency fee | | | | \$ | | | |
|---|------------------|-----------------|------------|-------------------------|----------------|--------------|-----------|
| GEF Trust | Trust | Country/ | | Programming of Funds | (in \$) | | |
| Agency | Fund | Regional/Global | Focal Area | | | Agency | Total |
| | | | | | PPG (a) | $Fee^{6}(b)$ | c = a + b |
| FAO | GEFT | Regional | IW | (select as applicable) | 200,000 | 18,000 | 218,000 |
| | F | | | | | | |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| Total PP | Total PPG Amount | | | | 200,000 | 18,000 | 218,000 |

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$1 mil; \$100k for PF up to \$3 mil; \$150k for PF up to \$6 mil; \$200k for PF up to \$10 mil; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

PART II: PROJECT JUSTIFICATION

A1. Project Description

1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed

The Southeast Pacific eastern seaboard hosts fisheries historically producing approximately 15% of the global marine catch and biodiversity of global importance with the Peruvian anchovy fishery being the largest single species fishery worldwide. Most of the anchovy productivity (98%) currently goes into fishmeal production providing animal protein and essential oils for livestock feed industries. While these products are important their direct human consumption use in the form of a protein concentrate and fish oils (highly unsaturated fatty acids HUFA) would be a more effective use of the resource in terms of human nutrition. Nevertheless it has to be recognized that market demands for superprime fishmeal and HUFA of anchovy origin will continue until viable alternative sources of HUFA, produced by copepods and bioconcentrated by anchovies, and improved protein sparing (increased use of plant protein) in livestock diets are commercially viable.

The SE Pacific seaboard has a mix of tropical waters in Ecuador and the frontier zone with Peru and cold Humboldt Current waters with important upwelling areas of high primary productivity and important for both local transboundary fisheries, endemism and biodiversity. The coastlines of Ecuador (2,237), Peru (2,450) and Chile (4,500) add up to aproximately 9,000 km of territory fished by close to 200,000 artisanal fisherfolk with 55,000 fishing vessels. Many of the coastal areas are isolated and difficult to implement state managed Monitoring, Control and Surveilance (MCS) systems, hence the value of participatory monitoring systems under co-management scenarios proposed under this project under holistic Marine Spational Planning scenarios within which a combination of Multiple Use Marine Marine Protected Areas (MUMPAs including no-take zones) and Territorial Use Rights in Fisheries (TURFs); a spatial form of property rights in which individuals or a collective group of fishers are granted exclusive access to harvest resources within a geographically defined area (Christy, 1982). Harvest rights in TURFs can range from privileges to fish (both pelagic and benthic finfish and shellfish species depending on circumstances) in areas that are leased from the government to complete ownership over the delineated TURF area.

Overfishing, Illegal, unreported and unregulated (IUU) fishing and Monitoring Control and Surveillance (MCS) difficulties combined with increasing coastal development including human settlement, tourism and resulting coastal pollution are all contributing factors to the declining fish catch rates in the area.

Coastal fisheries provide important livelihoods for over a million inhabitants in the SE Pacific countries, in terms of direct fishing activities and up-stream and down-stream economic activity multipliers. They also play an important role in food security both within the area and globally. However overfishing and resulting income reduction and poverty among artisanal fisher groups are damaging marine habitats and important biodiversity. The **root causes** for this come partially from within the fisheries sector: weak governance; IUU, poor or absent MCS systems; absence of participatory processes in decision making and resource management; perverse incentives that promote the continued participation in the sector increasing overfishing and the continued use of illegal practices like the use of banned fishing gear and explosives.

Fishing pressure, both industrial and artisanal, has resulted in the current fully exploited or overfished status of many coastal fisheries in the area. Transboundary and common shared problems include: **1**. Sub-optimal fisheries management (overexploited fisheries), **2**. Anthropological alteration of the marine habitat (pollution leading to habitat destruction) and **3**. the shared problem of high levels of incidental fish capture (by-catch) and discards. Threats to biodiversity come from three main areas: overfishing, pollution and coastal development attributing to between 65 and 75% of biodiversity reduction in the area (Chatwin 2007). The Ocean Health Index (OHI) indicators have recorded the increase in marine pollution and concomitant reduction in biodiversity.

In Peru there are 83,000 fisherfolk registered of which 39,000 provide labour to the industrial feet and 44,000 operate as artisanal fishers with 16,075 registered artisanal vessels. Numbers are higher in Chile with 126,000 working in the

sector (35,000 industrial and 91,000 artesanal) and over 23,000 registered artisanal vessels. In Ecuador there are over 130,000 fisherfolk with 80,000 in the artisanal sector operating approximately 17,000 registered artisanal vessels. In general terms the artisanal fishing sector is fragmented with limited access to information and fisherfolk have poor marketing skills as they are often 'locked-in' to fishing trip funding by the middlemen with resultant low prices paid for the product and little incentive to ensure good post-harvest quality control.

There is an urgent need to improve coastal planning under MSP and within this development reduce fishing pressure and coastal pollution by means of enhanced fisheries management applying a range of options including MUMPAs and TURFs, together with value addition and fishery product certification for both direct and indirect human consumption options. MSP work will be in coordination with the existing Permanent Comission for the SE Pacific (CPPS) based in Ecuador and the proposed future Humboldt Current Commission at both national and Pacific eastern seaboard levels, in order to achieve overall ecosystem sustainability. Once improvements are instigated these impacts need to be monitored hence the existing use of indicators like the Ocean Health Index (OHI) at regional, national and sub-national levels are required to improve multi-sectoral resource use and monitor the process of change introduced by improved management and planning processes.

2) the baseline scenario or any associated baseline projects

Studies carried out by project parters (GEF-UNDP HCLME, WWF, CI, TNC and OCEANA) document the current level of overfishing and habitat destruction. In addition there are descriptions of governance issues that need to be addressed via the identification of the main problems and impacts with Causal Chain Analysis (CCA) to identify the direct, underlying and root causes. Similarly baseline surveys exist for some coastal areas which provide the basis for monitoring systems part of which are included in the Marine Protected Areas (MPA⁷) within the system. Multiple Use MPA (MUMPA) and Natural Protected Areas (NPAs including the marine environment) management plans are also being finalized during 2015 in very different circumstances in Chile and Peru.

An evaluation of TURFs in Chile has shown how important they are in terms of biodiversity protection and improved fisheries management. In Peru a study carried out in a 460ha pilot scale area along 23km of coastline managed by artisanal fisherfolk in the Ica Region has shown how fisheries co-management under a TURF system has improved benthic biodiversity and relative abundance improving livelihoods and creating employment options for women

UNDPs network of country offices, inter-country programming, integrated policy development with nongovernmental and community participation - brings a wealth of baseline activities and data of relevance to the CFI project. The recent GEF-UNDP Humboldt economic valuation of the HCLME goods and services is a useful baseline for comparitve purposes and will provide a means of assessing the economic impact of improved fisheries management techniques in the future. The GEF-UNDP Glo-Ballast port baseline surveys in the three countries designed to register the current levels of exotic species invasions in association with hull fouling and ballast water discharge problems provide useful baseline data for this CFI initiative in terms of the risks of further movements caused by fishing vessel movements.

UNDP/GEF Humboldt LME work in Paracas Bay Peru an area of seabed damaged by anthropogenic activities including the accidental introduction of an invasive marcoaglae *Caulerpa filiformis*, has been repopulated with two indigenous species of macroalgae of commercial importance. This work is part of a public-private initiative involving an association of algal collectors in the area. Baseline data is available showing the level of ecosystem damage in 2014.

⁷ In Chile the country currently has around 4% of its territory under MPAs. Recent proposals for large oceanic marine parks will bring this up to over 20% in early 2016. In Peru there are no MPAs, however there are areas called Natural Protected Areas (ANP) associated with land-based natural reserves like the Guano Island and Capes national reserve (RNSIIPG) with 33 areas coverling the 2,450km of coastline. Together with two other national parks the marine area protected amounts to <1% of the country's EEZ. In Ecuador there are 16 MPAs and the coastal area covered is 14,262,850 ha (excluding the Galapagos Islands) equivalent to 10% of the coastal zone.

Similar UNDP/GEF Humboldt LME project Ecosystem Risk Assessments (ERA) reports have been completed for 45 marine species including a range of both finfish and shellfish of commercial importance within the artisanal fisheries in Chile and Peru following the CSIRO methodology designed as a practical way to implement Ecosystem Based Fisheries Management (EBFM). These baseline studies are available for areas adjacent to pilot sites within the Guano Island and Capes National Park in Peru and coastal areas of Chile outside protected areas.

Other baseline work undertaken by UNDP in the region includes a wide range of CFI related activities carried out under the UNDP/GEF-Humboldt LME, UNDP/GEF-Ecosystems & Biodiversity portfolio, GEF-SNAP, GEF-Invasive Exotic Species (eradication) projects in addition to UNDP climate chage adaptation work. These activities have assisted communities in the region to adapt to fluctuating fish stocks and coastal climatic regimes, including through the incorporation of climate change scenarios into fisheries and ecosystem based management strategies and Protected Area system design. Therefore significant lessons for the emerging field of adaptation to climate change are being generated. Results to date include: Stakeholder mapping; Capacity building; Thematic studies & modular assessments for sustainable development; Ecosystem Diagnostic Analyses; Transboundary Diagnostic Analysis; Risk Analysis; the promotion of Territorial Use Rights Fisheries (TURF) and evaluations; a management plan for the Peruvian Guano Islands, Isles and Capes National Reserve (RNSIIPG); Improved guano harvesting procedures including innovative use of drones to count bird populations and record the reproduction timings related to fishing and guano harvesting practices; Marine Stewardship Council pre-assessment studies for the Peruvian Anchovy (north-central stock); coordinated stock assessment work for transboundary fisheries (anchovy Chile-Peru); habitat recovery work by the repopulation of magroalgae by artisanal fisher associations; and the MSC certification of the Chilean Juan Fernandez rock lobster; a 12,000 km² Multiple Use Marine Protected Area established in the Juan Fernandez Archipelago together with a participatory designed management plan.

In addition to the above UNDP works to promote Ecosystem Based Adaptation to climate change scenarios. Here important watershed management work linked to water use for agriculture relates closely to the associated runoff and nutrient leaching scenarios that impact the coastal areas occasionally leading to increased Harmful Algal Bloom (HAB) events and the need for state of the art monitoring systems. Ecosystem-based management baseline work as promoted by UNDP in the region has helped to better understand how to restore and sustain the health, productivity, resilience, and biological diversity of coastal and marine systems and promote the quality of life for humans, especially fisherfolk, who depend on them. The experience has defined management regimes on the basis of ecological, rather than political, limits that focus on the relevant aspects of ecosystem structure and functioning, and addresses ecological, social, and economic goals. This has been carried out by engaging multiple stakeholders in a collaborative process to define problems and find solutions and uses an adaptive management approach to address uncertainty.

UNDP's work has shown that the government institutions responsible for managing coastal and marine systems tend to be fragmented and the linkages between conservation and economic and sometimes social interests is often not appreciated. Hence the importance of the recent GEF UNDP HCLME economic valuation of the ecosystem's goods and services together with an analysis in the knowledge gaps and recommendations for future studies and capacity building.

WWF operates in all three countries and has a coordinated approach to transboundary fish stock management in order to help attain Marine Stewardship Council (MSC) certification for key fisheries. This is the case with the Mahi Mahi fishery shared by Ecuador and Peru which requires many agreements between the two countries in order to successfully pass a full assessment and obtain an MSC certification unconditionally. WWF is a key player driving this management strategy shared between the two countries and also between the member countries of the Inter-American Tropical Tuna Commission (IATTC). WWF Peru is also promoting the MSC certification of the anchovy fishery (focusing on subsequent indirect human consumption use). This work will generate important lessons for replication in other fisheries.

The fight against IUU fisheries and the implementation of reliable traceability is also at the core of WWF's joint strategy from Peru's and Chile's offices. In this sense, WWF Peru has fostered the Supreme Decree N° 430-2014-PRODUCE to create a unified Registry for fishing vessels operating in the High Seas. A very recent confidential study was produced by the company NAVAMA, on behalf of WWF Chile and with financial support from SFI, using the AIS vessel tracking system to analyse the movement patterns of industrial fishing vessels (both foreign and Chilean) within the central section of Chile's EEZ. This study yielded insights into the vessels' movement patterns which can be used by the Chilean fisheries authorities to identify potential IUU fisheries.

WWF also promotes MSC certification in Chile as well as traceability and responsible seafood consumption in collaboration with retailers. Although the Chilean common hake fishery (CHF) MSC full assessment was withdrawn, an important achievement was the establishment of a closed season to protect the spawning stock, as recommended by WWF.

Due to the involvement of WWF Chile in the Chilean hake MSC certification process, squat lobster and nylon shrimp fishing companies approached WWF Chile to discuss their own certification. As a result they initiated a progressive improvement on their fishing gears and practices, engaging into full assessment. At the end of 2014, the full assessment was completed and it is expected that the fisheries will receive the MSC certification within 2015.

In the Galapagos, WWF is implementing a multi-year cooperation programme to assist the National Park and Marine Reserve authorities in improving the marine control and surveillance systems.

In Peru and the LA CFI initiative, WWF is expected to support the development and mainstreaming of marine spatial planning (MSP) approaches for the Humboldt Marine Ecoregion with emphasis on the identification of priority areas for sustainable fishery management including, amongst others, capacity-building workshops on coastal land use planning and zoning, identification of appropriate new legal and administrative regulations for marine planning, and the elaboration of coastal development plans.

WWF Chile is collaborating with the Ministry of the Environment in the management plan of recently established MPA incorporating a multiple use approach.

See: http://www.msc.org/documents/developing-world/2014-msc-second-developing-world-fisheriesconference/conference-presentations/3-ecuador-mahi-mahi-fishery-improvement-project-pathway-to-sustainabilitywwf-ecuador/view

https://sites.google.com/site/fisheryimprovementprojects/home/peru-mahi-mahi-fip

https://sites.google.com/site/fisheryimprovementprojects/home/ecuador-mahi

Conservation International (CI) is one of CPPS' leading NGO partners with a track record of strong collaboration and joint planning.

Conservation International and the Ecuadorian Fisheries Authority supported an initiative to certify under CMS standard the Ecuadorian pole and line tuna fishery, performing a pre-assessment and the design of a Fisheries Improvement Project (FIP). The fisheries authority continues working with CI and the pole and line tuna sector in order to implement the FIP.

By mid-2015 CI will have completed 8 assessments of small-scale fisheries in the region applying the MSC standard using independent consultants with experience in MSC, with the addition of social, economic, tenure and governance factors not included in the standard MSC evaluation protocol to reveal deficiencies in participation, tenure and access systems. These indicators would provide rigorous benchmarking for investing in the enabling conditions required to successfully implement TURFs (or other systems) to achieve fisheries sustainability to the MSC level.

In the context of promoting the Ocean Health Index (OHI), Conservation International are assisting with the training of trainers promote the adoption of the OHI and its 10 point set of goals at an official level within the CPPS countries. Administrative area national assessments allow each nation to focus on where increased effort is required to promote an enabling environment for sustainable fisheries use.

In Peru, a multi-sectoral committee was established in 2013 to promote participatory public-private processes relating to the marine environment and the Ecosystem Based Management (EBM) approach to resource use.

CI has extensive experience in facilitating, providing the scientific basis for and implementing management plans for over a dozen MPAs in the region, including Ecuador, and strengthening enforcement and fisheries management systems.

A range of public-private interventions including the use of eco-labeling of fisheries and work with small-scale fisheries communities on implementation of the SSF Guidelines combining fisheries management with social and economic development. To do so effectively a good baseline system is required re Ocean Health. Here the link with improved fisheries management (MSC), biodiversity protection and water quality aspects can be monitored by use of the Ocean Health Index (OHI) and the proposed regional assessments in Ecuador, Peru.

During 2015 Consevation International will provide capacity building to local Ocean Health Index trainers with a view to starting sub-national level OHI evaluations in Peru and Chile following on from work already carried out in Ecuador. Annual OHI assessments aleady exist globally with the state of the ocean in the EEZs of Ecuador, Peru and Chile classified against the 10 indicators used by the OHI: 1. Artisanal Fisheries, 2. Biodiversity, 3. Coastal Protection, 4. Carbon Storage, 5. Clean Waters, 6. Food Provision, 7. Coastal Livelihoods, 8. Natural Products, 9. Scense of Place, 10. Tourism and Recriation. The index started in 2012 so changes over the last three years are already available, details can be seen at http://www.oceanhealthindex.org/ It is distressing to note that biodiversity and clean water indicators are currently registering declining scores in the region.

3) The proposed alternative scenario, with a brief description of expected outcomes and components of the project,

As the main problems and root causes are now much better understood, the solutions proposed under this project are both realistic and achievable. Marine Spatial Planning pilots and associated MUMPA and fisheries management planning will help demonstrate: 1) reduced conflicts between sectors and the creation of synergies between different activities; 2) the values of public-private investment, by instilling predictability, transparency and clearer rules. This will help boost the development of renewable energy sources and grids, establish Marine Protected Areas, and facilitate investment in oil and gas; 3) increased coordination, between administrations in each country, through the use of a single instrument to balance the development of a range of maritime activities; 4) increase cross-border cooperation between SE Pacific countries, on cables, pipelines, shipping lanes, wind installations, etc.; 5) protect the environment through early identification of impact and opportunities for multiple use of space.

Improved fisheries management, under co-management systems are proposed for 30% of the 200,000 artisanal fisherfolk operating in the area, a doubling of the current participation as around 15% of the artisanal fisherfolk already operate co-management systems successfully in the region, mainly in Chile. The valuable experience from Chile⁸ and to a certain extent Ecuador will be drawn upon when assisting the governments to make the required improvements. Within the TURF work, a survey of the extent of macroalgal beds would be carried out both within and outside MPAs. This would pave the way for a better understanding of Blue Carbon options in the region and also help to establish better management plans for macroaglal use and value addition.

⁸ Knowledge sharing (best practice, lessons, etc.) from Chile will be available independently as the government is not formally involved in this project as a recipient of GEF CFI funding.

The new Peruvian presidential Decree 006-2015, dated 26.02.2015, designed to promote the Direct Human Consumption (DHC) of anchovy in the 9km (5nm) area adjacent to the 2,414km coast, creates an interesting window of opportunity for the possible setting of quotas and the allocation of TURFs to fisher associations fishing anchovy in these areas under modified legislation to be promoted by this CFI project.

Multiple Use MPAs are a new innovation in the area and fisheries management plans within the MUMPAs bring an innovative mix of biodiversity protection and improved livelihoods via a combination of enhanced fisheries management and value addition. Similarly the concepts of Rights Based Management within TURFs is totally new to Peru – hence the need to bring in badly needed legal reforms to allow this to happen. There is a lot of experience from Chile (see footnote 9) which will be drawn upon when applying similar systems in Peru. Ecuador has some TURF experience but nothing like as advanced as Chile.

Work to assess the real fishing impact in terms of fisher and vessel numbers would be done via cofinancing from entities like OCEANA. In addition the concept of shared fish stock assessments and management with the following species:

Fisheries selected by the host nations for improved management under a mix of EBFM, RBM and TURFs both within and outwith MUMPAs include:

Ecuador: Dorado (*Coryphaena hippurus*), Swordfish (*Xiphias gladius*) Black ark (*Anadara tuberculosa*), Octopus (*Octopus spp.*); Pomada shrimp (*Protrachypene precipua*) and pole & line tuna fishery

Ecuador-Peru: Dorado (*Coryphaena hippurus*); Common snake-eel (*Ophichthus remiger*); Peruvian hake (*Merluccius gayi peruanus*); Swordfish (*Xiphias gladius*); Giant squid (*Dosidicus gigas*)

Peru: Anchovy (*Engraulis ringens*); Scallop (*Argopecten purpuratus*); Octopus (*Octopus minimus*) ; Pedunculate barnacle (*Pollicipes Elegans*); Venus clam (*Transennella pannosa*); Red sea urchin (*Lytechinus albus*) Giant kelps

Peru-Chile: Anchovy (*Engraulis ringens*); Swordfish (*Xiphias gladius*); Giant squid (*Dosidicus gigas*); Murex snail (*Concholepas concholepas*); Red sea urchin (*Lytechinus albus*); Giant kelps

The promotion of mangrove protection via MUMPAs in southern Ecuador with links to the local Pomada shrimp *Protrachypene precipua* and octopus (*Octopus minimus*) fisheries and TURFs, designed to better manage the mangrove red crab and ark clam extraction, together make an innovative mix of sustainable mangrove and fisheries management.

One important aspect of the TURFs is that of natural macroalgal bed recovery and management both in terms of habitat restoration and resulting biodiversity increase but also carbon sequestration. At a conservative estimate 1,000km of the SE Pacific coastline has a 50m wide stretch of macroalgae growing in both rocky coastal shore and sandy estuarine environments. This equates to 50 million hectares of macroalgae capable of sequestering 1 mt CO_2 / ha / yr – or an annual total of 50 millon mt CO_{2e}

Secure tenure under TURFs ensures that fisherfolk are able to protect the resource they depend upon. The Chilean example from the early 1990s clearly demonstrates that without secure tenure there is little incentive to encourage sustainable resource use. Similarly products coming from a TURF can be marketed at times to coincide with increased demand and market access through certification of fisheries or direct marketing options can be promoted through the capacity building efforts. When fisherfolk are empowered to co-manage the resource and are also involved in participatory monitoring processes it is more likely that illegal activities can be curtailed – in part due to peer pressure within the group but also from annual audits that come from certification schemes and or government entities as partners in the co-management. A possible innovative aspect in Peru comes from the use of the 5nm exclusive artisanal fishery zone the entire length of the Peruvian coastline, excluding the 37 protected area sites. This

area amounts to approximately 22,000km² of which at least 10% (220,000 ha) could be declared as MUMPAs with associated fisheries management plans.

This project will provide a holistic and integrated approach to fisheries management based on the EBM concept and the Ecological Risk Assessments for Fisheries (ERAF). This will be done under CFI established legal reforms for MSP pilots with associated fisheries management zoning options promoted by the project. In addition ecosystem recovery to protect biodiversity within MPAs and MUMPAs with associated value-addition via certification schemes and improved marketing will result in improved livelihoods from the fisheries management plans. In addition governance aspects including participatory MCS will be more effective hence reducing IUU activities.

The Project has three main components and associated outcomes and outputs:

Component A

Enhancing the capacity of key institutions and stakeholders to effectively implement Marine Spatial Planning with associated EBFM techniques both within and outwith Multiple Use Marine Protected Areas (MUMPAs) by mainstreaming sustainable fisheries management tools, including Territorial Use Rights in Fisheries (TURFs), for shared living marine resources use in the SE Pacific.

Outcomes

A.1 Improvement in the enabling environment (processes and institutional structures) required for initiating MSP work at national and SE Pacific levels, containing MUMPAs and where in existence management plans including the use of TURFs where appropriate which together have resulted in sustainable fisheries management and coastal livelihoods at CFI pilot sites for both pelagic and benthic fisheries in line with the SSF Guidelines.

A.2 Implementation of TURFs have resulted in sustainable fisheries management and coastal livelihoods at CFI pilot sites for both pelagic and benthic fisheries.CFI output 1.

A.3. New and already existing Marine Protected Areas (MPAs) have multiple use management plans including fisheries co-management as means of ensuring the application of EBM principles and improved co-management with successful marine control and surveillance (MCS) systems in operation. CFI output 2.2

Outputs

A.1.1. Marine Spatial Planning pilots developed and and ready for up-scaling at national levels, and then coordinated at a regional coordination level (Permanent Comission for the SE Pacific CPPS) as an umbrella for the a range of innovative sustainable fisheries management tools new to the areas applied but drawing on experience from elsewhere in the region are approved by the CFI countries.

A.1.2 Under the MSP process, legal fisheries reforms have resulted in improved management of key national and transboundary fisheries within the EEZ areas.

A.1.3 Strategic Public Private Partnerships developed to ensure that fisheries co-management, improved post-harvest quality control with value addition and market access are in operation.

A.2.1 A certification system is established for consultants to assist fisherfolk to develop fisheries management plans within MUMPAs and TURFs.

A.3.1 Artisanal pelagic fisheries have institutional structures based on co-management and improved monitoring control and surveillance (MCS) responsibilities and shared stocks are under a coordinated transboundary management strategy.

A.3.2 Pilot scale mangrove (Ecuador and N Peru) and macroalgal bed (Peru) restoration promoted under the establishment of TURFs with blue carbon options piloted.

Artisanal fishing communities in the three countries have recognized that the combination of excessive fishing pressure and the impacts of multi-source pollution (domestic and agro-industrial) have depleted fish stocks and reduced incomes.

Marine Spatial Planning (MSP) as a process for analyzing and allocating the spatial and temporal distribution of human activities in marine areas to achieve ecological, economic, and social objectives and can be defined as: *"strategic, forward-looking planning for regulating, managing and protecting the marine environment, including through allocation of space, that addresses the multiple, cumulative, and potentially conflicting uses of the sea"*. MSP is a means of implementing EBM and the associated EBFM or Ecosystem Approach to Fisheries (EAF) recognized as a form of fisheries governance framework, taking its conceptual principles and operational instruments from conventional fisheries management on the one hand, and ecosystem management on the other to maintain the ecosystem in a healthy, productive, and resilient condition, so that it can provide the fisheries services humans want and need.

There is a need for intensive awareness raising to build upon the work carried out in the region by the CFI development partners. Currently most knowledge in the region applies to benthic fisheries involving macroalgae, mollusc and echinoderm fisheries – hence the need to build capacity regarding crustacean and finfish comanagement. TNC have recently published an evaluation of the Chilean TURFs (Andrea Moreno and Carmen Revenga: 2014).

Clearly there is a need for MSP followed by the allocation of secure access rights or tenure to encourage fisherfolk to protect the resource they depend upon. Once access rights are established sustainable yields will be dependent on well designed and approved management plans. Improved MCS will be required (participatory systems often work well), and enforcement mechanisms in place to ensure that the management plans are adhered to. These enabling factors are more advanced in Chile and have been reinforced under the 2013 Fisheries Law. Although there is a need to improve the roster of consultants that assist fisherfolk to develop and monitor the fishery management plans. The project plans to design a certification system for TURF consultants so that fisher associations can select consultants from a roster of technically qualified and certified tecnicians.

In the early 1990s TURFs were established in Chile and currently there are over 1,000 consessions allocated of which around 760 are in operation with approved management plans covering an area of 120,000ha and providing alternative employment for 31,000 fishers with additional value addition work for thousands of women. In recognition of the biodiversity protection within the TURFs the New Chilean Fisheries Law (2013) withdrew the licence fees for areas assigned under TURFs. With the exception of some co-management plans in the mangrove areas of northern Peru and a pilot project in the southern coastal zone of Peru (Marcona) there are no TURFs in the country. The latter is due to the current legislation which needs reforms to futher facilitate the establishment of territorial use rights. In Ecuador experiences relate to the co-management of crustaceans in mangrove areas.

UNDP's comparative advantage comes from the promotion of MSP and Ecosystem Based Management approachs to marine ecosystems. Successful models already in use in Chile will be adapted for use under the distinct fisheries laws in Ecuador and Peru, both of which will need legal reforms. Added advantages from UNDP's work in the sector include:

a. Marketing of marine products from TURFs with value addition;

b. The gender perspective and increased employment opportunities for women via value addition processes;

c. Work with regional coordination bodies like APEC and Regional Fisheries Management entities like the South Pacific Regional Fisheries Management Organisation (SPRFMO) and others;

d. A focal point for public-private interventions globally including links where UNDP works with NOAA, IUCN, WWF, Conservation International, The Nature Conservancy, OCEANA, CARE International, WOC, together with the US based Foundations like Packard and Walton.

WWF draws on its global experience with the design and implementation of TURFs from SE Asia where one example, the Ben Tre clam fishery, was the first Marine Stewardship Council (MSC) certified fishery in SE Asia. WWF also has specific experience in co-management systems (e.g. the participatory management system of the Galapagos Marine Reserve). WWF Perú has identified key fish stocks where TURFs could be applied to promote sustainable fisheries. WWF Chile is collaborating with the Chilean government in the implementation of a new law that defines quotas based on scientific information and management plans informed by Rights Based Management. WWF Chile is also directly working in the field with several fisherfolk associations, tackling the illegal, unreported and unregulated Fisheries (IUU) issue that still affects some of the main fisheries. WWF Ecuador supported the Government of Ecuador and other key stakeholders in the Pomada shrimp (*Protrachypene precipua*) fishery during the process of developing the National Plan of Action for the conservation of the pomada of the Gulf of Guayaquil. One of the key elements of that plan is to introduce well-defined fishing rights that allow aligning different interests toward the sustainability of the fishery.

Furthermore with the recent constitution of the WWF Southern Cone Alliance (SCA), a framework of active collaboration within the national WWF offices (Perú and Chile) has been established, thus enabling the sharing of efforts and knowledge to realize joint projects. The SCA is still in an early stage of consolidation and it could eventually be joined by other offices that were interested. Therefore WWF not only has full technical capacities but also offers a joint platform to tackle the main issues affecting the marine environment in the region.

Conservation International has over 10 years experience in Ecuador (and Colombia, Panama and Ecuador; collectively with the Eastern Tropical Pacific Seascape-ETPS) using science-based approaches to improve the enabling environment (processes and institutional structures and capacity), as well as stakeholder support and participation to improve marine management and coastal livelihoods. CI has strong government relationships with Fisheries, Environment, Development Planning and Enforcement agencies at the national, provincial and local scales in Ecuador and with the latter three agencies in Peru. CI has experience in Marine Spatial Planning both in the region and globally. In addition, CI has a fast-developing small-scale fisheries program in the ETPS. CI has served as a primary NGO technical supporter in Ecuador in the establishment and implementation of mangrove concessions for crab and clam fisheries, one of the region's most practical and successful examples of community managed fisheries. CI is one of CPPS' leading NGO partners with a track record of strong collaboration and joint planning.

Component B

Strengthening and consolidating the institutional, policy and legal frameworks for planning (under the Marine Spatial Planning) and administering public-private investment including fisheries certification schemes for value addition for sustainable and climate-resilient marine resources governance in the SE Pacific.

Outcome

B.1 Collaborative and participatory processes among development partners have been successfully tested in Ecuador and Peru in coordination with the Permanent Comission for the SE Pacific (CPPS) and are replicated in new public-private initiatives to increase the number of certified fisheries CFI output 2.3

Output.

B.1.1 Suitable fisheries and certification schemes have been identified and are in the process of being attained for at least one key fishery in each of the collaborating states and a transboundary fishery. Furthermore fisheries

certification has been demonstrated as an important management tool within Multiple Use Marine Protected Areas (MUMPAs): the Guano Islands and Capes National Reserve in Peru and newly established MUMPAs in Ecuador.

UNDP will draw on the groundwork undertaken regarding the awareness raising of advantages gained from a range of fisheries eco-certification schemes. This includes work to promote a range of certification options during workshops held in both Chile and Peru. To date the Marine Stewardship Council (MSC) certification is the most complete with one successful artisanal fishery certified, the first in the SE Pacific region: the Juan Fernandez Rock Lobster.

Out of the fisheries certification options available the MSC standard is the most technically complete, complies with The Code of Good Practice for Setting Social and Environmental Standards (ISEAL <u>http://www.isealalliance.org/</u>) and is difficult to attain as it requires compliance with three core principles:

- 1. Sustainability of exploited fish stocks;
- 2. Maintenance of the ecosystem on which the fishery depends;
- 3. Effective and responsible management

The FAO Sustainable Small-Scale Fisheries guidelines will be applied and a range of certification options offered including the new Responsible Fishing Scheme (RFS <u>http://rfs.seafish.org/</u>) which is a third-party certification for fishing vessels and skippers to demonstrate they are operating high standards on board. These standards include crew welfare, health & safety, care of the catch and responsible environmental behaviour.

Component C

Monitoring and assessing progress and delivery of results from the overall implementation of the holistic ecosystembased management and improved governance of coastal fisheries in the SE Pacific, sharing experiences globally with entities undertaking similar fisheries recovery work.

Outcomes

C.1 Knowledge regarding CFI experiences of innovative approaches to coastal fisheries co-management is documented and accessible to the wider global community concerned with coastal fisheries via IW:LEARN, scientific and social media.

CFI output 3.1

C.2 .The Ocean Health Index (OHI) has been adopted by all collaborating states and national level evaluations have been undertaken to identify areas where special attention is required for artisanal fishery management, biodiversity protection and water quality improvements.as part of new CFI performance evaluation system. CFI output 3.2

C.3 Project implementation supported by progress monitoring and evaluation

C.1.1 Data and information exchange mechanisms are established and formalized between the participating countries, Latin America, IW:LEARN together with the UN network and other scientific platforms.

C.1.2 The participating countries have taken part actively in annual experience sharing through regional and global workshops.

C.1.3 Links are established with all public-private, INGO entities promoting MSP, and the range of innovative fisheries management initiatives implemented under CFI.

C.2.1 Links between the other two Pacific LMEs (California and Mesoamerica) and the CPPS have been established as a means of sharing innovative approaches to coastal fisheries co-management. Including the implementation of the regional OHI.

C.3.1 Project monitoring system operating and systematically providing information on progress on meeting project output and outcome targets

C.3.2Timely biannual progress reports

C.3.3 Midterm and final evaluation carried out and reports available

UNDP, as the lead UN development agency, is best placed to draw on the WWF and CI global information sharing network designed to raise awareness but also galvanize financial support and thereby share the CFI experience with the IOC, UNESCO, WCMC and other key entities operating in the system. Furthermore public private partnerships have demonstrated that regional and global awareness raising can be very effectively promoted by a well-informed private sector looking to demonstrate its ability to protect the marine ecosystem by means of well-designed outreach programmes, improved post-harvest quality control and value addition.

WWF has National, Regional and Global information sharing networks designed to share innovative fisheries management approaches and lessons learned. See: <u>http://wwf.panda.org/what_we_do/where_we_work/</u> Experience from the Caucuses and the Critical Ecosystem Partnership Fund (CEPF) a WWF-CI GEF partnership to protect biodiversity hotspots is also relevant.

http://wwf.panda.org/what_we_do/where_we_work/black_sea_basin/caucasus/projects/english/conservation_alliance s_/

CI played a leading role in facilitating a cooperation agreement in 2014 between CPPS and OSPESCA, Mesoamerica's regional fisheries body.

CI is actively promoting collaboration among CPPS member countries regarding Ocean Health restoration. In 2014 a successful OHI workshop organized by CI and funded by the International Cooperation Agency of Colombia was held in Bogotá.

4) <u>incremental/additional cost reasoning</u> and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and <u>co-financing</u>

The CFI-LAC component will deliver a range of global environmental benefits. The primary marine ecosystem (Humboldt Current Large Marine Ecosystem) of the region contains globally significant biodiversity across a range of species groups and populations. This ecosystem, and the fishery within it, both in environmental and socioeconomic terms, is of global significance and is threatened by both local (overfishing, pollution, habitat loss) and global (anthropogenic climate change, ocean acidification, invasive species) pressures. A sizeable fraction of the region's fish stocks are migratory and traverse one or more national borders, meeting the GEF criteria for incrementality under the International Waters focal area (transboundary issue). Lastly, the component builds on and leverages implementing and executing agency baseline projects, is innovative, scaleable and potentially transformational, in catalyzing a transition to sustainable fisheries in the region via the introduction and operationalization of a suite of linked and coordinated sustainable fisheries management tools and mechanisms. By delivering not only environmental but social and economic benefits to the people and governments of the region, CFI-LAC has a high likelihood of tangible impact that will be sustained.

The project is requesting \$6.53 million from the GEF Trust Fund with initial estimated co-financing of over \$42 million. The baseline situation is described in section II.1.1 and the contributions of GEF and executing agency partners to the baseline project summarized in section II.1.2.

5) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF);

The Humboldt Current LME represents the largest fishery in the world by landing volume, averaging about 8-13 million mt/year or as much as 15% of global fish catch, and is valued at over \$1 billion per year. The large majority is anchovy which primarily goes into fishmeal production. About 30% of stocks are considered collapsed and another 30% overexploited. The global environmental benefits of the CFI-LA component project are multifold due to the high primary productivity of the SE Pacific (among highest of any LME in the world), contribution of the region to 15% of global fisheries production, and the high level of globally significant marine biodiversity found within the region. The system is extremely vulnerable to both natural and anthropogenic climate change variability and impacts and the negative impacts of overfishing, pollution and habitat destruction; the project will be instrumental in promoting fish stock and habitat recovery with associated global impacts in terms of biodiversity protection and food security. Climate change also may have impacts on regional wind speeds and distribution which could in turn affect upwelling rates and associated primary productivity and linked fish yields. Today global aquaculture production has surpassed that of capture fisheries however the essential fish oils required for this aquaculture production come largely from the SE Pacific area, further underscoring the global importance of the region and the CFI LAC intervention.

In addition, the promotion of Marine Spatial Planning, MUMPAs and TURFs will allow fisherfolk to be less reliant on daily fishing activities and hence exposure to climate change induced poor working conditions due to high waves caused by increased wind speeds, as there will be the option of fishing within established and approved management plans that allow flexibility of capture / harvesting activities. Similarly ecosystem restoration work involving mangrove recovery and macroalgal bed habitat restoration will provide important buffer zones against coastal erosion due to climate-driven sea level rise. Lastly, there may be potentially sizeable carbon sequestration benefits from the improved algal bed and mangrove management with possible eventual carbon trading options via 'Blue Carbon' initiatives if suitably robust carbon inventory methodologies can be identified and applied.

6) innovation, sustainability and potential for scaling up

The promotion of the, new to the region, Marine Spatial Planning (MSP) approach at the three national levels, initially in pilot areas, will provide an enabling environment for the range of improved fishery management and conservation options being promoted under this CFI Project. Most of the latter are also new to the area (MUMPAs, TURFs, EBFM, ERAF) or partially tried and tested in only one country. Hence the value of 25 years of TURF implementation experience in Chile with many lessons learnt, together with the incipient MUMPA experience to be replicated in the other two countries. Similarly the legal reforms in Chile under the new Fisheries Law (2013) required to allow the application of territorial use rights and protected areas will be drawn upon in the other two countries.

The potential for scaling up these management tools at national and SE Pacific levels is dramatic, especially as the multisectoral importance of the ocean in terms of fisheries, tourism, oil & gas exploration, transport, nutrient recycling and climate amelioration for human well-being and agriculture, is only just being realized – in part due to the impacts of ecosystem degradation and subsequent reduction in the availability of quality ecosystem goods and services as indicated by the global Ocean Health Index (OHI). The OHI will be applied at sub-national levels to assist the countries to focus on mitigation actions at degradation hotspots. Eventually the OHI assessments will be scaled up to the LME level and compared with other LMEs worldwide.

The range of eco-certification options will be studied and matched to specific fishery and community needs in terms of improved fishery management, market access and cost effectiveness. Existing experiences with MSC certification will be used as case studies while new systems, like the Seafish Responsible Fishing Scheme (RFS), will be matched to specific fisheries.

Sustainability will be guaranteed via the improved international relations linked to the network of MPAs and MUMPAs providing connectivity the length of the HCLME area and the innovative transboundary stock fisheries

management. In addition the capacity building and information exchange related to the other management tools promoted by CFI project will be disseminated by UNDP, WWF, CI and other project partners in coordination at the regional level via the CPPS.

One aspect of concern to all three countries relates to IUU fishing and the need for improved MCS systems. Experiences with industrial fleet MCS systems will be studied under the proposed zoning of coastal fishing areas for the artisanal fishers.

A.2. Stakeholders. Will project design include the participation of relevant stakeholders from <u>civil society</u> and <u>indigenous people</u>? (yes \square /no \square) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation.

CFI stakeholders in the region include the range of Ministries cooperating in the multisectoral management committees and their associated departments. Local government stakeholders will be involved in the fisheries comanagement schemes together with civil society groups working within the MUMPAs and TURFs. The environment and Fisheries Ministries are working with the regional CPPS to coordinate training courses and workshops. Stakeholders, including the Ministry of Foreign Affairs staff, work with the SPRFMO (South Pacific Regional Fisheries Management Organization. A full stakeholder analysis and stakeholder involvement plan will be conducted and prepared during PPG.

The project will work with INGOs like OCEANA and TNC coupled with a range of smaller local NGOs who in turn work with the fisher associations within the three countries.

US-NOAA will also be an important stakeholder with the MSP and legal reform aspects.

A number of universities are committed to the project via their work with civil society and the national authorities for MPAs. Innovative national park funding options will be identified on the basis of baseline work.

Private sector partners include certification companies, fish processing entities at local and international levels and a company promoting macroalgae repopulation.

CFI work will be coordinated with local FAO offices along with country level WB staff working on GEF sister projects like the Guano Islands and Capes project in Peru.

Fisherfolk organisations in all three countries participate actively in fisheries initiatives managed by UNDP, WWF and CI. The fisheries associations include a large range of ethnic groups (more than 50 in the three countries, mainly Andean) and value addition creates employment options for women. Upstream and downstream activities including equipment production, fisheries post-harvest work, tourism and restaurant activites involving civil society are evident.

3. Gender Considerations. Are gender considerations taken into account? (yes \square /no \square). If yes, briefly describe how gender considerations will be mainstreamed into project preparation, taken into account the differences, needs, roles and priorities of men and women.

TURF management, fisheries certification and post-harvest activities offer many employment opportunities for women. They will receive capacity building opportunities at all levels from central to local government and civil society organisations. A full gender analysis will be conducted during PPG to ensure effective mainstreaming of gender issues into project implementation at all levels.

Annex A

A.3. Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

| Risk | Rating | Mitigation Strategy |
|------------------------------------|--------|---|
| Legal reforms for MSP and | М | Teamwork organized by LA-CFI will bring together PNUD, |
| TURF implementation are not | | WWF, CI, TNC, NOAA and OCEANA in addition to private |
| approved in time. | | sector companies to help promote the required reforms. |
| Limited stakeholder interest in | L-M | All components, especially the third, are designed to raise |
| change and lack of awareness | | awareness of the EBM approach and financial benefits to be |
| regarding ecosystem based | | gained from the improved management and marketing |
| approaches. | | systems. |
| Lack of a fully integrated | L-M | Ecosystem Based Management, as set out by the 12 IUCN |
| Ecosystem Based Management | | principles, is interpreted in different ways by different |
| (EBM) approach under MSP | | entities. However the involvement of a wide range of |
| between governments and their | | stakeholders, all party to the EBM and EBFM objectives as |
| respective agencies, the UN | | promoted at all levels, should encourage the required |
| agencies, INGOs, civil society | | integrated approach to resource management. |
| and the private sector. | | |
| Climate change scenarios | M-H | Global warming and alterations to the natural climate cycles |
| accelerate at a pace that restrict | | in the region, El Niño La Niña, need to be monitored closely. |
| habitat restoration under the | | Work to restore natural habitats sensitive to temperature |
| TURF programmes. | | change will be carefully planned to mitigate any possibly |
| | | failures in relation to algal bed repopulation work. |
| Lack of Government, private | L-M | Commitments made by the two countries under the CPPS |
| sector and potential donor | | and by partner agencies are based on mutually acceptable |
| funding required to ensure | | terms designed to ensure that returns from investment are |
| financial sustainability during | | realistic via improved productivity and the associated value |
| and beyond the life of the | | addition work. |
| Project. | | |
| The three participating nations | М | The GEF and executing agency partners will work together |
| are reluctant to share data and | | to promote effective and transparent data sharing. In |
| information. | | addition, CPPS's mandate to promote data sharing is seen as |
| | | being mutually beneficial. |
| The CPPS is not able to | М | Increased CPPS activity will encourage South-South |
| coordinate action on the agreed | | cooperation and investment by generating opportunities for |
| reforms. | | countries with greater capacity and experience in the |
| | | management of specific fisheries, to share their expertise |
| | | with others. |

A.4. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives.

The project will coordinate with a range of related initiatives in the region, of the GEF and executing agency partners and other entities, including but not limited to: GEF IW (GEF-UNDP HCLME, CLME+, GoMLME, IW:LEARN, BCC); GEF-Guaneras (Peru); GEF SNAP (Chile); GEF SGP; CI; WWF; TNC; OCEANA; USAID; NOAA, UN agencies (WFP, FAO, UNESCO, UNEP, WCMC); MSC, Seafish, IFFO, SNP, Friend of the Sea, Naturland.

DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes \square /no \square). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.

The project is widely consistent with relevant national and regional strategies, plans and assessments such as NBSAPs, PRSPs, NCSAs, Humboldt Current LME Transboundary Diagnostic Analysis (TDA) and the nearly completed Humboldt Current LME Strategic Action Programme (SAP).

Knowledge Management. Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

The Project will promote knowledge sharing through GEF mechanisms such as IW:LEARN and through other ongoing and emerging mechanisms such as Amigos del Mar (Peru); BCLME, BoBLME, CLME, GoMLME, HCC, BCC.

GLOBAL COASTAL FISHERIES INITIATIVE Child Project Concept Note

PART I: PROJECT INFORMATION¹

| Project Title: | Delivering sustainable environmental, social and economic benefits in West Africa |
|-----------------------------|---|
| - | through good governance, correct incentives and innovation. |
| Country(ies): | Cabo Verde, Côte d'Ivoire, Senegal |
| GEF Agency(ies): | FAO, UNEP (select) (select) |
| Other Executing Partner(s): | GoCV, GoS, GoCI, Abidjan Convention Secretariat |
| GEF Focal Area(s): | International Waters (select) |

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²:

| Objectives/Programs (Focal Areas Integrated Approach Pilot | Trust | (in \$) | | |
|--|----------|--------------------------|--------------|--|
| Corporate Programs) | Fund | GEF Project Financing | Co-financing | |
| IW – 3 Program 7 | (select) | 6,130,275 | 41,500,000 | |
| BD – 4 Program 9 | (select) | 302,752 | 4,000,000 | |
| Total Project Cost | (select) | | | |
| Total Project Cost | | 6,433,027 | 45,500,000 | |

B. CHILD PROJECT DESCRIPTION SUMMARY

Project Objective: Strengthen fisheries governance, management and value chains, through the implementation of an ecosystem approach to fisheries, of relevant international instruments and of innovative governance partnerships in three countries in West Africa (Cabo Verde, Côte d'Ivoire and Senegal).

| Project Components | ponents Financing | | (in \$) | | |
|--|-------------------|--|--------------------------|--------------|--|
| | Type ³ | Project Outcomes | GEF Project Financing | Co-financing | |
| Component A : Improved fisheries governance and management based on EAF and the implementation of relevant international and regional instruments. Objective : Improved policy, legal frameworks and fisheries management in the 3 countries based on the EAF. | (select) | A.1 National fisheries policy and legal frameworks provide the basis for EAF and facilitate multi- sectoral planning. A.2 Existing and new fisheries management plans are based on EAF, include positive incentives for responsible fishing, and conform to relevant international instruments. A.3 The capacity for fisheries management of coastal communities and government agencies strengthened. | 2,757,000 | 19,072,000 | |
| Component B. Strengthened and transparent seafood value chains and market access regimes to benefit small- | (select) | B.1 National legal frameworks to promote best practices, product standards and decent working conditions are developed. | 2,451,000 | 17,453,000 | |

¹ This Concept Note is designed to provide preliminary information on each child project that is indicative of how it will contribute to the overall Program.

² When completing Table A, refer to the Program Results Framework, which is already mapped to the relevant <u>Focal Area Results Framework</u> in the <u>GEF-6 Programming Directions</u>.

³ Financing type can be either investment or technical assistance.

| scale fishers and fish workers, in particular women. Objective :Improved seafood value chain, value addition and market access in west Africa. Component C : Strategic communication, monitoring and assessment of results and upscaling of best practices to national and/or regional partners. Objective : Best practices for project implementation, | (select) | B.2 Value addition and diversification in selected seafood value chains with a focus on women to reduce post harvest losses through promotion of environment sensitive technologies, market incentives and PPPs. B.3 Access to markets by small- scale and artisanal fishers and women fish workers stimulated. C. 1 Knowledge generated and results achieved communicated and shared with local, national and regional partners. C. 2 Project implementation supported by progress monitoring and evaluation. | 918,692 | 6,355,952 | |
|--|---|---|-----------|------------|--|
| monitoring and evaluation and successful results | | | | | |
| dissemination. | | | | | |
| | | Subtotal | 6,126,692 | 42,880,952 | |
| | Project Management Cost (PMC) ⁴ (select) $306,335$ $2,619,048$ | | | | |
| | | Total Project Cost | 6,433,027 | 45,500,000 | |

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust

| Sources of Co- financing | Name of Co- financier | Type of Co-financing | Amount (\$) |
|-----------------------------|--------------------------|----------------------|-------------|
| GEF Agency | FAO | In Kind | 27,000,000 |
| GEF Agency | UNEP | In Kind | 500,000 |
| National Government | GoCV | In Kind | 3,000,000 |
| National Government | GoS | In kind | 5,000,000 |
| National Government | GoCI | In Kind | 5,000,000 |
| Other | Abidjan Convention | | 1,000,000 |
| Industry group | CONXEMAR | In Kind | 2,000,000 |
| Industry group | GSSI | In Kind | 500,000 |
| Industry group | ICFA | In Kind | 500,000 |
| | MSC | In Kind | 1,000,000 |
| Total Co- financing | | In Kind | 45,500,000 |

C. <u>CO-FINANCING</u> FOR THE PROJECT BY SOURCE, BY TYPE AND BY NAME

⁴ For GEF Project Financing up to \$2 million, PMC could be up to10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS ^{a)}

| | | Country/ | | Programming | | (in \$) | |
|---------------|---------------|--|-------------------------|-------------|--------------------------|---------------------------------|-----------|
| GEF Agency | Trust Fund | Regional/ Global | Focal Area | of Funds | GEF Project Financing | Agency Fee (b) ^{b)} | Total |
| | | | | | (a) | 100(0) | (c)=a+b |
| FAO | GEFTF | Cabo Verde, Côte d'Ivoire, Senegal | International Waters | Programme 7 | 5,830,275 | 524,725 | 6,355,000 |
| UNEP | GEFTF | Cabo Verde, Côte d'Ivoire, Senegal | International Waters | Programme 7 | 300,000 | 27,000 | 327,000 |
| FAO | GEFTF | Côte d'Ivoire | Biodiversity | Program 9 | 302,752 | 27,248 | 330,000 |
| Total GE | F Resources | 5 | | | 6,433,027 | 578,973 | 7,012,000 |

a) No need to fill this table if it is a single Agency, single Trust Fund, single focal area and single country project.

- b) Refer to the Fee Policy for GEF Partner Agencies.
- c) If Multi-Trust Fund project :PMC in this table should be the total amount; enter trust fund PMC breakdown here ()

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes 🛛 No 🗌 If no, skip this table.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

| Total PPG requested, including Agency fee | | | | \$ | | | |
|---|----------|-----------------|------------|------------------------|----------------|-----------------------------|-----------|
| GEF | Trust | Country/ | | Programming | (in \$) | | |
| Agency | Fund | Regional/Global | Focal Area | of Funds | | Agency | Total |
| | | | | of I unus | PPG (a) | Fee ⁶ (b) | c = a + b |
| FAO | GEFT | Regional | IW | (select as applicable) | 200,000 | 18,000 | 218,000 |
| | F | _ | | | | | |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| (select) | (select) | | (select) | (select as applicable) | | | 0 |
| Total PP | G Amour | ıt | | | 200,000 | 18,000 | 218,000 |

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$1 mil; \$100k for PF up to \$3 mil; \$150k for PF up to \$6 mil; \$200k for PF up to \$10 mil; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

PART II: PROJECT JUSTIFICATION

PROJECT OVERVIEW

A.1. Project Description. Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, with a brief description of expected outcomes and components of the project, 4) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing; 5) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and 6) innovation, sustainability and potential for scaling up.

1) Global environmental and/or adaptation problems, root causes and barriers that need to be addressed

The Atlantic Coast off West Africa is one of the world's most productive regions, with major and localized upwelling areas along the coast. Fishing and fisheries activities are important in West Africa, providing food and employment, supporting livelihoods and generating revenues for the coastal populations and nations. Fisheries also benefit the African region at large as well as the global community, West African fish being a major commodity traded regionally and worldwide. The role of fisheries for food security and livelihoods is not always properly recognized and translated into national priorities for development.

Weak governance arrangements and limited capacity of institutions to drive processes and to effectively implement management measures, regulate fishing, control access, and strengthen value chains hamper progress in achieving sustainable resource use. Resource users feels marginalised from the decision-making process and lack social protection and incentives to comply with conservation and management measures. As a consequence, over-fishing has caused over-exploitation of the major fish stocks in West African Waters, undermining their potential to provide economic benefits to the region and fisheries dependent communities. At the same time, unsustainable practices, in particular in the post harvest sector, cause important wastage along the value chain, estimated at more than 25% of the production from the net to the plate. Fish smoking has led to pressure on coastal habitat (e.g. through mangrove cutting for fuel).

In Senegal, fisheries are of major economic and social importance. Fisheries (fishing and post harvest) contribute 13.45% to the GDP of which post harvest contributes 17%. Senegal is considered a low income food deficit country. Production was estimated at around 500,000 tonnes per year, comprised mainly of small pelagics, demersal fish, crustaceans and cepahlopods. Fish consumption (aroun 23.5 kg/capita/year) is a major contributor to protein supply, marine fish representing 43% of protein consumption on average and reaching up to 80% in some coastal populations. At the same time, the fisheries sector is one of the main pillars for supporting coastal livelihoods, providing more than 61000 direct and 540,000 indirect employment opportunities, mainly in the small scale sector. Senegal harbors host one of the largest small scale fleets in West Africa, operating in Senegal and other countries of the sub-region. Access to resources in Senegal is largely unregulated for the small scale sector. Today many of the most important resources are overexploited, including some of the important small pelagic species such as sardinella. These species are shared between neighboring states and require concerted actions for their management. Traditionally women have been involved in the fisheries sector particularly in the post harvest sector, although this has been changing in recent years with a growing external interest in the small scale sector. Fisheries activities in estuarian and mangrove areas are of great importance to women, in particular in relation to the harvest and use of crustaceans (cymbium, oysters and shrimps). The introduction of co-management in this context, with a focus on reducing coastal areas degradation would contribute significantly to preserving and strengthening women's livelihoods and social benefits from the estuarian/mangroves eco-systems. Senegal is also an exporter of fish to other countries in Africa and globally, although the unsuitable infrastructure and sub optimal practices undermine significantly the capacity of coastal communities to effectively benefit from these opportunities.

Cabo Verde is a small island developing state that recently graduated from the Least Developed Country status. The country is highly vulnerable to climate variability and change as a small island and dry Sahelian country, with more than 80% of the population (estimated at 0.5 million) living in coastal areas. Fisheries in Cabo verde comprise migratory species such as large pelagics (e.g. tuna) with a maximum sustainable catch of 25,000 tons; small pelagics with an estimated maximum potential of 9300 tons; demersal species with a maximum estimated potential of 6800

tons; and other lobsters with a potential of 120 tons. The latter is seriously endangered by overfishing and by illegal fishing gears. Tuna fisheries require an effective plan to manage sharks. Artisanal fishing had strong socio-economic impact and represents more than 60% of the total catch allowed. The Cabo Verdean economy is dominated by the service sector—which represents 75% of GDP—and in particular tourism. The Tourism sector is an excellent vehicle for the promotion of Cabo Verde seafood as a national food delicacy. Fisheries contributes 3.94% of GDP, with an important share from post harvest activities(67.5%). At the same time, fish and seafood are a major component of the national diet, providing up to 80% of animal protein to the Cabo verde population, highlighting the importance of fisheries for national food security. Recent fisheries statistics indicate a significant growth, in particular of seafood destined for export. Export was estimated in 2013 at 84% of the total merchandise export. However, there is further need to introduce improved practices to increase competitiveness and value addition, while safeguarding the economic and social cohesion in communities largely dependent upon the fishery industry. Of particular interest, actions that promote innovation in the sector, quality improvement value-added products , safer and more energy efficient fishing operations, increased markets shares, in particular for sustainably sourced seafood.

Côte d'Ivoire is located in the Western Gulf of Guinea. Despite a relatively narrow continental platform, it benefits from seasonal upwelling in parts of its area towards the border of Ghana. Total production is estimated at 90,000 tons per year, employing directly some 12,000 people. Fish is an important source of protein with a per capita consumption of around 14 kg/capita/year and demand for fish is high, the deficit being met by imports to satisfy this demand. Fisheries (fishing and post harvest) contribute 1.52% of GDP of which post harvest contributes 50%. Most of the fishery resources are shared with the neighboring countries and both industrial and artisanal fisheries exist exploiting small pelagic, demersal fish and shrimps. Many of the fishers operating in the artisanal sector originate from neighboring countries such as Ghana. Abidjan is also one of the primary ports for tuna in West Africa.

2) The baseline scenario or any associated baseline projects

West Africa scores high on human dependence on fisheries and the region has important trade links, both regionally and internationally. There is political will to reform fisheries as well as investments by several organizations in governance, infrastructure and value chains. The importance of small pelagics for domestic and regional markets and of demersal fish harvested from small-scale fisheries and destined for processing and export create conducive conditions for market driven improvements in fisheries management.

At the regional level, there is strong support for policy reform from the African Union. A Policy framework and reform strategy for fisheries and aquaculture in Africa was adopted by African ministers in May 2014 providing the basis for improved fisheries governance (see www.africanfisheries.org), referring specifically to, among other things, improving governance and institutional arrangements, developing sustainable small-scale fisheries, promoting responsible and equitable fish trade and marketing and developing coordinated mechanisms among regional economic communities (RECs), RFBs and Large Marine Ecosystem (LME) based commissions. The fisheries issues are also referred to the African Union 2050 Africa's Integrated Maritime Strategy, which was adopted at the AU Summit in January 2014. This policy framework and reform strategy is being promoted by AU-IBAR, in collaboration with FAO, NEPAD and African national institutiosn At the sub-regional level, there is the Sub-Regional Fisheries Commission (SFRC) and the Western Central Atlantic Fisheries Commission (WCFC) and the Fishery Committee for the Central Eastern Atlantic (CECAF) promoting inter-governmental collaboration. Many of these RFBs are also working with the Abidjan Convention, which is the regional seas programme covering the Atlantic coast of West, Central and Southern Africa, through existing and planned Memoranda of Understanding. FAO has a strong presence in the region and the three target countries have joined "the FAO Global Initiative on Blue Growth in support of Food Security, Poverty Alleviation and Sustainable Management of Living Aquatic resources", with a view to streamline blue growth concepts into national fisheries policy. The EAF-Nansen project has also supported the countries to improve knowledge on ecosystems and fishery resources, and with capacity development for the implementation of the ecosystem approach to fisheries including through the development of fisheries management plans. The Canary Current LME project (CCLME) is jointly implemented by FAO and UNEP, and the fisheries component of the GCLME Phase II is to be led by FAO. The West Africa component of the CFI will capitalize on the results of the CCLME project and the SAP process, creating synergies between regional and national investments to ensure that maximized environmental benefits will be achieved. It will also capitalize on FAO's lead role in relation to the CCLME and for the fisheries component under the GCLME, and as a major partner of regional institutions such as NEPAD and AU IBAR, The World Bank is investing in two of the three target countries, Cabo Verde and Senegal through national projects linked to the West Africa Regional Fisheries Project (WARFP). Both the CCLME and the WARFP will be developing their programmes for subsequent phases later this year at the same time as the anticipated PPG phase of the CFI West Africa project and this would provide an excellent opportunity for seeking synergies.

UNEP has been implementing relevant activities through, inter alis, the Abidjan Convention. UNEP has been promoting the ecological foundation for food security and has been, together with FAO, designing a project for West Africa on securing foundation for food security through the partnership between the Abidjan Convention and relevant RFBs. Within the CCLME project, the UNEP component is attributed to habitat conservation and water quality management, which have close relevance to the fishery-relevant FAO components. As identified under the Abidjan Convention, the mangrove ecosystems are considered to be key and important ecosystems in the region, where many commercially important fish species spend part of their life. UNEP, under the Blue Carbon Initiative, started addressing the conservation and sustainable use of mangrove ecosystem services with the important one being the service to function as fish habitats. Through the completed GCLME project implemented by UNEP and UNDP, the countries, including Cote d'Ivoire moved toward an integrated marine governance integrating marine environment protection and fisheries. UNEP has been promoting the Ecosystem-based Management of the marine and coastal areas, also based on the marine spatial planning and its established methodologies are desgined to be implemented for West and Central African coast.

3) Proposed alternative scenario, with a brief description of expected outcomes and components of the project,

A combined governance and value chain approach can be a powerful means of delivering sustainable environmental, social and economic benefits to the countries in West Africa. Thus the project aims to support the implementation of an ecosystem approach to fisheries together with the improved application of existing international instruments (e.g. CCRF, SSF Guidelines) and standards focusing on ensuring participation, developing know-how and capacity and supporting innovative governance partnerships along the value chain, supported by effective strategies, national laws and regulations.

The activities proposed will be closely aligned to and strengthen implementation at national level of the activities identified in other GEF investments such as the CCLME and GCLME SAPs and the regional and national investments of the WARFP project in Senegal and Cabo Verde.

The following components are proposed to complement the baseline programme and address key barriers to achieve sustainale fisheries:

Component A: Improved fisheries governance and management, based on EAF and implementation of relevant international instruments, ensuring inclusion of stakeholders. This Component will assist the countries of CFI West Africa to transit towards more effective use of existing governance mechanisms and management tools, facilitating the move from planning to on the ground action, considering national and local scale constraints and opportunities working with national and local level structures, promoting participatory approaches and creating incentives for the communities to contribute to improved management, through targeted actions.

Outcome A. 1 National fisheries policy and legal frameworks provide the basis for EAF and multi sectoral planning and structures for their implementation. At the policy level, operational plans for overarching national fisheries/marine strategies will be facilitated through the project based on country's own investments, supported by awareness raising activities for fisher's of laws and regulations (environmental and fisheries) that may impact the fisheries sector, as well as analyzing options for facilitating feedback and contributions when laws are amended. Awareness raising and implementation support at national government level on international instruments such as the Code of Conduct for Responsibel Fisheries and the Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication (SFF Guidelines), will be supported to facilitate the inclusion of innovative elements as regards the inclusion of small-scale fisheries communities in the management process.

Outcome A. 2 Existing and new management plans are based on EAF, include co-management and positive incentives for responsible fishing and are conform with relevant international instruments (CCRF, SSF guidelines). This outcome specifically aims to support the project countries to develop and implement management plans consistent with an Ecosystem Approach to Fisheries (EAF) framework, with targeted actions aiming at strengthening the different institutional actors at national and local level, and bringing examples of good practices of that might have worked at a local scale and see how this can be nested in a national framework. Partnerships between fisher's and government officials with respect to knowledge generation will be supported, as well as the development of incentives to support improved management in line with EAF by all actors, evidencing environmental, economic and social benefits. In at least one of the cases the planning cycle will be linked to the regional scale, looking at national actions in support of regional actions for shared stock management. The case study approach can be scaled up to different fisheries and countries, and in line with EAF ensuring that stakeholders voices are heard. Pilot establishment and demonstration of fish refugia with participation of local fishing communities will be undertaken.

Outcome A.3 the capacity for integrated and participatory fisheries management of coastal communities and government agencies is strengthened" specifically looks at integrating the communities into the management cycle, seeking also to indentify and upscale to national level good practices within the framework of the CCRF and SSF Guidelines. Specific attention will be given to analyze how the status of fisher's can be strengthen in the context of the national fisheries context, looking at appropriate co-management schemes and how these can be nested in the national management framework (and regional in the case of shared stocks) as well as analyzing options for the development of incentives schemes and payment of environmental services to the benefit of the fishing communities.

Component B: Strengthened and transparent seafood value chain and market access regimes to benefit smallscale fishers and fish workers, in particular women. Major constraints faced by the seafood sector in the concerned CFI West Africa countries include poor infrastructure, sub-standard practices and lack of legal protection to ensure decent working conditions for fishers and fish workers. These constraints limit the possibilities for value addition, access to lucrative as

This Component will contribute to address the above constraints while ensuring that small-scale operators, in particular women who represent a major workforce and entrepreunial drive in post harvest operations, reduce post harvest losses and gain better access to lucrative markets. This should lead to improved income and livelihoods with same or lower levels of catch and ultimately contribute to reducing the pressure on fish stocks. This will be done through:

Outcome B. 1: National legal frameworks to promote best practices, product standards and decent working conditions are developed. The focal countries will be supported to develop legal frameworks that support PPPs to introduce improved infrastructure and practices, decent working conditions and environmentally sensitive fishing operations and gender mainstreaming and market driven FIP.

Outcome B.2: Value addition and diversification of selected seafood value chain with a focus on women to reduce post harvest losses through promotion of environment sensitive technologies, market insetices and **PPPS**. In selected sites, innovative environmentally sustainable practices and decent working conditions (e.g. improved fish smoking) will be introduced, adapted and successful pilots will be scaled up and disseminated. Value chain developments specifically establishing and supporting women's groups and post harvest loss reduction will be supported. Innovative governance partnerships, such as Private Public Partnershiops (PPPs) for the management of landing sites and piloting of a FIP for at least one value chain for international market will be tested in selected countries.

Outcome B.3: Access to markets by small-scale and artisanal fishers and women fish workers is stimulated. Greater market access and development by small-scale fisheries and women fish workers will be supported through enhanced organizational and managerial capacity of post harvest actors, especially women, efficient

market information systems accessible to small scale operators and successful FIP for artisanal value chain traded regionally (e.g. smoked fish).

Component C: Strategic communication, monitoring and assessment of results and upscaling of best practices to national and/or regional partners. This components aims at the development of sharing knowledge and lessons learned through targeted communication actions aimed at different audiences, such as the fishing communities, administrators or public at large as as larger diffusion of project results through a dedicated CFI WA website and the setting up of a knowledge sharing mechanism to be able to communicate results and ensure synergies with relevant RFBs (CECAF, SRFC, WCFC), LME projects (CCLME, GCLME) and others (WARFP, EAF-Nansen etc). Furthermore this component will ensure the setting up of an M& E system, allowing for close monitoring of project activities, outputs, outcomes and impacts as well as for mid-term and final evaluations, to capitalize on the experience acquired for future investments.

- Outcome C.1: Knowledge generated and results achieved communicated and shared with local, national and regional partners. Communication materials and tools, including results of stock assessment, improved practices and decent working conditions, standards, laws and regulations, studies on the environmental, social and economic benefits of different management measures, and related guidance are developed to inform coastal communities and concerned stakeholders
- Outcome C.2: Project implementation supported by progress monitoring and evaluation

4) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing;

The proposed project and its activities will build upon existing national and regional efforts in the three countries, bringing examples of good practice in terms of governance and value chain and community participation, explicitly linking local achievements with national plans and processes. The project will provide additional support to existing national and local processes to facilitate the transition of strategic and management planning processes to operational level, and combining these with the integration of local on the ground results. At the local level examples of good practices on management measures for example through WARFP in Senegal and Cape Verde will be analyzed, as well as achievements within post harvest technology development at the community level from the Nepad FAO Fish Programme (NFFP) in Côte d'Ivoire with the view to analyse how these can best contribute to national . Experience from the development of fisheries management plans following an EAF approach, building on the experiences of the EAF-Nansen project and the CCLMEwill be harnessed, and implementation supported through strengthening existing institutions and the development of stakeholder incentives and additional consultative mechansims as required..

The activities proposed are complementary and will support the implementation of the Strategic Action Programmes (SAPs) for the Guinea Current Large Marine Ecosystem (GCLME) and Canary Current Large Marine Ecosystem (CCLME) and the commitments of the participating countries to address overfishing, habitat loss and decreasing water quality; the CFI West Africa component focusing on addressing fisheries related aspects, including related habitat and pollution issues.. It will strengthen the capacity of the countries involved to contribute to regional initiatives such as the work of the regional fisheries bodies and the LME projects, providing examples of good management practices and procedures that can be scaled up to other countries in the region, to reduce stress on the environment and enhance the livelihoods of coastal communities. It will also mainstream adaptation to the effects of climate change and climate change mitigation.

5) Global environmental benefits and/or adaptation benefits

The main global environmental benefits from the proposed governance and value chain approach include a broader implementation of strategic frameworks based on internationally agreed instruments and approaches leading to more sustainable fisheries and conservation of ecosystems, reduction of threats and adverse impacts through the use of

Annex A

EAF process, application of a value chain approach and development of measures and procedures that will ensure reduction of post harvest losses, improved value addition and market access, sustainability and stakeholder buy in.

The Project will generate global benefits by leveraging community-based, national and regional efforts to sustainably utilize and process fishery resources, while reducing the threats to the environment and ensuring human benefits. The main global benefits from the application of an ecosystem approach to fisheries will be more sustainable fisheries and ecosystems- improved benefits to humans and strengthened institutions. Coupled with the focus on value chain improvements, and the role of small scale fisher's and fishing communities, the fisheries system as a whole will become more sustainable as more efficient processes and gains generated throughout the value chain will benefit those most directly concerned through technology advancements and appropriate incentives, and thus reduce the pressure on the resources and the environment. In this way the project will also contributes to LME management globally, bringing in lessons learned and strengthened capacity to contribute at a regional level.

6) Innovation, sustainability and potential for scaling up

The WA child project will foster an innovative approach integrating improved governance and a market driven approach to improve selected value chains, whereby stakeholders from the Government, the coastal communities, women operators, CSOs will embrace best practices to improve income, livelihoods, working conditions, co-management and sustainability re-warded by markets. It is expected that this combined governance and value chain approach will be a powerful mean of delivering environmental, social and economic benefits to WA. These benefits can achieved through the application and adaptation of international instruments relevant to governance and value chains, as well as standards focusing on ensuring participation, introducing best practices and governance partnerships along the value chain, supported by effective strategies, policies, regulations and market recognition and rewards.

There is a great potential for scaling up within the West Africa sub-region and beyond. This can be achieved by disseminating successful pilots into countries faced with similar challenges in West Africa, in the African SIDS and estuarian and mangrove eco-systems. This is more so because of the role of FAO and UNEP supporting other important programmes in the region and with possibilities for synergies and scaling up. These include the the WARP (WB), the CCLME (FAO/UNEP), the National Indicative program (EU), AU/IBAR, NEPAD, The Blue Growth Initiative (FAO).

A.2. Stakeholders. Will project design include the participation of relevant stakeholders from <u>civil society</u> and <u>indigenous people</u>? (yes \square /no \square) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation.

The project has taken a participatory design approach, whereby key priorities where identified and discussed at a stakeholder meeting with the participation of representatives from civil society organizations and representatives of fisher's associations. This participatory process will be continued for the development of the full size project. Key stakeholders to the project include:

At the national level:

- Participating countries through national, provincial and local fisheries government agencies;
- National and regional science/research institutions (research institutions and universities);
- Fishers and fishing communities and their organizations who depend on improved management regime as they rely on the sector for their livelihood;
- Relevant fisheries industry groups (CONXEMAR)

- Representatives of the post harvest sector that derive their livelihoods from fish processing and distribution along the value chain;
- Persons in related upstream and downstream activities who may be involved in parts of the fisheries value chain and, and who will benefit from improved science and management as well as improved value chain operations;
- Non-governmental organizations (NGOs) working on fisheries and related issues (GSSI).
- , AU-IBAR, World Fish, World Bank, NEPAD

At the regional/global level:

- Regional Fisheries Bodies (CECAF, SRFC, FCWC); and other regional organizations (e.g. Abidjan convention)
- LME projects such as CCLME and GCLME, WARFP, and other national or regional fisheries projects and programmes covering the areas of Cape Verde, Senegal and Côte D'Ivoire, including the EAF-Nansen project

A.3. Gender Considerations. Are gender considerations taken into account? (yes $\square /no \square$). If yes, briefly describe how gender considerations will be mainstreamed into project preparation, taken into account the differences, needs, roles and priorities of men and women.

Women play a major role in fisheries and their involvement is critical to the functioning of the sector. Most post harvest operations are conducted by women, who are entrepreneurs in artisanal operations (e.g. fish smoking) and marketing. The Programme will be sensitive to gender roles and targeted interventions will be used to contribute to gender equality. To this end, the Programme will integrate gender considerations in its design and implementation through:

- Gender analysis informs the planning and design of activities and interventions.
- A transparent and participatory approach to gender-equality interventions is promoted. Issues, concerns and proposed activities are discussed with communities, partners and other concerned parties.
- Gender awareness is an integral part of training and capacity-building activities.
- Information and data collected and published by the Programme are, whenever feasible, gender disaggregated and presented together with an analysis of the meaning and implications of such data.
- Success indicators for tracking progress toward agreed objectives on gender-specific measures are included in the monitoring and evaluation system.

A.4 Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

| Risk | Probability | Consequence | Mitigation |
|----------------------------------|-------------|-------------|---------------------------------------|
| Changes in decision makers, or | Medium | High | The project will work closely with |
| other events beyond the control | | | governments, to foster buy-in and |
| of the project, lead to changes | | | commitment from relevant |
| in policies and or support for | | | institutions. And through identifying |
| the objectives and activities of | | | national and local champions. |
| the project. | | | |
| Non appropriate inclusion of all | Low | High | The project mitigates this risk |
| actors | | | through planned and significant |
| | | | networking and coordination and |
| | | | collaborative activities, joint |

| | | | planning, regular meetings between the main partners and sharing of |
|---|--------|--------|---|
| | | | information and development. |
| Necessary decisions beyond national level, for example with respect to shared stock management and migration of fisherfolk | High | High | Ensure contacts with Governments and regional bodies to promote collaboration on issues beyond national control or through regional initiatives or existing processes such as CECAF, SRFC, WCFC, CCLME and GCLME. |
| Lack of interest in and involvement of public investments in fisheries sector | Medium | Medium | The project will promote public private partnerships in the context of Component 2. |
| External drivers of change impacting coastal fisheries such as climate change, extreme events and communicable diseases (e.g. ebola | Medium | High | Sound governance and management planning, as supported through the project address issues related to climate change and variability, possible impacts of extreme events and communicable diseases. |
| Gender issues not adequately addressed | Low | High | The project will ensure a gender inclusive programme delivery through the development of gender specific goals and monitoring of achievements |

A.5. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives.

The project is one of four projects under the Coastal Fisheries initiative. It will form an integral part of the overall programme by addressing key issues as regards achieving "environmental and economic benefits" from coastal fisheries in three countries in West Africa. Collaboration will be established with the three other projects as well as the overall CFI research component and the relevant work of the other GEF agencies active in the West African region.

At the national level- project activities will be coordinated with the various government programmes, national initiatives and projects at national and local level within the three countries, including the activities related to FAOs blue growth initiative, the EAF-Nansen project's baby projects in Côte d'Ivoire and Senegal (through the CCLME), and benefitting from the network and national committees set up under the CCLME project in Cabo Verde and Senegal. Close linkages will also be forges with the WARFP national projects in Senegal and Cabo Verde.

At the regional level the linkages with the relevant regional fisheries bodies such as CECAF, SRFC, FCWC and ATLAFCO will be ensured as well as with GEF supported LME projects, in particular the CCLME and GCLME projects. FAO's lead role in relation to the CCLME and as the lead for the fisheries component under the GCLME. Close linkages with other regional projects such as WARFP led by the World Bank.

At the Pan African and global level the project will be linked to policy processes such as the African Union strategy for fisheries in Africa, while maintaining close linkages to the work of AU IBAR and Nepad. Strong linkages will be forged with the EAF Nansen project to share and benefit from lessons learned with respect to the implementation of the Ecosystem Approach to Fisheries in Africa and fisheries and ecosystem knowledge generation, as well as with other FAO led activities including the Nepad FAO Fish Programme (NFFP) and SMARTFISH.

A.6. Consistency with National Priorities. Is the project consistent with the National strategies and plans or reports and assessements under relevant conventions? (yes x [/no [])). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.

The Policy Framework and the Reform Strategy for fisheries and aquaculture in Africa adopted by the Conference of Fisheries and Aquaculture Ministers (CAMFA), 2014, identified seven policy objectives including:

- Enhancing conservation and sustainable use of fisheries resources through the establishment of national, and sub-national governance and institutional arrangements that ensure the societal contribution generated by Africa's sectors have the greatest impacts at the most appropriate level
- Development of sustainable small-scale fisheries by improving and strengthening the contribution of small-scale fisheries to poverty alleviation, food and nutrition security and socio-economic benefits of fishing communities and beyond.
- Promoting responsible and equitable fish trade and marketing by significantly harnessing the benefits of Africa's fisheries and aquaculture endowments through accelerated trade and marketing
- Strengthening South-South (bilateral and regional) cooperation, and developing coordinated mechanisms among RECs, RFBs and LME-based commissions to ensure coherence of fisheries policies and aquaculture development and their adoption and adaptation

Specifically:

Cabo Verde has developed a Fisheries Policy Strategy paper and sustainable and integrated management of fishery resources in order to improve the levels of food security and living conditions of communities is one of the goals of Cabo Verde's Comprehensive Africa Agriculture Development Programme (CAADP) national agricultural investment plan (NAIP). In the NAPA, Cape Verde includes support to populations that live off the exploitation of coastal resources including artisanal fishing among its NAPA priorities. Furthermore the national Growth and Poverty Reduction Strategy Paper (GPRSP) and National Development Plan (NDP) identify fisheries as a key sector.

Senegal is supported by FAO to carry out a revision of its sector policy. A task force has been established for this and a number of stakeholder consultations have been carried out to identify main issues to be addressed.

Furthermore, the Plan Sénégal Emergent, 2014, para 307 and 308 identifies the following priorities and prerequisites

Priorities:

- Sustainable management of fisheries resources and marine habitat restoration through the development and implementation of fisheries management plans, promotion of co-management.
- increasing value addition through establishment of integrated clusters for industrial and artisanal processing and reduction of post harvest losses.

The prerequisites are:

- adapting the regulatory framework,
- landing, storage and processing infrastructures, improved marketing conditions and safety and quality of products,
- Improved access management.

In Côte d'Ivoire the Strategic plan for the development for fisheries and aquaculture highlights three main areas of work:

Axis 1: Sustainable and Responsible Management of Aquatic Resources

Key actions and measures include

Annex A

- Development and validation of a draft Law on Fisheries
- Development of fisheries management plans
- Strengthening of the surveillance of the EEZ
- Strengthening the fight against illegal fishing

Axis 2: Improving productivity and competitiveness of fisheries

Key actions and measures:

- Construction / rehabilitation of landing sites, fish markets
- Signing of new fisheries agreements with other countries
- Fishing port construction

Axis 3:Enhancing capacity of fishery stakeholders

Key actions and measures:

- Accompanying the implementation of professional organisations
- Strengthening the technical and managerial capacities of professional organizations
- Rehabilitation of basic and advanced training schools
- Strengthening capacity of the fisheries administration/agency
- Support to Fisheries Research

The proposed actions of this project is thus aligned with both regional and national policy frameworks.

A.7. Knowledge Management. Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

The Programme addresses this question in Component 3. Refer to Part II. 3 which describes the component and and foreseen outcomes.

GLOBAL COASTAL FISHERIES INITIATIVE Child Project Concept Note

PART I: PROJECT INFORMATION¹

| Project Title: | Eco-system Approach to Fisheries Managament (EAFM) in Eastern Indonesia (Fisheries Management Area (FMA) – 715, 717 & 718) |
|-----------------------------|---|
| Country(ies): | Indonesia |
| GEF Agency(ies): | World Wildlife Fund, Inc., CI |
| Other Executing Partner(s): | Ministry of Fisheries and Marine Affairs |
| GEF Focal Area(s): | IW, BD |

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²:

| Objectives/Programs (Focal Areas Integrated Approach Pilot | Trust | (in \$) | | |
|--|-------|--------------------------|--------------|--|
| Corporate Programs) | Fund | GEF Project Financing | Co-financing | |
| IW, Program 7 | GEFTF | 3,899,082 | 30,000,000 | |
| BD, Program 9 | GEFTF | 6,284,404 | 28,000,000 | |
| Total Project Cost | | 10,183,486 | 58,000,000 | |

B. CHILD PROJECT DESCRIPTION SUMMARY

Project Objective: To contribute to coastal fisheries in Indonesian Fisheries Management Areas (FMA) 715, 717 and 718 delivering sustainable environmental, social and economic benefits and demonstrate effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance and effective incentives

| Project Components | Financing | | (in | \$) |
|---------------------------|-------------------|-------------------------------------|--------------------------|--------------|
| | Type ³ | Project Outcomes | GEF Project Financing | Co-financing |
| Component A: | TA | 1. Enabling policy: National and | \$2,676,146 | \$28,571,429 |
| Implementing EAFM in | | local policy and institutional | | |
| FMA 715, 717 & 718 | | frameworks (including Fisheries | | |
| | | Management Plans – FMPs) | | |
| Objective: | | amended to enable, support, and | | |
| Improved capacity and | | implement holistic ecosystem | | |
| compliance of coastal | | approach to fisheries management | | |
| fisheries stakeholders to | | (EAFM) supports Program-level | | |
| EAFM policies and | | Output 2.1 | | |
| regulations by applying | | | | |
| relevant rights-based and | | 2. Enabling awaremess: Holistic | | |
| collaborative management | | EAFM based plans in place to | | |
| mechanisms and financial | | demonstrate the benefits of harvest | | |
| incentive schemes – | | controls and co-management - | | |
| aligned with Program | | supports Program-level Output 1.1 | | |
| Component 1 & 2 | | | | |
| | | 3. Enabling incentives: | | |
| | | Locally based financial | | |
| | | mechanisms established to | | |
| | | demonstrate coastal ecosystem | | |
| | | preservation as part of a holistic | | |

¹ This Concept Note is designed to provide preliminary information on each child project that is indicative of how it will contribute to the overall Program.

² When completing Table A, refer to the Program Results Framework, which is already mapped to the relevant <u>Focal Area Results Framework</u> in the <u>GEF-6 Programming Directions</u>.

³ Financing type can be either investment or technical assistance.

Annex A

| | | EAFM - supports Program-level Output 1.3 4. Enabling skills: Increased capacity of fishers, fish workers, and provincial and district government agencies to effectively participate implementation of | | |
|--|-----|---|-------------|--------------|
| | | holistic EAFM approaches – supports Program-level Output 2.4 | | |
| Component B: Implementing Fisheries Improvement Projects in FMA 715, 717 and 718 Objective: Successful fisheries improvement projects for small pelagic fisheries and coastal shrimp fisheries by applying Best Management Practices (BMPs) at key locations in FMA 715, 717 & 718 – aligned with Program Component 1 & 2 | INV | Improved planning and management of MPAs for cross- sectoral collaboration as part of a holistic EAFM approach through ecosystem restoration and conservation strategies and other innovative approaches - <i>supports</i> <i>Program-level Output 2.2</i> Capacity and skills of postharvest actors (both men and women) enhanced through increased business sector interest in investing in coastal fisheries management, coastal ecosystem recovery, and reduction of waste and post-harvest loss - <i>supports</i> <i>Program-level Output 1.2</i> | \$3,700,000 | \$18,095,238 |
| | | 3. Local seafood processing, benefit sharing, training policies and regulations are harmonized with national policies to support EAFM as per FMP - <i>Supports</i> <i>Program-level Output 1</i> , 3 | | |
| Component C: Implementing knowledge management, monitoring and evaluation of sustainable coastal fisheries in FMA 715, 717 and 718 Objective Successful and profitable PPPs for fisheries improvement via establishing sustainable coastal fisheries learning centres that serve as knowledge, training, and collaboration platforms - <i>aligned with Program</i> <i>Component 3</i> | ТА | Results-based performance monitoring applied to track status and inform governance and management of EAFM in WPP 715, 717 and 718 - Supports Program-level Output 3.2 Best practices and tools from harvest control and financial incentives pilots as part of a holistic approach to EAFM are documented, analysed, and shared with new PPPs - Supports Program-level Output 3.1 Improved dissemination of EAFM information for management of coastal fisheries in the respective FMAs - Supports Program-level Output 3.1 | \$3,322,412 | \$9,047,619 |

| Subtotal | \$9,698,558 | \$55,714,286 |
|--|--------------|--------------|
| Project Management Cost (PMC) ⁴ GEFTF | \$484,928 | \$2,285,714 |
| Total Project Cost | \$10,183,486 | \$58,000,000 |

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust

| Sources of Co-financing | Name of Co-financier | Type of Co- financing | Amount (\$) |
|-------------------------|--|--------------------------|-------------|
| National Government | Ministry of Fisheries and Marine Affairs | In Kind | 39,000,000 |
| | | Cash | |
| GEF Agency | WWF-US | In Kind | 3,000,000 |
| | | Cash | |
| GEF Agency | FAO | In Kind | 3,000,000 |
| | | Cash | |
| GEF Agency | CI | In Kind | 1,000,000 |
| | | Cash | |
| CSO | (TBD) | In Kind | 1,000,000 |
| | | Cash | |
| Foundation | Walton Family Foundation | In Kind | 10,000,000 |
| | | Cash | |
| Private Sector | (TBD) | In Kind | 1,000,000 |
| | | Cash | |
| Total Co-financing | | | 58,000,000 |

C. <u>CO-FINANCING</u> FOR THE PROJECT BY SOURCE, BY TYPE AND BY NAME

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS ^{a)}

| | | | | | (in \$) | | | |
|---------------------|---------------|---|-------------------------|-------------------------|------------------------------|--------------------------|------------------------------------|------------------|
| GEF Agency | Trust Fund | Country/ Regional/ Global | Focal Area | Programming of Funds | GEF Project Financing (a) | | Agency Fee (b) ^{b)} | Total (c)=a+b |
| WWF- US | GEFTF | Indonesia | International Waters | Program 7 | Overall: Minus PMC: | 3,899,082 (3.713,412) | 350,917 | 4,250,000 |
| WWF- US, CI | GEFTF | Indonesia | Biodiversity | Program 9 | Overall: Minus PMC | 6,284,404 (5,985,146) | 565,597 | 6,850,000 |
| WWF- US | GEFTF | Project Management cost | International Waters | N/A | Overall PMC: IW PMC: | 484,928 (185,671) | | |
| WWF- US, CI | GEFTF | Project Management cost ^{c)} | Biodiversity | N/A | Overall PMC: BD PMC: | 484,928 (299,257) | | |
| Total GEF Resources | | | | | | 10,183,486 | 916,514 | 11,100,000 |

a) No need to fill this table if it is a single Agency, single Trust Fund, single focal area and single country project.

⁴ For GEF Project Financing up to \$2 million, PMC could be up to10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

- b) Refer to the Fee Policy for GEF Partner Agencies.
- c) If Multi-Trust Fund project :PMC in this table should be the total amount; enter trust fund PMC breakdown here (N/A)

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes X No \square If no, skip this table.

A PPG of \$300,000 will be requested, inclusive of PPG GEF Agency Fees. The total amount of GEF Trust Fund resources requested for the project is \$11,400,000.00.

PART II: PROJECT JUSTIFICATION

PROJECT OVERVIEW

A.1. PROJECT DESCRIPTION. BRIEFLY DESCRIBE: 1) THE GLOBAL ENVIRONMENTAL AND/OR ADAPTATION PROBLEMS, ROOT CAUSES AND BARRIERS THAT NEED TO BE ADDRESSED; 2) THE BASELINE SCENARIO OR ANY ASSOCIATED BASELINE PROJECTS, 3) THE PROPOSED ALTERNATIVE SCENARIO, WITH A BRIEF DESCRIPTION OF EXPECTED OUTCOMES AND COMPONENTS OF THE PROJECT, 4) INCREMENTAL/ADDITIONAL COST REASONING AND EXPECTED CONTRIBUTIONS FROM THE BASELINE, THE GEFTF, LDCF, SCCF, AND CO-FINANCING; 5) GLOBAL ENVIRONMENTAL BENEFITS (GEFTF) AND/OR ADAPTATION BENEFITS (LDCF/SCCF); AND 6) INNOVATION, SUSTAINABILITY AND POTENTIAL FOR SCALING UP.

Indonesia, which sits at the heart of one of the most diverse marine regions in the world - the Coral Triangle - is one of the world's most important countries for fisheries production, both by volume and the very high importance of this activity for livelihoods and nutrition. About 62% of the Indonesian territory is water and the nation hosts nearly 13,500 islands. As the largest archipelagic country in the world, it relies on finite ocean resources that are essential to providing food and jobs for millions of people and that depend on healthy and diverse coastal and marine ecosystems.

Despite their economic and social significance, the long-term value – both in terms of fisheries and other ecosystem services – of coastal and marine ecosystems are not yet widely considered in private sector investments and in economic development plans of other sectors and government departments in Indonesia. Aside from the relatively limited national budget of the Ministry of Fisheries and Marine Affairs and the Forest and Conservation Ministry, not much investment is directed by other ministries to secure the productivity of critical habitats. Unfortunately, allocation of provincial and district government budgets is not much aligned yet to support the responsibility of the nation to preserve its high marine diversity and seafood productivity.

Perhaps one explanation of this, can be found in, the current global political climate, which appears to urge nations and private sector to invest for fast economic growth, and while the Indonesian national policy framework has been established for sustainable development, implementation of this may face growing difficulty at the local level as local governments must balance decisions to support short-term benefits for their present day constituencies with the need to invest in long-term sustainability for future generations.

Indonesia's Ministry of Marine Affairs and Fisheries (MMAF) has acknowledged that this situation must be addressed urgently if Indonesia's marine places are going to be able to provide for future generations, to sustain the broader Asia Pacific regional socio-economic stability and indeed the health of our planet. To achieve this, MMAF has adopted and adjusted a Blue Economy concept and has initiated some early public private partnerships with like-minded parties. As this project is further designed, the focus will be on accelerating and magnifying outcomes on these issues.

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF upto \$1 mil; \$100k for PF up to \$3 mil; \$150k for PF up to \$6 mil; \$200k for PF up to \$10 mil; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.
Annex A

Through the overall CFI Program, this project will contribute to the sustainable development of Indonesia's coastal regions by delivering sustainable environmental, social and economic benefits and demonstrate effective, integrated, sustainable and replicable models of coastal fisheries management characterized by good governance and effective incentives. This project supports the federal and local governments with innovative strategies in their implementation of management plans for these areas.

Fisheries Management Areas (FMA) 715, 717 and 718 in eastern Indonesia have been selected for this project by the Indonesian Government and WWF. Two of these areas border on international waters and on Exclusive Economic Zones of other fishing nations and host critical habitat for the high-value tuna and shrimp fisheries both within Indonesian waters and in neighboring countries and all areas are significant for small scale pelagic fisheries and reef fisheries Over 75 percent of coastal households in these areas are rely on fishing for their primary or secondary source of protein and the majority of coastal households are categorized as food "insecure".

Although foundational investments have been made to develop a network of co-managed MPAs that serve both biodiversity conservation and local fisheries restoration purposes, these large areas have not yet received much support to apply an ecosystem approach to coastal fisheries management and have not yet benefitted from engaging the private sector to improve stewardship and sustainable practices through coastal fisheries supply chains.

Through a selection of pilot projects, new partnerships will demonstrate how a more integrated, collaborative and ecosystem-based approach to coastal fisheries management can achieve faster and longer-lasting impact on the ground. Around the demonstration projects, enabling conditions will be created for lasting impact that include legislation and policy, awareness knowledge and capacity and incentive mechanisms, including long-term sustainable finaning. The project will explicitly provide a learning, monitoring and sharing basis for replication in other areas in Indonesia, the Asia Pacific region and the world.

The project will contribute significantly to the objective of the global Coastal Fisheries Initiative program: To demonstrate holistic ecosystem based management and improved governance of coastal fisheries. Specifically, the project will meet CFI Program-level outcomes, including:

- a) Institutional structures and processes have been improved at local, national and regional levels allowing for enhanced resource co-management with a focus on secure tenure and access rights within EAF and HRBA context;
- b) The fisheries value chain has been strengthened through improved transparency and efficiency and contributes to sustainable resource utilization and equitable social and economic development.
- c) The understanding and application of integrated, participatory and collaborative approaches has been enhanced among local and global development partners who utilize agreed tools for measuring coastal fisheries performance and progress towards environmental, economic and social sustainability

There is significant interest in fisheries work in Indonesia currently, and new political opportunities, which are creating the momentum and optimism needed to achieve change.

The Government of Indonesia, in this case the Ministry of Maritime Affairs and Fisheries as an institution responsible for fisheries management, is working to formulate, activate and implement fisheries policy and development strategies to ensure the contribution of a healthy and nutritious food supply for the people of Indonesia. MMAF has, during the last years, expanded its number of staff and engaged in multiple capacity development programs. The ministry's priorities are focused on food security and nutrition; social support programs for small scales fishers; the ecosystem approach to fisheries; sustainability of marine resources – increase effective management for MPA and fisheries restoration areas; human resource development; and science of marine fisheries.

Fisheries Management Plans (FMPs) have been drafted for all selected Fisheries Management Areas, following an extensive process of status assessment and stakeholder consultation led by the government and facilitated by WWF.

The management plans were designed to support sustainable fishing for the welfare of fishing communities Indonesia in general and coastal communities in particular.

FMA 715 in summary from 2012 data

There are 52 landing sites in this FMA. The landings see a majority of the capture fisheries harvest from small pelagics (379.4 thousand tons/yr) followed by large pelagics with 106.5 thousand tons/yr, and demersals at 88.8 thousand tons/yr. Reef fish make up 12.5 thousand tons/yr and shrimp xx thousand tons/yr and lobster (3 thousand tons/yr) are also recorded. Statistics from 2012 estimate a total of 273,000 fishers in this area. Together these groups make up 98.6% of total landings. This area has 48 279 vessels >30GT registered to operate. The three dominant fishing gears are different types of hook and line gears, some types of gillnets and various types of trawl and seine nets. Some of the small pelagics and demersals are considered moderately fished, groupers and snappers are fully exploited, and big-eye tuna and shrimp are considered over-exploited.

There is a lot more detail available on the different fish species groups captured and the various types of fishing gears utilized. The various stakeholders to the fishery have also been identified. The management plan clearly identifies the need to integrate marine protected areas with fisheries management. FMA 715 has 8 existing MPAs in different categories of different sizes. To support the effective implementation of the management of fisheries in this FMA 715 an inventory of various issues associated with fish resources and the environment, socio-economic and governance was made with various stakeholders and management priorities were identified for the next 5 years:

- A. "Achieve management of fish resources and their habitats in a sustainable manner". To achieve this, the government prioritised actions as follows :
 - Provision and training in the use of selective fishing gear and environmentally friendly alternative fishing using destructive fishing in 50% of locations fishing activities that are not environmentally friendly, as well as law enforcement against illegal fishing was increased by 30%;
 - Make arrangements utilization consumption of reef fish, demersal fish, and small pelagic fish and encourage their implementation in pilot sites for each type of commodity; and
 - Coordinate licensing between national government and local government in FMA 715 to ensure maximum number of fishing vessels.
- B. "The growing economic and social benefits of sustainable fisheries". To achieve this, the government prioritised actions as follows :
 - Create a collective agreement (MoU) between the local government on fishing with fishing destination and on governance;
 - Implementation of fisheries management coordination meetings with all stakeholders to make sure to attend and express their opinions every year, as well as incorporate collaborative management scheme.
- C. "Increased active participation and compliance stakeholders through collaborative management ". To achieve this, the government prioritised actions as follows :
 - Establish a Working Group as Secretariat manager for FMA 715;
 - Increasing integration of Supervision for management of fish resources in FMA715; and
 - Law enforcement against FADs installation not in accordance with the legislation in FMA 715.

FMA 717 in summary from 2012 data

There are 8 landing sites in this FMA. The landings see a majority of the capture fisheries harvest from small pelagics (153,9 thousand tons/yr) followed by large pelagics with 105,2 thousand tons/yr, and demersals at 30,2 thousand tons/yr. Reef fish make up 8.0 thousand tons/yr and shrimp 1,4 thousand tons/yr. Squid (0.3 thousand tons/yr) and lobster (0,2 thousand tons/yr) are also recorded. Statistics from 2011 estimate a total of 82,000 fishers in this FMA. Main fishing gears are various hook and line (23,039 units), purse seine (7,710 units), other gear mostly spears (4,358 units), beach seines (950 units), other seine nets mostly for shrimp (922 units). No traps were recorded.

Small pelagics and demersals are considered moderately fished, large pelagics are qualified over-exploited for bigeye tuna and albacore and shrimp are also considered over-exploited.

There is a lot more detail available on the different fish species groups captured and the various types of fishing gears utilized. The various stakeholders to the fishery have also been identified.

The management plan clearly identifies the need to integrate marine protected areas with fisheries management. FMA 717 has a number of existing MPAs (different categories) with 12 in West Papua province covering 3,6 million hectares (Cendrawasih, Jamursbamedi, 7 in Raja Ampat, Kaimana) and Papua province hosts the Padaido islands MPA.

To support the effective implementation of the management of small pelagic fish and demersal fish in this FMA 717 an inventory of various issues associated with fish resources and the environment, socio-economic and governance was made with various stakeholders and management priorities were identified for the next 5 years:

- A. "Management of fish resources habitat in a sustainable manner". To achieve this, the government prioritised actions as follows :
 - Coordinated licensing of fishing in FMA 717; and
 - Increased compliance of fishermen and businesses that obtain permission fishing in the fishing logbook fill in FMA 717 by 20%.
- B. "Increasing economic benefits from fisheries to ensure sustainable employment opportunities and poverty reduction". To realize this, the government prioritised actions as follows :
 - Increased application of the values and practices of local wisdom in fisheries management in FMA 717 ; and
 - A reduced number of poor fishermen of 50% of the current conditions .
- C. "Increasing the active participation and compliance stakeholders in order to combat IUU Fishing". To realize this, the government prioritised actions as follows:
 - Increase the number of patrols in FMA 717 by 10%; and
 - Implement fishing vessel licensing information systems .

FMA 718 in summary from 2012 data

There are 6 major fishing harbors in this FMA. The landings see a majority of the capture fisheries harvest from small pelagics (468,7 thousand tons/yr) followed by demersals with 284,7 thousand tons/yr and large pelagics with 50,9 thousand tons/yr. Shrimp make up 44,7 thousand tons/yr and reef fish 3,1 thousand tons/yr. Squid (3,4 thousand tons/yr) and lobster (0,1 thousand tons/yr) are also recorded. Statistics from 2011 estimate a total of 273,000 fisheries in this FMA. Fisheries gears used are reported from the licencies provided in 2013 to operations larger than 30 GT (total of 1009 units). Main fishing gears used by those scale fisheries operations are trawl nets in the arafura seas (480 units) oceanic drift gillnet (150 units), bottom longline (132 units) and shrimp nets (110 units). Then there are various hook and line gears such as for squid (102 units) and handlines (15 units) and pole and line (1 unit), purse seine (4 units), other gear mostly spears (units), beach seines (1 units). No traps were recorded. Small pelagics and demersals are considered moderately fished, demersals are qualified over-exploited with a lot of detail for specific sub-groups and shrimp are qualified as fully-exploited. A lot of other fish are known to be caught in the gears targeting shrimp.

There is a lot more detail available on the different fish species groups captured and the various types of fishing gears utilized. The various stakeholders to the fishery have also been identified.

The management plan clearly identifies the need to integrate marine protected areas with fisheries management. FMA 718 has a number of existing MPAs in different categories.

To support the effective implementation of the management of small pelagic fish and demersal fish in FMA 718 an inventory of various issues associated with fish resources and the environment, socio-economic and governance was made with various stakeholders and management priorities were identified for the next 2-3 years"

- A. "Management of fish resources habitat in a sustainable manner" To realize this the government prioritised actions as follows:
 - Achieving the rationalization of the number of days catching shrimp and fish with the status of demersal stocks in 3 years;
 - Maintaining the continuity of the shrimp stock breeders/spawner about 20% of the estimated catches of February each year;
 - Increased use of bycatch compliance Reduction Device (BRD) in shrimp fishery as much as 25% in 3 years;
 - Achievement of stakeholder participation in three locations in sharing of data and information biological indicators, the environment and the efforts of shrimp and demersal fisheries in FMA 718 in 2 years;
 - Increasing the number of enumerators and data analyst for scientific data at least 50 people in 2 years;
 - Reduced rate of mangrove destruction of 10% of the rate of decay this time in 3 years;
 - The reduced rate of destruction of coral reefs and seagrass beds of 10% of the current decay rate in 3 years.
- B. "Increasing economic benefits from fisheries to ensure sustainable employment opportunities and reduction poverty" To realize this the government prioritised actions as follows :
 - The reduced number of foreign nationals crew on trawlers 30 GT-sized fish up to 1,000 people (only skipper and KKM) within a period of 2 (two) years;
 - revalidation 100% data of fish and shrimp fishing fleet demersal, the data of the catch, data on the number of fishermen and revenue for the implementation of better fisheries management within 2 years;
 - Increasing the minimum fishing income equivalent to the formal minimum level in Province of Maluku, Papua and West Papua in the period of 3 years;
 - Increased utility fish processing units to a minimum of 80% in 2 (two) years.
- C. "Increasing the active participation and compliance stakeholders interests in order to combat IUU fishing activities " To realize this the government prioritised actions as follows:
 - Establishment of institutional management within FMA 718 in (two) years;
 - The reduced number of vessels that carry out illegal fishing activities (including vessel <30GT) as much as 30% within 4 years;
 - Elimination of the operation of the pair trawl fishing without correct licence and / or the use of trawl fishing but using the pair trawl fishing within 2 (two) years;
 - Declining indications of illegal transshipment activities by 30% in period of 4 years;
 - Decreased indication of illegal fishing activities in territorial waters by vessel size> 30GT by 30% within 4 years;
 - Plugging 100% transmitter on fishing vessels (1,012 boats) in 2015;
 - Increasing the number of patrol days to 180 days per vessel patrols per year in 2015;
 - Increased active participation of relevant agencies in joint operations combating IUU fishing as much as two (2) times a year;
 - Increased coordination meetings with the fishing industry and community in the fight against IUU fishing into 2 (two) times in year.
 - Achieving optimal distribution of fishing effort in licensing in the central, provincial and district within 2 (two) years.

The baseline of this project is composed of the work that is already being planned and partially underway by the government, WWF and other parties. For these areas this includes:

- Associated biodiversity conservation projects to increase MPA management effectiveness by Indonesian government and WWF and CI in WPP 717,
- Endangered species conservation work by WWF in WPP 717,
- Large Scale Ecosystem Management work by FAO and UNDP in WPP 718, and
- Addressing IUU fisheries by the Indonesian Government in WPP 718.

Proposed alternative scenario, with a brief description of expected outcomes and components of the project,

The following components are proposed to complement the baseline program and address key barriers to achieve sustainable coastal fisheries.

Component A: Implementing EAFM in FMA 715, 717 & 718. *Objective: Improved capacity and compliance of coastal fisheries stakeholders to EAFM policies and regulations by applying relevant right-based and collaborative management mechanism and financial incentive schemes*

Fisheries management plans have been drafted for all FMAs following an extensive process of status assessment and stakeholder consultation. The purpose of the assessments for FMA 715, 717 and 718 is to provide direction and guidance for the Government and local government in the implementation of management of fish resources in these Fisheries Management Areas. When formalized, Fisheries Management Plans 715, 717 and 718 intend to support the policy of management of fish resources in these large management areas as set out in Article 7 paragraph (1) letter a of Law No. 31 of 2004 on Fisheries as amended by Act No. 45 of 2009. Currently, the Management Plan for 718 has been approved with KEPNEM54-2014 while 715 and 717 await Ministerial approval.

This component will assist Indonesia to transit towards more effective use of governance mechanisms and management tools, facilitating the move from planning of the Fisheries strategies in 3 important fisheries management areas to on the ground action, considering national and local scale constraints and opportunities working with national and local level structures, promoting participatory approaches and creating incentives for the communities and private sector in other parts of the fisheries supply chain to contribute to improved management.

Outcome A.1. Enabling policy: National and local institutional and regulatory framework (including Fisheries Management Plans - FMPs) is conducive to EAFM implementation.

This outcome, through multi-stakeholder consultation, will allow for setting of detailed targets for achieving sustainable coastal fisheries in each FMA that includes details on harvest control rules (such as gear restrictions, fishing effort restrictions or catch quota), details on type and size of fishing activities and on type size and location of critical ecosystems protected and details that include acknowledgement of relevant informal and traditional collaborative management schemes.

Outcome A.2. Enabling awaremess: The benefits of harvest controls and co-management are acknowledged. This outcome will increase the understanding needed to improve acceptance of harvest control rules by different parties to the coastal fisheries and it will improve effective collaboration of multiple stakeholders and actors to the coastal fisheries in the selected FMAs around existing traditional and informal governance schemes.

Outcome A.3. Enabling incentives: Financial mechanisms exist and have been demonstrated for coastal ecosystem preservation.

This outcome will trial some finance mechanisms that have been developed for other sectors in Indonesia such as the forestry sector and show their relevance and applicability for coastal ecosystem preservation that will support productive coastal fisheries. This outcome will further develop collaborative funding agreements between regency, provincial and national governments, the private sector, and resource users to support effective MPA co-management and coastal resource management.

Outcome A.4. Enabling skills: Increased capacity for provincial and district government agencies to support implementation of EAFM.

This outcome outcome specifically aims to support the relevant local and provincial government agencies to implement key aspects of the management plans consistent with targeted actions aiming at strengthening the different actors at FMA level, and bringing experience of the demonstration projects on post-harvest losses and harvest control tules that are implemented at a local fishery scale and see how this can be nested in their provincial framework.

Component B: Implementing Fisheries Improvement Projects in FMA 715, 717 and 718. *Objective:*

Successful fisheries improvement projects for small pelagic fisheries and coastal shrimp fisheries by applying Best Management Practices (BMPs) at key locations in FMA 715, 717 & 718

The Government of Indonesia - supported by some NGOs - is expanding the engagement of private sector in fisheries management and together with private sector they are considering the value of market-based incentives for fisheries transformation towards sustainable practices. Early lessons from application of market-driven approaches such as seafood certification programs indicate that such incentives alone will not be sufficient to safeguard marine ecosystems and the livelihoods of the communities that depend on them.

A conservative assessment by experts from WWF – the global environmental organisation - indicates that perhaps only 20% of the world's capture fisheries could comply with certification standards such as those of the Marine Stewardship Council (MSC) and benefit from recognition in markets that regard sustainable products. The other 80% of the fisheries, much of which is currently categorised as Illegal, Unreported, or Unregulated (IUU) fisheries, face too many challenges to comply with certification standards, or is selling into markets that are less interested in the environmental sustainability aspects of their seafood. Other approaches need to be considered for those 80%, and Fisheries Improvement Projects (FIPs) can provide a step-wise approach where market-driven incentives support better managed fisheries.

In Indonesia, market-incentives have already enabled some improvements of practices in some fisheries, but this has not reduced overfishing, nor contributed to protecting the productivity of the eco-systems critical to fish stocks for their feeding and breeding. Despite progress over the past 6-8 years when some private sector players started applying less damaging fishing gears and recording their catches, the seafood industry does not yet co-invest in sustaining the foundation to their business, the natural eco-systems and fish stocks.

Fisheries management strategies that incorporate market incentives indeed can provide some added value to transforming unsustainable fisheries in Indonesia. There are key strengths to the approaches where seafood buyers provided incentives to fishers that resulted in adoption of gear modifications to reduce by-catch of sea turtles and reduction of wasteful practices in coastal fisheries. However, the intended impact of these recent successes on the sustainability of the fish stocks is not yet evident.

Sustainable productive fish stocks will only be achieved if all actors in a fishery take into account ecological criteria relevant to the fish stock and when the required management measures are truly adhered to by all actors in that fishery. To support this, the private sector must increase its investment in the very foundation to their business, explicitly to ensure and restore the health of the eco-system that produces fish as well as to restore fish stocks that are already overfished. Also, there is need to think about specific and immediate benefits from market-incentives all the way to the fishing enterprises and communities.

This component will address many of the weaknesses described here.

Outcome B. 1. Improved design of ecosystem restoration and conservation strategies leads to enhanced and sustainable coastal fisheries performance.

This outcome will address some of the weaknesses related to the productivity of the coastal fisheries eco-system and works to integrate MPAs with fisheries managment. Specifically, it will contribute to the sustainable financing of West Papua's MPA netwok in FMA 715 and 717, which has been designed for ecosystem restoration, conservation,

and local fisheries management. It will provide a model for co-management of coastal fisheries resources that reinforces traditional tenure and rights based approaches, as well as a regional model for financial sustainability.

Outcome B. 2. Increased business sector interest in investing in coastal fisheries management and coastal ecosystem recovery and reduction of waste and post-harvest loss.

This outcome will address gaps in investment by the private sector in the sustainability of their business through the supply chain of a coastal fishery.

Outcome B.3. Local seafood processing and benefit sharing and training policies and regulations are harmonized with national policies to support EAFM as per FMP.

This outcome will demonstrate how national policy and local legislation related to good practices and other related EAFM regulations are integrated throughout a seafood supply chain.

Component C: Implementing sustainable coastal fisheries learning centres in FMA 715, 717 and 718.

Objective: Successful and profitable PPPs for fisheries improvement via establishing sustainable coastal fisheries learning centres that serve as knowledge, training, and collaboration platforms

This components aims at the sharing of knowledge and lessons learned through targeted communication actions aimed at different audiences, such as the fishing communities, private sector, academia, administrators or public at large as as larger diffusion of project results through a dedicated CFI Indonesia website and the setting up of a knowledge sharing mechanism that builds upon existing mechanisms and structures for the FMAs. Furthermore this component will ensure the setting up of an M& E system, allowing for close monitoring of project activities, outputs, outcomes and impacts as well as for mid-term and final evaluations, to capitalize on the experience acquired for future investments.

Outcome C. 1. Improved monitoring of the status of EAFM in FMA 715, 717 and 718. Baseline values have been established for each FMA, and this project will allow measuring of improvement against critical bassline values relevant to selected coastal fisheries.

Outcome C. 2. New PPPs are informed by lessons from harvest control and financial incentives pilots. This outcome, through physical learning centres (one in each FMA)- will support better understanding, developing of more knowledge and skills for adaptive management and effective collaboration between parties in developing public private partnerships for sustainabel coastal fisheries.

Outcome C.3. Improved dissemination of EAFM information for management of coastal fisheries in the respective FMAs.

<u>Global environmental benefits</u> (GEFTF)

Considering Indonesia's high levels of marine diversity, primary productivity and fisheries activity, the map of the Indonesian throughflow illustrates the global relevance of Indonesia's coastal fisheries and coastal critical habitats. Good governance and proper fisheries management in Indonesia will have a positive effect not only the state of the country's own marine biodiversity, economy, food security and livelihoods but also those of the broader region where some of the world's most important fisheries occur.

Annex A



Global environmental benefits in the Biodiversity focal area include:

- Conservation of globally significant biodiversity and reduction of threats on endangered species from incidental catch and interaction with fisheries;
- Sustainable use and restoration of the components of globally significant biodiversity; and
- Fair and equitable sharing of the benefits arising from the utilization of coastal fisheries resources, including by appropriate access.

Global Environmental Benefits in the International Waters focal area include:

- Restored and sustained coastal and marine ecosystems goods and services, including globally relevant biodiversity and ecosystems as well as capacity to absorb carbon to reduce global warming; and
- Reduced vulnerability to climate variability and climate-related risks, and increased ecosystem resilience through sharing lessons and scaling up successes through multi-state cooperation via CTI-CFF, WCPFC, ASEAN, ATSEA, and other multi-lateral international collaborative platforms, conventions and agreements.

The project will help the CFI Program achieve Global Environment Benefits target contributions of: a) at least 3 million hectaresof coastal marine areas with EEZs under sustainable fisheries management regimes, and; b) at least 8 percent of fisheries, by volume, moved to more sustainable levels.

Innovation, sustainability and potential for scaling up.

This project is one of the first to foster multi-stakeholder collaboration and innovative incentives for the implementation of the fisheries management plans for these geographies. New partnerships and incentives will be created that demonstrate the value of integrated ecosystem-based fisheries management. Progress on these new approaches will be immediately relevant for improved coastal fisheries in other parts of Indonesia and the project strives to create policy and legislation that will ensure sustainability of the investments.

This projects investment in the sustainable financing of West Papua's MPA network, within FMA 715 and 717, and its work to pilot new multi-sector funding agreements will provide a critical model for sustainable financing of MPA networks and coastal management for Indonesia and the region. With current government investments limited, these innovative funding arrangements will be vital to secure sufficient resources for effective coastal fisheries management across the country.

There is a large potential to scale up as a great deal of international attention is currently placed on Indonesia's solid investments in capacity for marine and fisheries governance, and the openness for collaborative management approaches. Governments in the region and the world have acknowledged Indonesia's adoption and subsequent leadership in driving a blue economy approach to sustainable development in the coastal area. Several US-foundations have reviewed their strategies for coastal management and coastal fisheries reform and are aligning their support behind Indonesia's sustainable coastal fisheries aspirations.

Looking ahead, international conventions such as the UN Post-2015 framework for Sustainable Development, The Convention of Biological Diversity and international collaborative platforms such as the Global Partnership for Oceans, the Coral Triangle Initiative for Coral reefs, Food Security and Fisheries and the more recently initiated voluntary collaboration for Blue Economy and Blue Growth, provide current opportunities for Indonesia to convert the hard work of MMAF of the past years into major advances for its national goals and at the same time contribute to globally significant targets.

Because the early project lessons and successes will be immediately relevant for sharing and scaling up impact of this project through such platforms as the CFI Program's Global Partnership and IW:LEARN, allowing magnification of the project to be impactful both in the region and globally.

<u>Incremental</u> cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and <u>co-financing</u>:

This project will bring innovative strategies to the implementation of fisheries management plans for key coastal fisheries particularly on the following areas:

- collaborative methods in fisheries management and eco-system stewardship,
- collaborative establishment of different harvest control rules,
- engagement of private sector along with their investments in public partnerships and
- co-investing by communities, private sector and investors in the restoration and preservation of productive fisheries eco-systems
- securing sustainable financing for co-managed MPA networks designed for conservation and fisheries outcomes.
- supply chain reform
- provision of innovative incentives for more integrated coastal fisheries reform.

With these innovative strategies, the project will fill gaps in the operationalization of the Fisheries Management Plans, and particularly leverage private sector engagement and initiate additional and new investment. The project will improve monitoring of the status of the coastal fisheries against the government target and benefit from contributions and lessons in the other child projects in the CFI. Applying these innovations to the two large and trans-boundary Fisheries Management Areas will scale-up the capacity of government, private sector and supporting expert organizations for more accelerated change in coastal fisheries in other parts of Indonesia and the Asia Pacific region.

A.2. *Stakeholders*. Will project design include the participation of relevant stakeholders from civil society and indigenous people? (yes [n]/no[n]) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation:

A.3. Gender Considerations. Are gender considerations taken into account? (yes \square /no \square). If yes, briefly describe how gender considerations will be mainstreamed into project preparation, taken into account the differences, needs, roles and priorities of men and women.

A.4 Risk. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable):

A.5. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives:

DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 IS THE PROJECT CONSISTENT WITH THE NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSEMENTS UNDER RELEVANT CONVENTIONS? (YES //NO). IF YES, WHICH ONES AND HOW: NAPAS, NAPS, ASGM NAPS, MIAS, NBSAPS, NCS, TNAS, NCSAS, NIPS, PRSPS, NPFE, BURS, ETC.:

Consistency with National Priorities. Is the project consistent with the National strategies and plans or reports and assessements under relevant conventions? (yes X /no). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.

Since the statement by the President of the Republic of Indonesia in the Plenary Session of the UN Conference on Sustainable Development in Rio de Janeiro, 2012, Indonesia established a policy based on the principles of Blue Economy. According to the government, this aims to promote integrated ocean governance that meets the need of the present without compromising the ability of future generations to meet their needs by balancing economic growth, social equity, and environmental protection. Additionally, recent regulations that have been formalized that have (temporarily) relevance for this proposal include:

- Ministerial Regulation 2 of 2015 prohibits trawls ("pukat tarik") and seine nets ("pukat hela") in *all* of Indonesia's fishery management areas (WPPs).
- Ministerial Regulation 4 of 2015 prohibits fishing in breeding grounds and spawning grounds within WPP 714 (the Banda Sea fishery management area, stretching from East Sulawesi to the Kei islands). There is a map attached to the regulation, which suggests that the regulation pertains to part of the Banda Sea, for October December, and for one single species (yellow-fin tuna). Moreover, article 3specifies that licenses that were already issued for WPP 714 remain valid until they expire.
- Ministerial Regulation 56 of 2014 temporarily suspends issuance of fishing licenses (fish capture licenses or SIPI, fish company licenses or SIUP, fish transport licenses or SIKPI) for all of Indonesia's WPPs. This regulation only pertains to vessels that were constructed abroad (e.g. the ex-Taiwan long-liners operating from Benoa, the ex-Australia and ex-Thailand trawlers operating in the Arafura Sea, etc.), but this still represents a substantial part of the fleet. Expired licenses will not be renewed or extended. This regulation only stays in effect until April 30 2015.
- Ministerial regulation 59 of 2014 prohibits export (but not necessarily capture) of oceanic whitetip shark and hammerhead sharks from Indonesia.
- Ministerial Regulation 1 of 2015 outlaws capture of pregnant ("berried", or egg-carrying) lobster (*Panulirus spp*, spiny lobsters), crab (*Scylla spp*, crabs including mud crab), and blue swimming crab (*Portunus pelagicus*). It also puts into effect a minimum legal sizes for the three groups: Minimum carapace length for lobster is 8 cm, minimum carapace width for crabs is 15 cm, and minimum carapace width for blue swimming crab of 10 cm. Pregnant or undersized lobsters and crabs must be released if still alive; if dead, the fisher must report the catch to the authorities.
- Ministerial Regulation 57 of 2014, on prohibition of transshipment at sea.

GLOBAL COASTAL FISHERIES INITIATIVE Child Project Concept Note

PART I: PROJECT INFORMATION¹

| Project Title: | Coastal Fisheries Initiative (CFI): Challenge Fund (CF) |
|-----------------------------|---|
| Country(ies): | Global |
| GEF Agency(ies): | World Bank |
| Other Executing Partner(s): | Conservation International |
| GEF Focal Area(s): | IW |

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²:

| Objectives/Programs (Focal Areas Integrated Approach Pilot | Trust | (in \$) | |
|--|-------|-------------|---------------------|
| Corporate Programs) | | GEF Project | Co-financing |
| | | Financing | |
| IW, Program 7 | GEFTF | 7,873,394 | 43,500,000 |
| Total Project Cost | | 7,873,394 | 43,500,000 |

B. CHILD PROJECT DESCRIPTION SUMMARY

Project Objective: Leveraging the three CFI regional projects and private sector interests³ in each region, the CF will catalyze private sector contribution for improved Exclusive Economic Zone (EEZ) fisheries and ecosystem-based management performance⁴ with a particular focus on secure tenure, access, and allocation of benefits.

| Project | Financing | ancing | | (\$) |
|---|-------------------|---|--------------------------|--------------|
| Components | Type ⁵ | Project Outcomes ⁶ | GEF Project Financing | Co-financing |
| CF Facility: Analytical and Advisory Support | ΤΑ | National policy, legal and institutional frameworks amended to enable, support, and implement effective and holistic fisheries management including, as appropriate, co- management, innovative or improved secure tenure and access rights regimes, and improved processes and standards in the postharvest subsector. Regional collaboration for sustainability and equitable livelihoods strengthened. Performance evaluation system developed and applied, informing fisheries governance and management. | 600,000 | 3,000,000 |
| CF Facility: Grants | Inv | Management plans and processes in place based on Ecosystem Approach to Fisheries Management (EAFM), including demonstration of co-management and innovative or improved secure tenure and access rights regimes, as appropriate. Capacity and skills of postharvest actors (both men and women) enhanced, leading to improved value chain efficiency, product quality and working conditions (business skills, improved technologies, market access, etc). | 6,000,000 | 35,428,571 |

¹ This Concept Note is intended to convey whatever preliminary information exists at this stage on a child project and that is indicative of how it will contribute to the overall Program.

4 To be assessed using the Fisheries Performance Indicators (FPI), and targeting the three CFI outcome areas (Fig. 1 below).

5 Financing type can be either investment or technical assistance.

6 Project outcomes established at CFI-wide level.

² When completing Table A, refer to the Program Results Framework, which is already mapped to the relevant *Focal Area Results Framework* in the *GEF-6 Programming Directions*.

³ The project defines private sector as any fisher, fisher community or group, or firm that fishes for commercial gain; it excludes subsistence fishers.

Annex A

| CF Facility: Selection, Supervision, M&E | | 3. Locally based market incentives – e.g., Fisheries Improvement Projects (FIPs) and 'recognition schemes' including decent work and gender considerations ⁷ – and successful PPPs are implemented | 500,000 | 500,000 |
|---|----|--|-----------|------------|
| CF Facility: South-South Knowledge Sharing and Learning (KSL) | ΤΑ | 1 Best practices and tools for environmentally, economically and socially sustainable fisheries documented, analyzed, and shared. | 398,470 | 2,500,000 |
| | | Subtotal | 7,498,470 | 41,428,571 |
| | | Project Management Cost (PMC) ⁸ GEFTF | 374,924 | 2,071,429 |
| | | Total Project Cost | 7,873,394 | 43,500,000 |

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust

C. <u>CO-FINANCING</u> FOR THE PROJECT BY SOURCE, BY TYPE AND BY NAME

| Sources of Co- financing | Name of Co-financier | Type of Co- financing | Amount (\$) |
|-----------------------------|----------------------|--------------------------|-------------|
| GEF Agency | World Bank | In Kind, | 28,000,000 |
| | | IBRD/IDA | |
| Private Sector Grant | Multiple parties | | 12,000,000 |
| beneficiaries | | Cash | |
| CSO beneficiaries | Multiple parties | In Kind, | 1,500,000 |
| | | Cash | |
| Donor Agency | tbc | Cash | 2,000,000 |
| Total Co-financing | | | 43,500,000 |

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS ^{a)}

| | | | | (in \$) | | | |
|---------------------|---------------|---------------------------------|------------|-------------------------|------------------------------------|------------------------------------|------------------|
| GEF Agency | Trust Fund | Country/ Regional/ Global | Focal Area | Programming of Funds | GEF Project Financing (a) | Agency Fee (b) ^{b)} | Total (c)=a+b |
| World Bank | GEFTF | Global | IW | Program 7 | 7,873,394 | 708,606 | 8,582,000 |
| Total GEF Resources | | | | 7,873,394 | 708,606 | 8,582,000 | |

a) No need to fill this table if it is a single Agency, single Trust Fund, single focal area and single country project.

b) Refer to the Fee Policy for GEF Partner Agencies.

c) If Multi-Trust Fund project :PMC in this table should be the total amount; enter trust fund PMC breakdown here ()

B. PROJECT PREPARATION GRANT (PPG)⁹

Is Project Preparation Grant requested? Yes \boxtimes No \square If no, skip this table.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

^{7 &#}x27;Recognition schemes' include but are not limited to certification and can refer to traceability and transparency criteria, as appropriate. CFI 'recognition schemes' seek to include criteria for environmental, economic, and social sustainability.

⁸ For GEF Project Financing up to \$2 million, PMC could be up to10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

⁹ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF upto \$1 mil; \$100k for PF up to \$3 mil; \$150k for PF up to \$6 mil; \$200k for PF up to \$10 mil; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

| Total PP | G requeste | ed, including Agency fee | | | \$218,000 | | |
|---------------|------------------|--------------------------|--------------------------------|-------------------------|-----------------|------------------------------------|-----------------|
| | | Commtem | | | (in \$) | | |
| GEF Agency | Trust Fund | Regional/Global | gional/Global Focal Area of Fu | Programming of Funds | Funds PPG (a) A | Agency Fee ¹⁰ (b) | Total c = a + b |
| World Bank | GEFTF | Global | IW | Program 7 | 200,000 | 18,000 | 218,000 |
| Total PP | Total PPG Amount | | | 200,000 | 18,000 | 218,000 | |

PART II: PROJECT JUSTIFICATION

PROJECT OVERVIEW

A.1. Project Description. Briefly describe: : 1) THE GLOBAL ENVIRONMENTAL AND/OR ADAPTATION PROBLEMS, ROOT CAUSES AND BARRIERS THAT NEED TO BE ADDRESSED; 2) THE BASELINE SCENARIO OR ANY ASSOCIATED BASELINE PROJECTS, 3) THE PROPOSED ALTERNATIVE SCENARIO, WITH A BRIEF DESCRIPTION OF EXPECTED OUTCOMES AND COMPONENTS OF THE PROJECT, 4) INCREMENTAL/ADDITIONAL COST REASONING AND EXPECTED CONTRIBUTIONS FROM THE BASELINE, THE GEFTF, LDCF, SCCF, AND CO-FINANCING; 5) GLOBAL ENVIRONMENTAL BENEFITS (GEFTF) AND/OR ADAPTATION BENEFITS (LDCF/SCCF); AND 6) INNOVATION, SUSTAINABILITY AND POTENTIAL FOR SCALING UP.

1)

Wild-capture fisheries provide a critical source of protein (more than 20% of animal protein) for more than 3 billion people globally and are a critical source of jobs and livelihoods for hundreds of millions of people, contributing a substantial percentage of GDP to some countries through added value from processing and export of fisheries products. Currently, 28.8% of fisheries are estimated to be overexploited, making them an underperforming asset for both food security and local and national economies. In some cases, unsustainable practices associated with overexploitation also have wide-ranging ecosystem impacts that can negatively affect not only future productivity, but also biodiversity within these regions.

If fisheries can be sustainably managed, the potential returns are substantial. Global fisheries could be worth an additional US\$50 billion annually and the global harvest from wild-caught fish could be up to 40% higher. Key to achieving this sustainability is creating market incentives to invest in the transition to sustainability and to attract private-sector investment in fisheries. However, there is a perceived degree of risk for the private sector to invest in many of these fisheries.

2)

Public-Private Partnerships (PPPs) can help overcome such risk barriers and bring needed capital for fishery reforms. There is currently a widespread perception in the private sector that sustainable wild-capture fisheries lack attractive investment opportunities. Several emerging initiatives are targeting this gap, including the WWF's Financial Institution for the Recovery of Marine Ecosystems (FIRME) revolving investment fund model and the FISH2.0 business competition and clearinghouse service. Similarly, the 50-in-10 initiative and several philanthropic foundations have also expressed interest in investigating how to create "bankable" PPPs, whereby

¹⁰ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

public sector investment can be used to de-risk and induce greater private sector investment. The majority of existing efforts, however, target activities in mature economies and institutional set-ups, with little experience to-date in environments similar to those covered by the CFI program. The World Bank with other GEF agencies bring a substantial baseline of institutional capacity building, certification, piloting of managed access approaches, and marine spatial planning, among others. There is little, however, in terms of innovation linking managed access with bankable PPPs targeted at long-term stock and/or habitat sustainability outcomes.

As part of the CFI partnership effort in addressing this gap, the World Bank brings its experience in building capacity and financing fishery and marine conservation across the world with a focus on strengthening fisheries governance and management and on leveraging finance for improved sustainability and productivity outcomes. The World Bank baselines comprise IBRD, IDA, and IFC sustainable fisheries investments, as well as the Global Program for Fisheries (PROFISH). Current major WBG investments in fisheries and fisheries-related coastal zone management total around US\$1.4 billion. The Bank's fisheries portfolio fully aligns with its lending strategy, recognizing that poverty reduction is best addressed through economic growth and shared prosperity achieved in a sustainable manner. Informing this work, the PROFISH engages in cutting-edge global analytical studies, such as the Sunken Billions and Trade in Fishing Services. It further provides targeted technical support to programs in specific countries and regions throughout the Bank's portfolio, with a focus on leveraging public-private partnerships that engender sector governance and policy reform to improve tenure and use rights as one of the main factors for curtailing overfishing and overcapitalization

Similarly, Conservation International (CI) as an executive partner contributes a rich technical expertise with fisheries, coastal zone management, and innovative PPPS, as well as a proven track record in the administration and governance associated with CF-like incentive structures, including the Critical Ecosystem Partnership Fund (CEPF). CI further brings in a very strong stakeholder relationships with key counterparts across governments, civil society, and academic institutions in two of the three focal regions

3)

An integral part of the GEF Coastal Fisheries Initiative (CFI), the proposed Challenge Fund (CF) directly supports CFI's objectives to catalyze institutional processes and reforms leading to agreed targets for fisheries management and greater environmentally sensitive investment by the private sector in sustainable fisheries *within the Exclusive Economic Zones (EEZ)* of participating countries. Such investment will deliver productive fisheries over time and thereby contribute to local and national economies, welfare, and ecosystem health. Specifically, the CF will play an important role in building the business case for, and facilitating the emergence of, 'bankable' Public-Private Partnerships (PPPs). Expanding on the experiences of the above-mentioned initiatives and in close collaboration with some of them, the CF will focus on raising awareness and helping to catalyze private sector involvement across the three CFI regional components, while also enhancing the program's cross-regional learning and operational linkages.

The CFI's *theory of change* refers to the outcomes to be derived from better sector governance (Fig. 1).¹¹ Respectively, the CF would target the central challenge of generating a better and enabling governance context for investment. Depending on the country and regional context,

¹¹ See CFI Strategic Framework Document: *Wealth Creation and Investment Priorities*

activities could include allocation processes for managed access, capacity building in productive fisheries enterprise and collective action, and market-based solutions that help leverage supply-side reforms. Such reforms can help reduce the perception of risk in fisheries and generate a value proposition for private sector investment across the coastal fisheries value chains. Investments would be scalable and apply to communities of small-scale fishers as well as industrial fishing, although the specific requirements and project inputs for each would vary. For example, to develop community-based / cooperative management (e.g. a Territorial Use Right for Fishing (TURF) or fish stock defined by its ecosystemic range) will require intensive, on-the-ground capacity and awareness raising on how such a cooperative operation can deliver long-term benefits to local people – all functions expected to be a key component of public sector investment through the CFI.



Figure 1: CFI Theory of Change (Source: Strategic Framework Document for CFI)

The CFI/CF objectives further align with efforts by the World Bank (through PROFISH), GEF's private sector goals, and other organizations committed to the principle of blue growth (see, for example, *Towards Investment in Sustainable Fisheries – a Framework for Financing the Transition* led by the Environment Defense Fund (EDF) and the Prince's Charities International Sustainability Unit). A similar approach underpins the report of the Blue Ribbon Panel under the Global Oceans Partnership (World Bank 2014), which, in particular, focuses on the potential value of PPPs.

Working at the interface among the CFI countries and private sector interests¹² in each of the three CFI regions, the CF will be encouraging private sector collaboration within a series of innovative public-private partnerships. Each partnership will begin by ensuring a better understanding of the needs, opportunities for, and risks associated with transitional reform in the regions'/sub-regions' fisheries. The partnership will then identify and scope approaches for pilots based on reduced investment risk and value proposition for the private sector. More specifically, the CF will directly support the private sector in identifying and taking forward particular investment opportunities as business cases, in partnership with local, regional, and national authorities in the three regions. To this end, the CF should also benefit from the earlier lessons emerging from the GEF Ocean Partnership for Sustainable Fisheries and Biodiversity Conservation, which similarly focuses on identifying successful business models for private-public partnerships but for fisheries in *areas beyond national jurisdiction (ABNJ)*.

The CF granting and administration facility will be established with CI as an executing partner to offer competitive grants across all three CFI regions. In each region, the CF is expected to focus on a relatively small number of grants offering a truly transformational impact. During PPG, the project will define, and agree with partners on, a clear set of criteria and principles that all CF grants would meet, including in terms of co-financing requirements. Such criteria will be further informed by additional World Bank analytical work concerned with trade, innovation, and private sector partnerships.

CF grant financing is expected to prioritize support to innovative approaches that underpin and inform the CFI regional projects and pilot development. They may also be used to facilitate awareness and capacity building, analytical work, and south-south cooperation. Individual CF grants are expected involve several CFI dimensions with primary focus on the private sector and are intended to be complementary to the funding allocations of the three CFI regional components. For example:

 \succ Social, environmental, and management dimensions, such as facilitating transition to new collective/cooperative management arrangements that mitigate negative impacts on vulnerable groups and integrate small-scale fisheries into overall EEZ management;

> Technical dimensions, such as funds to facilitate socioeconomic and environmental sustainability certification and associated analytical studies;

 \succ Economic/commercial dimensions, including the development and piloting of new technologies or new forms of business models, community-based co-ops and grassroots efforts, and value-chain and market access components that address quality and processing systems;

 \succ Awareness raising and capacity building, such as training materials and south-south exchange programmes;

Capacity building for reporting and monitoring of projects.

In this context, the overall focus of the CF will be on incentivizing private stakeholders to engage in productive public–private dialogue and partnerships aimed at deriving, developing, and implementing innovative solutions to address sustainable coastal fisheries management. Framed as a competitive mechanism, with no earmarks and open to all CFI countries, the CF is further

¹² For its program purposes, the CFI defines private sector as any fisher, fisher community or group, or firm that fishes for commercial gain; it excludes aquaculture fish farmers.

intended to spur innovation by challenging CFI beneficiaries and implementation partners alike. To this end, the CF will also actively reach out to outside financial partners and investors to explore options for bundling CF grants with third party traditional (e.g. loans) and innovative sources of financing (e.g. insurance) to test viability and returns over the medium and long term.

Detailed CF governance and management arrangements will be defined once the scope and criteria have been finalized during PPG. However, the fund will be managed following 'best practice' principles already established between the Bank and CI. It is also envisioned to have a South-South component spanning the three CFI regions and targeting the dissemination of CFI best practices and experience among private-sector stakeholders. A component of the CFI-wide knowledge sharing and learning (KSL) program, this South-South platform responds to the recognition that related efforts have been traditionally oriented more towards the public sector. The CF's dedicated KSL resources are specifically intended to provide tailored support for the private sector, including by expanding its exposure to and participation in the broader CFI KSL work, with specific attention given to South-South exchange and network-building among the CFI's three regional components.

The CF design has emerged within the overall CFI program development process, involving discussions among all GEF participating partner agencies. This consultative process will be further strengthened throughout the preparation and implementation of the CFI program, through engagement with a wide range of stakeholders involved in and concerned with coastal fisheries. The CF will leverage CFI regional stakeholder engagement processes to reduce duplication of effort.

More specifically, the CF grant allocation mechanism is expected to be designed in close consultation with all CFI partners and to be operationalized under open and participatory principles. To this end, and to the extent possible, the CF design consultations will be carried out in conjunction with the project preparation consultations of the three regional CFI components, thus ensuring optimum outreach to the broadest possible cross-section of CFI CSO partners as well as potential beneficiary indigenous groups. The open consultative process will further ensure that the CF is open for participation to each and every of the CFI implementing partners.

4)

As one of CFI's two horizontal cross-cutting mechanisms, the Challenge Fund is intended to amplify the CFI's range of global environmental benefits for operational, logistical, and thematic reasons. Thematically, the focus of the Challenge Fund is distinctly on the private sector and rights-based management nexus in pursuit of transformational and sustainable impacts. As the CFI's only operational cross-cutting component, the Challenge Fund also contributes to the programmatic cohesion of the regional child projects by facilitating a common approach to private sector engagement. The Challenge Fund provides an explicit link to the private sector that is not comprehensively covered by the regional components. Lessons learned from these partnerships can also be transferred to other regions through South-South exchanges, so that innovation can be amplified in new areas. In addition, the structure of the Challenge Fund is unique in that it is an open competition across the 3 regions, which enables it to leverage the best internal and external ideas and innovative approaches to public-private partnerships. Operationally and logistically, the single Challenge Fund design further optimizes coherence and the CFI's efficiency in grants and financial management.

5)

Leveraging the three CFI regional projects and private sector interests in each region, the CF will catalyze private sector contribution for improved EEZ fisheries and ecosystem-based management performance with a particular focus on secure tenure, access, and allocation of benefits. In addition to catalyzing innovative PPP approaches to sustainable fisheries management, the CF's immediate global environmental benefits are expected to include the restoration of fish stocks and the protection of significant areas of biodiversity through the use of more sustainable fishing practices in each of the CFI regions. The analytical work underpinning the CF operations and its South-South knowledge platform targeting enhanced private sector engagement in coastal fishery sustainability are intended to support stronger governance practices in the fisheries, where the CF will fund projects and contribute to the longer-term sustainability of the CF interventions.

6)

The CF is designed to spur innovation by creating unique public-private partnerships. The structure and aims of these partnerships will vary by region so lessons learned across a variety of fisheries and their associated governance contexts can help to provide a roadmap for how to create and replicate successful approaches. In this way, we can scale up the impacts of single investments to create models for how they can be accomplished in different contexts. Process-wise, by introducing a competitive element within the CFI program implementation process itself, the CF is expected to further leverage innovation and increase cross-pollination of ideas among the participating GEF agencies themselves.

NAME OF PROGRAM: GLOBAL COASTAL FISHERIES INITIATIVE Child Project Concept Note

PART I: PROJECT INFORMATION¹

| Project Title: | The Coastal Fisheries Initiative Global Partnership |
|-----------------------------|---|
| Country(ies): | Global |
| GEF Agency(ies): | FAO |
| Other Executing Partner(s): | CI, UNDP, UNEP, WB, WWF, University of Washington |
| GEF Focal Area(s): | International Waters |

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²:

| Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs) | | (in | 1 \$) |
|--|--------|-------------|---------------|
| | | GEF Project | Co-financing |
| | | Financing | |
| IW 3: Enhance multi-state cooperation and catalyse investments to | GEF TF | 2,652,294 | 12,000,000 |
| foster sustainable fisheries, restore and protect coastal habitats, and | | | |
| reduce pollution of coasts and Large Marine Ecosystems. | | | |
| Programme 7: Foster Sustainable Fisheries | | | |
| Total Project Cost | | 2,652,294 | 12,000,000 |

B. CHILD PROJECT DESCRIPTION SUMMARY

Project Objective: To strengthen global partnership to enhance understanding and application of integrated, participatory and collaborative approaches among local and global partners who utilise agreed tools for attaining and measuring coastal fisheries performance and progress towards environmental, economic and social sustainability.

| | Financing Type ³ | | (in \$) | | |
|---|--------------------------------|---|--------------------------|--------------|--|
| Project Components | | Project Outcomes | GEF Project Financing | Co-financing | |
| CFI coordination and adaptive management | ТА | Increased collaboration among environmental and development agencies and organisations, national regional and global levels. <u>Indicators</u> Annual internal review by partners rate coordination efforts as satisfactory or highly satisfactory Independent evaluations at midterm review and terminal evaluation of the CFI rate | 250,000 | 4,698,571 | |

¹ This Concept Note is intended to convey whatever preliminary information exists at this stage on a child project and that is indicative of how it will contribute to the overall Program.

² When completing Table A, refer to the Program Results Framework, which is already mapped to the relevant *Focal Area Results Framework* in the *GEF-6 Programming Directions*.

³ Financing type can be either investment or technical assistance.

| | | objective as satisfactory or highly satisfactory At least XX new national and/or regional and/or global project/programme proposals by GEF Agencies, other partners and governments are based on CFI best practices and include strong collaboration between different GEF Agencies and other partners | | |
|--|---------|---|-----------|-----------|
| Policy influence and catalytic role | TA/ INV | Best practices and tools for environmentally, economically and socially sustainable fisheries documented, analysed and shared. <u>Indicators</u> XX technical documents on selected topics prepared and disseminated through IW:LEARN activities and other learning mechanisms XX global workshops carried out targeting key government officials, RFBs and staff of environmental/development agencies and organisations and to promote a shared understanding on key fisheries governance and management concepts XX countries / regional organisations refer to CFI best practices (in) national and regional policies and strategies and are under implemented, as appropriate XXX south-south learning exchanges through field visits and other learning events | 250,000 | 4,620,000 |
| Development of a fisheries performance monitoring and evaluation system and assessment methodologies and tools | ТА | Performance evaluation system developed and applied, informing fisheries governance and management. <u>Indicators</u> All CFI fisheries adopt new performance evaluation system and tools and | 2,025,994 | 2,110,000 |

| approaches All fisheries/value chains supported through CFI are assessed by agreed performance evaluation system and information is available on key environmental, economic and social aspects At least additional XX fisheries' institutions beyond CFI adopt performance evaluation system | | |
|---|-----------|------------|
| Subtota | 2,525,994 | 11,428,571 |
| Project Management Cost (PMC) ⁴ (select) | 126,300 | 571,429 |
| Total Project Cost | 2,652,294 | 12,000,000 |

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust

C. <u>CO-FINANCING</u> FOR THE PROJECT BY SOURCE, BY TYPE AND BY NAME

| Sources of Co- financing | Name of Co- financier | Type of Co-financing | Amount (\$) |
|-----------------------------|-----------------------------|----------------------|-------------|
| GEF Agency | FAO | In kind | 9,200,000 |
| GEF Agency | UNEP | In kind | 150,000 |
| Others | University of Washington | Grant and In Kind | 2,500,000 |
| Profish | | | 150,000 |
| Total Co- financing | | | 12,000,000 |

⁴ For GEF Project Financing up to \$2 million, PMC could be up to10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS $^{\rm a)}$

| | | Country/ | | Programming | (in \$) | | |
|---------------------|---------------|---------------------|------------|-------------|------------------------------|---------------------------------|------------------|
| GEF Agency | Trust Fund | Regional/ Global | Focal Area | of Funds | GEF Project Financing (a) | Agency Fee (b) ^{b)} | Total (c)=a+b |
| FAO | GEFTF | Global | IW | Programme 7 | 2,652,294 | 238,706 | 2,891,000 |
| Total GEF Resources | | | 2,652,294 | 238,706 | 2,891,000 | | |

a) No need to fill this table if it is a single Agency, single Trust Fund, single focal area and single country project.

- b) Refer to the <u>Fee Policy for GEF Partner Agencies</u>.
- c) If Multi-Trust Fund project :PMC in this table should be the total amount; enter trust fund PMC breakdown here

PART II: PROJECT JUSTIFICATION

PROJECT OVERVIEW

A.1. PROJECT DESCRIPTION. BRIEFLY DESCRIBE: : 1) THE GLOBAL ENVIRONMENTAL AND/OR ADAPTATION PROBLEMS, ROOT CAUSES AND BARRIERS THAT NEED TO BE ADDRESSED; 2) THE BASELINE SCENARIO OR ANY ASSOCIATED BASELINE PROJECTS, 3) THE PROPOSED ALTERNATIVE SCENARIO, WITH A BRIEF DESCRIPTION OF EXPECTED OUTCOMES AND COMPONENTS OF THE PROJECT, 4) INCREMENTAL/ADDITIONAL COST REASONING AND EXPECTED CONTRIBUTIONS FROM THE BASELINE, THE GEFTF, LDCF, SCCF, AND CO-FINANCING; 5) GLOBAL ENVIRONMENTAL BENEFITS (GEFTF) AND/OR ADAPTATION BENEFITS (LDCF/SCCF); AND 6) INNOVATION, SUSTAINABILITY AND POTENTIAL FOR SCALING UP.

GLOBAL ENVIRONMENTAL PROBLEMS, ROOT CAUSES AND BARRIERS THAT NEED TO BE ADDRESSED

The decline in coastal marine fisheries globally is of great concern to not only nations that have direct access to such fisheries but also widely due to the role these play in global biodiversity, nutrition and employment. According to the FAO (2014), close to 30 percent of the world's assessed fish stock are overexploited and some 60 percent are fully exploited while other estimates suggest that over 40 percent of fisheries have crashed or are overfished (CEA, 2012). Currently at least 543 aquatic species of animals are under globally threatened list (IUCN Redlist) as a result primarily from fishing and harvesting of aquatic resources from marine neritic, marine intertidal and marine coastal/supratidal habitats. Where fisheries have declined as a result of overexploitation and habitat degradation, support to the fisheries sector often represents a drain of national economies and overfishing is estimated to result in losses of up to \$50 million annually in terms of loss of potential earnings (Arnason et al., 2008). Thus, the current situation of coastal fisheries is of global concern for environmental, social and economic reasons.

Key threats to coastal fisheries include:

- 1. overharvesting of target species
- 2. Use of inappropriate or destructive harvesting practices that also cause harm to non-target species, as well as mining of coastal resources such as sand, stones, corals etc.
- 3. Habitat conversion and degradation including "land reclamation", and inappropriate location of tourism infrastructures, ports etc. that degraded coral reefs, mangroves, and other coastal habitats
- 4. Pollution : at sea, coastal areas and from land based point and non-point pollution sources including settlements, mining;
- 5. Climate variability and change

Key root causes of these threats include:

- 1. policy and institutional context that are inadequate to bring multi-sectotal approach to fisheries sector: Roles and responsibilities are often poorly defined or overlapping, regulation is limited, voice and accountability within the sector is poor and effective implementation of rules and regulations is often lacking. mechanisms to address competing use of coastal space and related resources between the fishery and other sectors are inadequate or completely missing. These lead to conflicting decision on use of coastal resources that directly impact fisheries.
- 2. weak and under-resourced fisheries management institutions: these are unable to provide effective controls on access to fishing activities and prevent actions to ensure sustainable fisheries this limits the effectiveness of any attempt at management of fisheries resources. opaqueness and lack of control over fisheries activities with high levels of illegal, unreported and unregulated (IUU) fishing; inability to effectively address the complexity of coastal fisheries and related livelihoods, and insufficient funding to implement management and support measures leading to a transition to sustainability.
- 3. inappropriate economic incentives, including perverse incentives that encourage overfishing and overinvestment in the sector

4. limited involvement of resource-users in decision-making: Resource users often have limited involvement in decisionmaking, which undermines existing traditional mechanisms for sustainable resource use and further undermines local livelihoods

The GEF Coastal Fisheries Initiative aims to promote an integrated, governance-based approach to establish holistic ecosystem based fisheries management that contributes to environmental, economic and social sustainability. The Initiative aims to ensure that coastal fisheries management takes into account all key areas: biodiversity conservation, the economic potential of the sector, and human wellbeing and the need for livelihood security, is vital in order to address the priorities of the multiple stakeholders involved in coastal fisheries.

However, a number of key barriers currently exist that prevent these aims from being achieved:

- 1. Limited cross sectoral recognition of fisheries as an important sector for wealth generation, social development and environmental sustainability at national to global levels: many different government, non-government and international agencies have been supporting and addressing various approaches and programmes related to coastal areas and fisheries but there has been an absence of synergies between different approaches to address coastal fisheries issues through agreed holistic approach and to promote effective governance arrangements within the sector.
- 2. Lessons learnt by different organizations have not been used effectively to promote best practices or to advocate for improved coastal fisheries management policies and practices at national, regional and global levels. This has partly been contributed by the fact that a number of approaches have developed over the years by different agencies each with different emphasis, entry points and terminology. While there is recognition that these approaches share commonalities in methodology and intents, they are also different in overall approach and terminology, which may undermine efforts to support developing nations to strengthen their ocean governance. Willingness or ability to commit to the long-term engagement required to develop viable and sustainable fisheries governance and management systems is not always apparent among development agencies and organisations. The complexity and timeframes involved do not always sit comfortably with institutional funding cycles and the requirement to generate quick and visible agencies results. Hence, barriers exist in the form of lacking collaboration and coordination among development agencies and organisations and coordination among development agencies and organisations.
- a. Absence of appropriate performance assessments of the fisheries management sector, due to diversity of tools being used means that it is not currently possible to compare approaches used by different countries and/or agencies and draw up lessons or share them in appropriate formats. This also makes it difficult to assess if current policies are having the intended positive impacts on the sector. This barrier is particularly true for countries that have poor information or data on their fisheries sector and is compounded by generally poor investments in information and data gathering in the sector on three pillars of sustainability; the environmental, economic and social. This barrier prevents objective and multi-dimensional assessments to aid informed decisions about trade-offs and for identifying best practices.

BASELINE SCENARIO OR ANY ASSOCIATED BASELINE PROJECTS

Under the baseline scenario, different mechanisms exist to facilitate global cooperation and coordination on marine fisheries issues. Key amongst these is through the Regional Fishery Body (RFB) Secretariats Network (RSN). This network facilitates information exchange among different RFB Secretariats (currently around 50 RFBs exist). The RFBs have varied mandates and capacities to address coastal fisheries' issues and barriers to sustainable fisheries. RFBs have increasingly started to work with the Regional Seas Conventions and Action Plans (RSCAPs), through which ecosystem based approach has been promoted. At the regional level, there are also a number of LME projects with important experiences of ecosystem governance and management, and RFBs and RSCAPs are involved in these experiences jointly or individually. However, the RFBs or the RSN have not been able to use lessons and experiences from diverse global development partners that the CFI represents that are also working on marine conservation and sustainable development issues, as these global development agencies have not had effective mechanism to work jointly on coastal fisheries' issues. Through the GEF support, the "Global sustainable fisheries management and biodiversity conservation in the Areas

beyond National Jurisdiction (ABNJ) Program" has been initiated to promote efficient and sustainable management of fisheries resources and biodiversity since 2011 through partnership amongst various agencies. However, a complementary approach to address sustainable fisheries issues within EEZs currently does not exist at the global level that brings together key partners such as private sectors, foundations, and other development agencies.

Further, though several different performance assessment methods are available on fisheries, agreed evaluation system and indicators that address all three pillars of sustainability (environmental, economic and social dimensions) relevant to developing countries does not currently exist. For example, currently methodologies may include biological assessment of fish stock but not also assessment of legal policy context, institutional arrangements and capacities through to assessment of the value chain. Since such an assessment methodology currently does not exist, it is also not possible to assess what factors are critical in contributing to sustainable fisheries. In addition, tools and methodologies to support informed decisions about to determine fish stock status for data poor fisheries to aid sustainable coastal fisheries also do not exist. There have been several efforts to develop comprehensive evaluation systems and methodologies for assessing the status and performance of fisheries. For example, the World Bank has developed the Fisheries Performance Indicators and the FAO has developed an evaluation system and monitored the state of world fisheries since 1974, and recently worked together with 15 institutions on fisheries assessment and monitoring approaches and published a report in 2013 titled "Develop new approaches to global stock status assessment and fishery production potential of the seas". Other efforts on promoting tools and approaches on sustainable fisheries include SocMon (www.socmon.org), that aims to help coastal managers better understand and incorporate the socioeconomic issues into coastal management programs, and the Ocean Health Index (www.oceanhealthindex.org). In summary, at the global and regional levels, the CFI baseline includes a set of approaches and priorities, a variety of evaluation systems, collaboration among GEF Agencies with complementary competences, international instruments and global and regional institutional structures processes for collaboration and coordination among governments.

<u>PROPOSED ALTERNATIVE SCENARIO, WITH A BRIEF DESCRIPTION OF EXPECTED OUTCOMES AND</u> <u>COMPONENTS OF THE PROJECT</u>

Under the alternative scenario, Under the project's Component 1 a global CFI partnership / Steering Committee will be established involving FAO, UNDP, UNEP, WB, WWF and CI and other relevant partners. This partnership will ensure that the CFI is effectively implemented at the country/ regional levels, and experiences and lessons are shared regularly with each at the global level (including from other relevant non-GEF funded projects); and that there is appropriate adaptive management of the CFI itself. Such work is expected to promote strong country ownership and country-led programs, as well as strong embedding of the CFI within each agency's own work to ensure that global environmental objectives are at the core of decision-making and programme implementation within CFI and beyond CFI.

This work is also expected in catalysing synergies, burden-sharing and the scale-up of capacities to support on-going sustainable coastal fisheries management. Further, the CFI partnership is also expected to further cement partnerships amongst the GEF IAs involved in the CFI as well as promoting partnerships with different stakeholders and across different (development) sectors – including international donors, the private sector, academia and the mass media. A Global Coordination Unit will be established to facilitate a Global Reference Group and to support the global CFI steering committee. The Steering Committee will ensure that CFI implementation adheres to principles and strategies outlined in the CFI Strategic Framework document. The Global Reference Group (GRG) will provide an independent oversight and assist the SC in effective CFI implementation.

The Global Coordination Unit (GCU) will be responsible for coordinating inputs and outputs across all the components of the CFI and the overall management of the initiative, and ensure that funding flows smoothly and in a timely fashion to the components. It will report regularly to the CFI Steering Committee and interact on a regular basis with the Global Reference Group in order to respond to issues and concerns raised by them. The GCU will also be responsible for implementing research activities to develop coastal fisheries performance indicators, the development and implementation of an appropriate monitoring and evaluation (M&E) system for the initiative and the development of a broader knowledge management (KM) strategy to ensure that learning from the CFI is documented and disseminated.

CFI Steering Committee (SC) will be responsible for oversight of the initiative and ensuring that the implementation of the CFI incorporates the principles and strategies described in the Strategic Framework document. The Global Reference Group (GRG) will provide an independent oversight of CFI and assist the SC in ensuring that the CFI is implemented according to agreed principles and standards. The GRG will report on a regular basis to the SC, and will include key partners (both at the global and regional levels) and stakeholders from component regions in order to ensure that regional concerns are reflected. ToR for these two governance bodies will be developed during PPG phase.

The Steering Committee will meet at least once a year in person – and this will be linked to annual "learning workshop", where child projects will have opportunities to share lessons with each other. Such learning workshop will be held at different child project locations to ensure also field learning from each other. Further, at least one or more virtual steering committee meeting will be held each year as necessary.



Under Component 2, A knowledge management (KM) strategy will be developed to ensure that learning from the CFI is documented and disseminated through publications, IW Learn and other relevant media. Regular sharing of concerns, project stories and progress and queries will be promoted through a dedicated email list between all child projects. Further, coordinated approach to learning lessons on coastal fisheries and effectively dissemination will be ensured to inform and advocate policies and capacity strengthening at regional and global levels. Key thematic issues, on which lessons are to be developed or collated, will be identified during full project development stage, and will be refined throughout the life of the project. The project will aim to publish at least one key lessons learnt publication from years 2 till end of the project. Such publication will be through collaboration between different child projects and other relevant initiatives – and also build on partnership with key research agencies and the academia. The lessons learnt publication will be used to develop appropriate policy guidelines, training materials and awareness materials.

Through these activities, CFI will be able to have a catalytic role in replicating best practices on coastal fisheries' management within each of the partner agencies' programmes and lessons will also be disseminated widely to influence policies and practices at national, regional and global levels through existing networks, financing partners and the private sector. Further, under this Child Project, there will be a strong focus to develop and implement a fisheries performance evaluation system that can be used to effectively monitor the sustainability of coastal fisheries management and to evaluate improvements in sustainable environmental, social and economic benefits of the CFI and other programmes. Building on existing tools and initiatives, consolidated assessment method to determine fish stock status for data poor fisheries and an evaluation system to fisheries will also be developed, as well as other tools that the partners deem necessary

CFI will work closely with regional organizations involved in managing fisheries in EEZs and aim to strengthen their role, to fulfil that role effectively. This is likely to include working closely with RFBs/RFMOs, RSCAPs and with existing Large Marine Ecosystem (LME) projects, drawing on their experience and supporting them in fulfilling their mandates. Particular attention will also be given to developing appropriate indicators of the level of integration and the holistic nature of the approaches developed during the CFI. These might include:

- indicators of the level of integration of three key pillars of sustainable development environmental, social and economic;
- indicators of the extent to which five key dimensions of fisheries management (conventional fisheries management priorities, human rights and well-being priorities, biodiversity and ecosystem health priorities, post-harvest and value chain priorities and wealth creation and investment priorities) have been incorporated.

The Global partnership project will also ensure that the CFI is able to take lessons learned generated by other initiatives into account as they become available. Such partnership will enable CFI to balance between aligning itself with current policy frameworks and international instruments and seeking to influence policies and strategies according to the best practices that are being identified.

Through the umbrella project, appropriate consultative and management structures and mechanisms will be ensured and piloting of innovative tools and methodologies.

Under Component 3, the project will develop and implement a fisheries performance evaluation system that can be used to effectively monitor the sustainability of coastal fisheries management and evaluate improvements in sustainable environmental, social and economic benefits the CFI will have achieved. The main activities of the component will be:

• Develop a performance evaluation system that measures a broad range of fisheries performance attributes relating to biological/environmental status, social impacts, and economic and management performance along the value chain, building on existing initiatives such as the FAO monitoring system and the World Bank's Fisheries Performance Indicators. The priority will be to develop a system that can be easily adopted by developing countries – thus balancing comprehensiveness and ease of ease and data acquisition. Such a system will include elements to assessment of factors such as fish stock, impact of fishing on ecosystem, to policy/ regulatory environment; institutional arrangements and their capacities, and even the wider operation of the

value chain. The assessment system will be used for different fisheries such as tuna, shrimps, and anchovies etc. that are considered important for the countries under the child projects under the CFI Programme.

- The data that is gathered from using the evaluation above for different priority fisheries in the countries under the child project, and possibly testing in additional countries, an attempt will be made to analyse which factors have positive or negative impacts on that fishery. This can help generate lessons and also provide countries to prioritize which elements they need to prioritize for strengthening. Lessons from this will be widely replicated through actions identified under Component 2 of this project.
- The project will also develop an assessment method to determine fish stock status for fisheries that have poor data and low information, as biological status is a central to fisheries sustainability. This will also build on existing tools and initiatives. Though the performance evaluation system, noted earlier, will also include an element of fish stock assessment, this will be a more detailed methodology for specific data deficient fisheries.

The project's approach to the development and testing of these methodologies and approaches will include not only close partnership between the CFI partners, but also bringing in additional partners from the academia, research and other networks to ensure that these are based on practical considerations and are widely replicable.

INCREMENTAL/ADDITIONAL COST REASONING

Without GEF support, a global partnership approach, effective cross-agency partnership to champion sustainable coastal fisheries collectively under a common platform will most likely not exist. This would continue to lead to promotion to diversity of coastal management approaches, some of which may be at odds with each other, as many of these approaches may not effectively consider social, environmental and economic aspects adequately or holistically. Without the support of GEF through this CFI umbrella project, national, regional and global efforts to halt the decline in the performance of coastal fisheries will not be informed by best practices of different stakeholders. This will especially undermine the potential advocacy role of each stakeholder for sustainable coastal fisheries management, as different concepts will be promoted by different agencies and other partners. The development of holistic approach to coastal fisheries management will not be achieved without this initiative. Without the GEF support to establish a global coordination on coastal fisheries between partner organizations, existing situation of limited joint lessons learning between partners and limited joint capacity building of, and advocacy to, relevant national, regional and global entities will continue.

Without effective global partnership and coordination, national coastal fisheries management initiatives will not be able to learn lessons from other countries easily nor able to disseminate their lessons learnt globally. Regional and global organizations and mechanisms on fisheries will not be able to benefit from lessons learnt from different sites. Their potential role to have wider impacts at the regional and global scale will be limited without effective mechanism to collate, disseminate and use such lessons. With GEF support, CFI will be able to leverage existing investments, capacities and knowledge within several GEF agencies and others on coastal fisheries management and catalyse consolidation and or development of tools, methodologies, best practices and other lessons learnt to aid effective coastal fisheries management. Without proper lessons learning and their use in coastal fisheries management, current and future investments in coastal fisheries by the GEF and other partners will continue to lead to sub-optimal results.

Furthermore, key tools and methods required for sustainable coastal fisheries may not be developed, or will be through limited stakeholder participation and contributions, which means the tools may not have wide applicability. Without this initiative, developing such tools and methodologies may miss out on being informed from all existing tools and methodologies and thus this could be more costly than the current approach of using a more collaborative approach. Through this proposed umbrella project, mechanisms will be in place to support outcomes and outputs discussed earlier in this document to ensure capturing of lessons and their use in capacity building and informing policies and practices at national, regional and global level. Focusing on fisheries carried out within the Exclusive Economic Zones (EEZs) of coastal states, the CFI aims to demonstrate and promote more integrated and holistic processes leading to sustainable use and management of coastal fisheries and, in doing this, to complement the GEF multi-country Large Marine Ecosystem (LME) approach.

GLOBAL ENVIRONMENTAL BENEFITS (GEFTF)

The global environmental benefits derived by this project will primarily result in the safeguarding of sustainability of globally important coastal fisheries and ecosystems and diversities of coastal fisheries' resources. As coastal fishery areas are often nurseries for oceanic species, loss and degradation of coastal fishery resources will also undermine conservation efforts of large marine areas outside of EEZs. Without an effective partnership and coordinated efforts that this project proposes, such global environmental benefits will be limited, or will not achieve or even undermined if different agencies promote approaches that may actually be contrary to each other's efforts. Furthermore, effective coastal fisheries management also contribute to better resilience of fishery resources to climate change impacts and to better adaptation of coastal communities dependent on such fishery resources. Further global benefits from this project will accrue in the form of strengthened global knowledge and capacities to support effective coastal fisheries management amongst national, regional and global stakeholders and through the development of the tools and methodologies that can assist effective long term planning and decision making. It is expected that these will lead to an overall strengthening of world's food security, which is an important global benefit of this project.

This project's work on catalysing and strengthening global partnership on coastal fisheries will ensure that there is increased regional and global cooperation and coordination on efforts to on holistic and sustainable coastal resources management, through the transfer of international experience and know-how from the child projects and other relevant initiatives. The child projects under this programmatic approach are able to achieve several global environmental objectives through the maintenance, restoration and or enhancement of coastal fisheries resources by reducing pressures on high value coastal resources by addressing key drivers of over-fishing, by catch and other resource degradation/ pollution. Further, the child projects will ensure maintenance of flows of coastal ecosystem services and improve resilience to climate change. In at least two of the proposed child projects (West Africa and South America)

In many instances, poor health of coastal fishery has also been shown to be linked to increased pressures on biodiversity on land⁵, thus the positive impacts on coastal fisheries through the CFI may also reduce threats on biodiversity on land. Some studies have suggested that marine primary producers (such as macroalgae) contribute at least 50% of the world's carbon fixation and 70% of the global carbon storage⁶, thus effective coastal fisheries management will also greatly support greenhouse gas sequestration and thus provide additional global environmental benefits. Additionally, global benefits from this project will continue to accrue in the form of strengthened global knowledge and capacities to support effective coastal fisheries management amongst national, regional and global stakeholders and through the development of the tools and methodologies that can assist effective long term planning.

The socioeconomic benefits of the CFI are far reaching. Coastal fisheries make significant contributions to livelihoods, employment, food supplies and nutrition, and national economies (see section on the Role of coastal fisheries at the beginning of the Programme Description chapter) and the CFI will contribute to the safeguarding and enhancement of these contributions. Because of the way the CFI will address coastal fisheries governance and management in an integrated and holistic way, the benefits generated will also beyond the more obvious socioeconomic benefits in the form of increased incomes and improved nutrition. By addressing working conditions and embracing decent employment, advancing gender equality and making efforts to empower fishers and fish workers to engage effectively in resource management, important dimensions of human well-being are addressed. Moreover, the CFI engagement with the private sector may lead to a new transformation of value chains with multiplier effects on local and national economies.

Failure to ensure recovery and sustainable use of coastal resources would have significant repercussions for the livelihoods of millions of fishers and other coastal dwellers. In addition, the conservation of marine biodiversity will also lead to socio-economic benefits in the long-term although these are much more difficult to assess. The benefits will be in terms of both use and non-use values, related to the increased health and potential for sustainable exploitation of the important

⁵ http://www.zoology.ubc.ca/courses/bio416/Brashares_etal_Science04.pdf

⁶ http://link.springer.com/article/10.1007%2Fs10811-010-9604-9#page-2

natural resources contained in the ecosystems.

The direct socioeconomic benefits from this CFI will arise from the implementation of child projects in around seven countries. The investment in ecosystems based fisheries management and in strengthening more equitable value chain is expected to benefit at household levels in these countries directly through equitable access to fishery resources, increased in offtake in medium to longer term, and increase household incomes for those involved in the value chain. It is expected that these will lead to an overall strengthening of world's food security, which is an important global benefit of this project. Furthermore, effective coastal fisheries management will strengthen resilience of fishery resources to climate change impacts and to better adaptation of coastal communities dependent on such fishery resources.

INNOVATION, SUSTAINABILITY AND POTENTIAL FOR SCALING UP

The CFI consists of a combination of national and sub-regional projects, an on-demand funding mechanism (Challenge Fund) and a global partnership mechanism for sharing experiences and furthering effective fisheries

(Challenge Fund) and a global partnership mechanism for sharing experiences and furthering effective fisheries management globally. The CFI's innovative approach lies in its combination of methods that have proven successful for fisheries management and securing sustainable resource utilization. CFI's holistic approach will focus on building on this awareness among practitioners and supporting the process of addressing the sometimes contrasting objectives of stakeholders in the sector. While these objectives are often context specific and related to specific stakeholder groups, they can be broadly characterized into five main thematic areas:

- Conventional fisheries management priorities;
- Human well-being priorities;
- Biodiversity and ecosystem health priorities;
- Post-harvest and value chain priorities;
- Wealth creation and investment priorities.

These sets of priorities are by no means exclusive, and many of the most successful fisheries management initiatives already incorporate different sets of objectives and seek to find common ground between them. One of the key challenges for CFI will be to ensure that all five of these thematic areas are systematically addressed and accommodated as appropriate into a genuinely holistic management process.

Further innovation of this project is to develop an evaluation system for the whole fisheries sector, and indicators systems for fisheries that have poor data and limited information, particularly in developing countries, including for small-scale fisheries. This project will consolidate best practices learnt from each "child project" and promote scaling up in each CFI partner agency's own work and through further development of their work in future. Additionally, dissemination of best practices widely and by advocating for policy change or strengthening at regional and global levels based on lessons learnt will have further replication impacts. Many of the tools developed by this programme are expected to be used by the GEF in future projects related to fisheries management and thus will have wide replicability.

A.2. Stakeholders. Will project design include the participation of relevant stakeholders from civil society and indigenous people? (yes []/no[]) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation:

The CFI has involved broad consultations from the beginning of its development process between all the key GEF agencies involved in this initiative through a series of virtual consultations and stakeholders' workshops. The CFI partners have been actively involved in the design of the global CFI Programme. The global partnership will continue to ensure that they are engaged throughout the life of the project on promoting sustainable coastal fisheries management and beyond for all the three components of this project. The CFI may invite government representatives involved in different child projects as observers in its Steering Committee meetings when such meetings are held in country to share their concerns, lessons and priorities.

National and local government agencies related to the fisheries sector, coastal development and other relevant sectors will be key stakeholders in the development of lessons learnt, and also in the development of the methodologies and tools under Components 2 and 3.

For Component 2 of this project, the project will also cooperate and coordinate with different LME projects and coastal fisheries initiatives to learn and share lessons and to consolidate and disseminate them. These will include the civil society, private sector, academia etc. Particular attention will be paid to including marginalized groups in lessons learning processes, such as representatives of women involved in the fisheries sector, small-scale fishers and fish traders, and ethnic minorities.

For Component 3, partnerships will be developed with research institutions, academia and other relevant initiatives within the CFI partnership, such as with the World Bank, UNEP and others who are working on different assessment methodologies and approaches to learn from those and to build on best practices. Close cooperation with private sector operators, and their representative organizations, whether from the small-scale fisheries sub-sector or from larger scale operations, will be particularly key for CFI and represent an integral part of the holistic approach which the initiative will promote on assessments and lessons learning.

A.3 Risk. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable):

| Risk | Mitigation |
|---|--|
| CFI Partners will not be able to work outside their | The CFI Partnership includes several organizations whose |
| primary mandates and thus not be able to adopt or p | primary goals are conservation related, whilst some have food |
| promote more holistic approach to coastal fisheries s | security as their primary goal. By developing a common vision for |
| ti | the CFI that has been articulated in the programme framework |
| d | development, the partners have committed themselves to work |
| t | through a common platform and towards a common results |
| f | framework. The project will further cement this commitment and |
| v | will also work to realign different approaches and practices so that |
| a | a common approach is used when feasible. The project's reference |
| l e | group and the project steering committee will ensure that partners |
| a | are able to work collectively and to mitigate and issues or |
| d | differences in their approaches effectively through the CFI |
| | mechanism. |
| A large partnership will make it less effective at | The larger partnership is expected to be more effective at |
| reaching out to other stakeholders and partners, as a | advocacy and building such will than work by individual |
| more time may be spent on coordination | organization from local to global scale. The visibility of national |
| | important and a scale through this initiative may provide additional |
| | Eurthermore the initiative's advance work through regional and |
| 1 | global ficharias organizations and machanisms will further show |
| l E | the urgancy of effective coastal fisheries management to policy |
| | makers |
| Progress in" child projects" at different sites will be | The partners will work together to ensure that there is adequate |
| very different making lessons learning difficult | progress and coherence between different projects Further |
| | lessons will also built from past projects/ programmes and |
| | ongoing initiatives of different partners |

A.4. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives:

The CFI aims to demonstrate and promote more integrated and holistic processes leading to sustainable use and management of coastal fisheries complementing the GEF multi-country Large-Marine Ecosystem (LME) approach. The Initiative will have strong coordination and lessons learning and sharing with GEF funded LME

projects through a variety of approaches. Firstly, as the GEF Agencies for implementing these projects are involved in this CFI, coordination will happen partly through the global steering committee.

When global meetings and workshops are organized, relevant projects will also be invited to attend these learning and sharing events as appropriate. Furthermore, under Component 3, existing assessments methods etc. will also be sought from ongoing GEF and other initiatives to ensure that the approaches that this project is promoting are based on these.

DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 IS THE PROJECT CONSISTENT WITH THE NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSEMENTS UNDER RELEVANT CONVENTIONS? (YES ∅/NO□). IF YES, WHICH ONES AND HOW: NAPAS, NAPS, ASGM NAPS, MIAS, NBSAPS, NCS, TNAS, NCSAS, NIPS, PRSPS, NPFE, BURS, ETC.:

The CFI contributes directly to the Convention on Biological Diversity's Aichi Targets . It is totally aligned with the Strategic Goal B: Reduce the direct pressures on biodiversity and promote sustainable use and Aichi Targets 6: Sustainable Fisheries: By 2020 all fish and invertebrate stocks and aquatic plants are managed and harvested sustainably, legally and applying ecosystem based approaches, so that overfishing is avoided, recovery plans and measures are in place for all depleted species, fisheries have no significant adverse impacts on threatened species and vulnerable ecosystems and the impacts of fisheries on stocks, species and ecosystems are within safe ecological limits. Since all countries participating in the CFI through the child projects are signatories to the CBD, they are also expected to contribute to this target.

This Initiative is consistent with numerous international agreements that have been developed and adopted for achieving fishery sustainability or restoring overfished stocks. For example, the United Nations Convention on the Law of the Sea (UNCLOS), the UN Fish Stocks Agreement, the FAO Code of Conduct all require that fish stocks be fished at the level producing Maximum Sustainable Yield (MSY) as well as the recently endorsed Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication (SSF Guidelines) which complement the Code of Conduct. Commitments have also been made to rebuild overfished marine fisheries at several international meetings, including the 2002 World Summit on Sustainable Development, the 2010 10th Conference of Parties to the Convention on Biological Diversity, and the 2012 UN RIO+20 Conference. Objectively quantifying the progress of such international commitments is not only critical for assessing their impact and efficacy, but also essential for formulating appropriate policy and designing effective management strategies to achieve fisheries sustainability. The project will further assist in the implementation of national priorities as noted under each child PIF for projects that will be working at national and regional levels.

ANNEX 6

GEF Coastal¹ Fisheries Initiative (CFI)

Strategic Framework Document

Prepared by Philip Townsley and Lena Westlund

GEF consultants

¹ In the context of the Coastal Fisheries Initiative, the term "coastal fisheries" is taken as referring to all fisheries activities conducted within the Exclusive Economic Zone (EEZ) of coastal states.

Table of contents

| Tab | able of Contentsi | | | |
|-----|--|----|--|--|
| Abl | previationsi | ii | | |
| Exe | cutive Summary | 1 | | |
| 1. | Introduction3 | | | |
| 2. | . Justification | | | |
| 3. | The Objective of the CFI | 5 | | |
| 4. | CFI Theory of Change | 6 | | |
| 5. | CFI Strategy and Guiding Principles | 8 | | |
| 5. | 1. A holistic approach | 8 | | |
| 5. | 2. An appropriate incentive framework for responsible resource use | 9 | | |
| 5. | 3. An enabling policy and institutional environment | 9 | | |
| 6. | CFI's Approach | 9 | | |
| 7. | Geographical focus1 | 2 | | |
| 8. | Assumptions and risks13 | | | |
| 9. | Monitoring and indicators13 | | | |
| 10. |). Program Structure15 | | | |
| 11. | . Program Governance | | | |

Figures

| Figure 1: A Theory of Change for the Coastal Fisheries Initiative | 7 |
|---|----|
| Figure 2: Five Thematic Areas in Coastal Fisheries Management1 | 1 |
| Figure 3: CFI Governance Structure1 | .7 |

ii

Acronyms

| ABNJ | Areas Beyond National Jurisdiction | |
|-------|---|--|
| AU | African Union | |
| CBD | Convention on Biological Diversity | |
| CCRF | Code of Conduct for Responsible Fisheries | |
| CFI | Coastal Fisheries Initiative | |
| CI | Conservation International | |
| CSO | Civil Society Organization | |
| DWFN | Distant Waters Fishing Nations | |
| EAF | Ecosystem Approach to Fisheries | |
| EBFM | Ecosystem-Based Fisheries Management | |
| EEZ | Exclusive EconomicZone | |
| EU | European Union | |
| FAO | Food and Agriculture Organization of the United Nations | |
| FIP | Fisheries Improvement Project | |
| GEB | Global Environmental Benefit | |
| GEF | Global Environment Facility | |
| IPCC | Intergovernmental Panel on Climate Change | |
| IUU | Illegal, Unreported and Unregulated | |
| K/I | KnowledgeManagement | |
| ME | LargeMarine Ecosystem | |
| 82 | Minitoring and Evaluation | |
| MEA | Mitilateral Environmental Agreement | |
| MCS | Minitoring Control and Surveillance | |
| MA | Narine Managed Area | |
| MA | Narine Protected Area | |
| NGO | Non-Governmental Organization | |
| PFD | Project Framework Document | |
| RFB | Regional Fisheries Body | |
| RFO | Regional Fisheries Organization | |
| SRFC | Sub-Regional Commission on Fisheries | |
| SSF | Small-Scale Fisheries | |
| TURFs | Territorial Use Rights Fisheries | |
| UNDP | United Nations Development Programme | |
| UNEP | United Nations Environment Programme | |
| USA | United States of America | |
| WB | World Bank | |
| WWF | World Wide Fund for Nature | |
Executive Summary

The Coastal Fisheries Initiative (CFI) has been developed within the framework of the Global Environment Facility (GEF) on safeguarding world oceans and the marine environment and will focus on fisheries carried out within the Exclusive Economic Zones (EEs) of coastal states. The CFI aims to demonstrate and promote more integrated and holistic processes leading to sustainable use and management of coastal fisheries complementing the GEF multi-country LargeWarine Ecosystem (ME) approach.

The CFI consists of a combination of national and sub-regional projects, an on-demand funding mechanism (Challenge Fund) and a global knowledge management mechanism for sharing experiences and furthering effective fisheries management globally. The CFI strategic approach lies in its combination of methods that have proven successful for fisheries management and securing sustainable resource utilization.

Coastal fisheries represent a critical provider of livelihoods, particularly in coastal areas of developing countries, and have a key role in ensuring food security as well as economic and social well-being worldwide. However, coastal fisheries face many challenges: many are being exploited at or beyond their biological limits and their economic and social performance is declining as a result. Many of the coastal communities that depend on fisheries are characterized by poverty and marginalization from decision-making and development. Moreover, unsustainable resource utilization and fishing practices threaten marine habitats and biodiversity.

As series of drivers for this situation from within the sector itself include:

- o weak governance arrangements;
- o perverse incentives that encourage overfishing and overinvestment in the sector;
- opaqueness and lack of control over fisheries activities with high levels of illegal, unreported and unregulated (IUU) fishing;
- o limited involvement of resource-users in decision-making;
- o weak and under-resourced fisheries management institutions.

It is widely recognized that without systematic efforts to address these weaknesses within the sector, the decline in the performance of coastal fisheries in many areas of the world where it plays a key role is likely to continue. This threatens the sector's actual and potential contributions to ocean health, livelihoods and economic growth.

Addressing the issues facing coastal fisheries needs to be underpinned by two key elements:

- a holistic and integrated approach to addressing the fisheries sector, that takes into account all three key areas of biodiversity conservation, the economic potential of the sector, and respect for human rights and the need for livelihood security;
- o effective governance arrangements.

The CFI aims to contribute to the global objective of having, worldwide, **coastal fisheries delivering sustainable environmental, social and economic benefits.**

The **Objective** of the CFI is:

To demonstrate holistic, ecosystem-based management and improved governance of coastal fisheries.

CFI is committed to building on the extensive experience in fisheries governance and management already present on the ground and supporting the application of lessons learned from that experience as widely as possible by supporting existing initiatives over a limited range of geographical locations and support them to better integrate best practice from around the world. A particular emphasis will be placed on encouraging them to systematically integrate all five key thematic areas that characterize different sets of objectives for fisheries management, namely:

- o Conventional fisheries management priorities;
- Safeguard of Human well-being priorities;
- Biodiversity and ecosystem health priorities;
- Post-harvest and value chain priorities;
- Wealth creation and investment priorities.

CFI will work closely with national governments, regional organizations concerned with coastal fisheries, with private sector operators from both the small-scale and larger-scale sub-sectors, and with actors from the entire fisheries value chain.

The CFI envisages action at all levels - global, regional, national and local levels - and this is reflected in the program structure which contains four components under which activities will be implemented on the ground.

The geographical focus of CFI is West Africa, Latin America and Indonesia.

1. Introduction

This Coastal Fisheries Initiative (CFI) has been developed within the framework of the work of the Global Environment Facility (GEF) on safeguarding world oceans and the marine environment. Focusing on fisheries carried out within the Exclusive Economic Zones (EEZs) of coastal states, the CFI aims to demonstrate and promote more integrated and holistic processes leading to sustainable use and management of coastal fisheries and, in doing this, to complement the GEF multi-country Large-Marine Ecosystem (ME) approach.

The CFI consists of a combination of national and subregional projects – supported also by an ondemand funding mechanism and a global knowledge management mechanism for sharing experiences and furthering effective fisheries management. The CFI strategic approach lies in its combination of methods that have proven successful for fisheries management and securing sustainable resource utilization. By carefully assessing past and ongoing experiences, holistic and integrated interventions will be undertaken on the ground through collaborative efforts by several GEF Agencies and with the participation of resource users and other relevant stakeholders.

The CFI has involved broad consultations from the beginning of its development process. This consultative process will continue in the implementation of the CFI through engagement with the range of stakeholders involved in and concerned with coastal fisheries. It is hoped that these processes are replicable and can be used in future GEF programming efforts. It is recognized that specific approaches to fisheries management cannot easily be replicated from one place to another as they generally need to be context specific, but it is expected that the processes for developing more effective coastal fisheries governance and implementing improved management will generate lessons and best practice that can be applied more widely.

2. Justification

Coastal fisheries represent a critical provider of livelihoods, particularly in coastal areas of developing countries, and have a key role in ensuring food security as well as economic and social well-being worldwide. Marine fisheries are estimated to directly employ over 60 million people, including both fishers and postharvest jobs, and 85 percent are small-scale fishers and fish workers primarily operating in coastal waters in developing countries and almost 300 million people are estimated to depend on the sector. However, coastal fisheries face many challenges: many are being exploited at or beyond their biological limits and their economic and social performance is declining as a result. Many of the coastal communities that depend on fisheries are characterized by poverty and marginalization from decision-making and development. Moreover, unsustainable resource utilization and fishing practices threaten marine habitats and biodiversity (see also Box1 below).

Drivers for this situation at the macro level include population growth, increased demand for fish, climate change, the political economy and institutional context, and interactions with other sectors that are – at least partly – outside the fisheries sector itself.

Box 1: Current status of coastal fisheries

Coastal fisheries are subject to intense pressure and generally characterized by resource overexploitation and economic inefficiency because of overcapacity and ecosystem degradation caused both by marine and land-based activities, including pollution. The interactions involved in coastal fisheries are complex and the sector is subject to the different aims and objectives of a wide range of stakeholders.

According to the FAO (2014), close to 30 percent of the world's assessed fish stock are overexploited and some 60 percent are fully exploited while other estimates suggest that over 40 percent of fisheries have crashed or are overfished (CEA, 2012). This situation constitutes a major threat to the contributions of fisheries to food security, livelihoods and economic growth. Where fisheries have declined as a result of overexploitation and habitat degradation, support to the fisheries sector often represents a drain of national economies and overfishing is estimated to result in losses of up to \$50 billion annually in terms of loss of potential earnings (Arnason et al., 2008).

However, where governance arrangements are strong where monitoring control and surveillance (MCS) measures are effective, and where fisheries managers and resource-users have been able to pursue consistent science-based management decisions, stocks are stable or recovering. In these situations, fisheries make significant, and sustainable, contributions to national economies, food supply and employment. By contrast, in many countries with weak governance, poorMCS and insufficient capacity to effectively implement management, coastal marine resources are under threat.

This threat is often particularly serious in some developing countries, where coastal fisheries involving large numbers of small-scale fishers predominate (CEA, 2012). Overfishing both by small-scale fisheries (SSF) as well as by industrial fleets and Distant Water Fishing Nations (DWFN), is particularly severe in the waters of many lower and middle income countries in Southeast Asia, West Africa and Central America (CEA, 2012). Postharvest fish losses are also a serious constraint on the sector globally and have been estimated to range between 20 and 75 percent of landings, in particular in small-scale fisheries in tropical developing countries (FAO, 2014).

Fishery-dependent coastal communities in many areas suffer from poverty and food insecurity and are facing a range of related problems and concerns. These include factors that are directly related to fishing and related professions (safety-atsea, working conditions and forced/child labor, etc) but also to the often remote location of communities and lack of services, political and economic power, and influence over decisions that affect their lives. Where the opportunities for participants in the fisheries sector to find employment in other sectors are limited, the effects of declining access to fisheries resources and falling economic returns can be particularly severe.

The coastal areas where fishing communities live are also increasingly exposed to risks from sea level rise and extreme events. Coastal areas are also vulnerable to non climate related disasters such as oil spills, industrial pollution or the effects of coastal urbanization and fishing communities in coastal areas are particularly vulnerable to the impacts of these changes (Allison et al., 2009).

However, in the face of these threats to coastal fisheries globally, the sector has, in recent years, also seen an acceleration in efforts to improve its social, economic and environmental performance, to rebuild depleted fish stocks, to reduce the negative impact of fisheries on marine ecosystems, and to reduce fishing effort.

There are however also important drivers that are more explicitly linked to the fisheries sector. First and foremost governance arrangements for the sector are generally weak. Roles and responsibilities are often poorly defined or overlapping, regulation is limited, voice and accountability within the sector is poor and effective implementation of rules and regulations is often lacking. Critically, there are often limited or ineffective controls on access to fishing activity and this limits the effectiveness of any attempt at management of fisheries resources. Coastal fisheries are often characterized by perverse incentives that encourage overfishing and overinvestment in the sector and opaqueness and lack of control over fisheries activities with high levels of illegal, unreported and unregulated (IUU) fishing. Resource users often have limited involvement in decision-making and many fisheries management institutions are weak with an inability to effectively address the complexity of coastal fisheries and related livelihoods, and insufficient funding to implement management and support measures leading to a transition to sustainability. It is widely recognized that without systematic efforts to address these weaknesses within the sector, the decline in the performance of coastal fisheries in many areas of the world where it plays a key role is likely to continue. This threatens the sector's actual and potential contributions to ocean health, livelihoods and economic growth.

Addressing the complexities of coastal fisheries needs to be underpinned by two key elements. A holistic and integrated approach to addressing the fisheries sector, that takes into account all three key areas of biodiversity conservation, the economic potential of the sector, and respect for human rights and the need for livelihood security, is vital in order to address the priorities of the multiple stakeholders involved in coastal fisheries. Effective governance arrangements within the sector are also a prerequisite for its recovery and improved performance.

Where these key elements have been effectively brought to bear and genuinely holistic ecosystem based coastal fisheries management established, the capacity for coastal fisheries to recover has been demonstrated. Accordingly, the CFI will promote an integrated, governancebased approach to establishing holistic ecosystem based fisheries management that contributes to environmental, economic and social sustainability.

3. The Objective of the CFI

The GEF mandate emphasizes the protection of Global Environment Benefits (GEBs) and the promotion of environmentally sustainable development. Under this framework, the CFI will have a strong focus on ecosystem health, but the initiative recognize it will succeed only if it is supported by action in the social and economic dimensions. Food security will be a priority, especially given the context of poverty and livelihood dependence on fisheries among many coastal fishing communities. The goal and objectives of the CFI will be in line and support the Sustainable Development Goal achievement.

The CFI aims to contribute to the **global objective** of having, worldwide, coastal fisheries delivering sustainable environmental, social and economic benefits.

The **Objective** of the CFI is:

To demonstrate holistic, ecosystem-based management and improved governance of coastal fisheries.

The outcomes of the CFI will inevitably be shaped by the individual components that will make up the initiative and these will be defined in detail during the consultative process which is envisaged for the formulation of these components and will be contained in the Project Framework Documents (PFD) for each component.

CFI reflects an awareness that the processes involved in developing and implementing improved governance are often as important as the specific techniques or instruments applied. A key outcome of the CFI will be the demonstration that a holistic approach that integrates diverse priorities can be implemented effectively. The establishment of appropriate incentives that encourage responsible fishing practice and policy processes to create an enabling environment for better sector governance are regarded as key outcomes of that process. Ensuring that the learning generated by the øperience of the initiative is documented and made available as widely as possible in a form that is accessible for people and institutions concerned with coastal fisheries worldwide.

4. CFI Theory of Change

The CFI *Theory of Change* builds on the recognition that good governance is fundamental to sustainable coastal fisheries. Good governance encompasses several dimensions and these are reflected in the Theory of Change diagram below.



Figure 1: Theory of Change for the Coastal Fisheries Initiative

5. CFI Strategy and Guiding Principles

The Theory of Change above highlights how better governance of coastal fisheries is key to ensuring that the potential environmental social and economic benefits from the sector are sustained. Three interrelated elements are identified as underpinning the achievement of better governance.

- o the adoption of a holistic approach to the process of developing better governance arrangements;
- ensuring that resource users recognize, and are able to realize the benefits from, appropriate incentives for better management;
- putting in place a policy and institutional environment that enables the establishment and realization of those incentives.

Addressing all three of these key elements will represent the core of CFI's strategy.

5.1. A holistic approach

For CFI, a holistic approach to the process of establishing better governance arrangements for coastal fisheries is a core value which will underpin its activities. This holistic approach will have several important dimensions. It will recognize the importance of addressing all three pillars of sustainable development - the environmental, social and economic dimensions - and ensuring that attention to all of these is integrated into all of CFI's activities on the ground. In the environmental dimension, this will require taking an ecosystem approach to management of coastal fisheries, ensuring the maintenance of ecosystem functions and taking into account interactions with other linked ecosystems. In the social dimension, it will mean adopting a participatory, inclusive approach that engages with all the stakeholders involved in coastal fisheries, and takes full account, from the start, of their objectives and priorities in fisheries and their rights to livelihoods, to food, and to representation and participation in decision-making processes. In the economic dimension, it will recognize that economic viability, and realizing the economic potential of fisheries in coastal areas, will be key to achieving sustainable fisheries.

CFI's holistic approach will involve incorporating the best practice in fisheries management. The approach will also involve ensuring that different sets of objectives and priorities, are integrated into the preparation and implementation of coastal fisheries management.

This holistic approach will be supported by the adoption of the following Guiding Principles for CFI:

- **Participation and inclusiveness:** Ensuring that all concerned stakeholders are engaged in the process of decision-making about the resources they depend on is vital;
- Gender equality and equity: Gender equality is fundamental to any development but particular attention will be paid to this principle in CFI in recognition of the vital role of women in coastal fisheries. CFI will promote equal rights and opportunities for women and men, and ensure women's representation and involvement in decision-making that effects them and their livelihoods;
- Compatibility with international instruments: CFI will ensure that its activities incorporate and are compatible with other key instruments related to fisheries including international conventions and guidelines to which countries and international organizations have subscribed;
- Adaptability and flexibility: Global experience in fisheries management has demonstrated clearly that solutions need to be adapted to local contexts. While transferable lessons and best practice will be sought out and disseminated, the limitations of replicability will be recognized;
- **Building on strengths**: CFI will seek to build on the strengths and capacities of the partners involved. This will include the GEF Agencies cooperating in the initiative, governments, other partner

partner organizations involved in its different components, the wider international community of concerned agencies, academia, civil society and associations representing , and, critically, the capacities and knowledge of local stakeholders involved in the sector at all levels. CFI will focus on building on existing initiatives, building on their experience and maximizing their impact;

- Addressing the whole fisheries value chain: CFI will ensure that initiatives it supports address issues along the entire fisheries value chain and the stakeholders involved from production to sale;
- **Transparency**: Clearly defining and widely publicizing policies, laws and procedures in applicable languages, and widely publicizing decisions in applicable languages and in formats accessible to all;
- Accountability: Holding individuals, public agencies and non-state actors responsible for their actions and decisions according to the principles of the rule of law, and providing opportunities for feedback and discussion of interventions between agencies responsible for their implementation and those affected by them.

5.2. An appropriate incentive framework for responsible resource use

The incentives that stakeholders in the coastal fisheries sector perceive for their activities, and the extent to which they are able to realize concrete benefits based on those incentives, are a key element in effective governance of the sector. Secure tenure rights over the resource and its use, controls on access to fisheries, the elimination of perverse incentives, and market arrangements that reward responsible fishing are all key to ensuring that stakeholders in fisheries recognize the value of better management and support effective governance arrangements. In parallel with improved resource management, other dimensions of livelihoods, including social and economic development, need to be addressed to ensure that the full benefits of better governance are realized. Where appropriate incentives are in place, the coastal fisheries sector will also attract more appropriate investment as its potential to generate economic returns will be secured and its capacity to generate wealth will be recognized.

5.3. An enabling policy and institutional environment

The policy and institutional environment is key to allowing a more appropriate incentive structure to be put in place. Policy-makers have to recognize the potential value of the sector as a contributor to environmental health, livelihoods and economic growth, and the fundamental importance of good governance in order to support that contribution. They must accept the principle of subsidiarity and be willing to devolve management responsibility to the lowest appropriate level of decision-making, and to adopt the highest standards of transparency and accountability in developing new governance arrangements for the sector. Legal and policy instruments that ensure effective monitoring and sanctions for illegal resource use need to be in place and implemented and there needs to be significant political will, backed up by sufficient resources to drive the process of reforming fisheries governance.

6. CFI's Approach

CFI is committed to building on the extensive experience in fisheries governance and management already present on the ground and supporting the application of lessons learned from that experience. The CFI opportunities lie in supporting existing initiatives, over a limited range of geographical areas, to incorporate these lessons, build on their strengths and address some of the weaknesses of the current approaches (see the report on the meeting of GEF Agencies attached as Annex1).

Over the past decades, a wide range of approaches have been applied to managing fisheries in general and coastal fisheries in particular. Worldwide experience has led to a growing consensus that there are no simple simple solutions to the complexissues facing the sector and that approaches have to be adapted to the local

local context if they are to have any chance of success. Practitioners increasingly recognize that they need to to be creative and innovative in combining different approaches, resolving conflicts between apparently conflicting sets of objectives and addressing a wide range of different sets of priorities in order to achieve management success. This flexibility and creativeness will be a key characteristic of CFI's support to the sector.

CFI's holistic approach will focus on building on this awareness among practitioners and supporting the process of addressing the sometimes contrasting objectives of stakeholders in the sector. While these objectives are often context specific and related to specific stakeholder groups, they can be broadly characterized into five main thematic areas:

• Sector-focused management priorities

Most fisheries management worldwide continues to be focus on efforts to establish and implement rules and regulations for the functioning of activities within the sector, and are focused on achieving objectives specifically relating to the sector. The pursuit of these objectives, and the instruments developed for achieving them, whether through regulation of inputs and outputs in the sector, improved science and information to inform decision-making, or better monitoring and enforcement, continue to have an important role to play.

• Safeguard of Human well-being priorities

These sets of objectives emphasize the need for wider social and economic development for participants in the fisheries sector and their rights to food security and livelihoods. This is regarded as particularly important given high levels of vulnerability and poverty often encountered in fishing communities and their frequent lack the capacity, incentives and organization to participate in decision-making about fisheries management. Safeguard of human well-being objectives therefore focus greater attention to equitable distribution of benefits from fisheries, strengthening fishers' capacity to engage with institutions and decision-making mechanisms, and the need to include both women and men in management decisions.

o Biodiversity and ecosystem health priorities

Ensuring the maintenance of biodiversity and ecosystem health in the marine environment, both in coastal areas and in the deep sea, as well as through interactions between the marine and terrestrial environments, is often prioritized as it underpins the sustainability of the fisheries sector as a whole. Supported by key conventions such as the Convention of Biological Diversity (CBD), the protection of critical habitats and the introduction of controls on resource use are seen as key to achieving these objectives.

• Post-harvest and value chain priorities

Given the limited scope worldwide for increasing production from fisheries that are frequently already exploited at or beyond their sustainable capacity, the opportunities for reducing wastage and adding value to fish being caught is frequently seen as a priority objective. Opportunities for incentivizing sustainable fisheries through market measures and consumer demand for fish products from wellmanaged fisheries often underpin the approaches used to achieve these objectives.

• Wealth creation and investment priorities

This set of priorities in fisheries management sees the introduction of appropriate economic incentives for resource users, and particularly secure tenure rights to fisheries resource, as key to achieving sustainable use. The emphasis is often on ensuring the economic performance of fisheries as a sector and its contribution to wider economic growth and well-being through more efficient exploitation and management and the capture of resource rent for reinvestment in the development of fisher communities in particular, and wider society in general.

These sets of priorities are by no means exclusive, and many of the most successful fisheries management initiatives already incorporate different sets of objectives and seek to find common ground between them. One of the key challenges for CFI will be to ensure that all five of these thematic areas are systematically addressed and accommodated as appropriate into a genuinely holistic management process.



Figure 2: Five Thematic Areas in Coastal Fisheries Management

It is envisaged that the initiatives that CFI supports, while possibly using one or several of these thematic objective areas as an entry point for their activities, will use CFI support to incorporate other thematic areas in their work.

CFI will work in close concert with national governments and in response to demand from governments. CFI's activities will only be implemented where these are in harmony with national development priorities. The building of national capacity to create a supportive and enabling environment for holistic coastal fisheries management and better governance of the sector will be an important area of CFI's intervention.

CFI will also work closely with regional organizations involved in managing fisheries in EEZs and aim to strengthen their role, to fulfill that role effectively. This is likely to include working closely with Regional Fisheries Management Organizations (RFMDs) and with existing Large Marine Ecosystem (ME) projects, drawing on their experience and supporting them in fulfilling their mandates.

Close cooperation with private sector operators, and their representative organizations, whether from the small-scale fisheries subsector or from larger scale operations, will be particularly key for CFI and represent an integral part of the holistic approach which the initiative will promote. This will take account of the relative levels of organization among different stakeholders in the sector and support various forms of multi-stakeholder consultative processes in which particular attention will be paid to the involvement of

weaker, or more poorly organized, groups with a direct concern in coastal fisheries and their management. Particular attention will be paid to including marginalized groups in these processes, such as women involved in the fisheries sector, small-scale fishers and fish traders, and ethnic minorities or migrant communities where these are involved.

Engagement with the entire fisheries value chain is likely to mean that an important role will also be played by representatives of private sector organizations involved in the fish trade, both nationally, regionally and globally.

7. Geographical focus

The CFI geographical focus will be: West Africa, Latin America, and Indonesia. The process of identifying the geographical focus of CFI has taken into account:

- The existence of appropriate enabling conditions: The initiative will be working on establishing what key enabling conditions need to be in place to enable coastal fisheries management, but regions and countries will be selected where, either because of eisting initiatives, government commitment or local institutional arrangements, there is an opportunity for the initiative to assist in creating an appropriately enabling environment for innovation in fisheries management within the timeframe of the initiative;
- The potential for attracting further investment, whether public and private: The opportunities for attracting or leveraging additional investment in the area will be considered, based on both ongoing initiatives and interest expressed by potential partners;
- Areas with a significant fishing foot print: Pilot activities will be focused on countries (and regions) where fisheries represents a significant activity in terms of levels of dependence on fisheries among the population, the role of fisheries in ensuring food security, nutrition and livelihoods, and the contribution of fisheries to the local economy;
- Areas where CFI's interventions can generate significant Global Environmental Benefits: CFI will seek to work where there is a clear opportunity of generating significant Global Environmental Benefits within the timeframe envisaged for the initiative;
- Areas where there is demand for improvements in fisheries management and governance: CFI will seek to work where there is clear demand among key institutions and stakeholders for interventions to improve coastal fisheries management and governance and the appropriate aptitudes and expectations of local stakeholders are high;
- Seek to balance relatively short-term opportunities for success and challenges requiring innovative approaches and new ways of working; CFI will seek to work in areas where it can identify both opportunities for short-term success (clear demand-driven interventions which already have significant support and enabling circumstances in place) and more challenging issues that are likely to require the introduction of innovative approaches, new institutional arrangements and work on the enabling environment;
- **Opportunities to build on, and add value to, existing initiatives**: CFI will seek to build on existing initiatives and support them in scaling up existing interventions, replicating best practice where appropriate, and innovating through integration of other approaches into their work ;

- Seek to balance tangible results within a short timeframe and longer term objectives: CFI will aim to generate both relatively short-term outcomes which can be achieved within a 4year initial timeframe and objectives that are likely to see results over the longer-timeframe envisaged for the initiative;
- Seek out opportunities for unique added value by partners: CFI will seek to identify opportunities where partners involved in the initiative can bring unique added value to the process;
- Seek out opportunities for innovation in terms of GEF's normal interventions: The CFI will actively seek to go beyond the type of intervention which GEF is normally engaged in and look for opportunities to "push the envelope". This could involve innovative arrangements to implementation or new sets of relationships with partners and stakeholders.

The finalization of the geographical focus of the CFI will take place in close consultation with national governments and regional organizations concerned with coastal fisheries, and through a process of close consultation with the stakeholders directly concerned and their representative organizations.

8. Assumptions and risks

Coastal fisheries exist in a broader economic, social and political context and development of the sector is interlinked with other sectors and with developments outside the sector itself. The success of CFI will therefore be based on a number of assumptions relating to potential risks and challenges to its success. Some of these include:

- Political will to implement reforms and changes in coastal fisheries governance and management according to best practices identified by the CFI is forthcoming. This political will is also important in ensuring that the necessary funding is available to scale up initial successes in order to create a sustainable impact.
- Sufficient capacity at national and regional levels can be mobilized or developed within the timeframe of the initiative to support the management changes proposed by the CFI.
- Poverty is addressed at a macroeconomic level and options for alternative employment are accessible. While it is envisaged that CFI's holistic approach will take into account opportunities for livelihood diversification and enhancement at the local level in order to facilitate the introduction of management measures in fisheries, the wider economic context may impinge on the extent to which livelihood alternatives can be implemented.
- Linkages with market chains which are responsive to the demand for sustainably produced seafood can be identified and established.
- The development of new governance arrangements, and the introduction of associated management measures, has a cost and ways of bearing those costs and distributing them equitably and sustainably among users and beneficiaries need to be developed. Similarly, careful attention is required to ensuring that the benefits generated by fisheries management are distributed equitably and that they compensate for costs incurred on different groups. Achieving this balance will be a challenge which will require commitment and support from a wide range of actors involved.

9. Monitoring and indicators

Precise indicators will be developed for CFI and each of its components as they are formulated in more detail in each geographic area, in close consultation with local and regional partners. In the different geographical areas where CFI will be implemented, locally appropriate sets of indicators will be developed.

The following broad categories of indicator is provided as a framework to help in discussions at the component level and to guide the development of overall indicators for the CFI.

At the **goal** level (corresponding to the top line in the Theory of Change proposed above) impacts are likely to long-term and potentially beyond the scope of the current program. However, discussion of how these longer term impacts might be incorporated into on-going management measures needs to be incorporated into work at the ground level, and therefore some key indicator areas are suggested here.

- Indicators of impacts on **Biodiversity and Ecosystem Health (Global Environmental Benefits)** generated, in the short and longer-term, including:
 - evidence that management arrangements in coastal fisheries promoted by CFI are contributing to maintaining globally significant biodiversity, and the ecosystem goods and services that it provides to society;
 - evidence of implementation of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of coastal ecosystem services;
 - evidence that innovations promoted by CFI will contribute to shifts towards a low-emission and resilient development path (such as adoption of low-emission practices in fisheries production or value-chain activities);
 - evidence of enhanced capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and subnational policy, planning financial and legal frameworks.
- Indicators of impacts on Economic Potential and Wealth Creation in the coastal fisheries sector, including:
 - evidence of improvements in economic returns from fisheries for fishers, producers and actors in the market chain;
 - evidence of investment in the coastal fisheries sector and the performance of these investments;
 - measurement of the contribution of the coastal fisheries sector to wider economic growth and national accounts.
- Indicators of improved recognition of Human Well-being in the coastal fisheries sector and improved Livelihood Security among actors in the sector, including:
 - evidence of better recognition of the rights of resource users in policy and legislation relating to the sector;
 - improved livelihoods among key stakeholders (including both objective measurement of livelihood improvement and perceived improvements among stakeholders);
 - evidence of the social sustainability of CFI innovations, including the distribution of benefits from management measures and value chain innovations;

At the level of the **Objective**, indicators will need to take into account both objective measurements where they are possible and assessment of the perceptions of concerned stakeholders. The key dimensions described below in assessing governance are based on the World Governance Indicators (aufmann et al., 2014) and include:

 indicators of voice and accountability, including participation of stakeholders in decisionmaking, representation mechanisms for stakeholders and the transparency of processes involved in taking decisions;

- indicators of stability and absence of violence or coercion, both within coastal fisheries governance processes and in the wider environment;
- indicators of effectiveness, both in terms of performance of new governance arrangements and perceptions of their transparency, accountability, equitability and efficiency. Research conducted within CFI will specifically work on developing indicators of fisheries management effectiveness which will contribute to this set of indicators;
- indicators of regulatory quality, particularly perceptions of the capacity of governance arrangements to produce appropriate rules and regulation and effective instruments for their implementation;
- o indicators of **compliance** with regulation and management measures.

Particular attention will also be required to developing appropriate indicators of the level of **integration** and the **holistic nature** of the approaches developed during the CFI. These might include:

- indicators of the level of integration of three key pillars of sustainable development-environmental, social and economic;
- indicators of the extent to which five key dimensions of fisheries management (conventional fisheries management priorities, human rights and wellbeing priorities, biodiversity and ecosystem health priorities, post-harvest and value chain priorities and wealth creation and investment priorities) have been incorporated.

10.Program Structure

The CFI envisages action at all levels - global, regional, national and local levels - and this is reflected in the program structure.

A series of four components which will have the task of developing and implementing activities on the ground. Three of these components will be regionally based (Indonesia, Latin-America and West Africa) The fourth component, a Global Challenge Fund will focus on providing investment for public private sector partnership in coastal fisheries management focused on the regions covered by the other CFI components. These components will be conducted in concert with, among others, regional partners, national governments, civil society organizations and research institutions.

11.Program Governance

The proposed governance structure for the CFI has taken into consideration several key factors:

- Ensure that those with a direct interest in the outcomes of the CFI have a central role in decisionmaking and monitoring processes. This should include as a wide a range as possible of representatives of different groups of actors involved in coastal fisheries, including fishing communities and private sector operators in production, processing and marketing of fish products, whether small-scale or larger commercial interests;
- Ensuring that governance arrangements achieve an appropriate balance between inclusiveness and being as streamlined as possible to ensure smooth implementation of the initiative;
- Providing an appropriate level of flexibility to those involved in implementing activities on the ground to adapt to local circumstances;

- Ensuring that learning generated by the activities supported by CFI is captured, reflected on, interpreted, made available in appropriate forms, and used both by the partners involved in CFI implementation and by the wider community concerned with coastal fisheries globally;
- Ensuring that adequate opportunities for reflection on results and progress are incorporated into the governance arrangements that include both partners and the wider fisheries community;
- Ensure that the wider community concerned with coastal fisheries globally are aware of the CFI and have the opportunity to engage in discussions about what it is doing and what is being learnt from it. At the same time, ensure that the CFI is able to take lessons learnt generated by other initiatives into account as they become available. The CFI should strike a balance between aligning itself with current policy frameworks and international instruments and seeking to influence policies and strategies according to the best practices that are being identified.

With this in mind the following diagram synthesizes key elements in the proposed governance arrangements.

The **Global Coordination Unit (GCU)** will be responsible for coordinating inputs and outputs across all the components of the CFI and the overall management of the initiative, and ensure that funding flows smoothly and in a timely fashion to the components. It will report regularly to the CFI Steering Committee and interact on a regular basis with the Global Reference Group in order to respond to issues and concerns raised by them. The GCU will also be responsible for implementing research activities to develop coastal fisheries performance indicators, the development and implementation of an appropriate monitoring and evaluation (%) system for the initiative and the development of a broader knowledge management (K) strategy to ensure that learning from the CFI is documented and disseminated.

The **Steering Committee (SC)** will be responsible for oversight of the initiative and ensuring that the implementation of the CFI incorporates the principles and strategies described in the Strategic Framework document.

The **Global Reference Group** (GRG) will provide an independent oversight of CFI and assist the SC in ensuring that the CFI is implemented according to agreed principles and standards. The GRG will consult on a regular basis with the SC and the GCU, and will include stakeholders from component regions in order to ensure that regional concerns are reflected.

The **Component Steering Committee (CSC)** will undertake a similar role to the overall SC with a specific focus on the activities conducted within each Component. It is envisaged that the CSCs will be made up of representatives of the partner agencies involved in the implementation of the program and representatives of the governments. It is envisaged that at least one member from each CSC will also participate in the GRG in order to ensure that regional concerns and issues are adequately reflected in its deliberations.

The individual components will each have their own Component Coordination Units (CCU), led by the lead GEF agency in each area and these Coordination Units will be responsible for interacting with governments, regional partners and national partners, developing the activities of the initiative regionally, reporting to the GCU on progress, ensuring that key issues and learning are channeled to the GCU and, through them, to the SC. They will also be responsible for ensuring that appropriate consultative arrangements are put in place to ensure that regional and local stakeholders are involved in the development of CFI activities on the ground, and for implementing the Materia.

Figure 3: CFI Governance Structure



Key

- Evaluation & advising on packy & program
- Reporting
- ---- Funding stream
- Learning # guidence

ANNEX 7: CFI RESULTS MATRIX

Goal: To contribute to coastal fisheries delivering sustainable environmental, social and economic benefits. Overall objective: To demonstrate holistic ecosystem based management and improved governance of coastal fisheries

| OBJECTIVES / IMPACT | BASELINE | INDICATORS | TARGETS | MEANS OF VERIFICATION |
|---|---|---|--|--|
| Global Environmental Objective: To support responsible coastal fisheries and the maintenance of ecosystem services through implementation of more holistic and better harmonised approaches. | a) Coastal fisheries are subject to intense pressure and generally characterized by resource overexploitation because of poor governance and inadequate management: 30% of assessed global fish stocks are overexploited and 60% are fully exploited (FAO, 2014). Degradation of ecosystems caused both by marine and land- based activities, including pollution, further aggravates the situation. b) The interactions involved in coastal fisheries are complex and the sector is subject to the different aims and objectives of a wide range of stakeholders. Over the past decades, a range of approaches have been developed and are applied to fisheries management. Governments and different environmental and development agencies and organisations tend to promote different approaches and there is a lack of coherence. | a) Improved fisheries and ecosystem governance and management systems are in place and under implementation in the geographies covered by the CFI and contribute to more sustainable resource utilisation. b) Fisheries and ecosystem management best practices have been identified, are recognized by all GEF Agencies involved in the programme and are replicated in new projects and programmes and accepted and adopted by governments and other partners. | a.1) XX fisheries - representing (in volume) XX% of world fisheries are moved to more sustainable levels¹. a.2) XX fisheries management plans and appropriate measures implemented for rebuilding or protecting fish stocks including alternative management approaches.² a.3) XX hectares of seascapes under improved management³ (through integration of appropriate spatial management tools in fisheries management frameworks). b) Best practices identified through CFI referred to in national and regional policies and strategies and implemented (in XX countries / regional organisations). | Information generated by the new CFI evaluation performance system (during development of system, other existing baselines, interim and trial assessments will be used as proxies). Fisheries management documentation (management plans, regulatory frameworks, management committee meeting minutes, etc) and stakeholder perceptions (interviews with resource users, questionnaires, etc) comparing end-of-programme situation with baseline established during child project PPG phase. Governments' and regional organisations' policy documents, regulatory frameworks, official meeting minutes and similar. CFI program and child project documents and reports. |

¹ This indicator/target refers the Corporate Result/Replenishment Target No 3 in Table E in the PFD template "Program's target contributions to global environmental benefits".

² Indicator included in the GEF 6 Results Framework, IW Programme 7.

³ This indicator/target refers the Corporate Result/Replenishment Target No 1 in Table E in the PFD template "Program's target contributions to global environmental benefits".

| OBJECTIVES / IMPACT | BASELINE | INDICATORS | TARGETS | MEANS OF VERIFICATION |
|---|---|---|---|---|
| Program Development Objective: To increase the economic and social value generated by coastal fisheries to support human well- being and livelihoods. | a) Coastal fisheries governance is generally weak and inadequate and the sector is characterized by perverse incentives that encourage overfishing and overinvestment resulting in economic inefficiency. b) Marine fisheries are estimated to employ over 60 million people, including both fishers and postharvest jobs, and 85 percent are small-scale fishers and fish workers primarily operating in coastal waters in developing countries. About of the people working in capture fisheries are women. Fishery-dependent coastal communities in many areas suffer from poverty and food insecurity and are facing a range of related problems and concerns. | a) The fisheries value chains covered by the CFI in its 3 geographies show better economic and social performance. b) Livelihoods of fishing communities covered by the CFI in the 3 geographies have improved and are more resilient. | a.1) In XX fisheries value chains, new or amended management arrangements and incentive structures contribute to improved economic fisheries performance. b.1) XX fishers and fish workers (XX men and XX women) along the value chains covered by CFI have benefited from programme activities and strengthened the profitability of their businesses. b.2) Increased incomes and equity in revenue sharing in XX CFI value chains are demonstrated while catches remain stable or decrease. | Information generated by the new CFI evaluation performance system (during development of system, other existing baselines, interim and trial assessments will be used as proxies). Specific surveys (assessments of selected key livelihood indicators, e.g. income, school enrolment rates, etc) carried out during PPG (baseline) and at end-of- project / programme evaluation in CFI child project geographies. Governments' and regional organisations' policy documents, regulatory frameworks, official meeting minutes and similar. CFI program and child project documents and reports. |

PROGRAMME COMPONENT 1: Sustainability incentives in the value chain

| Ουτςομε | BASELINE | INDICATORS | TARGETS | MEANS OF VERIFICATION |
|---|--|--|---|---|
| Outcome 1. The efficiency of and transparency in the fisheries value chain (from in harvest to consumer) has ripheen improved through appropriate incentive structures and contribute to sustainable resource by utilisation and equitable his social and economic development. b) development. f) c) c) ref c) development. f) c) c) ref c) structures and contribute to sustainable resource by utilisation and equitable his social and economic lated and economic development. f) f) matrix f) matrix f) attrix f) f) f) f)< | a) There is often a lack of appropriate isheries management arrangements, ncluding of secure tenure and access rights regimes and co-management systems, constituting a disincentive for responsible fisheries. b) Post-harvest losses continue to be high at estimated range of 20-75 % of andings, in particular in small-scale isheries in developing countries where working conditions also tend to be precarious. Mangroves are disappearing at an average annual rate of 1%, one reason being its use as fuel wood for fish smoking. c) A holistic value chain perspective is rarely taken in fisheries governance and the benefits of efficient and equitable post-harvest systems for environmentally, economically and socially sustainable coastal fisheries are argely ignored. There is limited use of Public Private Partnerships (PPPs) and market incentives for the creation of value-added and promotion of sustainable fishing. | a) New or amended fisheries management regimes, including incentive structures, are implemented. b) Postharvest losses have decreased, quality of products and working conditions improved and carbon foot print of fish smoking has been reduced. c.1) PPPs implemented for, for example, improved landing site management, information sharing and market access. c.2) Innovative market incentive systems implemented for improved environmental, economic and social sustainability of coastal fisheries. | a) In XX fisheries in at least XX CFI countries, new or amended management regimes – including comanagement and secure tenure and access rights regimes, as appropriate - are implemented successfully. b) Post-harvest losses in at least XX value chains in the CFI geographies have been decreased by XX % and fuel wood consumption reduced in all fish smoking value chains covered by the CFI. c.1) Innovative PPPs implemented in at least XX value chains in the CFI geographies and environmental, economic and social benefits are demonstrated. c.2) XX fisheries improved in at least XX CFI countries through innovative value chain approaches, e.g. 'fisheries improvement projects' and 'recognition schemes' (e.g. certification and including traceability and transparency criteria, as appropriate) including decent work and gender considerations. | CFI program and child project documents and reports. Governments' and regional organisations' policy documents, regulatory frameworks, official meeting minutes and similar. Specific surveys and assessments (during PPG to establish baselines and at end-of- project to assess results). |

| OUTPUTS | CHILD PROJECT CONTRIBUTIONS (CHILD PROJECT OUTCOME LEVEL) |
|---|--|
| Output 1.1. EAF/M based management plans and processes in place that includes demonstration of co-management and innovative or improved secure tenure and access rights regimes, as appropriate. | INS Project: A.2 Holistic EAFM based plans in place to demonstrate the benefits of harvest controls and co-management. LA Project: A.2 Implementation of TURFs have resulted in sustainable fisheries management and coastal livelihoods at CFI pilot sites for both pelagic and benthic fisheries. WA Project: A.2 Existing and new fisheries management plans are based on EAF, include positive incentives for responsible fishing, and conform to relevant international instruments. |
| | Challenge Fund Project: B.1 Management plans and processes in place based on Ecosystem Approach to Fisheries Management (EAFM), including demonstration of co-management and innovative or improved secure tenure and access rights regimes, as appropriate. |
| Output 1.2. Capacity and skills of postharvest actors (both men and women) enhanced and leading to improved value chain efficiency, product quality and working conditions (business skills, improved technologies, market access, etc). | INS Project: B.2 Capacity and skills of postharvest actors (both men and women) enhanced through increased business sector interest in investing in coastal fisheries management, coastal ecosystem recovery, and reduction of waste and post-harvest loss. LA Project: - WA Project: B.3 Access to markets by small-scale and artisanal fishers and women fish workers stimulated. Challenge Fund Project: B.2 Capacity and skills of postharvest actors (both men and women) enhanced, leading to improved value chain efficiency, product quality and working conditions (business skills, improved technologies, market access, etc). |
| Output 1.3. Locally based market incentives – e.g., Fisheries Improvement Projects (FIPs) and 'recognition schemes' including decent work and gender considerations ⁴ – and successful PPPs are implemented. | INS Project: A.3 Locally based financial mechanisms established to demonstrate coastal ecosystem preservation as part of a holistic EAFM; and B.3 Local seafood processing, benefit sharing, training policies and regulations are harmonized with national policies to support EAFM as per FMP. LA Project: - WA Project: B.2 Value addition and diversification in selected seafood value chains with a focus on women to reduce post harvest losses through promotion of environment sensitive technologies, market incentives and PPPs. Challenge Fund Project: B.3 Locally based market incentives – e.g., Fisheries Improvement Projects (FIPs) and 'recognition schemes' including decent work and gender considerations⁵ – and successful PPPs are implemented. |

⁴ 'Recognition schemes' include but is not limited to certification and can refer to traceability and transparency criteria, as appropriate. CFI 'recognition schemes' seek to include criteria for environmental, economic and social sustainability.

⁵ 'Recognition schemes' include but are not limited to certification and can refer to traceability and transparency criteria, as appropriate. CFI 'recognition schemes' seek to include criteria for environmental, economic, and social sustainability.

PROGRAMME COMPONENT 2: Institutional structures and processes

| Ουτςομε | BASELINE | INDICATORS | TARGETS | MEANS OF VERIFICATION |
|----------------------------------|---|--|--|---|
| Outcome 2. Policies, legislation | a) The policy, legal and institutional | a.1) The necessary policy, legal and | a.1) Policy, legislation and institutions in | CFI program and child project |
| and institutions have been | frameworks in the coastal fisheries | institutional frameworks are in place, | at least XX CFI countries amended as | documents and reports. |
| improved at local, national and | sector tend to be inadequate for | functional and in use providing the | required to allow for implementation of | |
| regional levels allowing for | implementing innovative incentive | required enabling environment for | revised fisheries management | Governments' and regional |
| enhanced resource | structures, for effective stakeholder | implementing sustainability incentives in | approaches, including co-management | organisations' policy documents, |
| management through | participation and co-decision-making as | the value chain (see Outcome 1). | and revised tenure and access rights | regulatory frameworks, official meeting |
| integrated and holistic | well as for cross-sectoral coordination | | regimes as appropriate. | minutes and similar. |
| approaches that allow for | and collaboration as required by | a.2) Relevant international instruments | | |
| effective incentive structures | integrated and holistic approaches. The | are adopted, as appropriate. | a.2) The SSF Guidelines are reflected in | Specific surveys and assessments (during |
| and that lead to more | new international instrument (2014) on | | national policy in at least XX CFI | PPG to establish baselines and at end-of- |
| environmentally, economically | securing sustainable small-fisheries (the | b) Fishers, fish workers and other | countries. | project to assess results). |
| and socially sustainable coastal | SSF Guidelines) is not yet implemented ⁶ . | stakeholders are part of decision making | | |
| fisheries. | | processes with regard to fisheries | b) At least XX MPAs in the CFI | |
| | b) EAF(M) approaches are gaining in | management and community | geographies have functioning multiple | |
| | recognition but are not yet | development and have the capacity to | use legally recognised co-management | |
| | mainstreamed. MPAs and other spatial | participate in an effective manner. | plans (including protection of vulnerable | |
| | measures tend not to be integrated into | | habitats and marine ecosystems) and | |
| | fisheries management frameworks and | c) Relevant regional organisations have | are integrated into broader fisheries | |
| | are hence ineffective. | the capacity to support their member | management/EAF(M) frameworks. | |
| | | countries (and for transboundary | | |
| | c) There are a number of regional | resources) in applying CFI best practices. | c) At least XX relevant regional | |
| | organsiations – Regional Fishery Bodies | | organisations (RFBs/ Regional Seas | |
| | (RFBs) and Regional Seas Conventions - | d) Fishers, fish workers and local and | Conventions) have participated in the | |
| | but with varying mandates and degrees | national government staff have the | CFI and adopted best practices as part of | |
| | of capacity. | capacity to effectively participate in | their policy or strategic framework. | |
| | | fisheries governance and management | | |
| | d) Fishers and fish workers often lack | processes. | d) The capacity of XX fishers, fish | |
| | the capacity and are not empowered to | | workers and local and national | |
| | be involved in decision-making. Many | | government staff (XX men and XX | |
| 1 | fisheries management institutions are | | women) strengthened through training | |
| | weak with an inability to effectively | | (formal and on-the-job) on key topics | |
| | address the complexity of coastal | | related to, among other things, EAF(M) | |
| | fisheries and related livelihoods. | | and co-management (identified through | |
| | | | needs assessments) in XX CFI countries. | |

⁶ The Voluntary Guidelines for Securing Sustainable Small-scale Fisheries in the Context of Food Security and Poverty Eradication.

| OUTPUTS | CHILD PROJECT CONTRIBUTIONS (CHILD PROJECT OUTCOME LEVEL) |
|--|---|
| Output 2.1. National policy, legal and institutional frameworks amended to enable, support and implement effective and holistic fisheries management including, as appropriate, co-management, innovative or improved secure tenure and access rights regimes, and improved processes and standards in the postharvest subsector. | INS Project: A.1 National and local policy and institutional frameworks (including Fisheries Management Plans – FMPs) amended to enable, support, and implement holistic ecosystem approach to fisheries management (EAFM) LA Project: A.1 Improvement in the enabling environment (processes and institutional structures) required for initiating MSP work at national and SE Pacific levels, containing MUMPAs and where in existence management plans including the use of TURFs where appropriate which together have resulted in sustainable fisheries management and coastal livelihoods at CFI pilot sites for both pelagic and benthic fisheries in line with the SSF Guidelines. WA Project: A.1 National fisheries policy and legal frameworks provide the basis for EAF and facilitate multi-sectoral planning; and B.1 National legal frameworks to promote best practices, product standards and decent working conditions are developed. Challenge Fund Project: A.1 National policy, legal and institutional frameworks amended to enable, support, and implement effective and holistic fisheries management, innovative or improved secure tenure and access rights regimes, and improved processes and standards in the postharvest subsector. |
| Output 2.2. The legal and institutional arrangements for cross-sectoral and line agency (fisheries/environment) collaboration on planning and management of marine protected area (MPA) and other spatial measures improved. | INS Project: B.1 Improved planning and management of MPAs for cross-sectoral collaboration as part of a holistic EAFM approach through ecosystem restoration and conservation strategies and other innovative approaches. LA Project: A.3 New and already existing Marine Protected Areas (MPAs) have multiple use management plans including fisheries co-management as means of ensuring the application of EBM principles and improved co-management with successful marine control and surveillance (MCS) systems in operation. WA Project: <i>Output A.2.5 Pilot establishment and demonstration of fish refugia with participation of local fishing communities.</i> Challenge Fund Project: - |
| Output 2.3. Regional collaboration for sustainability and equitable livelihoods strengthened. | INS Project: - LA Project: B.1 Collaborative and participatory processes among development partners have been successfully tested in Ecuador and Peru in coordination with the Permanent Comission for the SE Pacific (CPPS) and are replicated in new public-private initiatives to increase the number of certified fisheries. WA Project: Output C.1.1 Knowledge sharing mechanism/links RFBs (CECAF, SRFC, WCFC), LME projects (CCLME, GCLME) and others, (WARFP, EAF-Nansen etc), and NEPAD/AU-IBAR. Challenge Funds Project: A.2 Regional collaboration for sustainability and equitable livelihoods strengthened. |
| Output 2.4. The capacity of fishers, fish workers and local and national government staff to effectively participate in fisheries governance and management processes strengthened. | INS Project: A.4 Increased capacity of fishers, fish workers, and provincial and district government agencies to effectively participate implementation of holistic EAFM approaches. LA Project: - WA Project: A.3 The capacity for fisheries management of coastal communities and government agencies strengthened. Challenge Fund Project: - |

PROGRAMME COMPONENT 3: Best practices, collaboration and performance assessment

| Ουτςομε | BASELINE | INDICATORS | TARGETS | MEANS OF VERIFICATION |
|---|---|---|--|--|
| OUTCOINE Outcome 3. The understanding and application of integrated, participatory and collaborative approaches has been enhanced among local and global partners who utilise agreed tools for measuring coastal fisheries performance and progress towards environmental, economic and social sustainability. | a) A number of different approaches are used to address fisheries issues, each with some success, but lack of effective collaboration and a true holistic perspective hinder capitalisation on existing best practices. b) Governments and development partners use different M&E methods but no globally agreed performance monitoring system exists that measures the environmental, economic and social performance of coastal fisheries and effectively informs coastal fisheries governance and management. | a.1) Program related best-practices and lessons-learned published and disseminated. a.2) CFI best practices are applied and collaboration among environmental and development agencies and organisations strengthened. b.1) Fisheries performance is evaluated by an integrated assessment method. b.2) Capacity developed in governments, regional organisations (RFBs/Regional Seas Conventions), private sector and environmental and development agencies and organisations to make informed decisions on fisheries governance and management approaches and to use CFI results. | a.1) Best practices are shared through IW:LEARN activities and other learning mechanisms. a.2) At least XX new national and/or regional project/programme proposals by GEF Agencies, other partners and governments are based on CFI best practices and include strong collaboration between different GEF Agencies and other partners. b.1) All fisheries/value chains supported through CFI are assessed by agreed performance evaluation system and information is available on key environmental, economic and social aspects. b.2) CFI best practices reflected in | IWEARS OF VERIFICATION IW:LEARN publications, meeting reports etc. CFI program and child project reports and documents. New project and program documents submitted for funding. Governments' and regional organisations' policy documents, regulatory frameworks, official meeting minutes and similar. |
| | | | relevant fisheries polices and strategies in at least XX CFI countries. | |

| OUTPUTS | CHILD PROJECT CONTRIBUTIONS (CHILD PROJECT OUTCOME LEVEL) |
|--|--|
| Output 3.1 Best practices and tools for environmentally, economically and socially sustainable fisheries documented, analysed and shared. | INS Project: C.2 Best practices and tools from harvest control and financial incentives pilots as part of a holistic approach to EAFM are documented, analysed, and shared with new PPPs; and C.3 Improved dissemination of EAFM information for management of coastal fisheries in the respective FMAs. LA Project: C.1 Knowledge regarding CFI experiences of innovative approaches to coastal fisheries co-management is documented and accessible to the wider global community concerned with coastal fisheries via IW:LEARN, scientific and social media. WA Project: C.1 Knowledge generated and results achieved communicated and shared with local, national and regional partners. Challenge Fund Project: C.1 Best practices and tools for environmentally, economically and socially sustainable fisheries documented, analyzed, and shared. Global partnership Project: B.1 Best practices and tools for environmentally, economically and socially sustainable fisheries documented, analyzed and shared. |
| Output 3.2 Performance evaluation system developed and applied, informing fisheries governance and management. | INS Project: C.1 Results-based performance monitoring applied to track status and inform governance and management of EAFM in WPP 715, 717 and 718. LA Project: C.2 The Ocean Health Index (OHI) has been adopted by all collaborating states and national level evaluations have been undertaken to identify areas where special attention is required for artisanal fishery management, biodiversity protection and water quality improvements.as part of new CFI performance evaluation system. WA Project: - Challenge Fund Project: A.3 Performance evaluation system developed and applied, informing fisheries governance and management. Global partnership Project: C.1 Performance evaluation system developed and applied, informing fisheries governance and management. |
| Output 3.3 Increased collaboration among environmental and development agencies and organisations at national and regional levels. | All projects contributing, in particular the Global partnership project (A.1 Increased collaboration among environmental and development agencies and organisations, national regional and global levels.) |