

GLOBAL ENVIRONMENT FACILITY CONCEPT NOTE

Country:	United Republic of Tanzania (URT)
GEF Focal Area:	International Waters (OP#8)
Project Title:	Marine and Coastal Environment Management Project ¹
Requesting Agency:	World Bank
Executing Agencies:	World Bank and URT
Total Project Cost:	US\$75.0 million
Financing Plan:	US\$30.0 million (IDA) US\$10.0 million (other co-financing) US\$5.0 million (GEF OP#2) ² US\$ 5.0 million (GEF OP#8) US\$5.0 million (URT) US\$20.0 million (TASAF ³ /PADEP, associated financing)
Project Duration:	6 years

Note: GEF co-financing for the MACEMP project is requested under the biodiversity focal area (OP#2) and the international waters focal area (OP#8). For this reason, two GEF submissions in the two focal area have been submitted to the GEF, each requesting GEF funding in the amount of US\$5 million. Administratively, the MACEMP can be seen as two “GEF project submissions”- one OP2 and one OP8, but GEF funding under both focal areas would complement IDA and other baseline funding for one fully blended WB project (MACEMP). A GEF concept note for US\$5 million of incremental GEF funding under OP#2 has already been approved. **This concept note thus only covers US\$5 million under OP8 (International Waters)**. Associated documentation describes the project components in more detail showing how GEF funds from the two GEF Operational Programs will be allocated and complement each other. This fisheries-related PCN has been prepared in recognition of the additional offshore fishery activities that were added to the project design subsequent to approval of the GEF OP#2 Concept Note submitted in 2003.

¹ Renamed from: Sustainable Coastal Livelihoods Project (SCLP);

² The original SCLP identified GEF contributions of approximately US\$5 million under OP#2 for coastal activities, including a near-shore marine protected area system. At government’s request, the current MACEMP project involves an expansion of project scope – and a larger IDA credit and counterpart contribution – to include intermediate and offshore fisheries management. Potential GEF interventions in this offshore area are also approximately US\$5 million, fulfilling OP#8 relating to International Waters. It is anticipated that the OP#8 interventions of MACEMP may be tied in, for example, with the “Strategic Partnership for a Sustainable Fisheries Management in the LMEs of Sub-Saharan Africa” (Project ID 2093).

³ This includes TASAF (Tanzania Social Action Fund) and PADEP contributions to coastal zone community investments, plus URT counterpart contribution.

1. Background

Mainland Tanzania and Zanzibar together command coastal and marine resources that, if well managed, can contribute substantially to growth, reduction of poverty, and increased competitiveness of exports. The same resources, if poorly managed, will degrade in ways that will contribute to tensions within the United Republic of Tanzania and with neighboring countries, engender threats to public health, undermine attainment of key Millennium Development Goals (especially for reduction of poverty, reduction of malnutrition, and protection of the environment), and put at risk flora and fauna of importance to global biodiversity. Major threats to the resources include: a) open access resulting in unsustainable utilization; b) insufficient skills, knowledge, and institutions for sustainable use and management; c) unregulated coastal development; and d) poor scientific understanding of the status of the resources and factors affecting it. Many of the problems, opportunities and linkages of marine and coastal activities in Tanzania have regional implications, such as exploitation of fisheries, management of marine ecosystems, and exploitation of mineral resources.

1.1 Introduction: The Global Fishing Crisis and the Linkages Between Offshore Fisheries and the Marine Environment

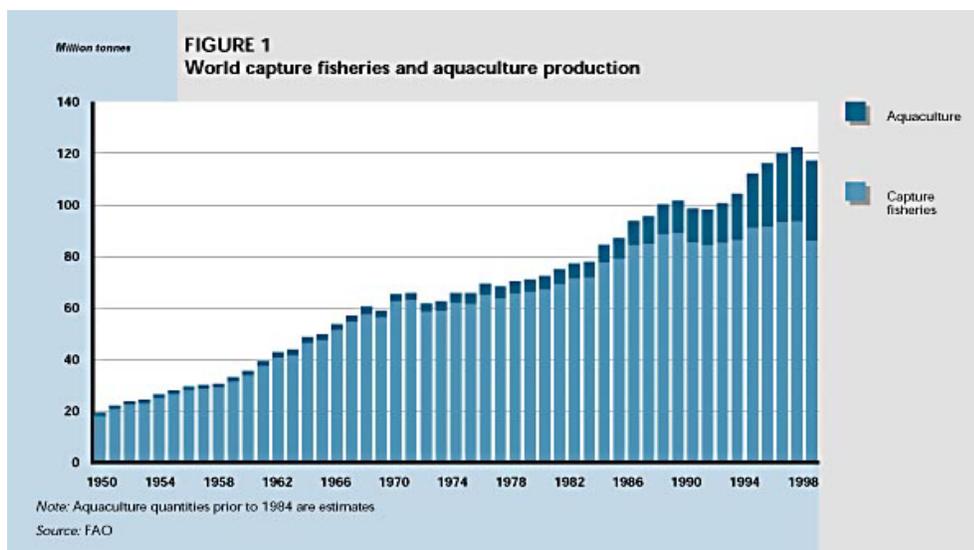
Of particular concern are the offshore marine fisheries resources which may not be properly managed at present. This concern in Tanzania appears very relevant to the following global trends:

- Increasing population, growing incomes and health concerns have raised the demand for fish and fish products. Over the last half century, demand for fish products for human consumption doubled. Over the last two decades per capita demand increased by two percent per year and total is expected to continue to increase by 1.5 percent over the next two decades (Delgado et al., 2003). Similarly, demand for fishmeal increased by two percent. As a result, fish is one of the few agricultural commodities, which have shown a strong real increase in prices;
- Production of marine fisheries has stabilized at about 80-90 million ton per year, but only as a result of fishing harder and by targeting smaller and less valuable species as the large fish have disappeared and fishers continue to ‘fish down the food chain’;
- Production from inland capture fisheries is estimated at about 10 per cent that of marine fisheries (8-9 million tons per year), which plays a critical role in the supply of food fish at the subsistence level in developing countries, but is under serious pressure from the surrounding land-uses;
- Inappropriate policies, changes in demography and technology, and weak institutions and governance have exacerbated over fishing:
 - Subsidies to the fisheries sector, estimated at US\$ 12-20 billion per year have contributed to current over capacity, and subsequently over-fishing;
 - Strong population growth in coastal areas has led to pollution and degradation of marine ecosystems; similar effects and declining water levels affect inland water bodies;
 - Navigation technology, size and power of the vessels, the selectivity of their gear coupled with the skill of skippers, have greatly improved fishing power. A 270 percent increase in average fishing power between 1965 and 1995 has been estimated. At the same time, the scientific focus has been almost exclusively on achieving the Maximum Sustainable Yield

(MSY) of single species, without adequate attention to the interrelationships with other species and other parts of the ecosystem, in particular in the complex tropical marine ecosystems;

- Weak governance has and continues to affect the sector and is one of the main causes of over-fishing. At the regional level, many of the institutions lack the resources and the power to control fishing effort and identify revenue flows to determine whether the benefits of fisheries capture go to the country of origin. At the national level, decisions on fishing effort are often based on political, rather than scientific considerations, marred by conflict of interest situations, such as those between Ministries of Finance, seeking to maximize revenues from licenses and foreign exchange earnings, and Ministries or Departments of Fisheries, seeking to manage yields and stocks and introduce more sustainable limits to the level of catches. At the fisheries level, decisions are often top-down, specific fishery-by-fishery management plans are often lacking, and their boundaries often poorly defined and not linked to biodiversity activities.
- Finally, in the coming decades climatic changes resulting from global warming are expected to significantly impact the ecosystems that support many of the world's fisheries, resulting in greater fluctuations in the abundance and spatial distribution of many commercial fish stocks. Such changes will likely render many fish stocks even more susceptible to overfishing, as these resources will be unable in many cases to cope with both increasing natural and anthropogenic stresses.

Over-fishing, documented by steadily accumulating evidence, has been the main result of these driving forces, and has led to international calls for action: (i) About one third of the world's fisheries are overexploited, or depleted and risk collapse, and about one half of the world's fisheries are fully fished (FAO, 2002)⁴; (ii) In Asia, coastal fisheries biomass is down to 8-12 per cent of pre-fishing levels (ICLARM, 2001)⁵; and (iii) Biomass of the global ocean's valuable and predatory fish (e.g. cod, tuna and sharks) is found to be down to 10 per cent of pre-industrial fishing levels fifty years ago⁶.



⁴ FAO (2002) Press release

⁵ ICLARM (2001). *Sustainable Management of Coastal Fish Stocks in Asia*. Final Report of project ADB RETA 5766 to the Asian Development Bank. (Summary) pp 34. ICLARM, Penang, Malaysia.

⁶ Myers, R.A. and B. Worm (2003) Rapid worldwide depletion of predatory fish communities. *Nature* 423: 280-283

Similarly, of growing concern is the degradation of the habitats (i.e. coastal and marine ecosystems) that support almost 2/3^{ths} of all of the fish harvested worldwide at some stage in their life cycle. According to estimates by the World Resources Institute (WRI), roughly one third of the world's coastal ecosystems are considered at high risk and another 17% at moderate risk. For example, WRI estimates that 58% of the world's coral reef ecosystems are potentially threatened by a combination of over fishing, coastal development, sedimentation and other land-based pollution and destructive fishing practices (including 88% of the coral reefs in East Asia).

1.2 National Response to the Global Crisis

The GOT has demonstrated its commitment to avoid these global examples by promoting sustainable management of natural resources through several policy actions including the National Environmental Policy; the Forestry Act; the Fisheries Act and the Zanzibar Environmental Management for Sustainable Development Act, the Forest Resources Management Act, and the Fisheries Act. The GOT also approved the National Fisheries Master Plan which outlines a vision for poverty reduction through sustainable management of fisheries and endorsed a National Integrated Coastal Zone Management Strategy, establishing a multi-sectoral framework for sustainable development of coastal resources to support food security and economic growth. The GOT has also ratified many international and regional marine and coastal-related agreements and has contributed to recent international fora establishing global ocean-related management targets such as the World Summit on Sustainable Development and the World Parks Congress. The GOT has formally requested support, through this project, from the World Bank for implementing the coastal management strategy and the Fisheries Act and Master Plan.

The FY04-06 CAS for Tanzania will address challenges articulated in the PRS. The dual emphasis on reduction of poverty and sustainable management of natural resources that underpins this project is fully reflected in the PRS.

1.3 Ecosystem Management of the Fisheries in the Large Marine Ecosystems of Sub-Saharan Africa⁷

The ocean bordering the East coast of Africa is one of the last areas where fishing activities are largely unregulated. Even though Tanzania, like its neighbors to the north and south, have declared a 200 mile Exclusive Economic Zone (EEZ: Law of the Sea), it lacks the institutional and financial capability to exercise their jurisdiction. While fish species living in a narrow coastal strip are harvested, the potentially valuable offshore species are left to foreign fishing fleets that rarely, if ever, pay reasonable "resource rents" for exploitation of the fishery, tend to land fish outside East Africa, and do not assist in management of the resource by sharing data with Tanzanian authorities. The result is that there is: (1) inadequate information on the species composition, quantity of fish taken in the area and the revenue flows from the fisheries, (2) inadequate information on the threats to the ecosystem as a result of fishing pressure and other activities affecting marine biodiversity,

⁷ The importance of Sub-Saharan Africa's fisheries has been stated by the NEPAD through the "Africa Process for the Development and Protection of the marine and Coastal Environment in Sub-Saharan Africa", which clarifies the needs and opportunities to conserve and restore critical coastal and marine ecosystem integrity and promote sustainable and alternative livelihoods through better management of natural resources, particularly coastal and shelf fisheries.

and (3) neither a national or regional vision or effort to protect biodiversity and the sustainable yield of the region's fish stocks.

The east coast of Africa is site of some of the most dynamically varying large marine ecosystems (LMEs) in the world. Its waters are largely oligotrophic ,and a number of ocean currents predominate in the region-- notably the South Equatorial Current, the East Madagascar Current, the Mozambique Current and the East African Coastal Current. To the north of Tanzania is the Somali Current LME that develops during the southwest monsoon to become one of the most intense coastal upwelling systems in the world, bringing rich nutrients to the surface of tropical surface waters. Similarly, the Agulhas LME to the south represents a region of dynamic nutrient cycling and associated fisheries potential. Significantly, the Agulhas and Mozambique Currents link these two major LMEs of the western Indian Ocean which influence the region's ecosystems, biodiversity and fishery resources.

The Somali and the Agulhas LMEs are unique and are of great regional, and possibly global, importance. Yet there is generally little information about the LMEs and the systems linking them, nor is there adequate and specific information about the species composition, distribution, behavior and migration of non-commercial and commercial fish stocks. At the present level of economic development, Tanzania is unlikely to have the data necessary to understand the potential of the marine ecosystems concerned, nor to monitor the human pressure on these systems.

3. Project Objectives for MACEMP OP#8

The Project⁸ seeks to improve the regulatory and institutional framework for management of marine resources- particularly establishing the links between the marine environment and the fishery resource and what are expected to be conservative estimates of sustainable commercial exploitation of marine fishery resources. It also aims to fill gaps in the data describing the fishery in Tanzanian marine waters and the coastal and offshore environment upon which the fishery depends.

The objective is to enhance the contribution of these resources to economic growth and reduction of poverty, and to develop the scientific understanding of the status of the resources and major threats to them. Core Project activities will be designed to assist the Government in implementation of the national coastal environmental management strategy, the National Fisheries Master Plan, and the Fisheries Act. Specifically, the project would: a) establish and/or strengthen institutions charged with management of marine resources in the near- and off-shore and EEZ, both in Zanzibar and in the mainland, and assure their performance according to designated standards; b) support activities appropriately undertaken by the public sector to stimulate increased private investment into marine and coastal areas; and c) identify and support scientific and technical research that contributes to improved regulation, management, development, and protection of marine and coastal resources. The MACEMP will also include data collection (oceanographic and fisheries) that complement other programs operating in the marine environment, particularly those currently funded by the European Union (fisheries), USAID, IUCN and WWF (coastal zone management).

⁸ The objectives of this GEF OP#8 project submission is linked to a separate GEF OP#2 project submission, the two submission, which together would be fully-blended with IDA and other baseline funding to compose the MACEMP project. A GEF Concept Note for the GEF OP#2 project has already been submitted and approved by the GEF. However, since that time the fisheries activities have expanded on request of the URT from just the artisanal to include deep sea marine fisheries of Tanzania's 200 mile Exclusive Economic Zone defined under the UN Law of the Sea, thus necessitating this additional GEF OP#8 Concept Note.

Beneficiaries will include Tanzanians and residents of the wider region both now and in the future who will realize a stream of enhanced benefits and reduced costs associated with improved management of marine and coastal resources. Specific immediate beneficiaries include relevant national and local level agencies responsible for the management of marine resources, coastal communities of mainland Tanzania and Zanzibar and the broader society who will benefit through increased revenues from improved management of marine and coastal resources. Key expected outcomes include: a) increased incomes through improved management of marine resources through increased productivity and added value from improved post-harvest processing and market access; b) reduced vulnerability to external shocks through diversification of local production systems; diminished market risks through mutually beneficial private sector and community partnerships; and stabilization, and where possible, reversal of current trends in marine resources degradation and productivity; c) increased Government revenues from improved management of off-shore fisheries; and d) improved ecosystem services and conservation of globally significant marine and coastal biodiversity.

This Project draws on lessons learned in other areas of the world (e.g. the Northwestern Atlantic and the North Sea) and is in fact, an effort to build on past lessons learned from similar offshore, GEF-funded, LME projects such as the Benguela Current Project in Western Africa.

4. MACEMP Project Description

Tanzania is highly dependent on the use of natural resources for economic growth on a regional and global basis. At the local level, many rural coastal populations are almost totally dependent on the natural resource base for their livelihoods. Preliminary results from a recent socio-economic survey of 749 households in 24 coastal villages of Tanzania and Zanzibar revealed that some 3/4 of total household cash income is derived from the sale and trade of marine and coastal products, while some 2/3 of cash income is derived from the use of open access resources. Profitable and sustainable use of natural resources requires multi-sectoral approaches which require linking of resources management initiatives on the ground to higher level interventions such as an enabling policy framework, scientific information, markets and private sector development. To achieve this, the project aims to adopt a flexible and phased implementation approach.

Strategic areas to be supported by the MACEMP project would include: (a) sound management of EEZ resources; (b) entrenchment of an effective MPA network; (c) participatory local level planning and management of coastal and marine resources; (d) promotion of profitable coastal livelihood activities through engagement of the private sector; and (e) use of sound science and innovative appropriate technologies in resource assessments and resource management. At the local level, support in the project will be provided for developing and strengthening the enabling environment for local level initiatives such as collaborative fisheries planning and investment strategies. At the national level, support will be provided to relevant national agencies and NGOs in Tanzania for facilitating regional collaboration and cooperation process with selected countries within the East African Marine Ecoregion such as Kenya and Mozambique and identifying and prioritizing appropriate activities and strategies for strengthening regional marine management.

The project will also support implementation of relevant policy and legislative mechanisms for mainland Tanzania and Zanzibar including the National Integrated Coastal Environment Management Strategy which has been recently reviewed by the Cabinet.

Table 1. Project Summary and Role of GEF

MACEMP Component [Dec/03]	1. Sound Management of EEZ Resources	2. Marine Protected Area (MPA) Network	3. Coastal District Planning and Co-management Capacity Building	4. Private Sector Capacity Building	5. Science for Planning and Management	6. Project Management Unit
Lead Agency (Agencies)	Ministry of Natural Resources & Tourism (Fisheries) & Deep Sea Fishing Authority	Ministry of Natural Resources & Tourism (Fisheries: MPA Unit)	Ministry of Regional and Local Government (President's Office)	To be determined	Ministry of Natural Resources & Tourism	Ministry of Natural Resources & Tourism
IDA Activities	Establishing DFA and supportive policy and institutional context.	Policy and investments relating to MPA and mpa network.	Planning and investment in coastal communities, and in supportive institutional structures and policies.	Policy and institutional support and strengthening.	Stock assessment and identification of appropriate technology.	Implementation of project plus mechanism for including other line ministries with minor levels of involvement.
GEF (OP#2) Support [GEF Pipeline PMS Project ID 2101]	None.	Incremental costs of MPA network in biodiversity rich areas.	Incremental costs of implementation and demonstration of environmentally benign investments. Promote behavioral change.	Modest policy support relating to private sector role in biodiversity management.	Modest support for technology identification in areas of sensitive biodiversity.	Pro-rata share, focusing on coordination efforts with other GEF initiatives.
GEF (OP#8) Support [via Strategic Partnership for a Sustainable Fisheries Management in the LMEs of Sub-Saharan Africa" (Project ID 2093)]	Incremental costs of component activities.	None.	Modest support for interventions involving coastal community involvement in marine management.	Modest policy support relating to private sector role in marine management.	Coordination of local and national assessments with other regional (SWIO) activities.	
Comments	Supplements GEF supported SWIO initiatives.		Supplements TASAF and PADEP projects in WB.	Supplements PRS activities.	Supplements GEF supported SWIO initiatives.	

The specific MACEMP activities would include:

Component 1. Sound Management of EEZ Resources. The objective of this component is to establish integrated management systems that would create a framework for profitable and sustainable use (both commercial and non-commercial) of marine resources. The project would support establishment and strengthening of relevant institutional capacities which are critical for developing economic potential of marine resources on a sustainable basis. It will also facilitate dialog with neighboring countries to address regional ocean issues and provide support for establishment of joint monitoring, surveillance and implementation for marine management and for meeting national obligations arising through global and regional agreements to which Tanzania is a party. The project will seek to enhance the contribution of existing policies and acts on the implementation of PRS. Activities would include: (a) establishment of the National Deep Sea Fishing Authority responsible for off-shore fishery management, formulation of a marine resources management strategy to be implemented by the new agency, and establishment of a mechanism of revenue collection for this new agency to be financially sustainable; (b) support for the GoT in implementing the Fisheries Act, National Fisheries Master Plan, National Coastal Zone

Management Strategy, and capacity building for local marine and coastal management agencies; (c) facilitation of international dialogue on regional ocean cooperation.

This component will be financed with IDA, URT, GEF OP#8 and other co-financing. The GEF (OP#8) will finance incremental costs associated with: (a) technical assistance for mainstreaming of marine management goals into relevant sectoral policies; (b) clarification of roles and responsibilities of sectoral agencies for the implementation of international and regional environmental obligations and the conservation of biodiversity (i.e. for achieving WSSD targets on fisheries and marine protected areas).

Component 2. Marine Protected Area (MPA) Network. The objective of this component is to establish integrated management systems through a marine protected area network of nationally and locally important areas.

This component will be financed with IDA, URT and GEF OP#2 funds, which have been requested in a separate GEF project proposal under the Biodiversity Focal Area. GEF (OP#2) will finance incremental costs associated with: (a) planning and development of MPAs; and (b) establishing a national system of MPAs including community and private sector-owned and managed MPAs. GEF (OP#2) will also finance incremental costs associated with community management of sanctuaries and implementation of community-based management plans in biodiversity-rich areas to promote biodiversity conservation and improved provision of ecosystem goods and services.

Component 3. Coastal District Planning and Co-management Capacity Building. This component aims to improve the planning environment at the district level. Tanzania already has appropriate policies and legislation in place which would provide a basis for community based sustainable management of coastal and marine resources (e.g. implementation of collaborative fisheries management approaches). Lack of sufficient capacity and awareness, especially at District levels currently erodes their value and their potential contribution to economic development. The project would support establishment and strengthening of relevant institutional capacities which are critical for developing economic potential of marine and coastal resources on a sustainable basis.

This component will be financed with IDA, URT and GEF OP#8 and OP#2 funds. GEF (OP2)⁹ will finance incremental costs associated with implementation and demonstration of environmentally benign nearshore coastal resource management techniques and investments which are acceptable to coastal communities. It will also promote behavioral change in local communities towards natural resource protection.

Where communities can participate in deep-sea (or intermediate zone) fishery activities, GEF (OP8) will finance incremental costs associated with implementation and demonstration of environmentally benign marine management techniques and investments which are acceptable to coastal communities.

The entire component will also be coordinated closely with other World Bank operations in Tanzania, notably PADEP and TASAF, which use the CDD model to finance community-based investments. Planning for the investments will occur under MACEMP, as will a number of

⁹ Requested in a separate GEF project proposal.

demonstration activities, but the planning will primarily be used to mobilize funds from PADEP and TASAF to meet community needs for poverty alleviation. The marine fisheries activities will be coordinated with the SWIOFP and the UNDP supported oceanographic and coastal projects with the SWIOFP, comprise the Aguhlas and Somali Currents LME Program (see Table 4 on p. 14).

Component 4: Private Sector Capacity Building. This component aims to improve the business environment and provide business development services to promote private sector investment. Activities to improve the business environment will include: (a) support for assessments of key policies and regulations, such as tax, licensing and registration, administrative fees, and property rights to improve the efficiency of governance and cut cost to enterprises; (b) establishment of a public-private forum to facilitate dialogue between stakeholders and to identify needed public services and/or investments that would facilitate improved performance of the private sector; and (c) provision of information on markets, standards, technologies, policy changes, performance of local enterprises, etc. Cost sharing will be available for local businesses, NGOs and community groups to procure managerial services, training, and technical assistance.

This component will be financed with IDA, URT and GEF OP#8 and OP#2 funds. In principle all GEF resources will be used to finance incremental costs associated with institutional capacity building, training and related technical assistance (preparation of training modules and awareness building to support the above global environment-oriented activities). GEF OP#8 funding, which has been requested under a separate GEF project proposal, will focus on the assessment of tax and other private sector policy instruments that relate to offshore resource management in the EEZ, while also providing consultative mechanisms for private-public sector dialogue that contributes to the ongoing review of and awareness of such policies (e.g. the Highly Migratory Fish Stocks and the Straddling Fish Stocks agreement, Code of Conduct, etc.). OP#2¹⁰ provides similar funding targets but will focus on policy and regulatory instruments that affect private sector management of nearshore resources, especially those relating to protected areas or other regions of important biodiversity

Component 5. Science for Planning and Management. This component will establish the scientific foundation to support policy making in marine and coastal resource management, and an M&E system to track changes in marine and coastal resources and to evaluate the impact of this project. Activities will include: (a) support for a scientific baseline study, information collection and recording; support for research on biological constraints for fishery activities, such as maximum sustainable yield; study of potential extractable natural resources in the marine areas, such as petroleum and natural gas; (b) support for assessing revenue flows to monitor whether profits made on fish captured in TZ's EEZ remain in the country or not, and for developing an appropriate enforcement strategy for EEZ fisheries; (c) provision of funding for the identification, development, and transfer of environmentally-sound technologies on near- and off- shore fisheries and on fishery product processing; (d) development and use of an M&E system to monitor the changes in quantity, quality and variety of natural resources and the impact of the project activities.

¹⁰ Requested in a separate GEF project proposal.

This component will be financed with IDA, URT and GEF OP#8 and OP#2 funds. GEF OP#8 funding will finance incremental costs associated with establishment of marine resource management information and monitoring processes at the national and local levels and applied science for improved management through collaborative resource management arrangements. This will be coordinated with a view to feeding into other GEF-supported regional initiatives (e.g., SWIO). GEF OP#2 funding¹⁰, which has been requested under a separate GEF project proposal, will provide modest resources to assist in the identification of appropriate technologies for nearshore community-based resource management in areas of critical biodiversity.

Component 6. Project Management Unit. This component aims to provide the Ministry of Natural Resources and Tourism with the additional increased operational ability to manage and supervise MACEMP activities. The component focuses on delivering the necessary support (technical, financial, and coordination) for the project stakeholders, in particular the Ministry of Natural Resources and Tourism, to achieve the project's respective objectives and deliverables. This component will be financed with IDA, URT, GEF OP#8 and OP#2 funds.

Component Financing Structure

Total Project Cost: US\$55.0 million
US\$30.0 million (IDA - MACEMP)
US\$10.0 million (Co-financing)
US\$5.0 million (GEF OP2 primarily Comp 2,3)
US\$5.0 million (GEF OP8 primarily Comp 1,5)
US\$5.0 million (URT)

Associated Financing: ~US\$20.0 million
~US\$18.0 million (IDA – TASAF/PADEP Comp 3)
~US\$2.0 million (URT – TASAF/PADEP Comp 3)

Table 2. Financing by Component Allocation (millions US\$)

Component	Total	IDA (MACEMP)		IDA (Other)*		GEF		Other		URT*	
		OP#2	OP#8	OP#2	OP#8	OP#2	OP#8	OP#2	OP#8	OP#2	OP#8
1. Sound Management of EEZ Resources	11.5	-	6.0	-	-	-	2.5	-	2.0	-	1.0
2. Marine Protected Area (MPA) Network	11.5	6.0	-	-	-	2.5	-	2.0	-	1.0	-
3. Coastal District Planning and Co-management Capacity Building	30.0	4.0	2.0	12.0	6.0	1.4	0.6	0.5	0.5	2.0	1.0
4. Private Sector Capacity Building	5.6	3.0	0.5	-	-	0.3	0.3	0.5	0.5	0.25	0.25
5. Science for Planning and Management	6.4	2.5	1.0	-	-	0.3	1.1	0.5	0.5	0.25	0.25
6. Project Management Unit**	10.0	2.5	2.5	-	-	0.5	0.5	1.5	1.5	0.5	0.5
All Components Total	75.0	30.0		18.0		10.0 (5.0 + 5.0)		10.0		7.0	

* This includes TASAF and PADEP contributions to coastal zone community investments, plus URT counterpart contribution.

** Includes M&E and small secondary investments in other Ministries related to coastal management (e.g., oil spill contingency planning).

Table 3. MACEMP Co-financing by GEF Focal Area (millions US\$)

GEF Focal Area	Total	IDA (MACEMP)	IDA (Other)	GEF (OP#2)	GEF (OP#8)	Other	URT
GEF OP#2 Biodiversity	44	18	12	-	5	5	4
GEF OP#8 International Waters	31	12	6	5	-	5	3
Total	75	30	18	5	5	10	7

5. Coordination with other Implementing Agencies

The project will be coordinated by the Ministry of Natural Resources and Tourism, which is the agency responsible for implementation of a large proportion of the project activities including living marine resource policy, planning, management and regional coordination. The Department of Fisheries within the Ministry will play a key implementation role. Overall responsibility for the GEF portfolio in Tanzania lies with the GEF National Focal Point in the Office of the Vice President. The National Environment Management Council (NEMC) has been largely responsible for coastal management initiatives in Tanzania will have service delivery functions, monitoring and evaluation activities and contribute to refining the enabling policy environment. A detailed framework for monitoring and evaluation in relation to MACEMP will be developed during further preparation. District level activities will be supported by a range of partnerships including public, private and civic organizations already active and working with communities; the planning initiatives will use the Ministry of Regional and Local Government (in the President's Office) as a key implementing partner. On Zanzibar, implementation responsibility will be delegated directly by the Revolutionary Government of Zanzibar.

6. Rationale for GEF Involvement

GEF involvement will help reverse the depletion of fisheries in the LMEs of Sub-Saharan Africa, and will assist the individual coastal countries bordering these LMEs to meet the fisheries targets set by the WSSD, - Biodiversity Strategy- Coastal, Marine and Freshwater Ecosystems. It will also identify commercially important species of fish within the 200 mile EEZ that are currently, or might be in the future, under commercial exploitation. Likewise, the MACEMP will identify possible linkages and establish long-term monitoring programs to determine the relationship between environmental factors and the systematics of important fish species. The objective is to identify, monitor and more effectively manage commercial exploitation of offshore fish species by differentiating between environmental and anthropomorphic impacts.

Finally, GEF funds would be instrumental in leveraging the support of other donors who could finance some of the complementary activities, and of enhancing and coordinating the work of other donor organizations. The Bank has had numerous discussions with bilateral donors regarding opportunities for grant co-financing, especially for some of the technical assistance activities.

7. Eligibility

The Government of Tanzania has signed and ratified a number of international and regional conventions which are relevant to the management of marine and coastal resources. These include the United Nations Convention on the Law of the Sea, the Nairobi Convention on the Protection, Management and Development of the Marine and Coastal Environment of the eastern African Region and its protocols, the United Nations Convention on Biological Diversity and CITES. Furthermore, Tanzania has demonstrated its commitment on sustainable use of marine and coastal resources while maintaining the ecosystem integrity by active participation and leadership in a number of international agreements and resolutions. They include the Arusha and Seychelles Declarations for protection and sustainable development of the coastal and marine areas and resources, the Global Plan of Action for Protection of the Marine Environment from land-based sources of pollution, the Heritage Convention and resolutions of the Millennium Summit, the World Summit on Sustainable Development (WSSD), and the World Congress on Protected Areas. Tanzania is also an active participant of the GEF Medium Sized project on the African Process for Sustainable Development of the Marine and Coastal Environment of Sub-Saharan Africa, which is currently a key component of the environmental agenda of NEPAD.

8. Linkages and Critical Mass of Investment

8.1 Southwest Indian Ocean Fisheries Project.

Tanzania is one of 8 countries within the African part of the Western Indian Ocean that are part of the Southwest Indian Ocean Fisheries Project (SWIOFP). The LME Program is in response to country requests from Kenya, Tanzania, Mozambique, South Africa and Madagascar for assistance in better managing the living resources and habitat of their shared marine ecosystems. The 200 mile Exclusive Economic Zones of these countries include two LME's, namely the Somali Current and Agulhas LME. The SWIOFP is currently under preparation and is part of an LME-program supported by the GEF and implemented by both IDA and NDP.

The other two projects under the LME program mentioned above are prepared and executed by

UNDP with close cooperation in preparation by the World Bank. Project preparation as well as project execution require intensive coordination of content and timing. The other two projects are:

1. A UNDP-led project on building capacity and science for the sustainable use of W. Indian Ocean LMEs that would fill gaps in the scientific understanding of the physical, biological and chemical environment of the two LMEs and linkages with inshore areas. It has close links to the SIOFP through the exchange of information, the coordinated implementation of oceanographic surveys and fish stock assessments and the sharing of ocean going vessels.
2. An inshore project, focusing on a similarly unique and complex coastal zone and covering issues such as catchment management, coral reef protection, artisanal fisheries and support to coastal communities. In the context of the West Indian Ocean Program it shall provide information on the links between inshore and offshore ecology.

The preparation of the SWIOFP is currently at the same approximate stage of preparation as the MACEMP. Tanzania is very keen to address the management and sustainable utilization of its resources and prefers that these issues be addressed within a regional context. It therefore maintains its commitment to the SWIOFP. Fortunately both the SWIOFP and the MACEMP are amenable to a regional approach (which has yet to be defined by the relevant countries) to fisheries management. It is currently expected that the preparation of these two project would be harmonized in the following way:

The SWIOFP is designed as a purely regional approach to addressing data deficiencies that would adequately describe the offshore fishery and the LME that support it in the West and Southwest Indian Ocean. The SWIOFP is currently on a preparation path that would take it to the IDA Board at about the same time as the MACEM, and the data management component of the MACEMP could be integrated with and take advantage of assets to be procured under the SWIOFP. Likewise, the UNDP administered oceanographic component of the LME of which the SWIOFP is a part could be upgraded relatively easily to address the environmental data needs of Tanzania and Zanzibar. The core of the MACEMP is establishment of a Marine Fisheries Agency with supporting laws/regulations/policy and is as such an activity that was not envisaged within the SWIOFP.

Table 4: Integration of MACEMP and Aguhlas/Somali Current LME Program

ACTIVITY	MACEMP IDA	LME-SWIOFP IDA Administered	LME-OCEANOGRAPHY UNDP Admin.	LME- COASTAL ¹¹ UNDP Admin.
Indicative Fish Stock Assessment Using Leased Offshore Research Vessels	Might “sublease” SWIOFP vessels for targeted research in Tz waters	Main Activity, but done on a regional basis so not exhaustive work	Might sublease SWIOFP vessels for oceanographic work	None
Indicative fish pressure survey in offshore areas using leased aircraft	a) Might sublease SWIOFP aircraft for targeted research in Tz Waters b) Might sublease SWIOFP aircraft for frame survey and survey of coastal resources	Main Activity, but done on a regional basis so not exhaustive work	Might sublease SWIOFP aircraft for specialized upper air and surface current oceanographic work	None
Setting up Marine Fisheries Authority to manage coastal and marine fisheries	Main activity of MACEMP	Local management of SWIOFP would probably be based in the Tz Marine Fisheries Authority est. by MACEMP	Project management for oceanographic work would liaise with Tz. Marine Fisheries Authority est. by MACEMP	Project management for oceanographic work would liaise with Tz. Marine Fisheries Authority est. by MACEMP
Coastal Livelihood Activities	Main activity of MACEMP but leveraged through TASAF/PADEP	None	None	Main activity of this project. Would liaise with MACEMP in Tz.
Capacity building of Staff	Main support activity of MACEMP, but mainly tied to est. of Marine Fisheries Authority	Main activity of SWIOFP, but mainly tied to technical staff that would participate in indicative fish stock assessment	Support activity of oceanographic project, but limited to technical oceanographic staff participating in survey	Support activity of coastal project, but limited to technical staff participating in coastal pilot project work
Facilitation of environmentally and socially sustainable private sector development	Main activity of MACEMP both in investment promotion and facilitation	Minor activity limited to end-of-Project assessment of commercial development potential of offshore fishery	None	Limited to end of pilot assessments of development potential (ramping-up possibilities)

8.2 Strategic Partnership for a Sustainable Fisheries Investment Fund.

A Strategic Partnership for a Sustainable Fisheries Investment Fund, focused on the LMEs of Sub-Saharan Africa, is being proposed in order to assist the coastal countries in the region to meet the targets for sustainable fisheries set by the WSSD and to ensure the health of the fisheries resource base upon which so many lives and livelihoods depend. This Partnership would establish a Sustainable Fisheries Investment Fund to encourage country-level investments in the LMEs of Sub-Saharan Africa, which would complement the ongoing GEF-led sub-regional LME projects.

The Strategic Partnership’s approach would focus investments at the country level in order to assist coastal countries to improve their governance of fisheries supported by the ongoing LME programs

¹¹ The UNDP Coastal Project within the Aguhlas and Somali Current LME Program is limited to pilot projects designed to test environmentally sustainable management activities in the coastal zone. As such, they will need to closely liaise with other initiatives such as those undertaken by USAID, WWF, IUCN and SIDA in Tanzania. Since the MACEMP is designed to include these programs and agencies in its coastal work, UNDP liaison with MACEMP would simplify harmonization with these other programs.

of Sub-Saharan Africa, as well as to implement fisheries resource management measures more appropriate (e.g. for transboundary resources) at the sub-regional level in collaboration with the ongoing LME projects. More specifically, the Strategic Partnership would support countries by:

- Encouraging country-level investments in order to assist individual coastal countries in Sub-Saharan Africa to undertake the necessary policy, legal, and institutional reforms to sustainably manage their fisheries resources;
- Assist individual coastal countries to build the capacity to participate in the ongoing GEF-led LME projects and collaborate through these projects to implement management measures for the marine ecosystems and the transboundary fisheries resources that would be more appropriate at the sub-regional scale (e.g. sub-regional monitoring, control and surveillance systems, sub-regional research initiatives, networks of marine protected areas, etc.); and
- Promote learning, information exchange and capacity building at the regional level, to ensure that the successes and failures of country and LME level investments are adequately disseminated. All learning exchange activities would be fully developed in cooperation with the ongoing three agency - GEF-funded IW:LEARN project during the Block B preparation period.

The MACEMP is expected to access GEF incremental funding for sustainable fisheries management under the Strategic Partnership for a Sustainable Fisheries Fund. The MACEMP project will be developed in parallel to the Strategic Partnership. In fact, the MACEMP would serve as one of the initial national-level projects proposals that would be submitted under the forthcoming Strategic Partnership. For this reason, the MACEMP will be developed in close collaboration with the Strategic Partnership and particularly in line with the emerging criteria for incremental funding that are currently being developed and formulated under the Strategic Partnership for national-level projects. The types of activities/projects to be financed under the Strategic Partnership would generally include the following:

- Institutional strengthening, technical assistance for policy reform, for development of long-term vision or strategy for the fisheries sector, and for development of effective legal and administrative frameworks;
- Fishing fleet reduction, management infrastructure for monitoring, control, surveillance, and law enforcement of the fisheries;
- Alternative income opportunities for displaced fishers, economic diversification in rural fishing communities;
- Extension, education and institutions for co-management and/or rights-based management measures of small-scale fisheries;
- Establishment of effectively managed networks of marine protected areas.
- Assisting individual countries within a LME to implement LME-wide policies for sustainable fisheries and meet targets set at a regional level;
- Assisting countries within a LME to implement management measures in collaboration at a sub-regional scale (e.g. LME-wide vessel monitoring system, research activities, etc.);
- Assisting countries within a LME to more fully participate in ongoing GEF-led LME projects.

8.3 Integrating within the PRSC.

The absence of an institutional framework for effective governance of the deep sea marine resources, the lack of readiness of the intergovernmental fiscal system, insufficient capacity for coordinated sectoral policy implementation; and lack of regional mechanisms for addressing trans-boundary issues pose constraints to implementation of proposed activities through the PRSC.

8.4 Incorporation within the Local Government Reform Program.

Capacity building support for district and community levels for promoting integrated coastal management will be fully mainstreamed within district development planning processes. The project will complement the support provided under LGRP to assist local governments to manage budgets and development plans. The proposed project will focus specifically on capacity with regard to collaborative fishery management plans, governance of MPAs and marine sanctuaries. Thus, although the complementarity of the proposed program and the LGEP is strong, the LGEP would not be a suitable vehicle to implement the entire program.

8.5 Integrating and building on projects supported by other donors and NGO's:

MACEMP looks to build on and institutionalize lessons learned from other donor and international NGO-sponsored activities in the coastal zone. These agencies include USAID, IUCN, WWF and the EU.

9. Consultative Process

A significant amount of consultations will be held in order to move towards a sound and transparent governance regime for fishery management in the EEZ, and to put in place a regulatory regime to address the current open access situation. Consultation will particularly take place between the government of Zanzibar, the government of mainland Tanzania and the numerous actors that have a mandate in management - ranging from the Ministry of Foreign Affairs that has oversight for the EEZ, the Navy, Customs as well as the private sector. A dialogue will be held with the neighboring nations of Kenya and Mozambique on transboundary issues as well as on the delimitation of the EEZ in Tanzania. A stakeholder involvement plan will be developed during further preparation of the project.

10. Replicability

Being thoroughly tied in with the district development planning processes, the MACEMP has high potential for replication in areas undergoing institutional reform and for similar initiatives with focus on institutional strengthening and capacity building for local governments, in particular with regard to improved local development planning, collaborative management planning, and local governance. This will be particularly important for further projects to be developed under the Strategic Partnership for a Sustainable Fisheries Investment Fund. A detailed section on replication will be provided in the final project document to be submitted for CEO endorsement.

The project further offers a good example of synergetic efforts of GEF supported LME, regional fisheries, and national biodiversity operations, that could be replicated elsewhere. To facilitate information sharing, knowledge exchange and capacity building between interested parties and

initiatives around the world and within the thematic area of international waters, a MACEMP project website will be developed to link up with IW:LEARN. The communication link to IW:LEARN will further be strengthened as part of the communications strategy that is to be developed during further MACEMP preparation.

11. Sustainability

Several factors are critical to project sustainability. First, institutional sustainability is important, and is being pursued by working at the local level with a wide range of stakeholders, building capacity of relevant national and district level agencies, and working closely with existing CBOs. Second, the ecological sustainability of GEF funded marine and coastal management activities would be pursued through improved monitoring and enforcement capacity. This would include strengthening of monitoring of marine and coastal ecosystems and fish harvesting rates and methods. Third, economic sustainability will be achieved by demonstrating direct economic benefits of improved marine and coastal resources management approaches to local national and regional stakeholder. Institutional support of an arms-length agency (Deep Sea Fishing Authority) will provide mechanisms for revenue retention within such an institution. Fourth, a high level of ownership of the planning and implementation process by project beneficiaries is critical for the project success. For example, the sustainability of the investments into coastal resources management depend upon the functioning of the voluntary based resource users associations. Particular attention would be paid to building the confidence of the beneficiaries to take on responsibility for sustainable management of natural resource base.

The following specific activities and outcomes would ensure sustainability beyond the project period: (a) the strengthening of the enabling policy environment for marine and coastal management; (b) improvement of local, national and regional institutional capacity to assess, manage and monitor marine and coastal resource utilization, and to integrate biodiversity values into development planning; and (c) the dissemination of strategic activities at regional, national and local levels and demonstrated viable investments into selected productive activities to show the value of sustainable marine and coastal resource utilization.