



Third South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish3) (P155642)

AFRICA | Africa | Environment, Natural Resources & the Blue Economy Global Practice |
IBRD/IDA | Investment Project Financing | FY 2018 | Seq No: 6 | ARCHIVED on 26-Jun-2020 | ISR42429 |

Implementing Agencies: Ministry of Finance, Trade and Economic Planning, Republic of Seychelles

Key Dates**Key Project Dates**

Bank Approval Date: 29-Sep-2017

Effectiveness Date: 16-Apr-2018

Planned Mid Term Review Date: 30-Sep-2020

Actual Mid-Term Review Date:

Original Closing Date: 30-Jun-2023

Revised Closing Date: 30-Jun-2023

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to improve management of marine areas and fisheries in targeted zones and strengthen fisheries value chains in the Seychelles.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Component 1: Expansion of sustainable-use marine protected areas:(Cost \$4.15 M)

Component 2: Improved governance of priority fisheries:(Cost \$4.15 M)

Component 3: Sustainable development of the blue economy:(Cost \$16.00 M)

Component 4: Project management and coordination:(Cost \$1.00 M)

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|--|--|
| Progress towards achievement of PDO | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Moderately Satisfactory |
| Overall Implementation Progress (IP) | <input type="checkbox"/> Moderately Satisfactory | <input type="checkbox"/> Moderately Satisfactory |
| Overall Risk Rating | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |

Implementation Status and Key Decisions**BLUE BOND AND BLUE FINANCE**

The Blue Bond brought \$15 million in cofinancing to the project. Under the Blue Grants Fund (BGF - \$3 million) managed by SeyCCAT, three calls were already concluded (BGF#2 and BGF#3 used Blue Bond proceeds) and a fourth call is ready to launch but was delayed by the Covid19 crisis. No funds were yet disbursed under the Blue Investment Fund (BIF) managed by the Development Bank of Seychelles (\$12 million) although the first call was concluded and attracted three applicants demonstrating interest in the BIF, however none passed the administrative compliance and



two later withdrew their applications. The applicants faced challenges in securing leases from SFA for their business premises or delays in planning permission caused by the lack of utilities.

SeyCCAT - Blue Grants Fund (BGF)

Under the BGF#3, 13 large grant and 8 small and medium grant projects were approved. 10 large and 4 small grants are being funded using Blue Bond proceeds, committing respectively \$630,000 and \$29,000. All required safeguards instruments for approved projects have been developed except for one project for which the ESMP needed to be strengthened and completed. The small-medium projects stated last quarter of 2019, however, the majority of the large projects, which were supposed to start first quarter of 2020 have not yet started because they are facing delays due to the current Covid-19 pandemic.

DBS- Blue Investment Fund (BIF)

The BIF application process being more complex than the BGF. Revision to eligibility requirement were done and the BGF#2 was launched on December 23, 2019. The call will remained opened to let candidates apply once they are ready. The Technical Committee will review the proposal on a quarterly basis. Seven potential applicants expressed interest in the BIF but have not applied to date. The Blue Economy Department followed up individually with potential applicants and noted that most of the applicants were concerned about the complexity and length of the process. It was also noted that the BIF may not be competitive against other products offered by DBS such as the Fisheries Development Fund which has an interest rate of 3%.

In response to the current Covid-19 crisis, many businesses in the sector are struggling to maintain or secure working capital at affordable rates. Some businesses have approached DBS to investigate whether the BIF could be used to finance working capital. While the first intent of the BIF was to develop new activities for the sustainable development of the Blue Economy, nothing prevents the BIF to be used for working capital as long as the activities are in line with BIF eligible activities and prerequisites have been met. This would require additional discussion and likely changes to the manuals and other documents.

A number of prerequisites have not yet been met, hence certain activities are not yet eligible to the BIF. This is particularly the case for launching of the aquaculture sector, which for several months has been pending the gazetting of the aquaculture regulations. In addition, the fleet management plan, the fisheries licensing framework and the tuna fisheries co-management plan are yet to be developed in order for a number of BIF activities to become eligible.

Finally, the BIF application process could be reviewed and streamlined. Streamlining options discussed during the mission include more efficient screening for E&S safeguards and conducting technical and financial evaluations in parallel. Eligibility can also be checked prior to initiating administrative compliance. In addition, a process is envisaged by which aquaculture business development requirements specified by SFA (e.g. business plan approval as a prerequisite for securing an aquaculture license) will be streamlined with the BIF requirements.

Component 1. Expansion of sustainable-use marine protected areas

The third and last phase of the MSP was gazetted, allowing Seychelles to reach its target of 30% of the Seychelles EEZ declared as Marine Protected Areas. This is an important step for the conservation and improve management of natural resources in Seychelles.

With this achievement and the publication of the Fisheries Comprehensive Plan in late 2019, a number of activities for development the management framework, plans and measures for the designated areas and the implementation of the MSP are now being initiated. In particular, a consultancy to develop a management plan framework for the MSP, the drafting of coral reef conservation policy and plan, a Blue Carbon assessment focusing on mangroves are underway or starting soon. Additional activities to improve the management of the designated areas have also started or are initiated, including the reinforcement of Monitoring, Control and Surveillance systems and implication of the MSP on industrial fisheries and on the tourism sector (marine charter and sport fishing).

Component 2. Improve governance of priority fisheries

During the last period, the Mahé Plateau Tap and Line Fishery Comanagement Plan (MPTLFCMP) was gazetted. Implementation of the plan is a key activity of the SWIOFish3 project, and it should be implemented in phases and in consultation with the fishers, based on experience from other countries and studies done under the project.

Due to the Covid-19, the implementation committee of the MPTLFCMP has not met since the plan was gazetted. As the first management measures are already defined in the plan, e.g. size and bag limits for some demersal species, implementation of planned SWIOFish3 activities in support of the plan can start.

The MFAg's Fisheries Comprehensive Plan was published in November 2019. and several activities of the project, including eligible activities under Blue Finance, are aligned with those of the Plan. In particular, the Plan makes provisions for improved mandatory licensing of all fishing vessels and the development of a new licensing framework, an assessment of sea cucumber, modernization of the domestic longline fleet, promotion of private investment for ice production, improvement of Monitoring Control and Surveillance activities, Therefore, the project participates to the implementation of the Fisheries Comprehensive plan.

A number of activities Research activities conducted by SFA under the project can now start, noting the current limitations due to the Covid19 pandemic including the scientific design of a fisheries-independent assessment of sea cucumber could be done now, while the assessment itself will not be undertaken in 2020 as the fishery will not close during the 2020-2021 season as originally planned, due to the Covid19 crisis.

Under the AWPB, the MFAg had approached the project to support retrofitting ice-making facilities on semi-industrial vessels to allow them to fish further out at sea enabling longer trips and improve fish quality. While this activity could be financed under the BIF to which vessel owners could apply, it was proposed that the project could support up to 20% of the investment, representing the needed co-financing (personal contribution) with the condition that the vessel owner would apply to the BIF to finance at least 50% of the machine. The application would have to follow the normal application and due diligence process of DBS.

Activities planned to reinforce the statistical systems of SFA could start, in particular the development of the Fisheries Information Management System and the development of a sport and recreational fishery data collection and monitoring system. The reconstruction of catches during the lockdown period in Seychelles could be done under SWIOFish based on statistical methods and anchored by other data sources, e.g. from the purchase/sale data collected by processors.

Component 3. Sustainable development of the Blue Economy

The brood stock facility was built and inaugurated in October 2019, however phase 2 with the construction of the hatchery has not yet started due to the lack of funds. SFA may be able to apply to the BIF potentially with some cofinancing from the project and this would need to be confirmed by



further discussion with the MFTIEP and BED. A similar approach could be used to equip the sea urchin facility/hatchery in the Belombre facility that SFA have secured. Without public investment in key infrastructure such as hatcheries, it is unlikely that the local private sector could start developing mariculture farms as they would be unable to source fingerlings and juveniles for their production.

The pre-assessment against MSC standards for the longline fishery, an opportunity for adding value, promoting sustainable management of this fishery and ensuring long-term access to key market, requested by the private fishing sector has not yet started. A workshop should be organised as soon as feasible to validate with the stakeholders the ToRs for the pre-assessment study.

The GoS and MFAg would like to further develop the domestic longline fleet targeting tuna and swordfish. Given Seychelles' experience with the last fleet expansion, such a development would need to be supported by the necessary infrastructure and services and Seychelles should ensure that it would not further increase the fishing pressure on stocks overfished or subject to overfishing, i.e. yellowfin and bigeye tuna. A comprehensive feasibility study could help to review and prepare for a longline fleet expansion and could be supported by the project. Such development have been successful in La Réunion and South Africa, and the project could support an exchange visit by MFAg, SFA and the private sector to one of this location.

Table

Multiphase Programmatic Approach (MPA) Status

Risks

Systematic Operations Risk-rating Tool

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Political and Governance | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |
| Macroeconomic | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate | <input type="checkbox"/> Substantial |
| Sector Strategies and Policies | <input type="checkbox"/> Moderate | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |
| Technical Design of Project or Program | <input type="checkbox"/> Substantial | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |
| Institutional Capacity for Implementation and Sustainability | <input type="checkbox"/> Substantial | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |
| Fiduciary | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |
| Environment and Social | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate | <input type="checkbox"/> Low |
| Stakeholders | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |
| Other | -- | -- | -- |
| Overall | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |

Results

PDO Indicators by Objectives / Outcomes

To improve management of marine areas and fisheries in targeted zones and

- 1. Sustainable-use marine protected areas with a Management Effectiveness Tracking Tool (METT) score of 50 or higher (Hectare(Ha), Custom)

Baseline

Actual (Previous)

Actual (Current)

End Target



| | | | | |
|---|---|-------------------|------------------|--------------|
| Value | 0.00 | 0.00 | 0.00 | 5,000,000.00 |
| Date | 30-Jun-2017 | 23-Dec-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | Surface Seychelles waters under Marine Protected Area status has increased on March 26th, 2020 to 30% of the Seychelles EEZ. The management framework for these areas is currently being developed. | | | |
| ► 2. Share of key demersal indicator species stable or rebuilding in the Mahé Plateau fisheries (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 11.00 | 11.00 | 11.00 | 55.00 |
| Date | 30-Jun-2017 | 23-Dec-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | New data on demersal species is being processed at SFA and the Management Plans is soon to be gazetted. New stock assessment are being planned to start during the next period | | | |
| ► 3. Ratio between consumer price per kilogram and landed catch price per kilogram in artisanal fisheries (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 110.00 | 110.00 | 110.00 | 130.00 |
| Date | 30-Jun-2017 | 23-Dec-2019 | 23-Dec-2019 | 30-Jun-2023 |
| ► 4. Share of by-catch landed and sold in the Seychelles (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 10.00 | 10.00 | 10.00 | 50.00 |
| Date | 30-Jun-2017 | 18-Dec-2018 | 18-Dec-2018 | 30-Jun-2023 |
| Comments: | Management plan are currently being developed. Specific data for bycatch landing is not yet available | | | |
| ► 5. Share of citizens of the Seychelles who rate management of sustainable-use marine areas and selected fisheries as 'Satisfactory' or above (disaggregated by sex and age) (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 50.00 |
| Date | 30-Jun-2017 | 23-Dec-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | Perception survey was planned but could not be undertaken due to the Covid19 crisis. | | | |
| □ Share of female citizens of the Seychelles who rate management of sustainable-use marine areas and selected fisheries as 'Satisfactory' or above (disaggregated by age) (Percentage, Custom Breakdown) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 50.00 |
| Date | 30-Jun-2017 | 23-Dec-2019 | 23-Dec-2019 | 30-Jun-2023 |



□ Share of male citizens of the Seychelles who rate management of sustainable-use marine areas and selected fisheries as 'Satisfactory' or above (disaggregated by age) (Percentage, Custom Breakdown)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 0.00 | 50.00 |
| Date | 30-Jun-2017 | 23-Dec-2019 | 23-Dec-2019 | 30-Jun-2023 |

Intermediate Results Indicators by Components

Component 1: Expansion of sustainable-use marine protected areas

► 1.1 Area with submission for gazettment to the Parliament as a sustainable-use marine protected area with agreed-upon management plans developed in a consultative manner (Hectare(Ha), Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|---------------|
| Value | 0.00 | 35,091,500.00 | 41,000,000.00 | 10,000,000.00 |
| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |

Comments: The third milestone of the Marine Spatial Planning was achieved end of March with the final 4% of Seychelles EEZ being under protected status (total area is now 30% of the EEZ). This was the target of the Marine Spatial Planning. Management framework and plans now needs to be developed and implemented in the various areas designated.

► 1.2 Annual air surveillance trips in sustainable-use marine protected areas (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 0.00 | 7.00 |
| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |

Comments: Implementation of the Marine Spatial Planning will be starting in 2021

► 1.3 Sustainable-use marine protected areas managed by non-state actors (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 0.00 | 3.00 |
| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |

Comments: Implementation of the Marine Spatial Planning will start in 2021

Component 2: Improved governance of priority fisheries

► 2.1 Fisheries management plans implemented (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|----------|-------------------|------------------|------------|
| Value | 2.00 | 2.00 | 2.00 | 5.00 |



| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |
|---|--|-------------------|------------------|-------------|
| Comments: | Significant progress has been made in regards to the Mahé Plateau demersal trap and line fisheries co-management plan, with the support of the Technical Assistant recruited under SWIOFish3 in quarter 4 of 2018. An implementation committee for the plan has been established and met several times in 2019. The plan was gazetted during the first semester of 2020. | | | |
| ► 2.2 Performance review of fisheries management plans (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | Fisheries management plans are not yet implemented | | | |
| ► 2.3 Fisheries economic intelligence information publicly accessible (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | Ongoing work to revamp and expand the tuna model, the main tool of the FEIU. | | | |

| Component 3: Sustainable development of the blue economy | | | | |
|---|--|-------------------|------------------|-------------|
| ► 3.1 Share of landed catch from domestic fisheries sold via auction (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 10.00 |
| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | A feasibility for an auction house was undertaken by the project and concluded that a considerable level of risk exists as to the actual uptake in the fish auction. These risks represent a considerable chance of failure in the fish auction and, when coupled with the existing financial conclusion, makes the outcome of this facility negative. | | | |
| ► 3.2 Food fish sold commercially from in-shore aquaculture (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | A brood stock facility was built and inaugurated, and phase 2 should have started but is currently lacking funds. At the moment, the Mariculture Plan has not yet been adopted and gazetted, which prevented aquaculture to be part of the eligible activities under the first call of the Blue Investment Fund. | | | |
| ► 3.3 Proportion of landed catch from artisanal fisheries in labelling scheme (Percentage, Custom) | | | | |



| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|--|---|-------------------|------------------|-------------|
| Value | 10.00 | 0.00 | 0.00 | 30.00 |
| Date | 30-Jun-2017 | 23-Dec-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | The nascent labeling scheme in Seychelles needs to be re-organised as part of the future activities of the project. | | | |
| ► 3.4 Blue Investment Fund approval rate (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 60.00 |
| Date | 30-Jun-2017 | 24-Jun-2019 | 20-Jun-2020 | 30-Jun-2023 |
| Comments: | No loan has yet been signed under the Blue Investment Fund | | | |

Performance-Based Conditions

Data on Financial Performance

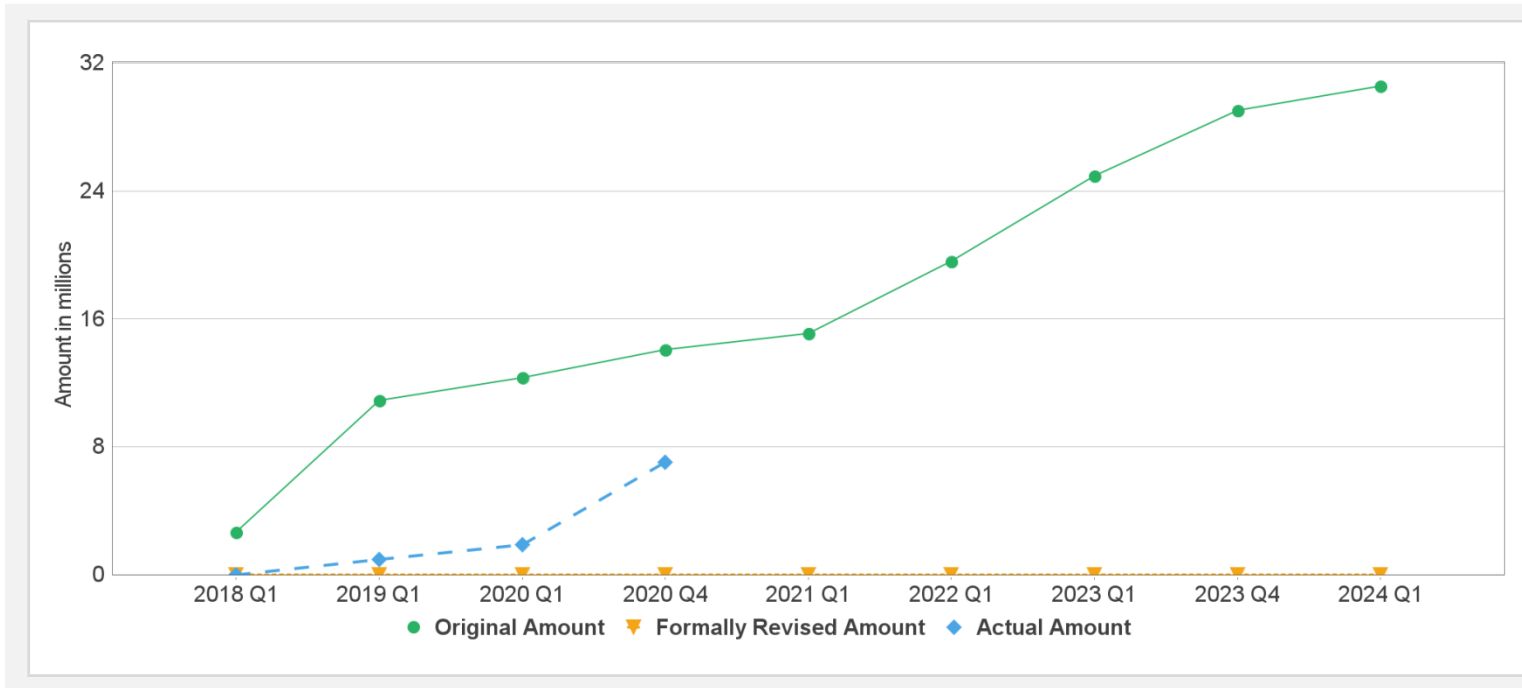
Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P155642 | IBRD-87790 | Effective | USD | 5.00 | 5.00 | 0.00 | 1.65 | 3.35 | 33% |
| P158137 | TF-A5293 | Effective | USD | 5.29 | 5.29 | 0.00 | 0.40 | 4.89 | 7.6% |
| P158137 | TF-A5322 | Effective | USD | 5.00 | 5.00 | 0.00 | 5.00 | 0.00 | 100% |

Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P155642 | IBRD-87790 | Effective | 29-Sep-2017 | 15-Oct-2017 | 16-Apr-2018 | 30-Jun-2023 | 30-Jun-2023 |
| P158137 | TF-A5293 | Effective | 29-Sep-2017 | 15-Oct-2017 | 16-Apr-2018 | 30-Jun-2023 | 30-Jun-2023 |
| P158137 | TF-A5322 | Effective | 29-Sep-2017 | 15-Oct-2017 | 16-Apr-2018 | 30-Jun-2023 | 30-Jun-2023 |

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

P158137-Third South West Indian Ocean Fisheries Governance and Shared Growth Project (SWIOFish3) ,P163800-SWIOFish3 (Seychelles)