



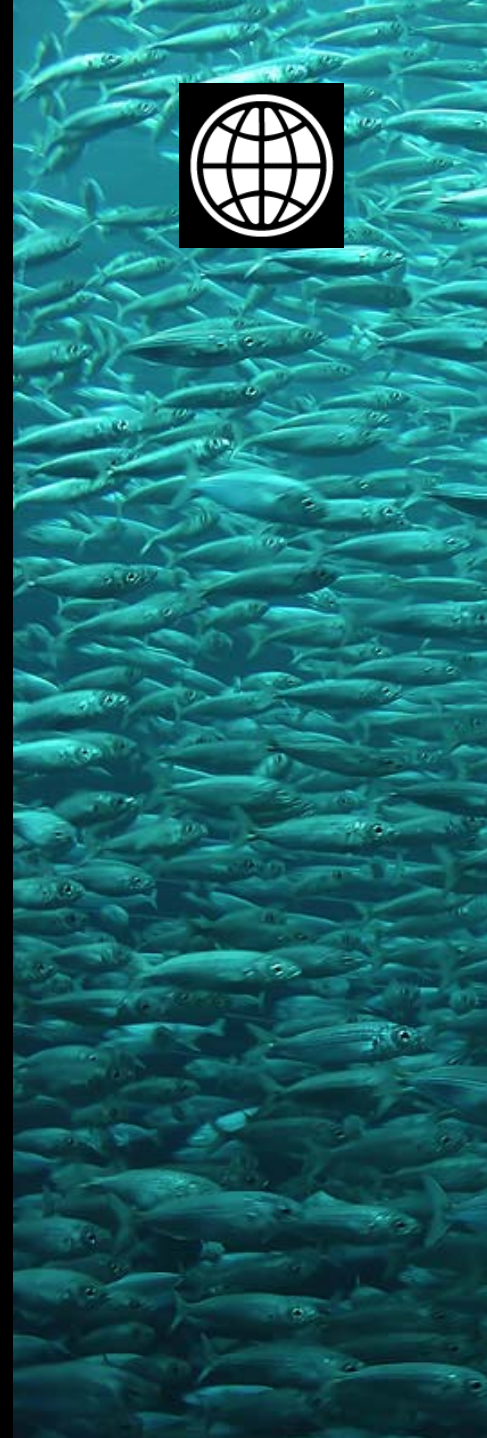
Workshop on Fisheries and
Aquaculture in Southern Africa

Windhoek, August 2006

PROFISH

towards improved governance
of marine fisheries

Kieran Kelleher
Senior Fisheries Specialist
The World Bank

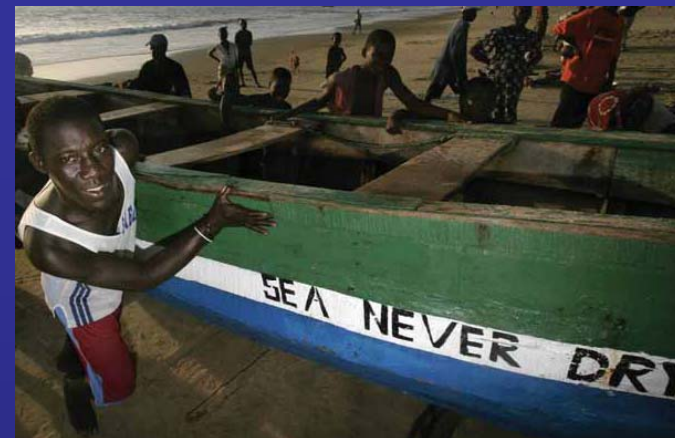


contents

- policy context, milestones,
- PROFISH
- partnership structure and governance
- resources
- examples of WB activities
- conclusions



World Bank and Fisheries



- Dream ... “a world free of poverty”
- WSSD goals are core guiding principles
- Broad agenda – strategic advantage
- Partnerships – PROFISH, CGIAR, ICRI
- Range of entry points



Bank-wide goals – issues - entry points

- good governance
- poverty alleviation, food security
- community-based natural resources management,
- sustainable use of the environment
- coastal zones, water management
- conservation of biodiversity, invasive species
- fighting corruption
- equitable trade – eliminating subsidies
- gender, child labor, HIV AIDS
- natural disasters (floods, tsunami)
- climate change
- analyses – MPAs, coral reefs, aquaculture



Milestones

- WB re-engagement
- Saving Fish and Fishers, 2004
- Partner/ donor consultations
- PROFISH launched at the NEPAD summit, August '05
- Ongoing projects – approx. \$1 billion
 - China, Indonesia, Yemen, India, Tanzania



PROFISH Objective



The objective of PROFISH is to strengthen governance of the world's marine fisheries by:

- improving the quality of investments made by both public and private sectors;
- assisting countries and regions to establish roadmaps to achieve effective sector governance and reform
- using improved fisheries management tools; and
- aligning donor interventions



A growing partnership



- Developing countries through their regional economic organizations – AU, ASEAN and OAS
- Cash donors: Iceland, France, Norway and Finland
- in-kind support from FAO, Norway, Japan
- IUCN and WorldFish Center are executing partners
- World Bank (DGF and Focal Point)
- Aligned activities with bilateral donors (e.g. DFID, AFD) and with OECD
- PROFISH is NOT a funding mechanism

Execution

- roles

- tasks

WB
execution

- analyses & mainstreaming
-- donor alignment

Maldives, Peru, Madagascar,
South Africa, S.Leone
Mauritania, Guinea

IUCN

- awareness
- governance

global blacklist of illegal
fishing vessels

FAO

knowledge products

- rent drain study
- small-scale fisheries toolkit
- global fisheries portals

WorldFish
Center

- awareness
- knowledge products

- small-scale fisheries toolkit
- small-scale vs industrial

OECD

- knowledge products

- policy coherence
- impact of globalization



Selected ongoing/ pipeline tasks

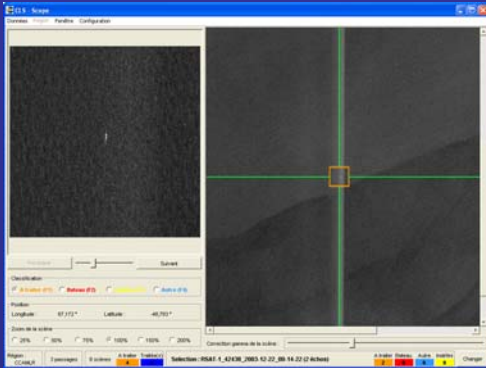
- Global list of illegal vessels
- Peru fisheries reform
- The ‘Rent Drain’
- The ‘Big Numbers’
- The Strategic Partnership
- ALLFISH

Illicit fishing activities

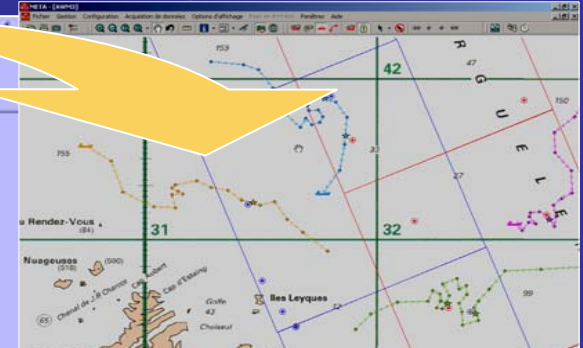


- \$9 billion/ year + externalities - small-scale fisheries, profits of ‘good’ fishers, undermining rule of law
- an offshore economy: e.g. flagged in Vanuatu, owned in Panama, insured in Cyprus, inspected in Uruguay, chartered in Sierra Leone, account in Belize, captain from Korea.
- not petty theft – highly profitable organized crime
- links: anti-corruption, money laundering, tax evasion
- a moving target and sequential depletion
- PROFISH - range of international actions
 - **Global blacklist of ‘illegal’ fishing vessels (IUCN) 1st step**
 - Piloting new technologies for tracking and traceability

Satellite radar surveillance : fighting illegal fishing in Kerguelen



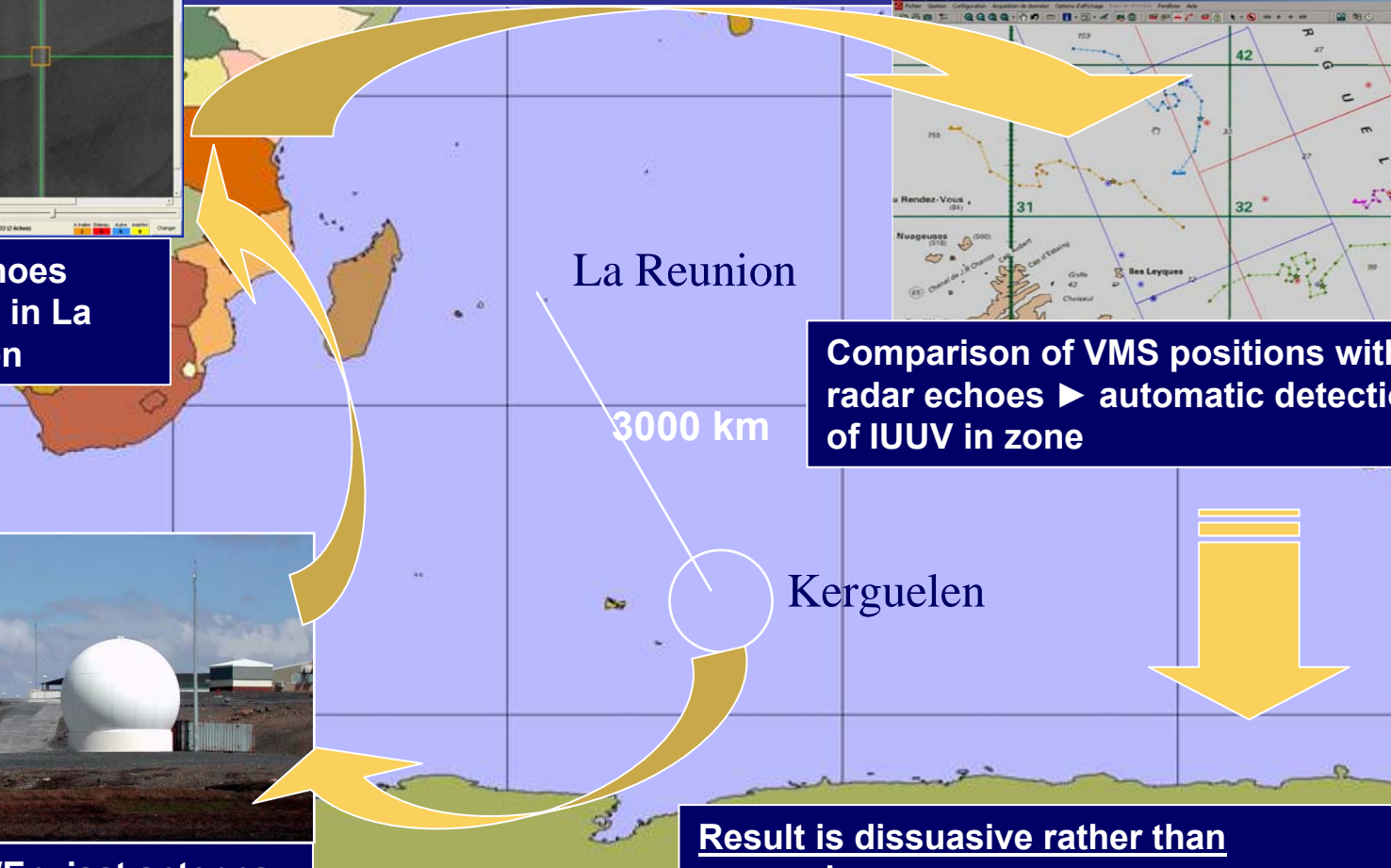
Radar echoes processing in La Réunion



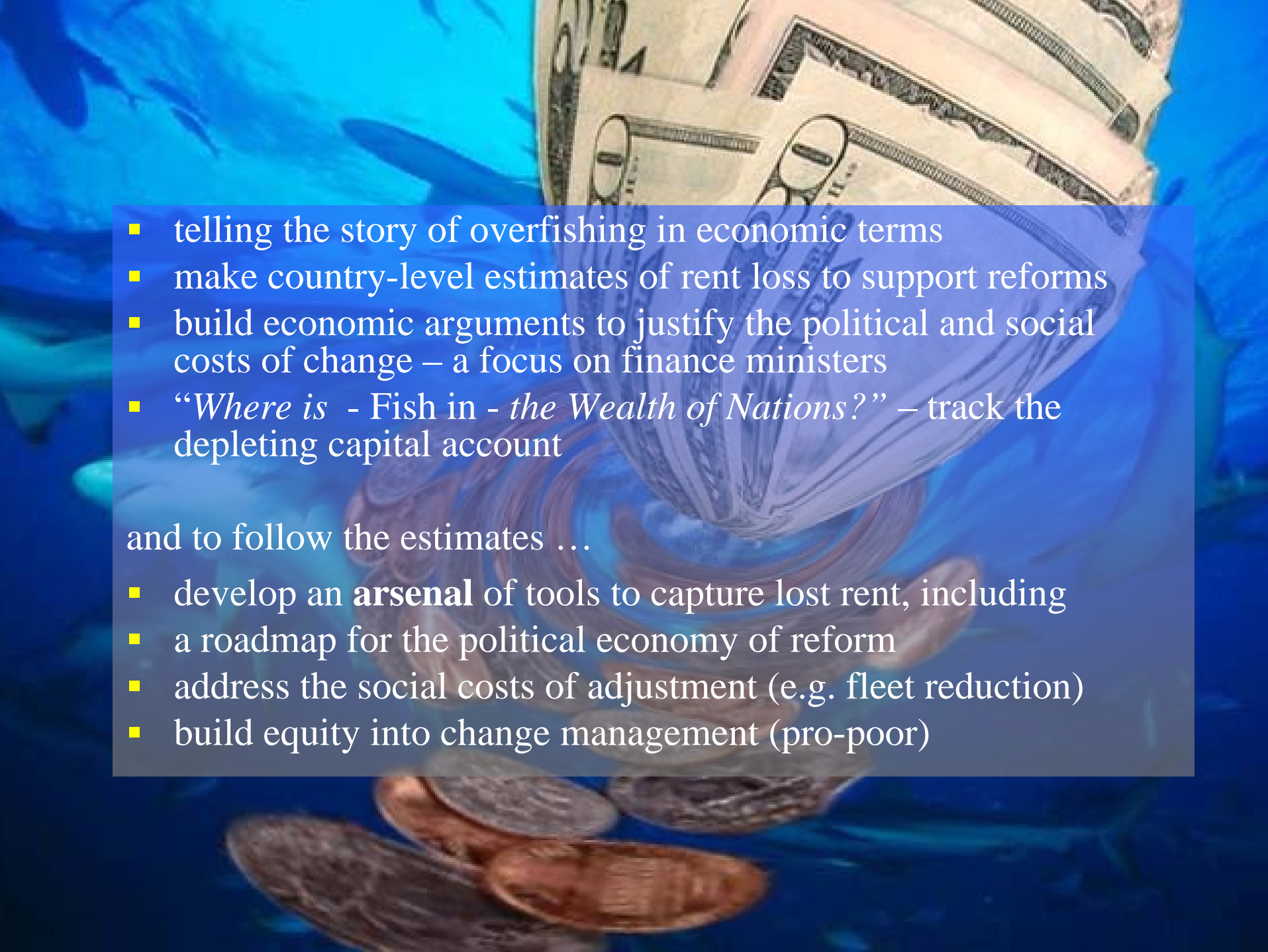
Comparison of VMS positions with radar echoes ► automatic detection of IUUV in zone



The Radarsat/Envisat antenna installed at Kerguelen Pre-processing



**Result is dissuasive rather than repressive:
After 18 months operation, IUUV do not cross the EEZ limit anymore**

- 
- telling the story of overfishing in economic terms
 - make country-level estimates of rent loss to support reforms
 - build economic arguments to justify the political and social costs of change – a focus on finance ministers
 - “*Where is - Fish in - the Wealth of Nations?*” – track the depleting capital account

and to follow the estimates ...

- develop an **arsenal** of tools to capture lost rent, including
- a roadmap for the political economy of reform
- address the social costs of adjustment (e.g. fleet reduction)
- build equity into change management (pro-poor)

“Where is the Wealth of Nations?”

Country	Wealth per capita \$	Natural resources %	Produced capital %	Intangible capital %
Switzerland	648,241	1	15	84
Mozambique	4,232	25	11	39

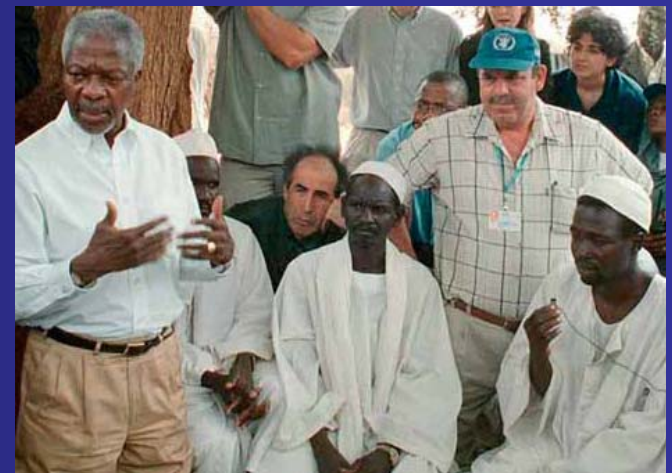
Factors explaining intangible capital

- School years per capita
- Rule of law index



Governance and wealth

- Strong correlation between the WB governance score and (i) intangible wealth (ii) IUU fishing
- a fisheries governance scorecard?
 - Biological health - state of the stocks
 - Economic health
 - Participatory approaches/ consultation
 - Transparency – licenses, concessions
 - Accountability
 - Equity – pro-poor agenda
 - Meeting international obligations
 - Fiscal regime / subsidies



Corruption, overfishing and politics



- Many faces – the political face
- Overfishing
- Votes bought with natural capital
- Perpetuate the decline of fisheries
- Perpetuates an inability to generate a surplus
- Blocks converting natural capital to intangible capital

Rights or Obligations?

Diplomats and parking fines in New York

- UN diplomats New York exempt from fines
- No deterrence so parking tickets:
 - UK, Switzerland, Canada ... 0
 - Russia 30,000 tickets
 - Chad, Nigeria, middle eastern highest
- Correlation governance score
- Right – exempt from fine but
- Obligation - not to abuse the right



The Myth of Ownership



Atlantic Dawn



- 144 meters
- 14,000 Gross Tones
- 29,000 horsepower
- \$70 million
- 1 kilometer x 300 m seine net
- 300 tonnes/ day (freezing)
- 7,000 tonnes storage
- \$16 profit of scale

A question

Small-scale/ Large scale

Indicator	Large-scale	Small-scale
Number of fishers employed	450,000	8,000,000
Marine fish caught for human consumption	24 million tonnes annually	20 million
Capital cost per job on fishing vessels	\$10,000 to 100,000	\$100 – 1,000
Marine fish caught for industrial reduction (fish meal/ oil/ aquafeed)	19 million tonnes annually	almost none
Fuel oil consumption	10 – 14 million tons annually	1 - 2 million
Fish caught per tonne of fuel consumed	2 – 5 tonnes	10 – 20 tonnes
Fishers employed for each \$1 million invested in fishing vessels	10 – 100	1,000 – 10,000

David Thompson, ICLARM, 1980

Peru anchovy, El Nino and the fleet

- Part of the Country Environmental Analysis
- Discussions starting with new government
- Policy recommendations center around three major policy objectives to improve sector governance:
 - substantially increase the **net benefits** from the fisheries.
 - ensure **equitable distribution** of these benefits (social and economic) from the fisheries.
 - **ecosystem approach** to management which internalizes environmental and social costs in determining optimal economic yields for the fisheries.
 - key elements: structural adjustment with an **MEY** target; alternative livelihoods; climate-linked **stabilization** fund; MSC certification; industry debt rescheduling; participatory processes and **independent oversight**, improved **science**

Strategic Partnership for a Sustainable Fisheries Investment Fund in the Large Marine Ecosystems of Sub-Saharan Africa

- The partnership: SSA countries, AU, FAO, WWF, WB/ GEF
- The Fund: GEF – US\$ 60 million fund
- country-level projects
- co-finance 3:1 – GEF: WB/ other donors
- Call for equivalent inland fund
- Initial Senegal - pipeline



ALLFISH

- Concept stage: Alliance for responsible fisheries
- Objective: promote sustainable fisheries at corporate level
- major fish producer and distributor multinationals
- Global corporate code for fisheries (CSR)
- Banking sector (Equator Principles)
- WB and IFC safeguards
- Extractive Industries Transparency Initiative (EITI) and anti-corruption measures
- Awaiting financing/ approval

Conclusions

- new directions for the World Bank – moving from development to management of sustainable fisheries
- livelihood of over 200 million people, the marginalized, the poor, the hungry
- millennium goals/ targets, stressed ecosystems
- limited WB coverage and technical capabilities – formal and informal partnerships
- focus on improved governance
- major political, social and technical challenges - adjustment
- solutions outside the sector - Bank's strategic advantage.



Let's not underestimate the difficulties ...

- insatiable world markets driving overexploitation
- mobile, hidden, variable resource; mobile capital
- fish property rights unclear, major enforcement challenges
- open access invariably leads to overfishing and loss of economic rents
- often a poverty trap and livelihood of last resort, important food source
- closing access means exclusion – winners and losers
- political willingness may be political suicide (like land reform)
- short on answers – particularly on social and economic solutions to accompany the advocacy for reform
- new innovative partnerships, new knowledge and a long-term commitment are required



Just a reminder

- the Bank **loans** money
- We need to get a return on investment
- We loan to governments ... so
- You **must** have fisheries in the national planning instruments (e.g. PRSPs)
- You must make a case for fisheries – competing for funds – health, education





www.worldbank.org/fish

Rent Drain Workshop:

<ftp://ftp.worldbank.org/pub/profish/>

Thank you