



## PROJECT EXECUTIVE SUMMARY GEF COUNCIL WORK PROGRAM SUBMISSION

**AGENCY'S PROJECT ID:** P082492 / P084213

**GEFSEC PROJECT ID:** 2101

**COUNTRY:** Tanzania

**PROJECT TITLE:** Marine and Coastal Environment Management

**GEF AGENCY:** World Bank

**OTHER EXECUTING AGENCY(IES):** Ministry of Natural Resources and Tourism (MNRT), Tanzania; Ministry of Agriculture, Natural Resources, Environment and Cooperatives (MANREC), Zanzibar.

**DURATION:** Six years

**GEF FOCAL AREAS:** Biodiversity & International Waters

**GEF OPERATIONAL PROGRAM:** OP-2: Coastal, Marine and Freshwater Ecosystems; and OP-8: International Waters – Waterbody-based

**GEF STRATEGIC PRIORITY:** *Biodiversity SP1:* Catalyzing Sustainability of Protected Areas; *Biodiversity SP2:* Mainstreaming biodiversity in the production seascape and sector; *International Waters SP1:* Catalyzing financial resource mobilization for implementation of reforms and stress reduction measures.

**PIPELINE ENTRY DATE:** OP-2: July 3, 2003; OP-8: March 19, 2004

**ESTIMATED STARTING DATE:** August 2005

**IA FEE:** \$930,000

FINANCING PLAN (US\$)	
GEF PROJECT/COMPONENT	
Project*	10,000,000
PDF B	330,000
<b>Sub-Total GEF</b>	<b>10,330,000</b>
CO-FINANCING	
International Development Association**	46,380,000
Government of Tanzania	750,000
Local communities	1,000,000
<b>Sub-Total Co-financing:</b>	<b>48,130,000</b>
<b>Total Project Financing:</b>	<b>58,460,000</b>

Details provided under the Financial Modality and Cost Effectiveness section.

\*US\$5,000,000 for Biodiversity and International Waters Focal Areas, respectively.

\*\*IDA resources include a US\$1 million Project Preparation Facility advance.

**CONTRIBUTION TO KEY INDICATORS OF THE BUSINESS PLAN:** Sustainable, financial support to the effective management of Tanzania's EEZ extending 200 nm, including the creation of 30-50 CMAs within a network of MPAs and MMAs. MACEMP introduces ICZM to mainstream biodiversity concerns in on and off-shore landscapes.

### RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT:

(Enter Name, Position, Ministry)

R.O.S. Mollel

Permanent Secretary

Vice-President's Office

Date: (Month, day, year)

May 12, 2003

Approved on behalf of the *World Bank*. This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for work program inclusion.

Steve Gorman

Executive Coordinator, The World Bank

January 14, 2005

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# 1. PROJECT SUMMARY

## Rationale

The United Republic of Tanzania (URT), which is comprised of mainland Tanzania and Zanzibar, is endowed with a rich diversity of tropical marine and coastal ecosystems, including coral reefs, seagrass beds, mangrove stands and cultural resources. Among the significant animal species found in the area are the dugong, a marine mammal that is one of the most endangered species in Africa and is nearly extinct in URT; eight species of dolphins; humpback whales; all five species of sea turtles found in the West Indian Ocean; hundreds of species of reef fish, including the rare and threatened coelacanth; the threatened Coconut Crab; and a wide variety of birds and seabirds.

These marine and coastal resources are critical to URT's economic and social development and underpin the livelihoods of the country's extremely impoverished coastal communities, which rely heavily on the sea for food and income. Yet, growing coastal populations and persistent foreign interests in marine fisheries are placing increasing pressures on fisheries and the marine and coastal habitats that support them. Local fishermen and – to much larger extent – foreign fleets are fishing in *de facto* open access conditions in most of Tanzania's Exclusive Economic Zone (EEZ) and territorial seas. Destruction of critical habitats that provide spawning and nursery grounds for fish and other marine biodiversity, over-exploitation of some key commercial and vulnerable species, and inadequate management of fishing methods and fishing efforts threaten the health of marine and coastal ecosystems. The sustainability of near-shore and transboundary fish stocks is further undermined by inadequate information about the stress level on and resilience of the resource base. The lack of clear access rights in near-shore waters continues to exacerbate the ongoing poverty in coastal communities and thwarts the potential for substantial government revenue in the EEZ. On the terrestrial side, unplanned development and unregulated construction along the coastal margins threatens coastal ecosystems and the various functions and benefits derived from such ecosystems

The proposed Marine and Coastal Environment Management Project (MACEMP) will help improve management of coastal and marine resources through policy planning support, investment, and building and strengthening of partnerships to ensure sustainability. The project targets both the offshore EEZ and the near-shore territorial seas and coastal areas. Work in the EEZ requires policy support at a high national level, with coordination between Zanzibar and mainland Tanzania, supported by harmonized monitoring and enforcement policies and partnerships that include collaboration with foreign countries. By contrast, work in the near-shore requires policy and planning support for decentralized authorities at the district or community level, supported by a strengthened system of marine managed areas (MMAs) and a wide range of private and NGO partnerships. Management of the coastal and marine environment will be complemented by community demand-driven sub-projects, which must promote sustainable marine ecosystem management to be eligible.

## **Objectives**

The **project development objective** is to improve sustainable management and use of the URT's Exclusive Economic Zone, territorial seas, and coastal resources.

The **project global objectives** are:

OP2 - To develop an ecologically representative and institutionally and financially sustainable network of marine protected areas; and

OP8 - To build URT's capacity to measure and manage transboundary fish stocks.

## **Outputs and Activities**

The project has four components, which are summarized below and can be found with more specific detail in Annex 4 of the Project Brief and in Annex B of this Executive Summary. All GEF funded activities in Component 2 (MPA/MMA System) will be financed under OP2 (Biodiversity). All GEF activities in Component 1 (EEZ Governance regime) will be funded by OP8. The one exception to this model is that GEF OP2 resources (\$75,000) will be used in Component 1 to look at mechanisms for capturing and retaining benefits from genetic biodiversity value of coastal resources within the Marine Legacy Fund (.

**1. Sound Management of the Exclusive Economic Zone (EEZ) (Total: US\$12.26 million – GEF (IW): US\$5.07 million)** This component will establish and implement a common governance regime for the EEZ that contributes to the long-term sustainable use and management of EEZ resources. The activities fall into three subcomponents:

1(a) ***EEZ Planning Support***: This sub-component will provide relevant policy, regulatory and institutional reform, as well as development of the scientific knowledge base, in order to develop a fisheries management system that caters to an appropriate balance between maximization of income from and long-term sustainability of the fisheries. GEF OP8 funding (US\$1.62 million) will focus on supporting management of the scientific knowledge base, including design of an EEZ resource monitoring strategy and a near-shore stork assessment. GEF OP2 funding (US\$75,000) will provide supplemental financing to develop modalities for capturing genetic resource value with the MLF.

1(b) ***Implementation of EEZ Common Governance Regime***: This sub-component will provide the means for effective and efficient implementation of the EEZ Governance Regime, including strengthening of monitoring, surveillance and enforcement systems for fishing, implementation of a sustainable financing mechanism, pro-active EEZ resource management and monitoring, and comprehensive and targeted capacity building and institutional strengthening. GEF OP8 funding (US\$1.44 million) will focus on implementing the EEZ resource monitoring strategy and Monitoring, Control and Surveillance (MCS) efforts, as well as providing one-quarter (US\$250,000) of the initial seed capital for the Marine Legacy Fund (MLF) revolving fund. The MLF is designed to contribute to the financial sustainability for the common EEZ governance regime and for priority coastal and marine management measures. It will collect receipts from highly variable multiple sources and redistribute to core functions on an annual basis, retaining

an average fund value equal to about three years of outflow. The revolving nature of the Marine Legacy Fund is intended to provide adequate buffer for periodic shocks.

1(c) ***Developing and Supporting Partnerships in EEZ Management***: This sub-component will support partnerships with the private sector to improve sector sustainability and food-security, and further strengthen the regional dialogue and regional cooperation on sound governance and management of marine resources. . It will also provide coordination between MACEMP and other regional initiatives relating to LMEs within the potential Fisheries Partnership or other LME initiatives outside the Fisheries Partnership. Coordination will include harmonization of activities, sharing of lessons learned, and development and implementation of potential replication strategies. GEF OP8 funding (US\$1.69 million) will focus on supporting international and regional dialogues on EEZ governance, coordination with other regional initiatives, and on supporting selected community investments associated with reduction of by-catch and post-harvest losses.

The *expected outcome* for Component 1 is a shift from a *de facto* open-access regime toward a managed-access regime to provide for long-term sustainability of the marine resource base and to maintain resilience of fish stocks to absorb controlled levels of utilization. MACEMP's comprehensive approach to sound governance of the EEZ is expected to contribute to financial sustainability through improved capture of resource rent supported by strengthened control and enforcement mechanisms and through incentives for sustainable resource use. This component will support URT's national contribution to meeting specific targets set at the WSSD related to maintenance and restoration of national and transboundary fish stocks to sustainable levels.

**2. Sound Management of the Coastal Marine Environment (Total: US\$24.47 million – GEF Biodiversity US\$4.93 million)** This component will establish and support a comprehensive system of managed marine areas in the Territorial Seas, building on Integrated Coastal Management strategies that empower and benefit coastal communities. The activities fall into three subcomponents:

2(a) ***Integrated Coastal Management (ICM) Planning Support***: This sub-component will strengthen ICM at the local government level by building capacity at the district level through resource assessment, capability mapping, and spatial planning, and developing action plans for specific coastal areas.

2(b) ***Implementation of Network of MMAs, CMAs and MPAs***: This sub-component will provide the means for effective and efficient implementation of the network of MMAs and Marine Protected Areas (MPAs) through site-specific support (90 percent of its effort) and umbrella support to core institutions (10 percent). The bulk of GEF funding (US\$2.6 million) in this sub-component will be dedicated to expanding the current network of MMAs and MPAs by setting up and supporting full implementation of management plans at two new sites: the Pemba Channel Marine Conservation Area on Zanzibar and the Kilwa-Rufiji ecosystem on the mainland. In addition, GEF support (US\$1.3 million) will finance the training requirements under the umbrella support, and about 10 percent of the support costs at existing sites, focusing on boundary demarcation and education campaigns.

2(c) ***Developing and Supporting Partnership in ICM***: This sub-component will develop and support the building of regional, community and private sector partnerships. GEF financing (US\$1.0 million) will finance the regional partnership building and an expansion of the community partnership model being tested by the Japanese Social Development Fund (JSDF); the expansion sites will target communities near those sites being supported by GEF in Sub-component 2(b).

The *expected outcome* for Component 2 is a shift from a *de facto* open-access toward a managed-access near-shore regime that protects biodiversity while providing additional development opportunities for local populations through greater involvement in local resource management decisions. MACEMP's comprehensive approach to community involvement in coastal management is expected to contribute to more sustainable resource use and to improved resource quality. This component will implement Zanzibar's and National ICM strategies and increase the area of territorial seas under effective management.

**3. Coastal Community Action Fund (Total: US\$11.97 million - GEF: US\$0 million)** This component will empower coastal communities to access opportunities so that they can request, implement and monitor sub-projects that contribute to improved livelihoods and sustainable marine ecosystem management. The activities fall into two subcomponents:

3(a) ***Coastal Village Fund (CVF)***: This sub-component will provide funding to approximately 400 sub-projects, at an average value of US\$20,000 each, with a community contribution of 5-20 percent of total sub-project value.

3(b) ***Coastal Community Capacity Enhancement (CCCE)***: This sub-component will assist coastal communities in accessing the CVF and facilitate identification, assessment and monitoring of sub-project implementation.

The *expected outcome* for Component 3 is a reduction in income poverty, and increased participation of rural communities in sustainable resource management decisions and benefits.

**4. Project Implementation Unit (Total: US\$8.44 million - GEF: US\$0 million)** This component will provide efficient project implementation services. The activities fall into two subcomponents:

4(a) ***Core Staffing and Facilitation***: This sub-component will provide office staff and overhead for the Project Coordination Unit, office staff and support for separate project management units (PMUs) on the mainland and in Zanzibar, and technical inputs relating to a project steering committee, a technical steering committee and a roster of experts for sporadic advisory services.

4(b) ***Monitoring and Evaluation (M&E)***: This sub-component will provide for annual reporting, annual audits, the mid-term review and the project closing report, as well as baseline studies for project monitoring purposes.

The *expected outcome* for Component 4 is an efficiently delivered project meeting high standards of transparency and participation.

### **Key Performance Indicators**

The key performance indicators for measuring progress toward the Project's *development objective* are:

- Revenue Generation to EEZ Authority [baseline = nil; midterm = US\$10 million/yr; EOP target = US\$25 million/yr]
- MMA System own revenue generation as % of Recurrent Costs [baseline = 40%; midterm = 60% ; EOP target = 150 %]
- Coastal fisheries households achieving improved income expectations [baseline 0%; midterm = 50%; EOP target 80%].<sup>1</sup>

The key performance indicators for measuring progress toward the Project's *global objectives* are:

- Percentage of territorial seas under effective management [baseline = 4%; midterm = 7%; EOP target = 10 %]
- Daily observations of vessel catch and effort entered into URT Fisheries Information Management System. [baseline = 1000; midterm = 6000; EOP target = 15000 annual]

### **Risks**

The principal risks to successful implementation of the project include (for a complete analysis of risks, please see pp. 19-20 in the GEF Project Brief):

- *Implementation of decentralization in the country slows down.* The project will seek to mitigate this risk by promoting a clear division of responsibilities between Local Government Councils (LGCs) and Village Councils (VCs). In addition, the new National Environment Act supports decentralized capacity, while the PRSC provides budget support for building capacity at the district level;
- *Conflicts arise between Zanzibar and mainland Tanzania in executing activities.* The project will address this risk by establishing a Project Coordination Unit (PCU) to assist the two Project Management Units (PMUs) in coordinating implementation of project activities;
- *Delays in operationalizing of Deep Sea Fishing Authority.* The project will provide facilitation to operationalize the DSFA. Revenue generation and increase is already evident and thus partially independent of DSFA operations.
- *Delivery capacity is constrained because of the unavailability of qualified staff.* The project will seek to mitigate this risk through targeted capacity building efforts in all project components to ensure that the staff of key implementing agencies have the skills necessary to carry out the proposed project activities.

## **2. COUNTRY OWNERSHIP**

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• <sup>1</sup> The third KPI is monitored based on samples of households participating in MACEMP financed CDD subprojects that are delivered through TASAF 2; TASAF 2 will also report on these households on the contribution to MDG indicators in Coastal Areas.

## **Country Eligibility**

Tanzania ratified the Convention on Biological Diversity (CBD) in 1996, and prepared a Coastal Biodiversity Conservation Strategy in 1995 and a National Biodiversity Strategy and Action Plan (NBSAP) in 2000. The country is also a party to the United Nations Convention on the Law of the Sea (ratified, 1985), and the Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Eastern African Region (ratified, 1996). Tanzania is eligible for World Bank and GEF funding.

## **Country Drivenness**

MACEMP grew directly out of a specific written request from the Minister of State for Environment and Permanent Secretary, Vice President's Office, for assistance in addressing poverty issues in coastal areas. A Project Preparation Team with representatives of both Government and non-governmental organizations was established in December 2003 to assist project preparation, and several consultative workshops were facilitated by this team.

Although both mainland Tanzania and Zanzibar have relatively comprehensive laws and policies relevant to coastal and marine resources, the implementation of these laws is rather uncoordinated. Current efforts focus on harmonizing legal instruments, or introducing new ones to conform to existing policies. Different institutional and legal systems exist for the mainland and Zanzibar, and there is potential for linkages through the Deep Sea Fishing Act (1998) and the Territorial Sea and Exclusive Economic Zone Act (1989). The government has stated that it will focus on implementation of the Integrated Coastal Environment Management Strategy and the National Fisheries Master Plan, as well as the review and updating of the Marine Parks and Reserves Act, the National Fisheries Sector Policy and Strategic Statement, and the Mangrove Management Plan. The National Environmental Management Act (2004) provides for improved environmental regulation and overall planning.

## **3. GEF PROGRAM AND POLICY CONFORMITY**

### **Fit to GEF Operational Program and Strategic Priority**

Fit with Biodiversity Focal Area: The project is fully aligned with GEF Biodiversity Strategic Priority #1: 'Catalyzing Sustainability of Protected Areas' and, Priority #2: 'Mainstreaming biodiversity in the production seascapes and sectors'. GEF support will contribute to SP#1 objectives, while SP#2 objectives will be achieved through activities funded mainly with IDA resources.

Taking a holistic ecosystem approach, the project will make a significant contribution towards linking existing protected and co-managed areas and thereby establishing a system of coastal and marine managed areas in Tanzania. The project will further expand coverage of this system with creation of two new marine managed areas of high global and regional biodiversity value in the marine and coastal zone, i.e. the Pemba Channel Marine Conservation Area and Rufiji-Mafia-Kilwa Complex. Linkages between existing marine protected areas across boundaries will be

strengthened to create a larger transboundary protected area. The project responds to GEF's principles (i) by placing priority on participation of local communities residing in and around marine protected areas in co-management, (ii) by facilitating local partnerships with the private sector through marketing initiatives and barrier removal, and (iii) by addressing sustainability aspects including ecological, institutional, and financial sustainability of the proposed network of marine protected and marine managed areas.

The project will support mainstreaming of the biodiversity in the production landscape (i) by strengthening environmentally sound community management by promoting economic incentives for sustainable use, (ii) by strengthening local institutional capacity to address environmental issues and manage or co-manage marine and coastal resources, and (iii) through strengthening integrated land-use and marine planning and zoning at local government level.

#### Fit with International Waters Focal Area:

Further, the project responds to GEF's International Waters Strategic Priority #1 'Catalyzing financial resource mobilization for implementation of reforms and stress reduction measures. Specifically, the project will address ecological sustainability of the marine ecosystems through improved resource monitoring and adaptive management. The project's specific focus is on contributing to targets for transboundary, marine fisheries resources as identified at the WSSD. It aims to reverse unsustainable depletion patterns of commercial fishery in the EEZ and to maintain resilience of transboundary fish stocks to absorb controlled and balanced levels of utilization. The underlying institutional, policy, and regulatory reform towards a common governance regime for the EEZ will facilitate increased revenue generation from the resource and will contribute to the long-term financial sustainability for management of the marine resources through the creation of a Marine Legacy Fund. The Deep Sea Fishing Authority (DSFA) Act makes provisions for the establishment of a common governance regime for the EEZ, however it has not become operational due to structural and functional shortfalls. The project will assist with review of the Act, will address its shortfalls, and redefine the mandate of the DSFA according to outcomes of the domestic dialogue.

#### MACEMP and the Proposed Strategic Partnership for a Sustainable Fisheries Investment Fund for Sub-Saharan Africa:

MACEMP has been developed at the same time that a potential Strategic Fisheries Partnership has been under development within the Africa region. The Strategic Fisheries Partnership is conceived as a multi-country funding envelope that will finance individual national level projects contributing to sound management of LME fishery resources. GEF proposed financing would be US\$60 million. Tanzania is committed both to MACEMP and to the Fisheries Partnership. In January 2005 Tanzania's representative (Dr. Magnus Ngoile, Director General, National Environmental Management Council) was selected to Chair the Expert Panel of the Fisheries Partnership, and Tanzania remains dedicated to the overall objectives of sound LME management.

MACEMP is being submitted for consideration as a stand-alone project to GEF Council. MACEMP has GEF focal point endorsement in Tanzania, and full support of the Government.

#### Sustainability (including financial sustainability)



The foundation of MACEMP rests on a viable EEZ governance regime which, when implemented successfully, will provide for sustainable EEZ management as well as financial sustainability of the underlying institutional framework (i.e. the EEZ Authority) through increased fisheries revenue collection. The GoT already has a revenue retention scheme in place that provides for reinvestment of fisheries revenue into the sector. It has also committed to channeling the revenues raised from fisheries back to the EEZ authority or through a Marine Legacy fund (once established), enabling sustainability of the EEZ management as well as sustainable operation of the MPA system. The project provides explicit institutional capacity development to develop and implement policies and, more significantly, it provides built-in incentives for encouraging successful outcomes. For example, successful design and implementation of the Marine Legacy Fund will improve the financial sustainability of Monitoring, Control and Surveillance efforts and of the marine protected area network.

The project also has strong elements of institutional sustainability built into the legal framework and incentive system at community level. Institutional benefits will be achieved, for example, through integration of coastal resource management into new mandates of local governments in conjunction with institutional capacity building. Further, MPA/MMAs will be designed in combination with income earning opportunities so that local communities support continuation of the biodiversity and resource management regimes.

The project improves social sustainability through empowering local communities and entrenching local use rights. The project design aims to provide a legal basis for protecting the interests and livelihoods of communities through the demarcation of special areas, whether on land or sea. In addition, social interests are respected through community demand driven sub-projects that are developed according to local needs, and which are consistent with the overall project objectives of environmentally sustainable development in the coastal zone. Villages eligible for these sub-projects are those directly connected through dependency to coastal resources.

The project also internalizes a number of key lessons learned from various donor and government supported initiatives in coastal areas, which should minimize risks and ensure sustainability. For example, the project allows Tanzania to participate in regional initiatives that encourage a sustainable fisheries regime.

### **Replicability**

Replication of the project will be encouraged through the dissemination of experiences gained and best practices relating to sustainable coastal and marine management, particularly monitoring, compliance, and surveillance of transboundary fisheries; collaborative management in the artisanal near-shore fisheries sector; biodiversity conservation through marine zoning and a network MPAs and MMAs; improved sustainable use through spatial planning along the coastal margin at local government and village level. These lessons could be applied not just in Tanzania, but also in other countries, especially those along the East African coast with similar coastal and marine ecosystems.

Project design encourages replication of successful project approaches to other countries in the West Indian Ocean, in particular neighboring countries Kenya and Mozambique. For example, sub-components under Component 1 and 2, aim at establishing regional partnerships and as part of project implementation, Tanzania will engage in dialogue and common initiatives with neighboring countries Kenya and Mozambique for a common approach on EEZ fisheries governance and management. Similarly, MACEMP will support initiatives to link existing Marine Protected Areas on its Southern and Northern borders with Protected Areas in the two neighboring coastal counties with a view to establishing transfrontier biodiversity conservation. Successful implementation of MACEMP could result in similar interventions in Kenya and Mozambique. The MACEMP communication strategy includes web-based dissemination mechanisms that will, inter alia, link to the Africa portal in the International Waters Resource Centre IW: Learn system funded by the GEF.

In addition, it is expected that the South West Indian Ocean Fisheries Project - SWIOFP (submission planned in July 2005), will play a key role in enabling the sharing of experience, lessons and good practices at the Regional level, leading to strongly country driven replication processes, and the leveraging of domestic and international resources.

### **Stakeholder Involvement**

The proposed project is the result of more than two years of discussions and negotiations that included key ministries from mainland Tanzania and Zanzibar. Project preparation and associated sector work also facilitated numerous stakeholder workshops, conferences and consultations on establishing project priorities, identifying project target areas, and determining the means for best addressing poverty issues in coastal areas. The work involved consultations down to the village level using a broad range of consultative and field appraisal approaches.

Project development was aided by a comprehensive in-country process that included a series of ESSD sector studies which gathered primary information on socio-economic conditions, financial conditions, and legal constraints through extensive consultations with stakeholders, including end-users at the village level. A review of the study findings by stakeholders identified the need for long-term support for implementing the key recommendations and led to the development of MACEMP as a coastal livelihoods project. Further consultations with key stakeholders in government led to the expansion of this concept to address issues throughout the EEZ.

Key consultation events during project preparation included:

- A seven-day workshop in May 2004 to discuss stakeholder expectations, identify key areas of intervention, define draft project components, and discuss linkages to other ongoing efforts and initiatives;
- A ten-day planning workshop in September 2004 to identify project implementation structure, and component design and activities, as well as select project target areas;
- A two-day scoping workshop in September 2004 to confirm a common understanding of the impacts of coastal activities to date and receive comments on a draft scope of the environmental and social assessment;
- A three-day workshop on Project Monitoring and Evaluation in November 2004;

- Consultative meetings, at each of the target sites, with stakeholders ranging from district administration officials to members of civil society (including private sector and community associations) in November 2004; and
- Numerous other on-the-ground consultations, focus group meetings and stakeholder interviews as part of the process of developing the Environmental and Social Management Framework for MACEMP.

The project design allows for continued stakeholder consultations and involvement of communities and beneficiaries during the full six years of project implementation, through a comprehensive Development Communications (DC) Strategy, use of the Community Driven Development (CDD) methodology of TASAF 2, and a Process Framework committed to establishing Community Mitigation Action Plans in all MACEMP communities, which will be annually monitored and evaluated against World Bank safeguards. Similarly, a detailed stakeholder involvement plan is being prepared, for implementation under the project, and be presented at CEO endorsement.

### **Monitoring and Evaluation**

Monitoring and Evaluation (M&E) will be undertaken by all key partners (within MNRT, MANREC, communities, district administration, the private/NGO sector and the World Bank). The PCU and PMUs will maintain an information database linked to the Management Information System (MIS) and the results framework, to allow the agencies to assess and report on the quality and quantity of work at each level. Specific capacity strengthening will occur through the inclusion of M&E elements into training activities in all components. This strengthening will be facilitated by an M&E Specialist on the core project team in the PCU. The M&E Specialist will be responsible for compiling an annual report that reflects key performance indicators and related management indicators, as part of routine reporting requirements that involve the project steering committee and technical committee. During implementation, the project MIS will be integrated with information systems in MANREC and MNRT and will remain in place after project completion. Information relating to MACEMP sub-projects executed through TASAF 2 will also be made available to the TMU to be disseminated through TASAF 2 communication programs.

In addition, specific M&E activities have been defined within Sub-component 4(b), including establishing a project MIS, baseline surveys, an M&E implementation strategy, a development communications strategy, annual M&E reporting, annual safeguard reporting, the mid-term report (MTR), annual audits and the completion report. The GEF guidance for M&E of GEF IW projects will be used to guide the finalization of the M&E system, to be designed by the time of CEO endorsement.

## **4. FINANCIAL MODALITY AND COST EFFECTIVENESS**

<b>Co-financing Sources</b>				
<b>Name of Co-financier (source)</b>	<b>Classification</b>	<b>Type</b>	<b>Amount (US\$)</b>	<b>Status</b>
International Development Association	Implementing Agency	Loan	46,380,000	Project Under Preparation
Government of Tanzania	Government	Cash Funding	750,000	Counterpart Funding
Local Communities	Beneficiaries	Cash and In-kind Contributions	1,000,000	Counterpart Support
<b>Sub-Total Co-financing</b>			<b>48,130,000</b>	

\*IDA resources include a US\$1 million Project Preparation Facility advance. The PPF is not considered as baseline in the ICA as it is considered as sunk resources.

The project is a fully-blended operation with IDA resources provided as a Specific Investment Loan (SIL). Funds for allocated for project sub-component 2 (a) Coastal Village Fund will be transfer resources directly into a ring-fenced TASAF 2 sub-project funding envelope; TASAF 2 is also designated as a SIL. GEF grant financing is provided in through the Operational Program 2 (Biodiversity – Coastal, Marine, and Freshwater Ecosystems) and Operational Program 8 (International Waters – Waterbody-based).

## **5. INSTITUTIONAL COORDINATION AND SUPPORT**

### **Core Commitments and Linkages**

MACEMP has been designed based on lessons learned and existing work on coastal management, both in Tanzania and elsewhere. Component 1 builds on existing work that has culminated in unimplemented legislation for harmonized governance of the EEZ (through the Deep Sea Fishing Authority) and three years of experience and capacity building in Monitoring, Compliance and Surveillance that was initiated under EC leadership. It seeks to achieve conformance with international best practices as dictated under the FAO Compliance Agreement and Fish Stock Assessment Agreement, to ensure sustainable fisheries within the EEZ. Component 2 builds on the government’s general policy direction for decentralized planning and management, complementing the Local Government Reform Programme (LGRP) and fitting into mainland Tanzania’s National Integrated Coastal Environment Management Strategy (NICEMS). Component 3 directly complements the Tanzania Social Action Fund 2 (TASAF 2) operation and builds on lessons learned from TASAF 1. Component 4 builds on experience from other Bank operations in Tanzania that involve delivery of activities both in Zanzibar and the mainland, while the implementation model specifically follows that of the JSDF-financed coastal management project, implemented by the same task team in sites in Zanzibar and the mainland.

MACEMP will contribute to the Government of Tanzania’s PRS (2000), which emphasizes the need to reduce income poverty, improve human capabilities and reduce vulnerability, and achieve and sustain a conducive environment for sustainable development. The Project directly supports local empowerment and participation, and sound environmental management, both of

which have been identified in the PRSP as critical elements in poverty reduction. Although development of a new CAS has been delayed to allow for consistency with the new PRSP, one of the key themes of the new CAS will be the full alignment of Bank instruments with the principles of local ownership and leadership of development efforts, as set out in the PRS and the Tanzania Assistance Strategy (TAS). MACEMP supports this theme by promoting the establishment of sound local and national governance and management regimes for coastal and marine resources in both the EEZ and near-shore areas.

The Project complements several other donor activities in the sector, including:

- EC parallel financing of US\$2 million for SADC Monitoring, Control, and Surveillance of Fisheries Activities Programme, which will focus on activities complementary to Sub-component 1(b) and related activities associated with Monitoring, Compliance and Surveillance;
- French assistance of US\$2 million in parallel financing for Conservation and Development of Kilwa Kisiwani and Songo Mnara World Heritage Sites that will focus on activities complementary to Sub-component 2(b), relating to historic and cultural assets;
- Japanese Social Development Fund (JSDF) parallel financing of US\$1.818 million for the Tanzania Community-Based Coastal Resources Management and Sustainable Livelihood Project, implemented by the World Bank (through MNRT and MANREC) under a separate Grant Agreement that became effective in mid-2004, that targets selected eligible activities in two specific sites within the project and complements activities in Component 2;
- USAID parallel financing of US\$2 million that will focus on activities complementary to Sub-component 2(a) through continued institutional support of the Tanzania Coastal Management Partnership, which will be mainstreamed as a government function within the National Environment Management Council (NEMC), thereby providing explicit support to ICM planning capacity and training needed for decentralized implementation; and
- WWF/DFID proposed parallel financing of US\$2 million that will focus on implementing management plans and providing core support at selected existing MPA sites specified in Sub-component 2(b), in particular a Seascape for the existing Mafia initiative that includes the Rufiji/Kilwa areas.

### **Consultation, Coordination and Collaboration between and among IAs and EAs**

MACEMP is also being implemented in coordination with five other GEF projects in the sector, including:

**The South West Indian Ocean Fisheries Project (SWIOFP)**, a WB/LME project that supports a regional scale, multi-country effort to improve sustainable management and exploitation of the resources of the South West Indian Ocean. Participants in SWIOFP include Kenya, Tanzania, Mozambique, Comoros, South Africa, Madagascar, Seychelles, Mauritius and France (participating, but not a beneficiary of funding). The project is currently under preparation and is expected to become effective in early 2006. Activities for SWIOFP will focus on scientific

knowledge management and related policy in deep sea fisheries of international commercial interest. MACEMP will directly complement these efforts by focusing on scientific knowledge management of fisheries of domestic commercial interest in the near-shore waters of Tanzania. For purposes of coordination, it was agreed that MACEMP would focus on research and monitoring of all waters of less than 500 m in depth, which includes the continental shelf, the shallower parts of the continental slope and almost all of the Territorial Seas (within the 12nm limit), while SWIOFP will focus on the outer limits of the EEZ. Implementation of Tanzania's efforts under SWIOFP will be through MACEMP's PCU, and TORs of key positions in the PCU will be reviewed and potentially adjusted by SWIOFP prior to filling these positions. **Agulhas and Somali Current LME Project:** A UNDP/GEF/UNOPS project, the regional Agulhas and Somali Current Large Marine Ecosystem Project represents a second project under the broader Agulhas and Somali Current LME Program that also includes SWIOFP and is implemented jointly by WB and UNDP. The project is expected to be partially funded by the GEF and is currently under preparation. An ecosystem and trans-boundary approach will be adopted to assist the West Indian Ocean countries with the assessment and monitoring of the living marine resources of the two LMEs. Specifically, the project will fill knowledge gaps to inform long-term sustainable management of two LMEs, and facilitate ecosystem monitoring, evaluation and reporting including GEF IW indicators.

MACEMP will complement the regional Agulhas and Somali LME project: by reinforcing national commitments and priorities related to sustainable fisheries; by implementing key policy reforms supporting governance and sustainable management in URT's EEZ; and by building the countries' capacity to participate fully in sub-regional management of transboundary fish stocks and LMEs in a broader sense. The close project collaboration link between SWIOFP and MACEMP will also provide for coordination with other projects under the Agulhas and Somali Current LME Program. MACEMP further provides adequate budget to support participation of URT representatives in regional conferences and meetings related to EEZ governance and transboundary fisheries management.

**The Global Coral Reef Targeted Research and Capacity Building for Management Project,** a WB/GEF project, will conduct targeted research to further the global understanding of what determines coral reef ecosystem vulnerability and resilience. It will establish a scientific knowledge base for synthesizing and comparing findings around the world and build capacity of researchers within developing countries as part of the global, applied research framework. The project further aims to support application of the relevant research findings to management interventions and policy formulation at national and local levels. Coral reefs off Zanzibar represent one of the sites for targeted research under the project. MACEMP will coordinate with the project to respond to recommendations related to informed, science-based coral reef management interventions at local level.

**Mnazi Bay Marine Protected Areas Project:** A UNDP/GEF/IUCN project in the Mnazi Bay area, this project will have approximately two years remaining in its project life that focus on developing and implementing the MPA management plan. This project complements

MACEMP's Sub-component 2(b) and the larger area will benefit from transboundary initiatives under MACEMP.

### **Strategic Partnership for a Sustainable Fisheries Investment Fund in**

**Sub-Saharan Africa:** The approach, criteria and objective of this project is fully consistent with those of the Sub-Saharan Africa Strategic Partnership for Fisheries, which entered the pipeline on June 18, 2003, and is currently under full development.

### **Project Implementation Arrangement**

MNRT in mainland Tanzania and MANREC in Zanzibar will have overall responsibility for project implementation. Both Ministries will coordinate closely with the Vice President's Office, the Ministry of Foreign Affairs, the Ministry of Lands, the President's Office – Regional Administration and Local Government (PO-RALG), and NEMC for specific project activities.

Several different bodies will guide implementation of the project at the national level:

- A *Project Steering Committee* (PSC) composed of the Permanent Secretaries responsible for Natural Resource, Finance, and Local Administration from both sides of the Union as well as the PS of the Vice President's Office. The PSC will guide policy, institutional, and regulatory reform, as well as strategies for implementation, and will adopt the annual work plan and its corresponding budget and semiannual update.
- A *Technical Committee* composed of Directors of key ministries and institutions as well as private sector representatives. The Technical Committee will monitor and guide project operations, advise on research needs, and review annual work plans and budget, as well as annual progress and performance reports prior to submission to the PSC. Responsibility for reviewing and clearing the procurement process below set thresholds is delegated to the two Directors of Fisheries. Short-term support for quality control, risk mitigation, and technical and scientific guidance would be available from a *Roster of Experts* on the basis of an honorarium agreement.
- A joint *Project Coordination Unit* (PCU) to facilitate coordination between mainland Tanzania and Zanzibar. The PCU will be responsible for consolidated reporting on all aspects of project implementation to the Technical Committee and the World Bank. It will serve an advisory function for *Project Management Units* (PMUs) in mainland Tanzania and Zanzibar on all operational aspects, such as monitoring, disbursement, financial management, procurement, and reporting. The PMUs will be responsible for day-to-day implementation, financial management, procurement, processing, and other follow-up on issues pertaining to either side of the Union. PMUs will further prepare the annual work plans for consolidation by the PCU.

At the local level, implementation will follow the current decentralized administrative structure, which provides for significant delegation of control to the regional and district level, with sector district officers answering directly to the local District Council instead of the line Ministry. Coastal Community Subprojects financed via the CCAF would be implemented according to the TASAF 2 implementation structure through Local Service Providers and Community Management Committees under supervision from Village or Shehia Advisory Councils. A CCAF Technical Committee (CCAFTC), composed of the two CCAF Coordinators and the MACEMP

Project Coordinator, will meet quarterly and participate in the TASAF 2 Sector Experts Team, which reviews sub-project eligibility against sector norms.

For more details on the different functions of these bodies, please see Annex 6 (Implementation Arrangements) in the GEF Project Brief.



## ANNEX A: INCREMENTAL COST ANALYSIS

### Baseline Scenario

1. *General Scope.* In the absence of GEF assistance, it is expected that GOT would nonetheless pursue a program to meet selected domestic development objectives in coastal and marine areas. Other donor support in the general sector is also evident, but it is not included within the scope of the baseline because few agreements have been formalized to the point that it is possible to ascertain the domestic benefit. Some support may go beyond domestic objectives, such as the approximately US\$2 million provided through French assistance to restoring domestically and internationally significant world heritage resources in the coastal zone. Another example is assistance coming forward from the EC as part of a fishery agreement. This would be provided to improve fishery management including monitoring of migratory species; the value of this assistance is will depend on the final terms of the agreement and the actual fishery catch over the following 5 years. Some of this support obviously address “baseline” domestic costs while parts may be incremental to what URT might normally be expected to invest. The scope of this ICA includes just those activities and costs included in the detailed project description (Annex 4).

2. *Costs.* Over the six year project period, the total expenditures associated with the Baseline Scenario are estimated to be US\$47.13 million. These are noted in Table A17.1 and can be described as follows:

- Broad-based Activities and Reforms in EEZ Management. (US\$7.19 million) This substantial baseline activity includes support for implementing the Deep Sea Fishing Authority (DSFA), which is the lead agency in harmonizing management of the EEZ. The baseline involves planning efforts, implementation and operation of the Authority, and selected investments that will build partnerships with the private sector and local communities. The baseline activities are targeted towards realizing the domestic benefits associated with improved rent capture from the EEZ fisheries. The activities in the baseline thus include all of the planning and consultations associated with operationalizing the DSFA as well as many of the operational costs associated with implementing the harmonized arrangements between Tanzania mainland and Zanzibar. Monitoring activities in the baseline emphasize compliance monitoring in the areas close to shore, with less emphasis on monitoring for scientific and information management purposes. Partnership agreements also focus on achieving greater value-added from the landed commercial fishery through dialoguing with the private sector and through providing communities close to the major ports in Dar es Salaam and Zanzibar with improved access and facilities for handling commercial catch. EEZ management will also involve the design of a financing mechanism that contributes to long-term sustainability of EEZ management efforts.
- Broad-based Activities and Reforms in Implementing Integrated Coastal Management Efforts. (US\$19.54 million) This baseline activity focuses on realizing domestic benefits associated with planning and implementing land-use and marine zoning with a view to decreasing the open access conditions that currently characterize resource use in the near-shore areas and in low elevation coastal areas. The baseline also upholds maintaining the country’s commitment to some of its existing system of

- Community-level Support to Vulnerable Persons. (US\$11.97 million) This activity provides support to communities in coastal areas through a Coastal Community Action Fund that involves sub-project financing and associated capacity enhancement at the community level. It is part of the baseline because it focuses on government priorities to address income poverty of vulnerable groups; it concomitantly will decrease unsustainable harvesting pressures on living coastal resources and will permit communities to take advantage of income generating opportunities afforded by sound resource management.
- Project Management Support. (US\$8.44 million) Government is committed to providing management support to the portfolio of efforts in the baseline,

3. *Benefits.* The benefits under the Baseline Scenario focus on decreasing open access conditions with a view to improving commercial fishery rent capture, reducing income poverty in coastal areas, and establishing long-term systems of co-management and sustainable financing that minimize the need for public subsidy. In addition, the Baseline confers modest global benefits through permitting the identification of core areas of biodiversity significance based on an ecological and socio-economic system assessment, and to introducing incentive and compliance systems that will contribute to the sustainable exploitation of transboundary fish stocks.

### **Global Environmental Objective**

4. The proposed project is part of the Government of Tanzania's efforts to implement international commitments and to address national and global environmental priorities. Tanzania signed the Convention on Biological Diversity on 12 June 1992 and ratified the CBD on 8 March 1996. As part of Tanzania's participation in the CBD, a Coastal Biodiversity Conservation Strategy was elaborated in 1995 and a National Biodiversity Strategy and Action Plan was formulated in 2000. Tanzania also is a party to the Convention on International Trade on Endangered Species (CITES), ratified on 29 November 1979. Supporting CITES, the Regional Lusaka Agreement on cooperative enforcement operations directed at illegal trade in wild fauna and flora, adopted in 1994, was signed by Tanzania on 8 September 1994. The Convention on the Conservation of Migratory Species of Wild Animals was adopted in 1979. The International Plant Protection Convention was adopted in 1951. The Convention Concerning the Protection of the World's Cultural and Natural Heritage, (the World Heritage Convention) was ratified by Tanzania on 2 August 1977. Tanzania became a Contracting Party under the RAMSAR convention on 13 April 2000. In addition, Tanzania ratified the United Nations Convention on the Law of the Sea (UNCLOS) on 30 September 1985. Tanzania now also serves on the Governing Council of UNEP. An important regional instrument is the Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Eastern African Region (the Nairobi Convention) and Related Protocols, which Tanzania ratified on 1 March, 1996. The objective of the Convention is to ensure sound environmental management of the maritime and coastal areas of the East African region. It provides a

framework for the protection and development of marine and coastal resources. The protocols focus on the conservation of flora and fauna and on measures for combating marine and coastal pollution.

5. The **project development objective** is to improve sustainable management and use of the URT's Exclusive Economic Zone, territorial seas, and coastal resources. The activities proposed under this project are fully consistent with the priorities of the GEF Operational Program 2 (OP2 Biodiversity – Coastal, Marine, and Freshwater Ecosystems) and Operational Program 8 (OP8 International Waters – Waterbody-based).

The **project global environmental objectives** are:

- OP2 – to develop an ecologically representative and institutionally and financially sustainable network of marine protected areas, and
- OP8 – to build URT's capacity to measure and manage transboundary fish stocks.

6. The project is fully aligned with GEF Biodiversity Strategic Priority #1: 'Catalyzing Sustainability of Protected Areas' and, Priority #2: 'Mainstreaming biodiversity in the production seascapes and sectors'. GEF support will contribute to SP#1 objectives, while SP#2 objectives will be achieved through activities funded mainly with IDA resources.

7. Taking a holistic ecosystem approach, the project will make a significant contribution towards linking existing protected and co-managed areas and thereby establishing a system of coastal and marine managed areas in Tanzania. The project will further expand coverage of this system with creation of two new marine managed areas of high global and regional biodiversity value in the marine and coastal zone, i.e. the Pemba Channel Marine Conservation Area and Rufiji-Mafia-Kilwa Complex. Linkages between existing marine protected areas across boundaries will be strengthened to create a larger transboundary protected area. The project responds to GEF's principles (i) by placing priority on participation of local communities residing in and around marine protected areas in co-management, (ii) by facilitating local partnerships with the private sector through marketing initiatives and barrier removal, and (iii) by addressing sustainability aspects including ecological, institutional, and financial sustainability of the proposed network of marine protected and marine managed areas.

8. The project will support mainstreaming of the biodiversity in the production landscape (i) by strengthening environmentally sound community management by promoting economic incentives for sustainable use, (ii) by strengthening local institutional capacity to address environmental issues and manage or co-manage marine and coastal resources, and (iii) through strengthening integrated land-use and marine planning and zoning at local government level.

9. Further, the project responds to GEF's International Waters Strategic Priority #1 'Catalyzing financial resource mobilization for implementation of reforms and stress reduction measures. Specifically, the project will address ecological sustainability of the marine ecosystems through improved resource monitoring and adaptive management. The project's specific focus is on contributing to targets for transboundary, marine fisheries resources as identified at the WSSD. It aims to reverse unsustainable depletion patterns of commercial fishery in the EEZ and to maintain resilience of transboundary fish stocks to absorb controlled and balanced levels of utilization. The underlying institutional, policy, and regulatory reform towards

a common governance regime for the EEZ will facilitate increased revenue generation from the resource and will contribute to the long-term financial sustainability for management of the marine resources through the creation of a Marine Legacy Fund.

### **GEF Alternative**

10. *Scope.* The project scope of the GEF Alternative is the same as that for the Baseline, focusing geographically on coastal and marine areas within the URT EEZ. The biodiversity aspects are expanded to better protect and manage globally significant biodiversity, including the genetic resource value of that biodiversity. Within the EEZ, the scope is expanded to include sound management of scientific information and by-catch management associated with near-shore fisheries. It is important to note that, at the time of MACEMP identification, preparation and appraisal, the South West Indian Ocean Fisheries Partnership (SWIOFP) is also being prepared. SWIOFP involves nine countries in the SWIO and includes a potential US\$10 million GEF grant (under OP8) plus US\$27 million of co-financing; the project schedule for SWIOFP lags that of MACEMP by less than one year, and it is expected that concurrent implementation of these projects will improve overall implementation efficiency. For example, in Tanzania SWIOFP will operate from the same PCU as MACEMP. For MACEMP design and implementation purposes, a practical approach has been taken to separate the role of these projects. MACEMP will concentrate on addressing domestic policy priorities through, for example, harmonizing licensing arrangements and putting its institutions in place to effectively capture commercial fishery rents throughout the EEZ. For implementation, MACEMP will concentrate on monitoring and compliance efforts associated with the near-shore areas which are defined as a water depth of less than 500 m. This water depth corresponds approximately to the territorial seas but, more critically, includes all of the continental shelf and a part of the continental slope; this area has historically been associated with greatest conflicts between commercial foreign fisheries and domestic artisanal pelagic fisheries. Commercial fleets have at times come somewhat closer to shore – trawling the sea bed – and damaging biodiversity assets and undermining community livelihoods. The scope of the investments and efforts in the GEF Alternative for MACEMP thus concentrate on managing this area, through improved monitoring, compliance and surveillance. Research and patrolling efforts for this zone are qualitatively different than those for deeper waters for the simple reason that the patrolling can be done with smaller vessels (capable of policing a range to about 20 nm from shore) and with community and private sector operators (who also regularly access these areas for artisanal fisheries, sport fishing, tourism). The deeper waters, by contrast, will require larger vessels (such as those of a coast guard or navy) and different partnership modalities (e.g., shared investments with neighbouring countries); this realm is thus operationally for SWIOFP. If for some reason SWIOFP does not proceed as intended, MACEMP can accommodate additional co-financing to address these offshore requirements. This Incremental Cost Analysis thus addresses only the MACEMP-eligible activities, and excludes investment needs for SWIOFP.

11. *Costs.* The total expenditures associated with the GEF Alternative are estimated to be about US\$57.13 million; these are summarized in Table A17.1. Under the GEF Alternative, the program would still comprise the following Baseline element with no changes or additions: (iii) Community-level Support to Vulnerable Persons (US\$11.97 million); and, (iv) Project Implementation Unit (US\$8.44 million). In addition, the program would involve the following expanded and new activities:

- Broad-based Activities and Reforms in EEZ Management (OP8). (US\$12.19 million) This expanded activity includes support for implementing the Deep Sea Fishing Authority, and for expanding partnership efforts to support scientific monitoring and compliance. Additional investments in the GEF Alternative include: (i) seed capitalization of a sustainable financing mechanism to encourage additional long-term financing support – design of this mechanism will be in the baseline activities and capitalization will only proceed if all design elements are in place (GEF US\$250,000); (ii) design and implementation of the EEZ Resource Monitoring Strategy (GEF US\$570,000); (iii) contribution to near-shore stock assessment (GEF US\$1,470,000); (iv) support for patrolling efforts in the near-shore areas for four years of the project – in the longer term these patrol efforts will be self-financing and these near term efforts contribute primarily to improving the current scientific information base (GEF US\$320,000); (v) support for the Vessel Monitoring System (VMS) – the VMS has been available in principle for some time but is not expected to be put in place until revenues are adequate to support it, thus its accelerated adoption under the GEF Alternative also permits improved monitoring (GEF US\$700,000); (vi) support for community partnership initiatives that reduce post-harvest losses (GEF US\$1,200,000); and, (vii) support for Tanzania’s involvement in participating in (but not implementing) international and regional initiatives (GEF US\$490,000).
- Broad-based Activities and Reforms in EEZ Management (OP2). (US\$75,000) This additional activity includes studies to support the entrenchment of genetic value capture within the sustainable financing mechanism (Marine Legacy Fund [MLF]) that would also eventually assist in the sustainable financing of marine protected areas supported under Component 2 of MACEMP.
- Broad-based Activities and Reforms in Implementing Integrated Coastal Management Efforts (OP2). (US\$24.47 million) This expanded activity includes all investments in the baseline as well as significant additional investments in the system of marine managed areas and marine protected areas. The expanded investments include co-management efforts and grants to communities to reduce pressures on biodiversity resources of global significance (GEF US\$1,000,000). Specific focus will be on improving the boundary demarcation at all areas, improving community education and awareness efforts, and adding approximately five new sites to the MMA system through the project life (GEF US\$3,250,000). The GEF alternative also includes additional training in MPA management for line department staff (GEF US\$680,000).

#### **Incremental Costs**

12. The total expenditure under the Baseline Scenario is estimated to be US\$47.13 million while the total expenditure under the GEF Alternative is estimated to be US\$57.13 million. The incremental expenditures (costs) under the GEF Alternative are therefore approximately US\$10.00 million. Incremental costs associated with OP2 are US\$5.00 million. Incremental costs associated with OP8 are US\$5.00 million. The incremental cost of OP8 could be substantially greater but no assessment was undertaken of the investments, domestic benefits, and global benefits associated with deep water management (>500 m depth) of the EEZ; these investments and benefits are associated with programs to be delivered under SWIOFP.

13. GEF is requested to fund the incremental costs of US\$10 million. GEF’s OP2 contribution will cover works (US\$250,000), equipment (US\$900,000), training and TA services

(US\$2,620,000) and incremental operating costs (US\$1,240,000). It is estimated that 54% of the OP2 expenditures will be administered through the Zanzibar PMU, with the remainder 46% through mainland Tanzania PMU. GEF's OP8 contribution will cover works (US\$910,000), equipment (US US\$1,350,000), training and TA services (US\$1,125,000) and incremental operating costs (US\$1,365,000), as well as dedicating US\$250,000 to the Marine Legacy Fund as seed financing. It is estimated that 25% of the OP8 expenditures will be administered through the Zanzibar PMU, with the remainder 75% through mainland Tanzania PMU.

**Table A17.1 – Tanzania Marine and Coastal Environment Management Project (MACEMP)**  
**Incremental Cost Determination (US\$ million)**

GEF Component	Category	Cost	Domestic Benefit	Global Benefit
Ia. EEZ Management (Core Programs)	Baseline (OP8)	\$7.19	Improved fishery rent capture.	Improved management of transboundary species.
	With GEF Alternative (OP8)	\$12.19	Reduced by-catch losses from greater monitoring and compliance. Longer-term cost-efficiency from self-reliant institutions. Less damage to near-shore fisheries.	Improved information regarding international fish stocks. Sustainable financing of transboundary fish stock monitoring and of near-shore biodiversity. Decreased post-harvest losses.
	With GEF Alternative (OP8 incl. SWIOFP)	Not Estimated >>\$12.19	Less damage to offshore fisheries. Improved long-term, rent capture. Improved relations with neighbours in trade issues.	Improved information regarding international fish stocks in deep sea (>500 m). Decreased post-harvest losses.
	<b>Incremental</b>	\$5.00		
Ib. EEZ Management (Genetic Value Capture) [in Sub-Component 1a of MACEMP]	Baseline (OP2)	\$0.00	None.	None.
	With GEF Alternative (OP2)	\$0.07	Potential for genetic value of biodiversity to be captured through sustainable financing mechanisms. Protection of domestic property rights.	Preservation and sustainable management of biodiversity assets for beneficial global uses (e.g., in pharmaceutical or resource industries.).
	<b>Incremental</b>	\$0.07		
II. Coastal Management	Baseline (OP2)	\$19.54	Improved land-use and marine planning decreases rent loss from open access situation. Protection of core elements of the existing marine managed areas (MPAs/CMAAs).	Sustainable use of globally important species and ecosystems.
	With GEF Alternative (OP2)	\$24.47	Expansion of MMAs and sustainable uses from these contributes to poverty reduction.	Improved protection of globally important species and ecosystems. Cost effective (and more sustainable) management of such ecosystems through co-management arrangements.
	<b>Incremental</b>	\$4.93		
III. Coastal Community Action Fund	Baseline (OP2 and OP8)	\$11.97	Poverty reduction in coastal communities. Increased environmental awareness.	Reduced pressure on globally significant biodiversity resources and near-shore fishery. Increased awareness of global benefits.
	With GEF Alternative (OP2 and OP8)	\$11.97	As above.	As above.
	<b>Incremental</b>	\$0.00		
IV. Project Implementation Unit	Baseline (OP2 and OP8)	\$8.44	Capacity for managing core baseline domestic benefits, including improved environmental awareness from increased communication efforts.	Enhanced monitoring and information exchange permitting adaptive management. Improved scientific and technical knowledge base for decision-making and site selection. Greater cost-effectiveness in achieving global impacts.
	With GEF Alternative (OP2 and OP8)	\$8.44	As above.	As above.
	<b>Incremental</b>	\$0.00		
Totals	Baseline	\$47.13		
	With GEF Alternative	\$57.13		
	<b>Incremental</b>	\$10.00		
Analysis of Incremental:	OP2	\$5.00	GEF (OP2 Share):	\$5.00
	OP8	\$5.00	GEF (OP8 Share):	\$5.00
	<b>Total</b>	\$10.00	<b>GEF (Share):</b>	\$10.00

(\* ) All costs include contingencies. Variances of US\$0.01 may occur due to rounding.

## ANNEX B: RESULTS AND MONITORING FRAMEWORK

### Results Framework

<b>PDO</b>	<b>Outcome Indicators</b>	<b>Use of Outcome Information</b>
To improve sustainable management and use of the URT's Exclusive Economic Zone, territorial seas, and coastal resources.	<ul style="list-style-type: none"> <li>Increased revenue generation to EEZ Authority to US\$25 million/yr by End-of-Project (EOP).</li> <li>Own-revenue generation as percentage of recurrent costs from 40% at baseline to 150% by EOP from the system of Marine Managed Areas (MMAs).</li> <li>Increase in the percentage of coastal fisheries households realizing improved income expectations 0% at baseline to 80% by EOP.</li> </ul>	<ul style="list-style-type: none"> <li>Year 1-3: Assess capacity of EEZ Authority to increase revenue generation.</li> <li>Year 4-6: Document level of re-investment of revenue into the fisheries sector.</li> <li>Year 1-3: Assess capacity of MMA system to generate revenue and to reduce operational cost.</li> <li>Year 4-6: Document financial and institutional sustainability of MMA system.</li> <li>Year 1-3: Assess coastal community capacities to access and use grants.</li> <li>Year 4-6: Document contributions to intermediate MDG indicators and assess options for replication and mainstreaming activities into local development initiatives.</li> </ul>
<b>PGO</b>	<b>Outcome Indicators</b>	<b>Use of Outcome Information</b>
<p><b>OP2</b> - To develop an ecologically representative and institutionally and financially sustainable network of marine protected areas.</p> <p><b>OP8</b> - To build URT's capacity to measure and manage transboundary fish stocks.</p>	<ul style="list-style-type: none"> <li>An increase in area from open access to effective managed access from 4% to 10% by 2011, within the territorial seas.</li> <li>Increase in daily observations of vessel catch and effort entered into URT Fisheries Information Management System from 1000 per year at baseline to 15,000 per year and data in compliance with management targets for EEZ fisheries by EOP.</li> </ul>	<ul style="list-style-type: none"> <li>Year 1-3: Assess management regimes in project target areas.</li> <li>Year 4-6: Document management effectiveness in territorial seas and associated reduction of threats to biodiversity.</li> <li>Year 1-3: Assess increased capacity of EEZ Authority to monitor and enforce sound fisheries management in the EEZ.</li> <li>Year 4-6: Document increased level of compliance of EEZ fisheries with URT's fisheries management targets.</li> </ul>
<b>Intermediate Results</b>	<b>Results Indicators for Each Component</b>	<b>Use of Results Monitoring</b>
<p><b>Component 1.</b> Sound Management of the Exclusive Economic Zone. Objective: A common governance regime for the EEZ contributes to the long-term sustainable use and management of EEZ resources.</p>	<p><b>Component 1.</b></p> <ul style="list-style-type: none"> <li>Policy and regulatory instruments for EEZ common governance regime in place: EEZ Authority established by Year 2, Fishery Policies harmonized by Year 3, Fisheries judiciary system revised by Year 4, Fisheries Management System (input &amp;</li> </ul>	<p><b>Component 1.</b></p> <ul style="list-style-type: none"> <li>Year 1-3: Assess operational performance of EEZ Authority and identify any policy and training gaps.</li> <li>Year 4-6: Review sustainability strategies for EEZ and marine ecosystem management.</li> </ul>



	<ul style="list-style-type: none"> <li>• Marine Legacy Fund established at EO-PY3</li> <li>• EEZ Authority supporting 80% of the EEZ operational budget by EOP.</li> </ul>	
<p><b>Component 2.</b> Sound Management of the Coastal and Marine Environment. Objective: A comprehensive system of managed marine areas in the Territorial Seas, based on ICM strategies that empower and benefit coastal communities.</p>	<p><b>Component 2.</b></p> <ul style="list-style-type: none"> <li>• A designated community managed areas established in each target area of project focus by EOP.</li> <li>• Elimination of destructive practices in all areas of project focus by EOP.</li> <li>• Cabinet endorsement of proposed MPA network design (including at least two new Conservation Areas) by EOP.</li> <li>• Substantially reduced fishing effort targeting vulnerable species evident in 50% of sites.</li> </ul>	<p><b>Component 2.</b></p> <ul style="list-style-type: none"> <li>• Year 1-3: Assess capacity of local stakeholders (communities as well as local government authorities) to develop local ICM action plans and MMA management plans.</li> <li>• Year 4-6: Review and document coverage of coastal communities empowered to manage sustainably the coastal resources on which their livelihoods depend.</li> </ul>
<p><b>Component 3.</b> Coastal Community Action Fund. Objective: Coastal communities demand, implement and monitor services, and access opportunities that contribute to improved livelihoods through the sustainable achievement of specified MDG indicator targets within the Tanzania PRSP.</p>	<p><b>Component 3.</b></p> <ul style="list-style-type: none"> <li>• Households in coastal target areas with increased availability and use of basic and market services.</li> <li>• Number of subprojects through CVF completed.</li> <li>• Households participating in community savings schemes.</li> </ul>	<p><b>Component 3.</b></p> <ul style="list-style-type: none"> <li>• Year 1-3: Assess impact of assets created on improved services and progress towards the attainment of PRS/MDG indicator targets in coastal communities.</li> <li>• Year 4-6: Review sustainability strategies.</li> </ul>
<p><b>Component 4.</b> Project Implementation Unit. Objective: To provide efficient project implementation services.</p>	<p><b>Component 4.</b></p> <ul style="list-style-type: none"> <li>• 90% of project activities identified in annual work plans have been satisfactorily completed by end of each year.</li> <li>• Semi-annual progress reports produced on time and with satisfactory quality.</li> <li>• Performance and impact monitoring reports produced on time and with satisfactory quality.</li> <li>• Disbursement in accordance with costs and time schedule identified in PIM.</li> </ul>	<p><b>Component 4.</b></p> <ul style="list-style-type: none"> <li>• Year 1-3: Assess whether capacity of PIU staff is adequate to deliver project implementation and associated reporting and adjust training programs.</li> <li>• Year 4-6: Review strategies for EEZ Authority to absorb key PIU staff.</li> </ul>

**Arrangements for results monitoring**

Outcome Indicators	Baseline	Target Values						Data Collection and Reporting		
		YR1	YR2	YR3	YR4	YR5	EOP	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
<b>PDO</b>										
URT revenue from commercial offshore fishery.	<\$2m	\$3m	\$5m	\$10	\$15	\$20	\$25m	Quarterly and Annual Reports		MANREC/MNRT
Proportion of operational costs of MPA system covered by own-revenues.	40%	45%	50%	60%	80%	100%	150%	Quarterly and Annual Reports		MANREC/MNRT
Proportion of households in participating communities perceiving increased incomes.	0	0%	40%	50%	60%	70%	80%	Annual Reports	Perception surveys of households sampled in villages implementing CVF subprojects.	MANREC/MNRT PIU/TASAF 2 MIS
Key studies completed and legislation implemented.		DSFA	MPA PLAN	MLF						
<b>PGO (OP2)</b>										
Proportion of territorial seas under effective protection or management	4%	5%	6%	7%	8%	9%	10%	Annual Reports		MANREC/MNRT
<b>PGO (OP8)</b>										
Daily observations of vessel catch and effort entered into URT Fisheries Information Management System*	1000	2000	4000	6000	9000	12000	15000	Annual Reports	* see Appendix note (end of this Annex)	MANREC/MNRT
Results Indicators for Each Component	Baseline	Target Values						Data Collection and Reporting		
		YR1	YR2	YR3	YR4	YR5	EOP	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
<b>Component 1. Sound Management of the Exclusive Economic Zone</b>										
EEZ Authority in place.	O		X							

Marine Legacy Fund Established.	O			X						
EEZ Authority Revenues supporting 80% of the EEZ Operational Budget.	0			40%	60%	70%	80%	Quarterly and Annual reports		MANREC/MNRT
<b>Component 2. Sound Management of the Coastal and Marine Environment</b>										
Community managed areas established in each area of project focus.	0	0	1	2	3	4	5	Annual		
Significant reduction in destructive practices at all project sites. (% of sites)	0%	10%	20%	40%	60%	80%	100%	Quarterly		
Proportion of territorial seas under effective protection or management	4%	5%	6%	7%	8%	9%	10%	Annual Reports		MANREC/MNRT
Reduced fishing effort targeting vulnerable species.* (% of sites)	0%			20%	30%	40%	50%	Annual Reports	* Vulnerable species identified through C1 stock assessments.	
<b>Component 3. Coastal Community Action Fund</b>										
Households in coastal target areas with increased availability and use of basic and market services.	0	75%	80%	90%	90%	90%	n/a	Quarterly	Beneficiary Assessments, Research studies, Mid-term reviews	TASAF M&E, MIS
Number of subprojects through CVF completed.	0	0	80	160	240	320	400	Quarterly and Annual Reports		
Households participating in community savings schemes.	0	20	50	150	200	300	Half-yearly			
<b>Component 4. Project Implementation Unit</b>										
90% of project activities identified in annual work plans have been satisfactorily completed by end of each year.	0	90%	90%	90%	90%	90%	90%	Quarterly and Annual Reports	.	
Semi-annual progress reports produced on time	0	X	X	X	X	X	X	Quarterly and Annual Reports	.	

with satisfactory quality.										
Performance and impact monitoring reports produced on time with satisfactory quality.	0	X	X	X	X	X	X	Quarterly and Annual Reports	.	
Disbursement in accordance with costs and time schedule in PIM.	0	X	X	X	X	X	X	Quarterly and Annual Reports	.	

### **Monitoring & Evaluation (M&E)**

The overall objective of M&E in MACEMP is to ensure better planning, targeting, feedback to relevant stakeholders and timely decision making in order to improve service delivery. It will help to:

- improve management of programs, subprojects and supporting activities
- ensure optimum use of funds and other resources
- draw lessons from experience so as to improve the relevance, methods and outcomes of cooperative programs
- improve service delivery in order to promote active community participation, quality of subprojects, transparency and accountability with a view to ensure that resources made available to subprojects are used to meet the intended purposes
- strengthen the capacity of co-operating agencies, non-governmental organizations and local communities to monitor and evaluate
- improve information sharing systems and enhance advocacy for policies, programs and resources that improve the MACEMP contribution towards poverty alleviation and sustainable environmental management
- improve national and district capacity for effective data collection and stock assessment of both near-shore and offshore fisheries
- improve fisheries data collection along the coast and implement appropriate stock assessment research relevant for marine resource use management
- improve the mechanism for fisheries statistics production and stock assessment information analysis, storage and dissemination
- improve the scientific knowledge base on which domestic, regional and international resource management policies and decisions rely

It will have a results-based M&E system that will monitor project processes using the following methods and tools :

- A well defined Results framework that is derived from clearly defined goals, objectives, outputs and activities with corresponding indicators, means of verification and key assumptions
- A well defined M&E strategy for project processes, information requirements, tools and methodologies for data collection, analysis and reporting
- A comprehensive M&E plan with clear roles and responsibilities as they relate to indicators tracking with respect to data gathering and reporting
- A Project tracking system based upon agreed indicators as derived from the logical framework matrix of the MACEMP program
- Internal and External periodic assessment and evaluations which would include baseline studies, beneficiary assessments, mid-term evaluations, ex-post evaluations and impact evaluations
- Participatory Community Monitoring and Accountability approaches and systems

MACEMP will ensure that all stakeholders are taking part in monitoring of project processes according to defined roles and responsibilities based on specific performance indicators. MACEMP will commission external evaluative studies such as beneficiary assessments to complement the internal monitoring arrangements. MACEMP will

collaborate with other Government initiatives such as the National Level Poverty Monitoring being facilitated by the Vice President's office.

MACEMP will promote participatory community monitoring to ensure that project implementation processes are executed in a satisfactory manner and that benefits are sustainable.

### **MACEMP Key Performance Indicators**

MACEMP will assess its project management systems and procedures in respect of their relevance, effectiveness, efficiency and impact at community, operational area and national levels. This will be carried out through input, process, output, outcome and impact tracking indicators which are geared towards meeting the national MDG goals.

### **Information Technology**

MACEMP will develop and maintain an effective decentralized Site-based MIS that will assist stakeholders in monitoring project processes and procedures effectively and efficiently. The project design strengthens the abilities of local governments to plan, fund, implement and monitor community empowerment and delivery of socio-economic services to the poor. Since most of the activities will be taking place at community and local government levels, it is imperative that the MIS system be decentralized and that it interface with any other systems either planned or being tested in the Districts. MACEMP MIS will also interface with any other MIS systems currently existing or being proposed – both at the national and District levels. The outputs of these various sub-systems, along with the development communication initiative, will be brought together under the PCU. The long-term placement of the MIS will be determined at mid-term review and will depend on how various systems evolve; it is anticipated that the final network will have nodes at MNRT (fisheries), MANREC (fisheries), the DSFA and various local governments.

The MACEMP MIS system will operate at three different levels and will include the following sub-systems :

- Community Level (paper-based):  
**Uptake from these community level processes will feed into similar functions/processes at the District level.**
- District Level
- MACEMP/National Level

### **Other Systems**

- Geographic Information System (GIS). While this is not in the initial full project plan, it may be developed in some LGAs if local expertise exists and if appropriate to the planning systems being adopted at that level.
- Knowledge Dissemination System. This supports information and resource sharing within MACEMP as well as other relevant stakeholders, and is part of the Development Communication Strategy being implemented by the Development Communications Coordinator.

## **ANNEX C: RESPONSE TO PROJECT REVIEWS**

### **C.1: Review by expert from STAP Roster**

#### **STAP Reviewer:**

#### **Dr Kassim Kulindwa**

Economic Research Bureau, University of Dar es Salaam, PO Box 35096 Dar es Salaam, Tanzania. Phone:255-741-338845, Fax: 255-22-2410212.

Date: 17 December 2004

[Note: This Annex contains an extract of the STAP Review, with all review remarks and comments intact. The full STAP review included elements of project description and implementation arrangements that are repeated elsewhere in the PAD; these have been removed from this Annex in the interests of space. The reviewer has approved this extract and the full original review is available upon request to the TTL.]

#### **Introduction**

The MACEMP proposal deals with two GEF areas of concern namely OP2 and OP8, which focus on Coastal, Marine and Freshwater Ecosystems, and Water body-based operational program (international waters) respectively. This review report is presented in three main sections namely; general observations, comments following specific TOR concerns categories and finally conclusions.

#### **General Observations**

##### **Country and Sector Issues**

This section brings out well the PRS's significance in the whole process of Poverty Reduction and Sustainable Development in the 3 key pillars. 1(b) also discusses well the global environment in terms of the marine environment and utilization pressure and methods under open access which in actual sense in "open access" to foreign vessels mainly and "limited access" to local artisanal fisher folk. The root causes for this situation needs to be discussed also<sup>2</sup>, mainly the lack of adequate capital and modern equipment and skills on the part of local fisher folk together with this the current weak monitoring and enforcement of the EEZ allowing for huge losses in fisheries resources rents.

Mention should be made however, of efforts being made by the government in the area of legal and institutional framework. Environmental regulations are working on introducing economic instruments in the management of the environment in general in order to achieve sustainable development (incentives and disincentives). Mention should also be made of existing projects in collaboration with international NGO's like WWF, IUCN, TCMP, Mangrove Management Project, MMP, Mnazi Bay Estuary Marine Park, Coastal

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<sup>2</sup> See Kulindwa,K, H.Sosovele and Y.D.Mgaya (2001) Socio-economic Dimensions of Biodiversity Loss in Tanzania. Dar es Salaam University Press DUP, Dar es Salaam.

Zone Management, WIOMSA, Mangrove management in Rufiji & Mafia Marine Park etc.

### **Eligibility**

Most of the relevant regional and international conventions and agreements have been mentioned. However, one 1972 London Convention on the Prevention of Marine Pollution by dumping of waste has not featured.

### **Project Components**

Sup-comp 1(b) of the project aims to provide means for effective or efficient implementation of the EEZ governance regime. The document elaborates that these resources will be used to strengthen monitoring and surveillance enforcement systems in order to control fishing effort. Since the MCS will already be in control, it will be profitable to use it for checking illegal fishing and fishing practices and not only fishing effort alone as detailed above.

### **Lessons learned reflection**

Project component 2 (Sound Management of Marine Coastal Environment):

Co-management models and their cost effectiveness and implementation efficiency of marine management are discussed. This is only true if the concept is properly introduced to coastal communities. Available evidence has shown that improper introduction of the concept may not yield the desired outcome<sup>3</sup>. Kulindwa cautioned that, “BMUs should not be construed to be a tool of any interest group or even the fisheries department, it should be all inclusive and not be enmeshed in tribal, religious or political divides.” If improperly introduced, there will be those who may think the government is running the show as has been the norm and hence depend on it for all the inputs for operationalisation /implementation of the concept. Ownership of the process and full participation in decision making, planning execution, cost and benefit sharing among others will ensure the effectiveness and efficiency and sustainability of co-management of coastal and marine resources. This aspect should be given due consideration.

Among the straightforward justifications for choosing the proposed approach or design is the existing policy environment and existing planned development strategies in this area. The Ministry of Natural Resources and Tourism through its Division of Fisheries have a fisheries master plan in place with proposals similar to the project<sup>4</sup>, the fisheries policy already has some elements in the direction of the project and therefore this project enhances it<sup>5</sup>. Section 3.3.6 of the National Fisheries Sector Policy Strategy Statement contains Policy statements 6,7,8 which specifically mention conservation sustainable use of fisheries resource and the protection or biodiversity of coastal aquatic ecosystems etc.

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<sup>3</sup> Kulindwa (2001), The contribution of Lake Victoria Fisheries to the Tanzanian Economy. A report submitted to LVEMP, Fisheries research component, Socio-economic sub-component, FAO (2003), Management, co-management or no management? Major dilemmas in southern African freshwater fisheries 1. Synthesis report. FAO fisheries technical paper 426/1

<sup>4</sup> MNRT/JICA (2002), The Master Plan Study on Fisheries Development in the United Republic of Tanzania. Main Report.

<sup>5</sup> URT (1997) The National Fisheries Sector Policy and Strategy Statement. Ministry of Natural Resources and Tourism, Dar es Salaam.



The various efforts on the ground are clearly given a boost by the proposed project (including PRSP as mentioned in the PAD).

### **Institutional and implementation arrangement**

The institutional arrangement for the project has been well articulated, however, it is important that institutional arrangements to exhibit coordination and efficiency (minimum necessary bureaucracy). Above all it has to have an in built mechanism for transparency and accountability for effective and successful implementation of the project especially at the local level where trust is essential for community buy-in of the project concept and participation.

Implementation capacity at the district level has suffered from government down sizing. Extension officers who are normally closer to the people have to a large extent been retrenched. The project needs to do needs assessment in terms of capacity to effectively implement the project at that level and take the necessary safeguard measures.

### **Monitoring and Evaluation of Outcomes/results**

Indicators are shown to be elaborated later. However, this is a major bottleneck in planning and monitoring in general. Due consideration and time should be invested in an elaborated framework on the 'relevant' data flow and responsibilities for collection. Methodologies for collection, frequency and consistency (i.e. SMART: systematic, measurability, accuracy, reliability and timelines; elements have to be included in the design). Sustainability should, be considered particularly for those at the coastal village communities levels in terms of training and facilitation.

### **Project Development Objective and Key indicators**

Management of welfare indicators missing to gauge livelihood improvement and poverty reduction objective (need to measure distributional aspects of benefits accrued either at community level or individual level. At community level at least the distributional or benefit-sharing mechanisms need to be outlined. MDG indicators are the measurement for basic needs definition of poverty. Measures of deprivation need to be included<sup>6</sup>.

KPI2.1 mentions the percentage of territorial seas under effective management; this is well and good. However, the quality of management needs to be considered. What does effective management comprise of? What change in marine environment should we anticipate?

### **Sub-component 1(b): Implementation of EEZ Common Governance Regime.**

In addition to the MCS system providing for the collection of fisheries catch data to inform future fisheries management decisions and prosecution, collection of fisheries data to enable the construction and continuation or maintenance of fisheries Environmental and Natural Resources Accounts should also be considered. NRA is a crucial management tool for environmental and natural resources, it will enable the determination of sustainable use and inform us on resource rent capture among other things. In supporting capacity building therefore, training of fisheries personnel and other

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<sup>6</sup> Sen, Amartya (1981) Poverty and Famines: An essay on entitlements and deprivation, Oxford, Clarendon Press.

appropriate stakeholders in NRA (e.g. National Bureau of Statistics) should be considered together with facilitation for fisheries NRA construction as well. Environmental and natural resources accounts are soon to be constructed for the forest, water and mineral resources while fisheries although identified among the four initial resource to be addressed will follow later after more reliable data is forthcoming.<sup>7</sup>

### **Incremental Cost Analysis**

The GEF operational strategy explicitly recognizes the importance of removing barriers to the developments that incorporates global environmental benefits. The objective of the current proposal to GEF is to avert unsustainable harvesting of fisheries resources and reduces post harvest losses both in the territorial and Trans boundary resources. Furthermore since this project proposal deals with international waters, improved management of Trans boundary species is seen to potentially bring about the achievement of this objective. Incremental costs are determined for components 1 and 2 of the project, which deal explicitly with GEFs Operational Programmes OP2 & OP8.

The justification for this incremental cost is given as due to improved information regarding international fish stocks, sustainable financing of trans boundary fish stock monitoring and near-shore biodiversity and decreased post-harvest losses. These could otherwise have not been achieved under domestic benefit objective alone.

On the part of GEF, global benefits will be enhanced in terms of biodiversity conservation through the avoidance of destructive harvesting techniques, which not only destroys fish habitat but also put pressure on available stocks.

As for OP8, the GEF alternative imposes a US\$5.13 million incremental cost, which is a full cost amount to be met by GEF grant. The case is well justified given that without the GEF alternative, the baseline scenario would proceed to meet the domestic benefit of improved fishery rent capture and also spill over to global benefits improve management of trans-boundary species something that can not be separated. However, in order to achieve further benefits, building on the existing baseline, improve information regarding international fish stocks, sustainable financing of trans-boundary fish stock monitoring of near-shore biodiversity and decreased post-harvest losses are possible to achieve. This then justifies the full incremental cost to be borne by GEF grant.

### **Sub project through TASAF 2**

The objective of implementing community sub-project through TASAF 2 is “to improve the livelihood of coastal communities by providing support to activities that enhance and diversify their income earning potential while sustaining the integrity of coastal resources...” (PAD).

Under TASAF 2, communities will need to contribute 5% to 20% of the sub-project value through their own efforts (e.g. community labour). There is always a sustainability problem when it comes to credit extension or development assistance to communities. Of more importance is the harmonization of project approaches targeting rural communities. There has been quite a number of conflicting approaches by various donors and

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<sup>7</sup> The Centre for Environmental Economics and Policy in Africa (CEEPA) in collaboration with the University of Dar es Salaam is undertaking this project with some funding from Sida.

government and NGOs working to facilitate or support development activities in rural areas. The focus and intention has always been to assist them to engage in productive activities through credit, self help schemes with some topping up assistance, infrastructural development projects with in kind self help inputs (schools, roads, health centres etc). The expectation is for these communities to be self-reliant later on and sustain themselves and ultimately prosper. The conflicting approaches confuses the beneficiaries by on one hand, inculcating a sense of ownership and responsibility for implementation and sharing the costs and benefits, and on the other hand encouraging complacency and donor dependency by providing handouts without obligation. While others have to contribute the labour time and brawns to construct say a road with anticipated benefits, others get paid to do the same. Such confusing signals puts the self reliance approach in jeopardy and does not help much the sustainability of initiatives like this one.

### **Specific Review for OP2: Biodiversity & OP8: International Waters**

The two operational programmes are reviewed jointly and only discussion specifics to a particular OP pointed out in case divergences occur.

### **Scientific and Technical Soundness of the Project**

The proposed project has adequate ecological and technical information base, for OP2 and OP8 as well. Numerous studies exist on coastal and marine environmental science by the University of Dar es Salaam<sup>8</sup>, Institute of Marine Sciences (IMS) in Zanzibar and other organizations such as WWF, TCMP, IUCN, WIOMSA, MNRT, UNEP, among others. An Atlas of the East African Coastal Resources for Tanzania, which contains detailed information on marine resources available in the country's territorial waters was launched in 2001, November. The book is a project of UNEP. Nevertheless there is still more information and studies to be conducted to fill the existing data and information gaps such as stock of fish and status of our fisheries. The project is further building on numerous initiatives in the area in the past and on going. So it is good to know that the project will set out purposely to link with the various projects and hopefully facilitate their coming together. Such initiatives as the EAME, TCMP and SWIOFP among others. One additional benefit which can come out of this project is to try and organize information and a data bank for Tanzania, bringing together and to the surface the numerous information and data generated by the various projects and initiatives as opposed to the current scattered nature. As for OP8, international waters domain, further studies and collaboration with neighbouring/bordering countries of Kenya, Somalia, Mozambique and South Africa need to be done in collaboration with the various initiatives of EAME, WIOMSA and SWIOFP.

The proposed project mentions data collection with respect to EEZ (OP8). Since the project is still at its initial stages of development, approaches to collect relevant information for the project (scientific, social-economic etc) need to just be outlined in order to shed light on appropriateness and inter-comparability of data among the different sources and within the project itself.

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<sup>8</sup> See Howell, K.M and A. K. Semesi eds (1999), Coastal Resources of Bagamoyo District, Tanzania. Faculty of Science, University of Dar es Salaam.

The project discusses use of technology in EEZ-MCS (OP8) for example and in coastal communities adoption of modern technology to improve their fishing efficiency (OP2). However, these have not been identified yet and so it is not possible to judge neither their appropriateness nor their impact on marine environment. Suffice to take into consideration the above and discuss about the nature of the intended technology use in relation to marine environmental integrity and sustainability.

Threats to the ecosystem have been considered mainly those associated with harvesting pressure and practice. However, the document is quiet on the pollution of the marine ecosystem by ocean going vessels. The EEZ-MCS has been focused on deep-sea fishing with the aim of capturing resources rents. Explicit monitoring control and surveillance of pollution through oil spills of various scales and other pollutants need to be considered. The proposed environmental status monitoring system could accommodate this more explicitly.

The PAD has pointed out several research efforts to be undertaken by the project as being baseline studies for informing project planning for execution. Fish stock determination/assessment studies in Tanzania's territorial waters is one of them and will act as a building block for regional collaboration on assessments of trans-boundary fish stocks in the EEZ of the WIO states and the high seas. Allowance must also be made for other research activities on specific aspects arising from project implementation in all the relevant areas social, economic, marine and terrestrial ecology processes and management area.

Indicators to monitor and measure progress and the achievement of set goals and targets are important. The PAD has identified three key performance indicators as: Revenue generation, MPA system own revenue generation, same as KPI for TASAF 2 based on MDG indicators but applied to coastal areas. Environmental/ecological indicators are glaringly missing.

In addition to the objectives for monitoring and evaluation mentioned in the PAD two additional areas can be added namely; (i) ensure the appropriate approach for community participation is being implemented and (ii) ensure the targets set for the project are being achieved as planned. These two aspects did not come out clearly.

The PAD has shown that the approach adopted in the project proposal can achieve the objective of conservation of biodiversity if implemented well. The PAD asserts that this will be achieved through improved governance of EEZ putting in place clear transparent mechanism by involving for coastal communities in planning, implementation and benefit and through increased effective management and protection of 37,000 km<sup>2</sup> of territorial seas (which is 18.5% of EEZ). Special consideration should be given to the manner communities are involved in the process. (see above lesson learned reflection).

In addition to the critical risks identified in the PAD, there is also a potential risk of misconception of the co-management concept due to improper introduction and execution. This may hurt the sustainability aspect of the project due to the entrenchment and propagation of dependency on the project/government because of lack or inadequate sense of ownership of the process.

At the end of the day, the coastal communities and the government are the beneficiaries. There is a risk if the local communities do not properly buy-in the project (particularly

co-management) hence proper introduction of the project needs to be well planned and awareness appropriately created, trust, transparency and accountability clearly incorporated in project implementation.

The weakness of the project is embodied in the risks, which face it. It might be quite challenging to synchronize priorities of the various players in implementing the project as planned. If the decentralization process stalls for any reason, some of the project activities relying on that structure (local level) may also move sluggishly. Where two governments are involved (Zanzibar and Mainland Tanzania), the risk is always there that bureaucracy (red tape) may also affect the project. Delays as always cause increases of costs of project implementation. Last but not least, community participation is crucial for efficiency and sustainability of activities initiated by the project, hence needs careful and proper introduction and practice.

Harmonization of various policies, institutional and legal framework has to be give due urgency in the critical risks section in order to expedite a joint execution of the project activities between Zanzibar and the mainland.

The project introduces possibilities for efficiency and sustainable utilization of fisheries resources and habitat conservation. However, the improvement on fishing gear and the possibility of better income generation may attract increased fishing effort and therefore pressure on fisheries resources and possible conflicts. Here the monitoring, control and surveillance and also management aspect of the project, working in tandem with co-management coastal communities has to be effective. It is therefore important to pay particular attention to this aspect.

The PAD has articulated well the Marine Legacy Fund and also mechanisms providing coastal communities with financial resources for investing in social services, income generating activities and ensuring food security. Although these funds are treated as compensation and inputs towards improving coastal communities' livelihoods, it may also be desirable to introduce a sustainability clause of this newly, created level of welfare through paying back some of the funds for a revolving fund or SACCOS enhancement in the coastal village communities, otherwise hand-outs have a habit of creating dependency.

Legal instruments aspects to be dealt with have been identified particularly in terms of the creation of new institutions (EEZ authority) and streamlining and harmonization between Zanzibar and mainland Tanzania.

In terms of the set development objectives, the activities outlined in Component 1 to Component 3 provide for a great opportunity for the best solution in meeting the objective. The suggested activities are focused and implementable, the modalities of implementation will ensure sustainability and hence long-term solutions. In order to enhance the management of marine resources, Environmental and Natural Resources Accounting should be considered in order to enhance planning for sustainable use of marine resources.

### **Identification of global environmental benefits**

The area for the proposed project has ecosystems and key species of global importance. It is considered globally outstanding and considered a priority. There are some key habitats such as coral reefs, mangroves and sea grass beds among others. Important biodiversity

species include the dugong, which is one of the most endangered species, eight species of dolphins, 5 species of sea turtles etc. By implementing this project, these habitats and species of sea life would be conserved, which justifies GEF's funding for the project due to these global benefits and the country's eligibility status.<sup>9</sup>

### **How does the Project fit within the context of the goals of GEF**

The project falls under two of GEF's operational programmes namely OP2: coastal, marine, and freshwater ecosystems, and OP8; Water body-based Operational Programme (international waters). The PAD has shown clearly the connection between the project and the two programmes by including activities with both domestic and global benefits in terms of biodiversity conservation through co-management and the monitoring control and surveillance of EEZ for sustainable use and management. The project therefore fits very well within GEF's global environmental objectives and goals.

### **Regional Context**

OP8 considers international waters and trans-boundary fisheries resources, which involve other neighbouring countries. The strengthening of partnerships with neighbouring countries is proposed to be initiated through regional dialogue on sound governance and sustainable management of marine resources in the West Indian Ocean. The regional context is well accommodated.

### **Sustainability and Replicability**

Objective: To enhance the contribution of fisheries resources to economic growth and reduction of poverty, in order to sustainably manage the massive and coastal environments and resources through:

- Attacking poverty in coastal communities through provision of credit (TASAF 2) to local communities and hence support directly and indirectly key elements of PRS.
- Better definition of marine and coastal property rights and responsibilities for sustainable use of the resource base (reduced by-catch wastes and destructive fishing practices).
- Improve the regulatory and institutional framework for management of marine resources (marine environment and fishery resources link establishment).
- Fill data gaps describing the fishery in Tanzania.

The potential for continuation and sustainability is great conditional upon the success of MLF and co-management of coastal and marine resources. Replicability of this project's successful experiences is anticipated through building local and regional partnerships. Conditions for replication are therefore set through working with different levels of stakeholders from the outset of project implementation and particularly regional stakeholders. It would therefore be useful to also earlier on, identify and mention areas most probable and ideal for replication.

### **Degree of Involvement of stakeholders in the project**

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<sup>9</sup> UNEP/CBD/COP/1/5

The project has done a good effort in identifying the relevant stakeholders and involving them in the process at different levels of project implementation.

Provisions for the establishment of appropriate lines of communication have been made. The Project Implementing Unit (PIU) will establish a comprehensive communications strategy and will manage it.

Capacity building aspects: No mention of indigenous knowledge has been made throughout the document. Where local communities are involved, consideration of indigenous knowledge in their everyday life is paramount. This is because their knowledge is what drives their innovative behaviour. This is something that needs to be accommodated in the new approaches and should not be sidelined. It is therefore suggested to consider indigenous knowledge in the project development.

In conclusion then, save for the few identified issues, the PAD has addressed most of the review questions satisfactorily according to GEF's two operational programmes and strategy and global environmental objectives as provided by the TOR and various GEF documentation. The project needs though to address the few comments and suggestions made in the review.

## **C.2: Response to STAP review**

Date: 20 December 2004

The Task Team sincerely thanks the STAP reviewer for his careful and comprehensive review. In particular, the reviewer correctly noted that the reviewed documents provided only summary descriptions of M&E issues, communications strategies, root causes, linkages to other donor efforts, and some aspects relating to implementation – especially as they related to grassroots stakeholders. For the record, the Task Team acknowledges that the version of the project documents that was reviewed by the STAP reviewer did not include the full detail of these elements, as they were still being finalized by the Pre-appraisal Mission Phase II at the time of STAP Review. Also, the project description and financing structure changed somewhat after the Pre-appraisal Mission as a consequence of clarifications received from the Ministry of Finance regarding counterpart contributions, and as a consequence of further discussions with TASAF regarding implementation arrangements of Component 3 of the project. While GEF is not financing Component 3, some of its funding modalities (including stakeholder participation) will be replicated elsewhere in the project. The current documentation package (included in this PAD/GEF Brief) is thus more comprehensive than that reviewed by the STAP reviewer. In particular, the current documentation includes: complete detailed annex on root causes; detail on links to other projects; detailed annex on development communication strategy; detailed annex on stakeholder consultation plan; and, a revised annex containing the detailed project description showing additional explanations of activities. The following specific responses thus highlight the STAP reviewer concerns and shows how they have, have not, or will be accommodated in the formulation of MACEMP.

### **Response to Overview Remarks**

1. The STAP reviewer identified the need to highlight the lack of adequate capital and modern equipment as root causes. This is now clarified in more detail in Annex 19 “Biodiversity Assets of Tanzania’s Coastal and Marine Ecosystems and Analysis of Threats and Root Causes.”

2. The STAP reviewer's comment to describe existing projects in collaboration with international NGO's is now further addressed in Annex 2 "Linkages with Major related projects financed by the Bank and/or other agencies."
3. The STAP reviewer noted that the 1972 London Convention on the Prevention of Marine Pollution was not mentioned in the list of protocols to which Tanzania is signatory. The Task Team acknowledges that this is not on the list, but the list includes those protocols that make Tanzania eligible for OP2 or OP8 funding. This protocol is not normally applied within the context of OP2 or OP8, and the activities in MACEMP do not directly support this (although there may be indirect support through the coastal zone planning that occurs in MACEMP). Moreover, Tanzania has not yet ratified MARPOL, the COLREGs, or other related conventions. This convention has thus not been added to the list.
4. The STAP reviewer pointed out that the MCS system should also be used to check illegal fishing and fishing practices. It is in fact, one of the key purposes of the MCS system to enhance surveillance of illegal fishing and fishing practices. The text relating to Component 1 in the Detailed Project Description has been reviewed as to better present this intent. This Detailed Project Description, as well as Annex 2, also now provides a complete description of the previous efforts that financed MCS efforts by the EC-SADC initiative, including the role of the Vessel Monitoring System (VMS) that GEF will assist in financing.
5. The STAP reviewer emphasized that participatory and co-management approaches and especially the adequate introduction of these models to communities should be given due consideration. A full description of the Stakeholder Plan, including how it will be entrenched within the project through such activities as the Development Communication Strategy, the Community Mitigation Action Plan, and the Process Framework measures, is now included in the project documentation annexes.
6. The STAP reviewer expressed concerns regarding transparency and accountability. The institutional arrangements have been designed to provide mechanisms for transparency and accountability as is now highlighted in the diagrams in the Detailed Project Description and the detailed Terms of Reference of all of the various committees and individuals in Annex 6 "Implementation Arrangements". In addition, the Task Team acknowledges that the full financial and procurement arrangements are not yet specified in the GEF Brief. These remain to be developed as part of formal appraisal. Government is currently preparing a detailed procurement plan and a financial management manual. Drafts were received on 17 December 2004 and are being reviewed by the World Bank with a view to having finalized manuals and plans in place as a condition of appraisal.
7. The STAP reviewer indicated that capacity to deliver the project may be weak, in particular at the District Level. The Task team concurs with this observation. The project design thus puts a strong emphasis on capacity building and institutional strengthening at the local government level as is reflected in Component 2(a) and associated cost. In addition, it is acknowledged that this is a project risk (but the risk mitigation is entirely internalized and within the project's control). Project



8. The STAP reviewer notes that the M&E aspects are important but appear weak. A detailed M&E Manual is currently under development and will thus address concerns of the STAP reviewer that the data flow and monitoring responsibilities are clearly assigned. The detailed M&E Strategy is already in place outlining the overall approach of the project with view to monitoring, learning, and adaptive management.
9. The STAP reviewer notes that some of the indicators provide quantitative but not qualitative measures of management. The Task Team acknowledges this but notes that it is a common problem with projects which have a short life compared to the ecological time cycles that they attempt to influence. Nonetheless, the project KPIs were the subject of additional scrutiny and analysis through a workshop and through reviews by the IUCN (these were not available at time of STAP Review but are incorporated into the more recent versions of the GEF Brief). The current indicators as expressed in the new Results Framework thus correct some of the previous weaknesses; the indicators are now believed to be the best available which still permit routine monitoring.
10. The STAP reviewer recommends to consider the use of Natural Resource Accounting (NRA) as a management tool for environmental and natural resources. The Task Team concurs that this may be a useful tool to mainstream the information gathering within policy-making. The current project description now shows better that MACEMP will be supporting continued production of “State of the Coast Reports”. Incorporating NRA into this structure will be discussed with the client and evaluated during appraisal through discussions with the Bureaus of Statistics in mainland and Zanzibar; these institutions have not heretofore been involved in project preparation. The STAP reviewer has provided the Task Team with potential contacts in these institutions and a decision regarding scope and activities will be finalized during appraisal.
11. The STAP reviewer noted concerns in relation to sustainability of community projects under TASAF 2 and harmonization with conflicting approaches from other donors. This falls under Component 3, which is not part of GEF financing. Nonetheless, the Task Team notes that implementation and monitoring of these sub-projects will fall under TASAF 2, and that the full modalities of this are now described in the PAD.

**Response to Consolidated OP2/OP8 Remarks**

The STAP reviewer generally acknowledges: the project’s technical soundness; the project’s eligibility given the identified global benefits; the project’s fit within GEF goals; the project’s accommodation of the regional context (OP8); the prospects for sustainability; and, the project’s efforts in involving stakeholders. The following additional points, however, were raised that merit response.

12. The STAP reviewer notes that there is no identification of specific technologies to be promoted at community level. MACEMP does not identify these, as they will

- be demand driven. These will not be explicitly identified. The criteria for selection are, however, explicitly noted that they must promote sustainable resource use. Specific technologies for higher level interventions (commercial fisheries) relating to MCS, have now been elaborated in the project documentation (these pertain primarily to the VMS system noted above).
13. The STAP reviewer pointed out that threats were mainly identified in association with harvesting pressures and practices and that marine pollution through ocean going vessels and oil spill contingency planning specifically, have been left out of the project design. This has been done intentionally, as another GEF financed project currently under preparation is addressing this issue specifically. The West Indian Ocean Marine Electronic Highway Project that includes Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, and Tanzania will among other activities, support Mozambique, Tanzania, and Kenya to develop, test, and adopt national oil spill contingency plans as three countries were not involved in the predecessor “West Indian Ocean Oil Spill Contingency Planning Project”, but have now officially requested support to benefit from the approach pursued in that project. The WIO MEH project will also address the policy and regulatory framework in relation to oil spill prevention and contingency planning. For example, Tanzania has not yet ratified the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78), the International Convention on Oil Pollution Preparedness, Response, and Cooperation 1990 (OPRC 90), or the Convention on the International Regulations for Preventing Collisions at Sea, 1972 (COLREG 72). Tanzania will be able to receive support under the WIOMEH project to translate the provisions of conventions, once ratified, into local laws and regulations.
  14. The STAP reviewer recommended broader research efforts in more areas. This recommendation has not been accommodated for a number reasons. First, the research in the project is adequate to meet the project’s needs – it does not seek to do research for the sake of other objectives beyond those of the project. For example, there is research on social and economic aspects within the context of the National CMA Plan, but not socio-economic research in general for the sake of comprehensive coastal planning (dealing, for example, with industrial pollution). Second, some research is already being pursued – or will be pursued – by other initiatives (e.g., SWIOFP and others) and MACEMP research has been careful not to duplicate this; these interactions are now further described in Annex 2 and elsewhere.
  15. The STAP reviewer repeated concerns relating to monitoring, KPIs, and community engagement. These concerns have already been addressed in the previous discussion.
  16. The STAP reviewer reiterates the concerns regarding implementation needs and calls for harmonizing efforts between Zanzibar and mainland before the project commences. The Task Team feels that this specific risk is overstated by the reviewer: harmonization is an over-arching theme throughout the project activities and because many of the activities promote harmonization, it can not be made too strong a condition of effectiveness. Indeed, the Government has demonstrated

17. The STAP reviewer makes recommendations on how the MLF should or might be used. The Task Team neither endorses nor disagrees with these recommendations, but will not reflect them in project design. The idea of the MLF is well articulated in the documentation (as acknowledged by the reviewer) but the design of the MLF – and of how its funds might be used – is a subject of a process to be undertaken within the project, rather than something that is initially constrained.
18. The STAP reviewer acknowledges the efforts to promote sustainability and replicability, but recommends identification of replicable activities “early on” in the process. These can not be identified yet, because none have yet been implemented. The M&E program is, however, designed to monitor success and failure of specific activities and will thus advise the process.
19. The STAP reviewer notes that the project does not, but should, address Indigenous Knowledge. The project does not explicitly refer to “Indigenous Knowledge”, but does address local knowledge and expertise of all stakeholders, which have always been a driving element in project preparation and will continue to be in execution; this is outlined fully in the Stakeholder Consultations (Annex 16).

As a consequence of this review, the current project documents (20 December 2004) reflect the STAP reviewer comments, with the exception that the following will still be addressed prior to or during appraisal:

- a) accountability via availability of Financial Management Manual and Procurement Plan prior to appraisal;
- b) discussion with client – during appraisal - of including Natural Resource Accounting activities.

### **C.3: Response to GEF Secretariat Review Sheet, OP2**

*The resulting project will respond fully to agreed strategic directions.*

Refer to Annex 17, pp. 151-153 of the Project Brief.

*The resulting project should make certain that ICZM lessons are included and key social issues highlighted on the left column are addressed (a. activities supporting sustainable use of natural resources do not become a magnet and attract migrants to the coastal zone; b. support biodiversity conservation objectives; and c. local communities actually abandon old, biodiversity-damaging practices upon the acceptance of new, more biodiversity-friendly productive activities).*

Key lessons learned regarding coastal management are explained in the Project Brief under B. Project Description, section 5, Lessons Learned and Reflected in the Project Design, pp. 10-11. Key social issues are addressed as such:

- Biodiversity conservation and prevention of increased pressure through migrants is explicitly addressed in Component 2, whose expected outcome is a shift from a

- Component 2 aims to establish an effective system of managed marine areas that use ICM strategies to empower and benefit coastal communities. The lack of capacity by various stakeholders is addressed within this component and communities in particular will benefit from increased capacity to develop and implement resource management strategies and action plans. Component 3 complements the other components by providing communities direct access to a Coastal Village Fund that finances community demand driven subprojects that are ecologically sustainable and consistent with overall MACEMP objectives; screening criteria for the VCF ensure that vulnerable groups are targeted and that resultant income generating projects are consistent with sustainable resource use. The project is thus designed with the direct participation of communities in mind so that support and ownership among beneficiaries is built through a strong consultative process and development communication strategy that involves participation throughout the project lifecycle (see pp. 141-149).

*Elements for ecological sustainability should be further elaborated during project preparation for discussion at WP inclusion.*

Ecological sustainability has been reflected through incorporating the findings of ESSD sector work (a two year study on MPA system design)<sup>10</sup> and complemented by work related to ecological monitoring (conducted by IUCN in support of developing the project performance indicators – see Results Framework) and findings from the Situational Analysis and Environmental and Social Management Framework (separate studies to be disclosed January 2005). Key elements of the sector work resulted in a framework (“Blueprint 2050”) that forms the basis for an ecologically sustainable protected area system that reflects the concepts of representativeness, adequacy, comprehensiveness, connectivity and resilience. These principles form the basis for the National MPA/MMA/CMA Plan being developed and implemented in Component 2 of MACEMP. The ecological priority areas for a system of MPA networks are also shown in Figure A23.1 of the GEF Project Brief (p. 200).

*Risk should be assessed fully.*

Refer to C. Implementation, section 5. Critical Risks and Possible Controversial Aspects, pp. 19-20 of the Project Brief.

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<sup>10</sup> Ruitenbeek J, Hewawasam I, Ngoile M. Editors. 2005. Blueprint 2050: Sustaining the Marine Environment in Mainland Tanzania and Zanzibar. World Bank: Washington DC. (IN Press: Release Feb/05)

*The resulting project will include impact indicators.*

Please see Technical Annex 3, Results Framework and Monitoring, pp. 37-44 of the Project Brief.

*The resulting project will clarify linkages to the CAS and PRSP.*

Refer to A. Strategic Context and Rationale, section 2. Rationale for Bank Involvement, pp. 2-3 and Technical Annex 1, Country and Sector or Program Background, pp. 27-32 for a discussion of how MACEMP is fully supportive of the PRS and aligned with the CAS.

*An upstream consultation with Bank staff took place on January 7, 2004. The meeting discussed the overall coastal marine picture in Tanzania, changes proposed in the two projects based on country –driven national priorities, the fit of the two proposed GEF projects and the co-financing from IDA and others. The meeting agreed that a revised PDF-B would be submitted clarifying that :*

- *Substantively, project components remain the same as approved at pipeline inclusion.* While all, project activities and sub-components remain substantively the same as at pipeline inclusion, the number of components has been streamlined to facilitate implementation. Former Component 5 (Science for Planning and Management) has been collapsed into the other components in order to link research directly to policy and management intervention. Former Component 2 (Marine Protected Areas), Component 3 (Coastal District Planning and Co-management), and Component 4 (Private Sector Capacity Building) have been merged into the new Component 2 (Sound Management of the Coastal Marine Environment) as all activities relate to interventions in coastal waters or in the coastal margin. Community investments and capacity building (part of former Component 3) has been retained as a separate component ( new Component 3 Coastal Community Action Fund). Detailed information on incremental activities and GEF financing at sub-component level can be found in Annex 4 of the GEF Brief (Detailed Project Description) pp. 45-71 and in Annex 17 (ICA), pp. 150-156
- *Co-financing will be clarified and there would be no overlaps or duplication between project components in biodiversity, IW and IDA.* Please see detailed cost table, page 71 of the Project Brief. A detailed examination of project components and what GEF will fund under the two focal areas can be found in Table A17.1 (page 156) of the Incremental Cost Analysis, pp. 150-156.
- *Small amount of financing will be included in a separate component in both projects for coordination purposes.* No coordination is necessary since the two projects are fully integrated into one project.
- *Given the importance of transboundary MPAs, dialogue with Mozambique will be conducted.* Ongoing discussions with Mozambique continued during project preparation and are catered for in project implementation.

- *There will be close coordination between the biodiversity and IW projects. No coordination is necessary since the two projects are fully integrated into one project.*

*The review sheet suggests that there are number discrepancies between the financing plan, the narrative in the GEF Brief and the ICA and that PDF and PPF have not been systematically included.*

The amounts have been consistently included, but the context of the numbers is often different. In some cases (e.g., ICA) sunk costs are omitted, while in some cases (e.g., IDA legal agreement) repayments will need to refer also to past project expenditures. The following provides a reconciliation for information of reviewers:

Baseline costs are \$47.13 million. The financing plan shows a total IDA of \$45.38 million, a community contribution of \$1.00 million and a Government contribution of \$0.75 million. This financing plan is repeated in the following places: (i) cover of the PAD, (ii) various other tables in the GEF Brief Annex on Project Costs, (iii) cover of the GEF Executive Summary, and (iv) Section 4 of the Executive Summary.

The table on co-financing sources in Section 4 of the executive summary, however, shows total IDA financing of \$46.38 million, which includes \$1.00 million of PPF funds (sunk costs) and the \$45.38 million of future project financing. An explanatory footnote of sunk cost has been added in Section 4.

The total project sunk costs also include 0.33 PDF-B, hence

- cost total is \$58.46 million including all sunk costs (full project cycle)
- cost total is \$58.13 million full project cycle financed (excl GEF prep)
- cost total is \$57.13 million future project cycle (excl PPF and PDF-B)
- baseline cost total is 47.13 (future co-financing=baseline).

*The review comments also note that the explanation of the IDA as SIL is omitted in the Executive Summary.*

An elaboration on the financing instruments has been added in Section 4 of the Executive Summary as suggested by the review. It also clarifies the role of PPF in this context to avoid any further confusion. Please also refer to Section B.1, pp.4-5 of the project brief for a detailed explanation of the financing instrument.

*The review comments recommended inclusion of relevant Tracking Tools in the M&E Plan.*

Refer to Annex 4, of the GEF Brief, p. 69. The description of M&E activities under Subcomponent 4 (b) Monitoring and Evaluation has been revised to read as follows: "Relevant Tracking Tools for protected area monitoring will be distributed to all project sites for potential use in monitoring. The relevant tools will include those recommended by GEF (e.g., MPA Tracking Tool) as well as others (e.g., those currently being used in

various projects in the country)." A budget line item "Distribute tracking tools" has also been specified in the detailed project cost tables. As noted in the current project brief and endorsed during the WB's Quality Enhancement Review, the WB/WWF MPA Tracking Tool will be made available on a pilot voluntary basis during project implementation. M&E activities will also monitor indicators as described in the Results Framework.

### **C.3: Response to GEF Secretariat Review Sheet, OP8**

*Clear elements in each component that would be supported by the OP2 project vs. those supported by the OP8 project.*

A detailed examination of project components and what GEF will fund under the two focal areas can be found in Table A17.1 (page 156) of the Incremental Cost Analysis, pp. 150-156.

*Discussions are to be documented during preparation about financial sustainability so that GEF sustainability criteria may be met by revenue retention in operating agencies.*

*Economic and legal analyses on selected issues (fishery rent, revenue retention, and the Marine Legacy Fund) demonstrated that revenue retention is already legally entrenched in many mechanisms in Tanzania. MPA legislation provides for such revenue retention through a specific fund that recycles revenues to MPA managers. The Fishery Act provides for revenue retention for both freshwater and marine fisheries. Details of revenue potential for both the MPA system and the EEZ fishery resource (which may be commingled under the proposed Marine Legacy Fund are discussed in the Economic and Financial Analyses Technical Annex 9 of the Project Brief (pp. 122-127). Revenue retention and targets are explicitly reflected in the component performance indicators detailed in Technical Annex 3 of the Project Brief Results Framework and Monitoring (pp. 37-44).*

*Stakeholder involvement plan should be produced during preparation and available at time of submission to GEF.*

Refer to Technical Annex 16, Stakeholder Consultations (pp. 141-149) of the Project Brief for a detailed look at stakeholder involvement.

*M&E plan to be produced during preparation and to include establishment of indicators consistent with the GEF IW M&E indicators.*

Refer to Technical Annex 3, Results Framework and Monitoring, pp. 37-44 for more information on M&E. The Global Objective outcome indicator for OP8 is explained in detail in the Appendix to Annex 3 – A Note on the Selection of the International Waters Key Performance Indicator (KPI5).

*Per above, in each component which portions are funded by OP2 project and which by OP8 project for those funded by both.*

A detailed examination of project components and what GEF will fund under the two focal areas can be found in Table A17.1 (page 156) of the Incremental Cost Analysis, pp. 150-156.

*Stakeholder involvement plan and M&E plan produced with Block B preparation funding.*

See responses above.

*The IW-part of the project should be under the Strategic Partnership for Sustainable Fisheries.*

Refer to Section B.1, p.5 of the project brief and Section 3 on GEF Program and Policy Conformity, p.8 of the GEF Executive Summary for an additional paragraph clarifying the linkage between the Strategic Partnership and MACEMP. The insert explains that MACEMP is being submitted as a stand-alone project for GEF Council approval. When the Fisheries Partnership concludes its preparation phase and receives focal point endorsement, and if it subsequently receives GEF Council approval, URT will review the objectives and modalities of the Partnership and determine whether MACEMP should be considered as a subproject within the Partnership.

*The review requests clear specification in the Executive Summary of which components will be OP2 and OP8 (clarification is adequate in the GEF Brief).*

Refer to Section 1 Project Summary, p.3 of the Executive Summary for the following insert: “All GEF funded activities in Component 2 (MPA/MMA System) will be financed under OP2 (Biodiversity). All GEF activities in Component 1 (EEZ Governance regime) will be funded by OP8. The one exception to this model is that GEF OP2 resources (\$75,000) will be used in Component 1 to look at mechanisms for capturing and retaining benefits from genetic biodiversity value of coastal resources within the Marine Legacy Fund.”

*The review requests clarification of how MLF will contribute to sustainability of the institutional reforms in the EEZ management component.*

The MLF design study and process (that will be funded through IDA and precedes the MLF capitalization to be funded by Government and GEF) will determine this more precisely. The current design principles envision that the MLF may finance core functions and costs of the Deep Sea Fisheries Authority or similar institution. This is described in Annex 9 of the GEF Project Brief. A statement to this effect - including the role of revenue retention in current policies - is also in the sustainability section of the Executive Summary.



*The review requests explicit connection to LME initiatives. Comments suggest linking coordination efforts with other sub-projects in the Fisheries Partnership or other LME initiatives outside the Fisheries Partnership.*

These coordination mechanisms - including the sharing of experiences for purposes of replication - are provided for in Sub-component 1(c), which calls for coordination with all potential projects in the EAME that are related to fisheries, MPAs, or marine management. This is described in the Detailed Project Description (Annex 4). An additional phrase clarifying this point has been added to the GEF project brief (refer to Annex 4, Sub-component 1(c), p. 53) and the Executive Summary (refer to Section 1, pp.3-4).

*Review comments requests elaboration of how community driven development (CDD) approach will be applied to the GEF IW part of the project.*

The CDD approach is not, directly, part of the IW activities. All CDD activities are captured within Component 3 of MACEMP, which links to TASAF and supports the objectives of both the IW (Component 1) and Biodiversity (Component 2) funded activities. This support function is inherent in the project design and is reflected throughout the project documentation.

The CDD sub-projects that will be financed under Component 3 will only be those consistent with Component 1 and Component 2 objectives, and will - as described - be informed by outputs from these other components. For example, through stock assessments and inventory work in IW funded activities, certain opportunities may be identified for decreasing post-harvest losses or improving value added processing. These opportunities, as they become apparent, will be communicated through TASAF/MACEMP communication strategies to communities and individuals in the target districts. If these are of interest to these communities, then they can develop proposals for consideration using the prescribed channels for sub-project financing under TASAF/MACEMP procedures. All of this procedure is described in detail in the Project Brief.

*Review comments recommend a project website consistent with and linking to IW:Learn.*

MACEMP has a communication strategy that provides for information dissemination through various media; this strategy will provide links and information to IW:Learn. This has been further clarified in the project documents and Executive Summary with the addition of the following phrase: “The MACEMP communication strategy includes web-based dissemination mechanisms that will, inter alia, link to the Africa portal in the International Waters Resource Centre IW:learn system funded by GEF.” (Refer to Section 3. p. 10 of the Executive Summary and Annex 15, p. 139 of the GEF project brief.)