

AFRICAN DEVELOPMENT FUND



PROJECT: PROGRAMME FOR IMPROVING FISHERIES GOVERNANCE AND BLUE ECONOMY TRADE CORRIDORS IN SADC REGION

COUNTRY: MULTINATIONAL

PROJECT APPRAISAL REPORT

Date: July 2021

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MULTINATIONAL

PROGRAMME FOR IMPROVING FISHERIES GOVERNANCE AND BLUE ECONOMY TRADE CORRIDORS IN SADC REGION

RDGS/RDGE/RDGC/AHAI/PGCL DEPARTMENTS

October 2021

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Currency Equivalents

Exchange rate as of July 2021

UA 1 = 1.44 USD

Fiscal year

2021 – 2025

Weights and measures

1 metric tonne	=	2204 Pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

ACRONYMS AND ABBREVIATIONS

ACP	African, Caribbean and Pacific Group of States	MIS	Management Information Systems
ADF	African Development Fund	MS	Member State
AfCFTA	African Continental Free Trade Agreement	MSMEs	Micro, Small and Medium Enterprises
AfDB	African Development Bank	NRMD	Natural Resources Management Division
AWFISHNET	African Women Fish Processors and traders Network	PAR	Project Appraisal Report
BE	Blue Economy	PCN	Project Concept Note
CCAP2	Climate Change Action Plan 2016-2020	PI-U	Project Implementation Unit
COMESA	Common Market for Eastern and Southern Africa	PMU	Project Management Unit
CSP	Country Strategy Paper	PPEs	Personnel Protective Equipment
DRC	Democratic Republic of Congo	PPPs	Public-Private Partnerships
DG	Director General	PPRM	Directorate of Policy, Strategic Planning & Resource Mobilization
EAF	Ecosystem Approach to Fisheries	PSC	Project Steering Committees
EC	European Commission	RAP	Regional Agricultural Policy
EDF-11	European Development Fund (11th)	RDGE	Regional Development, Integration and Business Delivery – East
EU	European Union	RDGS	Regional Development, Integration and Business Delivery – South
E&S	Environment & Safety	RDRI	Regional Development, Integration Department
FANR	Directorate of Food, Agriculture and Natural Resources	REC	Regional Economic Community
FAO	Food and Agriculture Organization		
FAPA	Fund for Africa Private Sector Assistance	RFBs	Regional Fisheries Bodies
FDI	Foreign Direct Investment	RFMOs	Regional Fisheries Management Organizations
FIC	Directorate of Finance, Investment and Customs	RIDMP	Regional Infrastructure Development Master Plan
GDP	Gross Domestic Product	RISP	Regional Integration Strategic Paper
GEF	Global Environment Facility	RISDP	Regional Indicative Strategic Development Plan
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	RO	Regional Operation
ICPs	International Cooperating Partners	RPG	Regional Public Goods
ICT	Information and Communications Technology	SADC	Southern African Development Community
IDPF	Industrialization Strategy and the Roadmap	SANSAFA	Southern African Non-States Actors in Fisheries and Aquaculture
IDT	Directorate of Industrial Development and Trade	SAPZs	Special Agro-Processing Zone
IFAD	International Fund for Agricultural Development	SAYoF	SADC Youth Forum
IOC	Indian Ocean Commission	SHD	Directorate of Social and Human Development
IUU	Illegal, Unregulated and Unreported fishing	SIDS	Special Foreign Currency Account
ISS	Integrated Safeguard System	SSF	Small-Scale Fisheries
JICA	Japan International Cooperation Agency	TFCA-FF	Trans frontier Conservation Areas Financing Facility
JTF	Joint Task Force	UA	Unit of Account
LMEs	Large Marine Ecosystems	UK	United Kingdom
M&E	Monitoring and Evaluation	USAID	United States Agency for International Development
MCS	Monitoring Control and Surveillance		

Grant information

Client's information

RECIPIENT : Southern African Development Community (SADC)
 EXECUTING AGENCY : SADC Secretariat

Financing plan

Source	Amount (UA million)	Amount (USD million)	Instrument
ADF RPG grant	6,400,000	9.22	Grant
SADC	694,000	1.00	Counterpart (in-kind contributions)
GCF	TBD		Grant
GEF	TBD		Grant
TOTAL COST	7,094,0000	10.22	

Timeframe - Main Milestones AfDB'S financing (expected)

Project Concept Note Preparation	December, 2020
Concept Note approval	March, 2021
Project Appraisal Report	June 2021
Project approval	October 2021
Effectiveness	December 2021
Launching	January 2022
Mid-term Review	January 2024
Completion	December 2025
Last Disbursement	December 2025

ADF 15 Regional Operations 2020/2021
Programme for Improving Fisheries Governance and Blue Economy Trade Corridors in SADC Region

Date: December 30th 2020	Project Number: P-Z1-AAF-015
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I. Project Information

1.1 Country(ies)/Regions:	SADC
1.2 Grant Recipient:	SADC
1.3 Sector(s):	Agriculture/Fisheries/Environment
1.4 Status of project preparation: (e.g. identification and preparation missions undertaken, feasibility study carried out): <i>indicate dates</i>	The project was identified since May 2015. A policy dialogue with Southern African Development Community (SADC) Secretariat officials and Directors of Fisheries and Aquaculture from SADC Member States was held between November to December 2020 on investment areas and development gaps for Banks support as outlined in the RISP 2020-2026. A virtual Preparation Mission was conducted between the 15-18 th December, 2020; and an appraisal mission from June 15-30 th 2021.
1.5 Does project fall in one of 5 categories identified in PD on review process?	Yes
1.6 Implementing Agency: Is PIU set-up solely for the project: <i>(Y/N)</i> : indicate if project will use a PIU set by other development partners, or an earlier phase of the project.	No. SADC Secretariat will be responsible for project implementation; some core sector staff will be recruited as part of the PMU.
1.7 Joint instrument/project? <i>(Loan and/or grant)</i>	RPG Grant (ADF)
1.8 Indicate Country systems to be used:	Bank Procurement Policy (October 2015) will be applied.
1.9 Processing schedule to board approval	<ul style="list-style-type: none"> Preparation: December 15th, 2020 Prioritization: March 2021 Appraisal: June 2021 Presentation to the Board: September 30th 2021
1.10 Project implementation period:	2022-2025

II. Financing Information

2.1 Total Project Amount:	UAC 6,400,000
2.2 Amount of Bank Group Financing (Loan/Grant):	UAC 6,400,000
2.3 Co-financiers and amounts:	TBD
2.4 Government Contribution:	UAC 694,000 (in kind)
2.5 Proposed intervention Instrument:	RPG

III. Country context

3.1 CSP/ RISP Period:	Regional Integration Strategy Paper 2020-2026
3.2 CSP/REC priorities:	(i) Infrastructure Connectivity; and (ii) Market Integration and Industrialization
3.3 Is project supported by identified areas of intervention in RISP/RISF <i>(Y/N)</i> :	Yes. Pillar I and 2. This is also aligned with the SADC Regional Indicative Strategic Development Plan (2020-2030) and specifically the SADC Protocol on Fisheries (2001).
3.4 RISP or equivalent period:	2020-2026
3.5 CPIA rating and Quintile:	N/A

3.6	PCR completion date and ratings (for projects with follow-up phases):	N/A
3.7	Projects at Risk in the country portfolio (%):	N/A
3.8	ADF allocation balance at time of PCN (taking into consideration all other projects in the lending program):	N/A
3.9	Projects in Lending Program (# & amount) -ADF countries: for the replenishment cycle; -ADB countries: for the year (indicate the country ceiling)	N/A

IV. Compliance with Safeguard policies and strategies

4.1	Environmental categorization; has the categorization been validated by ORPC? (date)	N/A
4.2	Environmental and Social Impact assessment undertaken? (Y/N, date)	Yes (category 3)
4.3	Project involves resettlement? (Y/N)	No

V. Estimated resource requirement for project preparation / supervision

Source of Funds	Project preparation expenses to date (UA)	Estimated resource requirement to approval (UA)	Estimated supervision resources (UA)
5.1 Bank administrative budget:		6.4 million	50,000
5.2 Funds (bi-lateral / trust):	—	—	—
5.4 Other:	—	—	—

VI. Institutional Information

6.1 Regional Director(s):	Ms. Leila F. MOKADEM	Director – General	RDGS
	Ms. Nnenna NWABUFO,	Director – General	RDGE
	Mr. Serge N'GUESSAN	Director – General	RDGC
6.2 Sector Director(s):	Mr. Martin FREGENE	Director	AHAI

PROJECT SUMMARY

1. Project Overview

1.1 The Program for Improving Fisheries Governance and Blue Economy Trade Corridors (PROFISHBLUE) covers sixteen countries in the Southern African Development Community (SADC). SADC boasts of thriving fishing enterprises with interconnected trade corridors that spans the Atlantic and Indian Oceans for centuries. Currently, the 16 member countries of SADC region boast of two large marine ecosystems (LMEs) that are abound with rich transboundary fisheries resources comprising of multiple marine commercial species of tuna, hake, squids, octopus, horse mackerel, abalone, shrimps, prawns, and lobsters. The interior land-locked regions are also home to several transboundary rivers and lakes. With specific focus on Lake Malawi/Niassa/Nyasa, Kariba, Tanganyika, Mweru and the Zambesi Basin with commercial species including Nile perch, carp, tilapia, Kapenta, usipa and catfish. Aquaculture production in the region has increased from 69,851 MT in 2015 to 100,950 MT in 2018 according to the United Nations Food and Agriculture Organization (FAO). Despite the resource abundance owing to a large diverse species and raw material supply, the total production is very low below 3 million tonnes, which is 2% of global production. Tuna catch in the Indian Ocean is worth US\$2.3 billion per year, representing 20-24 per cent of the world market supply. About 70-80% is caught in the South Western Indian Ocean (SWIO) that is around 850,000 tonnes with landed value over US\$1.3 billion. These fisheries resources and their ecosystems are critical to the provision of nutrition sensitive fish diets (12 kg regional average and as high as 65kg per capita in countries such as Seychelles), SMEs along the fish value chain, eco-tourism/recreational fishing, export earnings and revenues, and non-consumptive ecosystem services and climate buffers.

1.2 The project aims to promote sustainable management of fisheries resources within the blue economy context in order to improve food and nutritional security, create employment through value chain activities, facilitate intra-regional trade, and build adaptive capacity. The project will be implemented over a 4-year period (2022-2025) with an estimated cost of UA 8.09 million comprising UA 6.4 million from ADF and in-kind contribution of UA 0.78 million with potential co-financing of UA 5.55 million from GEF International Waters window.

1.3 The direct beneficiaries of this operation are regional and national public entities and institutions in their overall administration as well as value chain actors (fishers, fish farmers, processors, retailers, wholesalers, transporters, consumers, etc.). Training programs will be provided to value chain actors at multiple fronts along the fish chain, especially women and youth SMEs. The interventions comprise of conservation planning in the natural ecosystems, fishing and harvesting strategies (from fish farms, lakes, rivers and oceans), to provision of inputs and services, processing and marketing infrastructure, as well as the provision of regional conformity assessment and standardization programs. This will promote competitiveness in the retail and wholesale fish trade as well as facilitate cross-border trade providing an estimated 250,000 direct and indirect jobs. Moreover, the project will support institutional capacity building for climate resilience through information service provisioning, climate buffers and ecosystem service synergies, and resource mobilization towards adaptation and mitigation.

2. Needs Assessment

2.1 Fisheries and natural resource management is an important domain for SADC's development agenda as it is a major socioeconomic sector in the region, contributing to the nutritional well-being of more than 100 million people and supporting thousands of SMEs along the fish value chain. Currently, the region boasts of two large marine ecosystems that are abound with rich transboundary fisheries resources comprising of multiple marine species of tuna, hake, squids, octopus, horse mackerel, abalone, shrimps, prawns, lobsters. The interior land-locked regions are also home to several transboundary lakes such as Malawi/Niassa/Nyasa, Kariba, Tanganyika, Mweru and the Zambesi Basin with commercial species including Nile perch, carp, tilapia, Kapenta, and catfish.

2.2 Despite its endowments, the majority of the Region's population are food insecure. This is as a result of low agricultural productivity; low trade of value-added agricultural products both intra-regionally and internationally; inadequate and oftentimes inefficient input and output markets; inadequate investment and financing in and for agriculture, fisheries; and heightened levels of vulnerability to economic, socio-economic and environmental factors. Aggravating the situation are factors including COVID19 pandemic supply chain disruptions, climate change; commodity price fluctuations; the continued impact of the global economic downturn on people's access to cash income; and the continuing devastation of the HIV/AIDS pandemic, among other critical factors. In addition, challenges such as those relating to limited technical skills, post-harvest loss, illegal and unreported fishing, transboundary stock management, and private sector financing continue to affect the growth of the sector. This project will support the SADC development agenda in the blue economy sectors in meeting macroeconomic recovery and its medium and long-term development aspirations (Annex 1). These are tied to mandates such as the African Union Blue Economy, the African Continental Free Trade Agreement (ACFTA), and the 'One-Stop Border Post' intra-regional trade facilitation.

3. Bank's Added Value

The Blue Economy provides an emerging development opportunity for both coastal and riparian states (along lakes and rivers) in the sustainable management of living aquatic resources, eco-tourism, maritime trade and other industrial services such as shipping and logistics. The Bank has a wealth of experience in the region particularly on regional and coastal infrastructure connectivity and would apply lessons learnt from previous Bank operations. A well-developed infrastructure will be critical to enable the region fully to exploit the vast potential in blue economy. Specific lessons from the fisheries portfolio in Malawi, Angola, Zambia, Zimbabwe and Madagascar are important to the design and implementation of the proposed operations and will specifically improve on implementation¹. Furthermore, the multidisciplinary and One Bank approach, within the context of the pandemic and Policy-Based Operation support and drawing on many of the Bank's Flagships are central to program delivery. Specific examples include '*Blue Economy*', *Technology for Africa Agriculture Transformation*, and '*Special Agro-Processing Zones*' under Feed Africa; the '*Promote and Drive Enterprise Development*' and *Develop Efficient Industrial Clusters* under Industrialize Africa; and '*Renewable Energy Program*' under Power Africa. Moreover, lessons from Bank operations will contribute to knowledge sharing and portfolio performance through: i) fiduciary clinics and procurement arrangements to address implementation delays; ii) stakeholder ownership sensitization and sustainability of community infrastructure; iii) building institutional capacity of sector staff to address emerging issues such as COVID-19, disease outbreaks, and climate disasters; iv) building partnership with private sector for long term sustainability; v) creating enabling policy environment for new investments; and vi) cross-sectoral engagement and government oversight.

4. Knowledge Management

4.1 The project will contribute to fish value chain development initiatives and knowledge building within the Bank as well as within SADC. Specific knowledge sharing platforms will be created in the development of regional transboundary resources management programs, blue economy strategic programs and investment plans. Knowledge will be acquired through the transfer of skills and knowledge derived from the training of national and SADC staff and national government officials, who in the long term, will train other public sector agents and private fisheries operators along the various stages of the fish value chain. The Bank will collect and disseminate proven knowledge in addition to sharing experiences on these value chain activities. The knowledge tools and materials developed will be communicated through various social media and other channels. Lessons learned and experience acquired will be used to inform future operations of the Ban

¹ NFDS 2008. Review of the performance of the current fisheries and aquaculture portfolio of the AfDB Group.

VII. Results Based Logical Framework

RESULTS - BASED LOGICAL FRAMEWORK						
A	PROJECT INFORMATION					
PROJECT NAME AND SAP CODE: Programme for Improving Fisheries Governance and Blue Economy Trade Corridors in SADC Region/ P-ZI-AAF-015				COUNTRY/REGION: Multinational/RDGE/RDGC/RDGS		
PROJECT DEVELOPMENT OBJECTIVE: To promote sustainable management of fisheries resources within the blue economy context in order to improve food and nutritional security, create employment through value chain activities, facilitate intra-regional trade, and build adaptive capacity.						
PROJECT ALIGNMENT:	a) Country/region strategy: RISP (2020-2026)/RISDP (2020-2030)					
	b) Bank’s priority/sector strategy: High five priority : Feed Africa; Industrialize Africa; Integrate Africa, Improve the Quality of Life of Africans					
	c) Alignment indicators: Fish value chain operators benefiting from improvements in agriculture / aquaculture / fisheries (Feed Africa); Rural population trained in improved technologies: fry production; post-harvest losses (Feed Africa) ♀, Effects on SMEs - investment turnover (Industrialize Africa); Creation of direct, indirect and induced jobs♀ (Improve the quality of life); End all forms of malnutrition (SDG 2.2); Equal rights to resources , real estate ownership and financial services (SDG5B); Knowledge and capacities to face climate change (SDG 13.3); Support artisanal fishing (SDG 14B); Sustainable fishing (SDG 14.4); Increase the economic benefits of marine resources (SDG 14.7).					
B	RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION		RMF/CSI INDICATOR	UNIT	BASELINE (2021)	TARGET AT COMPLETION (2024)	MEANS OF VERIFICATION
OUTCOME 1: Increased production and productivity of fish and fishery product						
1.1: People benefiting from progress in agriculture (fish value chains)		☒	Number	1.55 million	2 million	FAO statistics SADC/National Department of Fisheries reports
OUTCOME 2: Africa’s share of market value for key processed commodities						
2.1 : Increase volume in cross border fish trade		☒	% increase (>50)	150,000 tonnes	250,000 tonnes	FAO statistics / SADC/National Department of Fisheries and Trade reports
OUTPUT 1: Best management practices for transboundary resources governance						
1.1: Blue economy strategies and investment plans developed		☐	Number	0	3	Program progress and supervision reports, and mid-term reviews and evaluations
1.2: Regional genetic improvement program scale-out		☐	Number	4	10	
1.3: Institutional support, equipment and training programs provided		☒	Number	0/0/0	6/1/1 *	
OUTPUT 2: Value chain competitiveness and cross-border trade facilitation						
2.1: Conformity assessment and trade regulators developed		☐	Number	6	14	Program progress and supervision reports, and mid-term reviews and evaluations
2.2 Eequipment support towards cold storage and post-harvest training to SMEs (disaggregated by gender)		☒	Number/sessions	0	7	
2.3: An operational regional business incubation hub to support fisheries SMEs (disaggregated by gender)		☒	Number	0/0	1/50	
2.4 Standards and quality assurance developed, and officials trained		☐	Number	0	7/100	

■ OUTPUT 3: Climate resilience and institutional capacity building					
3.1: Climate information support systems scaled-out	<input type="checkbox"/>	Number	0	500,000	Program progress and supervision reports, and mid-term reviews and evaluations
3.2 Regional AAH&BS diagnostic tools and training responses		Number	0	1/17	
3.2 Functional and operational BE trust funds management system	<input type="checkbox"/>	Number	0	1/17	
3.3: Market analyses on operationalizing ecotourism ventures, payment for ecosystem services and carbon buffers in coastal and riparian systems		Number	0	1/1	

*Denotes blue economy strategy support to six pilot countries across Lake Malawi, Tanganyika and Mozambique Channel (Malawi, Tanzania, Mozambique, Zambia, Madagascar, and DRC); necessary equipment, and training programs (with units in numbers: 6/1/1)

Project Timeframe

Task/ Years	2021		2022				2023				2024				2025			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Project preparation																		
Project approval																		
Grant signature																		
Effectiveness/ First Disbursement																		
Launch																		
Project implementation (all activities & components)																		
Procurement (advance contracting)																		
Supervision																		
Mid-term review																		
Audits																		
Project completion																		
Closing																		

REPORT AND RECOMMENDATION OF THE MANAGEMENT TO THE BOARD OF DIRECTORS ON A PROPOSED GRANT TO THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) FOR THE PROGRAMME FOR IMPROVING FISHERIES GOVERNANCE AND BLUE ECONOMY TRADE CORRIDORS

Management hereby submits the following Report and Recommendation for approval of the proposed Grant of UA 6.4 million to finance the Programme for Improving Fisheries Governance and Blue Economy Trade Corridors in SADC Region (PROFISHBLUE) as part of the ADF 15 Regional Operations (Regional Public Goods) financing.

I. STRATEGIC THRUST & RATIONALE

1.0 Context

1.0.1 The Southern African Development Community (SADC) came into effect by the signing of a Treaty in August 1992. It comprised of sixteen countries including Angola, Botswana, Comoros, the Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, United Republic of Tanzania, Zambia, and Zimbabwe. The main thrust of SADC is to achieve regional development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support socially disadvantaged regions through regional integration. Major policy instruments supporting SADC's regional integration process include the SADC Trade Protocol, the Protocol on Fisheries, the Industrialization roadmap among many other policies and strategies. These instruments provide the guiding frameworks for achieving the regional agenda for deeper cooperation and integration.

1.0.2 Despite putting in place these strategic plans, the region is still beset with numerous natural resources and blue economy challenges that include among others: i) the impact of COVID19 on supply chain disruptions and fishing livelihoods; ii) post-harvest loss and value chain development; iii) fish breeding and hatchery constraints, iv) illegal fishing activities and poor management; v) poor quality and standards along the fish chain; vi) and lack of robust policies on cross-border trade.

1.0.3 In response to these challenges, SADC engaged the Bank to help accelerate its regional fisheries development agenda first in 2015 and recently in 2020. This engagement led to the development of a concept note on "Programme for improving fisheries governance and blue economy trade corridors". Through dialogue and further engagement, SADC made a request to the Bank for support. Following a request under ADF 15 Regional Operations window, the Bank, subsequently made a commitment of UA 6.4 million to support SADC's request under its prioritization program.

1.1 Project linkages with regional strategy and objectives

1.1.1 SADC boasts of thriving fishing enterprises with interconnected trade corridors that spans the Atlantic and Indian Oceans as well as transboundary lakes and rivers for centuries. These fisheries resources and their ecosystems are critical to the provision of nutrition sensitive fish diets, supporting SMEs along the fish value chain, eco-tourism/recreational fishing, export earnings and revenues, and non-consumptive ecosystem services and climate buffers. The member countries have committed to improving fisheries governance through a regional approach with targeted interventions nationally as well as coordination and harmonization of policies, processes, and regulatory mechanisms.

1.1.2. The project is aligned with the SADC Regional Indicative Strategic Development Plan (RISDP) 2020-2030, in which the Blue Economy and fisheries agenda remain central to regional integration imperatives. The identified fisheries and aquaculture priorities are in line with the UN 2030 Agenda for Sustainable Development and the AU Agenda 2063. Through the RISDP (2020-

2030) and specifically the SADC Protocol on Fisheries and the SADC Industrialization Strategy, the member countries have committed on developing harmonized policies for intra-regional fish trade and create investment opportunities to support SMEs in both the small-scale and industrial sectors to meet nutritional food security needs and export earnings. These new opportunities will take advantage of the diverse development disparity in the region to support fragile states and least developed countries, facilitate the Africa Continental Free Trade Agreement initiative, as well as the replicating the ‘One-Stop Border Post’ model for intra-regional fish trade in SADC.

1.1.3. The project is included in the Regional Operations pipeline for Southern Africa’s Regional Integration Strategy Paper (RISP) 2020-2026 and supports the key pillars of competitive value chains and market integration for the Eastern Africa RISP (2018-2022). The project is also aligned to the High 5s as well as the Bank’s Private Sector Strategy (2020-2025), Gender Strategy (2020-25), Jobs for youth in Africa Strategy (2016-2025), the Multi-Sectoral Nutrition Action Plan (2018-2025) and the Bank’s second Climate Change Action Plan 2016-2020.

1.2. Rationale for Bank’s involvement

1.2.1. Fish is food, a super food, especially during pandemics². It is the most traded global agri-commodity and a transboundary natural resource in SADC. It contributes to the nutritional well-being of more than 100 million in the region and supports livelihoods and income generation across the continent especially for youth and women. The important role of small-scale fisheries (SSF) for nutritional well-being and economic empowerment is imperative towards food security, job creation, trade and poverty eradication. The contribution of aquatic foods under *Feed Africa* Strategy implementation and Blue Economy Flagship is well captured in the CSPs of many riparian states such as Zambia and Malawi as well as coastal and Small Island Developing States (SIDS) including Seychelles, Mauritius, Comoros, and Madagascar. Moreover, the SIDS are highly reliant on these blue economy sectors (fisheries, eco-tourism, maritime transportation) especially for export commodities and trade, foreign direct investment, and local livelihood security.

1.2.2. The rationale for the Bank’s involvement is to improve on fish value chain development, facilitate policy and regulatory harmonization of laws and standards for cross-border trade as well as to effectively govern transboundary fisheries such as Tuna and Hake and genetic resources. The project employs an ecosystem approach looking at the diversity of ecosystems and fish value chains (freshwater, brackish, and marine systems) with emphasis on riparian countries, coastal and Small Island Development States, and their economies. The project will contribute to the regional institutional development for promoting integrated fisheries resource management and regional trade corridors that will result in food secured communities, increased revenues along the value chain, and resilient blue economy enterprises. This is critical as climate change will increase vulnerability and fragility of the natural resources especially for coastal and riparian communities. Moreover, the various coastal and oceanic ecosystems are highly susceptible to potential oil spills given the high volume of maritime vessel traffic through the Mozambique Channel.

1.2.3. This intervention to govern and sustain the benefits of the blue economy resources is in alignment with several policy and strategy documents relating to the development of the SADC Fisheries and agri-business sectors (see Technical Annex A2). This will strengthen non-sovereign operations in the region and facilitate value addition to Bank’s regional infrastructure projects such as the Nacala corridor transport project which connects port activities in Mozambique to hinterlands of Malawi and Zambia, the Bank’s investment in expansion of Walvis Bay, Namibia, and overall contribution to development of blue economy and enhanced trade with Botswana and Zambia and

² Khan *et al.* 2021. Nourishing Nations during Pandemics in Africa: Why Prioritize Fish and Other Aquatic Foods. *In press*; Maritime Studies.

other regional initiatives under the Indian Ocean Commission mandate to meet the special needs of SIDS.

1.3. Donor coordination

1.3.1. Donor coordination in the SADC region is governed by the Windhoek Declaration adopted in April 2006. Some of the key mandates include: i) development of infrastructure and industrial projects; ii) capacity building; iii) trade; and iv) finance. The European Commission (EC) is currently the lead donor in the Joint SADC-International Cooperating Partners (ICP) Task Force (JTF), whose primary objective is to improve coordination between Development Partners (DP) and the SADC Secretariat. The European Investment Bank, the World Bank, USAID, German Development Cooperation, DFID, the European Commission, and the AfDB are the major supporters to SADC projects (see Table 1 and details in Technical Annex A3). The Bank closely coordinates with other DPs and specialized agencies when implementing its activities. The Bank is actively participating in various SADC thematic group meetings and activities. To this end the Bank mission held consultative meetings with cooperating partners currently assisting SADC in regional integration and blue economy programs.

Table 1: Main donors and areas of cooperation

	Energy	Water	ICT	Trade & Customs	Food, Agriculture and Natural Resources	Capacity Development	HIV/AIDS	Transport	Cross-Cutting Areas
World Bank	X	X		X	X	X		X	
USAID	X			X	X	X		X	X
World Trade Organization (WTO)				X	X				
African Development Bank (AfDB)	X	X	X	X	X	X		X	X
European Union (EU)	X	X	x	X	X	X	X	X	X
Development Bank of South Africa	x	X	x					X	
United Kingdom (DFID)		X		X					X
Canada (CIDA)	X		X	X	X	X		X	
Germany (GTZ)		X	X	X	X	X		X	
Sweden (SIDA)					X		X		
Norway (NORAD)									X
World Wildlife Foundation WWF									X
China						X		X	
Swiss									X
ITC				X	X				X
JICA	X			X				X	

1.3.2. To date, three projects related to fisheries and the blue economy are funded by the EU including Towards the Operationalization of the SADC RAP, Intra-ACP Global Climate Change Alliance + Programme under EDF-11); and the Contribution of Sustainable Fisheries to the Blue Economy of the Eastern Africa, Southern Africa & Indian Ocean (EA-SA-IO region), part of the EEOFISH Programme) under EDF-11. Three other related projects are funded under the German Government (BMZ) notably Regional Funding Facility for SADC Trans-frontier Conservation Areas, the South West Indian Ocean (SWIO) Fisheries- Improving Governance, Livelihoods & Ecosystems project; and the Regional Project on Transboundary Use & Protection of Natural Resources. JICA is financing

the Project for Forest Conservation including mangroves and a FAO Technical Cooperation program on Strengthening capacity of SADC Secretariat in implementing the SADC Fisheries Programme. These programs are well aligned and planned through various Tiers (or Channels) of implementation with support from sub-regional organizations. Whilst Channel or Tier 1 projects are solely managed under SADC Secretariat, Tiers 2 and 3 entails implementation arrangements at the national level and sub-regional level (with regional entities), respectively. Best management practices and lessons learnt from these projects and previous ones have been incorporated into the project design and implementation (see Technical Annex B1).

II. PROJECT DESCRIPTION

2.1 Project components

The overall objective of the proposed project is to promote sustainable management of fisheries resources within the blue economy context in order to improve food and nutritional security, create employment through value chain activities, facilitate intra-regional trade, and build adaptive capacity. The specific objectives include:

- Promoting policy and regulatory harmonization of laws and standards towards fisheries and aquaculture value chains and fish trade within the SADC region.
- Improving fisheries governance, value chain competitiveness, and sustaining aquatic foods through integrated management plans and blue economy program development.
- Strengthening institutional capacity and knowledge towards adaptation and mitigation of impacts of climate change and build resilience to other vulnerabilities to the sector.

The project components draw on the fish value chain analytical framework, i.e. from oceans/lakes to plate using an ecosystem-based management approach that makes strong sustainability linkages between human institutions and ecological limits. The project consists of 4 components, consisting of the following thematic areas and activities as shown in Table 2.

Table 2: Project components and summary activities

Components	Activity descriptions
Improving collaborative governance of transboundary fisheries and genetic resources	Develop 3 regional Blue Economy Strategy and multi-sector investment plans with a focus on aquatic foods and integrated livelihoods (Lake Malawi/Niassa/Nyasa, Lake Tanganyika, and Mozambique Channel)
	Soft infrastructure support to regional vessel monitoring, control and surveillance mechanisms in inland lakes and coastal regions (e.g. GPS -based fishing fleet tracking systems)
	Promote genetic improvement and aquaculture programs regional hatchery support and training
	Conduct joint fisheries assessments and vessel frame surveys (riparian systems)
	Digital fisheries information systems (FIS) for value chain actors and knowledge sharing platform
	Assess and improve on watershed management plans, map-out biodiversity hotspots for protection, and promote multi-user zoning by-laws for ecosystems service synergies
Policy harmonization and trade facilitation towards intra-regional trade	Replicate the ‘One Stop Border Post’ program for fish products across 7 bordering countries (Malawi, Zambia, Zimbabwe, Mozambique, Comoros, Madagascar and United Republic of Tanzania)
	Support cold-room storage networks and trade corridors for women and youth SME and support market information infrastructure (e.g. INFOSA) and ICT
	Provide business development services, accelerator, and incubation/investment support for women and youth SMEs in fish trade and eco-tourism

	Harmonize fish value chain standards, quality control, and packaging for sanitary conditions, SPS, and chain of custody rules/eco-certification
	Develop a compendium and inventory of BE actors and support sensitization of regional fisheries and aquaculture SMEs, eco-tourism, and market connectivity to the AfCFTA and its positive impact to industrial development
	Create an enabling environment for investment and PPPs in the blue economy sectors
Building climate resilience and institutional adaptability to shocks	Scale-up climate services and early warning systems for BE sectors (including fishing, waterways & marine transportation)
	Provide Covid19 response interventions for better hygiene and develop post-COVID-19 recovery Plans
	Develop and operationalize a regional Animal and Aquatic Health & Biosecurity emergency and diagnostic response framework
	Establish stakeholder engagement platforms, grievance mechanisms & communication and information dissemination hubs
	Promote skills development programs, internship and grants for youth and women students and educators in the BE sectors in the region
	Regional Blue Economy Investment Trust Funds and Emergency Relief
	Promote network of marine protected areas in biodiversity hotspots, climate buffers and carbon stocks, and payment for ecosystem social enterprises
Project management and coordination	Procurement of ICT equipment and management tools
	Communication and media outreach
	M&E framework and activities
	Personnel and HR management
	Financial management, logistics and operation costs

These include: i) Improving collaborative governance of transboundary fisheries and genetic resources; ii) Policy harmonization and trade facilitation towards intra-regional trade; iii) Building climate resilience and institutional adaptability to shocks and iv) Project management, coordination, monitoring and learning.

2.2. Technical solution retained and other alternatives explored

There were many alternatives considered and rejected during project preparation. Several options were explored regarding areas of intervention, countries, budget allocation among subcomponents, and implementation modalities. Based on these considerations, the recommendations from analytical work, as well as lessons from the Bank's and other partners' past support to SADC, and SADC Secretariat experience suggests to take a balanced intervention approach that has the potential to deliver tangible results on sustainable management of fisheries resources. This will create additional employment through value chain activities, facilitate intra-regional trade, and build adaptive capacity against climate change and other external shocks. The use of a holistic food system's approach rather than an independent or stand-alone type arrangement was found to be more appropriate given the complexity and spatio-temporal dynamics in the region. On this basis the Secretariat will implement the project through extra technical support to the Natural Resources Management Division (NRMD) within the Directorate Food Agriculture and Natural Resources (FANR), to carry out day-to-day management project activities in accordance with their duties without any interference from management activities from the Secretariat. A summary of the technical considerations and project design options is presented in Table 3.

Table 3: Project alternative considered and reasons for rejection

Alternative	Brief Description	Reasons for Rejection
A single country focus	The project would undoubtedly be simpler if the focus was only on a single country and sector that already has significant needs.	This would have defeated the objective of RPG and regional approach to resource governance in developing a common strategy for the SADC Member States.
Fisheries management that focuses on target species	Management of single target species (even under multinational arrangements)	This would imply continuous unsustainable fisheries exploitation and deterioration of resources, not being able to provide a foundation for long-term sustainable fisheries options and build resilience for vulnerable populations
Independent approach of using a Stand-alone PIU	Provide support through a stand-alone Project Implementation Unit (PIU) with the unit manned by project staff.	The approach as demonstrated by projects implemented through stand-alone PIU by SADC Secretariat does not guarantee effective implementation of the project.

Innovative features of the project. The project design is built upon food systems approach that uses an ‘Ecosystem approach to Fisheries Management’³ within a ‘Blue Economy’ framework as well as employing the ‘Fish value Chain’ approach that is cognizant of social-ecological interactions and market linkages (see theory of change in Technical Annex B9). The fish chain and ecosystem approach represent a paradigm shift from single species fisheries management that ignores discards and bycatch; towards multispecies and participatory decision-making processes that balance environmental, economic, human and social well-being dimensions. It also takes into account drivers of change, nutrition sensitive diets, and an ecosystem-approach to climate adaptation and nature-based solutions to resilience⁴.

2.3. Project type

The project is a regional and multinational operation that meets the criteria of regional public goods (RPG). RPGs are characterized by specific criteria that entails benefits that are a) non-rivalry amongst users and states; b) inclusive and has a non-excludability clause; c) the goods and ecosystem service benefits are of public interest with strong community and inter-governmental ownership; d) it has a regional dimension owned by multiple countries and championed by public institutions such as Regional Economic Communities (RECs); e) strategic alignment with the Banks development agenda (e.g. High 5s) and that of RECs and the African Union institutions; f) it has a catalytic and upstream role in spurring investments, novel partnerships. and leveraging enabling policies for scalable impact; g) incremental benefit in cooperating through such as harmonized policies and common standards; and h) development effects that is transboundary and collaborative, conservation oriented, facilitating trade, and improvement in quality of life. Table 4 below indicates that the proposed project satisfies the various RPG criteria, as detailed in Annex 4. Direct benefit and application of project resources will be confined to ADF countries only including Malawi, Mozambique, Madagascar, Comoros, and Republic of Tanzania. However, the Project being RPG may indirectly benefit ADB countries in the SADC Regional programming.

³ Garcia, S.M.; Zerbi, A.; Aliaume, C.; Do Chi, T.; Lasserre, G. 2003. The ecosystem approach to fisheries: Issues, terminology, principles, institutional foundations, implementation and outlook. FAO Fish Tech Pap. No. 443. Rome.

⁴ Khan, A., and V. Amelie. 2015. Assessing climate change readiness in Seychelles: implications for ecosystem-based adaptation mainstreaming and marine spatial planning. *Regional Environmental Change* 15: 721–733.

Table 4: Compliance with RPG requirements

Criteria	Evaluation
Non-rivalry	With improved policy harmonization towards trade facilitation and collaborative governance of transboundary fisheries, the benefits will accrue to all SADC Countries. Further participation by regional countries in developing fisheries resources management will not diminish the utility of such measures to SADC Member countries.
Non-exclusion	Benefits of development and implementation of management plans will accrue to all SADC Member countries. The various fisheries strategies and programmes adopted by Member States foster regional economic integration for the socioeconomic development of all their citizens.
Of public interest	All SADC Member countries have been consulted at all stages of project preparation and have agreed to work towards development of regional approach based on the SADC Fisheries Protocol and the new RISDP (2020-2030) goals. This will promote sustainable fish stock management and equitable economic growth and socio-economic development that will ensure jobs creation and reduce the high unemployment and poverty alleviation.
Multi-country involvement	The support to SADC on blue economy will be inclusive of all 16 countries, building capacity from regional to national levels, to ensure ownership by member countries.
Strategic alignment with Bank work	The project is in line with the Bank's TYS (2013-2022) which seeks to support regional integration in Africa for sustainable and inclusive growth as well as integration with the global economy. It is also in line with the Bank's regional integration strategy framework (2018-2025), Feed Africa, Industrialize Africa, and the Improving the Quality of Life of Africans.
Catalytic & upstream role	The Bank's support to the project will go beyond the time frame of this project, and play a catalytic role of establishing a regional approach in blue economy governance that will assist in unlocking and dispersing of resources for regional investments in line with the new Private Sector Strategy (2020-2025)
Incremental Benefit in Cooperating	The successful implementation of this project will contribute to enhancing physical and economic integration as well as facilitating trade corridors through industrialization to ultimately boost intra-regional trade. The project will contribute directly to enhancing cooperation among SADC countries and in line with the principles of establishment of the SADC Treaty and the RISDP 2020-2030.

2.4. Project cost and financing arrangements

The total cost for the proposed project is UA 8.09 million (USD 11.65 million) comprising of a grant from ADF-15 Regional Public Good (RPG) amounting to UA 6.4 million and SADC Secretariat will provide an in-kind contribution of UA 0.78 million (USD 1.12 million) in the form of staff costs, requisite utilities, office space and logistical services. There is a potential co-financing of UA 5.55 million (USD 8.0 million) from GEF International Waters, and the Green Climate Fund (TBD). Such additional financing will target fisheries rebuilding and ecosystem restoration, promote climate resilience and ecosystem services in large catchment basins and estuaries, common standards in aquaculture and mariculture operations, loss and damage insurance of essential infrastructure and disaster risk instruments, as well as to promote an integrated management of natural resources with a nexus approach. The total project cost is inclusive of price contingencies estimated at average rates of 6%. The ADF resources will be used to finance the consultancies, technical assistance and goods. A summary of the project cost estimates by components and expenditure accounts is shown in Tables 5, 6, 7 and 8, while details are provided in the Technical Annexes B2.

Table 5: Summary of Project Cost by Components

COMPONENT	(US\$ '000)			(UA, 000)			%	%.
	Local	Foreign	Total	Local	Foreign	Total	For	Base
1. Improving collaborative governance of transboundary fisheries	954	1,471	2,425	662	1,022	1,684	61	25
2. Policy harmonization and trade facilitation	816	2,486	3,302	567	1,726	2,293	75	34
3. Building climate resilience and institutional adaptability to shocks	295	731	1,026	205	508	713	71	11
4. Project management and coordination	898	2,052	2,950	624	1,425	2,049	70	30
Total Baseline Costs	2,963	6,740	9,703	2,057	4,681	6,738	69	100
Price Contingencies	169	344	513	117	239	356	67	5
Total Project Cost	3,132	7,084	10,216	2,175	4,919	7,094	69	105

Table 6: Summary of Program Cost by Category of Expenditure

Expenditure Category	(US\$ '000)			(UA '000)			%	%
	Local	Foreign	Total	Local	Foreign	Total	For	Base
A. Goods	307	1,238	1,545	213	860	1,073	80	16
B. Services	1,838	5,502	7,340	1,276	3,821	5,097	75	76
D. General Operating Expenses	818	-	818	568	-	568	-	8
Total Baseline Costs	2,963	6,740	9,703	2,057	4,681	6,738	69	100
Price Contingencies	169	344	513	117	239	356	67	5
Total Project Costs	3,132	7,084	10,216	2,175	4,919	7,094	69	105

Table 7: Financing arrangements by Local & Foreign Distribution

Sources of finance	(US\$ '000)			(UA, 000)			% Total
	Foreign	Local	Total	Foreign	Local	Total	
ADF Grant	6,644	2,572	9,216	4,614	1,786	6,400	90
SADC	440	560	1,000	306	389	694	10
Total	7,084	3,132	10,216	4,919	2,175	7,094	100

Table 8: Expenditure Schedule by Component

Component	(UA, 000)				
	Year 1	Year 2	Year 3	Year 4	TOTAL
Improving collaborative governance of transboundary fisheries and genetic resources	916	484	213	165	1,779
Policy harmonization and trade facilitation towards intra-regional trade	610	1,539	195	84	2,429
Building climate resilience and institutional adaptability to shocks	621	112	-	-	733
Project management and coordination	599	509	554	493	2,154
TOTAL	2,746	2,644	962	742	7,094

2.5. Project's target area and population

The project will contribute to the regional institutional development for promoting integrated fisheries resource management and sustainable aquaculture development that will result in more food secured and resilient blue economy dependent communities. This is critical as climate change will increase the level of vulnerability and fragility of the natural resource especially for coastal and shoreline populations in the millions. The direct beneficiaries of this technical support operation are SADC regional/sub-regional and national public entities and institutions in their overall administration as well as value chain actors (fishers, fish farmers, processors, retailers, wholesalers, transporters, consumers, etc.). The blue economy strategic framework and investment plans will

target Lake Malawi, Lake Tanganyika and the Mozambique Channel. For the ‘One Stop Border Post’ initiative for cross-border fish trade, seven countries will be targeted directly linking riparian states to coastal and small island developing states. The targeted countries include Malawi, Zimbabwe, Zambia, Tanzania, Mozambique, Comoros and Madagascar. The project will also target both direct and indirect beneficiaries through training and knowledge dissemination, nutritional advocacy, food safety, COVID-19 measures, as well as climate services. This includes the general public through public health and food safety as well as access and affordability to households, jobs for youth and women entrepreneurs and cooperatives along the value chain, and socio-professional organizations. Training programs will be provided to value chain actors at multiple fronts along the fish chain, from the harvesting and culture of fisheries (from fish farms, lakes, rivers and oceans) through provision of inputs and services, to the processing and marketing as well as retail and wholesale. Given the number of youth and women entrepreneurs, direct number of job opportunities is estimated at 100,000 and indirectly at 250,000 through allied industries such as boat building, net making and repairs, feed formulation, transportation, cold room networks, and retail distribution chains.

2.6. Participatory process for project identification, design and implementation, including active participation of the private sector and civil society

During project preparation and appraisal, the Bank mission held discussions with staff of the SADC Secretariat, government officials (including Fisheries and Bureau of Standards), strategic partners (development co-implementing partners), value chain actors, and other stakeholders (such as non-state actors and researchers). The aim is to strengthen collaborative efforts to support SADC Protocol on Fisheries and emerging programs on the blue economy and ACFTA. Discussions focused on how the Bank can assist in addressing the numerous challenges, emanating from assessments carried out mainly by the Secretariat, and through technical discussions in which the Bank participated. In November 2020, a high-level dialogue of AfDB and SADC Secretariat took place to discuss the Bank’s Regional Strategy Paper for Southern Africa and to align with SADC regional priorities as outlined in the Regional Indicative Strategic Development Plan (RISDP). The RISDP has prioritized the sector of fisheries and the Blue Economy, and this provides an opportunity to strengthen collaboration with the Bank on these priority areas which are aligned to the Bank’s High-Fives.

Prior to this, a Bank team led a mission to Gaborone in May 2015 on a project identification mission based upon request from SADC. A policy dialogue on fisheries governance ensued with SADC Secretariat officials focusing on monitoring surveillance and control support. With the new RISP (2020-2026), a follow-up dialogue took place virtually focusing on fisheries in the blue economy context. This involved Directors of Fisheries and Aquaculture from SADC Member States in December 2020, with new investment areas and development gaps for Banks support identified. Further public engagement was conducted through the SADC fisheries webinar series in early December 2020 leading to the 38th Meeting of the SADC Technical Committee on Fisheries that involved AfDB and other development partners such as World Bank and FAO, private sector, academia and civil society. Further discussions on a regional-wide program were spurred through dialogue between the Regional Sector Manager and the Vice President of Seychelles on the Bank’s support to Seychelles for implementing the framework for blue economy, and in particular, its impact on MSMEs. This motivated the need for a regional framework on Blue Economy policies to strengthen institutional capacity. The RPG will be followed by investment programs implemented across RMCs with a pilot in Madagascar and others. More engagement was done during appraisal mission with pertinent stakeholders in government, civil society, and the private sector. The project design is informed by various analytical reports produced by SADC and Development Partners such as FAO.

2.7. Bank Group experience, lessons reflected in project design

The Bank's current blue economy (BE) investments comprise of eight operations in SADC: two major investments in Zambia (one on aquaculture development and the other on Lake Tanganyika resource management), Democratic Republic of Congo (Lake Edward and Albert Fisheries Management Project Phase II), Angola (Fisheries Sector Support Project), Zimbabwe (Lake Harvest/African Century Foods) and Malawi (Sustainable Fisheries, Aquaculture Development, and Watershed Management project); and two capacity building and knowledge work in Madagascar and Seychelles on BE investments (through trust fund resources). There are additional investment projects (sovereign operations) in the pipeline for Madagascar (Q2 2022) and Malawi (Q1 2021), three potential private sector operations in Lesotho (rainbow trout), South Africa (marine Tilapia in Eastern Cape), and Mauritius (industrial offshore aquaculture); as well as potential second and third phases of the Angola and DRC fisheries projects, respectively. Lessons learnt from previous Bank operations such as in Malawi and Madagascar are integrated into the design and implementation of the proposed operations and will specifically resolve implementation issues (Annex 2). Key areas to focus on include: i) fiduciary clinics and procurement arrangements to address implementation delays; ii) stakeholder ownership and sustainability of community infrastructure for long term viability; iii) building institutional capacity of sector staff to address emerging issues such as COVID-19, disease outbreaks, and climate disasters; iv) building partnership with private sector for long term sustainability and creating enabling policy environment for investments; v) cross-sectoral engagement and government oversight towards better outcomes and tracking⁵. See details on portfolio performance (Table 9) and lessons incorporated in project implementation in Technical Annex B1.

Table 9: Synthesis of portfolio performance

Project	Date & Amount	Intervention Areas	Rating ⁶	Lessons Learned ⁷
Zambia Aquaculture Enterprise Development Project	2017 to 2021 Amount: USD 50.89 million	Fisheries and Aquaculture	3	Weak capacity for procurement and contract management weak financial management
Zambia Lake Tanganyika Development Project	2014 to 2022 Amount: USD 29.62	Agriculture Livestock Forestry and Natural Resources Fisheries and Aquaculture	3	Importance of feasibility studies and designs at project start-up
Zambia Agriculture Productivity and Market Enhancement Project	2013 to 2021 Amount: USD 32.12million	Agriculture Livestock Fisheries and Aquaculture	3	Importance of adequate stakeholder consultation in selection of project activities and sites, Weak performance of credit components. Weak monitoring and evaluation, untimely submission of audit reports and non-compliance with fiduciary requirements cost escalation for infrastructure components management arrangements for infrastructures
Democratic Republic of Congo (Lake Edward and Albert Fisheries Management Project Phase II),	2015 to 2021 6 million UA	Natural Resources Fisheries and Aquaculture	3	Weak capacity for procurement and contract management Late start of the project Inaccessibility in some sites

⁵ NFDS. 2008. Review of the performance of the current fisheries and aquaculture portfolio of the AfDB. NFDS Report, Oslo.

⁶ **** (75-100% Benchmarks Met); *** (50-75 % Benchmarks Met); ** (25-50% Benchmarks Met); * (0-25% Benchmarks Met) from PCR or other available rating.

⁷ Conclusions from the Mid-Term Review Report (MTR).

Angola Fisheries Sector Support Project	2014 to 2021 USD 30 million	Fisheries and Aquaculture	3	Budget ceiling mechanism set by the Government Ownership of community infrastructure
Zimbabwe Lake Harvest Aquaculture (LHA)	ADF Loan of USD million	Fisheries and Aquaculture	-	Provision for capacity training workshops and fiduciary clinics for PIUs in procurement, contract management, and disbursement management

III. PROJECT FEASIBILITY

3.1. Economic and financial performance

This institutional support and technical assistance intervention are multinational in scope with varying amount of impact and focus. The benefits do not have a readily accessible market price and are not easily measurable in monetary terms, hence traditional economic and financial analysis do not apply. However, it can be stated that the project will contribute to deepening of regional integration through increase in intraregional trade. The resulting financing of blue economy development will also be conducive to more productive investments in green growth which is critical to the economic transformation of SADC and realization of the Bank's Ten-Year Strategy and the High 5s, and the RISDP. This multi-scale and holistic systems approach considered, based on ecosystem principles, justify the cost effectiveness of using the regional approach for RPG benefits.

3.2. Environmental and Social Impacts

Environment

The project's E&S risk category is confirmed as 3 in line with Bank's Integrated Safeguard System (ISS). All the activities envisaged in the project are related to procurement of goods and services. The project does not directly or indirectly affect the environment adversely and is unlikely to induce adverse social impacts. Further, the project does not intend to finance any feasibility study for future investment projects involving physical works. Although the overall project objective contributes to sustainable resources management, some specific indirect environmental benefits are worth mentioning. They relate specifically to: (i) maintaining biodiversity and a healthy ecosystems through the preparation of biosecurity action plans and rapid response mechanisms towards disease outbreak, pest, etc.; (ii) contributing to an effective approach for protecting fisheries resources through the promotion of fish sanctuaries and network of marine protected areas in biodiversity hotspots. SADC Secretariat has a protocol on environmental management for sustainable development policies and various procedures in place. The Secretariat also has a unit in charge of environment, biodiversity and climate change related activities. The unit is adequately staffed and will be responsible of monitoring the implementation and reporting on all environmental and climate change related activities. An annual E&S report will be prepared by SADC and submitted to the Bank. This report will provide information on progress on all E&S related activities and guided by supervision missions.

Climate change

The operation using the Bank Climate Change Safeguards System is classified as a Category 2 project. The blue economy is of high priority in the SADC region due to the sectoral opportunities in enhancing RMCs production system and livelihood resilience; building economic prosperity and potential in regulating climate change including improving carbon storage. However, the sectoral development is constrained by the lack of appropriate governance and further exposure to climate extremes such as heavy rains; heatwaves; drought; flooding; cyclones; upwelling; sea-level rise and bleaching of coral reefs. This results in economic losses, especially in the fishery and aquaculture industry, depletion of coastal and inland water ecosystems service, and exacerbates communities' livelihoods vulnerability. Thus, the operation will take the opportunity to improve blue economy governance in SADC RMCs through addressing policy and regulatory gaps and strengthening

implementation of Regional Fisheries Agreement/fishery trade while enhancing the development of green aquaculture infrastructure to support the sectoral green transition to aligned with SADC blue economy framework. This includes the use of market mechanisms and the development of guidelines to integrate compliance with climate-proof design marine and inland water aquaculture infrastructural development (see Annex B8).

Meanwhile, on building aquaculture resilience and adaptative capacities to climate extremes and enhancing carbon storage capacities, the operation to strengthen RMCs institutional capacities in developing an earlier warning system (EWS) for marine and inland fisheries and aquaculture sector to align with SADC Climate Change Response Strategy. It will also build national technical capacity in disasters risks management, promoting the adoption of Nature base Solution (NbS) to address information gaps for the evaluation and monitoring of sustainable fisheries and aquaculture resources. Furthermore, the need to promote the use of market instruments such as blue carbon market or blue bonds to establish a trust fund for sustainable financing of climate resilient aquaculture project is exemplary. Pilot project pipeline to include Climate-smart agriculture technologies and practices with a specific focus on aquaculture practices that support the resilience of production system; energy and resource efficiency; carbon storage and mitigation; and promoting conservation aquaculture techniques to align with RMCs Nationally Determined Contributions(NDC). The project is also aligned with the Bank Climate Change Action Plan (CCAP) and overall, 100% of the budget account for climate finance more likely adaptation finance (90%) and 10% for mitigation finance.

Gender

Fisheries – and especially small-scale fisheries contribute significantly to economic and food security in Southern Africa and women have a major role to play in value chain enterprises and supporting fishing communities. Although women participate throughout the fisheries value chain, the bulk of their employment consists of post-harvest activities such as processing and trading. Women are also active in fish farming and aquaculture. In addition, beyond direct participation, some invest in boats or fisheries equipment that they loan out to fisher folks. Others are involved in making jewelry from marine products such as ornamental shells and catering to eco-tourism ventures. Hence women in fishing communities contribute to a range of broader social and economic services within households and the broader society. The challenges faced by women in the agricultural sub-sectors such as fisheries have been exacerbated by the lingering COVID-19 pandemic as well as other livelihood activities with a high representation of women such as in the hospitality and tourism industry that have been hit hardest by the pandemic.

There are other challenges that women also face in fisheries. Women's unequal and unpaid burden of domestic and childcare work limits both their ability to accumulate capital and experience, and their opportunities to travel, network and access more profitable markets. Female fish processors and traders are often not located near shore infrastructure facilities and operations. They are ultimately precluded from accessing best quality fish from their suppliers/traders. Purchase of low-quality fish is likely to culminate in higher losses after processing. Female fish traders have limited knowledge and capacity to add value to their fish hence trade at lower ends of the fish value chains. Fish is a highly perishable product therefore traders also experience post-harvest losses especially when there are delays getting it to the markets. Whilst low cost technologies are being developed suitable for resource constrained processors, improved technologies requiring higher investment costs are not accessible to most female processors.

The project will therefore support the strengthening of women and youth- owned SMEs in the fishing industry in the SADC region. Interventions will include incubation and business development, provision of cold room equipment to minimize post-harvest loss, and to facilitate intra-regional trade through the replication of the One Stop Border Post for trade in fisheries product. The project is a

GEN III on the Gender Marker Scale. This requires an action plan with a budget to monitor transformative impact (see the Gender Analyses in Technical Annex B8 for more details).

Social

Fragility and resilience: Given the geographical diversity (land-locked, coastal, SIDS), and the needs of specific countries in terms of fragility drivers and resilience (conflicts, social and political instability, climate change, COVID-19, etc.), regional integration provides an important platform and a tool for building resilience through soft infrastructure connectivity and institutional capacity. The development of the blue economy in the SADC region is critical to promote sustained and inclusive economic growth. Fisheries and aquaculture in the region is generally resilient to climate stresses and weather related events that increasingly put pressure on livelihoods of SMEs, although changes in patterns and seasonality of precipitation often lead to increased incidences of flooding as well as risk of loss and damage to fish production and processing infrastructure. The main drivers of fragility include exposure to extreme weather conditions and limited institutional disaster prevention and management capacity. Successfully mitigating risks and adapting to shocks and stresses will help prevent negative impacts that facilitate growth markets. Accelerated damage to aquatic ecosystems due to habitat damage (environmental /climate factors), overfishing, gaps in data-poor fisheries and disease outbreaks in fish production systems continue to hamper fisheries productivity. PROFISHBLUE will address the various drivers of fragility by adopting a more holistic approach toward improving inclusive governance frameworks, capacity building platforms, decision-support tools, and enhancing stakeholder participation. Integrating risks and vulnerability and mitigation measures with SADC Climate Services Centre would support a regional and durable solutions to strengthen the harmonization of SADC fisheries policy instruments and the benefits of the blue economy sectors to nutrition, livelihoods and cross-border trade.

Youth Analysis Employment levels and labour productivity in the SADC region are generally low for youths and this trend is directly linked with social and human development challenges. Depressed economic growth triggers the high youth unemployment rates, with levels over 27% across countries in the region. The average unemployment rate for 2010–18 was 27% in Eswatini, followed by Lesotho at 26 percent and South Africa at 26%.⁸ Unemployment among the youth (aged 15-24) was much higher for all the countries, reaching levels of more than 50% in South Africa and Eswatini and rising quickly in Namibia, Mozambique, Botswana and Lesotho.⁹ Youth employment through the Southern Africa Youth Forum (SAYoF) have been consulted during and appraisal phase of the project and will be actively engaged as well as non-state actors in the project interventions across the fish value chain. The blue economy is one of the key sectors in the SADC region that can unlock decent job creation for youth and women. Supporting SMEs, youth led start-ups and entrepreneurship development through business development, vocational training, and linkages to start-up finance that will unlock their potential transformation.

Involuntary resettlement

No involuntary resettlement is foreseen by the project.

⁸ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2019AEO/REO_2019_-_Southern_africa.pdf

⁹ World Bank, 2018. World Development Indicators [database]. Washington, DC.

IV. IMPLEMENTATION

4.1. Implementation arrangements

Implementation: SADC Secretariat will be the Executing Agency and will implement and manage the project with full project management responsibilities. Project oversight and guidance will be through Program management framework & institutional arrangements consisting of a Project Steering Committee (PSC) that comprises of the former, the current and incoming head of the SADC Member States (Troika), SADC Secretariat, AfDB and relevant international cooperating partners. The PSC will provide strategic guidance on project implementation including strategic orientation and work plan development, serve as a platform for the SADC Secretariat and other partners, share information on ongoing and planned activities, promote synergy and coherence, and monitor implementation. The Secretariat in Gaborone also houses various Departments (e.g. Programme Planning and Resources Mobilisation (which houses the Project Management Support Unit), the Food Agriculture and Natural Resources (which will house the Project Implementation Unit (PIU) within the Natural Resources Management Division), the Industrial Development and Trade Department, Finance, Investment and Customs, Infrastructure Department, Social and Human Development and Gender), in collaboration with other implementing partners. The project will be implemented at three levels or Tiers: i) Regional, ii) National and iii) Sub-regional. At the Regional Level (Tier 1), the Project Implementing Unit (PIU) within the Directorate of Food, Agriculture and Natural Resources in close collaboration with other committees and Directorates, will be strengthened with four experts recruited for the project, namely, (i) project coordinator, (ii) financial management specialist, (iii) procurement specialist, and (iv) fisheries management and industrial officer. At Tier 2, National Focal Points will be established through Department of Fisheries Unit to coordinate value chain activities and training programs with SMEs and non-state actors to co-implement program activities. At Tier 3, SADC Secretariat will use co-implementing partnership arrangements to coordinate sub-regional efforts to strengthen capacities through established institutions such as Regional Fisheries Management Organizations, Lake Basin Organizations, and Large Marine Ecosystems (LME) Conventions such as Benguela LME Commission. These cooperation arrangements are already in place with development partners (most of who have agreements with SADC and the Bank) and are expected to provide matching complementary resources and technical expertise to co-implement in specific thematic areas as Tier 3 co-implementing partners (see Annex C2). Detailed implementation arrangements and project monitoring and evaluation mechanisms are provided in the Annex B3.

Procurement Arrangements Procurement of goods, consulting services and non-consulting services shall be carried out in accordance with the Procurement Framework for Bank Group Funded Operations, dated October 2015. The risk level in using SADC Procurement System for procurements under Bank-financed project has been globally rated at Moderate. However, it was agreed to use Bank's Procurement Methods and Procedures for the procurements. Certain activities have been carved out to be contracted out to co-implementing partners, who are specialised agencies including FAO, WF, WWF, UNIDO, and ARSO based on the level of expertise and specialization in core thematic areas and domains. These contract arrangements can be procured using Single Source Selection (SSS) method under the Bank's Procurement Methods and Procedures. Justifications before engaging these agencies as Implementing Partners have been provided in the Technical Annex (Annex C2). Detailed procurement arrangement been prepared and included in the Technical Annex (Annex B.5) of the PAR. Procurement plan covering the first 18 months has been prepared and attached to the PAR in Technical Annex. The mission has noted that SADC Secretariat has adequate experience in implementing Bank and other Donor financed projects. For efficient and effective implementation of the procurement activities, SADC Secretariat will attach a dedicated Procurement Expert, either within the Secretariat or externally recruited consultant, with proven experience in handling the types of procurements envisaged under this project. To avoid procurement delays, the Recipient request for the Bank's No-Objection for Advance Contracting for the recruitment of the

consultants for the Project Implementation team on 1st November 2021. Advance Contracting will apply to the selection of the project management team members including a Project Coordinator, a Financial Management Officer and a Procurement Officer. Launching the procurement process through Advance Contracting before Board approval will contribute to minimizing procurement delays. The procurement procedures shall be in accordance with the Bank's Procurement Methods and Procedures in order for the eventual contract(s) to be eligible for Fund's Financing, and the Fund shall review and provide guidance to the process. The Recipient undertakes such Advance Contracting at its own risk, and any concurrence by the Fund with the procedures, documentation, or proposal for award(s) does not commit the Fund to provide financing of the contract. If the contract(s) is/are signed, reimbursement by the Fund of any payments made by the Recipient under such a contract signed prior to signature of the Financing Agreement is only permitted within the limits specified in the Financing Agreement.

4.2.2 Financial Management: The financial management systems of SADC were assessed as part of Appraisal, and it was concluded that they meet the minimum requirements of the Bank, with an overall Moderate risk. SADC has experience implementing projects funded by the Bank and by other donors. The existing financial management systems shall be adopted for budgeting, accounting, data/transactions processing and day to day work which shall be governed by the existing Finance Manuals. The existing Finance Manual shall be augmented to include project specific processes. Financial Management functions for the project will be under the existing structure of the entity. SADC has a functional Finance Department which is headed by the Director of Finance. A Finance Expert, reporting to the Financial Controller – Grants/Contracts/Projects, will be recruited to ensure that there is adequate capacity to manage the financial management aspects of the project. The Finance Expert recruited will also support the Macroeconomic Stability and Financial Integration Project. An Assistant Accountant recruited under the Macroeconomic Stability and Financial Integration Project will provide additional support to this project. The project internal controls will be reviewed by the existing internal audit directorate and findings and recommendations will be shared with the Bank in a timely manner. The project will primarily utilize the Direct Payment and Special Account methods of disbursement as prescribed in the Bank's Disbursement Handbook. In this regard, the Project will open a Special Account in USD that will be used for small recurring payments, in a commercial bank agreeable to the Bank. A project local currency account will also be opened to meet local payments. Quarterly, the project will prepare interim unaudited financial reports (IFRs), covering both financial and physical progress of implementation. SADC will submit to the Bank quarterly progress reports, inclusive of the IFRs, within 45 days of the end of the calendar quarter reported on, in accordance with the official Bank Group reporting guidelines. Annually, the project will prepare financial statements which shall be audited by an independent audit firm, in accordance with the Bank approved terms of reference. The audited financial statements will be submitted to the Bank not more than six (6) months after the end of each financial year audited. The audit will be done in accordance with Bank approved Terms of Reference.

4.2. Monitoring

The project will be supervised internally on a day-to-day basis by the SADC Secretariat using the Result Based Logical Framework to ensure timely implementation of project activities. The SADC Online M&E System, linked to the online planning budgeting, procurement financial management systems will be effectively used to monitor evaluate implementation within Secretariat. The Project task team will be responsible for routine supervision and program monitoring with quarterly and annual reports submitted regularly to the Bank. Table 10 provides key milestones over the project duration and the monitoring plan is detailed in Annex C3. External monitoring will be provided by the External Project Steering Committee (PSC). The PSC will be responsible for monitoring the progress of the project, the quality of its achievements, good governance of budgetary resources. It will closely monitor both operational and fiduciary aspects and will participate in the different phases

of the project cycle. It will assist in the solution of the constraints encountered by the project, ensure compliance with the agreed institutional arrangements. The PSC will hold an annual meeting where the project annual plan of action and budget will be approved as well as annual audits and other environmental reporting. The PSC will guide the PIU on the implementation, monitoring implementation progress and provide reports for feedback. Details of the monitoring are provided in PAR II Technical Annex C3.

Table 10: Milestones and the Monitoring process/Feedback loop

Timeframe	Milestone	Monitoring Process/feedback Loop
December 2020	Preparation Mission	Mission team & SADC Secretariat
June 2021	Appraisal mission	Mission team & SADC Secretariat
August 2021	Regional Team meeting	Mission team and RDGS
September 2021	Grant Negotiations and Signature	AfDB/ SADC Secretariat
October 2021	Board Submission	AFDB Approval/ Bank letter to SADC
November 2021	Loan and Grant Effectiveness	AfDB/ SADC Secretariat – Bank letter to SADC
December 2021	First Disbursement	AfDB/ SADC Secretariat Fulfilment of conditions
January 2022	Project Launch Mission	AfDB/SADC Secretariat/Government of Malawi
June 2024	Mid-Term Review	AfDB/ SADC Secretariat/PIU
December 2025	Project Completion Report	SADC Secretariat /Bank

4.3. Governance

SADC has been implementing several reforms to enhance governance, transparency and accountability. Robust governance arrangements have been put in place to manage the implementation, monitoring, review and audit of projects. It will help strengthen SADC's role in implementing regional fisheries projects and raise the profile of good governance across fisheries resources management in SADC region. The 2010 SADC Protocol on Fisheries prioritizes the areas of aquaculture, combating IUU fishing, facilitating cross-border fish trade, management of shared fisheries resources, and supporting SMEs and small-scale artisanal fisheries. These policies provide an enabling environment for implementation of the project. The project will employ a multilevel governance approach to monitoring, which ensures that partners take timely corrective measures when required and enables joint accountability for achieving the project objectives. The project will use a web-enabled system to manage information and report progress. The database will be available as an open-access platform, to support greater transparency, collaboration, and improved project governance. The outcomes will be presented at multiple management and M&E sessions. The Bank will follow up on governance through supervision missions, audits, and progress reports and procurement plans.

4.4. Sustainability

The Bank continues to explore detailed potential mechanisms in project design and implementation to ensure sustainability of the components that will allow SADC to continuous monitor project activities, outputs and outcomes. As the project has been included in the regional operation in the SA-RISP 2020-2026 for the 2021-2022 pipeline, it is intended to provide further investments through both sovereign and non-sovereign operations. This warrants on-going policy dialogue with governments through various platforms of SADC and IOC to increase country ownership and regional coordination of the project activities. This will strengthen Banks operations in the region

and facilitate value addition to regional projects such as the Nacala project that connects port activities in Mozambique to hinterlands of Malawi and Zambia and other regional initiatives in Madagascar and the SIDS. To date, identification missions, pilots, and feasibility studies have been conducted (or underway) to facilitate national lending programs and consequent project preparation, appraisal and implementation. These include Mozambique, Seychelles, Mauritius, Madagascar, and Comoros. Further engagement is necessary with the United Republic of Tanzania (with a SAPZ project in pipeline), South Africa, Angola, and Namibia with blue economy potential and to link with inland fisheries investments in DRC, Zambia, Zimbabwe, Malawi, and Lesotho. Development partner coordination is also necessary towards supplementary and co-funding especially the EU, World Bank, GEF, and IFAD as there is mounting interests in blue economy investments. Through the SADC Business Council (and national Chambers of Commerce) and other business platforms, there is anticipation towards stakeholder engagement on targeted derisking instruments and creating an enabling environment for private sector investments, PPPs, and FDI. The project is expected to contribute to: i) improved management of shared fisheries resources; ii) increased productivity and value addition benefits and market access; iii) strengthened capacity for SMEs and cooperatives towards intra-regional fish trade; and iv) enhanced knowledge, partnerships and decision support for resilience.

4.5. Risk management

There are no major risks of high impact or high probability of occurrence identified or expected during project implementation recognizing SADC Secretariat track record of project management. A summary of potential risks and mitigation measures is proposed below in Table 11.

Table 11: Potential risks and mitigation measures

RISK CATEGORY	RISK DESCRIPTION	RATING	MITIGATION MEASURE
COUNTRY'S POLITICAL SITUATION AND GOVERNANCE CONTEXT	Low level of cooperation and coordination between stakeholders and across sectors, countries, and partners. Whilst SADC has several key strategies and policies that highlight the importance of collaborative governance, coordination at different levels is challenging.	Moderate	Efforts towards improved cooperation and coordination between sectors, notably through integrated ecosystem approaches to water resource management, fisheries and land use will be developed. Specifically, through blue economy strategies and investment related plans.
EXTERNAL RISK – GLOBAL HEALTH SITUATION (COVID-19 PANDEMIC)	The current COVID-19 pandemic has the potential to disrupt project timeline and/or divert attention and resources.	High	The project will ensure that emerging operational issues, budgets, and co-financing related challenges can be addressed thru trust funds to address shocks. A review of regional fragility and Covid-19 situation will also be done periodically to inform implementation and management decision.
SECTOR OF THE OPERATION	Conflicts amongst value chain actors.	Low	Training workshops and capacity building for addressing value chain bottlenecks and dispute settlement mechanisms. Qualified technical assistance in building institutional capacity and stakeholder engagement during.

RISK CATEGORY	RISK DESCRIPTION	RATING	MITIGATION MEASURE
TECHNICAL ASPECTS OF THE OPERATION'S DESIGN	<p>Sustainability of the TRIOKA model and changing PSC membership</p> <p>Fish processing equipment and cold room storage trucks are not properly managed or operated, so that the infrastructure does not generate the intended benefits</p>	<p>Low</p> <p>Low</p>	<p>Mitigation: Project will seek to initiate governance mechanism to sustain activities during rotation</p> <p>Mitigation: The Program will support PPPs and co-management models to assist the government to identify potential managers and operators in the private sector or SMEs</p>
FIDUCIARY AND VALUE FOR MONEY	<p>Failure to deliver on time and budget constraints due to the uncertain global socio-eco-political drivers, affecting delivery.</p> <p>Potential risk associated with macroeconomic drivers that would cause economic distress/shocks on policy decision making and smooth implementation.</p>	Low	<p>The project will benefit from having an already established PMU, which will deal with emerging fiduciary issues.</p> <p>The project has created through the SADC Business Council to facilitate macroeconomic recovery programs and to facilitate business innovation and resource mobilization to support new business development especially for women and youth SMEs.</p>
ENVIRONMENTAL AND SOCIAL RISKS	<p>Long-term training and awareness would affect full participation and compliance</p> <p>Climate changes impacts (floods, drought) could affect essential infrastructure, water quality, productivity, and supply chains</p>	Moderate	<p>The PMU are aware of safeguard issues and will provide annual updates and reports during supervision for guidance.</p> <p>Activities developed will be climate change resilient, integration of best practices of climate proofing, institutional strengthening, climate financing, and sensitization done as part of capacity building.</p>
CAPACITY OF IMPLEMENTING ENTITY:	Weak implementation of the project and limited capacity, willingness or commitment (i.e., low uptake tools, techniques) among communities targeted for ecosystem restoration or sustainable practices	Low	Harmonized PMU with national focal points to promote institutional capacity building through training, robust fiduciary systems in place, and competitive selection of project's experts and establishment of performance contract.

4.6. Knowledge building

The Project will contribute to knowledge building through skills development and knowledge transfer among SADC member countries. The focus on capacity building, best management practices for transboundary resources, management plans integrating climate risk and harmonized SOPs & guidelines for inspections will play a critical role in knowledge generation and dissemination. Amongst others, the project will support the development of novel management instruments, Blue Economy trust funds and emergency relief programming for resource productivity. The project will also support regional biosecurity action plans and rapid response, spatial tools and plans for shoreline protection, guidelines and programs on fish sanctuaries and marine protected areas, the mapping of regional biodiversity hotspots which will contribute to increased sustainability and production of fish and fishery products. The Bank will capture and disseminate knowledge and experience through sharing the findings of supervision missions, progress reports, webinars, short videos, and Project

Completion Report. Lessons learned and experience gained will help to inform the design of future operations.

V. LEGAL INSTRUMENTS AND AUTHORITY

5.1 Legal Instrument

The legal instrument for the Fund's financing of the Project will be a Protocol of Agreement signed between SADC (the "Recipient"), and the African Development Fund (the "Fund").

5.2 Conditions Associated with the Fund's Intervention

5.2.1 Condition Precedent to Entry into Force: The Protocol of Agreement shall enter into force on the date of its signature by the Recipient and the Fund.

5.2.2 Condition Precedent to First Disbursement: The obligation for the Fund to make the first disbursement of the Grant shall be conditional upon the entry into force of the Protocol of Agreement and the fulfilment by the Recipient, in form and substance satisfactory to the Fund, of the following condition:

- (a) Submission of evidence of the recruitment of four (4) experts for the project, namely; (i) project coordinator, (ii) financial management specialist, (iii) procurement specialist, and (iv) fisheries management and industrial officer; with qualifications, skills, experience, and terms of reference acceptable to the Fund, to complement and strengthen the capacity of the PI-U.

5.2.3 Undertakings: The Recipient shall:

- a. Submit to the Fund a withdrawal request with a Special Account denominated in USD, opened at a commercial bank acceptable to the Fund, in the name of the Project, for deposit of the proceeds of the Grant, and a corresponding local currency operating account to facilitate project related payments in local currency;
- b. make timely provision of the resources required as in-kind counterpart contribution to the financing of the Project to facilitate timely implementation of the Project;
- c. Within six (6) months of the signing of the Protocol of Agreement, submit a Memorandum of Agreement entered into between the Recipient and co-implementing partners, based on existing Memorandum of Understanding for scientific and technical cooperation and specified collaborative activities;
- d. Implement the Project in compliance with the Bank Group Safeguards Policies, and the applicable national legislation in a manner and in substance satisfactory to the Fund;
- e. submit to the Fund, evidence in form and substance satisfactory to the Fund, confirming the establishment and composition of the Project Steering Committee (PSC) made up of the former, the current and incoming head of the SADC Member States (Troika), SADC Secretariat, AfDB and relevant international cooperating partners;
- f. Maintain the existence and functioning of the PI-U and PSC, each in a form and with a composition acceptable to the Fund, throughout the duration of the Project; and
- g. Prepare and submit to the Fund a consolidated work plan and project implementation manual clarifying the project implementation timeframe, roles and responsibilities, and project management and coordination arrangements, in form and substance satisfactory to the Fund.

5.3 Compliance with Bank Policies

This project complies with all applicable Bank Group policies. In this regard the Project has undergone the filtering process for prioritization as an RPG and was duly approved by OPSCOM as an RPG fulfilling the cost-sharing exemption criteria under the Revised Regional Operations Selection and Prioritization Framework (2014).

VI. RECOMMENDATION

6.1 Management recommends that the Board of Directors approves the proposed grant of Six Million Four Hundred Thousand Units of Account (UA 6,400,000.00) from the ADF Regional Public Goods widow, to SADC, to finance implementation of the Project under the terms and conditions stipulated in this report.

Appendices

Annex 1: Primary Macroeconomic Convergence Indicators and GDP for SADC

	2016				2017 (Revised)				2018 (Revised)				2019 (Revised)				2020 (Provisional)				2021 (Projections)			
	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)	Inflation (3-7%)	Fiscal Deficit (3% of GDP)	Public Debt (60% of GDP)	Real GDP (7%)
Angola	30.4	-3.8	76.6	-2.6	30.4	-2.9	66.0	-0.1	19.7	2.0	91.0	-2.0	17.1	0.6	113.0	-0.6	22.2	-1.5	129.0	-5.2	22.5	2.6	100.0	0.9
Botswana	2.8	0.6	21.1	4.3	3.3	-1.1	18.1	2.9	3.2	-4.6	17.9	4.5	2.8	-3.9	17.6	3.0	1.9	-5.6	18.3	-7.9	5.6	-8.2	21.5	8.8
DRC	3.2	-0.5	17.6	2.4	39.2	0.0	18.1	3.7	31.0	-0.4	11.0	5.8	4.9	0.0	11.0	4.4	9.0	-1.2	12.3	1.7	8.6	-0.3	13.4	3.8
Eswatini	7.8	-8.6	19.2	1.1	6.3	-6.0	21.1	2.0	4.8	-6.9	29.5	2.4	2.6	-6.2	36.0	2.2	3.9	-8.1	36.8	-2.4	4.3	-8.1	36.3	2.7
Lesotho	6.6	-8.7	35.4	3.6	5.3	-2.1	36.0	-3.2	4.1	-4.1	42.4	-1.2	5.2	-4.8	45.2	2.2	5.0	0.5	69.6	-5.6	5.2	-9.5	68.5	4.5
Madagascar	6.7	-1.7	35.2	4.0	8.6	-2.0	34.9	3.9	8.6	-2.2	30.3	3.2	5.6	-1.3	28.8	4.4	4.5	-2.9	36.2	-4.2	5.4	-6.6	39.8	3.2
Malawi	21.6	-2.8	57.8	2.7	11.5	-2.8	43.3	5.2	9.2	-4.4	45.7	4.4	9.4	-4.6	45.0	5.4	8.6	-6.6	53.8	0.9	8.4	-8.4	49.6	3.8
Mauritius	1.0	-3.5	59.3	3.8	3.7	-3.5	59.0	3.8	3.2	-2.9	57.1	3.8	0.5	-3.2	58.1	3.0	2.5	-11.9	75.0	-14.9	3.2	-6.8	84.2	7.5
Mozambique	19.9	-5.5	111.5	3.3	15.1	-3.4	82.0	3.7	3.9	-7.8	86.0	3.4	2.8	-1.5	79.0	2.2	3.1	-3.9	62.7	-1.3	5.6	-5.3	123.5	2.3
Namibia	6.7	-8.3	39.9	0.0	6.2	-7.1	42.8	-1.0	4.3	-5.1	48.3	1.1	3.7	-5.0	56.1	-0.6	2.2	-9.5	62.4	-8.0	3.2	-8.7	65.8	2.7
Seychelles	-1.0	-0.3	73.0	4.6	2.9	0.0	66.0	4.4	3.1	3.0	62.0	4.1	1.7	2.6	59.0	3.5	3.8	-19.2	96.0	-13.5	2.9	-6.0	85.0	4.6
South Africa	6.3	-3.9	50.5	0.4	5.3	-4.1	53.0	1.4	4.6	-4.0	56.6	0.8	4.1	-5.7	63.3	0.2	3.3	-14.0	80.3	-7.2	3.9	-9.3	81.9	3.3
Tanzania	5.2	-2.6	40.0	6.9	5.3	-0.3	41.0	6.8	3.5	-1.7	41.3	7.0	3.4	-2.5	39.9	7.0	3.3	-2.0	39.1	5.5	3.5	2.6	39.2	5.7
Zambia	18.2	-5.8	46.7	3.8	6.6	-6.1	53.8	3.4	7.9	-7.0	58.0	3.5	11.7	-9.1	75.5	1.4	15.7	-14.4	118.3	-3.0	13.3	-9.0	119.6	1.6
Zimbabwe	-1.6	-6.8	54.1	0.8	0.9	-9.4	67.5	4.7	10.6	-6.0	46.9	5.5	173.3	0.3	88.1	-6.0	654.9	-0.5	78.4	-4.1	134.8	-1.3	64.5	7.4
SADC AVERAGE	8.9	-4.1	49.2	2.6	10.0	-3.4	46.8	2.8	8.1	-3.5	48.3	3.1	16.6	-3.0	54.4	2.1	49.6	-6.7	64.5	-4.6	15.4	-5.5	66.2	4.2
NO. ACHIEVING TARGET	10	6	12	0	10	8	11	0	9	6	12	1	11	7	10	1	10	6	6	0	10	4	6	3
Source: Member States; WEO Database April 2021; and African Economic Outlook 2021																								
GDP 2016-19 SADC Statistics Committee June 2020																								

Annex 2: Related Fisheries and BE related projects in SADC (2005 to 2025)

COUNTRY	SAP CODE	PROJECT TITLE	Amount (million USD)	Funding	Status
Angola	P-AO-AAF-002	Fisheries Sector Support Project (FSSP)	32	ADF	Ends 2021/Investment
Angola	P-AO-AAZ-001	Cabinda Province Agriculture Value Chains Development Project	123	ADB	Ends 2022/Investment
Lesotho	TBD	Project Aqua - Recirculating Aquaculture Facility	200	ADB	Starts 2022/Investment (NSO)
Madagascar	P-MG-K00-014	Capacity building towards structural vulnerability and the promotion of BE	1	ADF	Ends 2021/TA
Madagascar	P-MG-AAF-001	PROJET D'APPUI AUX COMMUNAUTES DE PECHEURS DE TULEAR	10 (UA)	ADF	Ended 2012/Investment
Madagascar	P-MG-A00-011	Projet d'Appui a la Promotion de l'Economie Bleu	30	ADF	Starts 2022/Investment
Malawi	P-MW-AAF-002	MALAWI ARTISANAL FISHERIES DEVELOPMENT PROJECT	7.77 (UA)	ADF	Ended 2012/Investment
Malawi	P-MW-AAF-003	Sustainable Capture Fisheries, Aquaculture Development and Watershed Development Project	15	ADF	Ends 2024/Investment
Malawi	P-MW-AAF-004	Additional GEF co-financing SFAD-WM Project	3.6	GEF	Starts 2021/Investment
Mauritius	TBD	Large-scale commercial offshore mariculture	300	ADB	TBD (IOP)
Multinational (Comoros & Madagascar)	P-ZI-AAF-013	STRENGTHENING RESILIENT PATHWAYS FOR FISHERIES AND AQUACULTURE VALUE CHAINS	2	FAPA	Starts 2022/Investment
Multinational (Uganda and DRC)	P-ZI-AAF-006	Lake Edward and Albert Fisheries Management Project (LEAF II)	25	ADF	Ends in 2021/Investment
Seychelles	P-SC-K00-016	Support to blue economy MSMEs	1	ADF	Ends 2024/TA
South Africa	TBD	Marine tilapia aquaculture KZN in South Africa	TBD	ADB	TBD (NSO)
Zambia	P-ZM-AAE-002	PROJECT PREPARATION FACILITY - ZAMBIA LISP	1	ADB	Ended 2015/ESW
Zambia	P-ZM-AA0-021	Lake Tanganyika Development Project (LTDP)	28	ADF	Ends 2021/Investment
Zambia	P-ZM-AAC-007	FEASIBILITY STUDY FOR UPSCALING SMALLHOLDER IRRIGATION SYSTEM	1	ADB	Ended 2020/TA
Zambia	P-ZM-AAF-002	Zambia Aquaculture Enterprise Development Project	51	ADF	Ends 2021/Investment
Zimbabwe	P-ZW-AAF-001	LAKE HARVEST	8	ADF	Ongoing

Annex 3: Map of SADC Regional Member States



Annex 4: RPG Checklist

Project Name:	PROGRAMME FOR IMPROVING FISHERIES GOVERNANCE AND BLUE ECONOMY TRADE CORRIDORS IN THE SADC REGION
Department:	AHAI
Task Manager:	Ahmed Khan
Countries involved	Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia, and Zimbabwe.
Regions involved:	Central, East, and South

For each criterion below, please provide bullet-points to evaluate the project.

CRITERION	SHORT EVALUATION (BULLET-POINTS)
Stage I:	
<p>Non-rivalry: Public goods are those whose benefits can be enjoyed by one party without (or hardly) reducing the availability of these benefits to others.</p> <p>The project will demonstrate that the object of assistance within the project is something whose benefits will be consumed by more than one party and that a provider cannot keep non-contributors from consuming the benefit of that good. Some examples can be terms of trade, cross-boundary diseases (animal and human), shared water resources, cross-border roads.</p>	<p>Fisheries are transboundary migratory resources in many inland lakes (e.g. Malawi/Niassa/Nyasa and Tanganyika), rivers (e.g. Zambesi) and large marine ecosystems (Benguela) in the SADC region. As the most traded agri-commodity in the world, the regional intra- trade benefits is minimal. Thus, with improved policy harmonization towards trade facilitation, biosecurity health measures for disease, and collaborative governance of transboundary fisheries, the benefits will accrue to all SADC Countries .</p>
<p>Non-excludability: It is difficult or prohibitively expensive to exclude others (countries/ communities/ regions) from enjoying/ consuming the generated benefits.</p> <p>The project will demonstrate that there is no way that non-participating countries/ communities can be stopped from enjoying the generated benefits because of the nature of the object of the project's assistance.</p>	<p>The project is executed by the SADC Secretariat under the SADC Protocol of Fisheries adopted by all member states since 2010 and the Industrialization Program to facilitate regional economic development. All outputs generated by the project under SADC mandate, including knowledge products and training programs fall under the RPG. In this case, the goals of the project, which falls under the Protocol, is implemented through various strategies and programmes adopted by Member States to foster regional economic integration for the socioeconomic development of all their citizens.</p>

CRITERION	SHORT EVALUATION (BULLET-POINTS)
<p>Public Interest and Ownership: The good is of broad public interest and benefit. Typically, a public/ governmental entity in each participating country is responsible for the regulatory/policy context for the good to be produced and takes part in its production.</p> <p>The project will demonstrate that there is either an inter-governmental coordinating body in place or an existing REC to regulate and oversee the function and coordination of the object of support in a proposed project. As such, the project will demonstrate to what extent the inter-governmental body and/or REC has taken steps to ensure the maintenance of the object of support and to what level of success.</p>	<p>In order to achieve the regional integration objectives in line with the SADC Regional Indicative Strategic Development Plan (2020-2030), capacity of Member States' Competent Authorities is important, and the project seeks to improve on this capacity. The Competent Authorities of the member countries have an essential role to play in achieving the fisheries and aquaculture development objectives. For example, they have an important role in efficiently tackling illegal unregulated and unreported fishing and enforcing the applicable regulations for the sustainable management of fish stocks. Most important is to ensure harmonization of policies and legislation to ensure seamless intra-regional fish trade in line with AfCFTA. Sub-regional organizations like Regional Fisheries Management Organizations, NGOs, and UN agencies such as FAO and WWF are important partners in supporting and coordinating the work of SADC in the blue economy domain.</p>

Stage II	
<p>Regional Dimension: The public good involves two or more countries and can only be effectively produced if every country involved participates and supports its production.</p> <p>The project will demonstrate that there are at least two countries involved with regards to the object of support and that the object of support in the Bank's investment is something that is either of a global and/or regional development importance and this should be demonstrated through a regionally/globally validated document (for example the "Convergence Plan of COMEFAC" outlining the work in the Congo Basin, a UN document agreeing on steps to reduce climate change, SADC gender action plan, the ECOWAS memorandum on Food Crisis, etc.) confirming this importance 10%)</p>	<p>Through the Regional Indicative Strategic Development Plan (2020-2030) recently adopted by SADC Council of Ministers and specifically the 2011 SADC Protocol on Fisheries, SADC Statement of Commitment to combat IUU Fishing (2008); the SADC Regional Aquaculture Strategy and Action Plan (2016-2026); the SADC Industrialization Strategy and Roadmap to 2063; the SADC Gender Action Plan, and others; the member countries have committed to address inclusive development and fisheries resource management issues through a regional approach with targeted interventions nationally as well as coordination and harmonization of policies, processes, and rules along the entire fish value chain. The project will catalyze on these instruments to improve fisheries sector monitoring and performance as well as opening up opportunities for SMEs to scale out operations towards cross-border trade, and direct foreign investments within the fisheries and blue economy development context.</p>

CRITERION	SHORT EVALUATION (BULLET-POINTS)
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Strategic Alignment: The RPG is strongly aligned with the Bank’s strategic orientations and also to continental and regional objectives (i.e RPGs identified as priority operations under NEPAD or REC regional integration plans). **[It relates to bottlenecks of the regulatory or administrative frameworks of sectors where the Bank is most active e.g. facilitation mechanisms for cross border trade and transport, power grids, telecommunications, financial market regulations or agricultural research] - New.**

[The RPG contributes to building specific identified area/s of resilience and address regional drivers of fragility.] – New.

Harmonization and partnership will be encouraged by giving preference to co-financing arrangements that promote donor coordination and leverage the Bank’s own resources by mobilizing additional funds, including from sister institutions or the private sector.

The RPG is aimed at improving collaborative governance of shared fisheries resources and facilitating cross-border fish trade. This project objectives are aligned with the Bank’s Ten Year Strategy and the High 5s, Private Sector Development Strategy, Gender Action Plan, the Southern Africa Regional Integration Strategy Paper (2020-2026), various Country Strategy Papers; the 2001 SADC Protocol on Fisheries; the 2019 Indian Ocean Commission Blue Economy Plan; the Praia Declaration on SIDS; and the 2019 African Union Blue Economy Strategy.

The SADC Council of Ministers recently approved the Regional Indicative Strategic Development Plan (RISDP) beyond the year 2020, and the fisheries and aquaculture agenda remain central to the regional integration imperatives as well as climate resilience and reducing on vulnerabilities. The identified fisheries and aquaculture priorities beyond 2020 are in line with the UN 2030 Agenda for Sustainable Development and the AU Agenda 2063.

The project aims to foster donor coordination in the SADC region, which is governed by the Windhoek Declaration adopted in April 2006. Some of the key mandates stated in the Declaration aligned with the activities of the project includes improving coordination, prioritizing development of infrastructure and industrial projects, capacity building, trade, and mobilizing finance. There are plans for accessing GEF co-financing under the International Waters as well as the UK government’s (FCDO) Blue Planet Funds.

CRITERION**SHORT EVALUATION (BULLET-POINTS)**

Catalytic and Upstream Role: Bank financing targets the *initial stages* of the processes for generating the public good and the Bank's support should aim at *correcting disincentives* that prevent the RPG from emerging or progressing toward the stage of production, such as *lack of coordination, aversion to risk, free-rider problem*.

The project will demonstrate that the Bank is supporting an initial investment to an object and that by doing so opens the way for further investments by partners/RMCs in the regional or national context for specific development impact (to be specifically demonstrated).

Under this criterion, the project will also demonstrate that without the Bank's intervention, there is a risk of certain beneficiaries free-riding and not being held accountable. The project will demonstrate that the Bank's intervention will add value to strengthen coordination in the region generally and/or through the inter-governmental body or REC involved (if any).

Incremental Benefit in Cooperating: The development impact to be achieved through countries' cooperation is demonstrably superior to what each country could have achieved individually.

The project will go on to demonstrate that the development impact (to be specified by the team e.g. poverty reduction, gender equity, human development, etc.) will be increased only if the object of support is addressed within a regional context with the participation of at least two countries (as opposed to national projects).

The Bank support to SADC is timely as the AUDA-NEPAD promotes the adoption of regional blue economy strategies as well as implementation mechanisms for mainstreaming into national development plans. The RPG will support the development of the regional blue economy agenda especially in the fisheries and maritime transportation realm in facilitating cross border trade and governance principles. Further investments through sovereign and non-sovereign operations will be sought to scale out productivity and to facilitate cross-border trade and fisheries and aquaculture enterprise development (see Annex 3). Through the SADC Business Council (and national Chambers of Commerce), there is anticipation towards stakeholder engagement on de-risking instruments and creating a business and enabling environment for private sector investments, PPPs, and FDI. Furthermore, through the Windhoek Declaration, development partner coordination has been sought with FAO, regional fisheries management organizations, regional ocean commissions, and donors towards supplementary and co-financing especially the EU, World Bank, GEF, and IFAD as there is mounting interests in scaling-out blue economy investments.

In order to achieve the regional integration objectives in line with the SADC Regional Indicative Strategic Development Plan (2020-2030), the capacity of Member States' Competent Authorities is important, and the project seeks to improve on this capacity to facilitate cross-border trade. The effectiveness of the regional cooperation is relying on the national capacities to provide relevant guidance and technical resources to enforce laws and regulations and adhering to international standards in fish health and hygiene. The Competent Authorities and related laboratories and services certifying the quality of fish products to be exported and their traceability fosters market access and competitiveness towards regional and international trade. Such linkages between the national authorities for the traceability requirements and trade flows should limit trade in illegal fish and fish products. Most important is to ensure harmonization of policies and legislation to ensure seamless intra-regional fish trade, as well as foster trade activities in line with the Malabo Accord and the Africa Continental Free Trade Agreement.

CRITERION	SHORT EVALUATION (BULLET-POINTS)
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Development Effects: Relative to the investment size, the project is expected to yield strong development results and there is comprehensive documentary evidence as related to:

- Enhanced Governance (Adoption of sound financial practices; harmonization of governance practices; Removal of Trade barriers; Employment Generation);
- Knowledge building (Enhanced data collection; Dissemination of best practices; Brain Gain)
- Environmental sustainability and Climate change (Sustainable livelihoods; Capacity Building; Climate adaptation and Climate proofing)
- Protection of human health (Monitoring outbreaks; Limiting contagious diseases; Developing new cures or vaccines)
- Regional Integration (Trade promotion; Security Improvement; Private Sector Development)
- Collaborative and enhanced governance: Promoting policy and regulatory harmonization of laws and standards along fisheries and aquaculture value chains and fish trade within the SADC region;
- Improved governance: developing knowledge products and management tools including strategies and regional action plans in sustaining aquatic foods through integrated management plans and blue economy program development;
- Socio-ecological resilience: building and strengthening the human and institutional capacity towards climate change adaptation and mitigation and seeking innovative financing to address future shocks and environmental vulnerabilities.
- Provision of nutrition sensitive diets as part of SADC Regional Integration agenda, as well as to enhance cross border trade, support inclusive and secured livelihoods for youth and women SME, and promote blue economy business development across the region (both inland and coastal states)

ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)



AFRICAN DEVELOPPEMENT BANK GROUP

A. Basic Information¹⁰

Project Title: Programme for Improving Fisheries Governance and Blue Economy Trade Corridors in SADC Region		Project "SAP code": P-Z1-AAF-015	
Country: Multinational	Lending Instrument¹¹: DI <input type="checkbox"/> FI <input type="checkbox"/> CL <input type="checkbox"/> BS <input checked="" type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBF <input type="checkbox"/>		
Project Sector: Agriculture/Maritime Foods		Task Team Leader: Ahmed KHAN	
Appraisal date: 15/06/2021		Estimated Approval Date: 30/09/2021	
Environmental Safeguards Officer: Modeste L. KINANE			
Social Safeguards Officer: xxx			
Environmental and Social Category: 3	Date of categorization: 02/02/2021	Operation type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> PBO <input type="checkbox"/>	
Is this project processed under rapid responses to crises and emergencies?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Is this project processed under a waiver to the Integrated Safeguards System?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

B. Disclosure and Compliance Monitoring

B.1 Mandatory disclosure

Environmental Assessment/Audit/System/Others (specify: N/A)			
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
Resettlement Action Plan/Framework/Others (specify: N/A)			
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
Vulnerable Peoples Plan/Framework/Others (specify: N/A)			
Was the document disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why: NA.			




B.2. Compliance monitoring indicators

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized and secured?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>

C. Clearance

Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board?

Yes ☒ No ☐

<i>Prepared by:</i>	<i>Name</i>	<i>Signature</i>	<i>Date</i>
Environmental Safeguards Officer:	Modeste L. KINANE		27/07/2021
Social Safeguards Officer:	xxxx		
Task Team Leader:	Ahmed KHAN		27/07/2021
<i>Submitted by:</i>			
Sector Director:	Martin FREGENE		11/08/2021
<i>Cleared by:</i>			
Director SNSC:	Maman-Sani ISSA		12/08/2021

¹⁰ Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

¹¹ DI=Direct Investment; FI=Financial Intermediary; CL=Corporate Loan; BS=Budget Support; GU=Guarantee; RPA=Risk Purchase Agreement; EF=Equity Financing; RBF=Results Based Financing.