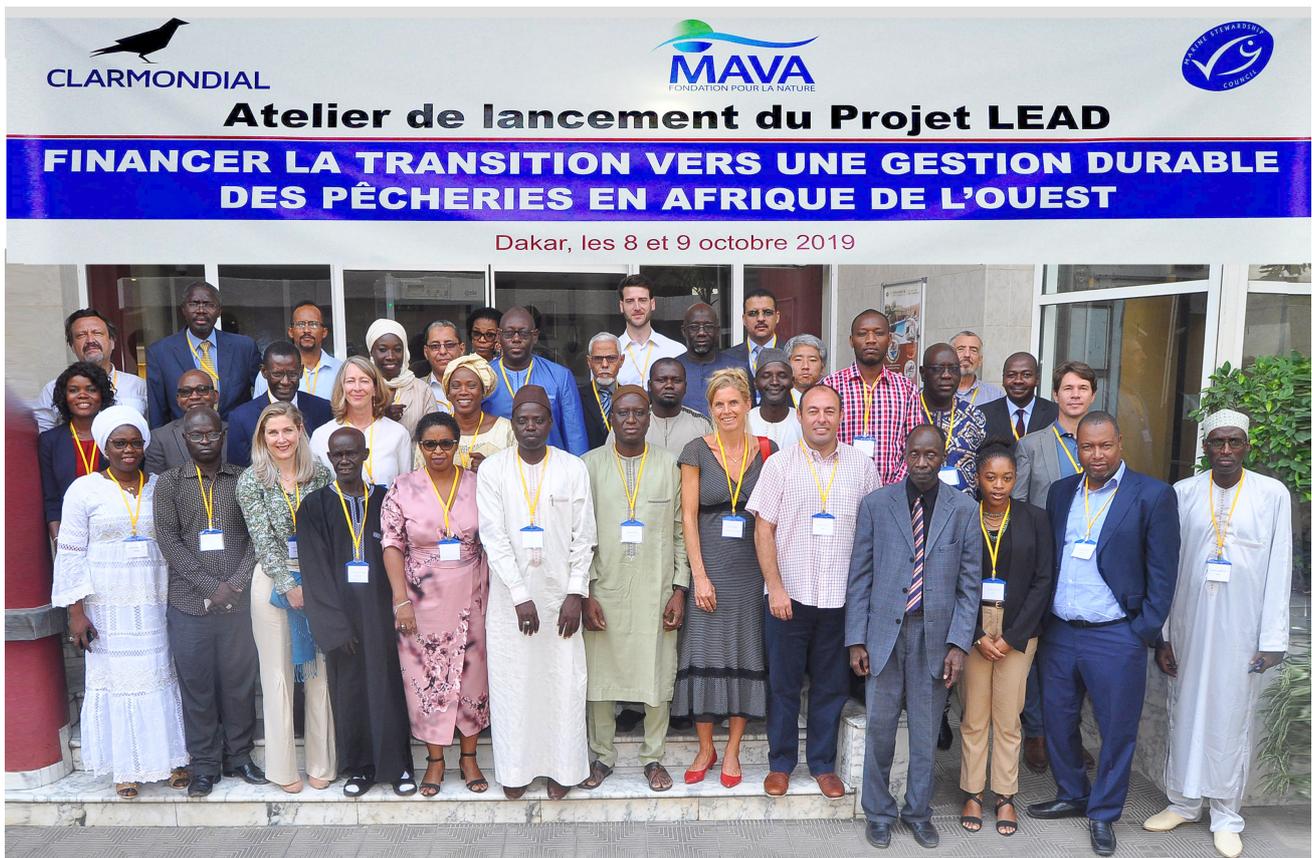




LEAD Project  
Financing the transition towards sustainability of West African Fisheries

**Report on inception workshop in Dakar, Senegal  
8-9 October 2019**





## DATE AND VENUE

The LEAD Project inception workshop took place at on 8-9 October 2019 at Ndiambour Hotel, 121 Rue Carnot, Dakar, Senegal.

## BACKGROUND

The LEAD Project focuses on supporting the transition of West African fisheries to sustainable management practices. It was initiated with support from the MAVA Foundation and builds on an existing legacy of work by MAVA, local partners and the Marine Stewardship Council (MSC). MSC and Clarmondial are managing the LEAD Project in collaboration with key local and regional stakeholders. The inception workshop was held to start the first phase of the LEAD Project. This workshop brought together representatives from fisheries, governments, donors, and investors to discuss the LEAD Project objectives and milestones.

The West African Atlantic fisheries are among the world's most productive. Fish contributes up to two thirds of West African animal protein consumption. However, this is increasingly threatened by high fishing pressure, unsustainable management practices and high levels of post-harvest losses, which perpetuate sub-optimal economic outcomes, degradation of coastal habitats and poor working conditions.

While political and macro-economic developments such as population growth are relevant challenges, weak governance arrangements and limited institutional capacity are the primary obstacles to the effective promotion of responsible practices and the sustainable strengthening of seafood value chains. The limited availability of appropriate financial resources is a further impediment in the transition to sustainable fishery management. Capital is often scarce and expensive, and investable opportunities are not readily available. Several West African Governments provide investment incentives related to fisheries; however, these are relatively limited, in particular for artisanal fisheries.

To address these challenges, the LEAD Project will provide the support and build the capacity needed to overcome technical and financial obstacles to achieving sustainability in West African fisheries. With a focus on eight fisheries located in Cape-Verde, Mauritania, Senegal, and Gambia, the LEAD Project partners will develop Fishery Action Plans and appropriate financing instruments to support these fisheries in their journey toward sustainable management and MSC certification.

The purpose of the inception workshop was to:

- Present the LEAD Project and the partners (MSC, Clarmondial, MAVA Foundation, targeted fisheries partners)
- Share a first diagnosis of the major challenges faced by fisheries engaged in a transition to sustainable practices and/or MSC certification
- Build fisheries partners' capacity on MSC approach and financial solutions
- Explore the financing needs of West African fisheries targeted by the project, as well as potential financing instruments
- Investigate the interest and potential support of local and international partners in mobilizing additional resources to support the transition to sustainable practices
- Agree on next steps with interested partners



## PROJECT INITIATORS

**MAVA** is a Swiss philanthropic foundation that supports the conservation of biodiversity for the benefit of people and nature by funding, mobilizing and strengthening partners and the conservation community.

**MSC** is an international non-profit organization established to address the problem of unsustainable fishing and safeguard seafood supplies for the future. Today, about 12% of the world's wild-caught fish is MSC certified. Once harvested, almost 3,000 certified processors, distributors and retailers ensure that this sustainably caught fish (about 10 million tons) can be traced from ocean to plate. There are more than 20,000 MSC labelled products available in over 100 countries.

**Clarmondial** is an independent, employee-owned company based in Switzerland. It specializes in structuring and implementing investments that promote sustainable natural resource use. Its clients include conservation organizations, leading companies, and investors.

## SUMMARY – DAY 1

The LEAD Project aims to support West African fisheries in their transition towards sustainable management. In order to achieve this goal, it will analyze the environmental performance of selected fisheries against the MSC Standard of Sustainable Fisheries. The MSC Program seeks to support the sustainable management of fisheries using the market as the key incentive factor, certifying individual fishing operators and identifying the fishing products coming from those certified fisheries by the blue MSC label. For this purpose, the MSC Fisheries Standard defines the sustainable management of fisheries based on the several requirements established in 28 performance indicators structured under 3 main principles:

- 1) Status of the target stock;
- 2) Environmental impacts, and;
- 3) Management system.

These performance indicators and principles are analyzed by teams of independent experts through a third-party evaluation system using a scoring scale where 60 represents the minimum acceptable level, 80 the best practice level and 100 the state of the art. This scoring system allows recognizing best fishing practices, identifying strengths and weaknesses and therefore promoting permanent improvements by establishing favorable conditions. In order to analyze the environmental performance of fisheries and help them improve towards sustainability, the MSC tools are applied in different steps, starting by the pre-assessment exercise against the MSC Standard, followed by the definition of improvement action plans based on the weaknesses identified in the previous exercise, and finally measuring the progress achieved during the implementation of the action plans. The box below describes these three steps in more detail. The LEAD Project plans to develop these 3 phases with each of the selected fisheries. Once these exercises are successfully carried out, the analyzed fisheries would have a proper sustainable management and may choose to enter the MSC certification process.

### The three stages of the MSC approach

#### Stage 1: Pre-assessment analysis

The pre-assessment is performed by a team of independent auditors that will evaluate the environmental performance of the fisheries against the 28 performance indicators of the MSC Fisheries Standard. This analysis is done through gathering documentation, interviewing the key actors of the fisheries, notably fishers, managers and scientists, and collecting the views of other stakeholders such as NGOs. To facilitate this process, all stakeholders involved should prepare in advance to the site visits and meetings the information needed by the auditors. Once it has compiled all the data and information, the team of independent experts will produce a report including a preliminary conclusion on the sustainability level of each fishery. This report will be reviewed by the interested parties so the auditors can take all views into account and reach a final conclusion of the fisheries performance based on the MSC scoring system. The pre-assessment results will allow to identify those



performance indicators below the best practice level, which will therefore need some improvements to achieve a sustainable status.

### Stage 2: Action plan definition

Based on the results of the pre-assessment exercise, a plan of improvement actions will be elaborated by an external consultant, focusing on those performance indicators scoring below 80. This action plan will follow the templates and requirements established on the MSC guidance documents. These requirements include the definition of activities, resources, responsibilities, timelines, milestones, deliverables and review process. A key element of the action plans is the establishment of a calendar of changes in the scoring level of each indicators as far as the actions are implemented, which will indicate the degree of readiness towards a potential MSC certification process. The action plans will be formulated for a 5 years period.

*The action plans will inform financial assessment part of the LEAD Project and form the basis of the project's second phase.*

### Stage 3: Tracking progress

Tracking progress compared to the action plans is a crucial task to properly understand the effectiveness of the proposed activities and therefore the proximity to sustainability. The MSC has developed the Benchmarking and Tracking Tool (BMT) to help measure the progress of an action plan based on the MSC Fisheries Standard. The BMT requires the details of timelines and milestones of the action plans and helps to project those action plans in time, providing several visual outputs to illustrate the progress made. Each of the fisheries involved in the LEAD Project will then have a pre-assessment analysis, an action plan of improvements and a BMT analysis. These three elements will jointly show the environmental performance of the fishery, the necessary improvements to achieve sustainability and the adequate planning to reach that goal.

During the first phase of the LEAD Project, financial assessments of the fisheries will occur in parallel with the MSC pre-assessments. These financial assessments will comprise of two components (described below), that will jointly inform possible financing mechanisms to support the fisheries in their transition to sustainable management practices. Feedback will be solicited from relevant parties to refine these proposals. In years 2-3 of the LEAD Project, funds will be raised to implement the identified financing mechanism.

## The two components of the financial assessment to be performed by Clarmondial

### Financial assessments of the fisheries

This will involve discussions with the fishing operators (e.g. companies, associations, cooperatives) and other relevant stakeholders including companies (e.g. that buy, transform, and/or export the fish), responsible government bodies, research organizations, and existing financing partners. The purpose of these discussions is to identify (unmet) financing needs that may hinder the transition to sustainable management of the fishery. The nature of these financing needs will be recorded (e.g. for infrastructure, equipment, working capital, or research) to identify potentially relevant financing instruments. Related to this, the functions of different stakeholders in a potential financing mechanism will also be explored.<sup>1</sup> These functions include the investment counterparty (i.e. the legal entity receiving an investment), as well as potentially guarantors, buyers (possibly providing offtake commitments), and investors, among others.

### Dialogue with potential financing partners

The LEAD Project will engage potential financing partners early on in the process. Such partners include development banks, donors, foundations, and international organizations. It is important to consult with such potential partners early on in the process to understand which financial instruments they offer, and how such instruments match the identified financing needs described above (component 1). These discussions will focus on the priorities, restrictions, and process of potential financing partners, and clarify the available instruments (e.g. grants, loans, and guarantees).

<sup>1</sup> Note that in the context of this report, the term financial "instrument" refers to a type of funding (i.e. grants, loans / credit, guarantee, equity, etc.), and "mechanism" refers to a structure (e.g. investment fund, technical assistance facility, trust fund, securitization).



## EXCHANGE AND DISCUSSION

Fishery representatives raised several questions regarding financing that were discussed during the workshop, some of which are briefly described in this paragraph.

To the question about what information donors and investors generally require from applicants it was suggested to:

- i) provide a description of their current operational and financial status;
- ii) clarify what the financing sought will be used for, and;
- iii) describe how the financing will contribute to the transition to sustainable management (theory of change).

Since different donors or investors have specific requirements, it was recommended that funding applicants proactively seek clarification on key criteria prior to formulating a funding proposal.

It was further discussed how the demand for certified seafood in markets such as Europe or the USA could be leveraged to facilitate investments promoting sustainable fisheries, for example by negotiating offtake agreements or risk-sharing arrangements with buyers. On the other hand, it was pointed out that buyers can inadvertently disincentivize the transition to sustainability, for example if they continue purchasing from fishing operators that do not participate in sustainability efforts or do not offer a higher price (premium) for sustainably produced fish. The role of West African governments in supporting investments in sustainable fisheries was discussed. It was noted that West African governments may have access to financing for such projects from their own budgets, e.g. from internal resources and international development assistance partners. Consequently, fisheries or the LEAD Project proponents should not limit the scope of their fundraising to foreign or international organizations. In this context, it was also mentioned that the government ministries that act as local designated authorities for international financing organizations such as the Global Environment Facility or the Global Climate Fund should be approached.

## SUMMARY – DAY 2

One of the main objectives of the workshop was to agree on the selected fisheries to be pre-assessed by the LEAD Project. For this purpose, the MSC shared an initial proposal to discuss and the Mauritanian (M. Beyah Meisse, IMROP) and Gambian (M. Momodou Cham, Fisheries Department) representatives gave a general presentation on their fisheries, notably pink lobster, cephalopods and sardinellas from Mauritania and sole, catfish and oysters from The Gambia.

It was explained that the LEAD Project aims to pre-assess and produce action plans for eight fisheries, based on budget and time availability, but clarifying that other fisheries could be incorporated in the second phase of the project in case of having pre-assessments and action plans already done. This could be the case of the Mauritanian octopus and sardinellas, the Senegalese shrimps and the Gambian sole.

This inception workshop was meant to bring together fisheries and finance stakeholders dealing with West African fisheries. Among the fisheries stakeholders the following fishing companies, associations, cooperatives and federations from the 4 countries were present: APESC (Cap Vert), COSECPRO, SERT, UPAMES, CLPAs (Senegal), Fédération Nationale de Pêche (Mauritania) and NASCOM, TRY Association and the Atlantic Seafood Company (The Gambia). There were also representatives of the following national fisheries administrations: Fisheries Department of Senegal, Oceanographic Research Center of Dakar-Thiaroye in Senegal (CRODT), Direction of Cooperation of the Fisheries Ministry of Mauritania, the Mauritanian Export and Commercialization Entity (SMCP), Fisheries Research Institute of Mauritania (IMROP) and the Fisheries Department of The Gambia. Finally, other regional stakeholders were present such as the FAO regional office, the Sub-Regional Fisheries Commission (SRFC), the African Confederation of Artisanal Fisheries (CAOPA), the West African Fisheries Development Association (ADEPA) and the environmental NGO Birdlife.



After further discussions, it was agreed the following list of the eight fisheries:

Species	Country
Pink spiny lobster ( <i>Palinurus mauritanicus</i> )	Mauritania
Meagre ( <i>Argyrosomus regius</i> )	Mauritania
Senegalese tonguesole ( <i>Cynoglossus senegalensis</i> )	Senegal
Skipjack tuna ( <i>Katsuwonus pelamis</i> )	Senegal
Skipjack tuna ( <i>Katsuwonus pelamis</i> ), frigate tuna ( <i>Auxis thazard</i> ) and mackerel scad ( <i>Decapterus macarellus</i> )	Cap Vert
Cap Vert spiny lobster ( <i>Palinurus charlestoni</i> )	Cap Vert
West African mangrove oyster ( <i>Crassostrea tulipa</i> )	The Gambia
Rough head sea catfish ( <i>Arius lasticutatus</i> )	The Gambia

Another goal of the workshop was to start engaging potential financing partners to explore how they could support the LEAD Project. Development partners (donors), development banks and international development organizations participated in the event to discuss their experiences with the fishery sector and the financing instruments at their disposal.

Winrock presented USAID's Senegal Fisheries, Biodiversity and Livelihoods program, which works with a range of fishery actors to improve fishery management practices and thereby food security, household incomes, and climate resilience.

AFD (*Agence Française de Développement*) highlighted that sustainable management of marine resources is important in view of the prevailing challenges – overfishing, pollution, and climate change – and presented the various financial instruments available to support related projects.

The Islamic Development Bank (IsDB) presented the scope of their Dakar hub, and expressed their interest to actively review investment opportunities in member countries and highlighted the distinct features of its Sharia-compliant financing instruments.

JICA (Japanese International Cooperation Agency) described its programs to provide technical assistance and expertise to the private sector in regional fisheries and noted that it offers reimbursable as well as non-reimbursable financial instruments.

The representative of the Swiss Embassy in Dakar and the advisor to Global Affairs Canada offered inform their respective organizations to evaluate possible next steps. The United Nations Food and Agriculture Organization (FAO) and the World Bank, who both manage regional fishery-related programs, also described their experiences and noted their interest to engage in the next steps.

## NEXT STEPS

The LEAD Project has a three-year time horizon from September 2019 to September 2022. The workshop participants discussed and agreed on a month-by-month workplan for the first year which prepares the ground for years 2-3.

Key activities are presented below:

### Year 1 / September 2019 – September 2020

- Final selection of the fisheries included LEAD Project
- Pre-assessments of selected fisheries against the MSC standard (by Certified Assessment Bodies)
- Action Plans developed and agreed with fisheries
- Financial assessment of fisheries and engagement with potential financing partners
- Proposal of possible financing mechanism to be discussed with relevant parties

### Years 2-3 / September 2020 – September 2022

- Implementation of Action Plans to help transition fisheries to sustainability
- Mobilization of resources for and implementation of financing mechanism



## LIST OF PARTICIPANTS

#	Organization	Position	Name
1	ADEPA - Association Ouest Africaine pour le Développement de la Pêche Artisanale	Secrétaire Exécutif	M Moussa MBENGUE
2	AFD - Agence Française de Développement	Chargée de projets "développement rural et climat"	Mme Germaine EBONG
3	Ambassade de Suisse pour le Sénégal, Cabo Verde, la Gambie, la Guinée-Bissau, le Mali et la Mauritanie	Chargée d'Affaires a.i.	Mme Rea GEHRING
4	APESC - Associação dos Armadores de Pesca de Cabo Verde	Vice-president	M Susano Alves VICENTE
5	Atlantic Seafood Company, Gambia	HR Manager	M Lamin Sanyang
6	Banque Mondiale / World Bank	Senior Private Sector Specialist	M Laurent CORTHAY
7	BID / IsDB		M Souleymane KEBE
8	Birdlife	West Africa Marine Programme Coordinator	Mme Justine DOSSA
9	CAOPA- Confédération Africaine des Organisations de Pêche Artisanale	Président	M Khady DIOP
10	Clarmondial	CEO, Founder	Mme Tanja HAVEMANN
11	Clarmondial	Partner	M Kaspar BAUMANN
12	Clarmondial	Advisor	M Soumaila DIAKITE
13	COSECPRO - Coopérative Sénégalaise des Exploitants de Crevettes Profondes, Sénégal	Secrétaire Exécutif	M Alassane DIENG
14	CRODT - Centre de Recherches Océanographiques de Dakar-Thiaroye	Researcher	Mme Fambaye NGOM SOW
15	CSRP - Commission sous régionale des pêches	Coordinateur projet	M Mika DIOP
16	Direction de la Coopération, Ministère des Pêches et de l'économie maritime, Mauritanie		M Mohamed CHEIKH
17	DPM - Direction Maritime des Pêches		M Alioune Mbaye
18	DPM - Direction Maritime des Pêches	Adjoint au Directeur des Pêches Maritimes	M Sidiya DIOUF
19	FAO	Regional Senior Fishries and Aquaculture Officer	M Ndiaga GUEYE
20	Fisheries Department, The Gambia	Senior Fisheries Manager	M Momodou CHAM
21	FNP - Fédération Nationale de Pêche (Mauritanie)	Directeur Adjoint	M Ahmed Moctar KHOUBAH



22	Global Affairs Canada	Consultant / Technical specialist	Mme Ndèye GUEYE
23	IMROP - Institut Mauritanien de Recherches Océanographiques et des Pêches		M Beyah Meisse
24	IUCN PACO	Regional Marine and Coastal Programme Coordinator	M Renaud BAILLEUX
25	JICA	Chargé de Programme	M Amadou MBAYE
26	Marine Stewardshop Council	Senior Accessibility Manager	M Carlos MONTERO
27	Marine Stewardshop Council	Project Manager	M Ibrahima NIAMADIO
28	MAVA, Fondation pour la Nature	Directrice Générale	Mme Lynda MANSSON
29	MAVA, Fondation pour la Nature	Manager	Mme Marie Madeleine GOMEZ
30	MAVA, Fondation pour la Nature	Conseiller	M Benajmin LANDREAU
31	NASCOM, Gambia		M Momodou Sanneh
32	OAFIC	Consultant / Technical specialist	M Masanori NAKAMURA
33	Réseau des CLPA - Conseils Locaux de Pêche Artisanale, Sénégal	Coordinateur national	M Abdoulaye NDIAYE
34	SERT - Site d'Exploitation des Ressources Thonières, Sénégal		M Ibra NDOYE
35	SMCP- Société Mauritanienne de Commercialisation de Poisson	Directeur Qualité	M Seyid EL HOUSSEINE
36	TRY OYSTER ASSOCIATION		Mme Fatou DJANKHA
37	UPAMES- Union Patronale des Mareyeurs Exportateurs, Senegal	Adjoint au Directeur	M Makhtar THIAM
38	Winrock International	Chief of Party	M Jon ANDERSON
39	Winrock International	Value chain/sustainable finance expert	M Mamadou DABO