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Document of
The World Bank

Report No: ICR2754

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-41060 TF-53440 TF-55580)

ON A

CREDIT
IN THE AMOUNT OF SDR 33.9 MILLION
(US$ 51 MILLION EQUIVALENT)

AND A

GLOBAL ENVIRONMENTAL FACILITY GRANT
IN THE AMOUNT OF US$ 10 MILLION

TO THE

UNITED REPUBLIC OF TANZANIA

FOR A

MARINE AND COASTAL ENVIRONMENT MANAGEMENT PROJECT

August 12, 2013

Environment, NRM, WRM and DRM
Sustainable Development Department
Country Department AFCE1
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective February 15, 2013)

Currency Unit = Tanzania Shillings TZS
TZS 1.00 = US$ 0.00062
US$ 1.00 = TZS 1,617
US$ 1,526 = SDR 1

FISCAL YEAR
[July 1 – June 30]

ABBREVIATIONS AND ACRONYMS

BMU	Beach Management Unit
CAS	Country Assistance Strategy
CVF	Coastal Village Fund
DSFA	Deep Sea Fishing Authority
EEZ	Exclusive Economic Zone
EGFT	EEZ Governance Facilitation Team
EOP	End of Project
GEF	Global Environmental Facility
LGA	Local Government Authority
MACEMP	Marine and Coastal Environment Management Project
MCS	Monitoring, Control and Surveillance
M&E	Monitoring and Evaluation
MLF	Marine Legacy Fund
MMA	Marine Managed Areas
MPA	Marine Protected Areas
PDO	Project Development Objective
PS	Permanent Secretary
TASAF	Tanzania Social Action Fund
VFC	Village Fisheries Committees
URT	United Republic of Tanzania
WWF	World Wildlife Fund

Vice President:	Makhtar Diop
Country Director:	Philippe Dongier
Sector Manager:	Magdolna Lovei
Project Team Leader:	Ann Jeannette Glauber
ICR Team Leader:	Ann Jeannette Glauber

TANZANIA
Marine and Coastal Environment Management Project

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A. Basic Information

Country:	Tanzania	Project Name:	Marine and Coastal Environment Management
Project ID:	P082492,P084213	L/C/TF Number(s):	IDA-41060,TF-53440,TF-55580
ICR Date:	08/14/2013	ICR Type:	Core ICR
Lending Instrument:	SIL,SIL	Borrower:	GOVERNMENT OF TANZANIA
Original Total Commitment:	XDR 33.90M,USD 10.00M	Disbursed Amount:	XDR 33.90M,USD 9.82M
Environmental Category: B,B		**Focal Area**: M	

Implementing Agencies:

Ministry of Livestock and Fisheries Development, Zanzibar
Ministry of Livestock and Fisheries Development, Mainland

Cofinanciers and Other External Partners:

B. Key Dates

Marine and Coastal Environment Management - P082492

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	11/04/2003	Effectiveness:	12/12/2005	12/12/2005
Appraisal:	01/28/2005	Restructuring(s):		05/22/2009 09/15/2009 05/27/2011 07/23/2012
Approval:	07/21/2005	Mid-term Review:	11/17/2008	12/01/2008
		Closing:	08/31/2011	02/15/2013

Marine and Coastal Environmental Management Project - P084213

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	11/04/2003	Effectiveness:	12/23/2005	12/12/2005
Appraisal:	01/28/2005	Restructuring(s):		05/22/2009
Approval:	07/21/2005	Mid-term Review:	11/17/2008	12/01/2008
		Closing:	08/31/2011	02/15/2013

C. Ratings Summary

C.1 Performance Rating by ICR

Outcomes	Moderately Unsatisfactory
GEO Outcomes	Moderately Unsatisfactory
Risk to Development Outcome	Substantial
Risk to GEO Outcome	Substantial
Bank Performance	Moderately Unsatisfactory
Borrower Performance	Moderately Unsatisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

Bank	Ratings	Borrower	Ratings
Quality at Entry	Moderately Satisfactory	Government:	Moderately Unsatisfactory
Quality of Supervision:	Moderately Unsatisfactory	Implementing Agency/Agencies:	Moderately Unsatisfactory
Overall Bank Performance	Moderately Unsatisfactory	Overall Borrower Performance	Moderately Unsatisfactory

C.3 Quality at Entry and Implementation Performance Indicators

Marine and Coastal Environment Management - P082492

Implementation Performance	Indicators	QAG Assessments (if any)	Rating:
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA)	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA)	Moderately Unsatisfactory
DO rating before Closing/Inactive status	Moderately Satisfactory		

Marine and Coastal Environmental Management Project - P084213

Implementation Performance	Indicators	QAG Assessments (if any)	Rating:
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA)	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA)	Moderately Unsatisfactory
GEO rating before Closing/Inactive Status	Moderately Satisfactory		

D. Sector and Theme Codes

Marine and Coastal Environment Management - P082492		
	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	20	30
General agriculture, fishing and forestry sector	40	30
Sub-national government administration	40	40
Theme Code (as % of total Bank financing)		
Biodiversity	25	25
Environmental policies and institutions	50	50
Participation and civic engagement	25	25

Marine and Coastal Environmental Management Project - P084213		
	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	20	30
General agriculture, fishing and forestry sector	40	30
Sub-national government administration	40	40
Theme Code (as % of total Bank financing)		
Biodiversity	25	25
Environmental policies and institutions	50	50
Participation and civic engagement	25	25

E. Bank Staff

Marine and Coastal Environment Management - P082492		
Positions	At ICR	At Approval
Vice President:	Makhtar Diop	Gobind T. Nankani
Country Director:	Philippe Dongier	Judy M. O'Connor
Sector Manager:	Magdolna Lovei	Karen Mcconnell Brooks
Project Team Leader:	Ann Jeannette Glauber	Indumathie V. Hewawasam
ICR Team Leader:	Ann Jeannette Glauber	
ICR Primary Author:	Anna Corsi	

Marine and Coastal Environmental Management Project - P084213		
Positions	**At ICR**	**At Approval**
Vice President:	Makhtar Diop	Gobind T. Nankani
Country Director:	Philippe Dongier	Judy M. O'Connor
Sector Manager:	Magdolna Lovei	Karen Mcconnell Brooks
Project Team Leader:	Ann Jeannette Glauber	Indumathie V. Hewawasam
ICR Team Leader:	Ann Jeannette Glauber	
ICR Primary Author:	Anna Corsi	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)
The project development objective is to improve sustainable management and use of the URT's Exclusive Economic Zone, territorial seas, and coastal resources. Sustainable management and use will be reflected in enhanced revenue collection, reduced threats to the environment, improved livelihoods of participating coastal communities and improved institutional arrangements.

Revised Project Development Objectives (as approved by original approving authority)
N/A

Global Environment Objectives (from Project Appraisal Document)
The global objective is to develop an ecologically representative and institutionally and financially sustainable network of marine protected areas; and to build capacity in the United Republic of Tanzania to measure and manage transboundary fish stocks.

Revised Global Environment Objectives (as approved by original approving authority)
N/A

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	URT Revenue generation to EEZ Authority from offshore fishery			
Value (quantitative or Qualitative)	US$1.25million	US$20million	US$10million	US$9.2
Date achieved	06/30/2005	08/31/2011	05/27/2011	02/15/2013
Comments (incl. % achievement)	Partially achieved: 92% of revised target. Cumulative target was revised due to significant increase in piracy activities. DSFA establishment improved efficiency in revenue collection. Despite increased piracy annual revenues remained constant at baseline			

Indicator 2 :	Proportion of annual operational costs of MMA system covered by own-revenues			
Value (quantitative or Qualitative)	40%	150%	80%	51%
Date achieved	06/30/2005	08/31/2011	05/27/2011	02/15/2013
Comments (incl. % achievement)	Not achieved: 51%, with 30% and 72% of operating costs covered by own revenues for mainland and Zanzibar, respectively. Original baseline of 40% is questionable, as data collected during ICR show an overall baseline of 29% (mainland 17% and Zanzibar 41%).			
Indicator 3 :	Proportion of households perceiving an improvement in their welfare and economic status			
Value (quantitative or Qualitative)	0	80	na	85
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved (106%): 85% of beneficiaries perceived a significant improvement in their well-being and economic status as a result of their involvement in project implementation.			
Indicator 4 :	Direct Project Beneficiaries of which females			
Value (quantitative or Qualitative)	0	0	na	18,954; Female: 8,257 (44%)
Date achieved	06/30/2005	05/27/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved. Core indicator introduced as part of May 2011 restructuring.			

(b) GEO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Proportion of territorial seas under effective protection or management			
Value (quantitative or Qualitative)	4%	10%	na	10.3%
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved (103%): measured using the GEF Management Effectiveness Tracking Tool (METT). Based on METT results, all except one MMA (Tanga Coelecanth MPA) have capacity to effectively protect or manage their resources as evidenced by a score of at least 55.			
Indicator 2 :	Number of daily observations of vessel catch and effort entered into URT Fisheries management System			
Value (quantitative or	1000	15000	7500	8708

Qualitative)				
Date achieved	06/30/2005	08/31/2011	05/27/2011	02/15/2013
Comments (incl. % achievement)	Achieved (116% of revised target). The DSFA is fully operational and able to monitor and track registered and licensed fishing vessels in the EEZ, through the use of a Vessel Monitoring System (VMS).			

(c) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	EEZ Authority in place			
Value (quantitative or Qualitative)	No	Yes	na	Yes
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved. Establishment of a common governance regime for the EEZ, through the creation of the DSFA in 2009 and the agreement on a benefit sharing formula between the mainland and Zanzibar, is a major achievement towards sound governance of the EEZ.			
Indicator 2 :	Marine Legacy Fund (MLF) established			
Value (quantitative or Qualitative)	No	Yes	na	No
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Not achieved. While the project was unable to achieve creation of the MLF during its lifetime, ongoing efforts by stakeholders are attempting to resume the process by registering the Fund and making it operational.			
Indicator 3 :	Number of key studies completed			
Value (quantitative or Qualitative)	0	3	na	137
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved: mainland 97; Zanzibar 40. Key studies include: socio-economic and ecological baseline studies for each conservation area; Resource Assessment for gazettement process; management and co-management plans for new and existing areas.			
Indicator 4 :	Number of legislations implemented			
Value (quantitative or Qualitative)	0	3	na	6
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved (200%): Fisheries Regulation (mainland); Fisheries Act (ZNZ), DSFA (Amendment) Act, DSFA Regulations, Reviewed Environmental Policy Act, Reviewed Policy and Local Government Act, Reviewed Zanzibar Tourism Policy, Zanzibar Marine Resources Policy			

Indicator 5 :	Annual proportion of operational costs of EEZ covered by own revenues			
Value (quantitative or Qualitative)	0	80	na	110
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved (137%). DSFA's income covers operational costs and contributes to the offset of operational costs associated with management of global public goods (e.g., marine biodiversity included in the MMA system).			
Indicator 6 :	Number of community managed areas (CMAs) established in each area of project focus			
Value (quantitative or Qualitative)	0	5	na	307
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved: 170 Beach Management Units in mainland and 137 Village Fisheries Committees in Zanzibar, resulting in strengthened decentralized management of resources. But questions remain about functionality of a significant number of comanagement entities.			
Indicator 7 :	Number of illegal and destructive fishing activities reported in protected areas			
Value (quantitative or Qualitative)	22	na	na	209
Date achieved	05/27/2011	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved: 134 illegal activities reported in mainland and 75 in Zanzibar. Mobilization efforts resulted in communities' willingness to participate in patrolling activities to track and reduce illegal fishing activities and other damaging activities in MPA			
Indicator 8 :	Number of subprojects through Coastal Village Fund (CVF) completed			
Value (quantitative or Qualitative)	0	400	na	797
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved (199%): 470 subprojects financed in mainland and 327 in Zanzibar. Beneficiaries witnessed improvements in their livelihoods through increased incomes, access to credit, improved food security, and ability to support community social programs.			
Indicator 9 :	Number of people participating in community saving schemes			
Value (quantitative or Qualitative)	0	300	na	832
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Achieved (277%): beneficiaries have either bank accounts or savings in alternative forms as a result of increased incomes from subproject activities.			
Indicator 10 :	Semi-annual progress reports produced on time and with satisfactory quality			
Value (quantitative or Qualitative)	No	Yes	na	Partial

Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Partially achieved: 12 reports were produced on time but without reporting progress on each of the Key Performance Indicators.			
Indicator 11 :	Performance monitoring reports (with the agreed indicators) produced on time and with satisfactory quality			
Value (quantitative or Qualitative)	No	Yes	na	Partial
Date achieved	06/30/2005	08/31/2011	02/15/2013	02/15/2013
Comments (incl. % achievement)	Partially achieved: one performance monitoring report produced.			

G. Ratings of Project Performance in ISRs

-						
No.	**Date ISR Archived**	**DO**	**GEO**	**IP**	**Actual Disbursements (USD millions)**	
					Project 1	**Project 2**
1	11/09/2005	S	S	S	0.00	0.00
2	05/26/2006	S	S	S	6.08	1.00
3	12/06/2006	S	S	S	6.96	2.05
4	06/26/2007	S	S	S	8.24	2.39
5	12/12/2007	S	S	S	10.43	2.84
6	05/30/2008	MS	MS	MS	12.66	3.62
7	12/19/2008	S	MU	MS	18.83	4.30
8	05/28/2009	S	S	S	23.46	5.23
9	12/24/2009	S	S	S	30.70	6.33
10	06/29/2010	MS	S	S	35.49	6.85
11	03/28/2011	MS	S	S	42.25	7.35
12	12/17/2011	MS	S	S	49.45	7.94
13	07/07/2012	MS	MS	MS	51.01	8.27
14	02/20/2013	MS	MS	MS	51.75	9.64

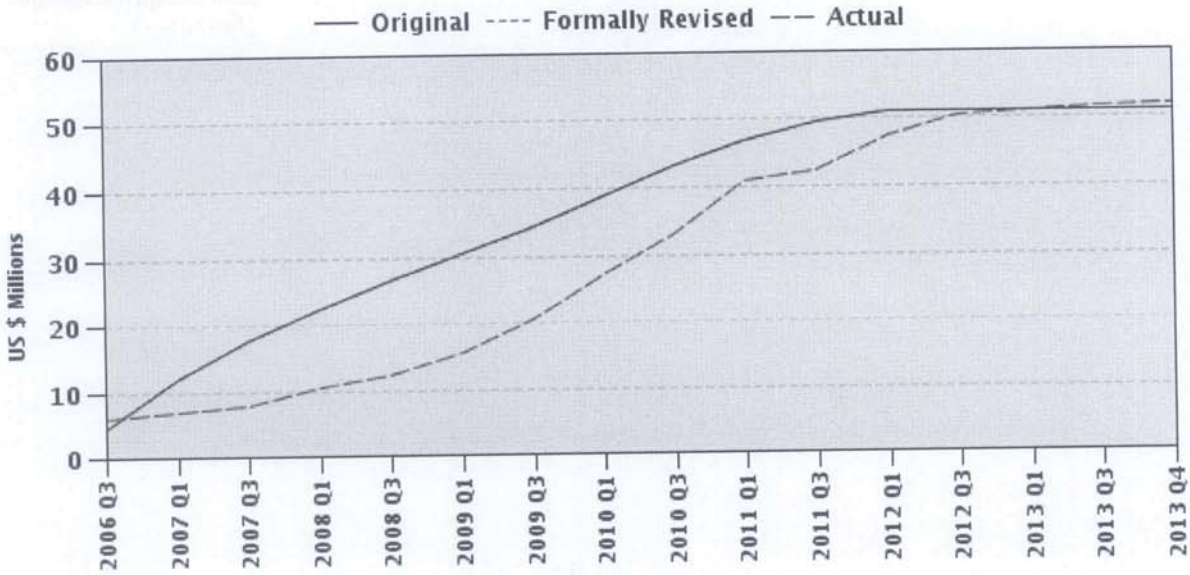
H. Restructuring (if any)

Restructuring Date(s)	Board Approved		ISR Ratings at Restructuring			Amount Disbursed at Restructuring in USD millions		Reason for Restructuring & Key Changes Made
	PDO Change	GEO Change	DO	GEO	IP	Project1	Project 2	
05/22/2009	N		S		MS	23.46		US$850,000 were reallocated from the Consultancy Services and Training categories to the Operating Costs category.
05/22/2009		N		MU	MS		5.23	US$850,000 were reallocated from the Consultancy Services and Training categories to the Operating Costs category.
09/15/2009			S		S	26.48		(i)US$2,863,612 were reallocated from the Consultancy Services category to the Operating Costs and Training categories for Mainland to allow for smooth operation for the remaining project period; and (ii) US$2,214,150 were reallocated from the unallocated category to Operating Costs, Training, Civil Works and Subprojects for Zanzibar.

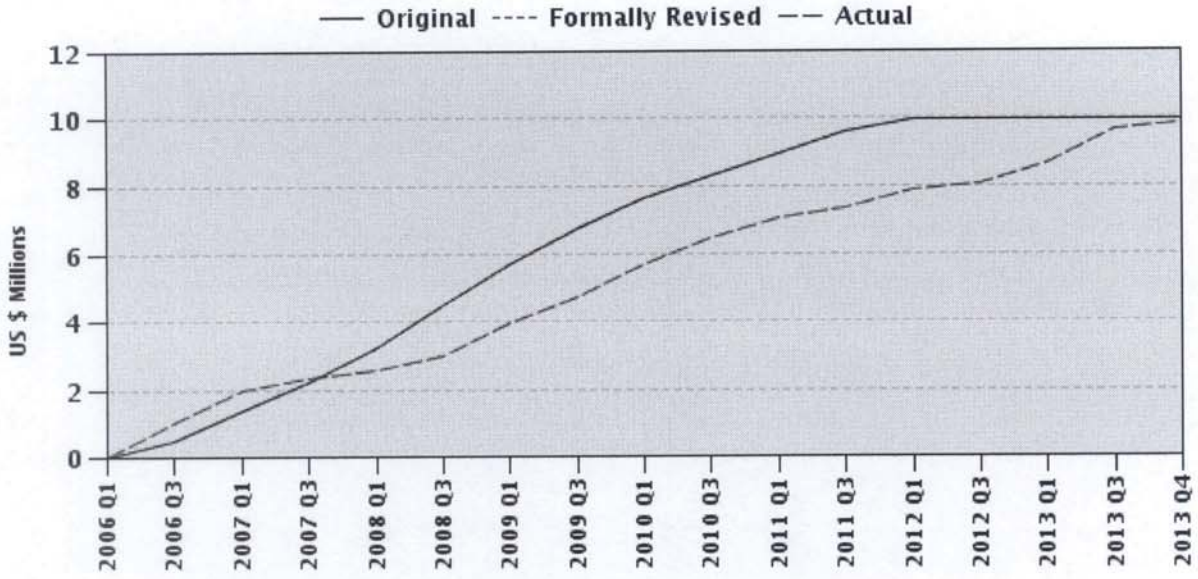
05/27/2011			MS		S	43.69		(i) Closing Date was extended one year; (ii) US$450,000 were reallocated from unspent Project Preparation Advance and unallocated funds to categories with financing gaps to address the increase in costs of works, operational costs and the need for training and capacity; (iii) outcome indicators and targets were revised.
07/23/2012			MS		MS	51.08		(i) Closing Date was extended by five and one-half months; (ii) unused funds reallocated to categories with financing gaps.

I. Disbursement Profile

P082492



P084213


Original
Formally Revised
Actual
US $ Millions
12
10
8
6
4
2
0
2006 Q1
2006 Q3
2007 Q1
2007 Q3
2008 Q1
2008 Q3
2009 Q1
2009 Q3
2010 Q1
2010 Q3
2011 Q1
2011 Q3
2012 Q1
2012 Q3
2013 Q1
2013 Q3
2013 Q4

1. Project Context, Development and Global Environment Objectives Design

1.1 Context at Appraisal

1.1.1 At the time of appraisal, Tanzania's coastal and marine resources were under threat from: (i) open access to fisheries resources resulting in unsustainable utilization; (ii) insufficient skills, knowledge, and institutional capacity for sustainable use and management of coastal and off-shore fisheries; (iii) unregulated coastal development; and (iv) poor scientific understanding of coastal and marine biodiversity and fisheries. Rapidly growing coastal populations, together with export demand for marine products were placing additional pressure on fisheries and their habitats. Likewise, marine and coastal ecosystems were threatened by inadequate management of fishing methods and efforts, leading to over-exploitation of key commercial and vulnerable species (e.g., tuna), and destruction of habitats that provide critical spawning and nursery grounds for marine biodiversity. In addition, the lack of clear access rights in near-shore waters was exacerbating ongoing poverty in coastal communities and thwarting potential for government revenue in the Exclusive Economic Zone (EEZ). Finally, the lack of harmonization and coordination between Mainland Tanzania and Zanzibar, stemming from disjointed legal and policy frameworks, led to poor resource management at the national and regional level.

1.1.2 Government's Strategy and Rationale for Bank Involvement: The need for sustainable use of the country's natural resources as a means to alleviate rural poverty had been emphasized in the United Republic of Tanzania's (URT's) 2005 National Strategy for Growth and Poverty Reduction (MKUKUTA), the country's overarching framework for policy dialogue and formulation. The United Republic of Tanzania (URT) strategy on sustainable coastal and marine management focused on harmonizing and implementing the fairly comprehensive legal and policy framework in Mainland Tanzania and Zanzibar, emphasizing the operationalization of the 1998 Deep Sea Fishing Authority Act and the establishment of the Deep Sea Fishing Authority (DSFA)[1]. Bank support for the sector was justified as a catalyst to environmentally sustainable economic development, sound management of coastal resources, business creation, and export growth. The Marine and Coastal Environment Management Project (MACEMP) directly or indirectly supported all three pillars of the MKUKUTA (i.e., growth and reduction of income poverty, improved quality of life and social well-being, and good governance and accountability) by (i) promoting sound management of coastal resources, (ii) increasing local empowerment through community management of the resource base, and (iii) strengthening the governance regime for commercial fishery and near-shore marine resources. Similarly, the project adhered closely to the CAS (2007-2010), by responding to the challenges of: (i) removing constraints to sustainable growth in coastal areas through economic inclusion to strengthen communities' productive potential and integrate them into the broader economy, and (ii) establishing a sound governance regime for the off-shore fishery and effective management of near-shore marine resources. Finally, the project was also in keeping with international conventions such as the 1982 United Nations Convention on the Law of the Sea (UNCLOS) and Convention on Biodiversity (CBD); regional efforts such as the Nairobi Convention[2]; and national policies and legislation such as the Fisheries Acts of both sides of the Union, the (as yet unratified) Deep Sea Fishing Authority Act of 1998; the Territorial Sea and Exclusive Economic Zone Act of 1989, the National Integrated Coastal Environmental Management Strategy (NICEMS), the Marine Parks and Reserves Act and the National Environmental Management Act (2004).

1.1.3 GEF support was warranted as MACEMP would: (i) undertake efforts to implement international commitments and address national and global environmental priorities; (ii) promote sound environmental management of marine and coastal areas; (iii) mainstream conservation aspects in laws regulating marine and coastal areas; (iv) promote the creation of a network of protected areas through linking existing protected and co-managed areas and creating two new marine managed areas of high global and regional biodiversity value; and (v) mainstream biodiversity in the production landscape by strengthening environmentally sound community management, local institutional capacity to address environmental issues, and integrated land-use,

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[1] The GOT strategy included the following additional measures: (i) the review and harmonization of the Mainland Tanzania and Zanzibar Fisheries Acts; (ii) the implementation of the Integrated Coastal Environment Management Strategy and National Fisheries Master Plan; (iii) the review and update of the Marine Parks and Reserves Act, the National Fisheries Sector Policy and Strategic Statement, and the Mangrove Management Plan; and (iv) the protection of cultural heritage.

[2] Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Eastern African Region (Nairobi Convention) which was ratified by Tanzania on March 1, 1996.

marine planning and zoning. Further, the project would address ecological sustainability of the marine ecosystem through improved resource monitoring, with a focus on reversing unsustainable depletion patterns of commercial fisheries in the EEZ and maintaining resilience of transboundary fish stocks. Without the GEF increment, local efforts alone would have been insufficient to support meaningful conservation of the MPA system.

1.2 Original Project Development Objectives (PDO) and Key Indicators (as approved)

1.2.1 The project development objective was to improve sustainable management and use of the URT's Exclusive Economic Zone (EEZ), territorial seas, and coastal resources. Sustainable management and use was to be reflected in enhanced revenue collection, reduced threats to the environment, improved livelihoods of participating coastal communities and improved institutional arrangements. To achieve these objectives, MACEMP adopted a three-pronged strategic approach: (i) the establishment of a common governance regime in the EEZ to replace the ad hoc, non-transparent, inefficient governance model; (ii) the establishment of a comprehensive system of Marine Managed Areas with improved Monitoring, Control and Surveillance and empowerment of communities to manage their own resource base in a sustainable way; and (iii) the provision of alternative livelihoods and the building of capacity to manage those livelihoods sustainably.

1.2.2 Key performance indicators were:

- Increased revenue generation to EEZ Authority to US$20 million by End-of-Project (EOP);
- Own-revenue generation as percentage of recurrent costs from 40% at baseline to 150% by EOP from the system of Marine Managed Areas (MMAs);
- Increase in the percentage of coastal fisheries households perceiving an improvement in their welfare and economic status: 0% at baseline to 80% by EOP;

1.3 Original Global Environment Objectives (GEO) and Key Indicators (as approved)

1.3.1 The Global Environmental Objective was to develop an ecologically representative and institutionally and financially sustainable network of marine protected areas; and to build capacity in the URT to measure and manage transboundary fish stocks.

1.3.2 Key performance indicators were:

- An increase in area from open access to effective managed access from 4% to 10% by 2011, within the territorial seas;
- Increase in daily observations of vessel catch and effort entered into URT Fisheries Information Management System from 1000 per year at baseline to 15,000 per year and data in compliance with management targets for EEZ fisheries by EOP.

1.4 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

1.4.1 The PDO was never formally revised, but the 2011 project restructuring introduced changes to Key Performance Indicators to improve effectiveness of results monitoring, ensure consistency of the indicators with the Results Framework, and add mandatory core indicators. Some of the outcome targets were also revised to account for delays in project effectiveness and Somali pirates' activity in the EEZ. The changes to the key indicators are summarized below:

Appraisal	2011 Project Restructuring
PDO-level indicators	
• Increased revenue generation to EEZ Authority to US$20 million by End-of-Project (EOP)	• URT revenue generation to EEZ Authority from off-shore fisheries to US$10 million
• Own-revenue generation as percentage of recurrent costs from 40% at baseline to 150% by EOP from the system of Marine Managed Areas (MMAs)	• Annual operational costs of MMA system covered by own revenues (80%)
• Increase in the percentage of coastal fisheries	• Proportion of households perceiving an

households perceiving an improvement in their welfare and economic status: 0% at baseline to 80% by EOP	improvement in their welfare and economic status (80%)
	• Direct project beneficiaries, including women beneficiaries
PGO-level indicators	
• An increase in area from open access to effective managed access from 4% to 10% by 2011, within the territorial seas	• Proportion of territorial seas under effective protection or management (10%)
• Increase in daily observations of vessel catch and effort entered into URT Fisheries Information management System from 1000 per year at baseline to 15,000 per year and data in compliance with management targets for EEZ fisheries by EOP.	• Daily observations of vessel catch and effort entered into URT Fisheries Management System (7,500/yr.)

1.5 Revised GEO (as approved by original approving authority) and Key Indicators, and reasons/justification

N/A

1.6 Main Beneficiaries

1.6.1 The beneficiary pool was broadly-defined and inclusive. The project's main beneficiaries included (i) the Fisheries Departments in the Ministries of Livestock and Fisheries[3] in Mainland Tanzania and Zanzibar, (ii) the Deep Sea Fishing Authority (DSFA), (iii) Zanzibar's Marine Conservation Unit (MCU), (iv) Tanzania Mainland's Marine Parks and Reserves Unit (MPRU), (v) Tanzania Fisheries Research Institute (TAFIRI) and (vi) several other implementing agencies[4] as well as (vii) coastal districts and communities that rely on marine and coastal resources for their livelihoods. It was anticipated that the entire coastal population in the area served by each subproject through the Coastal Village Fund would also benefit indirectly. More broadly, all citizens of Tanzania would benefit from improved governance of the EEZ as well as more sustainable management of coastal and marine resources.

1.7 Original Components (as approved)

1.7.1 The project had four components:

Component 1: Sound Management of the Exclusive Economic Zone (US$16.50m of which US$5.07m GEF) financed the establishment and implementation of a common governance regime for the EEZ, including support for (i) the development of a fisheries management system; (ii) policy, regulatory and institutional reform; (iii) the development of the scientific knowledge base; (iv) the establishment of the EEZ authority and Marine Legacy Fund (MLF); (v) the strengthening of monitoring, control and surveillance (MCS) systems[5]; and (vi) the development of international, regional and private sector partnerships for sustainable EEZ governance.

Component 2: Sound Management of the Coastal and Marine Environment (US$26.25m of which US$4.93m GEF) financed the establishment of a comprehensive system of Marine Managed Areas[6] (MMAs) in the territorial seas, building on Integrated Coastal Management (ICM) strategies. The component was to support (i) ICM planning, (ii) the implementation of a comprehensive network of Marine Protected Areas (MPAs) encompassing ecologically and culturally significant areas; and (iii) partnership development in ICM through

[3] Entities responsible for fisheries issues are the URT's Ministry of Fisheries and Livestock Development for Mainland Tanzaina and the Revolutionary Government of Zanzibar's Ministry of Livestock and Fisheries for Zanzibar.

[4] These include: the Ministry of Natural Resources and Tourism, Tanzania Fisheries Research Institute (TAFIRI), the National Environment Management Council (NEMC), the National Land Use Planning Commission (NLUPC), Mbegani Fisheries Development Center, and 16 Local Government Authorities.

[5] In the context of fisheries, MCS is defined by the Food and Agriculture Organization (FAO) as a broadening of traditional enforcing national rules over fishing, to the support of the broader problem of fisheries management. It includes aspects of: (i) fisheries monitoring to measure fishing effort characteristics and resource yields, (2) regulatory controls regarding how the exploitation of the resource may be conducted; (3) measures to maintain compliance with the regulatory controls imposed on fishing activities (e.g. vessel monitoring systems; and (4) enforcement.

[6] Marine Managed Areas include centrally managed protected areas as well as co-managed near-shore fishing areas.

the development of regional, community and private sector partnerships, which focused on strengthening dialogue with countries bordering the EEZ.

Component 3: Coastal Community Action Fund (US$11.97) financed the implementation of sustainable alternative livelihood investments through a Coastal Village Fund (CVF) to be managed and supervised by the Tanzania Social Action Fund (TASAF). The component was to support an estimated 400 subprojects as well as capacity building to enable communities to access funds and implement subprojects.

Component 4: Project Implementation Support (U$7.38) financed project management mechanisms, including technical assistance for project coordination, planning and monitoring and evaluation (M&E), and the development and implementation of a communication strategy. The component was to provide access to a roster of experts for advisory services, as needed. The M&E function was to be carried out by the EEZ Governance Facilitation Team[7] (EGFT) and then mainstreamed into government structures.

1.8 Revised Components

N/A

1.9 Other significant changes

1.9.1 **Restructuring:** The following changes were made:

- March 13, 2009 (Level 2 approved by the Country Director): US$850,000 were reallocated from the Consultancy Services and Training categories to the Operating Costs category to account for the more active role of Government scientists in undertaking field work originally allocated to contractors;
- September 15, 2009 (Level 2 approved by the Country Director): (i) US$2,863,612 were reallocated from the Consultancy Services category to the Operating Costs and Training categories for Mainland Tanzania to allow for smooth operation for the remaining project period; and (ii) US$2,214,150 were reallocated from the unallocated category to Operating Costs, Training, Civil Works and Subprojects for Zanzibar to cover for underestimated costs of accomplishing some of the planned work and increased demand for subprojects;
- May 27, 2011 (Level 2 approved by the Country Director): (i) Closing Date was extended one year (to August 31, 2012) to allow for the completion of ongoing project activities, including completion of civil works, and consolidation of institutional and policy reforms; (ii) US$450,000 were reallocated from unspent Project Preparation Advance and unallocated funds to categories with financing gaps to address the increase in costs of works, operational costs and in the need for training and capacity due to the large scaling-up of project area from 3 to 16 coastal districts; and (iii) project outcome indicators were revised to better monitor development impact and targets were adjusted to reflect the delay in project effectiveness and the increased activity by Somali pirates in the EEZ (see 1.4.1).
- July 23, 2012 (Level 2 approved by the Country Director): (i) Closing Date was extended by five and one-half months (to February 15, 2013) to allow for completion of ongoing key activities, including the establishment of the Marine Legacy Fund and the completion of project evaluation studies; and (ii) reallocation of unused funds to categories with financing gaps was carried out to facilitate project implementation towards achieving project objectives.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

2.1.1 Soundness of the background analysis: Project design built on an extensive consultation process carried out during preparation and technical studies comprising: (a) a body of analytical work on marine ecology and management, financial sustainability, decentralization and community livelihoods, which helped

[7] The EGFT served as a project coordination unit (PCU). It comprised a Coordinator, an M&E Specialist, a Procurement Specialist, a Financial Management Specialist and an Assistant. Later, a Safeguards Specialist was also added. The team was an important mechanism for ensuring close coordination, including between the two sides of the Union, given the large number of implementing agencies involved.

identified key design elements[8]; (b) feedback from a broad range of stakeholder workshops and conferences; and (c) findings from comprehensive environmental and social assessments and the Process Framework. The considerable amount of background analysis called for urgency of actions on significant investments in marine and coastal management and policy capacity building, and provided a solid justification for Bank support for the MACEMP Program.

2.1.2 Assessment of project design. Overall project design was considered sound at the time, despite its complexity. It built on the existing experience and lessons learned from ongoing Bank, donor and Government efforts on coastal and marine management and international best practices, in particular with regards to the need to: (i) harmonize EEZ governance for fishery management improvement; (ii) establish effective MCS capacity to increase revenue generation and retention; (iii) reflect local needs and capacity in the sustainable management of marine protected areas; (iv) adopt co-management models to improve cost-effectiveness and implementation efficiency of marine resources management; and (v) promote sustainable, alternative livelihood schemes as a means to relieve resource pressure while decreasing income poverty and increasing local empowerment. It was also a scaling up of the JSDF-supported Coastal Management Project, implemented by WWF, which addressed similar issues in several of the project's initial areas.

2.1.3 However, the project approach resulted in an overly ambitious and complex design which suffered from several limitations. The project's focus on multi-sectoriality and decentralized natural resource management – together with a comprehensive approach covering offshore, near-shore and coastal areas – underestimated the level of existing institutional capacity and inter-institutional coordination. Project design did not take into account considerable institutional limitations, particularly the weak existing capacity of lead implementing agencies and the difficulties of requiring multiple entities[9] to work together to achieve Project objectives, which at times competed with other sector and organizational priorities. The unique Tanzanian context – where two independent governments (Mainland Tanzania and Zanzibar) share responsibility for marine and coastal management yet had no tradition of working together and at times had perverse incentives to maximize revenue or catch at the expense of the other side, added to the design complexities. These shortcomings were partially addressed through the establishment of the EGFT, which was however disbanded after three years of implementation as per project design, the provision of targeted training for lead implementation agencies, and the use of an experienced institution (TASAF) as a disbursement mechanism to support communities and an agent for building community capacity. In addition, to ensure sustainable financing of nearshore management activities, project design relied on the establishment of the Marine Legacy Fund (MLF). This proved to be a risk-prone strategy given dependence on a capital contribution from the Government, the broader challenges inherent in raising a large capital base, and the vicissitudes of the global investment environment. The MLF proved to require a longer time-frame to realize than designed. With hindsight, other complementary activities to promote sustainable revenue generation for marine parks and reserves, and conservation areas may have been warranted.

2.1.4 Mainstreaming. At the time the project was designed, there was a very strong emphasis both in Government and the Bank on mainstreaming projects within the government structure. While there were many good arguments for doing so, adopting the policy proved very difficult. Further complicating the situation was the project's coinciding with the 2005 Local Government Reform Program (LGRP) launch, the Government's primary instrument to implement the Decentralization by Devolution ("D by D") policy. These efforts shifted greater political, administrative and financial powers to Local Government Authorities (LGAs), together with concomitant increase in their responsibilities for service delivery in education, health, infrastructure and agriculture (including fisheries). These combined factors posed a considerable challenge for sectoral institutions which were weak and were required to work in new ways. The situation was exacerbated where relatively new

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[8] The separate studies were consolidated under a single report: "Blueprint 2050: Sustaining the Marine Environment in Mainland and Zanzibar". Among the key issues identified in the report were: (i) lack of capacity of the Marine Managed Area (MMAs) to implement their programs; (ii) gaps in the MMAs structures, which related to the role of traditional use rights, enforcement, and the legal basis for zonation; (iii) lack of sustainable financial mechanisms that ensure longevity of the resource base, due to mismanagement of resources and underpricing of fisheries resources; and (iv) lack of clear revenue sharing mechanism. The book was widely distributed in country and consultative workshops built on its findings to design the specific components.

[9] The partner agencies involved in project implementation included the following sectors: fisheries, forestry, environment, tourism, lands, research, enterprise development, the private sector and marine conservation NGOs.

concepts – such as sound governance of the EEZ, sustainable fisheries management, and empowerment of communities to co-manage resources –were introduced. Project design provided for mechanisms to address some of these weaknesses including: (i) the establishment of the EGFT, to provide short-term capacity to support key policy, legal and institutional reforms necessary to establish the DSFA; (ii) the agreement to initiate project activities in pilot districts where successful related investments had already been made by a number of donors (including the JSDF); and (iii) the consolidation of the partnership with WWF, who had a sub-regional presence on co-management, conservation, and capacity building at the district and community level. Despite these efforts, the mainstreaming policy did not help expedite procurement, disbursement and startup of activities at the national and local level.

2.1.5 PDO and indicators: Project objectives were broadly defined, while the range of activities made it difficult, especially for the counterpart teams, to understand what the project's focus was. Key indicators did not fully capture the scope or meaning of the PDO and several confused outcomes with outputs and/or were only loosely-aligned with the PDO. In particular, PDO-level indicators were deficient in strategic areas: environmental sustainability, resource co-management, cross-sectoral management, and enforcement. Some targets were overly ambitious, representing unrealistic benchmarks against which to adequately measure performance, and were not always in line with capacity on the ground. Revised and additional performance indicators were subsequently included, and targets were reduced to levels that the project could realistically achieve. However, project restructuring was done in the later stages of implementation (three months before the original closing date) and the opportunity to focus the PDO was never taken up[10]. In fact, at the time of the third restructuring, it was not considered sound use of time to go through a first-order restructuring.

2.1.6 Phased approach. Project design aimed to implement a phased approach where lessons learned and capacity gained from initial pilot districts could be scaled up in a structured manner.[11] This would allow innovative co-management methods and alternative livelihood subprojects to be further tested prior to being rolled out to other areas. The three pilot districts were selected based on background studies and experience from complementary donor- supported initiatives. However, once implementation started, political pressure made it difficult to contain project activities to the initial pilot areas, and as a result the decision was made to rapidly scale-up across the Mainland Tanzania's coast, despite the lack of assessment as to whether the criteria for scaling up had been met (see section 2.2.3). In retrospect, project design did not sufficiently emphasize the focus on initial piloting by, for example, clearly defining key indicators to measure success and assess readiness for scaling up. More generally, at the design stage neither an operational mechanism nor a coherent strategy was put in place to ensure that pilot activities would be rolled out when the enabling conditions where present.

2.1.7 Adequacy of Government's commitment. The project was designed in a highly participatory manner involving all relevant government agencies, donors, private sector and NGOs. The project built on the Government's existing work for harmonized EEZ governance and the general policy direction for decentralized planning and management. As such, project design benefitted from high-level Government commitment and ownership. The Government was fully-committed to the project methodology, objectives and activities, and it collaborated closely with the Bank to improve key design elements. This commitment flowed through into the initial years of implementation, enabling key policy, legal and institutional reforms to be carried out. Such commitment, however, was not sustained through the entire implementation period leading to delays in the decision-making process (see section 2.2.2).

2.1.8 Risk assessment: The PAD project risks were correctly projected based on previous experiences with similar projects, but there were omissions both in the types of risks that were identified and in the planned risk minimization measures. For example, after identifying the risk associated with constraints in capacity for delivering the project, the PAD might have called for more strategic and systematic measures to address this

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[10] The possibility of project restructuring was discussed in 2008 as part of the first part of the Mid-term review. However, as a result of the second part of the Mid-term review, the team considered that restructuring was not needed and instead a "recovery program", with a detailed action plan, was put in place.

[11] So as to have considerable impact on the ground and not spread project activities and resources too thinly, Component 2 and 3 activities were initially focusing on three strategically chosen mainland districts (Mafia, Kilwa and Rufiji) and surrounding villages. These areas had been the focus of several previous donors- and Bank-supported efforts on marine and coastal management (through a JSDF grant). In Zanzibar, all coastal areas in both Unguja and Pemba were included. Based on progress and impact achieved in the pilot districts, project activities were to be scaled up to other mainland districts.

shortcoming, focusing efforts on the achievement of project objectives rather than day-to day duties of leading implementing agencies. In addition, three other factors that worked against project success were not properly identified as risks: (i) the political interference and resulting change in the Government's strategy which led to the premature scale-up of project activities, for which the project did not have sufficient operational mechanisms in place to control; (ii) the Government's reluctance to meaningfully involve civil society and the private sector in project implementation, especially for activities under Component 2, which resulted in perceived lack of transparency and created tensions; and (iii) the reemergence of dynamite fishing along the Mainland Tanzania's coast, which the project was not well-positioned to address, leading to perceived lack of effectiveness of project-supported activities.

2.1.9 A "Quality Assessment of Lending Portfolio (QALP2)" review conducted by the QAG in 2010 rated overall quality of design and implementation progress as Moderately Unsatisfactory, and likelihood of achieving the Development Objectives as moderately unlikely.

2.2 Implementation

2.2.1 The support of high-level champions was instrumental in achieving important legal and policy results in the early stages of implementation. The establishment of a common governance regime in the EEZ of Tanzania had been attempted in the 1980s with the approval of the 1998 Deep Sea Fishing Act by the URT Parliament. However, the Act was never operationalized. High-level political support, including that of the President of Zanzibar and the Prime Minister of Mainland Tanzania, opened a window of opportunity for MACEMP to support negotiations leading to an equitable benefit sharing agreement that was instrumental to operationalizing the DSFA Act. While reforming this Act and the policy and institutional framework was a significant risk[12], the rewards of establishing a sound governance regime of marine resources were perceived as high, with significant economic and ecological benefits to be reaped. In fact, the resulting benefit-sharing arrangements are still in place today for marine-related resource issues.[13]

2.2.2 The reorganization of key government institutions led to weakened ownership for the project and put further pressure on inter-institutional coordination. During the third year of project implementation, sweeping institutional changes in project implementing agencies were made in both sides of the Union.[14] These changes, together with the replacement of senior management in those institutions, resulted in reduced level of prioritization, and low level of understanding of the project and its goals, which in turn led to delays in decision-making. The level of commitment also differed across the Union, between the Mainland Tanzania and Zanzibar, across participating agencies within sectors and among the leadership at the district level. The reasons for the unequal levels of commitment differed depending on levels of capacity, knowledge of project goals and the benefits to the locality, sector or area. As an example, conservation and sustainable development of marine areas was critically important to Zanzibar, given their economy's dependence on coastal and marine resources. Therefore, government commitment remained high despite some implementation challenges. For Mainland Tanzania, marine fisheries were overall undervalued, with the result that agencies in charge lacked adequate staff, capacity, and data.

2.2.3 Political motivation to prematurely scale-up the project compromised the supervision and monitoring capacities of the implementing agencies, and the quality of project implementation. In 2008, political pressure led the project to scale-up activities under Component 2 and 3 to cover all 16 Mainland Tanzania's coastal districts. Project expansion was fast-tracked without: (a) adequately assessing lessons from the pilot districts; and (b) sufficient planning and preparatory work. In addition, the scaling-up happened in parallel with the dissolution of the EGFT, which weakened capacity even further. This negatively affected the

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[12] The reform was not likely to succeed based on previous experience. The Act had not been operational for more than a decade, with several donors attempting to get the reform done. The significant volume of funds behind MACEMP provided leverage to achieve agreement on the reform.

[13] In fact, the 60-40 Mainland-Zanzibar split is currently proposed as the basis for distribution of offshore gas revenue.

[14] The Fisheries Department (the lead implementing agency) in Mainland Tanzania was relocated from the Ministry of Natural Resources and Tourism (MNRT) to the Ministry of Livestock and Fisheries Development (MLFD). In Zanzibar, it was moved from Ministry of Agriculture Natural Resources, Environment and Cooperatives (MANREC) to the Ministry of Agriculture, Livestock, and Environment (MALE).

selection of: 1) appropriate districts; and 2) alternative livelihood subprojects. It also impeded the quality of training and technical assistance.[15] However, the scaling-up had positive effects on the scope of marine protected areas, with boundaries expanded in Zanzibar and new protected areas established on both sides of the Union[16.]

2.2.4 Weak inter-institutional coordination, capacity and bureaucracy periodically hampered efficient dialogue and decision-making. Internal communications among the three key implementing agencies (Fisheries Mainland Tanzania and Zanzibar and the DSFA) were difficult and decision-making tended to be centralized and bureaucratic, which negatively impacted procurement and disbursement of funds.[17] Weak capacity, especially on procurement processes, and the multiplicity of steps that characterized approval processes resulted in delays of more than two years in the execution of key activities (civil works and consultancy services). The following factors exacerbated the difficulties and delays: (i) the disbandment of the EGFT in line with the emphasis on mainstreaming the project within the government structure; (ii) challenges in fund transfer from central ministries to LGAs, who were responsible for many project activities; (iii) the high turnover of leadership from both the Bank, project management, and implementing agencies[18]; and (iv) the lack of technical capacity leading to significant delays in the preparation of Terms of Reference (TORs) and technical specifications.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

2.3.1 Design: The M&E expected to allow for full participation of all key partners, including beneficiary communities, district administrations, and the private sectors and NGOs. Additional elements of the system were an internal, decentralized monitoring coordinated by the EGFT team, the development of a decentralized site-based management information system (MIS) that would assist stakeholders in monitoring project processes and procedures, and periodic supervision and evaluation of project performance and impacts. The MIS was to interface with other systems at both national and district level, and was to operate at three different levels: community, district; and national level[19]. The overall design of the M&E system had some weaknesses, as key basic tools were not developed at project inception. With the exception of an M&E manual, an indicator protocol which clearly defined the indicators as well as M&E terminologies, including the M&E forms for data collection was not developed. Similarly, M&E guidelines that translate the M&E manual into a fully operationalized M&E system were partially developed with several gaps.

2.3.2 M&E implementation and utilization. Overall, the performance of the M&E system was poor. The system suffered from considerable deficiencies and was significantly affected by the underestimation of its importance, lack of understanding of indicators, and staffing level.[20] The project operated for extended periods of time without an M&E specialist. The Excel-based system did not permit adequate data collection, analysis and thus assessment of project performance. Even after there was a concerted effort to simplify and clarify the indicators and protocols, the agencies reported not to have clear direction as to what data to collect and report on. Further, the Bank's (mis)interpretation of the M&E system led to a lack of realism in measurement of progress against performance indicators, and a lack of clarity of where the project stood. Additionally, certain planned key assessments (e.g. baseline studies, mid-term evaluation, beneficiary assessment survey) were either conducted too late or not at all and any findings were not effectively used for performance tracking and decision making. Project M&E was mainly understood as a tool for reporting rather than for project steering and learning. The efficiency of the M&E system was further affected by the project's mainstreaming into government structures, and the reluctance among participating agencies and project districts to share data. These

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[15] Main projects activities, including (i) carrying out resource assessments, (ii) developing land use plans, community fisheries management plans, (iii) establishing BMUs, (iv) carrying out MCS and fishery patrols, and (v) using subproject grants prudently, all required resources and capacity, which the project had not planned for 16 districts.

[16] The new protected areas include: Tanga (Mainland Tanzania), PECCA (Pemba Island, Zanzibar), TUMCA (Unguja Island, Zanzibar), Chweka Bay/Jozani (Unguja, Zanzibar) and Kojani (in progress).

[17] Work plans had to be approved by the Steering Committee comprising six Permanent Secretaries.

[18] The project was implemented under a total of seven Permanent Secretaries in the Mainland Tanzania and Zanzibar, four World Bank Task Team Leaders, and two MACEMP Management Team (MMT) Managers on both sides of the Union.

[19] Project Appraisal Document (PAD), June 21, 2005 and Project Implementation Manual (PIM), June 13, 2005.

[20] The M&E unit was run by one person, who only took over the M&E function mid-way in project implementation (in 2008). The magnitude of workload was such that data collection and analysis could not be effectively undertaken, including ensuring that all implementing partners and communities submit data on time.

shortcomings were partially rectified in the last years of implementation through focused efforts and collaboration among implementing agencies to collect and report on performance indicators.

2.4 Safeguard and Fiduciary Compliance

2.4.1 Safeguards: The Project was a Category B and triggered OP 4.01 (Environmental Assessment), OP 4.04 (Natural Habitats), OP 4.11 (Physical Cultural Resources), and OP 4.12 (Involuntary Resettlement). A Process Framework (PF) and an Environmental and Social Assessment (ESA) were prepared, approved and disclosed before effectiveness. Environmental safeguards requirements called for compliance with the Government's Environmental Impact Assessment (EIA) regulations, while the land capability assessments provided data and information to ensure that project investments were environmentally sustainable. The project design reflected best practice regarding cultural property, as support was provided toward rehabilitation of cultural patrimony as a "do good" safeguards element. Likewise CVF-supported subprojects, including "green grants", ensured that those whose access was restricted by project-supported protected areas (including marine conservation areas) were eligible to receive support including grant funds and training for sustainable livelihoods. Based on findings of a review of MACEMP's environmental and social safeguard instruments, the implementation of safeguards was generally satisfactory. From a cumulative point of view, unlike previous similar projects, MACEMP tried comprehensively to tie coastal community livelihoods within a framework of empowerment and sustainable local resources management.

2.4.2 Regarding implementation of project safeguard procedures, these were largely targeted toward the CVF subprojects. All 797 financed subprojects were found to have followed the ESA screening process (which reflected the TASAF II safeguards instruments) to ensure that they were environmentally and socially sound and that acceptable and appropriate mitigation measures were identified and implemented. The project also supported small-scale infrastructure development in the form of construction of office buildings, fish landing sites, rehabilitation of Cultural Heritage Sites, etc. Most of these sub-projects were done in accordance with the provisions of the ESA. However, some challenges were identified, particularly given the misunderstanding that construction on government land (such as for office buildings) did not require environmental licenses. For subprojects which did not follow the ESA provisions, environmental audit reports were prepared. Additionally, the project supported the rehabilitation of several Cultural Heritage Sites to ensure conservation and improve revenue generation from these sites through increased tourism.

2.4.3 Procurement: The project's procurement arrangements complicated implementation of activities. Efficient and timely procurement was affected by multiple factors, including: (i) the decision at appraisal to use the project to pilot the use of country systems for all procurement activities carried out during the first year of implementation; (ii) the requirement for centralized, high-level approvals for procurement above thresholds;[21] (iii) staff with inadequate knowledge of Bank procurement procedures; (iv) weak capacity for the preparation of technical specifications and terms of references; (v) lack of leadership in the processing of packages (especially for civil works) under components with shared responsibility between Mainland Tanzania and Zanzibar; and (vi) inadequate contract management skills. As a result, procurement was rated moderately satisfactory during the mid-term review. Performance improved over time as more training was provided to staff of implementing partners. However, timeliness of procurement, contract management and capacity to develop necessary TOR and specifications remained issues. Additionally, the knowledge of the implementing agencies in marine activities helped significantly to speed up the procurement of marine-related equipment and consultancy services. The quality of the documentation for procurement activities as reviewed during the post review missions was satisfactory.

2.4.4 Financial Management: The project had adequate financial management arrangements over the course of the implementation period. The project's financial management performance was consistently rated as

[21] The 2005 Procurement Act provided that procurement processes above thresholds set for Directors of the Fisheries Department and Permanent Secretary (PS) of MNRT had to be approved by a Ministerial Tender Boards (MTB. The MTB was supposed to meet once every month to review and evaluate bidding documents, but in practice this did not happen as the Board meetings were generally not regular.

satisfactory by Bank financial management supervision missions. The quarterly financial reports and annual audit reports were submitted to the Bank on a timely basis, and recommendations made subsequent to implementation support missions were appropriately implemented. However, the audit report for FY ending June 2012 raised serious issues on poor procurement management such as poor record keeping, monitoring of contracts, and poor asset management. At the time of the ICR the Auditor General not communicated final resolution of the issues raised.

2.4.5 Day-to-day execution of financial management functions by project management was not without problems. By design, the project was mainstreamed into the government financial management systems under the purview of the PS of both sides of the Union. All payment requests and approvals had to go through the PS offices, with MACEMP manager having limited authority to this regard. High turnover of PS caused significant amount of delays in the approval of payments.

2.4.6 The project was to set up a Financial Management Information System (FMIS) to facilitate disbursement and efficient use of project funds, however, an effective system was never established. Due to delays in procurement, the FMIS software initially identified was not obtained. Instead, the project operated an Excel-based financial management system. Although this approach still allowed for satisfactory financial management of the project, the use of standard software would have greatly contributed to improving efficiency and transparency in the execution of financial transactions as well as building the capacity of project staff in financial management.

2.5 Post-completion Operation/Next Phase

2.5.1 Starting in 2011, the URT developed a project closure strategy outlining plans to transition project activities and investments to appropriate entities. Such a strategy transferred formal ownership of project works and goods to government agencies at the national, district and village/ward level, or to communities, where appropriate. This transfer was done taking into account institutional capacity, mandates and arrangements for operations and maintenance.

2.5.2 In recognition that while MACEMP had put in place the building blocks for sound fisheries management (see section 3.2), consolidation of these gains will require additional investment, together with the awareness of the importance of sound fisheries management to livelihoods and economic growth, the Government of Tanzania has requested to participate in the South West Indian Ocean Fisheries Governance and Shared Growth Program (SWIOFish). The regional Program, now under preparation, will continue to support regional integration around fisheries management, while expanding the approach beyond research to strengthen sector governance and harness the value of coastal and marine fisheries to national economies. Building in part upon the lessons learned from this project, the proposed program will be a phased operation, over a 15-year period, using IDA and blended GEF resources, together with parallel support from other donors and trust funds.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

Rating: **High overall relevance**

3.1.1 The development objective of MACEMP was highly relevant when the project was prepared, and it remains highly relevant today. Promoting coastal and marine management, the decentralization of natural resource management, and transparent management of revenues from off-shore resources is fundamental for the future growth and poverty reduction in the country. The objectives also remain consistent with the 2012-15 CAS, as they promote inclusive and sustainable private sector-led growth through enhanced sustainability and improved management of natural resources, and promote accountability and governance. In fact, MACEMP was one of the GOT's core investment instruments for operationalizing the government's investment strategy. Project design, based on a large amount of analytical work, was also very relevant, albeit too ambitious regarding time frame- and scope, especially considering the time needed to address the complex challenges of the fisheries sector. In terms of implementation, the project's mixed record of important accomplishments and implementation challenges provides many relevant lessons for Tanzania as well as for the Bank's engagement in the sector, particularly on the need for a focused intervention (see Section 6 below).

3.2 Achievement of Project Development Objectives and Global Environment Objectives

3.2.1 Achievement of the PDO and GEO was partial and is rated Moderately Unsatisfactory (MU) overall, although this does not diminish the project's many important achievements which position the MU rating at the borderline of Moderately Satisfactory. Achievement is measured against both the original and revised project objectives' associated targets, in accordance with the requirements of the ICR Guidelines for projects whose objectives and key associated targets have been formally revised. In this regard, separate outcome ratings against original and revised project objectives' associated targets are weighted in proportion to the share of actual disbursements made in the periods before and after approval of the revision. In this case, such a revision was made as part of the May 2011 restructuring, at which time 83% of project funds had been disbursed.

3.2.2 Overall, the project had a positive impact in that it established the foundations for sound fisheries and coastal management at the Union level. The project consolidated efforts toward off-shore resource management, through the establishment of a common governance regime (the DSFA) and a functioning MCS, and worked towards improving near-shore resource management through strengthening the co-management model and establishing entities[22] responsible for decentralized local management of coastal and marine resources. The project further had a positive impact on conservation of critical habitats, on income and quality of life, through the promotion and piloting of sustainable community-level investments, and on coastal communities' organizational and resource management skills. Finally, one of the more lasting legacies of MACEMP is development of priority fisheries management infrastructure, which, together with the DSFA legislation, are project outcomes that will deliver benefits for the long-term. That said, while important foundations for coastal and fisheries management are now in place, benefits are not clearly quantifiable yet, especially for near-shore resources. This and other factors undermining sustainability are the basis for the conservative rating.

Indicator 1: *URT revenue generation to EEZ Authority from offshore fishery.*

Partially achieved: Total URT revenue generation to the Department of Fisheries (Mainland Tanzania and Zanzibar), and after its establishment in 2009 to DSFA, reached US$ 9.2 m, or 92% of the revised target and 46% of the original target.[23] The establishment of a common governance regime for the EEZ, through the creation of the DSFA and the agreement on a benefit sharing formula between the Mainland Tanzania and Zanzibar,[24] is a major achievement towards sound governance of the EEZ leading to economic efficiency and ecological sustainability.[25] The project's support to the DSFA establishment improved efficiency in revenue collection from licensing of offshore fishing vessels. In fact, despite increased Somali piracy activities, which significantly reduced requests for issuance of new licenses, level of revenues remained constant at baseline levels.[26] Further, the project has enabled the URT to participate in regional management of fisheries (through new membership in the Indian Ocean Tuna Commission), thereby improving the management of highly migratory regional resources to maximize revenues and sustainability. The slightly below (revised) target result was mainly due to the delay in the establishment of the DSFA, which only started issuing fishing licenses for the first time in February 2010.

Indicator 2: *Proportion of annual operational costs of MMA system covered by own resources.*

Not achieved: The project could only achieve an average of 51% of annual operational costs of the MMA system covered by the MMAs own revenues, or 64% of the revised target and 34% of the original target.[27] The

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[22] Beach Management Units in Mainland Tanzania and Village Fisheries Committee in Zanzibar.

[23] The project original target of US$20 million was revised to US$10 million due to increase in piracy activities. Before the DFSA's establishment, the two countries licensed separately, as such the baseline was developed from the combined income/license fees and was determined to be US$1.25 million (for 2005 and 2006). These are cumulative figures.

[24] The DSFA, which is a semi-independent authority with leadership rotating between the Mainland Tanzania and Zanzibar, is now a member of the Indian Ocean Tuna Commission. The benefit sharing formula between Mainland and Zanzibar (60:40) supported under the project is now used a general rule for allocation of off-shore revenues from resource exploitation (e.g., in the gas sector).

[25] The lack of harmonized management of resources led to overexploitation as both sides of the union were vying for licensing revenues.

[26] The DSFA Act and regulations set fixed licensing fees, so that income generation is dependent on volume (i.e. number of boats). The increase in piracy activities resulted in many of the longline vessels moving eastwards into areas beyond national jurisdiction, and not fishing in the waters of the coastal states.

[27] The PAD reports a baseline of overall 40% of coverage of annual operating costs. This figure, however, seems incorrect, as data collected during the ICR preparation show an overall baseline of 29% (17% in Mainland and 41% in Zanzibar).

situation differs geographically, with 30% and 72% of operating costs covered by own revenues for Mainland Tanzania and Zanzibar, respectively, highlighting the variation between the two sides.[28] The below target result is partially due to the expansion of area under management and associated costs, but also the failure to establish the Marine Legacy Fund (MLF) and/or include alternative sustainable financing measures in the project design.

Indicator 3*: Proportion of households perceiving an improvement in their welfare and economic status*.

Achieved: Based on the socioeconomic study/beneficiary assessment survey carried out during project completion, 85% of beneficiaries (from a representative sample of 88 subprojects), compared to an 80% target, perceived a significant improvement in their well-being and economic status as a result of their involvement in the project, particularly where they were involved in subprojects implementation. The majority of beneficiaries saw an increase in savings/incomes, with savings amounts ranging from TShs. 10,000 to TShs. 200,000, which in turn enabled them to meet their social obligations and emergencies such as funeral and marriage ceremonies, including paying their children's school fees and medical bills.[29]

Indicator 4: *Proportion of territorial seas under effective protection or management.*

Achieved: This indicator was fully achieved and slightly surpassed its target of 10%. The project succeeded in increasing the area of territorial seas under effective management from 4% to 10.3% at end of project.[30] The breakdown by geographical area shows that Mainland Tanzania's territorial seas under effective protection increased from 4.1% to 5.9%, while territorial seas under effective protection increased from 1.4% to 6.1% in Zanzibar. Improved effective protection and governance of the nearshore areas resulted from: (i) strengthening management of existing MPAs through increased boundary demarcation; (ii) establishment of new and expanded areas through a consultative process to enhance ecosystem representation based on ecological importance;[31] (iii) enhanced MPA management capacity to undertake controls and surveillance; (iv) enhanced enforcement network of MPAs; (v) improved working environment in and equipment for MPA management; (vi) targeted high-level training and exchange programs; (vii) improved sensitization and awareness among community members; and (viii) improved coordination among network of MPAs (see Annex 2).

Indicator 5: *Daily observations of vessel catch and effort entered into URT Fisheries Management System.*

Achieved: The number of daily observations of vessel catch-and-effort entered into the URT fisheries management systems has increased each year, and with 8,708 daily observations made in 2012 the revised target of 7,500 has been surpassed (or 58% of original target). The DSFA is fully operational and able to monitor and track all registered and licensed fishing vessels in the EEZ, through the use of a Vessel Monitoring System (VMS).

Indicator 6: *Direct project beneficiaries of which female (core indicator introduced as part of May 2011 restructuring).*

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[28] Data for Mainland Tanzania MMAs show a baseline of 17% coverage of operating costs by own revenues; annual percentages of coverage of operating costs have been steadily increasing during project implementation up to 30% coverage in 2011/2012.

[29] Improvements are articulated in the form of improved dietary intake; better capacity to meet household's food needs; purchase of new assets such as bicycles, motorcycles; rehabilitation of houses; ability to meet students requirements for schools such as uniforms, fees etc.; and improved social cohesion as reflected in the ability to contribute to various community`s social events.

[30] Management effectiveness was measured using the GEF Management Effectiveness Tracking Tool (METT), which was applied consistently across all areas. Based on the METT – which has 12 indicators to assess threats and 30 indicators to assess protected areas management effectiveness -- all except one MMA (Tanga Coelecanth MPA) are capable of ensuring effective protection or management. At the time of the project closing, the total number of MMAs in Mainland Tanzania and Zanzibar was 23. Given that almost half of these MMAs cover an area of less than 10 km^2 and are managed by staff based in the larger MMAs, they were grouped based on their geographical location and a total of seven METT forms were completed. Based on the METT assessment form, each of these MMA obtained a total score regarding their level of effective protection or management. Only the MMAs which achieved a total score of 55 and above were included in the total proportion of territorial seas under effective protection or management. Of all the seven MMAs only Tanga Coelacanth Marine Park (TCMP) and the surrounding Marine Reserves achieved a score below 55.

[31] Notably, some communities requested MPA boundaries be expanded due to perceived benefits associated with strengthened management, such as improved fish abundance.

Achieved: The project reached 18,954 direct beneficiaries (9,957 in Mainland Tanzania and 8,997 in Zanzibar), of which 8,257 (44%) were women (including staff members, recipients of subprojects and green grants, and conservation groups). The implementation of Community Village Fund (CVF) activities led to the creation and strengthening of a total of 797 community groups, corresponding to 797 subprojects (470 in Mainland Tanzania and 327 in Zanzibar), against a target of 400. Beneficiaries witnessed improvements in their livelihoods through increased incomes, access to credit schemes, improved food security, and ability to support community social programs.[32] Overall, women benefited substantially from the implementation of the subprojects. In Mainland Tanzania, subprojects (including CVF and green grants, and training) benefited 4,100 women compared to 5,857 men, or 41.2 and 58.8 %, respectively, of total beneficiaries. Females in Mainland Tanzania represented 21.6% of total project beneficiaries. In Zanzibar, the project benefited 4,157 women compared to 4,840 men, or 46.2% and 53.8% respectively of total beneficiaries. Female beneficiaries in Zanzibar represented 21.9% of total project beneficiaries.

Overall: Achievement of the original targets is rated *Moderately Unsatisfactory*, while achievement of the revised targets is rated *Satisfactory*.

The aggregated achievement of the PDO, based on the separate outcome ratings against original and revised project targets weighted in proportion to the share of actual disbursements made in the periods before and after approval of the revision (83 percent and 17 percent respectively) is rated *Moderately Unsatisfactory*.[33]

Table 3.1 Aggregated Assessment for Achievement of PDO Targets

		Against original PDO targets	**Against revised PDO targets**	**Overall**
1	Rating	Moderately Unsatisfactory	Satisfactory	
2	Rating value	3	5	
3	Weight (% disbursed before/after PDO change)	83%	17%	100%
4	Weighted value	2.49	0.85	3.34
5	Final rating (rounded)			Moderately Unsatisfactory

3.3 Efficiency

3.3.1 The project's overall efficiency in the use of resources to achieve its objectives is rated *Moderately Unsatisfactory* considering that (i) the total project budget was spent; (ii) original outcome targets set at appraisal were only partially met; and (iii) some of the targets revised during the May 2011 project restructuring were only partially achieved. The main issues that constrained the project's efficiency are presented in Annex 3 and Section 2 and are summarized below.

- *Design Issues:* A strong focus on comprehensive, multi-sectoral approach led to an overly ambitious project design, which may not have been the most efficient.
- *External Factors:* (a) the need for duplication of institutions and coordination/implementation efforts to respond to issues which are (at least partially) managed at the non-Union level; (b) inherent challenges in working with issues that require a multi-sectoral and decentralized approach, which resulted in a large number of diverse implementing agencies at various levels; and (c) the Government's policy to mainstream the project within the government structure in parallel with the launch of their decentralization agenda,

[32] Marine and Coastal Environment Management Project, Socio-economic Impact Assessment of MACEMP Supported Projects, Final Report, December 2012.

[33] The disconnect with the ISR ratings of S and MS reflects the project M&E weakness, the lack of realism in measurement of progress against (original) performance indicators during most of implementation, and a lack of clarity as to where the project stood. Due to delays in approval of the penultimate ISR, the Bank team was not able to file a last ISR which would have downgraded the ratings to MU.

linked with weak institutional capacity and inter-institutional coordination, which resulted in significant implementation delays.

- *Project Management Issues*: (a) lack of an effective Financial Management Information System (FMIS) to facilitate disbursement and efficient use of project funds. (b) weak M&E system design and implementation which lacked an operational M&E Plan as an effective tool for performance tracking, project steering and learning; (c) high turnover of leadership from both the World Bank and project management which affected the timely implementation of certain key decisions to address implementations issues; (d) insufficient use of technical assistance which in some areas hindered the efficient implementation of project activities and the achievement of project outcomes.

3.3.2 *Economic and Financial Analysis*. The project appraisal concluded that the project structure was not amenable to a full stand-alone financial or economic analysis. No economic rate of return (ERR) was calculated for the project at appraisal and only limited relevant information was collected for each component, which was not sufficient to serve as a baseline for an economic and financial analysis. However, the project objectives as reflected in the PDO outcome indicators describe some of the expected project's financial and economic outcomes. The potential project impacts are numerous, many of which may be quantified in financial and economic terms (see Annex 3). The preparation of an economic and financial analysis at project completion was constrained by the lack of consistent baseline data and related meaningful socio-economic studies. Considering that in Tanzania the economic benefits of marine fisheries and coastal natural resources are still undervalued, the project could have contributed more to improving the knowledge about the benefits and costs of the use of different marine resources with the aim to attract more public and private funding, and to provide the basis for making better informed decisions on efficient resource allocation within the sector. For instance, a number of related research topics had been identified by the Mafia Island Marine Park Research Advisory Group in 2005 which could have been supported by the project, including (i) total economic valuation of MPAs; (ii) costs and benefits of integrated coastal management; (iii) economic feasibility/impact of income generating activities; and (iv) economic benefits and costs of tourism.

3.4 Justification of Overall Outcome and Global Environment Outcome Rating

Rating: Moderately Unsatisfactory

3.4.1 The overall outcome rating of Moderately Unsatisfactory is based on: (a) Project objectives, design and technical approach were and remain directly relevant to the improved management and sustainability of marine and coastal resources of Tanzania. However, project design was complex and highly innovative in the Tanzanian context and exceeded the URT's capacity to execute it in full; (b) an overall moderately unsatisfactory efficacy with regard to achievement of the PDO; and (c) overall moderately unsatisfactory efficiency.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

3.5.1 Poverty. MACEMP had no explicit poverty objectives but the results of the impact assessment of subprojects and beneficiary responses regarding wellbeing, employment and income show the project's actual and potential poverty impact. The implementation of subprojects showed that poor families/communities residing along the Mainland Tanzania's coast and Zanzibar, with evolving awareness of the goals and rationale for conservation and sustainable management, could become an organized force in improving marine and coastal resources management and promoting conservation and biodiversity with the prospect of increased income generation. Local people were increasingly willing to denounce unauthorized fishing practices and to participate in patrolling activities.

3.5.2 Gender. The project did not explicitly focus on gender. Both men and women benefitted from the project. Under component 3, men largely benefitted from fisheries projects and women primarily benefitted from sea-weed and other mariculture projects. Women in seaweed farming enterprises benefitted also from the public private partnerships initiated under component 2. They received training, equipment and improved access to markets through these partnerships. Men and women benefitted from capacity building at all levels of government in the participating agencies and community members in resource use planning, procurement of goods and services.

(b) Institutional Change/Strengthening

3.5.3 One of the key project contributions to national development was the establishment and strengthening of institutions at all levels of government. Essentially, the project could be described as a government-wide project that built and strengthened public sector institutions at national, district, and community level.[34] Institutional growth was evident in the evolving capacity of the Fisheries ministries on both sides of the Union to implement complex activities with greater agility over time. By mainstreaming the project into the Government structures, the project strengthened the capacity of staff in project management and upgraded their technical skills. At the local level, improved organization and capacity motivated by a sense of empowerment and genuine appropriation of the project's conservation goals boosted the status and legitimacy of existing community groups and newly established co-management entities (Beach Management Units – BMUs - in Mainland Tanzania and Village Fisheries Committees – VFC - in Zanzibar).

3.5.4 This said, institutional impact appears mixed depending on ownership, capacity, stakeholder interest and level of facilitation. Significant institutional impact at the local level was achieved in original pilot districts (e.g., in Mafia Island where BMUs are operating with a higher degree of success, including strong leadership and Government and other donors' support), with new districts facing challenges as may be expected particularly regarding lack of capacity and lower level of organization. Additionally, the problems of inter-institutional coordination and internal dysfunction associated with unusually high turnover of senior Government staff (PS) and key technical/other staff (M&E), and bureaucracy combined with the complexity of the Project itself, reduced the potential for further institutional growth.

(c) Other Unintended Outcomes and Impacts (positive or negative)

3.5.5 The project provided support for the preparation of resource assessments and mapping in targeted coastal districts. The work was carried out by the National Land Use Planning Commission (NLUPC). The plans and maps were intended to assist the districts to allocate land for appropriate purposes based on resource capability. In some of the districts (e.g. Mafia), this land use planning initiative led to the gazettement of by-laws and the issuance of certificates of occupancy for periods up to 99 years, which can be used as collateral. An unintended outcome of the project, this has wide ranging benefits for conflict resolution over resource use and sound management of ecosystems and their resources. This experience may be replicated in other districts.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

3.6.1 *Beneficiary Survey:* A beneficiaries' perception survey was carried out as part of a Socio-Economic Impact Assessment of MACEMP supported subprojects prepared at project completion. Based on randomly sampled subprojects implemented by coastal communities, the assessment found that: (i) 44% of the surveyed beneficiaries reported to have seen significant welfare improvements while 41% perceived moderate welfare gains; (ii) 11 % reported no change in their welfare; and (iii) only four percent indicated deteriorating welfare. More specifically the assessment revealed that MACEMP subprojects contributed to positive impacts on beneficiaries within the following areas: i) improved food security; ii) enhanced investments and savings; iii) improved fishing practices; iv) adoption of new and better technologies; v) creation of new opportunities for employment; vi) enhanced local government revenue; and vii) inculcation of entrepreneurship mentality.

3.6.2 *Stakeholders workshops*. The project supported multiple stakeholder workshops, as tools to develop strategy; build capacity and support, and to assess results[35]. Some of the more significant stakeholder workshops are detailed herein. Two stakeholder workshops (one in Mainland Tanzania and one in Zanzibar) were held in November 2012 to obtain feedback and distill lessons learned from MACEMP implementation and identify priority issues and actions for a possible new project on coastal management and fisheries. A broad range of stakeholders participated in the events, including officials from the Ministry of Livestock and Fisheries, Ministry of Natural Resources and Tourism, Vice-President's Office Division of Environment, National

[34] At the national level, 20 government institutions (11 in Zanzibar and 9 in Mainland Tanzania) benefited from the project's support in the form of policy and strategy review and development, human resource development and training (including several post-graduate degrees), provision of equipment and office facilities, office spaces and vehicles. At the district level, 10 districts in Zanzibar and 16 Local Government Authorities in Mainland Tanzania benefited from capacity building in the form of facilities and training in areas relevant to their duties and responsibilities; support for resource planning and mapping.

[35] The project heavily emphasized workshops as an instrument for training and supervision.

Environmental Management Council, Tanzania Tourist Board, University of Dar es Salaam, NGOs, and private sector. There was agreement among all participants that despite significant achievements made under MACEMP, coastal and marine ecosystems in Tanzania are still facing a number of management challenges thus calling for further investment to ensure sustainability of the earlier investments. Participants concurred that the design of a potential new operation should: i) be directed towards new emerging threats in the areas of off-shore hydrocarbon development, changing climate, dynamite fishing and piracy; ii) ensure that benefits to coastal communities are well defined; and iii) expand and strengthen fisheries co-management and tuna management through improved surveillance & monitoring.

4. Assessment of Risk to Development Outcome and Global Environment Outcome

Rating: Substantial

4.1 The sustainability of some project outcomes is quite strong while others' appear fragile. On the one hand, creation of the DSFA in 2010 and the positive trend in its financial sustainability -- with income covering operational costs and contributing to the off set of operational costs associated with management of global public goods (e.g., marine biodiversity included in the MMA system) -- is an important project achievement that will enhance the Government's capacity to efficiently manage EEZ resources and related revenue streams. The URT has also attained membership of the Indian Ocean Tuna Commission (IOTC). Further, the consolidation and extension of the MMA system, including the development of regulations and laws and the involvement of local community groups, has improved governance of the nearshore areas and facilitated the Government's and coastal communities' ability to manage nearshore resources. The inclusion of areas representative of all key marine and coastal ecosystem types is an important contribution towards sustainability of these resources at the global level, and as an offset of emerging threats from off-shore gas development. However, there are two factors that threaten the sustainability of project outcomes. First, the lack of establishment of the Marine Legacy Fund (MLF) jeopardizes Tanzania's capacity to ensure stable, long-term financing for marine and coastal conservation and sustainable resource management. While the project was unable to achieve creation of the MLF, ongoing efforts by stakeholders are attempting to resume the process by registering the Fund and making it operational.[36] Second, as a result of the premature project scale-up and resulting dilution of its impact, the sustainability of some interventions is questionable. Particularly, questions remain about the functionality of a significant number of co-management entities[37] (BMUs and VFCs) and the survival rate of subprojects financed under the CVF. Despite the fact that several capacity building interventions were conducted for the target local communities, the sustainability of many of the financed subprojects is questionable, with significant variation of subproject financial viability by project type. While some groups are doing well, some are struggling and on the verge of collapse, and others have difficulty in marketing their products.[38] Emerging and alternative livelihood activities are especially at risk of sustainability, however, no arrangements for continued training and capacity upgrading are in place.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Satisfactory

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[36] The institutional arrangements required for the establishment of the fund have not been made at the time of ICR. These include: (i) establishment of MLF as a tax-exempt, non-governmental entity with an independent governing board (with equal representation from non-governmental organizations, private sector, research institutions, and the government); (ii) adoption of minimum fiduciary (procurement and financial management) standards with personnel in place, and (iii) approval of operating rules and by-laws.

[37] The Bank is in the process of contracting a study to review performance of existing BMUs and CVFs, the results of which will feed into the new regional project design.

[38] The results of the socio-impact assessment of subprojects show that about 60% of subprojects are doing well, while the remaining 40 % are constrained and failure subprojects.

5.1.1 Project design was innovative and consistent with the Government's sector policies and priorities and the Bank's CAS, and reflected the core lessons of previous, similar operations as well as international practices, representing an appropriate design based on the information at that time. The Bank further facilitated the initial sector assessments, which provided useful inputs into the project design. However, as mentioned in section 2.1, the design presented some shortcomings and was not in line with capacity on the ground, causing delays especially in the initial phase. Many risks cited in the PAD were correctly projected, however, mitigating actions were not realistic or effective especially with regard to human resource constraints.

(b) Quality of Supervision

Rating: Moderately Unsatisfactory

5.1.2 The quality of Bank supervision was uneven. The Bank identified implementation delays soon after effectiveness and worked closely with the Borrower to address key bottlenecks. The Bank further responded rapidly to allegations of misprocurement in the early stages of implementation. However, diagnosis of implementation problems became weaker, with lack of (i) emphasis on the need to maintain the pilot approach until necessary conditions were in place to scale-up, (ii) realism in the reporting of implementation progress as measured against original performance indicators, which hindered the accurate assessment of progress; and (iii) proactivity in addressing significant M&E weaknesses. Given the limited progress on a number of issues and persistent challenges (broad coverage, weak implementation capacity, lack of effective M&E, and weak coordination), Bank supervision could have been more proactive in seeking a substantial Project restructuring earlier on. Supervision effectiveness was also affected by high turnover in task team leaders.

(c) Justification of Rating for Overall Bank Performance
Rating: Moderately Unsatisfactory

5.1.3 The ICR rates the overall Bank performance as Moderately Unsatisfactory on balance, considering the Moderately Satisfactory rating for performance in ensuring quality at entry and the Moderately Unsatisfactory quality of supervision, in view of the Moderately Unsatisfactory overall project outcome.

5.2 Borrower Performance
(a) Government Performance
Rating: Moderately Unsatisfactory

5.2.1 The Borrower performance was mixed – during phases of project preparation and implementation; between the two sides of the Union; among different participating sectors, and among the different tiers of government. Borrower performance was strong during preparation and early years of implementation due to significant commitment at very high levels of government. This resulted in the project's ability to achieve challenging policy, legal and institutional reforms relating to the establishment of a common governance regime for management of off-shore resources. Subsequent institutional reforms on both sides of government resulted in turn-over of key staff and lower levels of prioritization, especially on the Mainland Tanzania side, leading to weaker performance. While in Zanzibar, due to the high dependence on the marine and coastal resource base, the ownership of the project was high throughout preparation and implementation, in Mainland Tanzania, where much of the country is far from the coast, commitment faded in light of other priorities (inland fisheries and livestock). Political interventions, including to promote the rapid expansion of the project's coverage, had a negative impact on project implementation.

(b) Implementing Agency or Agencies Performance
Rating: Moderately Unsatisfactory

5.2.2 The Fisheries Departments of Mainland Tanzania and Zanzibar were instrumental in contributing to the many project achievements. Their main shortcomings were their centralized, bureaucratic decision-making and processing. Variance of capacity among sectoral agencies resulted in mixed performance. At the district level, those areas which had benefitted from previous donor-supported projects showed higher level of engagement and success. However, weaknesses in district authorities' implementation capacity were significant, especially in view of the decentralization policy adopted by the country. For the Mainland Tanzania, the corresponding lack of accountability of district officers to the main implementing agency (Fisheries Division), coupled with

weak coordination and technical support and capacity-building provided by the latter to district officers contributed significantly to that capacity gap. Throughout project preparation and implementation, mixed performance was noted between the two sides of the Union. The project and its benefits were recognized and highly appreciated by all stakeholders in Zanzibar, reflecting their dependence on marine and coastal resources for their livelihood and to the economy in general. There was a sense of urgency to achieve project goals even amidst capacity constraints. On the Mainland Tanzania, performance suffered from a lower level of prioritization, particularly after a series of restructuring initiatives in government with significant turn-over at leadership levels in key implementing agencies. Additionally, on both sides lack of attention to M&E requirements and weak coordination had a significant impact on project implementation. Regarding the DSFA, project-supported efforts towards transparency in license revenues management and overall improved governance of the EEZ fishery is to be commended as an important initial step, as is DSFA's growing credibility in the region and amongst distant water fishing nations as a result of its membership in the IOTC.

(c) Justification of Rating for Overall Borrower Performance
Rating: Moderately Unsatisfactory

5.2.3 Overall Borrower performance takes into consideration both the Government and the Implementing Agencies' performance during preparation and implementation. On the basis of justification provided above, the Borrower's overall performance is rated Moderately Unsatisfactory.

6. Lessons Learned

6.1 Complex, difficult operations in the fisheries sector with a high degree of innovation require an extended time horizon, a high degree of flexibility, continuous support for progressive capacity-building and repeat financing to maximize impact, learning and sustainability. Governance reform of a shared resource such as fisheries has a large potential payoff for developing coastal and island countries, but takes time. The Bank's instruments and financing timeframes are not always well-aligned to that required for governance and sector reform of this nature, as highlighted by MACEMP's experience. A minimum of a 10-year engagement in such renewable natural resources management sectors appears more appropriate to yield sustainable impact.

6.2 Given the complexity of the fisheries sector, which addresses both coastal and offshore issues and involves a wide range of institutions, a phased approach is recommended for improved management. Initial investments should focus on (i) improved understanding of the existing stock/resource base, (ii) enforcement aspects with rules in place to manage stocks in accordance with their status; and (iii) decentralized/co-management of the resource with the inclusion of local communities.

6.3 The scope of pilot operations need to be carefully defined at the outset, based on policy discussions, strategic selection criteria and available resources. Considering potential gains from Bank support to the MACEMP Program, those project activities which were most innovative, capacity intensive and decentralized should have been restricted to a handful of districts, with intensive monitoring and supervision, so as to minimize national political pressures. Project design should include specific operational mechanisms to delink policy and politics. In the project's case, this omission led the project to spread its scope to all Mainland Tanzania's coastal districts regardless of their readiness to receive and implement the project, thereby constraining project impact.

6.4 When adopting a multisectoral approach, the scope of activities needs to be focused on what the project can realistically achieve. As part of project design, a clear strategic and prioritization framework is fundamental to ensure that multisectoral projects are strategically focused and have a catalytic impact, rather than responding to ad hoc sectoral needs thereby dissipating the focus from the original objectives. Further, continuity of key staff and strong leadership is fundamental for effective collaboration among several decision makers.

6.5 When projects are heavily focused on mainstreaming into government structures, tensions can arise between the need to build the institutions' capacity and the need to effectively deliver the project. The project made considerable savings under the expenditure category "Consultancy Services", mainly due to

the use of government staff instead of consultants. While this approach can be justified as it promoted capacity building, sustainability and ownership, in some areas the efficient implementation of project activities and the achievement of project objectives has been hindered as a result of inadequate technical assistance inputs.[39] In fact, mainstreaming in a cross-sectoral, cross-Union, and decentralized context proved to be even more challenging than usual. Some of the shortcomings related to overall project management/coordination and M&E may have been overcome with additional support from experts outside the government system or the establishment of a project management unit. Further, clear criteria for mainstreaming should have been defined and targeted technical assistance should have been used as a tool to support serious gaps in capacity for implementation.

6.6 Implementing a project in a Union which comprises independent entities with their own legislative processes, policy, institutions and processes **requires identification of mechanisms that ensure harmonization of the processes for project-specific interventions**. The establishment of a facilitation team under the project proved instrumental in fostering coordination between Mainland Tanzania and Zanzibar thus contributing to smoother implementation. Alternatively, where practical, project design may allow for distinct components and activities for the two sides, so as to avoid the need to create additional layers.

6.7 Mobilizing communities' participation can have major impacts on the sustainability of otherwise controversial conservation activities. Local buy-in stemmed from a mix of mobilization efforts around environmental themes, education and hands-on field training, and direct investment incentives. The pay-off was communities' willingness to participate in patrolling activities intended to track and reduce illegal fishing activities and other damaging activities in the MPAs. It also created an organizational platform for local project management and coordination, for conflict resolution, and for piloting successful alternative activities.

6.8 Inter-institutional coordination and open internal communication are essential for conservation and biodiversity interventions which rely on broad consensus and solidarity to maintain momentum. While the fallout from institutional reorganization turnover is usually beyond a project's control, the Bank can play an important supportive role in fostering inter-agency partnerships to expand the network of stakeholders able to support agencies involved in difficult and controversial operations, and to expand the institutional partners for the longer-term sustainability of critically important frameworks such as the MPAs.

6.9 Effective and efficient decentralized resource management requires a clear reporting mechanism between the national level, responsible for resource management and decision–making, and the local level, responsible for implementation of activities. Under the project, the implementation of activities which were key for project success was the responsibility of district officers who report to Local Government Authorities. The absence of a clear link with central Government institutions responsible for overall project implementation and decision-making created tensions and challenges for smooth operation.

6.10 The development of mechanisms to promote private-sector engagement and the creation of a culture of trust in the use and management of natural resources is important for transparency and long-term sustainability. Conservation and sustainable management are not the prerogative of the State; the private sector is a key stakeholder and has a fundamental role to play. Under the project, the reluctance of the Government to involve civil society and the private sector led to tensions and conflicts with a perceived lack of transparency and accountability.

6.11 Microfinance mechanisms and sustainable entrepreneurship development may be a better approach for supporting alternative livelihoods activities. Under the project, provision of grants to communities for development of alternative income generating activities was included as a response to the social safeguard on involuntary resettlement, to offset impacts resulting from restriction of access to resources. Considering questions about the fundamental sustainability of grant provision to community groups, especially in the context of the apparently much greater sustainability of village savings and credit groups established in

the project area under other donors' initiatives, there may be a case for investing in microcredit and savings mechanisms as a mean to support communities' livelihoods.

6.12 Formally establishing and staffing an M&E unit and setting up a well-functioning M&E system is fundamental. Under the project, the underestimation of the importance of establishing early on an adequate M&E system led to lack of understanding of indicators, inability to track performance and eventually to lack of incentives to sustain the activity, and utilize its products for decision-making.

6.13 Strong Bank local presence for oversight of complex and innovative projects like MACEMP is desirable for ensuring successful outcomes. Bank supervision should devote sufficient time and invest in adequate project management capacity for such particular projects, where building capacity of partners and beneficiaries is fundamental for effective and efficient implementation. Utilization of country-based TTLs was highlighted by beneficiaries as a core element of such support.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies[40]

(b) Cofinanciers
N/A

(c) Other partners and stakeholders
(e.g. NGOs/private sector/civil society)
N/A

[40] The Bank received a set of informal written comments from the Borrower, all of which were incorporated or taken into account during the finalization of the ICR report. However, the Borrower did not subsequently send the requested formal letter and thus no additional comments are presented in Section 7 above or a copy of the formal letter inserted in Annex 7. The informal comments are filed in WBDocs.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Marine and Coastal Environment Management - P082492			
Components	**Appraisal Estimate (USD millions)**	**Actual/Latest Estimate (USD millions)**	**Percentage of Appraisal**
1. Sound Management of the Exclusive Economic Zone (EEZ)	11.08	13.65	123.19
2. Sound Management of the Coastal Marine Environment	21.32	17.32	81.24
3. Coastal Community Action Fund	11.97	11.72	97.91
4. Project Implementation Support	7.38	9.06	122.76
Total Baseline Cost	**51.75**	**51.75**	100
Physical Contingencies	--	--	
Price Contingencies	--	--	
Total Project Costs	**51.75**	**51.75**	100
PPF	1.00	1.00	100
Front-end fee IBRD	--	--	
Total Financing Required	**52.75**	**52.75**	**100.00**

Marine and Coastal Environmental Management Project - P084213			
Components	**Appraisal Estimate (USD millions)**	**Actual/Latest Estimate (USD millions)**	**Percentage of Appraisal**
1. Sound Management of the Exclusive Economic Zone (EEZ)	5.07	3.55	70.02
2. Sound Management of the Coastal Marine Environment	4.93	6.12	124.14
3. Coastal Community Action Fund	--	--	
4. Project Implementation Support	--	--	
Total Baseline Cost	**10.00**	**9.67**	**96.70**
Physical Contingencies	--	--	
Price Contingencies	--	--	
Total Project Costs	**10.00**	**9.67**	**96.70**
PPF	--	--	
Front-end fee IBRD	--	--	
Total Financing Required	**10.00**	**9.67**	**96.70**

(b) Financing

P082492 - Marine and Coastal Environment Management				
Source of Funds	**Type of Financing**	**Appraisal Estimate (USD millions)**	**Actual/Latest Estimate (USD millions)**	**Percentage of Appraisal**
Borrower		0.75	0.75	100
Local Communities		1.00	1.00	100
GLOBAL ENVIRONMENT - Associated IDA Fund		10.00	51.00	100

International Development Association (IDA)		51.00	0.75	100
P084213 - Marine and Coastal Environmental Management Project				
Source of Funds	**Type of Financing**	**Appraisal Estimate (USD millions)**	**Actual/Latest Estimate (USD millions)**	**Percentage of Appraisal**
Borrower		0.00	0.00	0.00
Global Environment Facility (GEF)		10.00	9.67	96.70

Annex 2. Outputs by Component

2.1 The total project cost was US$ 60.42 including US$ 9.67 from GEF. The following presents the outputs from each component/subcomponent.

Component 1: Sound Management of the Exclusive Economic Zone (EEZ) *(Total cost US$ 17.21m)*

2.2 The objective of this component was to establish a common governance regime, the Deep Sea Fishing Authority (DSFA), which would contribute to a managed-access regime that provides long-term sustainability use of the marine resource base and maintains resilience of fish stocks to absorb controlled levels of utilization. Moreover, through improved revenue generation supported by strengthened control and enforcement mechanisms the component was expected to contribute to financial sustainability of the DSFA. PDO level and intermediate results indicators for component 1 are shown in table 2.1.1.

Table 2.1.1: PDO level and intermediate results indicators for Component 1

Indicator	UOM	Baseline	EOP Target	Achieved
PDO Level Indicator				
URT revenue generation to EEZ Authority from offshore fishery	US$	<$ 2m	$ 10m	$ 9.2m
Number of daily observations of vessel catch and effort entered into URT Fisheries management system	# of records/yr.	1,000	7,500	8,708
Intermediate Results Indicator				
EEZ authority in place	Y/N	N	Y	Y
Marine Legacy Fund (MLF) established	Y/N	N	Y	N
Number of key studies completed	Number	0	0	137
Number of legislations implemented	Number	0	0	6
Annual proportion of operational costs of EEZ covered by own revenues	%	0%	80%	110%

2.3 Component 1 contributed to one of the major achievements of the Project: the establishment of a common governance regime, the Deep Sea Fishing Authority, whose envisaged role is to ensure sustainable management of the Exclusive Economic Zone (EEZ) of the United Republic of Tanzania. This governance regime has been established through harmonization of legal systems that include: review of the DSFA Act Cap 338 of 1998, later amended by the DSFA Act No.4 of 2007, and the DSFA Regulations of 2009. To ensure sustainability a Strategy Business Plan has been finalized for DSFA. In total six pieces of legislation have been implemented.

2.4 The number of daily observations of vessel catch-and-effort entered in to URT Fisheries management systems has increased each year, and with 8,708 daily observations made in 2012 the target of 7,500 has been surpassed. The total URT revenue generation to the Departments of Fisheries (Tanzania Mainland and Zanzibar) and after its establishment in 2009 to DSFA, has reached US$ 9.2 m. Moreover, annual revenues collected by DSFA in 2010/11 and 2011/12 surpassed the operational costs and thereby ensuring financial sustainability of DSFA. More specifically, in 2011/12 the annual proportion of operational costs of DSFA covered by own revenues was 110%. However, the Marine Legacy Fund (MLF) which was supposed to support financial sustainability of project interventions was not established.

2.5 Monitoring, Control and Surveillance (MCS) and enforcement capacity of the Fisheries Division have been strengthened by facilitating establishment of four new surveillance units. A total of 20,124 man-day land and sea patrol operations were conducted in the territorial sea as well as 95 man-day air patrol operations in the inshore waters and EEZ.

2.6 The Project has enabled the URT to be able to participate in a greater number of Regional and International meetings related to sustainable management of fisheries resources, including for example 11 sessions of the Indian Ocean Tuna Commission meetings. In addition, the URT has attained membership of the Indian Ocean Tuna Commission (IOTC).

2.7 During the project 137 key studies have been completed including stock assessment studies for selected key species (lobster, small pelagic, tuna, crab and prawns) A Catch Assessment Survey (CAS) was conducted in four selected fish landing stations (three in Tanzania Mainland and two in Zanzibar). In addition to this Tanzania Fisheries Research Institute (TAFIRI) has conducted a desktop study for the purpose of assessing the status of four commercially important fish species (Prawns, Lobster, Crabs, and sardines), utilized by artisanal fishers.

2.8 Under component 1 office buildings were constructed for the Deep Sea Fishing Authority, the Division of Fisheries Development (Mainland Tanzania) as well as two Fisheries Department office buildings in Zanzibar, one in Unguja and one in Pemba. Additional structures include the completion of three fish landing sites in Mainland and two in Zanzibar.

Component 2: Sound Management of the Coastal and Marine Environment *(Total cost US$ 23.44m)*

2.9 The objective of component 2 was to provide planning support for strengthening Integrated Coastal Management (ICM) processes at the local government level by building capacity at the district level through resource assessment, capability mapping, and spatial planning. In addition to this, the component was to provide the means for effective and efficient implementation of a comprehensive network of Marine Managed Areas (MMA) and Marine Protected Areas (MPA). PDO level and intermediate results indicators for component 2 are shown in table 2.2.2.

Table 2.2.2: PDO level and intermediate results indicators for Component 2

Indicator	UOM	Baseline	EOP Target	Achieved
PDO Level Indicator				
Proportion of annual operational costs of MMA system covered by own- revenues	%	40%	80%	51%
Proportion of territorial seas under effective protection or management	%	4%	10%	10.3%
Intermediate Results Indicator				
Number of community managed areas (CMAs) established in each area of project focus	Number	0	5	319
Number of illegal and destructive fishing activities reported in the protected areas	Number	n/a	0	209

2.10 Through this component Marine Managed Areas (MMAs) were strengthened to ensure their effective management. Support was also provided to the establishment of several new MMAs as well as a significant expansion of two existing Marine Conservation Areas (MCAs) in Zanzibar. On the Mainland Tanzania, MACEMP facilitated the strengthening of the Mafia Island Marine Park and Mnazi Bay and Ruvuma Estuary Marine Park. It also helped set up the new Tanga Coelacanth MPA. In Zanzibar, the project strengthened management of the Menai Bay Conservation Area (MBCA) and the Mnemba Island Marine Conservation Area (MIMCA). New conservation areas identified under the project and currently in the process of gazettement include: Changu-Bawe Marine Conservation Area (CHABAMCA), Tumbatu Marine Conservation Area (TUMCA), Kojani Island Marine Conservation Area (KIMCA). The largest marine conservation area established with support from MACEMP is the Pemba Channel Conservation Area (PECCA). This conservation area includes the migratory route of Humpback whales travelling northward from Comoros and Madagascar to Kenya.

2.11 Construction of office for five MMAs' and provision of working equipment (e.g. boats, vehicles, computers, office furniture and communication gadgets) were financed under the Project. Based on the Management Effectiveness Tracking Tool (METT) all except one MMA (Tanga Coelecanth MPA) are capable of ensuring effective protection or management, leading to an increase in the percentage of territorial sea under effective management from 4% to 10.3% during the lifetime of the Project. Despite this achievement, in 2011/12 the proportion of annual operational costs of the MMA system covered by own revenues was only 51% against the target of 80%. More information on the MMA's supported by the Project are provided in the below table.

Table 2.11.1: METT Scores in Marine Managed Areas (MMAs)[41]

Name of MMA	Region	Year Established	Area (km^2)	METT Score (EOP)
Mafia Island Marine Park (MIMP)	Mafia	1995	822.00	71
Tanga Coelacanth Marine Park (TCMP)	Tanga	2009	552.20	47
Mnazi Bay Ruvuma Estuary Marine Park (MBREMP)	Mtwara	2002	650.00	57
Dar es Salaam Marine Reserve System (DMRs)	DSM	2002	63.30	59
Menai bay Conservation Area (MBCA)	Unguja	1997	700.00	79
Mnemba Island Marine Conservation Area (MIMCA)	Unguja	2002	290.00	79
Pemba Channel Conservation (PECCA)	Pemba	2005	1,000.00	79

2.12 Inside these MMAs a total of 209 illegal and destructive fishing activities were reported by the Marine Park and Reserves Unit (MPRU) (Mainland Tanzania) and Marine Conservation Unit (MCU) (Zanzibar). The vast majority of these activities involved either the use of illegal fishing gear or fishing without proper license.

2.13 A total of 319 Community Managed Areas (CMAs) were established to enhance community based natural resource management. More specifically, 182 Beach Management Units were established in Mainland Tanzania and 137 Village Fisheries Committees were established in Zanzibar.

2.14 The Project supported capability mapping and spatial planning through which 56 Village Land Use Plans (VLUP) in Mainland Tanzania were completed as well as reconnaissance land resource survey at a scale of 1:250,000 and District Land Use Framework Plans (DLUFP) in all coastal districts with the exception of Tanga City and five municipalities. Moreover, detailed resource assessment and suitability mapping at village level was carried out to provide land resources information needed for land use planning and natural resources management. Detailed resource and suitability maps at a scale of 1:10000 were prepared for 45 villages, nine districts conducted land resources and suitability assessment, social and land resources mapping, while in Zanzibar 10 District Land Use Plans were developed and two village pilot corridors were initiated.

2.15 Other significant outputs under this component include: i) capacity building to local communities on ICM and EIA in both Mainland Tanzania and Zanzibar, development of ICM Action Plans and Community Mitigation Action Plans in both Mainland Tanzania and Zanzibar; ii) implementation of a Survey on the status of Zanzibar coastal resources and the development of the State of the Coast Report for Zanzibar and Mainland Tanzania; iii) replanting of mangrove forest and strengthening management of mangrove forests by building the capacity of the responsible departments and create awareness to local communities about sustainable utilization and management of the mangrove; iv) Catch Assessment Survey (CAS) database installed in all 16 coastal districts in Mainland Tanzania; v) rehabilitation of 13 historical sites and inventory and architectural assessment for cultural heritage sites completed; and vi) establishment of Community Banks.

Component 3: Coastal Community Action Fund *(Total cost US$ 10.72m)*

2.16 The objective of Component 3 was to empower coastal communities to access opportunities so that they can request, implement and monitor subprojects that contribute to improved livelihoods and sustainable marine ecosystem management. PDO level and intermediate results indicators for component 3 are shown in table 2.16.1.

Table 2.16.1: PDO level and intermediate results indicators for Component 3

Indicator	UOM	Baseline	EOP Target	Achieved
PDO Level Indicator				
Proportion of households perceiving an improvement in their welfare and economic status	%	0%	80%	85%
Intermediate Results Indicator				
Number of subprojects through Coastal Village Fund	Number	n/a	400	797

[41] In Zanzibar only one METT form was completed covering all the three MMAs (MBCA, MIMCA and PECCA) and therefore the METT score is the same.

(CVF) completed				
Number of people participating in community saving schemes	Number	0	300	832

2.17 Through the Coastal Village Fund (CVF) a total of 797 sub-projects were completed (470 in Tanzania Mainland and 327 in Zanzibar). The subprojects reached a total of 13,786 beneficiaries of which 43% were females. According to a Socio-economic Impact Assessment done to measure impact from these CVF subprojects, 44% of the surveyed beneficiaries reported to have seen significant welfare improvements as a result of the subprojects while 41 % perceived moderate welfare gains. More detailed information on the top ten CVF subprojects is provided in the below table.

Table 2.17.1: Top ten CVF subprojects

#	Types of Subproject	No of Sub-projects	Amount (USD in million)	% of total CVF costs	Female	Male	Total
1	Fishing	409	3.39	57.5%	2.180	4.649	6.829
2	Poultry keeping	108	0.66	11.2%	1.036	819	1.855
3	Beekeeping	61	0.47	8.1%	496	584	1.080
4	Seaweed Farming	33	0.23	4.0%	412	274	686
5	Fish Farming	29	0.16	2.7%	230	263	493
6	Fish Processing	23	0.16	2.7%	259	102	361
7	Dairy Cow	23	0.10	1.7%	226	187	413
8	Tree planting	12	0.01	0.2%	110	86	196
9	Mangroves Conservation	12	0.06	1.0%	89	105	194
10	Dairy Goat	12	0.06	1.0%	172	63	235
	Total	**722**	**5.3**	**90.1%**	**5.210**	**7.132**	**12.342**

2.18 In addition to this a total of 832 people participated in community saving schemes, which clearly surpassed the target of 300.

2.19 Coastal community capacity enhancement was achieved by conducting awareness meetings and seminars to stakeholders in coastal districts whereby participants were sensitized about how to access the CVF as well as informed about identification, assessment and monitoring requirements of the subprojects. Moreover, technical training sessions were conducted in e.g. fish processing, beekeeping, aquaculture, fishing techniques and livestock-related skills to increase the capacity of community members to successfully manage the subprojects.

Component 4: Project Implementation Support *(Total cost US$ 9.06m)*

2.20 The objective of this component was to strengthen project management mechanisms, project coordination, and M&E. This included core staffing and technical assistance to the Project and annual reporting, annual audits, and mid-term review. The achievement of this component is rated *moderately satisfactory.* Intermediate results indicators for component 4 are shown in table 2.20.1.

Table 2.20.1: Intermediate results indicators for Component 4

Indicator	UOM	Baseline	EOP Target	Achieved
Intermediate Results Indicator				
Semi-annual progress reports produced on time and with satisfactory quality	Y/N	N	Y	Partially
Performance monitoring reports (with the agreed indicators) produced on time and with satisfactory quality	Y/N	N	Y	Partially

2.21 Outputs under this component include: i) capacity building to 656 civil servants through various training programs, short and long courses as well as financing of PhDs, Master Degrees and Bachelor Degrees; ii) 12 semi-annual progress reports produced; iii) Mid-term review was conducted; iv) Results Framework updated on a semi-annual basis; and v) satisfactory ICR report from the Client.

Annex 3. Economic and Financial Analysis

3.1 As described in Section 3.2 of the Main Report, while the total project budget was spent, the project only partially achieved the original outcome targets set at appraisal (some of which were significantly reduced during the May 2011 restructuring, three months before the original closing date), and some of the revised targets were also only partially achieved. In fact, by the time of the restructuring, 83% of the project funds had been disbursed while only 69% of the original PDO indicator targets were achieved. Consequently, in line with the project outcome rating, the overall efficiency of the project is rated *Moderately Unsatisfactory*.

3.2 The Government's completion report concluded, on the basis of discussions with the fiduciary staff of the project, that "overall, costs of goods and services were reasonably incurred and were within the acceptable competitive market prices". It was not possible to substantiate this statement for the present ICR as (a) project costing at appraisal did not include information on unit costs and (b) the annual work plans and budgets and the corresponding financial reports including detailed expenditure listings were not available.

3.3 **Issues that affected Project Efficiency.** A number of issues have constrained the project's efficient use of resources with the result that some of the expected project outcomes were not or only partially achieved. These can be grouped under three main categories: (i) design issues; (ii) external factors; and (iii) project management issues.

- **Design Issues:** A strong focus on comprehensive, multi-sectoral approach led to an overly ambitious project design, which may not have been the most efficient.
- **External Factors**: (a) the need for duplication of institutions and coordination/implementation efforts to respond to issues which are (at least partially) managed at the non-Union level; (b) inherent challenges in working with issues that require a multi-sectoral and decentralized approach, which resulted in a large number of diverse implementing agencies at various levels; and (c) the Government's policy to mainstream the project within the government structure in parallel with the launch of their decentralization agenda, linked with weak institutional capacity and inter-institutional coordination, which resulted in significant implementation delays.
- **Project Management Issues**, including:
  (1) Impact of Project Costing and Financial Management on Efficiency. During project formulation, it was decided not to use the standard software for costing investment projects, COSTAB, but rather prepare Excel tables in order to have the project costs in a format that was easily modifiable and accessible to the national project preparation teams. The Excel tables prepared were quite sophisticated, however, they were not user friendly and not used for any cost revisions during project implementation. A number of shortcomings need to be mentioned: (i) there was no distinction between local and foreign costs by item and between local and foreign inflation; (ii) the share of taxes and duties was not presented; (iii) physical contingencies were assumed to be the same for all items which is usually not the case; (iv) no standard detailed cost tables showing unit cost and phasing of quantities were provided; (v) no standard summary cost tables by Expenditure/Disbursement/ Procurement Account and Financier were provided; and (vi) the financing rule was only provided by component and main activity but not by item and expenditure category. The use of COSTAB would have been beneficial as it would have generated automatically standard detailed cost tables showing unit cost and phasing of quantities as well as standard summary cost tables by Expenditure/Disbursement/ Procurement Account and Financier. It would have contributed to more realistic cost estimates based on specific unit costs, including physical and price contingencies. The detailed cost tables would have provided a structure for financial monitoring and for any required budget adjustments. However, the financial reports prepared during implementation were based on the World Bank Financial Manual for MACEMP, including the local and foreign costs by item and accounting for the inflation and exchange rate variations. Financial reports included (i) sources and uses of funds by component; (ii) uses of funds by cost category; and (iii) uses of funds by project activity.
  The project was to set up a Financial Management Information System (FMIS) to facilitate disbursement and efficient use of project funds, however, an effective system was never established. Instead, the project operated an Excel-based financial management system. Although this approach still allowed for adequate financial management of the project, the use of standard software would have greatly contributed to improving efficiency and transparency in the execution of financial transactions as well as building the capacity of project staff in financial management.

(2) Monitoring and Evaluation (M&E). The efficiency of the M&E system was affected by the project's mainstreaming into government structures, project-related shortcomings, as well as external factors such as the reluctance among participating agencies and project districts to share data. A functional M&E system was only partially developed during implementation. The systematic collection of relevant data for the economic indicators and a similar survey at project completion would have provided a sound basis for the Economic and Financial Analysis as part of the ICR. Nevertheless, the *Socio-economic Impact Assessment of MACEMP-supported Subprojects* conducted in 2012 provides some useful analysis of project impacts on the incomes and livelihoods of beneficiaries (see below).

(3) Changing Leadership. Smooth project implementation was also hampered to a certain degree by the high turnover of leadership from both the Bank and project management. The change in leadership and related interim periods affected the timely implementation of certain key decisions to address implementations issues. Furthermore, the disbandment of the EEZ Governance Facilitation Team (EGFT) around the same time as the scale-up of project activities across the Mainland Tanzania's coast negatively affected project management functions, as well as the project's institutional memory.

(4) Inadequate Use of Technical Assistance. The project made considerable savings under the expenditure category "consultancy services", mainly due to the use of government staff instead of consultants, and the funds saved were efficiently used for other categories. While this approach can be justified to a certain extent as it also promoted capacity building and sustainability, it is felt that in some areas the efficient implementation of project activities and the achievement of project outcomes has been hindered as a result of inadequate technical assistance inputs.

3.4 Economic and Financial Analysis. The project appraisal concluded that the project structure was not amenable to a full stand-alone financial or economic analysis. No economic rate of return (ERR) was calculated for the project at appraisal. However, the project objectives as reflected in the PDO outcome statements and indicators describe some of the expected financial and economic outcomes of the project[42]. In fact, as presented in Box 1 and Table 3.4.1, the potential impacts of the project are numerous, and many of them may be quantified in financial and economic terms. At project appraisal some limited analyses were conducted for each of the three technical components although the information provided was not sufficient to serve as a baseline for an economic and financial analysis.

Box 1: Overview of Main Potential Project Impacts

Impact level / - Main impact area

Government
- Increased revenues from offshore fisheries
- Increased revenues from tourism
- Reduced costs through co-management models /a
- Increased tax revenues from related economic activities

Livelihoods in coastal areas
- Increased income
- Diversified income sources
- Increased value-addition through processing
- Improved access to services
- Improved food security
- Increased employment opportunities

Ecological and environmental benefits /b
- Erosion control
- Carbon dioxide fixation
- Wildlife conservation
- Conserved bio-diversity and habitats
- Recreation/tourism
- Educational/scientific use
- Cultural/spiritual use

\a Partnerships among government, communities and private sector \b See Table 3.4.1.

[42] (i) Government revenues from offshore fisheries increased; (ii) Marine Management Areas' own revenue collection improved (iii) Beneficiary wellbeing and economic status improved; and (iv) Living standards of direct beneficiaries improved.

Table 3.4.1: Overview of Total Economic Value of Coastal Natural Resources and Expected Conservation Benefits – A Framework for Valuation of MACEMP Impact

				NATURAL RESOURCES primarily providing related goods and services								Primary BENEFICIARIES							
VALUE		**Description**	**Benefits**	**Fish**	**Coral Reefs**	**Inshore waters**	**Seagrasses**	**Marine mammals**	**Marine turtles**	**Coastal forests**	**Mangroves**	**Local Government**	**National Government**	**Local communities**	**Global community**	**Fishermen**	**Tourism industry**	**Tourists**	**Research/Edu-cational Institut.**
USE VALUES	**Direct Use Values**	**- Extractive activities /1**																	
		Fisheries (legal and illegal)	Long-term increased and sustainable supplies of fish, corals, mariculture, wood and non-timber forest products	x		x								x		x			
		Coral harvesting (e.g. building materials/lime)			x									x					
		Collection of aquarium fish		x										x	x				
		Mariculture (e.g. prawns, seeweed)			x	x					x			x					
		Food production (herbs, honey, fodder)								X	x			x					
		Wood collection for fuel and construction materials								X	x			x		x			
		Charcoal production								X	x			x					
		- Non-extractive activities																	
		Recreation/tourism	Preservation of habitats for cultural/spiritual/educational/scientific and recreational uses	x	x			x	x	X	x	x	x	x			x	x	
		Educational/scientific use		x	x			x	x					x	x				x
		Cultural/spiritual use												x	x				
	Indirect Use Values /2	Erosion control	Avoided/reduced coastal erosion and stabilization of shorelines		x		x			x	x			x			x		
		Regulative functions	Absorption of pollutants and excessive nutrients				x			x	x								
		Carbon dioxide fixation	Fixation of carbon dioxide, hence possibly contributing to mitigation of the global warming phenomenon							x	x				x				
		Wildlife conservation	Conservation of wildlife that have no commercial value (e.g. turtles, see birds, non-marketable fish species)												x		x	x	
NON-USE VALUES	**Option Values /3**	Conserved biodiversity for future direct or indirect use	Maintaining biodiversity which is a national and global concern	x	x	x	x	x	x	x	x			x	x				
		Conserved habitats for future direct or indirect use	Securing future use of habitats		x	x	x	x	x	x	x			x	x				
	Bequest Values /4	Habitats	Satisfaction local people derive from the feeling that they are contributing to safeguarding the welfare of their children		x	x	x	x	x	x	x			x					
		Culture/heritage		x	x	x	x	x	x	x	x			x					
	Existence Values /5	Habitats	Satisfaction people unrelated to present or future use derive from knowing that coastal natural resources are preserved.		x	x	x	x	x	x	x				x				
		Intrinsic worth		x	x	x	x	x	x	x	x				x				

\1 Outputs that can be consumed directly. \2 Functional benefits. \3 Future direct and indirect use values. \4 Value of leaving use and non-use values for future generations to use, e.g. habitats. \5 Value from knowledge of continued existence of natural assets, e.g. endangered species

3.5 The preparation of an economic and financial analysis at project completion was constrained by the lack of consistent baseline data and related meaningful socio-economic studies. In fact, a recent study on the economic impacts of dynamite fishing in Tanzania commissioned by MACEMP[43] pointed out the lack of efforts by URT and MACEMP to collect data aimed at reinforcing knowledge about the benefits and costs of the use of different marine resources. Given the fact that in Tanzania the economic benefits of marine fisheries and coastal natural resources are still undervalued, the project could have contributed more to improving the knowledge base with the aim to attract more public and private funding, and to provide the basis for making better informed decisions on efficient resource allocation within the sector. For instance, a number of related research topics had been identified by the Mafia Island Marine Park Research Advisory Group in 2005 which could have been supported by the project, including (i) total economic valuation of MPAs; (ii) costs and benefits of integrated coastal management; (iii) economic feasibility/impact of income generating activities; and (iv) economic benefits and costs of tourism.

3.6 The End-of-Project (EOP) assessment by component with regard to the PDO indicators relevant for an economic and financial analysis are summarized below.

Component 1: Sound Management of the Exclusive Economic Zone (EEZ). The objective of this component was to establish and implement a common governance regime for the EEZ that contributes to the long-term sustainable use and management of EEZ resources. The expected outcome was a shift from a de-facto open-access towards a managed-access regime to provide for long-term sustainability of the marine resource base and to maintain resilience of fish stocks to absorb controlled levels of utilization. Specifically, the project was to contribute to financially sustainable management of the EEZ through increased revenue generation to EEZ Authority from commercial offshore fisheries (PDO indicator). In both mainland Tanzania and Zanzibar, the licensing of vessels to fish in the EEZ has been identified as the greatest potential source for increasing government revenue from the sector. The PAD presented an overview of the fisheries sector in the Mainland and Zanzibar, including its contribution to GDP, exports, Government revenues and employment. However, the data set provided was neither complete nor consistent, and it was not possible to use it as a baseline.

At appraisal, the target for the PDO indicator for component 1 *"URT Revenue generation to EEZ Authority from offshore fisheries"* was set at USD 20 million by the end of the project, which was revised during the May 2011 restructuring to USD 10 million, in light of increased Somali piracy activities. While the baseline in 2005/2006 was USD 1.249 million, the annual average during the six fiscal years 2006/2007 to 2011/2012 remained basically at the same level (USD 1.252 million), despite increase in Somali piracy activities. In fact, since the DSFA started issuing fishing licenses in February 2010, the annual revenues did not decrease significantly (see Table 3.6.1). The reported cumulative amount of USD 9.2 million from 2005/2006 to 2012/13 (only until 31 Jan 2013) corresponds to an average annual revenue of USD 1.233 million, which is in line with the baseline. However, during the first seven months of 2012/2013 the reported revenue was only USD 484,440 which would translate into revenues of around USD 830,000 over a 12-month period, corresponding to only around 66% of the annual average of the previous six years and covering less than 75% of the operational costs of the previous year (see Table 3.6.2). That said, it should be noted that: 1) for the 2012/13 period not all the license fees are available, as

[43] Wilson, J.R. and M.N. Wilson (2013). The Economic Impacts of Dynamite Fishing in Tanzania.

some vessels will still only take licenses for a few months in 2013; and 2) licensing is not distributed evenly over the year, as fishing effort tracks the migration of economically valuable species.

Table 3.6.1: URT Revenue Generation to EEZ Authority from Offshore Fisheries (USD)

Fiscal Year	Zanzibar	Mainland	DSFA /a	Total
2005/2006	202,997	1,046,000		**1,248,997**
2006/2007	250,000	1,264,410		**1,514,410**
2007/2008	221,510	956,000		**1,177,510**
2008/2009	449,619	528,000		**977,619**
2009/2010	-	-	1,305,983	**1,305,983**
2010/2011	-	-	1,314,760	**1,314,760**
2011/2012	-	-	1,222,510	**1,222,510**
2012/2013 /b	-	-	484,440	**484,440**
Total	**1,124,126**	**3,794,410**	**4,327,693**	**9,246,229**

\a DSFA started issuing fishing licenses in February 2010
\b 2012/2013 covers the period July 1, 2012 to January 31, 2013

Table 3.6.2: DSFA Own Revenues and Operational Costs (USD)

Fiscal Year	Own Revenues Generated	Operational Costs	% of Annual Operational Costs of DSFA covered by Own Revenues
2005/2006	1,248,997		
2006/2007	1,514,410		
2007/2008	1,177,510		
2008/2009	977,619		
2009/2010 /a	1,305,983	1,545,536	85%
2010/2011	1,314,760	1,239,499	106%
2011/2012	1,222,510	1,114,819	110%
2012/2013 /b	484,440	-	-
Total	**9,246,229**		

\a DSFA started issuing fishing licenses in February 2010
\b 2012/2013 covers the period July 1, 2012 to January 31, 2013; operational costs not yet available.

Component 2: Sound Management of the Coastal and Marine Environment

The objective of this component was to establish and support a comprehensive system of managed marine areas in the territorial seas with the aim to: (a) support integrated coastal management planning; (b) implement a comprehensive, effective and representative system of Marine Protected Areas (MPAs) encompassing ecologically and culturally significant areas; (c) develop and support regional, community and private sector partnerships in integrated coastal management; and (d) improve the livelihoods of coastal communities through Integrated Coastal

Management (ICM) planning activities. The expected outcome from this component was a shift from a de facto open-access towards a managed-access near-shore regime that protects biodiversity while providing additional development opportunities for local populations through greater involvement in local resource management decisions.

At appraisal, the target for the PDO indicator for component 2 *"Marine Management Areas' (MMAs') own revenue collection improved"* was set at 150% (as proportion of annual operational costs of MMA system covered by own sources) while the baseline for 2005/2006 was 17% Mainland) and 41% (Zanzibar) respectively. This target was revised during the May 2011 restructuring to 80%. The reported EOP achievements are 30% (MPRU, Mainland) and 72% (MCU, Zanzibar) respectively. As described elsewhere in the report, the Marine Legacy Fund (MLF) which was to provide long-term financing for marine and coastal conservation and sustainable resource management in Mainland Tanzania and Zanzibar is yet to be established and the delays in setting up the fund may pose a risk to sustainability of project investments.

Component 3: Coastal Community Action Fund

The objective of Component 3 was to empower coastal communities to access opportunities so that they can request, implement and monitor subprojects that contribute to improved livelihoods and sustainable marine ecosystem management. The expected outcome was a reduction in income poverty, and increased participation of rural communities in sustainable resource management decisions and benefits.

A *Socio-economic Impact Assessment (SEIA) of MACEMP-supported Subprojects* was conducted to identify impacts of the activities supported by MACEMP under Component 3 on the incomes and livelihoods of beneficiaries and sustainability of such activities. Specifically, the study assessed the economic and financial performance of a set of randomly sampled subprojects to allow the measurement of the PDO indicator *"Beneficiary wellbeing and economic status improved"*. While the study was also to provide an input into the overall EFA of the project at completion, it was of limited use as the requested data for each subproject described was not provided, which would have allowed further analysis of the financial and economic impact of this component and the financial viability of the various types of subprojects.

At appraisal, the PDO indicator "*Proportion of households perceiving improvement in their welfare and economic status*" was set at 80%. According to the SEIA, this target was reached as 44% of surveyed beneficiaries reported to have seen significant welfare improvements while 41 % perceived moderate welfare gains. Eleven percent mentioned to have had no change in their welfare and only four percent indicated deteriorating welfare.

It should be noted that, initially, the Coastal Village Fund (CVF) under Component 3 was to support 400 community sub-projects at an average cost per subproject of US$20,000. As explained above, political pressure necessitated to expand this component from initially three to all 16 coastal districts in Mainland Tanzania. As a result, the number of subprojects almost doubled (797). While the available funds increased by only 12%, the average funds available per subproject was reduced to US$ 11,076 (55% of original amount available). Although the SEIA did not address this point, information obtained from TASAF staff suggest that in many cases this reduced amount per subproject posed a problem for many groups as their own financial resources were limited. The SEIA also revealed that the sustainability of many of the financed subprojects is questionable, with significant variation of their financial viability by project type. In fact, while around 60% of subprojects are doing well, the remaining 40% are constrained or considered as failure subprojects.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Indumathie Hewawasam	TTL	AFTS2	
Karen Brooks	Sector Manager	AFTS2	
Aza Rashid	Task Team Assistant	AFC04	
Da Zhu	Economist	WBIEN	
Daniel Kanyi	Private Sector Development Specialist	IFC	
David Freestone	Deputy General Counsel	LEGVP	
Dean Housden	Program Assistant	AFTS2	
Donald Mphande	Sr. Financial Management Specialist	AFTFM	
Ghazali Raheem	M&E Consultant	Consultant	
Gloria Sindano	Task Team Assistant	AFC04	
Ida Manjolo	Social Protection Specialist	AFTH1	
Jack Ruitenbeek	Lead Consultant	Consultant	
Kassim Kulindwa	GEF STAP Reviewer	Consultant	
Ladisy Chengula	Rural Development Specialist	AFTS2	
Marius Koen	Sr. Financial Management Specialist	AFTFM	
Martin Guard	Marine Science Specialist	Consultant	
Melita Samoilys	Indicators Consultant	IUCN E. Africa Reg. Officer	
Mercy Mataro Sabai	Sr. Financial Management Specialist	AFTFM	
Michael Wong	Sr. Private Sector Specialist	AFTPS	
Mine Pabari	Regional Program Manager	IUCN E. Africa Reg. Officer	
Nguinye Mungai Lenneiye	Sr. Social Protection Specialist	AFTH1	
Nikolay Mandinga	Junior Professional Associate	AFTPS	
Paavo Eliste	Economist	AFTS1	
Pascal Tegwa	Sr. Procurement Specialist	AFTPC	
Prasad C. Mohan	Lead Development Communication Specialist	AFTKL	
Ravi Ruparel	Sr. Financial Sector Specialist	AFTFS	
Rogati Kayani	Lead Procurement Specialist	AFTPC	
Roxanne Hakim	Anthropologist	AFTS2	
Steve Gaginis	Sr. Finance Officer	LOAG2	
William Leeds Lane	Sr. Natural Resources Management Specialist	AFTS2	
Zainab Semgalawe	Operations Officer	AFC04	
Supervision/ICR			
Alexander Birikorang	E T Consultant	AFTME	
Ann Jeannette Glauber	TTL / Sr. Environmental Specialist	AFTN3	

Anna Corsi	Institutional and Land Specialist	LCSAR	
Aza A. Rashid	Program Assistant	SASFP	
Bella Lelouma Diallo	Sr. Financial Management Specialist	AFTMW	
Bernice Mclean	Consultant	AFTN1	
Dave Japp	Fisheries Specialist	Consultant	
Dean W. Housden	Program Assistant	AFTCS	
Dinesh Aryal	Sr. Operations Officer	AFTN3	
Donald Paul Mneney	Sr. Procurement Specialist	AFTPE	
Edith Ruguru Mwenda	Senior Counsel	LEGAM	
Elizabeth F. Sakaya	Temporary	AFTN1	
Faustina Chande	Team Assistant	AFCE1	
Gabriel Lwakabare	Consultant	AFTU1	
Gisbert Joseph Kinyero	Procurement Specialist	AFTPE	
Herman Jack Ruitenbeek	Consultant	SASDI	
Hubert Elitira Mengi	Consultant	AFTME	
Jane A. N. Kibbassa	Sr. Environmental Specialist	AFTN3	
Jingjie Chu	Natural Resources Economist	AFTN1	
Maria Isabel Junqueira Braga	Sr. Environmental Specialist	AFTN3	
Mercy Mataro Sabai	Sr. Financial Management Specialist	AFTME	
Modupe A. Adebowale	Consultant	AFTME	
Muthoni W. Kaniaru	Sr. Counsel	LEGFI	
Nyambura Githagui	Lead Social Development Specialist	AFTCS	
Pascal Tegwa	Sr. Procurement Specialist	AFTPE	
Patrice Talla Takoukam	Counsel	LEGEN	
Prasad C. Mohan	Consultant	AFMZW	
Rogati Anael Kayani	Consultant	AFTPE	
Roxanne Hakim	Sr. Anthropologist	ECSSO	
Sandy Chang	Consultant	SASDU	
Steve J. Gaginis	Sr. Finance Officer	CTRDM - His	
Tobias von Platen-Hallermund	Junior Professional Officer	AFTN3	
Xavier Vincent	Sr. Fisheries Management Specialist	AFTN1	
William Leeds Lane	Consultant	MNSEN	
Zainab Z. Semgalawe	Sr. Rural Development Specialist	AFTA3	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY 04	16.62	87.54
Total:	**16.62**	**87.54**
Supervision/ICR		
FY 05	30.48	175.01
FY 06	34.93	149.15
FY 07	63.56	235.08
FY 08	28.44	157.48
FY 09	46.18	145.42
FY 10	17.02	148.21
FY 11	20.19	114.67
FY 12	29.25	126.88
FY 13	37.17	93.45
Total:	**307.22**	**1,345.35**

Annex 5. Beneficiary Survey Results *(if any)*

See section 3.6

Annex 6. Stakeholder Workshop Report and Results *(if any)*
See section 3.6

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

A. Executive Summary of Client's Completion Report

Background

1. At project inception the United Republic of Tanzania (URT), despite its rich diversity and opportunities, faced growing coastal populations and persistent foreign interests in marine fisheries, which put increased pressures on fisheries and the marine and coastal habitats. For example, there were indiscriminate fishing activities carried out by local fishermen and foreign fleets in greater part of Tanzania's Exclusive Economic Zone (EEZ) and territorial seas. Besides, over-exploitation of some key commercial and vulnerable species and inadequate management of fishing methods and fishing effort, led to destruction of critical habitats that provided spawning and nursery grounds for fish and other marine biodiversity. Furthermore, sustainability of trans-boundary fish stocks was undermined by inadequate information about the stress-level on the resilience of resource base. There was also lack of clear access rights in near-shore waters and that worsened poverty in coastal communities and reduced potential for significant government revenue in the EEZ. Many of the problems, opportunities and linkages of marine and coastal activities in Tanzania had regional implications, particularly exploitation of fisheries, management of marine ecosystems, and exploitation of coastal mineral and offshore energy resources. Other issues that posed threats to coastal and marine resources included: (i) insufficient skills, knowledge, and institutions for sustainable use and management of coastal and offshore fisheries; (ii) unregulated coastal development; and (iii) poor scientific understanding of the status of the fishery resources and biodiversity in general, and factors that affected it.

2. To address these issues and ensure sustainable coastal and marine resource management, the Government of Tanzania (GoT's) strategy was to harmonize and implement the existing laws and policies in the Mainland Tanzania and Zanzibar relevant to coastal and marine resources. In particular, the GoT's strategy was to operationalize the Deep Sea Fishing Act 1998 and the Territorial Sea and Exclusive Economic Zone Act 1989. Other policy consideration of the GoT was to implement (i) the National Integrated Coastal Environment Management Strategy (NICEMS) and National Fisheries Master Plan (NFMP); and (ii) review and update the Marine Parks and Reserves Act (MPRA), the National Fisheries Sector Policy and Strategic Statement (NFSPSS), and the Mangrove Management Plan (MMP); and (iii) the commitment to protecting cultural heritage.

3. The Marine and Coastal Environment Management Project (MACEMP), financed by the World Bank, supported the above initiatives with a focus on sustainable management and utilization of the coastal and marine resources. MACEMP supported marine and near-shore policy reforms and implementation of activities that were expected to impact positively on the wellbeing of the populations in coastal areas, and also on the integrity of the off-shore resource base that was of national and international significance. The project underscored the establishment of an effective regulatory and institutional framework, participatory planning and the creation of an enabling environment for integrated coastal and marine resources management and private investment in coastal areas.

4. The project had two sets of objectives: (i) project development objective (PDO); (ii) project global objective (PGO). The PDO was to strengthen the sustainable management and use of the Exclusive Economic Zone (EEZ), territorial seas, and coastal resources resulting in enhanced revenue collection, reduced threats to the environment, better livelihoods for participating coastal communities living in the coastal districts, and improved institutional

arrangements. The PGO was to: (i) develop an ecologically representative and institutionally and financially sustainable network of marine protected areas, and (ii) build United Republic of Tanzania (URT's) capacity to measure and manage trans-boundary fish stocks.

Assessment of Project Outcomes

5. The project objective, design and implementation are and remain relevant and consistent with the URT's development priorities. The project supported (i) national policies and legislations[44], which underpins relevant coastal and marine resource management policies applicable to the Mainland Tanzania and Zanzibar; and (ii) international agreements relevant to coastal and marine resource management in the URT, and identified those on which the URT was a signatory. The project is also consistent with one of the main goals of cluster 1 of the country's two development strategies[45], which includes employment-creation, ensuring food and nutrition security, environmental sustainability, climate change adaptation and mitigation, as well as leveraging returns on natural resources.

6. Additionally, the project is consistent with the Global Environment Objective (GEO) of protecting the global environment and promoting environmentally sustainable development through funding from Global Environment Facility (GEF). The GEF supports a cluster of countries to: (i) better understand the environmental concerns of their international waters and work collaboratively to address them; (ii) build the capacity of existing and new institutions to utilize a more comprehensive approach in addressing trans-boundary water-related environmental concerns; and (iii) implement measures that address priority trans-boundary environmental concerns. By supporting the URT to work closely with its neighbors (Kenya and Mozambique) on trans-boundary issues, the project is fully consistent with GEF objectives.

7. The achievement of the PDO is rated moderately *satisfactory* as some aspects of the PDO were achieved with some shortcomings and as measured through the key performance indicators. The project contributed to short- and medium-term poverty reduction interventions, which directly benefitted an estimated 18,954 people living in the beneficiary coastal communities with various forms of income generation activities. The technical assistance provided by the project helped strengthened 20 (11 in Zanzibar and 9 in the Mainland Tanzania) government institutions through policy and strategy review and formulation, provision of equipment and facilities, human resources development, and creation of new government institutions, including community beneficiary groups and community development committees.

8. Upon the basis of the above considerations the overall project outcome is rated as *satisfactory*.

Assessment of implementing agency and World Bank performance

9. Government performance at project preparation is rated *satisfactory*, given the high level of commitment, and clear sense of ownership exhibited by the government, which ensured smooth preparation and appraisal of the project. Government performance at project implementation stage is rated *moderately satisfactory*. During project implementation, the URT

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[44] National Integrated Coastal Environment Management Strategy, 2003.

[45] National Strategy (MKUKUTA II) for the Mainland, and Zanzibar Strategy for Growth and Reduction of Poverty (MKUZA II), 2010.

maintained its commitment and ownership and provided the requisite material and human resources to the project. The URT collaborated effectively with the WB team in all supervisions and ensured that key decisions vital to the progress of the project are adhered to. However, the URT was sluggish in taking some important decision and that affected the implementation of key activities considered vital for the development of the sector.

10. The implementing agency performance at project preparation is rated *satisfactory*. With strong government support and commitment, the MMT facilitated the preparation process, and worked collaboratively with the World Bank team in all the preparatory activities. Project preparation enjoyed full involvement of the MMT from both sides of the Union. The implementing agency's performance with respect to project supervision is rated as *moderately satisfactory*. The MMT worked closely with the Bank task team to address all issues hampering progress toward the achievement of the project development objective and project global objectives. However, the MMT's performance with regard to monitoring and evaluation was a major cause of concern. The project did remarkably well but weak M&E design and implementation affected data collection and analysis. Based on the above the overall borrower performance is rated *moderately satisfactory.*

11. The WB performance with regard to project identification and preparation, and appraisal is rated *satisfactory*. Bank adopted participatory approach to project preparation, building a strong team composed of Bank staff and government staff (MMTs). The WB effectively led all the preparation-related activities in a participatory manner. In particular, the Bank facilitated the initial sector assessments, which provided useful inputs into the project design. The WB performance during project implementation is rated *moderately satisfactory*. The Bank worked closely with project management to address key implementation issues. In order to take stock of implementation progress and address implementation issues, the Bank organized a very successful Project Recovery Retreat in January 2009 prior to midterm review. However, the Bank support to M&E issues was limited. Given the weaknesses in M&E implementation and its impact on overall results, more support should have been given to M&E issues. Based on the above the overall Bank performance is rated *moderately satisfactory.*

Lessons learned and Recommendations

12. The following are key lessons learned from MACEMP implementation:

- In a national project of such magnitude, a strong M&E system with adequate staffing, equipment and tools is critical to achieving development outcomes. MACEMP operated with a weak M&E system and that adversely affected data collection, analysis and reporting.
- In the implementation of projects of such nature where there are significant number of joint activities, clearly defined roles and responsibilities from the outset of project implementation is essential. Lack of leadership for shared responsibilities between the Mainland Tanzania and Zanzibar slowed down the implementation of activities of common interest.
- Prior capacity building interventions, particularly procurement, for project staff as well as staff of partner agencies is essential for smooth implementation of project activities. Weak capacity for procurement activities in key implementing agencies seriously affected implementation
- Mainstreaming projects in government systems helps strengthen systems and build existing capacity. This was one of the core principles underlying the design of MACEMP. But it led to delays in executing key functions such as financial management and procurement activities. Future operations should consider simplifying approval and contracting processes for project specific interventions. In particular, issues regarding modalities for payment

authorization and approvals should be discussed, negotiated, and agreed upon at project preparation and inception stage. MACEMP encountered delays in approval of payments in the use of existing government system of payment.

- Empowering communities with the requisite resources and skills to undertake business ventures enhances their ability to manage projects and further improve their livelihoods. The project's community groups benefitted significantly from project interventions, but funding shortfalls and marketing constraints, hampered smooth running of their operations. The design of future livelihood projects should take into account issues regarding marketing and distribution of beneficiaries' products. This will require undertaking a value chain analysis as part of project preparation to ascertain areas where marketing and distribution of products could be improved and implemented.
- Implementing a project in a Union which comprises independent entities with their own legislative processes, policy, institutions and processes requires identification and implementation of strategies that would ensure harmonization of the processes for project specific interventions.
- The link between policy and politics which required the project to spread its scope to all coastal districts regardless of their readiness to receive and implement the project was a real challenge. In future, the discussion around project coverage based on available resources should be part of policy discussion and consideration at the outset.

13. Based on the project results, challenges and lessons learned the following recommendations are proposed:

- Identify key staff at early stage of project preparation and build their capacity to undertake key functions.
- Integrate strategies for minimizing issues of bureaucracies in the public sector into future project designs. Such strategies should be discussed at the outset of project preparation and design.
- Integrate market linkages component/activities into project designs to better address marketing and distribution issues confronting beneficiary groups.
- Factor into future project designs emergency funding for beneficiary groups to mitigate funding shortfalls.
- Provide incentives (financial and material) to motivate government staff who will work on the project on full time basis. The sources modalities for payment of these incentives should be negotiated and agreed upon at project preparation stage.

B. Client's Comments on the Bank's Draft ICR

The Bank did not receive the requested formal letter from the Client containing comments on the draft ICR report. See Main Text, footnote 40.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

N/A

Annex 9. List of Supporting Documents

Project Appraisal Document, Report No. 32500-TZ, June 21, 2005

Credit and Grant Agreements

Aide Memoires

Financial Management Supervision Reports

Procurement Reports

Implementation Supervision Reports (ISR)

Restructuring Papers

Client Completion Report: "Implementation Completion Report", MACEMP 2013

Socio-economic Impact Assessment of MACEMP Supported Projects, Health and Environmental Concerns (HEC) Limited, Dar Es Salaam, February 2013

Review of the Implementation of MACEMP Environmental and Social Safeguards Instruments, Health and Environmental Concerns (HEC) Limited, Dar Es Salaam, December 2012

The Marine Legacy Funds of Tanzania, Feasibility Study and Guidance Documents, David Meyers, Dar Es Salaam, September 2012

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TANZANIA

SELECTED CITIES AND TOWNS
PROVINCE CAPITALS
NATIONAL CAPITAL
RIVERS
MAIN ROADS
RAILROADS
PROVINCE BOUNDARIES
INTERNATIONAL BOUNDARIES

JUNE 2013