



Ministry of Fisheries, Marine Resources and Agriculture

Male', Republic of Maldives

## **Project Name: Maldives Sustainable Fisheries Resources Development Project**

**Location:** K. Maniyafushi, GA. Maanagalaa, Adh. Atoll and Fishing Vessels

**Project Duration:** 17 April 2017 – 31 December 2022.

**Sector:** Mariculture and Fisheries

**Implementing Agency:** Ministry of Fisheries Marine Resources and Agriculture

**Source of Funding:** The World Bank

**Total value of the project:** The total program cost amounts to USD 18 million.

### **Beneficiaries**

The main project beneficiaries will be the households where fishing is a vital component of livelihoods, small-scale commercial fishers and dry fish processors. Activities to augment, sustain and conserve the marine fishery will benefit all 9,544 fisher households currently employed in the fishing sector (vessel owners, fishing crew, and workers in the value chain of tuna fishing) by reversing the trend of declining and threatened fishery resources. The main beneficiaries of new mariculture and improved conservation regime of reef fishery will be communities living in the remote northern atolls of Maldives. As mentioned earlier, many of them are traditionally skilled in fishing, have no alternative income earning options, but are gradually withdrawing from fishing and fishing related activities (owing to lack of meaningful income from such activities). The aim is to create jobs that provide meaningful income to as many women and youth among these remote atoll communities as possible.

### **Project Status: On-going**

#### **Project Summary**

The fishery sector is a key sector in Maldives' economy and forms the most important economic activity in almost all of its inhabited islands. The abundance of coastal and marine natural resources in Maldives forms the basis of the country's two most important economic activities – fisheries and tourism. Even if the relative importance of the fisheries sector has declined since the late 1970s (due mainly to the rapid growth of tourism), its role in the Maldivian economy remains

significant. Fisheries play a critical role in food supply, job generation, livelihoods and well-being, wealth distribution and national economic development in general. The sector is mainly a tuna-based fishery, which comprises of 90- 95% of the total fish catch, while the remaining 5% consist of reef fisheries (16% in “lowtuna years”). In 2015, the fisheries sector accounted for 1.4% of GDP<sup>2</sup> and 11% of the labor force, and generated US\$140 million in export revenue<sup>3</sup> (export revenue was highest in 2013 at US\$163 million), which was almost all of Maldives’ physical exports.

Maldives’ economic development agenda is closely linked to its fisheries sector. This is not only because the country has very few opportunities outside tourism and fisheries to grow, but also because no other sector has obvious potential for creating skilled and profitable jobs for the local population. Tourism may still grow, but the benefits of tourism development are not necessarily reflected in the local economy. Fisheries on the other hand, can grow and create additional profitable employment if sustainably managed. The lack of direct employment opportunities in fisheries in last 15 years (direct employment reduced from about 30,000 in 1970s to 14,000 in 2001 to below 9,000 in 2015) is a big development concern given the fact that fisheries represent the single most important source of jobs in many islands, especially those that are not close to the capital or tourist resorts. Compared to any other vocation, fisheries is traditional in Maldives, and skill development for creating additional jobs could be comparatively easier. Based on these contexts, the Government had underlined in its Strategic Action Plan, the need to focus on fisheries for creating of additional jobs and economic value.

This current project has been prepared, within the objectives and in pursuance of the MoFMRA Strategic Action Plan, and to seek and utilize financing from the World Bank. The World Bank financing comes from both its national funding window for Maldives, and the regional funding window for the southwest Indian Ocean Region.

## **Project Development Objectives:**

The Project Development Objective (PDO) is to improve the management of fisheries at regional and national levels including supporting the establishment of mariculture in targeted atolls in the Maldives.

### **Project Components:**

The project is aligned with government sector policy and in its design would center on the principles of sustainable management and governance of marine fisheries resources. The project components are also directly linked to wellbeing of the regional fishery stock. Such as:

**COMPONENT A: Augmentation of Institutional Capacity for Marine Fisheries Management.**

**COMPONENT B: Support to Mariculture and Diversification of Fisheries.**

## COMPONENT C: Project Management, Monitoring and Evaluation.

### Implementation

MoFMRA has the sole mandate, jurisdiction and experience in managing fisheries, and therefore, is the obvious choice to lead project implementation. However, the MoFMRA has a large mandate, but limited staff. There is a need to increase staff in most divisions of the MoFMRA including the divisions responsible for compliance monitoring, implementation of mariculture activities, training and extension – who will be involved in preparation and implementation of the project. Given the reduced working hours of the government staff in Maldives, it is unlikely that the existing staff will be able to provide any time for the project. A special purpose vehicle in the form of a PMU, with adequate number of technical staff, including expert staff on mariculture, aquaculture research, and market studies, environmental management, social inclusion (gender), financial management, financial planning, and procurement was, therefore, deemed necessary. The responsibilities of MoFMRA including the Steering Committee include providing national policy and implementation framework; approval of the project and securing the required budget from the MoFT; approval of the project’s overall annual action plans and annual budgets; and overall implementation oversight. MoFMRA will also ensure that most of the project activities are duly executed by its regular divisions and field offices.

### Project Outcomes

Benefits of the project refer mainly to the increase in income for the fishermen by

- (a) avoiding loss of income from capture fishery in the BAU (Business as Usual) scenario;
- (b) adoption of new technologies both in capture fishery and mariculture;
- (c) enhanced access to traditional and new export markets;
- (d) better value chain management;
- (e) adoption of quality standards; and
- (f) favorable business environment.

Fisheries and mariculture activities are expected to become more beneficial also through favorable conditions regarding fish catch and market prices (such as the new opportunities created by the Free Trade Agreement between Maldives and China). Under the assumption that the fish stocks are depleting, project activities including conservation activities for capture and

reef fishery will arrest the potential decline of fisheries-related GDP, and eventually increase it. Diversification through mariculture will add new jobs, income and higher domestic fisheries-related value-addition benefits for households. Potential increase fiscal revenues from license or penalties, however, are not counted among the project benefits, since they appear in the macroeconomic benefits as “transfers”.

## Progress of the Project

### Component A: Improvement of Institutional Capacity in Marine Fisheries Management.

Component A is about improving the overall fisheries management, establishing marine zoning covering the entire Maldivian EEZ for long term benefits and preparing a longer-term plan to establish and operationalize in-country skill and capacity building activities.

#### (A1) Development of key fisheries management and planning instruments.

The Fisheries Act was formulated and finalized in September 2019 and the following remaining regulations required by the new Fisheries Act were finalized: (a) General fisheries regulation (b) Regulation on port state measures to prevent, deter and eliminate IUU fishing, (c) Licensing regulation, (d) Regulation on issuing permits for the establishment of fisheries project, (e) Regulation on the Establishment of Floor Prices for Fish Purchase, (f) Aquaculture Regulation, (g) Regulation Conduction of Marine Research in the Maldives, and (h) The Regulation on the undertaking of Marine Scientific Research.

Furthermore 7 fishery management plan regulations were formulated and gazetted. They are: Bill Fish Fishery Management Plan, Diamond back Squid Fishery Management Plan, Sea Cucumber Fishery Management Plan, Marine Aquarium Fishery Management Plan, Grouper Fishery Management Plan, Lobster Fishery Management Plan and General Reef Fishery Management Plan. The formulation of the regulations to implement the Diamondback Squid Fishery Management Plan, Sea Cucumber Fishery Management Plan, Marine Aquarium Fishery Management Plan, Lobster Fishery Management Plan, General Reef Fishery Management is ongoing. The Billfish Fishery Management Regulation and Grouper Fishery Management Regulation has been finalized and gazetted.

## **(A2) Development and Implementation of Fisheries Management Activities to ensure compliance:**

The procurement of the VLDs through an international competitive bidding and the EOS through a single-source procurement was completed. Contract was signed with Ooredoo Maldives PLC to provide 680 Vessel Monitoring Systems and 15 Electronic Observer Systems. All the Electronic Observer Systems has been installed and 316 VLDs has been installed. Installation of the remaining VLDs is ongoing.

## **(A3) support to long-term program for fisheries management:**

Three sampling programs are implemented under this component. They are Grouper Fishery Sampling Program, Strengthening Tuna Sampling Program and Strategic Reef Fishery Sampling Program. For tuna sampling, Tuna Samplers were recruited to collect pole and line fishing data from commercial landing sites and artisanal vessels. Reef fishery sampling is conducted by the Field Officers hired by the project. A Productivity Susceptibility Analysis (PSA) for reef fish exploited in the Maldives was carried out with assistance from the expert consultant hired for the project. A general overview of general reef fishery and grouper fishery based on sampling data from SFRDP was presented at the third Maldives Marine Science Symposium (MMSS) hosted by MMRI on December 2020. The Grouper Maturity Size Study for four high value species was completed and is in preparation for publication. Multi beam bathymetry study of 6 grouper aggregation sites have been completed. A contract was signed with *Fulidhoo* Dive and Watersports to monitor two 2 sites in *Vaavu* Atoll.

## **Component B: Support to Mariculture and Diversification of Fisheries Sector.**

### **(B1) Development and demonstration of Mariculture Production and Technology Package.**

The construction work of Broodstock house, Greenhouse, Mosque, Warehouse Building, Accommodation and Lab Building at Maniyafushi Mariculture Research and Demonstration Facility has been concluded. Expansion of the production capacity of Maniyafushi MRDF is being discussed with the World Bank, which will entail supply and installation of various hatchery, nursery and live feed tanks and related aeration and water supply systems.

## **(B2) Promotion of mariculture grow-out schemes and seafood growth clusters.**

Agreement was signed with 19 beneficiaries were selected for the grouper pilot project implemented in A.Dh Atoll which includes 7 from A.D Mahibadhoo, 4 from A.Dh Dhangethi, 4 from A.Dhigurah and 4 from A.Dh Omadhoo. The project will provide 4000 grouper fingerlings, floating fish cages, fishfeed and other technical support for these beneficiaries. Each beneficiary has been provided with 1000 grouper fingerlings. The project arranged a virtual auction for the groupers provided to the Mahibadhoo beneficiaries and 4,240 groupers from *Mahibadoo* were sold during the auction. The fingerlings given to the beneficiaries of Omadhoo, Dhangethi has also reached to marketable size and the preparatory work for the virtual of these groupers is ongoing.

## **(B2) Supporting design, construction and operation of a multispecies hatchery.**

Ancillary facilities of Multi-species hatchery in Ga. Maanaagalaa:

The construction works of recreation building, waste disposal- incinerator building, powerhouse- RO plant building, mosque, arrival jetty accommodation building and office building was concluded in October 2021.

### **Design Build Operate and Transfer Contract for Multispecies Hatchery:**

The DBFOT bidding documents for the multispecies hatchery was finalized, and bids (proposals) were invited in November 2021. Proposal submission is due on 13<sup>th</sup> January 2022

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