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A GUIDE FOR DEVELOPING AND IMPLEMENTING PUBLIC-PRIVATE PARTNERSHIP MODELS FOR SUSTAINABLE FISHERIES AND AQUACULTURE DEVELOPMENT IN AFRICA

A GUIDE FOR DEVELOPING AND IMPLEMENTING PUBLIC-PRIVATE PARTNERSHIP MODELS FOR SUSTAINABLE FISHERIES AND AQUACULTURE DEVELOPMENT IN AFRICA

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Acronyms

AFRM	African Fisheries Reform Mechanism
AU MS	African Union Member State
AU-IBAR	African Union Inter African Bureau for Animal Resources
BOT	Build, Operate and Transfer
CAADP	Comprehensive Africa Agricultural Development Program
CAMFA	Conference of African Ministers of Fisheries and Aquaculture
CSO	Civil Society Organization
EU	European Union
ICT	Information Communication and Technology
JV	Joint Venture
LME	Large Marine Ecosystem
NAIP	National Agricultural Investment Plan
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
NSA	Non State Actor
PFRS	Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa
PPP	Public Private Partnership
PSO	Private Sector Organization
REC	Regional Economic Community
RFB	Regional Fisheries Body
SME	Small and Medium Enterprise
SWOT	Strengths, Weaknesses, Opportunities and Threats

Executive Summary

Public-Private Partnership (PPP) has been identified as one of the effective strategies with potential for the development of fisheries and aquaculture in Africa (AUC and NPCA,2014). The case for PPP is based on the premise that it is the private sector that creates the jobs, goods and services that the world's poorest people so desperately need to lift themselves out of poverty – but this can only be possible where the public sector provides the enabling environment to help achieve this goal. Although this is a fairly generally accepted position, there are no clear roadmaps to guide AU MS on PPP in the sector. It is therefore essential to assist AU MS articulate possible approaches and models for PPP interventions, hence the need to develop appropriate guidelines on this subject matter as articulated in this document.

The document is complementary to the parent Policy Framework and Reform Strategy for fisheries and aquaculture in Africa (PFRS) and an expansion of the emphasis it places on enhancing private sector investment and financing mechanism as part of the cross-cutting issues under policy area on enhancing private sector investment and financing. The Guide gives an abridged overview of generic PPP principle and practices, practical steps and templates, suggested policy intervention areas and roles of various relevant stakeholders in PPP project development and implementation. To produce this document, an expert consultative meeting was held in Yaoundé, Cameroun in December 2015. This meeting had series of plenary and syndicate sessions that jointly produced the first outline and key contents of the guide.

The overall objective of the resultant document is to provide guidance for the development and implementation of PPP projects in fisheries and aquaculture by African Union member states (AU MS) within the context of the PFRS, with the view to enhancing increased and sustainable returns from sector.

Experts at the Yaoundé meeting recommended the following steps in this regard:

1. AU MS to adopt AU-IBAR PPP principles as outlined in this guide document
2. AU MS to develop/amend overarching legislation in PPP law to reflect Fisheries and Aquaculture issues
3. AU MS to develop/amend fisheries and aquaculture specific policy frameworks for the implementation of PPPs.
4. AU MS to develop priority PPP projects for implementation as pilots for replication

5. The provisions of this Guide is premised on the understanding that PPP projects in fisheries and aquaculture in Africa will be planned and implemented within the context of the African Fisheries Reform Mechanism (AFRM) under a multi-stakeholder platform in which the AU MS, Regional Institutions, Development Partners, NSAs, AU and the private sector have joint roles to play.

1. Introduction

The Policy Framework and Reform Strategy for Fisheries and Aquaculture development in Africa was endorsed by the Summit of African Heads of States and Governments in Malabo, Equatorial Guinea, June 2014. The framework contained sustainable small-scale fisheries management as well as sustainable aquaculture development as two distinguished key policy pillars for enhancing food security, wealth creation and livelihoods. It placed emphasis on jumpstarting market-led sustainable fisheries and aquaculture through a variety of strategies and, where appropriate, support interventionist development approaches by strong strategic and implementation plans. One of the strategies identified for developing the potential of the sector is to enhance public-private partnership in the fisheries and aquaculture sector. The case for PPP is based on the premise that it is the private sector that creates the jobs, goods and services that the world's poorest people so desperately need to lift themselves out of poverty – but this can only be possible where the public sector provides the enabling environment to help achieve this goal. While, it has been generally accepted that enhancing innovative PPP models in aquaculture and the small-scale capture fisheries activities in Africa can contribute substantially to food security, employment and economic growth as PPPs help to mitigate the inadequacies of technology, finance and human resource capacities; there are no clear roadmaps on how to proceed. It is therefore essential to assist AU MS articulate possible approaches and models for PPP interventions, hence the need to develop appropriate guidelines on this subject matter.

This document has been developed as a complementary document to the parent PFRS and an expansion of the emphasis it places on **enhancing private sector investment and financing mechanism as part of the cross-cutting issues under PFRS policy arena 8**. It gives an abridged overview of generic PPP principle and practices, practical steps and templates, suggested policy intervention areas and roles of various relevant stakeholders in PPP project development and implementation. The Guide has been developed through consultative processes involving stakeholders that included AU MS, RECs, specialized regional Institutions in Fisheries and Aquaculture, NSAs, members of the AFRM, development partners and individual experts. To produce this document, an expert consultative meeting was held in Yaoundé, Cameroun in December 2015. This meeting had series of plenary and syndicate sessions that jointly produced the first outline and key contents of the guide.

2. Objectives of the Guide

This document is by no means a replacement to the PFRS; it is rather a companion document with the overall objective of providing guidance for the development and implementation of PPP projects in fisheries and aquaculture by AU MS within the context of the PFRS, with the view to enhancing increased and sustainable returns from sector. The specific objectives of the guide are therefore to provide and promote for adoption, general framework for incorporating

i. PPP in the policies and strategies for fisheries and aquaculture governance in AU MS.
ii. Innovative approaches for increasing private sector investment in fisheries and aquaculture
iii. Best practices for PPP in fisheries and aquaculture along appropriate value chains
iv. And aligning national with regional policies on PPP in fisheries and aquaculture
v. Monitoring the level of implementation of PPP in fisheries and aquaculture in AU MS.

3. Background

The African continent has vast fishery resources that are significant sources of a variety of benefits, including nutritional and food security, livelihoods, employment, exports and foreign exchange as well as conservation and biodiversity value that are of global significance. Despite these resources, the continent continues to be saddled with numerous problems that impede long term resources and environmental sustainability and thus minimizing the prospects of increase delivery of the potential benefits of the sector and its contribution to African economic development. These problems include incoherent and inadequate policies, weak or lack of coordination between key sector players and institutions, dysfunctional Monitoring, Control and Surveillance systems where they exist, and poor small-scale fisheries and aquaculture development. Collectively, these issues can be described by one phrase - poor governance frameworks for the African fisheries and aquaculture sector. Appropriate policies and regulatory frameworks need to be put in place in order to reverse the threats posed to the realization of the full potentials of this sector by these challenges.

Fortunately, several high-level initiatives on the continent recognized the challenges and opportunities of the sector, and steps have been taken to address the critical issues. Prominent among these initiatives are the 2004 Sirte Summit Declaration, the Abuja 2005 fish-for-all declaration, the 2010 Banjul Conference of African Ministers for Fisheries and Aquaculture (CAMFA I) and the 2014 Addis Ababa CAMFA II. As part of the resolutions of CAMFA I, it was recommended that the AU put in place a mechanism for broad-based participatory policy

dialogue and fisheries management to ensure coherence of fisheries policies and initiatives. This recommendation was later adopted through an Executive Decision by the African Heads of States and Governments (Doc. EX. CL / 627 (XVIII) – thus paving the way for the various processes that led to the formulation of the PFRS which was eventually endorsed by the summit of African Heads of States and Governments in 2014 through Executive Council Decision No. EX.CL/Dec.831 (XXV) as a blue print for the sustainable positive reform of Africa's Fisheries and Aquaculture sector for increased benefits to AU MS. Along with the endorsement, African leaders urged:

- Member States to prioritize and develop action plans to realize the implementation of the PFRS
- Development partners and other stakeholders to align their interventions to the PFRS
- The AU to put in place a mechanism to monitor the implementation of the policy framework and report regularly to Member States

The publication of this document, the Guide for developing and implementing PPP models for fisheries and aquaculture is a major step taken to guide AU MS, development partners and other stakeholders to play their envisaged roles in the realization of the PFRS.

4. Summary of the Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa

4.1 Purpose of the PFRS

The overall purpose of the PFRS is to catalyze the transformation of Africa's fisheries and aquaculture for food, livelihoods and wealth. Accordingly, it is intended majorly to:

- Elaborate and make explicit essential guiding principles for good governance of Africa's fisheries and aquaculture for increased coherence and coordination of the sector
- Guide AU MS, RECs and RFBs to develop realistic fisheries and aquaculture policies by suggesting standards and best practices that will realize benefits such as food security, employment and income
- Provide appropriate guidance on how to implement reforms for fisheries and aquaculture development
- Facilitate regional collaboration and integration in shared fisheries and aquaculture resources management

4.2 Policy Framework and Reform Strategy Policy Areas

The policy areas of PFRS and their objectives are summarized in table 1 below:

Table 1: *Policy Areas and their objectives*

Policy Area		Policy Area Title	Policy Area Objective
1		Conservation and sustainable resource use	To establish national and sub-national governance and institutional arrangements that ensure that the societal contribution generated by Africa's sectors have the greatest impacts at the most appropriate level
2		Small-scale fisheries development	To improve and strengthen the contribution of small-scale fisheries to poverty alleviation, food and nutrition security and socioeconomic benefits of fishing communities
3		Sustainable aquaculture development	To jumpstart market-led sustainable aquaculture through a variety of strategies and, where appropriate, support interventionist development approaches in aquaculture by strong strategic and implementation plans
4		Responsible and equitable fish trade and marketing	To harness significantly the benefits of Africa's fisheries and aquaculture endowments through accelerated trade and marketing
5		Regional and sub-regional cooperation	To strengthen South-South (bilateral and regional) cooperation, and develop coordinated mechanisms among Regional Economic Communities, Regional Fisheries Bodies and LME-based commissions to ensure coherence of fisheries policies and aquaculture development and their adoption and adaptation
6		Awareness enhancing and human-capacity development	To increase awareness of the potential and importance of the sector and enhanced capacity of people and institutions in the African fishery sector to ensure the sustainable development of capture fisheries and aquaculture based on current and emerging trends, challenges and needs
7		High seas fisheries	To increase and consolidate the African Voice in the governance and management of high seas fisheries
8	A	Cross-cutting issues – climate change	To address the sector's climate change and disaster risks in an integrated and holistic manner at the political level
	B	Cross-cutting issues – gender & youth	To include knowledge-based gender and youth considerations in policies, laws and plans
	C	Cross-cutting issues – private sector investment	To improve the financial services offered to SMEs in the fisheries and aquaculture value chains

4.3 Guiding principles for the implementation of the Policy Framework and Reform Strategy

Implementation of the PFRS is a joint responsibility of government ministries, departments/ agencies in-charge of fisheries and aquaculture, donor agencies, technical institutions and other sector stakeholders. Effectiveness of the implementation anchors firmly on strong cooperation, collaboration, coordination and investment across a range of entities based on a visionary, sequencing and participatory approach, guided by the principles outlined in table 2

Table 2: *Principles for the implementation of the Policy Framework and Reform Strategy*

S/N	Guiding Principles	Description
1.	Adoption of a process approach in implementation	The PFRS may not be a panacea for every AU MS; however it presents a blue print for facilitating successful sectoral management and development. Realism, flexibility and pragmatism must be key considerations in implementing reforms. Member States and regional institutions, based on relevant information and diagnosis, must develop and implement relevant interventions in response to opportunities identified and constraints which need to be overcome at the level of each nation.
2.	Prioritization	The focus must be on the realistic attainment of specific objectives in line with national or regional priorities. Implementation of reforms is expected to be non-linear.
3.	Consultation, Cooperation and Participation	Effective consultations for decisions that may affect them must take place with stakeholders in order to obtain their views and informed consent for decisions that may affect them. Participatory decision-making must be vested at the lowest possible decentralized level and the inputs and support of those who could be affected by decisions taken into account. Institutional linkages must be established with other line ministries or agencies and partnerships and collaboration promoted between the private sector, international organizations, NGOs and CSOs.
4.	Scalability	Activities, wherever possible, must be designed to be suitable for use at different scales, for example at local and national scales and regionally. Scaling must be attained by replicating (in different places), and by modification and adaptation of initiatives for different contexts and levels.
5.	Sustainability	Application of the precautionary approach and risk management will guard against undesirable bio-ecological and socio-economic outcomes.
6.	Accountability	States and non-state actors are responsible for their decisions and actions.
7.	Self-development	Policy frameworks are of little value in the absence of operational plans, supporting political will and financial resources. Governments must provide the enabling environment for stakeholders to contribute to the sustainable use and economic viability.

5. PPP Principles and Practices

5.1. Generic PPP considerations

PPP is a relatively new approach to development in Africa and the concept is now emerging in continental forums in Africa. There are numerous definitions, models and practices that have been associated with this concept, and each with its proponents / approvers and opponents / disapprovers. But in the simple and broad sense, it refers to any arrangement where there is a collaborative relationship between public sector institution(s) and private sector(s) aimed at harnessing (and optimizing the use of) all available resources, knowledge and facilities required to promote efficient, effective, affordable, accessible, equitable and sustainable delivery of services. The increasing recourse to PPP is a demonstration of its efficacy in the delivery of important services that define the essence of the modern societal well-being. Some of the common challenges PPP sets out to address are contained in table 3.

Table 3: *Common challenges faced by Government and private sectors*

S/N	Government sector	Private sector
1.	Develop and implement effective policies for the common good.	Produce public goods that are affordable and satisfactory for the whole population.
2.	Ensure adequate financing of development projects for sustainability.	Ameliorate the adverse effects of competitive forces, often leading to an increasing gap between the haves and the have-nots
3.	Secure public goods for the equitable use of the whole population transparently.	Avoid corner cutting practices when not closely monitored at a cost to the consuming citizens.

Underlying rationale for PPPs in the field of development is that certain types of social, economic and technological innovations can only be achieved when public sector organizations, private firms and civil society organizations cooperate closely. The synergy resulting from the PPP relationship is absent from individuals and has better efficacy. For public and private institutions considering going into PPP projects, it is important to have clear principles outlined in well thought out agreements to protect the mutual interest of parties. The principles stand on the fundamental issues of ownership, funding and control of operations or put in another way: their relative exposure to the risks, responsibilities and rewards emanating from the PPP projects, and what resources each party is contributing to the partnership.

5.2. Categories of PPP

Generally a well articulated PPP model and agreement must clearly indentify the ownership, sources of funding, management, decision makers and the benefit of everyone. Different models of PPP exist but most of them fall within or a combination of the listed ones in table 4.

***Table 4**: Categories of PPP*

Categories of PPP	Description
Management / service contracting or outsourcing	Here, government owns and finances the project but appoints a PSO to operate it on its behalf. The PSO's remuneration is structured to be a combination of a fixed management fee and a variable success (performance) fee which will be based on its ability to meet set targets. Because the PSO is staking part of its fee, it is considered to be an intangible investor in the project.
Leases.	Here, government owns and finances the construction (capital) phases of the project but leases (rents) it out to a PSO for a fixed income to government. The PSO finances the operations (recurrent aspects) of the projects and earns the net returns after paying the rentals.
Concessions	Here, government owns and finances the construction (capital) phases of the project but grants a PSO the permission (concession) to run it. The PSO finances the operations (recurrent aspects) of the project. The government's remuneration is structured to be a combination of a fixed concession fee and a variable dividend from the profit generated from the project. In some cases, the PSO will be expected to upgrade the facilities either from its own resources or by ploughing part of the dividend due to government back into the project
Build, Operate and Transfer arrangements	This entails the involvement of the private sector in the completion of all or some aspects of a government project's development in such a way that the PSO funds and manages the project, and takes income generated from it until an agreed threshold is reached before government takes over. It may or may not entail a temporary change of ownership but ultimately, ownership reverts to government.
Joint Venture arrangements	Here, government and the private sector agree to jointly own the project, invest their funds (as equity) and share profit from operations under the PSO's management. It could be a temporary or tenured JV where a terminal date is set for the winding down of the relationship and appropriation of the project's assets & liabilities. It could also be a permanent JV where a Joint Venture Company is formed to drive the relationship.
Corporate Social Responsibility projects	Here, some PSOs may agree to invest funds or goods and services (i.e. in cash or kind) in public sector projects or other forms of PPP projects without gaining direct financial returns
Grants or conditional transfers	Here, government may agree to invest in some private sector projects without expecting any direct financial returns provided the PSO meet some conditions – usually aimed at generating public goods

PPP in Fisheries and Aquaculture

Application of the PPP concept to fisheries and aquaculture plays a significant role in improving access to national and international markets; improving food safety and quality; developing niche markets; improving sector-specific infrastructure services; improving financial services; technology development and research; improving information and communication; improving physical and technical infrastructure; improving capacity building and extension services; providing bio-security and bio-safety supports; privatizing government-owned facilities and services etc.

PPPs have been widely used to provide infrastructure in fisheries and aquaculture to support on-farm production (e.g. water supply, energy, transportation, pre- and post-harvest storage), ensures efficient trading and exchange (e.g. ICT, covered markets), adds value to the domestic

economy (e.g. agro-processing and packaging facilities), and enables produce to move rapidly and efficiently from farm-gate to processing facilities and on to wholesalers (e.g. transportation and bulk storage).

5.4. Factors influencing choice of PPP models in Fisheries and Aquaculture

In designing and implementing PPP models for the sector, it is important to look at several issues with an African lens to situate projects in the African context. The processes involved are often complex but have to be carefully thought out and strategically designed. There must be consultation among stakeholders to ruminate on:

- Types of partnership arrangements (Bilateral, Multilateral etc) in fisheries and aquaculture sectors.
- Government involvement (roles of government before, during and after agreement)
- Objectives that the private (profit, reward, risk, legal, regulatory structures and growth potential, political support, and political stability.
- Role of NGOs and Civil Society Organizations including benefit.
- Identification of successful models through analysis of existing successful project taking into consideration sustainability. In addition, evaluation of existing project should include possibilities of scaling p or down to transfer to other countries or situation.
- Institutional structure (minimum standards, arrangements, regulation (centralized or decentralized and managed by each sector (agriculture, fisheries, industry, telecommunications etc.)

6. Guide for Developing Public-Private Partnership Models for Sustainable Fisheries And Aquaculture In Africa

6.1 Process in Developing the Guide

Several steps were involved in developing the guide but the main activity was the three day fisheries and aquaculture expert meeting on developing PPP models for fisheries and aquaculture in Africa organized by AU-IBAR in collaboration with NEPAD with support from the EU. The meeting held from 10th to 12th December 2015 in Yaoundé, Cameroun and its participants were fisheries and aquaculture experts drawn from all over Africa.

There were 17 participants including Directors of Fisheries and Aquaculture from AU MS, representatives of Regional Economic Communities / Agencies, Regional Fisheries Bodies, Water Basin Commissions, Non State Actors, Private Sector, Development Partners, members of AFRM

Working Groups and individual experts.

Apart from the central objective of developing PPP models for fisheries and aquaculture in Africa, the specific objectives of the meeting were to:

- Carry out a situational analysis on current roles of public and private sectors in fisheries and aquaculture in African (Challenges, opportunities best practices, lessons learnt, etc.)
- Review and discuss the concept of private/public goods in relation to public/private sector engagement in the fisheries and aquaculture sectors in view of development challenges in Africa
- Identify principles and options for the design and implementation of successful aquaculture and fisheries PPPs in Africa
- Identify policies, institutional and capacity priority interventions to strengthen PPPs in fisheries and aquaculture

The outcome of the Yaoundé meeting was a draft outline produced by two syndicate groups – one for fisheries and the other for aquaculture, and rectified and adopted by plenary sessions for further development into the final document to be called "Guide for developing and implementing PPP models for sustainable fisheries and aquaculture in Africa".

6.2 Steps in Developing PPP models for Fisheries and Aquaculture in AU MS

The PFRS recognizes PPP as one of the key pillars for a successful development of sustainable market led fisheries and aquaculture and included it as one of the proposed strategies that have to be domesticated along with the PFRS at the national and regional levels. This implies alignment and adoption of national and regional fisheries policies, legislative frameworks and strategies with the PFRS (and its addenda documents) for coherence in sector management, performance indicators and monitoring progress in the implementation of PPP. The position of experts at the Yaoundé meeting was not different and they recommended that in the development of PPP models,

- AU.MS should align and adopt AU-IBAR PPP principles
- Develop/amend overarching legislation in PPP to reflect Fisheries and Aquaculture issues
- Develop/amend fisheries and aquaculture specific policy frameworks for implementation of PPPs in the sector
- Develop priority PPP projects for implementation as pilots for replication

6.2.1 Step 1: AU MS to adopt AU-IBAR PPP principles

While most countries have recognized PPP as a key instrument for financing and managing projects, they require guidance to put in place coherent and systematic approaches to ensure optimum and sustainable results from PPP projects. There must be an expression of interest by AU MS signifying their seriousness to mainstream PPP in their schemes for developing fisheries and aquaculture before AU-IBAR can provide guidance and guidance can be provided by AU-IBAR based on acceptance of its principles and demand by individual AU MS.

6.2.2 Step 2: AU MS to develop/ amend overarching legislation in PPP law to reflect Fisheries and Aquaculture issues

PPPs are crucibles for fusing and aligning several stakeholder interests into win-win project scenarios. In view of the complexities and in some instances, contradictions of these interests, it is necessary to have special laws guiding PPPs outside the regular business laws. Some AU MS do not have such laws but others already do. Those who do not have are required to enact PPP laws while those who have are to amend existing laws that reflect fisheries and aquaculture issues. Such laws should have sections that:

- Define clear and transparent mechanisms for financing PPPs
- Deals with setting up efficient risk management strategies in all PPPs
- Have adequate participatory processes to address stakeholder issues and concerns
- Incorporate cross-cutting issues such as gender, youth, environment, climate change, HIV/AIDS, equal opportunities etc. and take care of Environment Social Governance
- Incorporate transparency and accountability and due diligence in the design of partnerships
- Cater for regional / trans-boundary resource management issues

6.2.3 Step 3: AU MS to develop/amend agriculture specific policy frameworks for implementation of PPPs to include fisheries and aquaculture focal issues

Apart from enacting generic overarching PPP legislations covering all sectors of the economy, it is also necessary to convert such laws into practical policies and action points specifically for fisheries and aquaculture. Some AU MS do have such policy frameworks but others do not. It is required that were the laws exist, they should be reviewed while they should be developed where they are not in existence to reflect fisheries and aquaculture issues. Such policies should have sections or requirements that:

- Incorporate PPPs in NAIPs under CAADP
- Set up PPP desks and appoint desk officers

6.2.4 Step 4: AU MS to develop priority PPP projects for implementation as pilots for replication

The essence of steps 1 – 3 is to enable AU MS walk the talk as outlined in step 4. Experts at the Yaoundé meeting recommended the following sub-steps in this regard using AU-IBAR templates:

- Identify and map out the fisheries and aquaculture value chains at country level
- Analyze the value chains / conduct SWOTs at country level
- Identify strategic interventions required to address matters arising from the SWOT and the most probable PPP models for implementation
- Select pilot projects for implementation at country level based on priorities

6.2.4.1 Identify and map out the fisheries and aquaculture value chains at country level

A good way to appreciate the interaction among industrial stakeholders, and therefore the need for PPPs is the value chain approach. A value chain can be described as the full range of activities which are required to bring a product or service from conception, through the different phases of production, transformation and delivery to final consumers, and eventual disposal after use. Value chains, in the context of African fisheries and aquaculture development can be viewed in a narrow (micro) or broad (macro) sense. In the narrow meaning, a value chain focuses on a single firm and includes the conception and design stage, the acquisition of inputs, production, marketing and distribution activities, and the performance of after sale services. The broad approach to value chains looks across enterprises at the range of activities implemented by various actors to bring a raw material to the final product. It also includes linkages with other actors engaged in activities such as trading, assembling, processing and providing business development services such as credit and market information; and those responsible for creating the enabling environment for all to operate.

Table 5: *Value chain actors, supporters and enablers*

S/N	Categories of participant	Functions
1.	Value chain actors	Actors are those who deal directly with the input supply, production, processing, trading etc. of a product. Usually they own the product for a certain time as it travels along the chain.
2.	Value chain supporters	These provide services that add value to the product but never directly owning the product.
3.	Value chain influencers or enablers	These provide the regulatory framework, policies, infrastructures, etc. (at the local, national and international level) to makes value chains work i.e. they provide the enabling environment. A favorable and enabling business environment provides economic and political stability, ensures low costs for business transactions, and allows for efficient business operations, which lead to greater innovation and creativity.

Any value chain operates in a space which is formed by the macroeconomic landscape, policies and regulations, institutional elements and facilitating services. These elements of the environment, although not directly involving in the production and distribution, do influence the performance of the value chain. All these components (Table 5) can interact in two different directions: horizontally (i.e. at same activity level e.g. among input suppliers) and vertically (i.e. across different activity levels e.g. between input suppliers and fish farmers).

The value chain approach enables project planners and implementers to look at the dynamic interactions between these components to enhance delivery of sustainable projects. The foundation for understanding the value chain is accurate mapping – which in the strict sense is a unique exercise for projects. However, it is useful to prepare indicative value chain maps for each industry (within the context of identified geographies such as countries or regions) to be used as guiding tools. AU MS are encouraged to do so for the fisheries and aquaculture industries at the country level using the templates from the Yaoundé meeting presented in the figures below.

6.2.4.1.1 Templates for Generic Fisheries Value Chain Mapping

Two examples of simple generic value chains are presented in figures 1 and 2. AU MS are expected to come up with country specific fisheries value chain guided by the simple examples provided.



Figure 1: *Generic fisheries value chain map model 1*

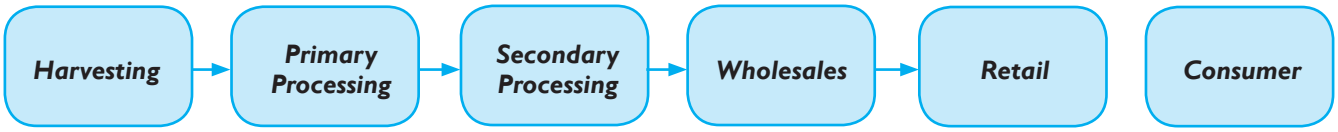


Figure 2: *Generic fisheries value chain map model 2*

6.2.4.1.2 Templates for Generic Aquaculture Value Chain Mapping

Experts in Yaoundé identified three major significant interwoven production chains within the aquaculture value chain. These are

a. *Hatchery production chain* – delivering fingerlings which are the seeds required by the grow-out farmers
b. *Grow-out production Chain* – delivering table-sized fish for human consumption and use in fish products
c. *Fish feeds production Chain* – delivering the feeds which are the main inputs for (a) and (b) above

The details of possible actor interactions within the typical aquaculture-value chain map are presented in models 1 and 2(Figs. 3 and 4). These are offered as guide to AU MS. AU MS and regions are required to develop and adopt models that are country and regional specific.

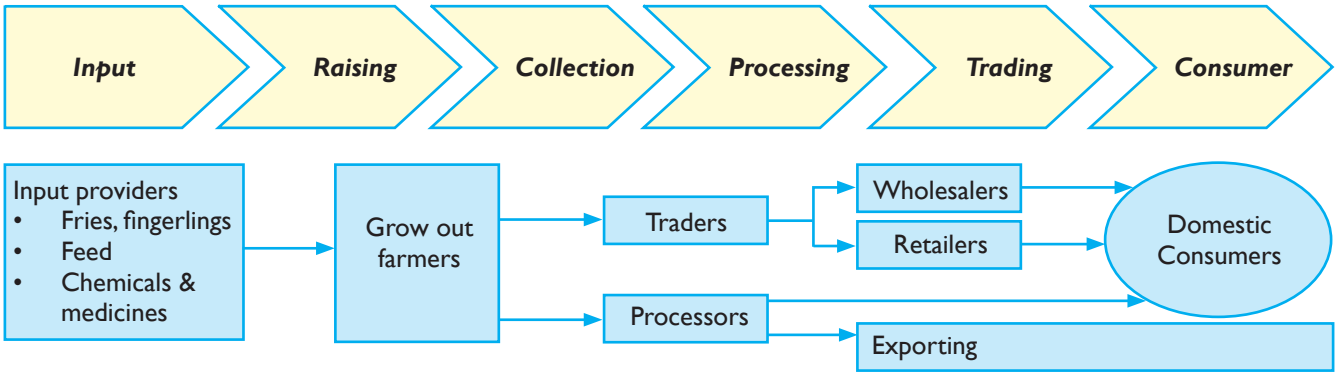


Figure 3: *A simple Generic aquaculture value chain map*

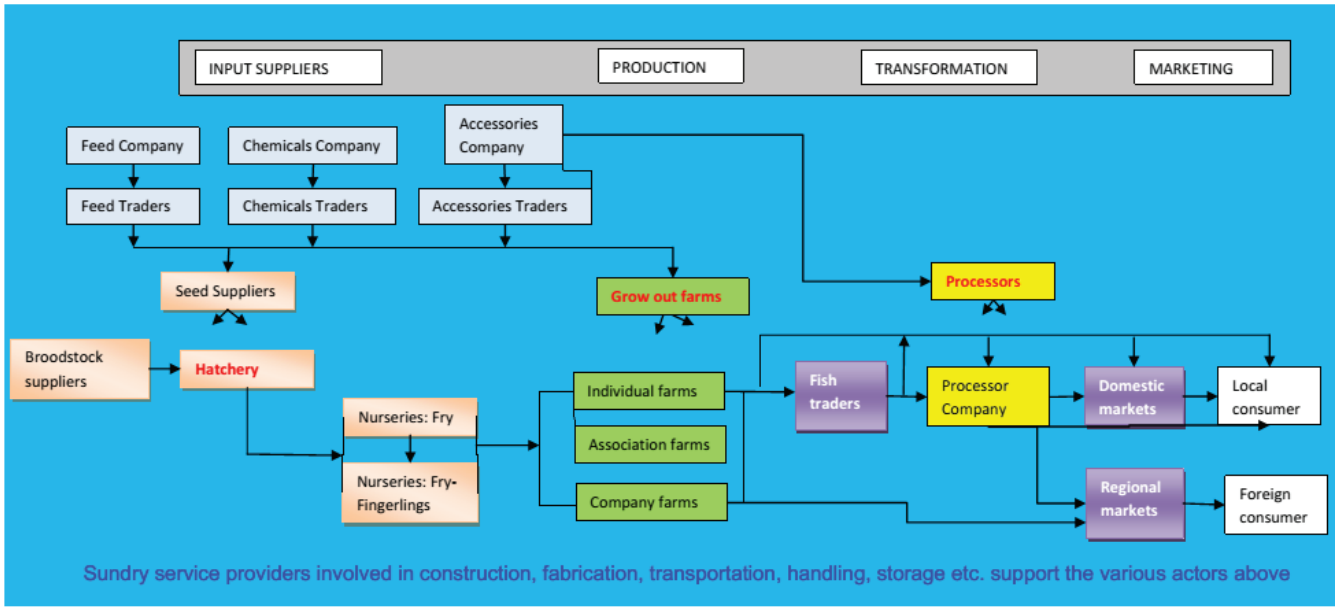


Figure 4: *Composite aquaculture value chain map*

6.2.4.2 Analyse the value chains / conduct SWOTs at country level

Value chain analysis is aimed at understanding the underpinning factors affecting performance at each stage. AU MS are encouraged to conduct SWOT analysis of the indicative value chain maps for the fisheries and aquaculture industries at the country level using the templates from the Yaoundé meeting presented in the tables below. This template is generic and AU MS are advised to carry out country specific SWOTs and develop templates as applicable.

Table 6: *Generic SWOT Template for Fisheries Value Chains*

Value chain stages	Strength	Weakness	Opportunities	Threats
Input Supply	• Local Input producers / suppliers are available	• High costs of imported inputs and volatilities in exchange rates • Weakness in enforcement of importation rules, standards & specifications and use of illegal fishing gears	• Investment opportunity for local manufacturers • Presence of regulatory frameworks; willingness of local producers / suppliers to be educated & supported	• Production and prices controlled by exporting countries
Fishing	• Availability of abundant water bodies and conducive environmental conditions (upwellings) • Availability of fisheries research & management institutions	• Overcapacity in fisheries • Low capacity of institutions	• High demand of fish • Price of fish is generally lower than that of poultry and beef products • High nutrition value of fish	• Overexploitation of fisheries resources • Climate change effects
Fresh Fish Handling	• Abundant designated landing sites • Presence of reasonable tonnage of fish landed	• Inadequate infrastructure; high rate of wastages and post-harvest losses	• Capacity building of institutions and human resources	• Traceability challenges Absence of standard regulations & certification
Processing	• Existence of efficient processing technologies	• Prevalence of poor technology leading to limited value addition • Low adaptation of modern technology	• Promotion of modern technology • Increasing the shelf life of fish to enhance trade	• High cost of modern technology • High Sanitary and phytosanitary standards • Stringent Ecolabelling certification
Marketing	• Readily available markets • Lower prices of fish compared to beef and poultry • Generally limited cultural restrictions to fish consumption	• Poor market information flow • Poor marketing infrastructure • Low disposable incomes leading to failure to pay premium price	• Introduction of mobile market Information Systems • Investment in landing and marketing facilities • Existence of Regional markets	• Cheap fish imports • Multiple tax regimes

Table 7: *Generic SWOT Template for Aquaculture Value Chains*

Value chain stages	Strength	Weakness	Opportunity	Threat
Hatchery	• Available expertise and technology • Abundant resources (land, water, climate)	• Poor quality broodstock • High cost of hatchery feeds • Poor management	• High demand for seed • Political will	• Inflow of unregulated imported seed • Wild collections • Diseases • Difficulty in accessing finance • High tariffs (import duty, taxes, etc.
Table-size /Grow out	• Available expertise and technology • Abundant resources (land, water, climate)	• Poor quality seed • High cost of grow-out feeds • Poor management • Post-harvest losses (Perishability)	• High demand for table-sized fish • Political will • Declining wild fish stocks • Conservation	• Inflow of unregulated cheaper imported fish • Diseases • Difficulty in accessing finance • High tariffs (import duty, taxes, etc.
Fish feeds	• Available expertise and technology • Abundant resources (land, water, climate) • Availability of some raw materials (energy sources)	• Poor quality raw materials • High cost of essential raw materials e.g. fish meal • Poor management • Difficulty in accessing finance	• High demand for table-sized fish • Political will • Declining wild fish stocks • Conservation	• Imported fish feed • Poor quality feeds • High tariffs (import duty, taxes, etc.)
Processing	• Abundant resources (land, water, human, climate)	• Insufficient expertise and poor technology • Poor management	• High demand for processed fish • Political will • Declining wild fish stocks • Conservation • Gainful employment • Export • Improved shelf life	• Inflow of unregulated cheaper imported processed fish • Difficulty in accessing finance • High tariffs (import duty, taxes, etc.
Marketing	• Available expertise and skills • High demand	• Poor marketing strategies • Difficulty in accessing finance • Logistical challenges • Poor infrastructure • Poor quality products • Poor standardization and certification	• High demand for fish • Political will	• High tariffs (taxes, etc.)

6.2.4.3 Identify strategic interventions required to address matters arising from the SWOT and the most probable PPP models for implementation

The SWOT analysis will generate matters that can be addressed to create positive turning points for the sector. AU MS are encouraged to use their SWOT analysis as the basis for identifying the strategic interventions to make this possible at the country level using the templates from the Yaoundé meeting presented in tables 4 below as a guide.

Table 8: *Strategic Intervention Template for Fisheries Value Chains*

Value chain stages	Matters arising from SWOT	Strategic Interventions	Proposed PPP model
Input Supply	Investment opportunity for local manufacturers	Establishing enabling environment for investment in manufacturing fishing inputs	Joint consultative platforms
		To support production of local fishing equipment/ inputs	Joint venture
		Creation of marketing cooperatives to acquire & distribute fishing equipment	Joint venture
	Regulatory frameworks	Enhance capacity of regulator (enforcement, finance, operational units)	Joint consultative platforms
		Outsource private enforcement service providers to conduct compliance, surveillance and enforcement	Service contract
Fishing	High demand for fish	Support sustainable fisheries productivity, production and conservation	*Service contracts, grants and CSR*
		Conduct research on unexploited fish resources	Service contracts, grants and CSR
		Reduce post-harvest losses	Service contracts, lease, JV,BOTs, CSRs
		Support product development for various fish products)	Service contracts, grants and CSR
	Price of fish is generally lower than that of poultry and beef products	Promote fish consumption both at institutional and household level	CSR
	High nutrition value of fish	Promote fish consumption both at institutional and household level	CSR
Fresh Fish Handling	Capacity building of institutions and human resources	Establish and/ upgrade skills training programmes in fish handling	Service contracts, CSR, BOTs
		Provide for regular training and sensitisation to stakeholders in fish handling	Service contracts, CSR
		Establish fish inspection and quality assurance programmes for the Competent Authorities	BOTs, Service contracts

Value chain stages	Matters arising from SWOT	Strategic Interventions	Proposed PPP model
Processing	Promotion of modern technology	Support the investment and the use of improved small scale fish processing technology	BOTs and Service contracts
		Support the establishment of fish processing and preservation industries	BOTs and JVs
	Increasing the shelf life of fish to enhance trade	Support the establishment of fish processing and preservation industries	BOTs and JVs
	Stringent Ecolabelling certification	Develop capacity in fisheries improvement programmes	Service Contracts
Marketing	Introduction of mobile market Information Systems	Identify new and or expand existing mobile fish marketing services	Service contracts and JVs
	Investment in landing and marketing facilities	Support the development of landing site facilities, jetties, fish landing sheds, and ice production units	BOTs and JVs
	Existence of Regional markets	Increased connectivity	Concessions & service contracts
		Support the facilitation of fish trade procedures and financial transactions	Service contracts

Table 9: *Strategic Intervention Template for Aquaculture Value Chains*

Value Chain stages	Matters arising from SWOT	Strategic interventions	Proposed PPP models
Hatchery	Poor quality broodstock	Standardization and Certification	Concession
		Capacity building	Concession
		Broodstock development	Concession
		R&D	Concession
		Agricultural insurance	JV/MC/BOT
	High cost of hatchery feeds	Encourage low-cost local production	BOT
		Production and market incentives	MC
		R&D	Concession
		Capacity building	Concession
		Investment in feed mills	JV
		Standardization and Certification	Concession
		Agricultural insurance	JV/MC/BOT
	Poor management	Capacity building	Concession
		Agricultural insurance	JV/MC/BOT
	Inflow of unregulated imported seed	Put regulations in place and strengthen Monitoring, Control and Surveillance (MCS) and enforcement	Concession
	Diseases	Capacity building	Concession
		R&D	Concession
		Fish health equipment and material support	MC
		Agricultural insurance	JV/MC/BOT

Value Chain stages	Matters arising from SWOT	Strategic interventions	Proposed PPP models
	Difficulty in accessing financing	Enabling environment (necessary policies and mechanisms to facilitate access to finance, incentives, creation of financing schemes for aquaculture development)	JV/MC
		Agricultural insurance	JV/MC/BOT
Table-size /Grow out	Poor quality seed	Standardization and Certification	Concession
		Capacity building	Concession
		R&D	Concession
		Production and market incentives	MC/C
		R&D	Concession
	Poor management	Capacity building	Concession
		Investment in feed mills	JV/MC/BOT
		Standardization and Certification	Concession
	Post-harvest losses (Perishability)	Capacity building	Concession
		Encourage value addition	JV/MC
		Develop storage infrastructure	JV/MC
Fish feeds	Poor quality feeds	Standardization and Certification	Concession
		Production and market incentives	MC/Concession
		Capacity building	Concession
		R&D	Concession
	High cost of essential raw materials e.g. fish meal	Encourage low-cost local production	BOT
		Production and market incentives	MC/Concession
		R&D	Concession
		Agricultural insurance	JV/MC/BOT
		Capacity building	Concession
		Standardization and Certification	Concession
	Poor management	Agricultural insurance	JV/MC/Concession
		Capacity building	Concession
	Difficulty in accessing financing	Enabling environment (necessary policies and mechanisms to facilitate access to finance, incentives, creation of financing schemes for aquaculture development)	JV/MC
		Agricultural insurance	JV/MC/Concession
Processing	Insufficient expertise and poor technology	Capacity building	Concession
		Agricultural insurance	JV/MC/Concession
		Production and market incentives	MC
	Poor management	Capacity building	Concession
		Agricultural insurance	JV/MC/Concession
	Perishability (Low shelf life)	Encourage value addition	JV/MC
		Production and market incentives	MC
		Develop storage infrastructure	JV/MC
Marketing	Poor marketing strategies	Capacity building	Concession
	Difficulty in accessing financing	Enabling environment (necessary policies and mechanisms to facilitate access to finance, incentives, creation of financing schemes for aquaculture development)	JV/MC
		Agricultural insurance	JV/MC/Concession
	Logistical challenges	Agricultural insurance	JV/MC/Concession

Value Chain stages	Matters arising from SWOT	Strategic interventions	Proposed PPP models
	Logistical challenges	Agricultural insurance	JV/MC/Concession
		Infrastructure development	JV/MC/BOT
		Security	JV/MC/Concession
	Poor infrastructure	Infrastructure development	MC/C/BOT
		Standardization and Certification	Concession
		Production and market incentives	MC/Concession
		Capacity building	Concession
		R&D	Concession
All the stages above	Need to aggregate / cluster value chain actors to improve economies of scale	Aquaculture development zones / industrial estates	JV / BOT

6.2.4.4 Select pilot projects for implementation based on country level priorities

Upon completion of the various stages of value chain analysis, the next step is implementation of actual projects. AU MS are encouraged to start with pilot PPP projects in the first instance to be able to learn lessons for future projects. Pilot projects could be the reactivation of abandoned projects, enhancement of ongoing projects or commencement of start-up projects. The ideal way of selecting pilot projects is through consultations with stakeholders but in some instances, this can also by alignment with priorities already established e.g. to keep electoral campaign promises.

7. Implementation Mechanism and Roles of Institutions and Organizations

7.1 African Fisheries Reform Mechanism

African Fisheries and Reform Mechanism (figure 5) is the highlight the implementation of the PFRS. The AFRM is an African Union platform that was endorsed with the PFRS by the 2014 Summit of Heads of States and Government in Equatorial Guinea.

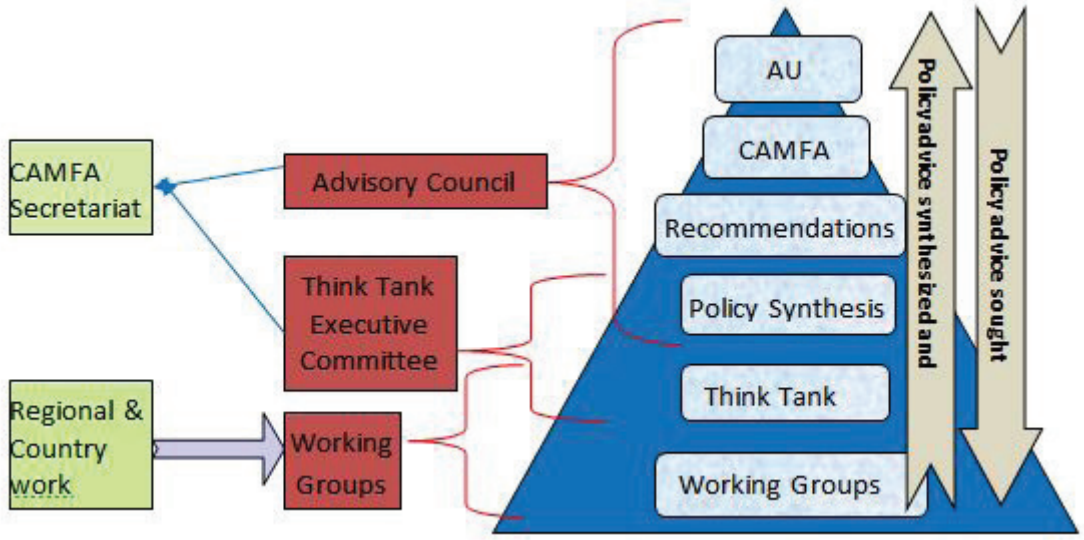


Figure 5: *African Fisheries Reform Mechanism*

This PPP guide is complementary to an AU-IBAR publication titled "guide for the implementation of the Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa "

7.2 Institutional Roles

- **AU Member States**

The primary responsibility for implementing the PFRS and its addenda documents, including the PPP guide lies with the Member States. The ministry, department or agency in-charge of the sector in each country will regulate, promote, support, guide, and coordinate the implementation of reforms through broad consultative processes with other stakeholders. Based on the provisions of the PFRS, the MS formulate better practices and ensure fishers, farmers and operators receive the technical guidance and advisory services on better practices. Member States and regional institutions must encourage donors to consider the priorities outlined in the PFRS and addenda documents when examining country, sector and regional priorities. While PPPs are gaining a solid foothold, it is also true that there are a lot of impediments and challenges. Although each country has its specific context and issues, there are key areas that will make them even more effective. These include:

i. Creating an enabling environment to attract private investments. Governments with good PPP track records have typically taken measures such as (i) development of a solid legal and regulatory framework, (ii) establishment of a dedicated PPP unit, (iii) strengthening of the government's project development function and capacity, (iv) creation of a mechanism for the government to provide financial assistance to PPP projects, and (v) ensuring integrity and transparency in the partner selection process by using the services of independent transaction advisers.
ii. Ensuring effective mechanisms and operational coordination among government agencies to help minimize delays in approvals and implementation of related issues such as acquisition, resettlement and compensation are also key factors to attract private investors.
iii. Enhanced and mutually beneficial PPPs can be implemented if governments deepen their knowledge and capacity, particularly in project preparation. It is important to select the right projects to pursue, and to manage fair and transparent bidding. Many governments are still building up their in-house capacity for PPP project preparation and procurement; this is encouraging, but it is a challenge.
iv. Governments can create dedicated project development funds, focused on preparing and structuring bankable PPP projects for private co-investments in fisheries and aquaculture.
v. Local and regional capital markets need to be deeper and broader to channel Africa's large savings for investments in the fisheries and Aquaculture sector. It is also essential to strengthen expertise of local banks in PPP project financing. This is an important technical skill as most PPPs are financed on a standalone basis.

- **Regional Institutions**

The RECs, in cooperation with RFBs, should finance priority actions in the PFRS and in concert with RFBs and such other arrangements coordinate and deliver programmes on region-wide needs of common interests. The RECs should strengthen cooperation and human capacity building in participating Member States by, for example constituted regional Working Groups as Expert Pools, to provide technical back-stopping to MS. These regional working groups should be linked to the continental WG within the AFRM. There is need that RECs are also committed to support PPPs in specific terms in AU MS through capacity development, policy reform support, and financing to governments for PPP projects.

- **Development Partners**

Donors have a critical role to play both in facilitating reforms and in creating the institutional conditions to ensure the benefits of appropriate policies and reforms highlighted in the PFRS and addenda documents are sustained. They should align their interventions with the PFRS as

recommended by CAMFA II.

- **NGOs, CSOs and CBOs**

The NSAs should develop and implement public awareness campaigns and demonstration actions on specific issues as well as facilitate multi stakeholder activities and events such as round table discussions, engaging the public and private sector.

- **African Union**

The role of the AU in the implementation of the PFRS is primarily to monitor the progress of each Member State in the implementation of the PFRS (and addenda documents) and reporting to CAMFA. In addition to this, the AU through AU-IBAR should provide technical assistance to MS to enable them adopt the PPP guide and implement PPP projects based on the AU recommendations. AU MS would require assistance for the consultative processes, PPP project development (e.g. project preparation and transaction advisory services) and promotion of pilot projects by hosting / sponsoring investment conferences and business meetings at country and regional levels. In some instances, AU should consider providing grants for the pilot projects.

- **Private Sector**

There is a developmental and profitable role the private sector can play by tapping into the vast potentials presented by the fisheries and aquaculture sector in Africa in collaboration with the public sector under various forms of PPPs. The exact roles of private sector in on PPP in fisheries and aquaculture in Africa need to be defined for each AU MS and even for each project, but in generic sense this include technology and innovations – such as the development of fishing gears, processing and preserving facilities, fish feeds, fingerlings, pond construction materials, ICT etc. appropriate for small-scale fisheries and aquaculture. It also includes providing professional guidance and support for small businesses through capacity building activities on technical, business skills, financial literacy etc.; provision of financial services e.g. micro-credits; and linkages to markets through fish collection and aggregation. The private sector can also contribute greatly in the design and financing of fisheries and aquaculture infrastructures e.g. fish landing and market facilities etc.; and by bringing skilled manpower and the culture efficiency and best practices into projects. For financial institutions specifically, aside from financing, there is the need for the private sector to support clients in facilitating, advising and developing PPP projects perhaps through help desks, capacity building etc.

8. Reference

AUC and NPCA (2014).The Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa



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