

ADB's Fisheries Policy

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- Worldwide, fish are a critical source of animal protein, healthy lipids, and essential micronutrients. For 2.6 billion people living in developing countries, fish provide more than 20% of animal protein consumed, compared to 8% in industrialized countries. Fisheries also provide an important source of livelihoods, food security, and income for hundreds of millions of people around the world. The majority (87%) of the world's fishers and aquaculture workers, numbering 33 million, live in the Asia and Pacific region.
- From 1969 to 1979, most ADB-assisted projects addressed the needs of large-scale fisheries, although some had components for small-scale fisheries and aquaculture. From the late 1980s, capture fisheries entered a state of inexorable decline caused by decimation of fish stocks and ecosystem disruption. In the 1990s, ADB's approach and development assistance in the fishery sector expanded to encompass a wide range of environmental and social concerns.
- ADB's **Policy on Fisheries**, approved in 1997, expressed worry about widespread poverty among small-scale fishers, overexploitation of fisheries resources, and degradation of the natural resource base. The policy was designed to support the promotion of sustainable management of fisheries and aquatic resources.

Background

The Asian Development Bank (ADB)'s first assistance to fisheries began in 1968. By 31 December 2005, ADB had approved 68 fisheries-related projects with a cumulative loan amount of \$1.4 billion, equivalent to 9% of the agriculture and natural resources portfolio, or 1.2% of cumulative ADB lending. ADB's fisheries operations are concentrated in three countries: Indonesia, Philippines, and Sri Lanka, which collectively account for 61% of the total amount of fisheries loans. As of 31 December 2005, fisheries loans amounted to only 1.2% of ADB's cumulative total lending. Only 14 of a total of 68 fisheries projects were approved in the 8 years after the policy on fisheries was approved in 1997, with cumulative loans of \$305 million (22% of the total fisheries loan portfolio of \$1.4 billion).

The policy was intended to provide direction through five guiding principles: (i) anchoring ADB's fisheries strategy on sustainability in conservation and utilization of fisheries and aquatic resources, equity in balancing the interests of competing resource users, and efficiency in the development and management of aquatic resources; (ii) encouraging a larger role for the

private sector in fish marketing and processing; (iii) emphasizing that governments are responsible for establishing a policy, institutional, and regulatory framework to support sustainable management of fisheries resources; (iv) calling for rigorous application of ADB's environmental guidelines in developing and implementing fisheries and aquaculture projects; and (v) adopting a participatory process in formulating projects, and encouraging active involvement of the community, nongovernment organizations, and targeted beneficiaries in project design and implementation.

In 2006, the Operations Evaluation Department undertook a **Special Evaluation Study on ADB's Fisheries Policy**.¹ The study was designed to: (i) assess the extent to which the policy guides and influences the design and implementation of ADB-assisted projects and technical assistance grants; (ii) review the objectives of the policy and the outcomes of ADB assistance in fisheries; (iii) assess the relevance of the fisheries policy to ADB operations, taking into account major global and regional fisheries policy development initiatives in fisheries; (iv) review trends in ADB assistance to fisheries before and after the adoption of the policy, and

(v) provide recommendations for future ADB action on the policy.

Summary of Findings

The evaluation assessed the relevance of the fisheries policy in five dimensions: (i) ADB operations, (ii) consistency with other ADB policies and strategies, (iii) external policy context, (iv) emerging issues, and (v) national fisheries policy development in ADB's developing member countries.

Based on the four dimensions of evaluation (relevance, effectiveness, efficiency, and sustainability), the evaluation rated the fisheries policy unsuccessful. The policy did not make a significant difference in guiding ADB-financed operations in fisheries. It was only partly relevant to the design and implementation of ADB-assisted fisheries projects and technical assistance, and to the internal policy context of ADB. With the evolution of global and regional policy initiatives in fisheries, emerging issues, and contemporary challenges, the policy has become redundant.

Designs of projects and technical assistance after adoption of the policy were generally influenced by lessons identified from predecessor projects, emerging regional and global trends in natural resources management, international and domestic policy instruments, priorities of developing member countries, country strategies and programs, and related ADB policies.

The policy is rated as less effective in achieving its objectives. Several deficiencies in the policy worked against its adoption as a guide, the most striking being the absence of an accompanying set of approaches for the management of fisheries and aquatic resources, lack of safeguard provisions in the broader context of natural resources management, absence of clear strategies for responsible management of inland fisheries, and lack of guidance on how intersectoral integration should proceed.

Policy implementation is rated as less efficient primarily due to the absence of (i) staff guidelines or operations manual to support policy application, implementation, and enforcement; and (ii) a monitoring framework for policy implementation.

The policy is unlikely to be sustainable. Although the policy was farsighted when it was prepared, it was rapidly superseded by external policy initiatives, and rendered outdated by the emergence of contemporary issues and challenges due to dynamic developments in fisheries, as well as the changing and limited demand

for ADB assistance in fisheries. A revised policy would not add value in the fisheries policy arena. ADB's **Medium-Term Strategy II, 2006–2008** further categorizes fisheries into Group III (sectors/subsectors with limited demand for ADB services, and in which ADB's performance has not been strong), recommended for gradually winding up.

Recommendations

- ADB should retire its fisheries policy within 12 months.
- ADB should develop a plan for handling the existing ADB operations in the fishery sector taking into account the need to: (i) emphasize development and management approaches that adhere to principles for responsible fisheries, (ii) refer to fisheries policy instruments of regional organizations, (iii) assess ADB's in-house capacity to administer and service the current ADB assistance in the fishery sector, (iv) develop strategic partnerships with international institutions with expertise in the fishery sector, and (v) integrate fisheries into broader rural development approaches for creating sustainable livelihoods, safeguarding the environment, and enhancing coastal resource management.
- ADB should reclassify its assistance to aquaculture and include it under agriculture sector development, given that aquaculture is generally regarded as a form of farming and should be considered as part of agriculture rather than fisheries.

Feedback

ADB Management's Response welcomed the study, which it found comprehensive, insightful, and well-written. It deemed that the study presents a timely assessment of policy in the changing context of ADB's developing member countries and global fisheries. It found that it contains a candid and critical discussion of the problems faced in ADB's involvement in this sector over the years. It remarked that the study will serve as a milestone in defining the future direction of gradual disengagement from fisheries sector, particularly in the light of the priorities of ADB's Medium-Term Strategy II, 2006–2008.

¹ ADB. 2006. *Special Evaluation Study on ADB's Fisheries Policy*. Manila. Available: <http://www.adb.org/Documents/SES/REG/sst-reg-2006-07/ses-fisheries.pdf>