

Project Brief: Support People's Livelihoods in the Fishery Sector in Maldives through Sustainable Energy

Project Name: Support People's Livelihoods in the Fishery Sector in Maldives through Sustainable Energy
Sector: Fisheries Sector
Mode of Financing: Instalment Sale and LLF grant
Issue Date: 13 November 2022
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Introduction:

This project is funded by Islamic Development Bank (IsDB), aims at supporting the fishery sector by equipping about 200 fishing vessels with Refrigerated Sea Water (RSW) system and Solar Photovoltaic (PV) based power supply. The grant component of the project is supported by Lives and Livelihoods Fund (LLF) and it is in line with the scope of the LLF Financing in terms of supporting productivity through setting up basic infrastructure.

Objectives:

The objective of the project is to contribute to achieving the Policy 5: Increase profitability from fishery activities ('Hama Agu' Policy) of the country's Strategic Action Plan (SAP) for 2019-2023, in particular the Strategy 5.2: Promote and facilitate access to technologies and techniques to increase profitability, improve catch quality, and reduce postharvest losses.

The project components:

Component A: Enhance Finishing Infrastructure

A1: Refrigerated Sea Water (RSW) systems: this component is about the design, the supply, and the installation on vessels approximately 200 Refrigerated Sea water systems. The size of the RSW system is standardized in the market based on the storage capacity of the fishing vessel. In this project, targets vessels with capacity and the size to carry minimum 15 tons of fish. The minimum technical specifications and requirements will be prepared by the Ministry of Fisheries and Ocean Resources (MoFOR) and relevant technical consultants.

A2: Solar PV plants: this component is about the design, the supply, and the installation on approximately 200 vessels solar PV plants to power the wheelhouse equipment, auxiliary lighting, and other electrical uses. The technical study undertaken by the consultant shows that with the available space on the fishing vessels few kW only can be installed (between 5 to 10 kW maximum). For this kind of small size, standard solutions are provided by the vendors, only a few adaptations of the vessels are required which will be determined by the vendors in their offers during the selection process.

Component B: Strengthen Market Linkages: This component is about performing studies recommend strategies to promote and/or develop the participation of women in the fisheries business and to help expanding the international market for fish from Maldives. The initial budget

will be USD 100,000 and the consultancy services will be limited to 3 months activities related to assessment of market linkages and development action plans to: (i) expand the international market for fish from Maldives, (ii) participation of youth and women in the fisheries sector as well (ii) preparation of terms of reference for implementation. From this, MoFOR may decide to implement the action plans from its internal budget or use the project contingency as necessary.

Component C: Support to Project Management Unit: This component is Supporting the establishment of the Project Management Unit and its associated expenses for implementing the project. MoFOR will submit TOR to MoF for the PMU positions, and MoF will submit the shortlist of nominated full time / dedicated PMU officers/staff to IsDB for clearance.

Component D: Financial Audit: An independent external auditing firm (local) acceptable to the Bank will be recruited under this component to perform the projects' annual financial audit and certification of expenses related to replenishment of special accounts.

Component E: Contingency Emergency Response Component (CERC): is a standalone zero-value component embedded in the project to allow the use of the present project resources to cover emergency response activities in case of disaster, pandemic, or major flood... etc. per the operation directive OD/2020 No.25.

Project Funding:

The total cost of the project, including a provision for physical and price contingencies, is estimated at USD 13.61 million comprising of IsDB USD 13.5 million (includes USD 8.775 million (OCR) from IsDB Instalment Sale financing & USD 4.725 million (LLF financing - grant)) and Government of Maldives will provide USD 0.11 million.

Financing Plan:

Item	Component	Lives and Livelihoods Fund (LLF) Financing and IsDB Instalment Sale*		Government of Maldives (GoM)		Total
		Amount	%	Amount	%	
A	Enhancing Fishing Infrastructure	9.689	100%			9.69
B	Enhance Market linkages	0.100	100%			0.10
C	PMU support	0.607	86%	0.1	16%	0.71
D	Financial Audit	0.050	100%			0.05
E	Contingency Emergency Response (CER)					0.00
Base Cost		10.446	99%	0.1	1%	10.55
Contingencies		3.054	100%	0.01	1%	3.06
Total		13.500	99%	0.11	1%	13.61

* 35% (i.e., US\$4.7 million) as grant for the total project financing of US\$13.5 million from the Live and Livelihood Funds (LLF)