

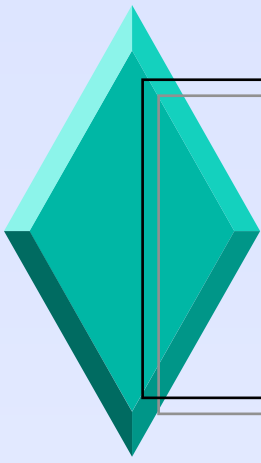


*On institutional reform
in the fisheries sector
in Bangladesh*



Rural Week, 25-27 March 1998

**Presentation by Lars T. Soeftestad (EDIEN), for
the Fisheries and Aquaculture Thematic Team**



Content

- ◆ **The initial situation**
 - ◆ **Period: 1960s - 1970s**
- ◆ **The reform process**
 - ◆ **Period: 1980s - 1990s**
- ◆ **The outcome**
- ◆ **Lessons learned**
- ◆ **Institutional analysis**



The initial situation

Public sector actors, I

- ◆ **Ministry of Fisheries and Livestock**
 - ◆ Overall resp. for dev. of the fisheries sector
- ◆ **Dept. of Fisheries**
 - ◆ National fisheries mgmt., law enforcement, development, extension, training, quality control, conservation, policy advice, and information collection



The initial situation

Public sector actors, II

- ◆ **Bangladesh Fisheries Dev. Corporation**
 - ◆ **Autonomous national development of marine fisheries, mgmt. of Kaptai Lake, and marketing and processing of fish**
- ◆ **Fisheries Research Institute**
 - ◆ **National fisheries research on riverine fisheries, marine fisheries, and aquaculture**



The initial situation

Public sector actors, III

◆ Ministry of Land

- ◆ Adm. and leasing of public bodies of water (> 20 acres) for fisheries

◆ Upazilla Parishads

- ◆ Adm. of small bodies of water (< 20 acres) for fisheries and fisheries extension



The initial situation

Public sector actors, IV

- ◆ **Ministry of Irrigation, Flood Control and Water Dev.**
 - ◆ **Assessment of impact on fisheries from projects related to flood control, water dev. and irrigation**
- ◆ **Ministry of Local Gov., Rural Dev., and Cooperatives**
 - ◆ **Incl. of fisheries components in rural dev. projects, dev. of fisheries cooperatives, and collection of revenue for small water bodies (< 20 acres)**



The initial situation

Public sector actors, V

- ◆ **Ministry of Industry**
 - ◆ **Licensing of fish processing plants and trawlers for marine fisheries**
- ◆ **Ministry of Commerce**
 - ◆ **Export of frozen seafood**
- ◆ **Ministry of Shipping**
 - ◆ **Registration of fishing boats**
- ◆ **Ministry of Education**
 - ◆ **Control of fisheries-related education and research**



The initial situation

Public sector actors, VI

- ◆ **Ministry of Finance**
 - ◆ **Budget and adm. of externally funded projects**
- ◆ **Forestry Dept.**
 - ◆ **Mgmt. of fisheries in reserved forests**
- ◆ **Nationalized Banks**
 - ◆ **Provision of credit**
- ◆ **Planning Commission**
 - ◆ **Planning in the fisheries sector, as part of overall national planning**



The initial situation

Private sector actors

◆ Fishermen

- ◆ More than 11 million part-time / subsistence and 1.5 million full-time fishermen

◆ Fish traders

◆ Hatchery & nursery operators

◆ Fish seed traders

◆ Operators of fish ponds

- ◆ Have closer links to agr.



The initial situation

NGO sector actors

- ◆ **A small number of NGOs are active**
- ◆ **No collaboration between NGOs**
- ◆ **A variety of management approaches tried out**
- ◆ **Little emphasis on learning**
- ◆ **No collaboration with Dept. of Fisheries**



The initial situation

Dept. of Fisheries (DOF), I

- ◆ **Fundamental underlying conditions:**
 - ◆ **Lack of clear mandate**
 - ◆ **Structural weaknesses**
 - ◆ **Managerial constraints**
 - ◆ **Insufficiently trained staff**



The initial situation

Dept. of Fisheries (DOF), II

- ◆ **Lack of clear mandate**
 - ◆ **Allows DOF to continue activities that are no longer required from the public sector**
- ◆ **Structural weaknesses**
 - ◆ **Dichotomy between revenue and dev. activities creates two discrete establishments with limited interaction**
 - ◆ **Diffuse and incomplete org.**
 - ◆ **Complex chain of command**



The initial situation

Dept. of Fisheries (DOF), III

◆ Managerial constraints

- ◆ **Linked to the diffuse structure and weak personnel mgmt.**
- ◆ **Lead to lack of delegation, monitoring and evaluation, and problems in procurement**

◆ Insufficiently trained staff

- ◆ **Very few staff with skills in production, planning, economics, social sciences, management, finance and accounting**



The initial situation

Dept. of Fisheries (DOF), IV

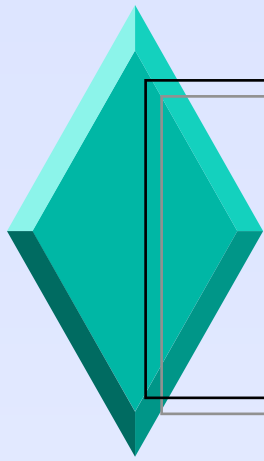
- ◆ **The mgmt. approach, based in fisheries biology, giving sole emphasis to the production aspect, and under the prevailing regulatory system, had two implications:**
 - ◆ **Local and regional elites made enormous profits from inland floodplain fisheries**
 - ◆ **Local fishing populations were impoverished due to over-fishing and loss of access**



The initial dituation

Dept. of Fisheries (DOF), IV

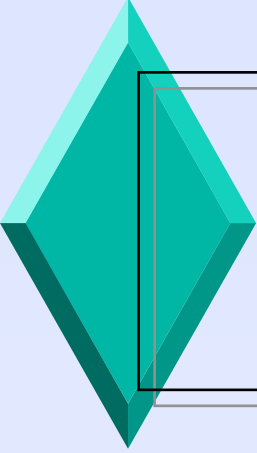
- ◆ **This situation was not satisfactory because new problems remained unaddressed: ■**
 - ◆ **No equity**
 - ◆ **No environmental and social sustainability**
 - ◆ **No accountability**



The reform situation

The process, I

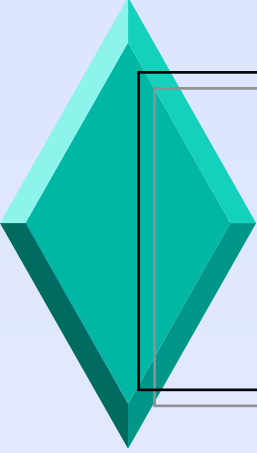
- ◆ **No clearly defined, public and agreed-upon process**
- ◆ **It emerged, gradually, driven by actors external to DOF and indeed to the public sector**
- ◆ **Driven by the recognition, by different actors, of a set of problems that gradually “found” each other, thus gradually challenging a compartmentalization in the sector**



The reform situation

The process, II

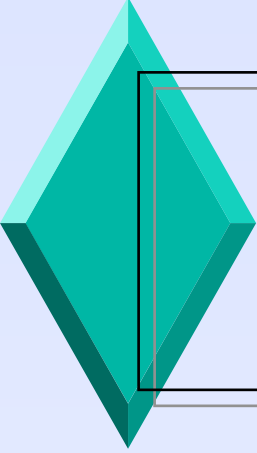
- ◆ **Key actors include:**
 - ◆ **A political party that, in a populist manner, focused on the problem with the existing fishery regulatory regime, in turn led to a new policy that mandated licensing instead of leasing**
 - ◆ **Local and intl. scientific and research communities**
 - ◆ **NGOs**
 - ◆ **The intl. donor community**



The reform situation

The process, III

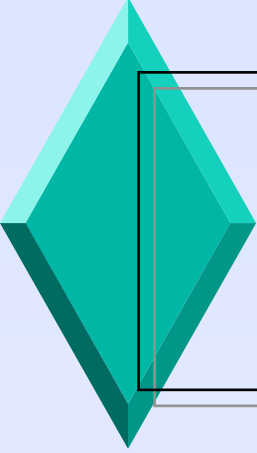
- ◆ **Within the intl. donor community the Bank has assumed a leading role in this emerging and growing process of institutional reform:**
 - ◆ **Earlier efforts to reform DOF proved largely ineffective**
 - ◆ **Third Fisheries Project (1991-1996), w/ DOF as counterpart**
 - ◆ **At mid-term it was agreed to give major emphasis to NGOs local-level management**



The reform situation

The process, IV

- ◆ **Key lessons learned from Third Fisheries Project:**
 - ◆ **All stakeholders to be involved from the identification stage**
 - ◆ **Mechanisms for cost recovery and/or sharing to be agreed with all concerned parties during preparation**
 - ◆ **NGOs more effective than public sector agencies in motivation and formation of beneficiary groups**



The reform situation

The process, V

◆ Key lessons learned from Third Fisheries (cont'd):

- ◆ Proactive supervision leading to adjustments in project design during impl. can play an important role in achieving a successful outcome, e.g.:**
 - ▾ Reduction in project size**
 - ▾ Increased role for NGOs**
 - ▾ Changes in stocking regimes**
 - ▾ Dev. of a community-based mgmt. program**



The outcome

- ◆ **The process of inst. reform in the sector is unfolding**
- ◆ **Key achievements:**
 - ◆ **Policy that mandates licensing instead of leasing**
 - ◆ **New revenue collection system**
 - ◆ **Prod. of fingerlings taken over by the private sector**
 - ◆ **NGOs have an informal, but legitimate, responsibility for local-level organizing**
 - ◆ **Organization of fishermen in occupationally based groups**



The outcome

- ◆ **Possible future developments:**
 - ◆ **Elements of the overall property rights institution, in particular the status of public lands (*khas*), is likely to be affected through a increased emphasis on various inland water resources as being common property**



Lessons learned

◆ **Key lessons:**

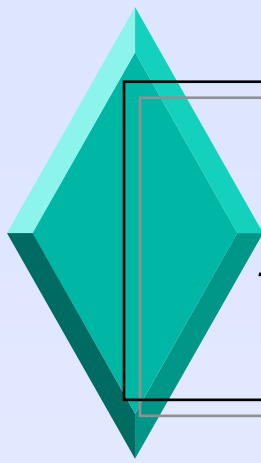
- ◆ **Institutional reform is achieved in an informal, incremental and evolutionary way**
- ◆ **The institutional reform emphasizes increased interaction between public sector, private sector and civil society, and is premised upon a very strong NGO sector**
- ◆ **The institutional reform process has to some extent bypassed DOF in creating alternative mgmt. and service delivery structures**



Lessons learned

- ◆ **Replication of results:**
 - ◆ **Civil society and the NGO community are, in many respects, unique, and the opportunity for using NGOs to create alternative and parallel mgmt. regimes may not necessarily be available elsewhere**

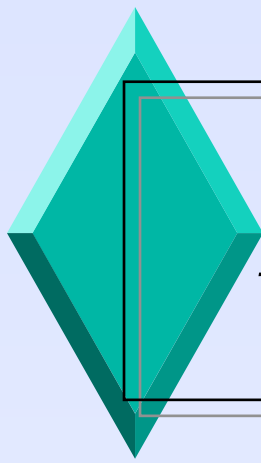
- ◆ **Conclusion:**
 - ◆ **Inst. reform is not attainable under specific circumstances, but can be offset given the availability of alt. ways of achieving the stated objectives**



Institutional analysis

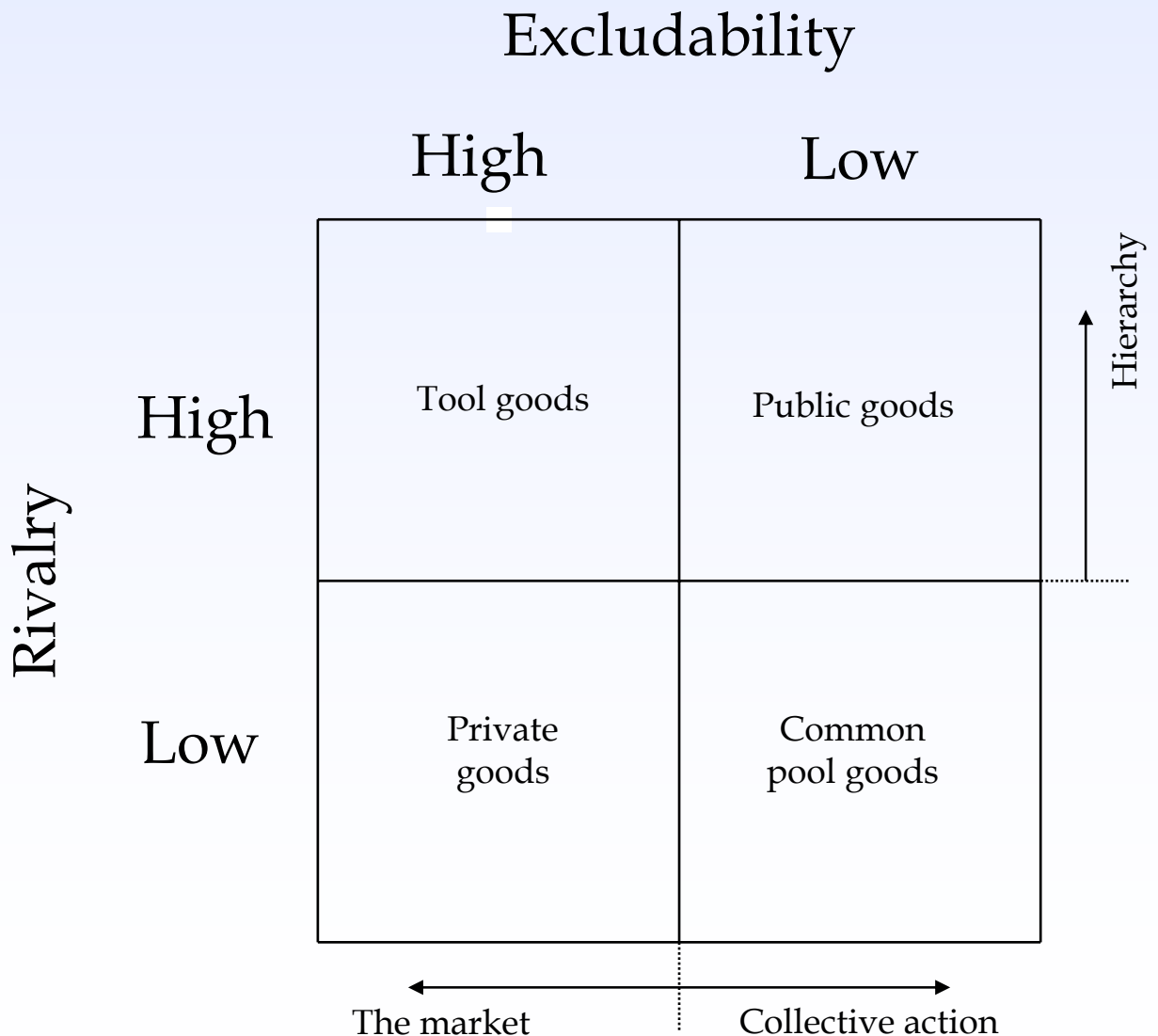
A simple taxonomy of goods and services

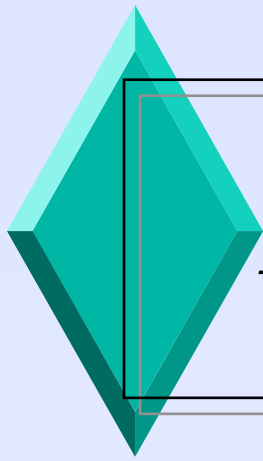
		Excludability	
		High	Low
Rivalry	High	Tool goods	Public goods
	Low	Private goods	Common pool goods



Institutional analysis

Coordination mechanisms and provision of goods and services





Institutional analysis

Classification of stakeholders

		Importance	
		High	Low
Influence	High	Primary participants	Potential problem-makers; Monitor closely
	Low	Facilitate participation	Keep informed