

PREPARATION GRANT APPLICATION FORM

1. Prospective Project Title	Fish Handling, Safety and Quality Improvement Project
2. Requesting Government/Agency or private body	Yemeni Seafood Processors Association (for contacts see attachment)
3. Collaborating Government's /Agency	Ministry of Fish Wealth
4. Project Objectives	<p>Identify how the Seafood Processors Association could:</p> <ul style="list-style-type: none"> a) Improve private sector fish handling to improve safety and quality of products; b) Harmonize safety/quality standards development and strengthen private domestic enforcement; c) Improve information on export market requirement; and d) Improve its market access negotiation capacity.
5. Preparation Activities.	<p>The preparation activities would include:</p> <ul style="list-style-type: none"> a) develop a detailed work plan and cost estimates with the Yemeni Seafood Processors Association, b) define in which areas the project would particularly target ways to induce fishermen to use techniques and delivery methods that would ensure better safety/quality of landed fish, c) define institutional arrangements through which the Association could better develop a consensus on standards harmonization and domestic enforcement, d) define information channels and procedures to ensure timely market and SPS information for all key export markets is available to the private sector in Yemen in a single location, e) develop the institutional capacity to create and update a single SPS code – reflecting the requirements of the main export markets - applicable to all seafood processors in Yemen, f) prioritize which markets should be targeted by Yemeni exporters and define how market access could be improved, g) negotiate the proposed project with the Ministry of Fishwealth and the Ministry of Planning and Development, and h) Coordinate the details of the STDF project with the EU and IDA appraisal mission, and with UNIDO, through the Netherlands Embassy, <p>The Government of the Republic of Yemen has requested an EU grant and IDA credit to finance a Fisheries Resources Management and Conservation Project. The EU and IDA will appraise the project starting July 1, 2005. The EU consultant who has prepared the fish quality control component for the EU funded component of the project – Tim Huntingdon, provided through HTSPE Ltd. – may participate in the appraisal for the EU, and could be contracted to prepare the STDF project <i>prior</i> to a possible July 5, 2005 start of the EU mission to Yemen.</p>
6. Private/public sector cooperation	The STDF project would be the first donor supported assistance to the recently created Yemeni Seafood Processors. It would aim at enabling the Association's management to develop a permanent process of cooperation with the government on matters of quality control and export strategy.
7. Partner institutions.	N.A.

8. Preparation project inputs	Total Preparation costs	US\$19 700
9. Non-STDF contributions		N.A.
10. Timetable	Contracting of consultant :	June 10, 2005
	Inform country and project requesting agency:	June 10, 2005
	Preparation mission:	June 20-July 4, 2005
	Finalize preparation report	July 25, 2005
	Evaluate project proposal	September 2005

Project background and rationale

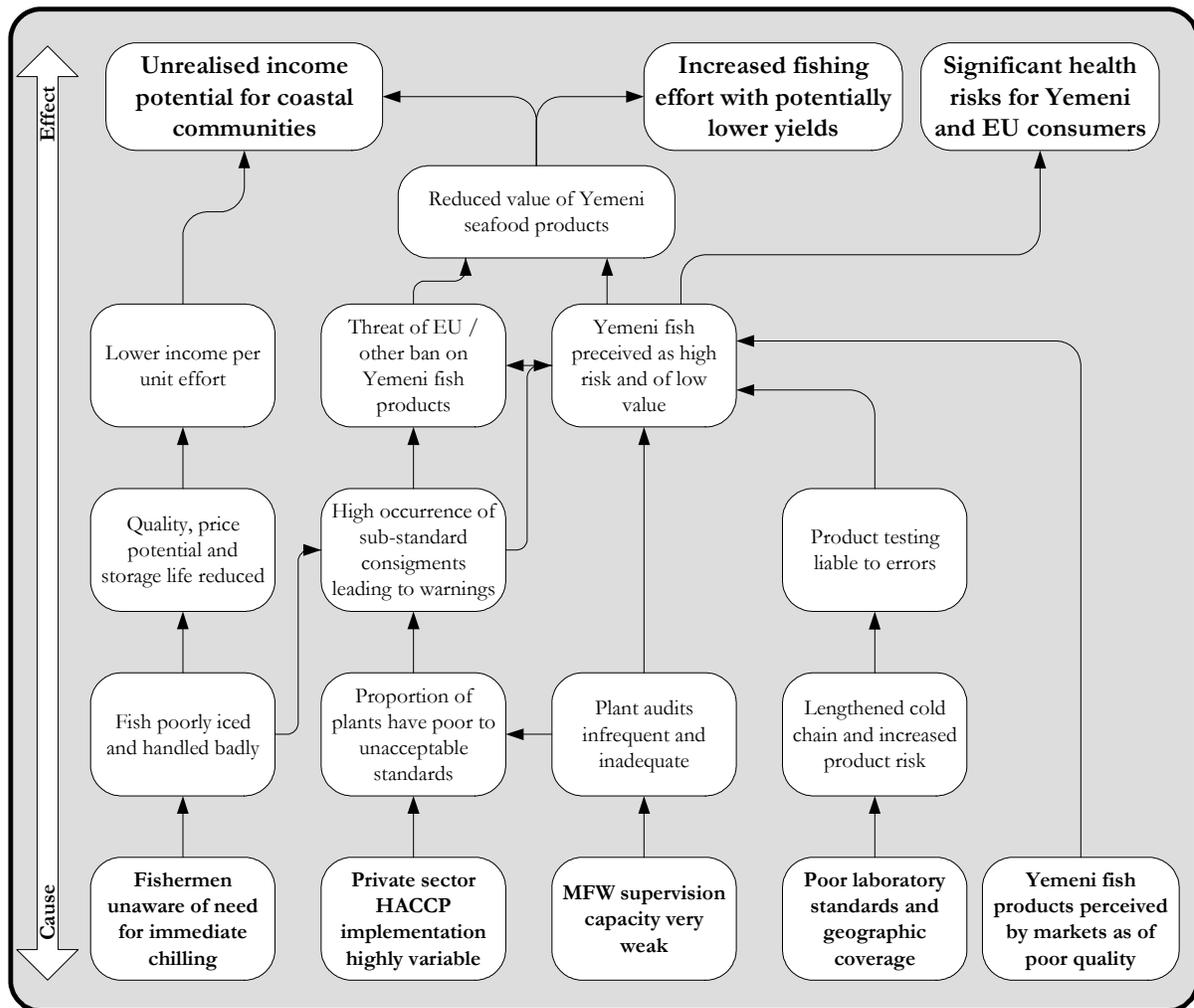
The Republic of Yemen is the 27th poorest country in the world (HDI 2003). After oil and water, fisheries constitute the most important natural resource available to the Republic of Yemen. With a coastline of around 2,230 km, fisheries is a major contributor to rural livelihoods and currently provides livelihoods for some 60 to 70 thousand artisanal fisherman, directly supporting about 400,000 members of their families, a number that has increased 7% per years since 1990. The fishery sector has gone through considerable change over the past five years, including the virtual cessation of licensed industrial fisheries in the Yemen 200 nautical mile Exclusive Economic Zone (EEZ) that has resulted in a rapid increase in artisanal fisheries effort and catches, especially on the Hadramout and Red Sea coasts. Artisanal fishermen utilize about 14,000 fishing boats and produce an average annual catch of 228,000 metric tons, of which about 65% is from Gulf of Aden and 35% from the Red Sea. Exports of fresh fish (mainly to Saudi Arabia) increased from 12,000 to 24,000 t over 2001 - 2003 worth €65 million and high value tuna loins (mainly to the EU) from 339 t to 2,300 t over the same period, worth around €8 million. The main European markets for Yemeni products are France, Spain, Italy and the UK. These markets are primarily for fresh and frozen yellow fin tuna (whole and loins), cuttlefish (frozen whole) as well as some demersal species (groupers and snappers).

There are some 24 EU certified fish processing and export plants in Yemen, and another 40 without such certification. Ministry of Fish Wealth quality control staff are required to provide quality assurance across the full width of the catching – landing – processing – distribution chain. Due to the lack of training, inadequate logistical support and poor motivation, actual implementation is patchy and rarely enforced.

A *Central Laboratory* for fish product assessment (i.e. chemical, microbiology and pathology) was established in 2000. Elsewhere in Yemen, the large numbers of exporters in the Hadramout use the Hadramout University's Faculty of Fisheries and Environment laboratory or send it to Aden.

Despite extensive external technical assistance and investment support, Yemen has faced continuing problems with fish quality, both for local markets and for exports. These problems have been analyzed in substantial detail by a recent EU and IDA mission, which has reached the following conclusions:

Figure 1: Problem Tree - Quality Control



The primary causes can be summarized as follows:

1. Fishermen are unaware of the need for immediate chilling and in many cases insufficiently compensated for doing so;
2. Private sector implementation of HACCP is variable in its effectiveness throughout the industry;
3. MFW supervision of quality control, especially at landing and auction areas, is weak;
4. There is insufficient laboratory standardisation and insufficient coverage of the main production areas; and

5. The international perception of fish products from Yemen is still poor, despite large investments in modern processing infrastructure.

The consequences of these factors is that Yemen fish and fish products are under-valued when considering the artisanal nature of the fishery, where a high proportion of the catch destined for export is line-caught by day boats. With increasing numbers of people entering the artisanal fishery and no regulation, this will inevitably impact on the sustainability of the resource.

The problems in assuring fish quality in Yemen can be assessed from four main viewpoints, these being (i) on-boat storage and handling, (ii) the landing / auction facilities and the domestic market and distribution system, (iv) processing for the export market and (iv) quality control management and assurance systems.

The IDA/EU project currently being prepared would address most, but not all of these problems. Particularly, support to the recently created Yemeni Fish Processors Association has not been included in the IDA/EU project.

Specifically, the IDA/EU project does not address:

- How the private processing industry could assist the small-scale fishermen in taking steps to ensure better quality fish is being landed;
- How the industry could create harmonized quality standards that would affect all fish exports, even those to countries with lower standards;
- The Association has already expressed its frustration with the fact that it does not have access to up-to-date changes in SPS requirements in its client markets, and
- Similarly, the Association expressed an interest to learn how the private sector as a group, by itself, could best approach key import markets.

Proposed Project Preparation Inputs

	US\$
Consultant fees (25 days @ \$600)	15 000
Travel: Ticket	1 250
Hotel (14 days at \$125)	1 750
Daily subsistence (14 days @ \$50)	700
Report printing, misc.	<u>1 000</u>
Total	19 700

Yemeni Seafood Processors Association

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