

Mauritania Fishing Sector: Investing in Nouadhibou Free Zone's Seafood Cluster

by

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1- Background and Context

The unique climatic system let Mauritania to be known as one of the most productive fishery coasts in the world, attracting international private and public operators since the country's independence. The economic capital city of Nouadhibou, home of industrial and artisanal fishing, has been the fishing investment headquarters because of its geographic positioning and also national policy choices. The known upwelling phenomenon makes Nouadhibou one of the richest regions in the world in terms of fishing resources. Mauritania remains one of the few areas in the world where the fishing industry is still likely to increase.

However, this natural resource of the coastline is under-used in the sense that little value-added is currently being created and most exports had no land side effect and consequently little impact on the local economy. The industry's management focuses on short term goals and little planning was made to maximize the benefits in the long run. Foreign boats account for over 60 percent of the total volume of catches. They directly freeze the fish onboard and export it without landing it, creating zero value-added in the country and inhibiting local demand for investment and industrial projects. While it seems to appear that the royalty and rent system in place is valuable for public revenues, it has been made clear that local added-value of product and business model diversification are more valuable alternatives for the country in the long term. The particular opportunity or challenge for Nouadhibou is to help transform its currently vibrant unsustainable onshore fish industry which represent the remaining 40 percent of the total catch (e.g., factories for fresh and frozen fish, processing units, warehousing units, freezing units, etc.) into a sustainable one where shared infrastructure would benefit better these dozen of medium to large scale industries and create the right environment for relevant and focused fishing investment in pelagic, mainly: access to the port, better sanitation, trained labor, better monitoring of fish processing and other business development support services.

To realize Nouadhibou potential, the Government of Mauritania created the Nouadhibou Free Zone in 2013. The strategic objective of the Free Zone project is to attract foreign direct investments (FDIs) that could contribute in establishing public-private partnerships (PPPs) to bridge the infrastructure gap and develop a value-added fishery hub to optimize the socio-economic impact and develop industrial clusters in compliance with the national fish domestication strategic program and the overall regional free zone industrial development strategy.

Indeed, the government of Mauritania has put in place a national domestication program with objectives to ensure that added-value is provided nationally, obliging international and national fishing operators to process fish on national soil. This strategy aims at promoting industrial development of the region – through free zone facilitations - and ensuring national creation of employment, wealth and knowledge.

The national implementation strategy for the Nouadhibou Free Zone puts the development of a fishery competitive cluster as a central pillar of its fishing industry optimization program. Such cluster implies sustainable vertical integration of fishery value chains to leverage the Free Zone comparative advantages in its natural assets and to transform the fishery industry.

The socio-economic objective to maximize the value added in the entire value chain requires such competitive cluster to focus on the development of appropriate and strategically located infrastructures, capacity building, and should offer all needed services from boat landing to storage and export of processed products. Focusing on the fishery cluster is highly justified by the fact that the sector is vital for Nouadhibou's and the country's economy. Given its important potential for jobs creation and direct SME impact, Mauritania has no choice but to make it a top driver of its economic growth with Nouadhibou as the strategic location of implementation.

Through the Fishing Competitive Cluster, Mauritania has the opportunity to transform the sector into an industry that will be competitive at the international level, generating significant revenues for its economy, attracting national and international sound investment and creating thousands of jobs.

While the socio-economic analysis of such project shows easily the global added-value of such project, its development is expected to face various challenges due to the implied business model changes, the national capacity issues as well as structuring and organizational complexity.

2- Partnership, Structure and Processes

The fishing industry is considered by the government as a priority sector. The development of Nouadhibou and in particular specific actions such as the development of a fishery cluster could be leveraged to achieve most objectives of the sector as well as optimal socio-economic development impact. The strategic objectives for the development of the fishery sector in Nouadhibou are consistent with the national targets set by the government in the national fishery strategy and the strategic objectives of the free zone, including: i) Manage the resource sustainably, ii) Create growth and specially inclusiveness of economic growth, and iii) Develop the integration of the fisheries sector in the national economy through domestication and local added-value projects.

Conscious of the strategic importance of the Competitive Cluster project and the challenges for its implementation, the Nouadhibou Free Zone Authority (ANZF) has put in place a partnership development strategy that is based on 2 pillars:

- **Public Private Dialogue:** The ANZF will have an open public-private dialogue on project development to i) ensure communication with all stakeholders, ii) create ownership and partnership with national private sector, active international operators and even civil society of the region, and iii) optimize the development process through practical input and improvement recommendations from public and private stakeholders.
- **Inclusive Organizational Model for Development:** The ANZF has set up a steering committee for the Fishing Competitive Cluster that includes all key sector stakeholders - the National Artisanal Port, the Commercial Port PANA, the ANZF, the private sector (fishing federation, logistics, transit/FF...) and active Civil Society.

3- Results so far

The process has been just launched - the World Bank and the ANZF are working together to provide the needed technical assistance.

4- Expected Results

The Nouadhibou Free Zone intends on developing the project through standard best practices using international project feasibility studies, adequate project structuring processes for optimal socio-economic impact and fully open public-private dialogue with national and international sector operators. The World Bank is mobilized to support such process and provide technical advisory to ensure its completion in compliance with best practices.

The objective of the steering committee for the Fishing Competitive Cluster is to pilot the development program and secure cross the board leadership for quality implementation and best governance mechanisms. The ANZF will ensure that project is studied through high level internationally recognized consulting firms; the execution of the feasibility study process as well as the project structuring model shall be fully aligned with international best practices and national development strategies.

5- Private Sector Growth Component

A new Project financed by the World Bank is under implementation. The project will focus on the investment climate, infrastructures and capacity building. The main infrastructures expected to be built will be through a public-private (local and foreign) partnership. The ANZF intends on developing domestication of fishing resources / land value adding in Mauritania (Adding Value in Nouadhibou to 1 million tons of product).

Biography of Author:

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