

# Policy Note 7

## Resilience and Food Security: Investing in Fisheries and Agriculture



Maldives  
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Investing in a Resilient & Sustainable Maldives

While the tourism sector continues to dominate the Maldivian economy, being the highest contributor to the country's GDP growth with over 90% of Government tax revenue coming from import duties and tourism related taxes. This economic dependency upon international tourism has brought about uneven development, which the Government seeks to address through the implementation of its Jazeera Raajje manifesto.

The Maldives Country Programming Framework 2013 – 2017, published by the Food and Agriculture Organisation (FAO) of the United Nations (UN), states that the contribution of fisheries to the economy has been in a stage of decline, affected largely by the continuous decline in fish catch, owing to both environmental factors and increase in fuel prices. This is indicated from the data published by the National Bureau of Statistics (NBS) annually, which shows uneven growth of the fisheries sector through the years.

Aquaculture remains as an emerging sub-sector, even though this is a well-established industry in the Asian region and elsewhere. It is the Government's intention to expand this sub-sector in order to diversify the fisheries sector, while at the same time promoting the activity further to enhance livelihood opportunities.

The FAO report shows that when it comes to agriculture in the Maldives, there are an estimated 9,000 farmers actively engaged in the sector. While the agriculture sector contributes to just about 1.6% of the GDP, the sector is important in terms of the livelihoods of people living in the outlying islands, being crucial for food security as well. Furthermore, growth in the sector is of utmost importance for the economy when it comes to mitigating effects of climate change and its perceived impacts on the economy.

While the resource base for agriculture remains low owing to the nature of the coral islands and its soil and water, the agriculture sector does provide a notable proportion of both food and vital non-food items through locally grown produce. FAO report denotes that the Maldives does have the potential to attain self-sufficiency in selected field crops, if production efficiency were to be achieved.

This policy brief will highlight on the main challenges faced by the fisheries and agriculture sector and the policy interventions that the Government has planned to address the challenges in order to achieve the self-sufficiency and production efficiency as crucial drivers towards building resilience in terms of food security in the country

### Key Challenges

#### Lack of Proper Data & its Management

Lack of proper data collection mechanisms, data analysis capacity, gaps in coordination at national and local levels, lack of proper registries; all of this contributes towards difficulties in facilitating evidence-based policy making. This leads to the sectors being not well represented at the national economic level, and brings about difficulties in resource mobilisation for the sectors.

#### Challenges in Retention of Technical Capacity

This translates into insufficiency in terms of the lack of a technically skilled labour force to support the growth of the sectors. This is further exacerbated by the lack of training opportunities, lack of career development pathways, low extension of resources to support and monitor the sectors at the atoll levels, and the lack of research and technology in the fields to find innovative solutions. Challenges in this regard results in slow/stagnant growth in the sectors which leads to higher dependency on imported food items, and poor service delivery in the sectors.

#### Poor Institutional Capacity

This emerges from the lack of proper legal frameworks for sustaining the sectors which leads to degradation of the surrounding ecosystems, abuse and inefficiency of resources, and spills over to the bigger challenge of ensuring safety of locally grown produce for consumption.

#### Lack of Appropriate Infrastructure for Value Chains

There are no strategic mechanisms in place to regulate the value chain, which translates into for instance farmers having no way of tapping into the potential that is the thriving tourist market in the country. Middlemen taking advantage of farmers and preventing them from getting fair prices for their produce is also a reality on the ground. Furthermore, lack of proper market infrastructure and linkages in the forms of storage capacity, transportation etc. remains to be daunting challenges for small scale producers in the market for both sectors.

#### Low Availability and Accessibility to Finance and Credit Facilities:

This results from inadequate national budget allocations to the sectors, often because less importance is given to the sectors by policymakers. For instance, access to credit is difficult for small/medium farmers which results in relatively less newcomers entering the field. It is to be noted that the recent SME Development Finance Corporation (SDFC) is a positive step taken by the government towards addressing this challenge.

## Food Insecurity and Nutrition

Owing to challenges that have already been discussed, the lack of an abundance of supply when it comes to traditional crops in terms of agriculture is felt, which results in a loss of biodiversity. Urbanisation and lack of agroforestry practices means higher dependency on imported produce, which at the same time leads to undernourishment and obesity among youth and children.

## Poor Quality of Fish and Fisheries Products

This results from the lack of technology and technical capacity on-board vessels and poor on-board fish handling techniques which leads to difficulties in accessing premium markets for fishermen and getting prime value for their catch.

## Limited Value-Added Products

This stems from the lack of awareness on potential for value addition, lack of investment opportunities, lack of entrepreneurship, and limited market access. This translates into underutilisation of resources, loss of potential economic revenue, and the loss of employment opportunities.

## Undervalued Fisheries Exports

This results from the lack of mechanisms to crosscheck Cost, Insurance, and Freight (CIF) and Free on Board (FOB) values, and on the ground confirmation and reporting delays. This translates into low apparent contribution to the GDP from the sector.

## Lack of Seed Availability for Grow-Out Farmers in Aquaculture

This stems from the lack of environments to source wild seed, lack of hatchery production, and absence of solid long-term sectoral developmental plans aiding the sub-sector. This means that communities with the interest in engaging in aquaculture not having the means to source seeds for grow-out operations which hinders progressive development of the sub-sector.

## Environmental Concerns of Aquaculture

This arises from the fact that aquaculture activities rely on nutrient inputs into the culture system, the absence of stringent regulatory framework and guidance for use of chemicals in aquaculture, and the lack of proper monitoring and control on the import and use of chemicals in the sector. This could potentially lead to environmental degradation, if activities are not regulated and carried out in a responsible manner.

## Unrecognised Role of Women in Fisheries

Women play a pivotal role in fisheries around the world, contrary to the widespread perception that fishing is a male-dominated activity. A continuing perception of male-dominance has led to a degree of 'gender blindness' in the fisheries sector and has meant that the post-harvesting and trading activities of women are often overlooked or neglected in fisheries development and management, and training and assistance programmes are often aimed at men, which leads to the lack of recognition of women in the sector.

## Policy Initiatives

### Strengthening Data Collection and Management

Government aims to facilitate proper data collection, aggregation, analysis and dissemination of reliable data in order to effectively mobilise resources toward long-lasting initiatives. Strategies are also focused on fostering interactions with other relevant ministries and agencies in order to increase national awareness on the challenges and opportunities that are specific to the agricultural sector.

### Stronger Institutional Support

It is the Government's goal to ensure that the role played by the Ministry is strengthened in the coordination and monitoring activities of all stakeholders involved in the use and management of fisheries and agricultural resources. In this regard, the Government seeks to identify, promote, and support opportunities aimed at strengthening the managerial, technical, and technological capacities of the agencies involved in the sectors.

### Strengthening Institutional Capacity

The Government's strategies are geared towards supporting the development of a legal framework and certification system which would enable the enforcement of national standards, in compliance with international regulations in the sectors, which would help harmonise the quality of national products and improve the sustainable use of natural resources, which would in turn facilitate access to international markets.

### Strengthening Value-Chain Coordination

Government aims to ensure that the competitiveness of the sectors is promoted, improved, and sustained in both domestic and foreign markets. In this regard, for the agricultural sector, facilitation of sustainable use of local resources for the production of fertilisers, animal feeds etc., facilitation of the implementation of medium-scale production facilities throughout the country to diversify income sources, and promotion of existing international free trade regulations that offer competitive advantages are actions that the Government aims to take in order to achieve the positive changes required on the ground.

### Increasing Accessibility to Finance and Credit Facilities

Through various strategies to strengthen SDFC, the Government aims to address the issue of low availability and accessibility to finance for small/medium farmers and fishermen for them to achieve success. The Government also aims to facilitate the implementation of financial advisory support, including economic incentives, insurances, loan schemes and subsidies in order to sustain commercial activities in farming and fishermen communities.

### **Food Insecurity and Nutrition**

In this regard, the Government aims to ensure that the agriculture sector significantly increases its contribution to food security, emphasising on nutrition and safety. It strategizes to carry this through by facilitating the implementation of an origin-based and quality certification system that focuses on tracking local and imported produces in order to assert their quality, fostering the production and marketing of selected field crops in which the country has the potential to attain self-sufficiency (such as bananas, watermelons, pumpkins, papayas, and eggplants), and fostering initiatives that aim at promoting community farming activities such as community gardens and household therapeutic farming, which has the added benefit of positively impacting the well-being and mental health of the population.

### **Strengthening the Legislative Framework**

The Government aims to ensure that the institutional and legal frameworks for both sectors are strengthened, in order to sustain their development. In this regard, national standards and regulations for quality assurance are to be developed for fish and fishery products and agricultural products, to meet national and international standards of production.

### **Strengthening Ecological Resilience in Aquaculture:**

The Government's strategies are geared towards putting into place the required legislative framework for the development of the aquaculture subsector. This will help plan aquaculture development more effectively and address production needs as well as environmental and biosecurity challenges in the sub-sector. Furthermore, the Government also aims to provide aquatic animal health services to stakeholders in order to sustain biosecurity and control the spread of aquatic diseases.

### **Strengthening Community Empowerment**

Policies are geared towards inclusion of disadvantaged groups which includes women through effective communication tools, positive discrimination and accessibility measures, in order to increase their contribution as well as their profit share at all stages of the value-chains in the sector.

## References

Food and Agriculture Organization. (2012, December). Maldives Country Programming Framework 2013 - 2017. Retrieved June 12, 2019, from Food and Agriculture Organisation of the United Nations: <http://www.fao.org/3/a-bp579e.pdf>