

ANNEX 1

1. IDENTIFICATION

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|----------------------------|--|--------|-----------|
| Country/Title/Number | Pacific Region/Scientific Support for the Management of Coastal and Oceanic Fisheries in the Pacific Islands Region (SciCOFish) CRIS No. FED/2009/21370 | | |
| Total cost | Euros 9,000,000 (9.47% of the RIP and 22.5% of Focal area 2 within the RIP) | | |
| Aid method management mode | Project approach – Joint management | | |
| DAC code | 31310 | Sector | Fisheries |

2. RATIONALE

2.1. Sector Context

Pacific ACP (P-ACP) countries' oceanic fisheries provide ~25% of the world's tuna catch valued at more than Euros 1 billion annually. These catches contribute essential government revenue and are a key opportunity for economic development¹. However, doubling of industrial oceanic fish catches over the past 20 years now threatens two of the most important commercial tuna species. Coastal fisheries represent food security and income for hundreds of thousands of people across the region, but are similarly under pressure. Reef fish resources are over-exploited around major settlements and invertebrates harvested for export are severely depleted. Well-informed management action is needed to halt and reverse these trends in both areas.

P-ACP countries have initiated and begun implementing a new suite of conservation and management measures for yellowfin and bigeye tuna stocks in 2009. Working through the Western Central Pacific Fisheries Commission (WCPFC) they will also extend control and monitoring systems onto the high seas. These international measures complement management and enforcement efforts carried out in each country's Exclusive Economic Zone (EEZ), and are coordinated on a regional basis by the Forum Fisheries Agency (FFA). The success or failure of these new measures will in large part determine the future sustainability of the region's oceanic fisheries resources. If the existing international consensus is to be maintained as economic and climatic conditions shift and as initial results are evaluated, credible and responsive scientific support will be essential. In particular, relatively more emphasis will need to be focused on assessing the impacts of various policy measures on individual P-ACP countries in order that decision-makers fully understand the implications for their countries². Beyond this legal and policy framework, threats from illegal, unreported and unregulated (IUU) fishing heighten concerns about overfishing. These threats must be addressed through scientific analysis, as well as surveillance and control activities, in order to avoid eroding benefits accrued through management of regulated fisheries.

2.2. Lessons Learnt

Valuable lessons have been learned from previous projects and monitoring missions, including:

- National capacity building is critical for translating scientific advice into management action at the national level and for maintaining in-country data collection and monitoring;
- Before management action can be taken, communication of scientific advice must be effective and address economic concerns from the perspective of individual P-ACP countries;
- Long-term commitments are necessary to effectively tackle fisheries management issues in the region.

¹ The Contribution of Fisheries to the Economies of Pacific Island Countries and Territories, ADB (2008)

² Pacific 2020 Background Paper: Fisheries, AusAid (2006)

In addition to these guiding principles, responses to specific recommendations from the ProcFish O (EDF8) mid-term evaluation (expanding training to include data management and assessment; developing methods to measure the quality of data; and improving models to estimate biomass in national waters) have been incorporated into this proposal. In response to lessons learned from ProcFish C (EDF8), future monitoring programmes will be based on the individual needs, priorities and capabilities of P-ACP countries rather than a prescriptive approach for all. The proposed activities all build upon the outcomes of previous projects but advance the scientific tools and extend them to a broader community. A table illustrating the progression from past project to proposed activities is annexed to the Technical and Administrative Provisions.

2.3. Complementary Actions

The widely acknowledged importance of fisheries in a region which is 98% ocean has long provided a stimulus for regional cooperation and has been well recognised in regional strategies for EU development assistance. Fisheries formed a focal sector for the EDF 9 programme, and the blue/green theme of sustainable resource management (in the oceans and on land) is a focus of the EDF10 strategy.

Specific EDF projects have included:

- The EDF8 ProcFish project (€8.1M, ended Feb 2009) and EDF9 CoFish project (€2M, ends Dec 2009);
- The EDF9 SciFish (€4M, ends Feb 2012) and DevFish (€3M, ends Dec 2009) projects;
- The all ACP Fish2 project; (€-2M for Pacific activities, starts 2010)

The two regional EDF10 proposals, SciCOFish and DevFish2³, represent a coordinated approach by the two regional agencies, FFA and the Secretariat for the Pacific Community (SPC), to jointly address the three pillars of sustainable fisheries – science-based management, development and enforcement.

The EDF support notwithstanding, most donor support in the P-ACP fisheries sector is provided at the bilateral level, including institutional strengthening programmes (Australia and New Zealand); aerial surveillance and surface patrol capacity to combat IUU fishing (Australia, New Zealand, France, USA); and various fisheries development projects (Japan). These budgets are in some cases substantial; for example, to address IUU fishing issues Australia is expected to devote up to €330 million to the ongoing Pacific patrol boat project.

2.4. Donor Coordination

The prime mechanisms for donor coordination of regional programmes are the annual Pacific Islands Countries Partners Meeting and the Post Forum Dialogue. These meetings allow for constructive dialogue and coordination of support to the Leaders and Pacific Plan priorities. These meetings will be supplemented through additional consultation mechanisms as envisaged in the EDF10 regional strategy. Responsibility for implementation of these decisions lies with the Regional Authorising Officer (RAO). In addition, donor inputs to the SPC are overseen by the annual meetings of the Committee of Regional Governments and Administrations (CRGA), as well as meetings of technical specialists such as the biennial Heads of Fisheries meeting.

3. DESCRIPTION

3.1. Objectives

The **Overall Objective** of this project is the conservation and sustainable use of coastal and oceanic fisheries resources in the P-ACP region. **The Project Purpose** is to provide a reliable and improved scientific basis for management and decision making in oceanic and coastal fisheries. The objective and purpose are directly aligned with the Millennium Development Goal 7 (environmental sustainability); Article 32 of the Cotonou Agreement (strengthening scientific and institutional capacity for sustainable management, particularly for fisheries and coral reefs); and the second pillar of the Pacific Plan (sustainable development). It addresses a key aspect of the Regional Indicative Programme, namely, the development of cost-effective solutions for the sustainable management of marine and land-based resources. It directly

³ The DevFish2 project will be considered under the Aid for Trade package later this year.

responds to the P-ACP leaders' Vava'u Declaration and the recent 2008 Forum meeting in Niue, which called for comprehensive fisheries conservation measures, both in EEZs and on the high seas; and the sustainable and effective management of national coastal fisheries. It will support the EPA Fisheries Chapter which calls for 'research on the state of stocks, including programmes for observers onboard industrial vessels and improved catch and by-catch reporting to provide adequate data for sustainable fisheries management.' The project will provide the P-ACP countries with the means to develop efficient management measures, the skills to monitor their effectiveness, and some important tools to combat IUU fishing on the high seas⁴.

Project results will be in two main areas: scientific support for oceanic fisheries management (Component 1) and monitoring and management of coastal fisheries (Component 2). These components will strengthen scientific understanding of oceanic and coastal systems, respectively, and will facilitate addressing cross-cutting issues such as ecosystem relationships and the impacts of climate change through linking results via databases. The oceanic activities will provide scientific support for new tuna management initiatives adopted by P-ACPs at a critical time for conservation of the stocks. In particular, intensive observer training and enhancement of national fishing activity databases will, in combination with the development of a monitoring, control and surveillance (MCS) strategy under the proposed DevFish2 study, allow more effective identification and deterrence of IUU fishing activities. Furthermore, the proposed modelling studies respond to calls by P-ACP countries to develop tools and strategies to evaluate national impacts from management measures and mitigate the effects of climate change. The coastal activities will be focused, by means of initial stakeholder consultations, on projects combining an urgent resource management issue with a strong local capability to address the issue and maintain a long-term programme.

3.2. Expected results and main activities

Activities and Results under Component 1

- 1-1. *Observer Training and Systems.* National, sub-regional and regional-level observer and port sampling training and data validation systems will be provided with an explicit goal of training national trainers to propagate systems throughout the region. The goal is to achieve 100% coverage of the purse seine fishery.
- 1-2. *Integrated Tuna Fisheries Databases.* The TUFMAN system will be introduced to an additional 4 P-ACP countries and its functionality expanded, through system upgrades and training, in 10 P-ACP countries where it already exists. Tuna data system audits will be conducted for all relevant P-ACP countries.
- 1-3. *Bioeconomic Modelling and National Advice.* This activity will develop new bioeconomic modelling tools to evaluate fisheries' performance and impacts on stocks under varying economic/technical conditions (e.g. capital, fishing power, effort) thus clarifying and facilitating national management decisions.
- 1-4. *Ecosystem Modelling of Management and Climate Change.* SEAPODYM will be used to explore changes in tuna stocks under various management and climatic regimes. SPC holds, jointly with other partners, a not-for-profit copyright to the system and will use public domain environmental data to validate the model, thereby avoiding major development and running costs.
- 1-5. *Validate Key Model Parameters through Tagging.* A two-year tagging programme is envisaged in the first instance ideally leading to regular, scientifically-designed tagging surveys that will greatly increase the accuracy and predictive power of stock assessments. The actual extent of the programme will depend on the total amount of funding available from all donors. The project provides funding for two one-month tagging cruises. Past experience suggests that initiating the programme in this way will attract additional support; but the two cruises will provide worthwhile information even if this is not forthcoming.

⁴ Pacific OCTs are expected to be stakeholders under a parallel project funded from the OCT EDF10 envelope. Timor Leste will be visited at the start of the project to determine national priorities.

Activities and Results under Component 2

- 2-1. *Conduct Stakeholder Consultation.* To assess both the needs and capabilities of individual P-ACP countries, stakeholder consultations and prioritisation exercises will be conducted to identify at least five specific projects. Consultation to identify the particular needs of women will be prioritised where possible.
- 2-2. *Develop Local Capacity for Implementing Field Monitoring Protocols.* Specific field monitoring techniques and procedures, such as underwater visual census techniques and identification of indicator organisms will be simplified for use by local stakeholders, with training in the field.
- 2-3. *Develop and Implement Secondary Data Collection Protocols.* For each project, in addition to field data collection, protocols will be designed to train local participants to capture data from markets, fishermen interviews, export records and other sources. SPC will provide training and support for database development.
- 2-4. *Develop Management Advice.* Fishery management plans/measures will be developed for each fishery based on monitoring and assessment results, and through intensive consultations with local stakeholders. Ongoing assistance will be provided for review and adaptive management.
- A final activity serving both components will include project coordination and the dissemination of results.

3.3. Risks and assumptions

The major risk associated with any project providing scientific advice is that the advice will not be translated into management action. This risk is minimised due to SPC's existing relationship with many of the national authorities in the region which provides direct access to decision-makers. For coastal fisheries, the project is designed to be demand-driven ensuring that advice is provided to those stakeholders which are already most inclined toward uptake. In supporting the fight against IUU fishing, the project will provide some of the tools that P-ACP countries will need (i.e. trained fishery observers and functional databases) but reducing IUU fishing will require a range of complementary actions (including support to FFA under the proposed DevFish 2 Project) as well as continuing political will at the national level.

Other, more minor risks are that the scientific advice will not be clear due to uncertainty in the data, or that data will be lost due to human error or equipment failure in remote communities. With regard to uncertainty, the SPC has many years of experience in providing scientific advice to regional agencies and the technical quality of its work is highly regarded. SPC also incorporates detailed and robust data management procedures into all projects and will provide a backup facility for all national data in a centralised database at SPC to guard against loss of data.

Sustainability of the project will be achieved by:

- Developing capacity in P-ACP countries to undertake work that has previously been done for them by SPC – managing fishery data, training of observers and survey of coastal resources;
- Developing sustainable funding mechanisms in country, for example by including observer training costs in the fees already paid by industry;
- Providing ongoing support and back-up from SPC for certain core functions for which long-term funding is assured;
- Developing new funding sources for this kind of support, for example from the WCPFC which is newly-established but plans to increase its contribution for scientific services in support of developing country members.

3.4. Crosscutting issues

Environmental Sustainability – This project specifically addresses environmental sustainability issues through fishery, coral reef, marine ecosystem and climate change components.

Gender Equality – SPC specialists will conduct a gender analysis of the project during the inception phase, and identify specific implementation activities. These will include an enhanced role for women in data analysis and stock assessment work, and greater involvement of women in decision-making in coastal fisheries management.

Good Governance and Human Rights - The project contributes to addressing governance issues through enhanced institutional capacity for implementing transparent and accountable resource management. Coastal management plans will be developed based on local needs, fostering increased self-governance and equity.

3.5. Stakeholders

The project concept received strong support at a meeting of regional Heads of Fisheries in February 2009. For the oceanic component of the project national stakeholders include fisheries departments, other government departments, non-governmental organizations (NGO) and fishing interests. Intergovernmental fisheries management, in the form of the WCPFC, will also benefit through enhanced participation of P-ACP members.

Improved livelihoods and food security can be expected for coastal communities that are assisted through better information and management of inshore resources. In addition to the national government and NGO stakeholders listed above for the oceanic component, the coastal component of the project is expected to have a strong impact on women across the region, a large number of which are in insecure, low-wage jobs⁵. As women are involved in coastal invertebrate harvesting activities⁶, and these resources are at present heavily depleted, women would benefit greatly from sustainable management plans leading to resource recovery.

4. IMPLEMENTATION ISSUES

4.1. Implementation method

The project will be implemented through joint management. A Financing Agreement will be signed between the Commission and the Regional Authorising Officer (RAO), the Secretary General of the Pacific Island Forum Secretariat (PIFS). The Commission will then sign a Contribution Agreement (CA) with SPC.

SPC has received a positive compliance assessment under ART. 16 FR EDF in 2007 and is included in the list of the international organisations eligible for a Contribution Agreement. A new assessment of the organisation is also planned in 2011.

A recent independent review concluded that there is currently no other regional organization which can support the region's fisheries science needs in a more credible and cost-effective a manner than SPC⁷.

The project will rely on a significant amount of technical assistance (TA) to deliver its results. A special implementing unit is not required. In line with SPC's corporate plan and the EC 'backbone strategy' on technical assistance, it will include elements of capacity development as well as expert advice (capacity supplementation) in areas where it is not practical or cost effective for small island developing states to maintain their own capabilities. Specifically, capacity will be developed in the P-ACP countries through observer training, database management and coastal resource assessment. While oceanic modelling tasks will mainly focus on expert advice, opportunities for post-graduate university students to intern at SPC will provide an element of capacity building in these areas. A longer term strategy to increase capacity in fish stock modelling is under development.

SPC has received a positive institutional assessment in 2007 and is included in the list of the international organisations eligible for a Contribution Agreement. A new assessment of the SPC is also planned in 2011.

4.2. Procurement and grant award procedures

All contracts implementing the action, including staff contracts of employment, will be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisations concerned.

⁵ Millennium Development Goals Report 2008 (United Nations, 2008)

⁶The Contribution of Fisheries to the Economies of Pacific Island Countries and Territories, ADB (2008)

⁷ Independent Review of the WCPFC Transitional Science Structure and Functions (MRAG 2008).

4.3. Budget and calendar

The operational implementation phase of the project will have a foreseen duration of 48 months as from signature of the Financing Agreement. . The budget breakdown is as follows:

| <i>Categories</i> | <i>Euros</i> |
|----------------------------------|------------------|
| Contribution agreement with SPC | 8,655,765 |
| Monitoring, evaluation and audit | 100,000 |
| Contingencies | 244,235 |
| Total | 9,000,000 |

4.4. Performance monitoring

Day-to-day technical and financial monitoring will be a continuous process as part of the Implementing Organisation's responsibilities. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out external ROM monitoring.

Project monitoring mechanisms will include annual and six-monthly reports prepared by the project management team and submitted to the EC Delegation. A copy will also be forwarded to the RAO for information.

Annual reports will be considered by the Project Joint Steering Committee, at which all P-ACP countries will be represented. The EC Delegation and the RAO will be invited as observers.

Key indicators include:

| <i>Indicator</i> | <i>Baseline (2009)</i> | <i>Target 2014</i> | <i>without Project</i> |
|--------------------------------|--|---|---|
| Tuna fishing effort | Yellowfin fully exploited with significant risk of overfishing High probability of overfishing of bigeye | Effort reduced to at least the level required to reach F_{msy} (fishing mortality for maximum sustainable yield) or lower, for both species | Insufficient observer data to verify measures are effective; lack of modelling tools to fully evaluate measures |
| Tuna discards by purse-seiners | 5% of total catch (~ 62,000 t) | Less than 1% of catch (<12,000 t) confirmed by 100% observer coverage | (see previous row) |
| Income in fishing communities | Baseline data will be collected under project | Income levels maintained in real terms in areas targeted by the project | Resource depletion likely to reduce incomes |
| Fishery management plans | 7 coastal fishery management plans | 12 coastal fishery management plans | No change from baseline |
| Tuna statistical/ data systems | 10 basic systems, not fully utilised | 4 new systems; 10 existing systems enhanced; all fully functional | No change from baseline |

Other performance indicators will include: status of coastal fisheries resources; use of scientific advice in management decisions; percentage of observer coverage; and number of functioning coastal resource monitoring programmes.

4.5. Evaluation and audit

A mid-term review and final evaluation of the project may be carried out by independent consultants recruited directly by the Commission. Both evaluations will assess progress towards achieving the project purpose and overall objective.

A final audit of the project may be requested by the Commission.

Financing provisions will be made under the Financing Agreement for these purposes. These amounts will not be included in the Contribution agreements. Any costs incurred by the international organisations for their own evaluations and audits will be considered as indirect costs under the CA.

4.6. Communication and visibility

In addition to technical reports and peer-reviewed scientific papers, project outputs will be communicated directly to decision makers at regional meetings and during country visits. Emphasis will also be placed on producing short, non-technical papers and media articles on key issues to inform policy makers and public opinion. EU financial support will be highlighted in all activities, reports and media releases. EU promotional material will also be produced and distributed during the project, utilising Euros 90,000 that has been reserved in the budget for this purpose.

ANNEX 2

1. Identification

| | | | |
|---------------------------------------|--|--------|---|
| Country/Title/Number | Pacific Region /Deep Sea Minerals in the Pacific Islands Region: a Legal and Fiscal Framework for Sustainable Resource Management CRIS No. FED/2009/21368 | | |
| Total cost | Euros 4,704,000 (100% EC contribution) (4.95% of the RIP and 11.7% of Focal area 2 within the RIP) | | |
| Aid method / Method of implementation | Project approach – <i>joint management</i> | | |
| DAC-code | 32268 | Sector | Sustainable Management of Natural Resources and the Environment |

2. Rationale

2.1. Sector context

The project responds to the recent upsurge in exploration activity in respect of mineral resources on the seabed within the Territorial Seas and Exclusive Economic Zones (EEZs) of Pacific Island Countries (PICs) and calls for technical assistance from member states of SOPAC and the Pacific Island Forum Secretariat in the development of policy instruments.

Comprehensive national policy regimes, legislation and regulations necessary for the governance of deep-sea mineral resources are lacking. Also lacking is the specific technical capability and human resources capacity essential to ensure that PICs are able to effectively and equitably participate in the development and management of these newfound ocean resources and benefit streams. To realise effective and sustainable economic growth it is imperative therefore that PICs develop in consultation with other stakeholders appropriate policy regimes and legislation to manage current and future mineral exploration development and mining within their EEZs.

The project is consistent with the 2nd Principle of the Pacific Islands Regional Ocean Policy (PIROP) - Sustainably Developing and Managing the Use of Ocean Resources with the aim of safeguarding Pacific Island communities through the adoption of a precautionary management approach to ensure the use of the ocean and its resources are sustainable.

Common challenges that face regional initiatives within the Pacific are: the different pace and ways in which individual countries respond to program activities, the logistical problems of working multi-country and on multi-stakeholder projects, lack of in-country capacity and resources, and the general lack of in-country initiative to ensure the ownership of the project is secured beyond the life of the project⁸. Additionally, the sustainability of efforts and in particular that related to the access, storage and use of data has suffered from a lack of regional agreements, legislative instruments and technical capacity within country. In regards to the development of technical capacity and capability there has been the inability for countries to retain skilled professional/technical staff.

⁸ Mid-Term Review and monitoring of the EDF8/EDF9 Project - Reducing Vulnerability of Pacific Island States.

2.2. Lessons learnt

The project is an innovative one, which anticipates the future trend of deep-sea mineral exploration and exploitation in the region and proposes a regional and national response. There has been little done on a regional scale in relation to minerals policy and mining sector support that can serve as examples. However valuable lessons can be drawn from a number of similar multi-country SOPAC projects such as the MMAJ⁹-SOPAC International Technical Cooperative Project, Pacific Islands Regional Maritime Boundaries Project, and the more recent SOPAC-EU Project Reducing Vulnerability of Pacific ACP States in terms of multi-country implementation and sustainability issues. Each of these projects has required specialist technical expertise for sustainability and maintenance of databases etc beyond the life of the project. A key lesson from the region relates to the need for a regional technical agency to coordinate and provide technical guidance and capacity support over the long-term in order to ensure sustainability of these efforts. Specialist scientific and technical capacity cannot always be justified or held within each country and sustained specialist support will become critical once mining commences and there is need for regular assistance at many levels.

2.3. Complementary actions

SOPAC supports countries in the development of their maritime boundaries and the maintenance of the Pacific Island Regional Maritime Boundaries Information System (PIRMBIS) presently funded under AusAID. These together with ongoing support to countries to develop their submissions for Extended Continental Shelf (ECS) under the United Nations Convention on the Law of the Sea (UNCLOS, Article 76) are complementary actions which ensure the ability of states to secure and exercise management of their jurisdictions and associated resources within both their EEZ and potential ECS areas.

Also complementary to these actions is the development of a regional marine scientific research database and assistance with the coordination of research, which is an ongoing part of SOPAC's technical mandate.

The proposed project will also complement recent initiatives by the World Bank and Commonwealth Secretariat to assist Papua New Guinea and the Cook Islands in the formulation of their respective policy and legislation pertaining to offshore minerals exploration and exploitation. Significant technical resources exist within the International Seabed Authority (ISA) in respect of the coordination and management of deep-sea mining and exploration and the development of the Mining Code and EIA guidelines for deep-sea mining within the High Seas.

2.4. Donor coordination

The project places emphasis on national outcomes and strengthening greater ownership and partnership within the region based on national needs. It is formulated based on the express request of the SOPAC membership that in effect comprises the principal P-ACP states impacted by increased interest in their deep-sea mineral resource(s). The nature of the project (policy and legislative frameworks) also requires close coordination at the national level and in this regard the project strengthens existing national policies and legislation (minerals exploration and exploitation, fiscal, environmental).

The principal regional donor coordination is that related to the Forum Secretariat, in the form of the post-Forum Dialogue. A number of donors and organisations (NGO's, IGO's) have worked or have interests in related areas and within the Pacific. The specialist nature of deep sea mining and the multi-sectoral and cross cutting nature of mining and its impacts requires the development and use of a partnership approach with coordination falling to SOPAC and the ambit of the project. This is necessary given the potential for cross-border or cross-jurisdictional aspects of deep-sea mining projects with mining in several EEZ's and centralised processing facility (ies) as well as for ensuring effective use of donor resources.

⁹ The Metal Mining Agency of Japan, (now JOGMEC) in close cooperation with SOPAC undertook an extensive programme of deep-sea mineral exploration in PIC EEZ's over the period. The legacy is an extensive database of information that serves as a baseline of mineral occurrences in the region and is presently housed with SOPAC

3. Description

3.1. Objectives

The overall objective of the project is to expand the economic resource base of Pacific ACP States by facilitating the development of a viable and sustainable marine minerals industry.

The specific objective is to strengthen the system of governance and capacity of Pacific ACP States in the management of deep-sea minerals through the development and implementation of sound and regionally integrated legal frameworks, improved human and technical capacity and effective monitoring systems.

3.2. Expected results and main activities

The main activities under each Key Result Area are described below:

Result Area 1 (Development of Regional Legislative and Regulatory Frameworks – RLRf) serves both as project initiation as well as a full assessment phase through the identification of the existing status of exploration, legislation and policy as well as constraints. Key activities/actions will comprise regional and sub-regional workshops to ascertain the status of exploration within the region, key stakeholders, as well as policy, legislation and knowledge gaps – resulting in the formulation of detailed terms of reference which will then guide the development of regional legislative and regulatory framework for the sustainable development of deep sea minerals in the Pacific Islands region.. Once the RLRf is finalised, copies will be distributed to individual countries and shall be used as guidelines for the development of national legislative instruments.

Under **Result Area 2, (Formulation of National policy, legislation and regulations)** main activities will comprise: (i) national stakeholder workshops to facilitate the development of national policy, legislation and regulations; (ii) establishment of and support to national offshore minerals committees; (iii) development of marine mineral policies starting with countries with most immediate needs (based on the guidance of the regional framework developed in Result Area 1).

Following completion and acceptance of various national policy instruments, assistance will be provided for the formulation of national offshore minerals legislation and its internal review process including consultations.

Result Area 3 (Building national capacities) will assess national capacity needs, means and constraints and build the capacity of national technical professionals in marine minerals, policy development, assessing fiscal and taxation regimes and environmental monitoring. By its nature the areas will be crosscutting and multi-sectoral within Government.

Result Area 4 (Effective management and monitoring) will assist PICs to develop monitoring systems for deep-sea mining operations through the following initiatives: (i) consider existing deep-sea environmental guidelines (ISA¹⁰ and others) and develop appropriate regional environmental monitoring guidelines including a framework for environmental management; (ii) identify and maintain a checklist of competent marine research group(s) to participate in the monitoring of offshore mining sites; (iii) identify suitable local and regional candidates to participate in offshore mining monitoring as part of on-the-job training; Cooperation with the Forum Fisheries Agency (FFA) and the Marine Division of the Pacific Community (SPC) will be pursued in relation to the monitoring of mining impacts on the marine living resources; (iv) in consultation with the government and marine research groups, provide relevant information as required to key stakeholders.

In order to promote transparency and the active participation of local communities, representatives of local communities that can potentially be impacted by deep-sea mining activities will be encouraged and supported to participate in any offshore monitoring initiative of the project. Further, the project will support the presentation of relevant existing and new data and information as well as the project outputs to key in-country stakeholders (e.g. decision makers, private sector, and civil society) and the effort of the NOMC and the NSA in conducting awareness program for local communities.

¹⁰ The International Seabed Authority (ISA) through its legal and technical units have developed draft regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area as well as supported the development of a Draft Mining Code.

The project will provide financial support for a Benefit Cost Analysis (BCA) of deep sea mining in the region assessing the high costs of deep sea mining and the potential impacts on the marine living resources against the profit derive from such a venture due to high commodity prices and the decrease in on-land metal reserves.

3.3 Risks and assumptions

The success of this EDF 10 project intervention is based upon several assumptions which are described below together with mitigation measures:

- P-ACP's are interested in a regional approach to devising national policy, regulatory and fiscal/environmental conditions with regard to their mineral resources. This is supported by a recent decision of the SOPAC Governing Council members, as well as by formal requests for technical assistance not only to SOPAC but to other IGO's, the ADB and the World Bank.
- NGO's and NSA's have raised the potential of impact on fisheries. Commercial open water fisheries in the PI Region are predominantly concentrated on the pelagic fishery (especially tuna) and demersal fisheries at depths associated with known deep sea mineral resources are far less well understood or exploited. It is also prohibitively expensive and logistically difficult to independently study, monitor and assess such impacts and systems. The development of strict guidelines to prevent the release of mining effluent to surface waters would be an important component of the environmental guidelines developed by this Project which will also seek to build linkages with Regional and International partners and universities to address the vitally important environmental considerations and the capacity questions.
- Under the reform of the Regional Institutional Framework as agreed by the Pacific Island Leaders in August of 2009, the functions of SOPAC are expected to merge with SPC in 2010 forming a separate Geoscience Division; hence management and implementation of the project will ultimately come under a different organisational scenario. Minimal disruptions are foreseen during the restructuring process and beyond as the agreed criteria for this integration is "*without significant diminution of service delivery*", with Governing Council agreeing that this in fact means "*better and increased service delivery*" should result from RIF and benefit member states.

3.4 Crosscutting Issues

Environmental management and sustainability initiatives are highlighted in Key Result Area 4 and address issues relating to capacity building and environmental management and monitoring. Collaboration with key stakeholders such as marine research group(s), government, communities and the mining companies is envisaged at all levels of the project. The project will not only adopt a gender-neutral policy with regards to recruitment and capacity building initiatives, it will also ensure that gender perspectives and attention are catered for in all project activities including the mainstreaming of gender issues in the regional framework and national legislation and regulations and proposed actions therein. Particular attention shall be placed in the project of the effect of mining on community livelihoods, ensuring they are secured and protected from negative environmental and social impacts. Through the SOPAC corporate governance and internal control procedures and sound coordination of activities with PICs, the project will uphold the principles of good governance in all facets of task implementation. Issues pertaining to human rights will be addressed through the pursuit of active participation of all key stakeholders including local communities.

3.5 Stakeholders

The two priority stakeholder groups are:

- (1) National governments – relevant government agencies particularly those that deal with minerals exploration and exploitation, environmental management, fisheries and fiscal matters are the principal beneficiaries.
- (2) Local communities, particularly those that are mostly likely to be impacted will benefit from: enhanced and more sustainably distributed royalties, better managed employment and business opportunities that will

ultimately contribute to better living standards, better environment conservation initiatives to avoid adverse impacts on ocean and coastal resources, enforcement of sound mining operations guidelines to ensure environmental accidents / incidents are avoided.

Other stakeholders that will also benefit from this project are: (1) Private sector – the legal framework that provides legal guidance for their operations; (2) Non-State Actors (NSA) – guidance of a legal framework to enhance their advocacy campaigns in promoting good governance and best environmental management; (3) International and regional research institutions – legal framework governing scientific research, an opportunity for partnership, and participation and clear, predictable operational guidelines.

The project will ensure that legislation and regulations governing the management of deep sea minerals and associated fiscal regimes within national jurisdictions in the region are not only consistent and harmonised but will also promote the fair distribution of wealth generated from deep sea minerals exploration and exploitation in line with concepts as espoused in the Extractive Industries Transparency Initiative (EITI). Additionally, EITI principles on natural resource management will be incorporated in all relevant provisions of national legislative instruments and that will require compliance by exploration/mining companies. This will in turn enable facilitation of a sector that has often been criticised in region for its legacy of negative environmental and social impacts and poor governance.

4. IMPLEMENTATION ISSUES

4.1 METHOD OF IMPLEMENTATION

The project will be implemented through joint management. A Financing Agreement will be signed between the Commission and the Regional Authorising Officer (RAO), the Secretary General of the Pacific Island Forum Secretariat (PIFS). The Commission will then sign a Contribution Agreement (CA)¹¹ with SOPAC. It is to be noted that in the context of the reform of the Pacific institutional framework, SOPAC will be merged into the Secretariat of the Pacific Community (SPC) from the 1st of January 2010. It is therefore possible that the CA will in fact be signed directly with SPC.

Both SPC and FFA have received a positive compliance assessment under ART. 16 FR EDF in 2007 and are included in the list of the international organisations eligible for a Contribution Agreement. A new assessment for SPC is also planned in 2011.

4.2 Procurement and grant award procedures

All contracts implementing the action, including staff contracts of employment, will be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisations concerned.

4.3 Budget and calendar

The total budget and grant request is 4,704,000 Euros. The budget breakdown is as follows:

| CATEGORIES | EC Contribution in Euros |
|-------------------------------------|--------------------------|
| Contribution Agreement | 4,410,000 |
| Monitoring and Audit and Evaluation | 84,000 |
| Contingencies (5%) | 210,000 |
| TOTAL PROJECT COST | 4,704,000 |

The operational implementation phase of the project will span 48 months as from signature of the Financing Agreement.

¹¹ Exception to calls for proposals as SOPAC/SPC is a body with de facto monopoly (Art. 168 Ic IR)

4.4 Performance monitoring

The performance monitoring would take into account baseline value (at present), and target values with and without the project. Indicators include: development of regional and national policies; national regulatory frameworks; increased national technical capacity; regional and national deep-sea mineral databases; national and regional environmental guidelines; institutionalisation of national offshore minerals coordination committees.

4.5 Evaluation and audit

A mid-term review and final evaluation of the project may be carried out by independent consultants recruited directly by the Commission. Both evaluations will assess progress towards achieving the project purpose and overall objective.

A final audit of the project may be requested by the Commission.

Financing provisions will be made under the Financing Agreement for these purposes. These amounts will not be included in the Contribution agreement. Any costs incurred by the international organisations for their own evaluations and audits will be considered as indirect costs under the CA.

4.6 Communication and visibility

All activities conducted under this project will highlight the EU's financial support. Contractors under this project will familiarise themselves with the EU Visibility Guidelines. Advocacy initiatives under the project will use offshore minerals related events and fora (workshops, conferences, meetings, media outlets, and TV and radio interviews) to communicate as widely as possible the positive outputs and outcomes of the project. A total of Euros 200,000 (see Section 4.3 above) has been earmarked for the dissemination of project outputs and visibility initiatives.

ANNEX 3

1. IDENTIFICATION

| | | | |
|----------------------------|---|--------|-----------|
| Country/Title/Number | Pacific Region/Development of Sustainable Tuna Fisheries in Pacific-ACP Countries – Phase II (DevFish2 Project) CRIS Ref: FED/2009/21392 | | |
| Total cost | Euros 8,200,000 (8.63% of the RIP and 20.5% of Focal area 2 within the RIP) | | |
| Aid method management mode | Joint management | | |
| DAC code | 31310 & 31320 | Sector | Fisheries |

2. RATIONALE

2.1. Sector Context

The Pacific-ACP (P-ACP) countries are located in the midst of the most important tuna fishing ground in the world annually supplying over 1 million t, a quarter of the world supply, and valued at more than Euros 1 billion. Therefore there is great potential for P-ACPs to benefit from their tuna resources and alleviate poverty, particularly through increasing domestic fishing capabilities and encouraging the localisation of other tuna fishery-related activities. At present, the majority of the catch is taken directly by distant water fishing nations in the Exclusive Economic Zones (EEZ) of P-ACP countries in return for licence fees. A smaller, but growing, share is harvested by P-ACP vessels or landed in P-ACP ports. These activities employ an estimated 12 thousand Pacific Islanders with 90% of these, mostly women, in land-based processing jobs¹². The sector is thus a major contributor to economic welfare in the Oceania region where seven countries meet the Least Developed Country (LDC) criteria and where there has been little or no recent progress in reducing the proportion of workers in insecure employment¹³.

Recently implemented Economic Partnership Agreements (EPAs), which grant P-ACP countries preferential access to the major market with liberalised rules of origin, also provide an opportunity for P-ACP countries. It has been recognised, however, that development assistance will be needed for P-ACP countries to achieve compliance with international trade rules^{2,14}. P-ACP countries also face ongoing challenges in association with meeting EU food safety requirements for fish, and new challenges arising from EU catch certification requirements to prevent trade in illegal, unreported and unregulated (IUU) fishing products. In both cases, it will only be economic for the main exporters to meet the requirements but sharing of successful approaches is desirable. Finally, while pursuing greater localisation of fishing operations, P-ACP countries can increase revenue by coordinating licensing conditions and improved negotiation skills.

The development of local capacity to manage and/or operate tuna fisheries can provide increased economic benefits while still constraining catches within sustainable limits. This requires science-based evaluation of the sustainability of increasingly complex scenarios involving fishing effort, management alternatives and environmental factors, such as climate change¹⁵. It also requires control of IUU fishing which undermines both economic benefits and resource sustainability. Currently two of the region's most important species, bigeye and yellowfin, are threatened by overexploitation. In 2008 P-ACP countries agreed a new suite of conservation and management measures for these species including closure of high seas pockets between EEZs which had previously been plagued by IUU activities. One of the most important tasks for national fisheries authorities is thus to demonstrate an ability to enforce these new management measures and to protect the resource so that the benefits of sustainable management can accrue to P-ACP countries.

The Project responds directly to calls by the P-ACP leaders at the 2009 Forum to maximise economic returns from the tuna fishery while ensuring sustainability and strengthening monitoring, control and surveillance. It is consistent with the Fisheries Partnership Agreements between the EU and 3 P-ACP countries which commit the parties to cooperate in creating an environment favourable to business and investment and combating IUU fishing.

¹² The Contribution of Fisheries to the Economies of Pacific Island Countries and Territories (Asian Development Bank, 2008) and data collected for the DevFish project.

¹³ Millennium Development Goals Report 2008 (United Nations, 2008)

¹⁴ EU Relations with the Pacific Islands – A Strategy for a Strengthened Partnership (European Commission, 2006).

¹⁵ These regional science-based needs are addressed by the SciCOFish proposal submitted under EDF10.

2.2. Lessons Learnt

The project is a second phase of the EDF9 DevFish project which analysed and started to address constraints to the development of P-ACP domestic tuna industries. The DevFish project undertook interventions to mitigate these constraints in developing a more favourable policy and economic environment and its success was recognized in annual Results Orientated Monitoring (ROM) missions as well as a mid-term review. However, these reviews acknowledged that a long-term commitment will be necessary to achieve the ambitious goals of the project, and a second phase of the project was strongly recommended. Two specific weaknesses of the DevFish project were identified in the mid-term review and have been addressed in this proposal as follows:

- *Effective Communication* – Despite fulfilling its stated intentions for dissemination of project results and policy advice, DevFish fell short of reaching the full extent of its potential target audience. A new communications strategy was thus designed and is proposed to be implemented in DevFish2.
- *Addressing Poor Governance* – Although the solution to this problem lies beyond the remit of this project, facilitating formal fisheries development plans and improving public-private dialogue will improve decision-making transparency help to tackle the broader issues of governance. DevFish2 will therefore emphasize promotion of formal and transparent tuna management/development plans and enhancement of fisheries associations, including those representing small-scale fishers.

2.3. Complementary Actions

The widely acknowledged importance of fisheries in a region which is 98% ocean has long provided a stimulus for regional cooperation as well as a major opportunity for economic growth and integration into the world economy. Fisheries formed a focal sector for the EDF 9 programme leading to initiation of fishery development work under the DevFish project. DevFish 2 will complement a number of initiatives agreed at the recent round-table on the Aid-for-Trade programme and is included as a priority project in the draft strategy. Other trade activities are also included as part of a Regional and International Trade Project in the overall FFA Secretariat work programme. Complementary actions funded by EDF and other donors have included:

- The EDF9 SCIFish project (€4M, ends Feb 2012), which focuses on the scientific basis for tuna fisheries management, implemented by the Secretariat for the Pacific Community (SPC) with some preliminary work on combating IUU fishing carried out by FFA (Forum Fisheries Agency);
- The Strengthening Fisheries Products Health Conditions in ACP and OCT Countries (SFP Project) which collaborated with DevFish 1 in a number of interventions at the national level.
- The EDF9 PacREIP programme (€1M, ends 2009), and its planned successor, which seeks to develop regional economic integration, improved conditions for trade and private sector development;
- The GEF Oceanic Fisheries Management Project (US\$11.4 million ending Oct 2010 with another phase anticipated) addressing sustainability issues through increasing the capacity of P-ACP countries to implement the Western and Central Pacific Fisheries Convention;
- Institutional strengthening projects for national fisheries administrations in Cook Islands, Solomon Islands and Nauru, and programme support to both FFA and SPC fisheries programmes, funded primarily by New Zealand and Australia;
- Aerial surveillance and surface patrol capacity to combat IUU fishing (€30 million for the Pacific patrol boat project by Australia; other contributions from New Zealand, France, and the USA).
- Various training and fisheries infrastructure projects financed by the Government of Japan

The two regional EDF10 proposals, SciCOFish and DevFish2, represent a coordinated approach by the two regional agencies FFA and SPC to jointly address the three pillars of sustainable fisheries – science-based management, development and enforcement¹⁶. The overall core programmes of FFA and SPC – supported by member contributions and other funding - also promote these three pillars of sustainable fisheries.

2.4. Donor Coordination

The prime mechanisms for donor coordination of regional programmes are the annual Pacific Islands Countries Partners Meeting and the Post Forum Dialogue. These meetings allow for constructive dialogue and coordination of support to the Leaders and Pacific Plan priorities. This will be supplemented through additional consultation mechanisms as envisaged in the EDF10 regional strategy. Responsibility for implementation of these decisions lies

¹⁶ Pacific Overseas Countries and Territories may become stakeholders under a parallel project funded from the OCT EDF10 envelope (the programme is still being developed). Timor Leste will be visited at the start of the project to determine national priorities, and will be fully integrated into project activities.

with the Regional Authorising Officer (RAO). In addition, donor inputs to the FFA are coordinated through meetings of Forum Fisheries Committee members, which include one high-level ministerial meeting per year.

3. DESCRIPTION

3.1. Objectives

Overall Objective

The overall objective of the programme remains the same as the original DevFish project – to increase the contribution from the sustainable use of highly migratory marine resources, particularly tuna, to the alleviation of poverty in P-ACP states, now also including Timor Leste.

Project Purpose

The project purpose is to reduce constraints to domestic tuna industry development. These arise from economic and environmental vulnerabilities, including a lack of local capacity to manage and support the tuna industry, including small scale operations; and from IUU fishing activities which both divert economic benefits and threaten efforts to sustainably manage the resource. Economic benefits will be secured without increasing total catches.

3.2. Expected results and main activities

Activities and Results under Component 1- Tuna Industry Development

Activities under this component will build directly on the work of the first phase of the DevFish project in promoting institutional and technical capacity for tuna industry development. Activities will be implemented only in countries experiencing solid fisheries management best practices. and could be suspended in case of non respect of all international and national conservation measures of which they are part. Any support activity related to possible expansion or promotion of local artisanal small-scale fishery shall not lead to an unsustainable pressure on fishery resources and cannot be increased without compensatory declines in the industrial fishing .Specific activities will include:

- 1-1. *Assist with Fishery Development Strategies.* This task will continue the work of DevFish focusing on implementation of existing action plans, development of new plans, with strong stakeholder input and a focus on environmental sustainability covering both fishing and processing.
- 1-2. *Improve Transparency in Systems and Procedures.* This task will involve strengthening industry associations and artisanal fishers' representation, and providing training and advice on fishing access agreements and licenses to national government staff.
- 1-3. *Provide Technical Assistance to Competent Authorities.* Support will be provided for meeting requirements associated with sanitary inspection (coordinated with the SFP project) and EU catch certification (anti-IUU fishing) requirements.
- 1-4. *Provide Training to Industry for Expansion of Exports.* In parallel with support to competent authorities, this task will train fishing companies to improve vessels and fish handling practices to achieve sanitary standards, *provided that such activities do not lead to increases of total catches.*
- 1-5. *Provide Technical Assistance and Training for Fishing Companies.* Focusing on small and medium enterprises, work will focus on management issues and skill shortages constraining growth and profitability.
- 1-6. *Conduct Pilot Projects Introducing New Technologies.* Projects may include trials of palm oil¹⁷ as boiler fuel in processing plants, the trial of other clean technologies and replacement of 2-stroke with 4-stroke engines for artisanal fishers. (Similar pilot projects during DevFish 1 have already been adopted by the private sector)
- 1-7. *Support artisanal-tuna fishing operations.* Working with small-scale fishers associations established or supported under DevFish, provide training and services to artisanal tuna fishers and small scale processors supplying local markets. *These activities shall not lead to increases of total catches.*

Activities and Results under Component 2 –IUU Fishing Deterrence

This component will utilise the results of initial monitoring, control and surveillance (MCS) studies in building robust and cost-effective regional capabilities to combat IUU fishing. Specific activities will include:

- 2-1. *Develop a Regional Strategy to Combat IUU Fishing.* Analytical studies funded by Australia in the areas of risk assessment, compliance audit, information management, coordination and capability, to be completed in late 2008, as well as other initial studies completed under the SciFish project, will need to be integrated into a

¹⁷ Palm oil has been produced for decades in both of the major tuna processing countries in the region and coconut oil in all of the others. The oil is exported from the same ports used for import of petroleum products and its substitution for the latter in the tuna industry would significantly reduce the industry's carbon footprint.

regional strategy. Plans to implement the strategy, such as creation of a regional MCS coordination centre, will also be developed and assessed. This strategy, combined with activities under the SCICOFISH project (to be funded under the 10th EDF) will also contribute to the implementation of the FAO Port State agreement that will be formally adopted in November 2009.

- 2-2. *Identify and Remedy Technical, Legal and Capacity Shortfalls.* Once the strategy is formulated and agreed, technical, legal and capacity shortfalls will be identified and addressed. This may take the form of training programmes, feasibility studies trialling new technologies, and/or planning for the acquisition of new enforcement assets. The use of data provided by the Vessels Monitoring systems already installed under other ongoing project will continue to be developed.
- 2-3. *Integrated Assessment of Enforcement and Fisheries Databases.* This task will integrate fisheries data with the FFA's EOPS system for at-sea surveillance data. Analysis of integrated data will address IUU fishing issues, such as under-reporting, which otherwise often go undetected, allowing for more accurate assessment of actual catches for stock assessment and feeding back to inform at-sea surveillance strategies.
- 2-4. *Integrated enforcement action.* Promotion of regional integration of MCS operations through real-time information exchange and joint operations with US Navy, Australian Defence Force, New Zealand Defence Force, and French Navy, as well as MCS agencies operating in OCTs.

3.3. Risks and assumptions

The major risk in achieving the project's objective and purpose is that local capacity built through the project activities is insufficient to overcome other factors such as poor governance discouraging investment; profitability of the tuna industry as a whole; and sustainability of the resource through controlling fishing effort. These risks are mitigated by designing project activities to specifically address issues of poor governance; improving enterprise efficiency and facilitating access to more lucrative but more demanding export markets; and by deterring IUU fishing and reducing its effects on fish stocks. The other major risk that will need to be monitored is the potential climate change impact on fish stocks. Sustainability of the project will be ensured by: (i) the emphasis on strengthening national institutions; (ii) the strong involvement of the private sector in development-oriented activities; (iii) the development of a favourable policy environment for future progress; and (iv) ongoing support available from the two implementing agencies as part of their core business after project activities are completed.

3.4. Crosscutting issues

Environmental Sustainability – The project's broad contribution to environmental sustainability will be through enhancing the conditions for sustainable management of the resource. This will be achieved through combating IUU fishing, and by increasing transparency in fisheries development plans and licensing. Assistance will also be provided in assessing and mitigating the environmental impact of developments, such as tuna processing plants. .

Gender Equality – Tuna processing for export is an industry in which women typically make up some 80% of the workforce, due to their reliability and manual dexterity. Its development offers the potential to reduce the high proportion of women in vulnerable employment which characterizes Oceania¹⁸ by providing full-time work. DevFish studies on gender issues in the Pacific Island tuna industry, while identifying generally low wage rates as an issue with some employers, found little evidence of discrimination against women in the sector.¹⁹ Various activities identified in these studies to empower and improve the situation of women will also be taken, including action to mitigate negative social impacts of tuna industry development on women, e.g. HIV/AIDS²⁰.

Good Governance and Human Rights - The project directly addresses encouragement of private enterprise and investment; enhanced institutional capacity for planning and implementing resource use; greater transparency; and public participation in decisions on resource issues. These are all priority areas for transparent and accountable resource management as identified by the EU²¹.

3.5. Stakeholders

The main beneficiaries of the project will be Pacific Islanders already involved (or who have the potential to become involved) in tuna fishing, marketing, processing and service industries. The expansion of tuna processing mainly creates employment opportunities for women. Key stakeholders comprise the tuna fishing, processing and servicing companies, as well as their national industry associations and associations supporting small scale fishers which have

¹⁸ Millennium Development Goals Report 2008 (United Nations, 2008)

¹⁹ Report on Gender Issues in the Tuna Industry, DevFish (2008)

²⁰ Report on Gender Issues in the Tuna Industry, DevFish (2008)

²¹ Democratisation, the rule of law, respect for human rights and good governance: the challenges of the partnership between the European Union and the ACP States (European Commission, 1998)

been developed and strengthened during the first phase of the project. Government fisheries administrations, and the departments responsible for other key activities such as export certification, will also be important partners in the project. The project has been developed following extensive consultations with stakeholders during the first phase and the concept was endorsed by a meeting of P-ACP Fisheries Ministers in May 2008. As in the first phase of the project, material of interest to the tuna industry of the OCTs will be translated and distributed through SPC. The WCPFC (the regional body responsible for the conservation and management of tuna stocks across their entire range) is not a direct stakeholder in the project, but efforts to reduce IUU fishing in EEZs will complement initiatives to control fishing on the high seas and strengthen fisheries management.

4. IMPLEMENTATION ISSUES

4.1. Implementation method

The project will be implemented through Joint Management. A Financing Agreement between the Commission and the RAO, the Secretary General of the Pacific Island Forum Secretariat (PIFS), will be signed. After this, the Commission will sign two Contribution Agreements, one with the Secretariat of the Pacific Community (SPC) and one with the Forum Fisheries Agency (FFA). SPC and FFA have received a positive compliance assessment under ART. 16 FR EDF in 2007 (SPC) and in 2009 (FFA) and are included in the list of the international organisations eligible for a Contribution Agreement. A new assessment of the SPC is also planned in 2011.

This is a technical assistance project, comprising a core staff of five experts providing technical services as well as administering a range of subcontracts for more specialised regional studies and demand-driven in-country projects. FFA will be the lead agency, reflecting their mandate for policy, industry development and Monitoring Control and Surveillance. The team leader/fisheries policy specialist, IUU fishing specialist and project coordinator/accountant will be based at FFA. SPC will have a supporting role, reflecting their emphasis on fishing technology and tuna fishery data management. A development officer and IUU liaison officer will be based at SPC. In line with the EC 'backbone strategy', TA will be involved in both capacity development and expert advice. A special implementing unit is not required, but the project coordinator will handle much of the administrative work, leaving other staff to concentrate on technical issues.

4.2. Procurement and grant award procedures

All contracts implementing the action, including staff contracts of employment, will be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisations concerned.

4.3. Budget and calendar

Project cost estimates by component and budget line are:

The project will have a total budget of Euros 8,200,000 of which Euros 7,200,000 represents direct costs, broken down as follows:

| <i>Categories</i> | <i>In Euros</i> |
|----------------------------------|------------------|
| Contribution agreement with FFA | 4,973,146 |
| Contribution agreement with SPC | 2,730,854 |
| Monitoring, evaluation and audit | 200,000 |
| Contingencies | 296,000 |
| Total | 8,200,000 |

The operational implementation phase of the project will span 54 months as from signature of the Financing Agreement.

4.4. Performance monitoring

Day-to-day technical and financial monitoring will be a continuous process as part of the Implementing Organisation's responsibilities. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out external ROM monitoring.

Project monitoring mechanisms will include annual and six-monthly reports prepared by the project management team and submitted to the EC Delegation. A copy will also be forwarded to the RAO for information.

Annual reports will be considered by the Project Joint Steering Committee, at which all P-ACP countries will be represented. The EC Delegation and the RAO will be invited as observers. A subset of high-level performance indicators is summarised below, noting that some further development of these indicators and baselines is foreseen during the inception phase of the project.

- Increased proportion of the sustainable tuna catch which is taken by local and locally based vessels (currently around 20% of total catch but effort on Bigeye tuna needs to be reduced)
- Increased employment in tuna fishing and processing in P-ACP countries (currently around 12,000)
- Volume and value of IUU catches accurately estimated by the project and reduced (no current baseline, but estimate being developed)
- Increased number of IUU fishing incident detections leading to listing on the WCPFC register or sanctions (in 2008 - 2 vessels listed, 3 more detected but not listed as they submitted to sanctions).

4.5. Evaluation and audit

A mid-term review and final evaluation of the project may be carried out by independent consultants recruited directly by the Commission. Both evaluations will assess progress towards achieving the project purpose and overall objective.

A final audit of the project may be requested by the Commission.

Financing provisions will be made under the Financing Agreement for these purposes. These amounts will not be included in the Contribution agreements. Any costs incurred by the international organisations for their own evaluations and audits will be considered as indirect costs under the CAs.

4.6. Communication and visibility

To achieve its desired impact of improving the policy environment, multi-channel input and output communication is required. A new communications strategy developed during DevFish, involving a dedicated outreach consultant and a variety of new online and print materials, will be fully implemented during DevFish2.

EU financial support will be highlighted in all activities, reports and media releases. EU promotional material will also be produced and distributed during the project.