

MPR-1/IWP/2002/W.P. 3

**GLOBAL ENVIRONMENT FACILITY
UNITED NATIONS DEVELOPMENT PROGRAMME
SOUTH PACIFIC REGIONAL ENVIRONMENT PROGRAMME**

**STRATEGIC ACTION PROGRAMME FOR THE INTERNATIONAL WATERS OF THE
PACIFIC SMALL ISLAND DEVELOPING STATES**

FIRST MULTIPARTITE REVIEW (MPR-1)

27 July, 2002

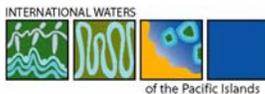
Robert Reimers Hotel

Majuro, Republic of Marshall Islands

Working Paper 3

GEF Project Concept

Follow-on for the Oceanic Component



**CONCEPT PAPER:
Pacific Islands IW SAP: Ocean Fisheries Management: Phase II**

<p>1. Project name: Phase II: Oceanic Fisheries Management: Implementation of the Strategic Action Programme (SAP) of the Pacific Small Island Developing States</p>	<p>2. Proposed GEF Implementing Agency: Not yet identified</p>
<p>3. Beneficiary Countries: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu</p>	<p>4. Country eligibility:</p>
<p>5. GEF Focal Areas: International Waters</p>	<p>6. Operational program/Short-term measure: Waterbody-based on the Western Pacific Warm Pool Large Marine Ecosystem: Small Island Developing States activity</p>
<p>7. Project linkage to national priorities, action plans, and programs: in preparing the transboundary diagnostic analysis for the SAP, all Pacific Island states agreed that the depletion of marine resources was a priority concern shared by all Pacific Island States. The Project is directly linked to national priorities on tuna conservation, management and development, national tuna management plans and the strengthening of national tuna management programs .</p>	
<p>8. Status of national operational focal point review (dates): Submitted: To be considered by operational focal points at the IW SAP Multipartite Review, July 2002 Acknowledged: Endorsed:</p>	
<p>9. Project rationale and objectives:</p> <p>The rationale for Phase II of the OFM Program is: to build on the achievements of the pilot Phase I to put in place strengthened national and regional arrangements for conservation and management of the stocks of tuna and related resources in the Western and Central Pacific.</p> <p>The rationale for GEF support for Phase II is: to secure the global benefits that will result from enhanced conservation and management of the world's largest stocks of tuna and related resources, through the application in the Pacific Islands region of the principles of the UN Fish Stocks Agreement in a way that will set critical precedents for the application of these principles in other high seas fisheries around the world; and will be based on leveraging substantially increased resources for managing these resources from the governments and fishing industries of states involved in using these resources, especially developed states</p> <p>The development objective is to achieve global benefits, including economic benefits to Pacific Island communities, by developing and implementing measures to conserve and sustainably manage oceanic resources in the Pacific Islands Region.</p> <p>The immediate objective is: to enable the conservation and sustainable yield of ocean living resources.</p>	
<p>10. Expected outcomes: The expected outcomes include:</p> <ul style="list-style-type: none"> i) completion of the establishment of a new regional arrangement for conservation and management of tuna and related resources involving Pacific Island countries and fishing states. ii) strengthened national tuna management policies and programmes in Pacific Island countries iii) Increased economic benefits for Pacific Island countries from tuna resources including expansion of domestic tuna industries and higher values from licensing foreign vessels. iv) Enhanced services from FFA and SPC to countries participating in the Project. 	

<p>11. Planned activities to achieve outcomes:</p> <p>A. National Capacity-Building Activities: in law, science, economics, statistics, observers, port sampling; vessel monitoring systems (VMS); other monitoring, control and enforcement; institutional reform; cost recovery programmes, and consultative processes; largely based on implementation of national tuna management plans, including</p> <ul style="list-style-type: none"> i) short term and medium term fellowships/technical assistance, ii) short term training (national and regional workshops and courses, attachment programmes), including TRAIN-SEA-COAST programmes; iii) medium term academic training, especially post-graduate programmes; iv) start-up funding for new national programmes in areas such as observers, port sampling, VMS, statistics v) support for institutional reform, including possibly some infrastructural development and provision of equipment <p>B. Regional Support Activities: largely fellowships/technical assistance to FFA and SPC for four purposes:</p> <ul style="list-style-type: none"> i) to enable these organisations to continue to provide advice to participating countries on the establishment of the new Commission and its programmes; ii) to enable them also to provide support to participating countries in strengthening capacities for national management of tuna and related resources, including preparation of training materials; and iii) to coordinate the delivery of national capacity building activities iv) to carry out other project-related activities such as baseline studies, monitoring of activities and outcomes and preparation of proposals for replication and extension
<p>12. Stakeholders involved in project: In almost all Pacific Island States, stakeholders who have participated in the preparation of national tuna management plans and policies include relevant government agencies, tuna industry representatives, and NGOs, particularly environmental and women's groups</p>
<p>13. Information on project proposer: Proposed by the Forum Fisheries Agency (FFA) and the Secretariat of the Pacific Community (SPC), currently responsible for the implementation of Phase I of the IW OFM Programme</p>
<p>14. Information on proposed executing agency (if different from above): FFA /SPC</p>
<p>15. Estimated budget (in US\$ or local currency): GEF: US\$6-10 million Co-financing: substantial and exceeding the GEF budget, but level to be determined depending on further project design. TOTAL: depends on further design input.</p>
<p>16: Timing: Estimated Start Date: January 2004 Estimated End Date: December 2008</p>

EXPLANATORY NOTE

The SAP

The Strategic Action Programme (SAP) for International Waters (IW) of the Pacific Islands identified unsustainable use of living resources as one of the three priority transboundary concerns relating to the International Waters of the Pacific Islands Region.

In respect of oceanic fisheries, the SAP identified deficiencies in management and understanding at the national and regional levels as the root cause of the threat of unsustainable exploitation of oceanic fish stocks.

The IW SAP Project

The GEF IW SAP Project addressed the concerns, threats and root causes identified in the SAP in respect of oceanic fisheries by establishing an Oceanic Fisheries Management (OFM) Programme. The objective of the OFM Programme is to enable the conservation and sustainable yield of ocean living resources.

Phase I of the Oceanic Fisheries Management Programme

At the time the SAP and the first phase of the IW Project were prepared in 1997-1998, there was substantial uncertainty about the future pattern of tuna management. The Pacific Island states had just initiated a series of negotiations with states that fished in the region (including the US and Japan, Korea and China) on the establishment of a new regime for regional tuna management. From the start, it was clear that the establishment of a new regime in accordance with the 1995 UN Fish Stocks Agreement would bring major changes at national and regional level, but there were a wide range of proposals tabled and it was not clear what the outcome of the negotiations would be.

Because of this uncertainty, the first phase of the OFM was funded for only three years as a pilot programme within the broader five year programme of the IW Project. The key pilot activities were:

- providing training and technical assistance to FFA and SPC to develop and implement fisheries management arrangements and additional scientific advice; and
- providing support to FFA member countries to strengthen fisheries management capabilities, develop national ocean fishery management regimes and increase monitoring

An additional aim was to prepare a project proposal to catalyze and replicate methodologies and best practices for sustainable ocean fisheries management.

Phase I Progress

At this point, after 2 years of the planned 3 years of activity, the OFM component has made substantial progress towards implementation of the planned activities and achieving the expected outcomes to the extent that this was possible within a 3 year time frame. The two main features of progress have been:

- the successful conclusion of the Convention On The Conservation And Management Of Highly Migratory Fish Stocks In The Western And Central Pacific Ocean (the WCPF Convention), into which the OFM Component made a major contribution of technical advice and support for Pacific Island participation; and
- the strengthening of national tuna management capacities, in particular through the completion of national tuna management plans and associated strengthening of national tuna fisheries management programmes, especially in the areas of licensing, statistics, observers, port sampling and VMS.

The WCPF Convention

The final text of the Convention was agreed in August 2001. The Convention is very closely based on the UN Fish Stocks Agreement. FFA States were successful in securing all the key outcomes that they had sought in the Agreement including:

- the establishment of a framework for avoiding overexploitation of regional tuna stocks through unregulated fishing by distant water fishing nations on the high seas,
- a Commission with decisions that will be legally binding so that conservation and management measures agreed to by the members of the Commission can be effective and enforceable;
- an arrangement that is cost-effective; does not unduly impose a disproportionate burden of management of the fisheries on small island developing States; and ensures that small island developing States can effectively participate in the Commission through the provision of special assistance; and
- a Convention that recognises the sovereign rights of coastal States.

A further outcome is that there has been accelerated development of domestic tuna industries in several Pacific Island countries as investors, boatowners and fish buyers perceive that there will in time be a comprehensive regional system of limits to fishing on tuna and related resources under the Commission for conservation reasons, and seek to establish operations in the region to reduce the risk of being excluded from access to resources when limits are applied.

In addition to its great regional significance, the Convention is globally important because:

- i) it is the first major new international fisheries management arrangement established under the UN Fish Stocks Agreement that was a result of the intergovernmental conference on high seas fish stock management called for in Chapter 17 of agenda 21;
- ii) in terms of the volume and value of catch from the resources to which it applies, the new Commission will be the largest international fisheries management organisation so far created globally;
- i) it is the first international fisheries management arrangement to explicitly include in its charter important new principles of responsible fisheries management recently adopted by the global community, including the use of reference points and the precautionary principle, adoption of an ecosystem approach, avoidance of incidental bycatch and protection of biodiversity;
- ii) it includes more comprehensive provisions on monitoring, compliance and enforcement than any other such arrangement; and

- iii) it includes major elements of a “new deal” for developing countries including recognition of their right to participate in high seas fisheries, specific provisions for funding of technical assistance within the Commission’s financial arrangements, and measures to ensure effective participation by developing countries, especially small island developing states.

Following the conclusion of the negotiations on the Convention, a Preparatory Commission was set up to prepare for the establishment of the new Commission. The Preparatory Commission has met twice. Some important aspects remain to be resolved but several important features already seem clear:

- the Commission will finance a major increase in scientific research on the region’s fish stocks either through establishment of its own scientific team or through collaboration with existing organisations, especially SPC
- the costs of activities financed by the Commission will be very largely borne by fishing states
- there will be a large increase in the volume of work in areas such as port sampling, at-sea observation and reporting of positions, catch and fishing effort, the costs of which will be largely borne by vessel operators
- the Commission will operate a satellite-based VMS to track vessels fishing on the high seas
- there will be a strong process for ensuring that Commission member states apply appropriate sanctions when their vessels fail to comply with agreed conservation and management measures

Fifteen of the sixteen FFA member countries have now signed the Convention and it has been warmly received also by almost all responsible fishing states.

Other Phase I Outcomes

These include:

- a baseline study of the management of regional oceanic fisheries resources
- strengthened national tuna management capabilities in FFA member countries. The national tuna management plans and the increased focus on tuna management generally in the region has led to strong progress towards strengthening national tuna management. The process varies between countries, ranging from the deep-seated reforms that have taken place in countries such as Cook Islands, Fiji, Papua New Guinea and Vanuatu to more limited processes of change in other countries.
- improved quality of support from the FFA and SPC secretariats to FFA member countries
- increased levels of resources committed to national and regional tuna management. These include:
 - i) costs of participation by states and organisations in negotiations for the new Convention and subsequent meetings of the Preparatory Commission, over and

above the contribution by IW SAP funds to support Pacific Island delegations – the IW SAP contribution is estimated at around 10 per cent of direct costs of participation.

- ii) Associated venue costs, supported for developing country hosts by a Preparatory Conference Organization Fund financed by voluntary contributions
- iii) Costs of the Preparatory Conference Interim Secretariat supported by the same Fund
- iv) Costs of ancillary meetings such as the Scientific Coordinating Group, also supported by voluntary contributions, including support for Pacific Island participants
- v) Costs of enhanced national statistics, licensing, port sampling and inspection and compliance programmes, over and above IW SAP contribution – financed in part in some cases (for example Cook Islands, Fiji, Papua New Guinea and Vanuatu) by increases in fees and levies prescribed in national tuna management plans – but also by increases in activities required of boatowners, especially increased reporting obligations.

Planning for a Second Phase of the OFM Component

On the basis of the experience in the Phase I pilot activities, the completion of the WCPF Convention, and the work of the Preparatory Commission so far, much of the uncertainty that was present during the design of the pilot phase of the OFM Programme current IW SAP Project 1997-1998 has been removed. In addition, most FFA Island countries have prepared national tuna management plans with assistance under the first phase of the IW SAP Project, which, with varying levels of detail describe how tuna fisheries will be managed at national level including taking into account the establishment of the new Commission. Experience with implementation of several of these plans has identified some desirable “model” features or best practices that might be taken up more widely in the region. However, progress in further implementation is critically constrained by a lack of funding and technical support for national capacity-building activities.

This means that there is now a very good basis for planning a further five year programme of work on oceanic fisheries management within the IW Project. This second phase will support Pacific Island States efforts as they participate in the final stages of establishment of the new Commission, and restructure and strengthen their national fisheries administrations and policies to take up the new opportunities which the new Convention creates and meet the new responsibilities which the Convention applies, especially through the implementation of national tuna management plans.

The SAP remains completely valid as a basis for a further period of work on oceanic fisheries management, and the second phase will be a second phase of implementation of the oceanic fisheries management aspects of the SAP – it will have the same objective, some reshaped outcomes, and a new mix of activities that will be based on the results of a process of national tuna management needs assessment to be undertaken as part of the process for the design of Phase II of the OFM work. This design process will include national and regional consultations and workshops. The aims of the needs assessment process will be to identify the needs of Pacific Island countries to enhance their tuna management at a national level and ensure that the regional tuna management regime being established is effective and protects their interests.

Phase II Rationale

The rationale for Phase II of the OFM Programme is to build on the achievements of the pilot Phase I to put in place strengthened national and regional arrangements for conservation and management of the stocks of tuna and related resources in the Western and Central Pacific.

The rationale for GEF support for Phase II is to secure the global benefits that will result from enhanced conservation and management of the world's largest stocks of tuna and related resources, through the application of the principles of the UN Fish Stocks Agreement that will set critical precedents for the application of these principles in other high seas fisheries around the world; and in a way that will be based on leveraging substantially increased resources for managing these resources from the governments and fishing industries of participating states, especially developed states.

At the regional level, because of the high profile of tuna management issues following the completion of the WCPF Convention and the current increase in economic gains from tuna fishing in several Pacific Island countries, there is an outstanding opportunity over the next 3-5 years to strengthen tuna management capacities in many countries in the region, and increase economic gains from tuna fishing and processing.

Phase II Objective

The development objective of Phase II of the OFM Programme is:

“to achieve global benefits, including economic benefits to Pacific Island communities, by developing and implementing measures to conserve, sustainably manage and restore oceanic resources in the Pacific Region”

The global benefits targeted are those described above:

- **Better management of the world's largest tuna resource**, providing around half of the world's tuna supply to global consumers, and being an important and increasing component of the food security of Pacific Island communities
- **Protection of other species affected by tuna fishing:** through the preparation of strategies and adoption of measures:
 - i) to minimize waste, discards, pollution originating from fishing vessels, catch of non-target species, both fish and non-fish species, and impacts on associated or dependent species, in particular endangered species and other species of special interest, and
 - ii) to promote the development and use of selective, environmentally safe and cost-effective fishing gear and techniques;
- **Setting very important precedents for internationally managed fisheries**, especially through the comprehensive application of the principles of the UN Fish Stocks Agreement. The WCPF Convention is the most comprehensive instrument of its kind agreed anywhere; it is the first systematic application of the new monitoring, compliance and enforcement regime for the high seas that is at the core of the UN Fish Stocks Agreement; it is the first fisheries arrangement to implement the “new deal” for developing countries that is embodied in the UN Fish Stocks Agreement; and it is the

first legally binding international fisheries management instrument to make states responsible for controlling the activities of their nationals, and not just of their flag vessels, as a way of stopping the use of flag of convenience vessels.

- **Increasing the level of resources that will be committed to managing stocks of tuna and related species.** The Convention clearly anticipates a better and enlarged flow of information on the region's fish stocks; a stronger programme of scientific research; and more effective monitoring, compliance and enforcement throughout the whole range of the stocks but especially in the high seas – with the costs largely being met through financial contributions to the new Commission, which are weighted to higher shares by developed countries; by increased costs tuna science, compliance, administration and management programmes within participating governments especially those with larger fleets; and by boatowners responsible for supplying more and better data, taking on more observers; and complying with other measures that will be applied under the Convention.
- **Increasing economic benefits to states with rights over tuna resources, especially Pacific Island countries.** Now, there is largely a situation of open access to the resources of tuna and related species, and boatowners can operate fairly freely over large areas of ocean. Pacific Island states have applied a number of mechanisms to ensure responsible fishing and secure greater returns from fishing in their own waters, and have achieved major gains in these directions. But their capacity to be more effective is limited by the ability of vessels to move into high seas waters to escape measures which they take individually or collectively as members of FFA. Once systematic limits are applied to manage and limit fishing in the high seas under the new Commission, this will strengthen the exercise of rights over tuna by Pacific Island countries, making access to resources in national waters more valuable in terms of access fees and more powerful as a basis for developing national tuna industries.

The immediate objective of Phase II of the OFM Programme is:

“To enable the conservation and sustainable yield of ocean living resources.”

These are the same objectives as for the pilot Phase I.

Phase II Outcomes

The expected Phase II outcomes are:

- i) completion of the establishment of a new regional arrangement for tuna management involving Pacific Island countries and fishing states and including:
 - a permanent secretariat
 - a plan for development of scientific capacity, with the first stages in place
 - a monitoring, compliance and enforcement scheme and programme in place
 - programmes to provide technical assistance and ensure effective participation for small island developing country members
- ii) strengthened national tuna management processes in most FFA countries, including some elements of institutional reform, cost recovery, limits on levels of tuna fishing or catches, greater consultation with stakeholders and improved statistics, observer, port sampling, VMS and compliance programmes.

- iii) Expansion of domestic tuna industries and higher values earned from licensing foreign vessels.
- iv) Enhanced services from FFA and SPC to FFA member countries.

Phase II Activities

Phase II activities will be designed as a response to the planned national tuna management needs assessment. Within the budget, it is expected that a lower share of resources will be committed towards supporting establishing the new Commission and technical development at FFA and SPC compared to Phase I because it is expected that:

- The Commission budget will include provision for supporting participation by Pacific Island Commission members, reducing the need for assistance for this activity which made up 15 per cent of the budget in Phase I
- The Commission will also begin to finance its own science and compliance programmes during the period of Phase II

As a result, a greater share of Project resources both from the GEF and other sources will be directed towards in-country capacity building. This is important because as more FFA member countries have moved to implement changes in tuna management, often as a result of completing tuna plans, the level of resources available to provide assistance for the necessary changes has become a critical constraint. Priority areas seem likely to include:

- Legal advice and capacity development
- Scientific advice and capacity development
- Programme strengthening and capacity development in statistics, observers, port sampling, VMS and other monitoring, control and enforcement
- Institutional reform, largely aimed at focusing greater attention on securing optimal long term catch levels, rather than maximising short term catches
- Establishment of cost recovery programmes
- Strengthening consultative processes with broader groups of stakeholders.

The forms of assistance to be provided in the Project could potentially include all appropriate forms of assistance for capacity building including:

- short term and medium term fellowships/technical assistance,
- short term training (national and regional workshops and courses, attachment programmes), including TRAIN-SEA-COAST programmes;
- medium term academic training, especially post-graduate programmes;
- start-up funding for new national programmes in areas such as observers, port sampling, VMS, statistics
- support for institutional reform, including possibly infrastructural development and provision of equipment

The national needs assessment will be designed to provide a specific programme of support in identified priority areas for each country with a specific mix of forms of assistance appropriate to each country's needs.

Given the difficulties experienced in delivering national capacity-building activities in the ICWM component of the IW SAP Project so far, and to a lesser degree in the OFM Program, it will be an important design challenge to fashion mechanisms for the effective delivery of capacity-building activities at national level across the 14 participating countries, anticipating that FFA and SPC will jointly carry out this role.

The Project will also provide support for FFA and SPC programmes, including fellowships/technical assistance, for four purposes:

- i) to enable these organisations to continue to provide advice to participating countries on the establishment of the new Commission and its programmes, and on national and regional tuna management;
- ii) to enable them also to provide support to participating countries in strengthening capacities for national management of tuna and related resources, including preparation of training materials; and
- iii) to coordinate the delivery of national capacity building activities; and
- iv) to carry out other project-related activities such as baseline studies, monitoring of activities and outcomes and preparation of proposals for replication and extension