



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 16-Mar-2023 | Report No: PIDA34425

**BASIC INFORMATION****A. Basic Project Data**

Country Pacific Islands	Project ID P177661	Project Name Forum Fisheries Agency: Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 17-Mar-2023	Estimated Board Date 21-Jun-2023	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) Forum Fisheries Agency (FFA)	Implementing Agency Forum Fisheries Agency (FFA)	

Proposed Development Objective(s)

The Development Objective of the Series of Projects is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend.

For FFA's second phase Project ("FFA PROPER"), the Project Development Objective (PDO) is to strengthen regional capacity for management and sustainable development of the oceanic fisheries sector in selected Pacific Island countries.

Targeted FFA member countries include: Federated States of Micronesia, Fiji, Kiribati, the Republic of the Marshall Islands, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Components

Component 1: Consolidating oceanic fisheries management

Component 2: Harnessing economic benefits of oceanic fisheries to the regional economy

Component 3: Strengthening FFA's operating environment

Component 4: Project Management

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	9.00
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Total Financing	9.00
of which IBRD/IDA	9.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	9.00
IDA Grant	9.00

Environmental and Social Risk Classification

Low

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Regional Context

1. **The Western and Central Pacific Ocean (WCPO) region covers 11 percent of the world's ocean and is home to 22 small island countries and territories. The geography of the Pacific Island countries (PICs) creates common challenges and opportunities.** The PICs are small, with limited natural resources and narrowly based economies, and are distant from major markets. They are also vulnerable to external economic and environmental shocks, as experienced with the coronavirus disease (COVID-19) pandemic. The region has a high concentration of fragile states, and in 2019 a quarter of Pacific Islanders were estimated to live below "basic needs poverty lines" according to the United Nations High-level Political Forum on Sustainable Development.

Sectoral and Institutional Context

2. **The WCPO is the most important region globally for tuna fisheries, accounting for 60 percent of global catch.** Fisheries are a key revenue source that underpin the PICs' economy and are vital for food, nutrition, and livelihoods. PICs' revenues depend on oceanic resource productivity and on regional and national capacities to manage them sustainably; enforce fisheries management and access rules; and anticipate and adapt to climate change impacts on fisheries resources and habitats.

3. **Regional coordination is needed to foster synergies and effective management, equitable distribution of wealth, and optimal sectoral investments.** Countries face common constraints to their fisheries sector, including governance challenges, insufficient human and institutional capacities, and a fragile business



environment. It is of benefit to the WCPO PICs to address these challenges jointly and to take advantage of the synergies and economies of scale that can be achieved from a regional approach to the technical dimensions of fisheries management (e.g., monitoring, control and surveillance or MCS; research and development; extension services).

4. **PICs already use regional platforms to share experience in implementing more sustainable and economically viable policies and practices for fisheries, and to agree on common management measures.** These platforms include the Western and Central Pacific Fisheries Commission (WCPFC), the Forum Fisheries Agency (FFA)¹ and its governing body the Forum Fisheries Committee (FFC), the Parties to the Nauru Agreement (PNA),² and the Pacific Community (SPC).

5. **Revenue derived from access fees paid by fishing vessels to WCPO PICs has risen significantly in recent years, with the purse seine fishery driving the increase.** This is based on increases in the rate of returns rather than increases in the amount of catch. For example, in 2011, the purse seine access fee revenue was about six percent of the value of the catch taken in FFA members' waters, whereas since 2015 the access fee revenue has been around 20 percent. Regional success in purse seine fishery is not mirrored in tuna longline fisheries, where performance remains stagnant³ with fishing access and effort not yet restricted to the levels necessary to increase profitability and associated economic return.⁴

6. **All four major tuna stocks (South Pacific Albacore, Bigeye, Skipjack, and Yellowfin) in the WCPO are reported to be healthy and not overfished⁵, however, there is no room for complacency with the biomass of most stocks continuing to decline,** and a need to address weaknesses and gaps in the management measures currently in place. For example, while the purse seine fishery operates with 100 percent observer coverage, the tuna longline fishery operates with at best 5 percent observer coverage, leaving much of the operations of fleets unobserved. Moreover, under COVID-19 protocols, observer coverage in all WCPFC fisheries was suspended, resulting in all vessels being unobserved.

7. **Illegal, unreported and unregulated (IUU) fishing in the WCPO has reduced; however, it remains a major threat to revenue generation.** The total annual volume of product either harvested or transshipped involving IUU fishing activity in Pacific tuna fisheries during the 2017-19 period was 192,186 t with an ex-vessel value of US\$333.49 M.⁶ While this is a significant drop compared to the IUU fishing estimate from 2016,⁷ there is no room for complacency as the 2019 IUU fishing estimates represent around 6.5 percent of the total WCPFC-CA's fish catch.

8. **Combatting IUU fishing practices effectively requires far-reaching enforcement tools and comprehensive intelligence gathering,** due to the immense surface area of the Pacific Ocean. Using conventional tools, such as vessel monitoring systems (VMS's) and automatic identification system (AIS), in isolation, make IUU fishing challenging to track, thus allowing violators to continue undetected and unpunished.

¹ FFA Members are Australia, Cook Islands, Federated States of Micronesia (FSM), Fiji, Kiribati, Republic of Marshall Islands (RMI), Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.

² PNA Members are FSM, Kiribati, RMI, Nauru, Palau, Papua New Guinea, Solomon Islands and Tuvalu plus Tokelau.

³ FFA Economic Development Indicators and Statistics 2020

⁴ Tuna Fishery Report Card 2020. FFA

⁵ The western and central Pacific tuna fishery: 2020 Overview and status of stocks. <https://meetings.wcpfc.int/file/10176/download>

⁶ MRAG Asia Pacific. 2021. The Quantification of Illegal, Unreported and Unregulated (IUU) Fishing in the Pacific Islands Region—a 2020 Update. 125p. <https://sustainpacfish.ffa.int/wp-content/uploads/2021/12/ZN2869-FFA-IUU-2020-Update-final.pdf>

⁷ MRAG Asia Pacific. 2016. Towards the Quantification of Illegal, Unreported and Unregulated (IUU) Fishing in the Pacific Islands Region. 93pp.



Even as new near real time technologies (e.g., electronic reporting (ER) and electronic monitoring (EM), satellite aperture radar, satellite AIS) become available, the conventional information and communication technology (ICT) infrastructure is inadequate to handle the flow of secure high bandwidth information to and from vessels, national and regional surveillance agencies located in various jurisdictions. For FFA to maintain its lead role in combatting a range of IUU fishing threats, its fisheries surveillance infrastructure and ICT capabilities will need to be capable of meeting challenges associated with cybersecurity and data privacy, whilst maintaining 24/7 cloud connectivity without supply chain breaches. Recent cyber-attacks⁸ on regional government systems provide a compelling case for urgent action to prevent data breaches and malicious actions by hackers which could also target FFA data and communication systems. The focus on revitalization of national observer programs (NOPs) through skills expansion of program participants, alongside support to address and implement technological advancements, is key to a rounded approach to combat IUU fishing effectively.

The Pacific Islands Regional Oceanscape Program (PROP)

9. **The Project will be the eleventh under the PROP Series of Projects.** PROP's first phase began in 2014 with implementation in FSM, RMI, the Solomon Islands, Tuvalu, and with FFA (first cohort), and was expanded in 2019 and 2020 to Samoa, Tonga, and Kiribati (second cohort). A second phase project was approved for Solomon Islands and started implementation in 2022, and a second phase project for RMI is expected to be approved in May 2023. This would be the second phase project for FFA. Additional second phased projects are under preparation for FSM and Tuvalu and the Series of Projects is expected to expand to Palau, SPC and possibly others (third cohort) in the near future.

10. **The Series of Projects has been set up to strengthen local, national and regional institutions responsible for the management of oceanic and coastal fisheries,** and the institutions responsible for the conservation of the natural habitats that support them. The Development Objective of the Series of Projects is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend. The intent of the Program is for the regional and national elements to complement each other toward a regional outcome (the Program Development Objective). Each participating country will contribute select activities and national-level outcomes as per their sovereignty in resource management. Regional organizations participating in the Program will support collaboration and coordination among countries on policy harmonization, deliver regional capacity building, and facilitate collective action to address common challenges, thereby empowering countries to harness the economic and social benefits from the management of shared ocean resources. As a multi-country, multi-phase Program that started with four countries and one regional agency, the Program has now grown to encompass ten countries and two regional organizations with projects under implementation or preparation.

11. **In line with FFA's role as the regional advisory body providing expertise, technical assistance, and other support to its member countries mostly specific to regional tuna fisheries,** the project leverages FFA's capacity to: support countries in developing regional positions on fisheries resources management in regional management platforms; cooperate on surveillance and enforcement across boundaries; harmonize policies; and coordinate on access to the shared highly migratory tuna resources.

C. Proposed Development Objective(s)

⁸ <https://www.nytimes.com/2022/11/28/world/asia/vanuatu-hack-cyberattack.html>



Development Objective(s) (From PAD)

12. **The Development Objective of the Series of Projects** is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend.
13. **The PDO** is to strengthen regional capacity for management and sustainable development of the oceanic fisheries sector in selected Pacific Island countries.
14. Targeted FFA member countries include: Federated States of Micronesia, Fiji, Kiribati, the Republic of the Marshall Islands, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Key Results

15. Progress will be measured against the following PDO-level indicators:
- (a) Fisheries management informed by timely availability of fisheries data to national and regional stakeholders [index indicator].
 - i. Minimum number of FFA members providing timely information to the updated IUU fishing information dashboard.
 - ii. Number of FFA members increasingly using the updated NTIS⁹ for intelligence sharing.
 - iii. Improved regular strategic reports on economics and investment trends in WCPO tuna fisheries and related sectors produced.
 - (b) Number of FFA member countries reporting that fisheries-related policy making is being informed by FFA policy briefs.
 - (c) Number of FFA member country representatives reporting improved capacity and confidence in negotiating fisheries management arrangements and access agreements.

D. Project Description

Component 1: Consolidating oceanic fisheries management

16. The component will provide support to FFA members for enhanced regional and national coordination of MCS activities to reduce IUU fishing including supporting and building the capacity of NOPs. It will further the understanding of the impacts of IUU fishing by developing monitoring and reporting metrics to quantify the impacts of IUU fishing, improve regional data capture and presentation of data in an information dashboard with up-to-date data. The major activities involved are: (a) identifying, quantifying and reducing risks of IUU fishing in oceanic fisheries; and (b) enhancing the MCS capacity for FFA Members.

Component 2: Harnessing economic benefits of oceanic fisheries to the regional economy

17. The component will address national capacity building needs to equip FFA members to: (a) model and forecast economic and social benefits of investments and policy development for the sector to improve investment climate and inform sectoral policy development at national and regional level; (b) implement

⁹ The Niue Treaty Information System which provides a means for achieving the objectives of the Niue Treaty Subsidiary Agreement (NTSA) by facilitating fisheries surveillance and wider law enforcement activities. The NTIS expedites cooperation between Parties and provides flexibility for Parties. The NTSA objective is to enhance active participation in cooperative surveillance and enforcement activities by providing a framework for the Parties to share resources and exchange information, including fisheries data and intelligence.



activities that aim to level imbalances often experienced between PICs government representatives during negotiations with professional negotiators representing countries seeking access to fisheries via commercial agreements. This will include strengthened access to economic data and market access dimensions to support better informed and therefore stronger, regional negotiating positions.

Component 3: Strengthening FFA's operating environment

18. The component aims to: (a) identify and design low-carbon solutions to upgrade FFA's infrastructure and operations using renewable energy and other energy efficiency systems; (b) address cybersecurity threats and maintain the integrity of confidential and sensitive fisheries management and revenue data from unauthorized access. This will include managing data encryption to meet compliance standards and to satisfy regulatory and sovereignty requirements and nurturing a cyber safe culture within the FFA business and member community. This component will further (c) strengthen knowledge and awareness of citizens and institutions on the importance of improved fisheries management through communication on the regional importance of fisheries to Pacific Islands economies, providing expanded access to fisheries information and resources, and sharing of reliable and accessible data and analytics to support decision-making over fisheries assets.

Component 4: Project Management

19. This component would finance consultant services for the Project Management Unit (PMU), annual financial audits, operating costs, goods, and training and workshops in support of day-to-day management, procurement, financial management (FM), E&S risk management and general project implementation (for example, preparation of annual work plans and monitoring and evaluation (M&E) reporting). The PMU will support coordination between regional and national arrangements and activities and consist of a Project Coordinator, a Procurement Officer and Project Finance and Administrative Officer. Time-based support will also be provided by an E&S Specialist, M&E specialist, Procurement Advisor, and Legal Advisor. The PMU may further receive support from time-based specialists or advisors based on needs.

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Areas OP 7.60

No

Summary of Assessment of Environmental and Social Risks and Impacts

20. **The E&S risk is rated low.** The Project is expected to have a largely positive E&S impact through improved sustainability of fisheries and through the strengthening of regional and national capacity.

21. The existing PMU, including the E&S specialist recruited during Project preparation using PPA funds, is expected to transition to the new project and have good capacity and experience implementing WB projects. Staff in the PMU will receive training relevant to the Project such as occupational health and safety (OHS), sexual exploitation and abuse / sexual harassment (SEA/SH), and the implementation of the E&S standards (ESS) under the ESF.



22. Project works are expected to create minor E&S risks and impacts including, temporary minor noise and vibration impacts, worker health and safety risks, erosion and sedimentation risks, and risk of improper waste management. These have been addressed via an E&S Code of Practice (ESCOP) which outlines mitigation measures including a code of conduct for workers, erosion and sediment control measures, waste management procedures and Health and safety guidelines. The Project E&S Commitment Plan (ESCP) requires the consideration of end-of-life electronic waste management prior to the launching of procurement activities. The ESCP requires that advice provided through TAs should be grounded in a thorough understanding of its potential E&S ramifications and address potential impacts consistent with ESSs 1-10.

23. The Project does not have any direct link to employing observers, as this is done directly by the fisheries agencies of the PIC members; however, the Project will provide training for observers when they go out to sea. The existing observer safety procedures under the NOPS cover E&S risks as required under ESS2 and the Labor Management Procedures (LMP). Training activities under the project are likely to have downstream positive impacts and improve the sustainability of fisheries in the region via improved fisheries enforcement and compliance, improved legislative compliance with the UNCLOS and improved communications. No adverse downstream environmental or social impacts are expected as a result of these investments, nevertheless all terms of reference supporting TAs and training activities should be acceptable to the WB and consistent with the relevant provisions of the ESF.

24. The following E&S instruments have been prepared and adopted for the project: the SEP, LMP, ESCP, and ESCOP. These instruments were publicly disclosed on the FFA website on 17 November 2022.

E. Implementation

Institutional and Implementation Arrangements

25. FFA will house the PMU responsible for day-to-day project implementation. The PMU, under the leadership of the FFA Director General, will be responsible for day-to-day management of the Project, including FM, procurement, compliance with the E&S framework (ESF), and reporting to the Project Steering Committee (PSC). The PMU will consist of a Project Coordinator, a Finance and Administration Officer and a Procurement Officer as minimum staffing throughout implementation. Time-based support will also be provided by an E&S Specialist, M&E Specialist, Procurement Specialist and Legal Advisor as required.

26. Project oversight will be carried out by the PSC, which will meet on a quarterly basis. The PSC will provide summaries of discussion to the FFC. The FFC, which is comprised of one representative from each of the FFA members, meets once a year at its annual session with special meetings held at other times of the year based on need.

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APPROVAL

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