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Report No: PAD5113

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 6.8 MILLION

(US\$9 MILLION EQUIVALENT)

TO THE

PACIFIC ISLANDS FORUM FISHERIES AGENCY

FOR A

FORUM FISHERIES AGENCY: PACIFIC ISLANDS REGIONAL OCEANSCAPE PROGRAM -  
SECOND PHASE FOR ECONOMIC RESILIENCE PROJECT

June 29, 2023

Environment, Natural Resources & the Blue Economy Global Practice  
East Asia and Pacific Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective May 31, 2023)

Currency Unit =	United States Dollar
US\$1.33 =	Special Drawing Rights (SDR) 1
US\$1 =	SDR 0.75

## FISCAL YEAR

January 1 - December 31

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## ABBREVIATIONS AND ACRONYMS

AIS	Automatic identification system
AM	Accountability Mechanism
CMM	Conservation and management measure
COVID-19	Coronavirus disease
CQS	Consultants' Qualifications
CROP	Council of Regional Organizations in the Pacific
CSD	Corporate Services Division
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
EEZ	Exclusive Economic Zone
EM	Electronic Monitoring
ER	Electronic Reporting
ERF	Expense Requisition Form
E&S	Environmental and Social
ESCOP	Environmental and Social Code of Practice
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESS	Environmental and Social Standard
EU	European Union
FFA	Forum Fisheries Agency
FFC	Forum Fisheries Committee
FM	Financial management
FSM	Federated States of Micronesia
GHG	Greenhouse gas
GRS	Grievance Redress Service
ICT	Information and communication technology
IDA	International Development Association
IFR	Interim Financial Report
IPF	Investment Project Financing
IRR	Internal rate of return
IUU	Illegal, unreported and unregulated (fishing)
kWh/m <sup>2</sup> /year	Kilowatt-hour per square meter per year
LMP	Labor Management Procedures
M	Million
MCS	Monitoring, control and surveillance
MTC	Minimum Terms and Conditions
M&E	Monitoring and Evaluation
NOP	National observer program
NTIS	Niue Treaty Information System
NTSA	Niue Treaty Subsidiary Agreement
OHS	Occupational health and safety
PacWIMA	Pacific Women in Maritime Association
PDO	Project Development Objective

PIC	Pacific Island country
PIC-9	Nine Pacific Island Countries: Kiribati, Nauru, Marshall Islands, Federated States of Micronesia, Palau, Samoa, Tonga, Tuvalu and Vanuatu
PMU	Project Management Unit
PNA	Parties to the Nauru Agreement
PNG	Papua New Guinea
PO	Purchase Order
POAP	Pacific Ocean Advisory Program
POM	Project Operations Manual
PPA	Project Preparation Advance
PPE	Personal Protective Equipment
PPSD	Project Procurement Strategy for Development
PROP	Pacific Islands Regional Oceanscape Program
PROPER	PROP – Second Phase for Economic Resilience
PSC	Project Steering Committee
PSM	Port State Measures
RFQ	Request for Quotations
RFSC	Regional Fisheries Surveillance Center
RIMF	Regional Information Management Facility
RMI	Republic of Marshall Islands
RPF	Regional Partnership Framework
SDR	Special Drawing Rights
SEA/SH	Sexual exploitation and abuse / sexual harassment
SEP	Stakeholder Engagement Plan
SIDS	Small Island Developing State
SOP	Standard Operating Procedures
SPC	Pacific Community
SPREP	South Pacific Regional Environmental Programme
SPS	Sanitary and phytosanitary
STEM	Science, technology, engineering, and mathematics
STEP	Systematic Tracking of Exchanges in Procurement
t	Tonne (or metric ton)
tCO2	Tonnes equivalent in carbon dioxin
TA	Technical Assistance
TAE	Total Allowable Effort
UNCLOS	United Nations Convention on the Law of the Sea
US\$	United States Dollar
VDS	Vessel Day Scheme
VMS	Vessel Monitoring System
WB	World Bank
WCPFC	Western and Central Pacific Fisheries Commission
WCPFC-CA	WCPFC Convention Area
WCPO	Western and Central Pacific Ocean
WPO	Western Pacific Ocean

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**DATASHEET****BASIC INFORMATION**

Project Beneficiary(ies) Fiji, Kiribati, Marshall Islands, Micronesia, Federated States of, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu	Operation Name  Forum Fisheries Agency: Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience		
Operation ID P177661	Financing Instrument Investment Project Financing (IPF)	Environmental and Social Risk Classification Low	

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input checked="" type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date 25-Jul-2023	Expected Closing Date 31-Jul-2028
Bank/IFC Collaboration	



## The World Bank

Forum Fisheries Agency: Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience  
(P177661)

No

### 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.

### Components

Component Name	Cost (US\$)
Component 1: Consolidating oceanic fisheries management	2,960,000.00
Component 2: Harnessing economic benefits of oceanic fisheries to the regional economy	2,320,000.00
Component 3: Strengthening FFA's operating environment	1,620,000.00
Component 4: Project Management	2,100,000.00

### Organizations

Borrower: Forum Fisheries Agency (FFA)

Implementing Agency: Forum Fisheries Agency (FFA)

### PROJECT FINANCING DATA (US\$, Millions)

#### SUMMARY

<b>Total Operation Cost</b>	<b>9.00</b>
<b>Total Financing</b>	<b>9.00</b>
<b>of which IBRD/IDA</b>	<b>9.00</b>
<b>Financing Gap</b>	<b>0.00</b>

#### DETAILS



## The World Bank

Forum Fisheries Agency: Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience  
(P177661)

### World Bank Group Financing

International Development Association (IDA)	9.00
IDA Grant	9.00

### IDA Resources (US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
Other	0.00	9.00	0.00	0.00	9.00
Regional	0.00	9.00	0.00	0.00	9.00
<b>Total</b>	<b>0.00</b>	<b>9.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.00</b>

### Expected Disbursements (US\$, Millions)

WB Fiscal Year	2023	2024	2025	2026	2027	2028	2029
Annual	0.00	1.05	1.14	1.65	2.26	2.40	0.47
Cumulative	0.00	1.05	2.19	3.84	6.10	8.50	8.97

### PRACTICE AREA(S)

#### Practice Area (Lead)

Environment, Natural Resources & the Blue Economy

#### Contributing Practice Areas

### CLIMATE

#### Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Appraisal Document

**SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)**

Risk Category	Rating
1. Political and Governance	● Low
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Moderate
7. Environment and Social	● Low
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Moderate

**POLICY COMPLIANCE****Policy**

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes    [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes    [✓] No

**ENVIRONMENTAL AND SOCIAL****Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance



ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8: Cultural Heritage	Not Currently Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

## LEGAL

### Legal Covenants

#### Sections and Description

Schedule 2, Section I.A.1-3 Project Steering Committee: 1. The Recipient shall maintain throughout the Project implementation period, a Project Steering Committee, co-chaired by its Deputy Director General and Director of Fisheries Development, to be responsible for providing general oversight and policy direction, and reviewing progress and the results of periodic monitoring and evaluation of the Project. Project Management Unit: 2. The Recipient shall maintain throughout the Project implementation period a Project Management Unit ("PMU"), with terms of reference and resources, including qualified and experienced staff, in adequate numbers, all satisfactory to the Association, to be responsible for, inter alia, overseeing the day-to-day implementation of the Project, including environmental and social aspects, procurement and financial management, monitoring and evaluation. 3. Without limitation upon the generality of the foregoing, the Recipient shall maintain, throughout the Project implementation period, the following key staff within the PMU, each of whose terms of reference, qualifications and experience shall be satisfactory to the Association: (i) Project coordinator; (ii) procurement officer; and (iii) Project finance and administrative officer.

Schedule 2, Section I.B.1-3 1. The Recipient shall, by not later than one (1) month after the Effective Date, prepare, and thereafter adopt a Project Operations Manual ("POM"), in form and substance acceptable to the Association, setting forth detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement processing procedures including the decision-making process; (d) environmental and social risks management; (e) monitoring and evaluation, reporting and communication;



(f) Personal Data collection and processing in accordance with good international practice; (g) obtaining consent from the Targeted Members (as relevant) for any in-country activities; (h) monitoring the use, maintenance and intended purposes of the equipment provided under Parts 1.1 and 1.2 of the Project to ensure it is being used for the purposes of the Project and not to facilitate any fisheries enforcement activities; (i) ensuring that the terms of reference for training and capacity building support for fisheries enforcement activities require the training to include some instruction or content on state obligations under UNCLOS, in particular obligations under Article 73 of UNCLOS; and (j) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall carry out the Project in accordance with the Project Operations Manual; and except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Project Operations Manual, or any provision thereof. 3. In the event of a conflict between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

Schedule 2, Section I.C.1. The Recipient shall: (a) ensure that all technical assistance and training related to fisheries monitoring, control and surveillance and related enforcement activities carried out under the Project is compatible with Article 73 of UNCLOS, and that the terms of reference for such technical assistance and training require inclusion of some instruction or content on state obligations under UNCLOS, in particular obligations under Article 73 of UNCLOS; and (b) take steps to ensure that any goods financed out of the proceeds of the Grant that are provided to Targeted FFA Members under Parts 1.1 and 1.2 of the Project are utilized in a manner compatible with Article 73 of UNCLOS.

**Conditions**

Type	Citation	Description	Financing Source
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## I. STRATEGIC CONTEXT

### A. 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 during 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.

### B. Sectoral and Institutional Context

#### *Regional dimensions of tuna fisheries*

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: (i) manage them sustainably; (ii) enforce fisheries management and access rules; and (iii) 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; and extension services). Regional planning for economic efficiency would further prevent large national investments, such as ports, fishing fleets, or processing plants, from competing unduly against each other.

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)<sup>1</sup> and its governing body the Forum Fisheries Committee (FFC), the Parties to the Nauru Agreement (PNA),<sup>2</sup> and the Pacific Community (SPC). FFA provides technical support to its member governments and administrations in developing or negotiating regional or sub-regional instruments, such as for example, the Palau Arrangement for the Management of the Western Pacific Purse Seine Fishery (Vessel Day Scheme or VDS) and the establishment of regionally agreed guidelines for national and subregional tuna fishing licensing conditions. FFA has also played a lead role in supporting its members in policy coordination and the MCS of fishing activities. Reinforcing WCPO countries' capacities to participate actively in the WCPFC forum and to implement the WCPFC resolutions by FFA, PNA and SPC are essential for the management and

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

<sup>2</sup> PNA Members are FSM, Nauru, Palau, PNG, Republic of Kiribati, RMI, Solomon Islands, Tokelau, and Tuvalu.



sustainable use of the fish resources and for harnessing the benefits of the oceanic fisheries for the regional economy and the socioeconomic well-being of the PICs' population.

***Contributions to the economies of FFA Members***

5. **Collaborative actions of the FFA Fisheries Ministers have resulted in significant progress towards regional sustainability, increased value, employment, and national food security.** In 2015, the FFA Fisheries Ministers adopted the Regional Roadmap for Sustainable Pacific Fisheries, setting targets for the contributions of oceanic tuna to sustainability, value, employment and food security over a 10-year period to 2024; these are reported in the Tuna Report Card. In this regard, in 2019, the share of the catch value taken by FFA fleets across the WCPFC Convention Area (WCPFC-CA) and within the waters of FFA Members reached US\$1.7 billion. Onshore processing volumes increased to 233,000 tonnes (t) in 2019, demonstrating an upward trend in the proportion of the catch taken in FFA Members water that is being processed onshore, which reached its highest level at 14 percent in 2019. Total employment related to tuna fisheries in FFA member countries increased to 23,861 for 2019, with onshore processing making the largest contribution to employment with about 65 percent within the sector.<sup>3</sup> According to the SPC<sup>4</sup>, economic benefits from oceanic tuna license fees across the WCPO PICs amounted to US\$465 million (M) in 2016, with these fees representing more than 40 percent of government revenue for six FFA Members.

6. **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 return 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 stagnant<sup>5</sup> with fishing access and effort not yet restricted to the levels necessary to increase profitability and associated economic return.<sup>6</sup> Consequently, the stock of tuna in the southern longline fishery has declined, as have catch rates and economic performance. FFA has reported that sustained increases in access fee revenues from longline fisheries will likely only be achieved with the better specification of zone-based limits for fishing within exclusive economic zones (EEZs) and the high seas. In this regard, in 2018, FFA Members approved the Regional Longline Strategy, making investments to support more effective management of longline fishery a priority<sup>7</sup>. Management of fish resources and fisheries will therefore contribute to the economic resilience of PICs, and secure sustaining or creating public and private revenues, employment and livelihood opportunities.

***Illegal, unreported and unregulated fishing***

7. **All four major tuna stocks (South Pacific Albacore, Bigeye, Skipjack, and Yellowfin) in the WCPO are reported to be healthy and not overfished<sup>8</sup>; however, there is no room for complacency, as the biomass of most stocks is continuing to decline,** and there is 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,

<sup>3</sup> Ruaia, Gu'uru and Reid, 2020: Economic and Development Indicators and Statistics: Tuna Fisheries of the Western and Central Pacific Ocean. FFA

<sup>4</sup> <https://iworklearn.net/resolveuid/5f5bfe20-4169-48ef-bf59-f4b35f576aa5>

<sup>5</sup> FFA Economic Development Indicators and Statistics 2020

<sup>6</sup> Tuna Fishery Report Card 2020. FFA

<sup>7</sup> Forum Fisheries Committee Ministerial Meeting Eighteenth Meeting FFcmin18. <https://www.ffa.int/node/2600>

<sup>8</sup> The western and central Pacific tuna fishery: 2020 Overview and status of stocks. <https://meetings.wcpfc.int/file/10176/download>



under COVID-19 protocols, observer coverage in all WCPFC fisheries was suspended, resulting in all vessels being unobserved.

**8. 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.<sup>9</sup> While this is a significant drop compared to the IUU fishing estimate from 2016,<sup>10</sup> 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. The nature of IUU fishing in the Pacific makes it difficult to detect, but key mitigating measures include: adoption of an integrated MCS strategy that aligns with regional and international arrangements to combat IUU fishing; enhancing the overall MCS capability and capacity to increase regulatory compliance; and establishing and maintaining a competent authority status for meeting traceability requirements<sup>11</sup>.

**9. 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') and automatic identification system (AIS), in isolation, make IUU fishing challenging to track, thus allowing violators to continue undetected and unpunished. Even as new near real time technologies (e.g., electronic reporting (ER) and electronic monitoring (EM), satellite aperture radar, and 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, and 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-attacks<sup>12</sup> 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 expansion of program participants' skills, alongside support to address and implement technological advancements, is key to a rounded approach to effectively combat IUU fishing.

**10. Working alongside human observers, the roll out of EM systems in the longline fishery is seen as transformational,** as it provides a level of monitoring of catches that was previously not possible. However, EM and ER are still in their infancy, and significant gaps remain to achieve a fleet wide roll out. Integrating new sets of data from EM systems may also stress existing ICT infrastructure, making future expansion difficult. Finally, the impacts of climate induced changes in the abundance and distribution of tunas will require efforts to more effectively monitor catch and bycatch, and therefore will require infrastructure and support services that are fit-for-purpose for the challenges of the coming decades.

#### ***Climate change impact on tuna fisheries***

**11. PICs are on the front line of the global climate crisis, bearing the brunt of more frequent and intense extreme weather events, increasing temperatures and sea level rise,** all of which threaten livelihoods and food security. Climate

<sup>9</sup> MRAG Asia Pacific. 2021. The Quantification of Illegal, Unreported and Unregulated (IUU) Fishing in the Pacific Islands Region—a 2020 Update. 125p. <https://sustainpacfishffa.int/wp-content/uploads/2021/12/ZN2869-FFA-IUU-2020-Update-final.pdf>

<sup>10</sup> MRAG Asia Pacific. 2016. Towards the Quantification of Illegal, Unreported and Unregulated (IUU) Fishing in the Pacific Islands Region. 93pp.

<sup>11</sup> As per requirements for EU market access under the IUU Fishing Regulation which is administered by the EU Directorate General for Maritime Affairs and Fisheries (DG MARE).

<sup>12</sup> <https://www.nytimes.com/2022/11/28/world/asia/vanuatu-hack-cyberattack.html>



change is forecast to induce changes to the distribution and abundance of fish<sup>13</sup> and have numerous implications for fisheries, including the availability of target species and their catchability. Accordingly, access to reliable information on ocean and fisheries forecasting and their impacts on future fishing opportunities available within a PIC EEZ, and when such opportunities might diminish or increase, can be a valuable business decision making tool for the PIC governments.

**12. Total fisheries revenue decline from climate change is forecast to be between US\$90-138 M**, putting in jeopardy many of the gains that have been made by PICs in the last two decades, unless PICs are provided technical support to collectively adapt oceanic fisheries management strategies. With business uncertainty in the global warming models, countries need to train qualified staff on modelling and forecasting to be capable of rapidly adapting their harvesting and processing policies and fishing strategies. Building national capacity for fisheries economics will enhance institutional climate resilience capacity, ensuring that countries are able to adapt economically to sectoral impacts and changes.

#### *Role of observers in tuna fisheries*

**13. Independent human observers provide key information on vessel activities, which informs stock assessments and supports the implementation of conservation and management measures (CMMs).** However, the COVID-19 pandemic has prevented the dispatch of observers to all vessels, and limited the ability of authorities to monitor fishing activities and inform fisheries management. As a result, much of the observer corps has found alternative employment. A new cadre of trainees will need to be recruited and trained to regain full observer coverage in the offshore fishery, and existing observers will need refresher training<sup>14</sup> and introduction to new technologies and practices. Such observers will likely have broadened and elevated roles, as management authorities expand the range of compliance measures. To maintain a robust roster of observers, FFA has developed a series of internationally recognized certificates of learning,<sup>15</sup> but often lacks funding to offer the training. Funding mechanisms are needed to cover the cost and enable observers to complete such extended training in a professional educational environment. Greater attention also needs to be paid to the health and safety of observers through personal safety training, as well as insurance against workplace injuries, accidents, and death while at work. To reduce the potential for workplace violence, further study on the installation of personal safety surveillance cameras or asset tracking systems would help identify cost effective measures to minimize vessel crews from intimidating or interfering with observers while they are performing their duties.

#### *Importance of tuna fisheries for food security and nutrition*

**14. Fish is a vital cornerstone for food security and nutrition in the PICs, but limited landings of tuna enter the domestic markets**, thereby not only increasing the risk of food insecurity, but also a dietary transition towards imported processed foods that is thought to be a significant factor in the increased prevalence of non-communicable diseases.<sup>16</sup> To address this, Fisheries Ministers across the Pacific have set ambitious goals for increasing the supply of tuna for domestic consumption by 40,000 t across the region by 2024. FFA reported that in 2016 only 0.8 percent of the total catch of locally based fleets in the region was entering local markets, with 99.2 percent being exported to foreign markets. It is further estimated that due to population growth and climate change impact, coastal fisheries in 16 of the

<sup>13</sup> Bell et al., 2021. Pathways to sustaining tuna-dependent Pacific Island economies during climate change.

<https://www.nature.com/articles/s41893-021-00745-z>

<sup>14</sup> The terms of reference for the training provided under the project will require coverage of UNCLOS, particularly with regard to Article 73 requirements.

<sup>15</sup> Certificate IV in Fisheries Enforcement and Compliance, Diploma in Investigation and Prosecution and Higher Level Study in Fisheries Management.

<sup>16</sup> <https://www.fao.org/3/cb5194en/cb5194en.pdf>



22 PICs will not supply sufficient fish as recommended for good nutrition, and that by 2035 tuna will need to supply 25 percent of the fish required by PICs for food security.<sup>17</sup>

**15. Increasing the quantity of tuna and bycatch species entering domestic markets has high potential to fill a predicted shortfall in supply from coastal fisheries** and to maintain food security. While onshoring of bycatch species offers some merit for development, challenges with food hygiene, food processing and food preservation will need to be overcome. FFA's work in leading the development of sanitary and phytosanitary (SPS) competent authorities to comply with the requirements of export markets has the value-added spin off for national improvements in food safety and hygiene of domestic seafood products. However, investments to support incremental actions will be needed.

### C. Rationale for Regional Approach

#### *The Pacific Islands Regional Oceanscape Program (PROP)*

**16. 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 the Solomon Islands and started implementation in 2022; a second phase project for RMI was approved in May 2023. This would be the second phase project for FFA.

**17. 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 PROP is for the regional and national elements to complement each other toward a regional outcome (the PROP Development Objective). Each participating country contributes select activities and national-level outcomes as per their sovereignty in resource management. Regional organizations participating in PROP 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, PROP has grown to encompass ten countries and two regional organizations with projects under implementation or preparation. Annex 2 provides further details on the PROP Series of Projects.

**18. 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.

#### **FFA First Phase PROP Project**

**19. Key outputs achieved under the first phase FFA PROP Project,** on which the FFA PROP's second phase, FFA PROP Second Phase for Economic Resilience (FFA PROPER) will build, relate to expanding and reinforcing the VDS, strengthening regional governance structures, strengthening MCS capacity, developing knowledge pieces on sustainable ocean finance, and providing advisory services on oceanic fisheries management to FFA Members. FFA PROPER will

<sup>17</sup> J.D. Bell et al. 2015. Diversifying the use of tuna to improve food security and public health in Pacific Island countries and territories. Marine Policy 51 584–5915



contribute in the short and medium term to socio-economic recovery from the COVID-19 pandemic by supporting the creation of employment and livelihood opportunities in member countries and, in the longer term, to the economic resilience of the sector and the region by maintaining and enhancing the economic value of the oceanic fishery. Table 1 below provides FFA PROP outputs and FFA PROPER incremental follow-on activities.

**Table 1: Summary of the FFA First and Second Phase PROP Projects**

Outputs achieved under FFA PROP 1st phase	Planned follow-on activities under FFA PROPER
<b>Strengthened the VDS for purse seine fishery:</b> <ul style="list-style-type: none"> <li>- Regional review of functions and services required to manage tuna (for example, management, science, monitoring and surveillance, enforcement hubs)</li> <li>- Improved country capacity for policy reforms and stakeholder consultations</li> <li>- Legal advice to countries including delivery of advice on European Union (EU) sanitary regulations</li> <li>- Delivery of training course on commercial and economic management of fisheries</li> </ul>	<b>Strengthening of the VDS through IUU fishing reduction:</b> <ul style="list-style-type: none"> <li>- Review of the Regional Fisheries Surveillance Center (RFSC) functions and digital framework upgrades to the center</li> <li>- IUU fishing quantification study and development of monitoring and reporting metrics</li> <li>- Development of an IUU fishing information dashboard with up-to-date data</li> </ul> <b>Expanding country capacity for policy reforms:</b> <ul style="list-style-type: none"> <li>- Assistance to develop programs to improve the investment climate and value extraction from longline fisheries</li> </ul>
<b>Technical assistance to ensure country compliance with the VDS:</b> <ul style="list-style-type: none"> <li>- Updated regional and national fisheries compliance risk assessments, regional SOPs</li> <li>- Manual for fisheries compliance officers prepared and training in its use delivered, and training course for fisheries MCS officers and VDS officers delivered.</li> <li>- MCS training curricula updated</li> <li>- MCS officers and observers/observer trainers trained</li> <li>- Annual course on Certificate IV in Fisheries Compliance and Enforcement delivered</li> <li>- Dockside boarding and inspection workshop conducted</li> <li>- Fisheries Officer Evidence and Investigation Course delivered</li> </ul>	<b>Improving country compliance:</b> <ul style="list-style-type: none"> <li>- VDS strengthening through support for member countries to adopt the regional Port State Measures (PSM) Framework</li> <li>- Establishment of systematic boarding inspection procedures, provision of boarding equipment and safety kits.</li> </ul> <b>Enhancing the MCS workforce:</b> <ul style="list-style-type: none"> <li>- Capacity building for FFA Members and the FFA Secretariat through advanced workforce training and certificate program</li> <li>- Support to strengthen NOPs after COVID-19 hiatus through targeted training and supply of safety equipment</li> <li>- Technical assistance to study the installation of observer surveillance cameras in fishing vessels to address observer risk</li> </ul>
<b>Technical assistance to strengthen the VDS for purse seine fishery and expansion to longliners:</b> <ul style="list-style-type: none"> <li>- Legal advice and three workshops: (a) two workshops on Persons of Interest and (b) one workshop on observer Insurance.</li> </ul>	<b>Expanding legal capacity of member countries</b> <ul style="list-style-type: none"> <li>- Certificate training and capacity building for member countries in negotiation capacity and legislative compliance, including but not limited to UNCLOS as well as EU regulations on IUU<sup>18</sup>.</li> </ul>

#### **FFA Proposed Second phase Project (PROPER)**

20. **FFA PROPER is a second phase project for FFA under the Series of Projects and builds on the lessons learned from the first eight years of PROP implementation** for improved, sustainable impacts. FFA PROPER is aligned with the overarching regional objectives of the original Series of Projects and contributes to the collective aim of improved

<sup>18</sup> European Union's Regulation (EC) No. 1005/2008 aims to prevent, deter and eliminate trade in fisheries products deriving from IUU fishing into the EU. The IUU Regulation establishes a catch certification scheme, complemented by a procedure to identify third countries as non-cooperating in the fight against IUU fishing. Accordingly, countries may be pre-identified (yellow-carded) and, as a last resort, identified (red-carded) by the European Commission for failure to take action against IUU fishing in line with their international flag, coastal, port and/or market State obligations. The importation of products caught by a red-carded country's vessels to the EU is prohibited.



fisheries management, improved climate change adaptation, and economic resilience. The Project is designed as a standalone project, to be implemented by FFA, and structured to work in conjunction with the national projects under the Series of Projects. FFA PROPER focuses on regional policy objectives, while national projects emphasize national priorities within the regional context.

**21. The Project design is closely aligned with the mandate, expertise and comparative strengths of FFA,** and will provide financing for FFA to respond to the increased demand from FFA Members for regional coordination, capacity building and technical advisory services. The Project will target 12 of the 17 FFA member countries which are eligible for World Bank (WB) support, including: Federated States of Micronesia, Independent State of Papua New Guinea, Independent State of Samoa, Kingdom of Tonga, Nauru, Palau, Republic of Fiji, Republic of Kiribati, Republic of the Marshall Islands, Republic of Vanuatu, Solomon Islands, and Tuvalu. Participation of Pacific IBRD-eligible countries<sup>19</sup> (Nauru and Palau) in the training and equipment sharing activities supported under the Project is critical to the achievement of these regional objectives. It will benefit IDA-eligible countries by presenting a unified policy approach to combatting IUU, a more cohesive and united regional position in fisheries negotiations with external parties, consistent data collection and analysis across countries, coordination on fisheries management measures including through intelligence sharing and improved regional collaboration of FFA Fisheries Ministers for continued progress towards regional sustainability, increased value, employment, and national food security from oceanic fisheries. Excluding Nauru and Palau from such Project activities would create gaps in data collection and implementation of necessary measures for management of fisheries and critical habitats that benefit IDA countries.

**22. The Project will benefit from programmatic advisory services and analytics, as well as technical assistance (TA) provided by the Bank-executed Pacific Ocean Advisory Program, POAP (P171214).** The objective of POAP is to inform the design, financing, implementation, coordination and monitoring of priority policies and investments for a sustainable ocean economy and a healthier and more resilient environment in selected PICs. The focus is on strengthening the management and sustainable development of oceanic and coastal fisheries to optimize public expenditures, in and revenue generated from these sectors and improve food security and livelihoods for local communities. Further focus is on improving the resilience of ecosystems on which fishing and other key ocean economic sectors depend, while increasing opportunities for sustainable investments to support a sustainable ocean economy (or “Blue Economy”).

#### D. Relevance to Higher Level Objectives

**23. The PROP in general, and the FFA PROPER in particular, are well aligned with the strategic objectives of the IDA Regional Window,** in that they mobilize collective action by PICs to address their shared goal of regional cooperation for maximum long term social and economic benefits from the sustainable use of shared oceanic fishery resources. FFA PROPER directly supports the regional integration priorities that were identified for IDA’s Regional Window. Specifically, it involves investments in a regional entity – FFA – that supports regional capacity building and skills development, policy and strategy harmonization among FFA member countries, use of common standards and metrics (e.g., for reporting on IUU), knowledge exchange and collaboration, and collective management action across shared ocean resources, including cross-country coordination to curb IUU. It is at the core of FFA’s operations to tap into economies of scale, for example for the delivery of trainings, pooled procurement<sup>20</sup> of shared technology and equipment (e.g., for national

<sup>19</sup> IDA20 Regional Window guidelines stipulate as per Paragraph 9.c.: “Grants provided to Regional Organizations may involve convening of countries which are not IDA countries, provided their engagement in the regional activity is critical to the achievement of the regional objectives.”

<sup>20</sup> Pooled procurement is an arrangement where a single entity (in this case FFA) procures products on behalf of individual authorities (in this case national fisheries administration) for cost efficiency and for purpose of harmonized technical specifications for subsequent transfer of ownership of such products.



observer programs), and synchronization of technical assistance when appropriate to develop shared regional positions and building solidarity among the PICs within broader regional processes and negotiations.

**24. FFA PROPER contributes to the objectives of the World Bank Group's Regional Partnership Framework (RPF) for nine PICs (PIC9):** Kiribati, Nauru, RMI, FSM, Palau, Samoa, Tonga, Tuvalu, and Vanuatu for FY17-FY21 (Report No. 100997-EAP)<sup>21</sup> that was extended for another two years. The Project is particularly relevant to Focus Area 1: Fully exploiting the available economic opportunities, through its contribution to Objective 1.1: Improved management of oceanic and coastal fisheries. Through the RPF, the WB also committed to platform-based approaches that offer a menu of investment and technical assistance options which support a common objective and are tailored to country contexts. The core concept of the PROP Series of Projects is aligned with this approach, by supporting a common objective and with FFA engaged as a regional entity that can provide technical assistance and convene participating countries for activities that benefit all of them under one program umbrella.

**25. The RPF seeks to guide the World Bank Group engagement in the PIC9 through building on what has been accomplished so far, while also seeking to realize more impacts in the future.** The RPF outlines four major focus areas, of which three are relevant to FFA and the Project: (i) *Fully exploiting the available economic opportunities*, focusing on improved management of fisheries, increased incomes from agriculture, and expanded tourism opportunities; (ii) *Enhancing access to employment opportunities*, focusing on broadening opportunities for labor mobility and addressing gender inequality and gender-based violence through entry points that offer economic opportunities for women; and (iii) *Protecting incomes and livelihoods*, with an important feature on strengthening preparedness and resilience to natural disasters and climate change, through investments that offer climate-related co-benefits.

**26. The Project is consistent with the Resolution on Climate Change as it Relates to the WCPFC (Resolution 2019-01).** In the FFA resolution on climate change adopted by the 16<sup>th</sup> annual meeting of the WCPFC, the Commission commits to consider the impacts of climate change on highly migratory fish stocks and any related impacts on the economies of WCPFC members, food security and livelihoods; supports the development of science on the impacts of climate change on the fishery; accounts for potential impacts of climate change in the development of conservation and management measures; and considers options to reduce the environmental impacts related to headquarters operation and meetings. The Project contributes to, and is aligned with, the adopted resolution.

## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

**27. 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.

**28. The PDO** is to strengthen regional capacity for management and sustainable development of the oceanic fisheries sector in Selected Pacific Island Countries.

**29. Targeted FFA Members** include: Federated States of Micronesia, Independent State of Papua New Guinea, Independent State of Samoa, Kingdom of Tonga, Nauru, Palau, Republic of Fiji, Republic of Kiribati, Republic of the Marshall Islands, Republic of Vanuatu, Solomon Islands, and Tuvalu.

<sup>21</sup> World Bank Group. 2017. Regional Partnership Framework: For Kiribati, Republic of Nauru, Republic of The Marshall Islands, Federated States of Micronesia, Republic of Palau, Independent State of Samoa, Kingdom of Tonga, Tuvalu, and Vanuatu, FY17-FY21. World Bank, Suva, Fiji.

**PDO Level Indicators**

30. 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:
    - 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 Niue Treaty Information System (NTIS)<sup>22</sup> for intelligence and resources sharing.
    - iii. Improved regular strategic reports on economics and investment trends in WCPO tuna fisheries and related sectors produced.
  - (b) Number of FFA Members 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 arrangements and agreements.

**B. Project Components****Component 1: Consolidating oceanic fisheries management (approximately US\$2.96 M)**

31. The component will provide support to targeted 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: (i) identifying, quantifying and reducing risks of IUU fishing in oceanic fisheries; and (ii) enhancing the MCS capacity for Targeted FFA Members.

**Subcomponent 1.1: Identifying, quantifying and reducing risks of IUU fishing in oceanic fisheries (approximately US\$0.74 M)**

32. Activities supported under this subcomponent include: (a) (i) establishing systematic fisheries boarding inspection procedures through in-country training on boarding inspection which will include specific considerations to improve safety of female boarding inspection staff; (ii) developing standard operating procedures; (iii) developing communication and training material on regional information management<sup>23</sup> for boarding officers, and (iv) providing boarding equipment and safety equipment kits (e.g. distinctive clothing, PPE, data collection tools, and evidence collection equipment)<sup>24</sup>; (b) (i) providing technical assistance for enhancing functions of the Recipient's regional fisheries surveillance center; and (ii) facilitating regional planning meetings to improving coordination on fisheries surveillance operations and effective implementation of the Niue Treaty Subsidiary Agreement; and (c) (i) developing monitoring and reporting metrics to quantify IUU fishing in oceanic fisheries; (ii) carrying out training and workshops for improving

<sup>22</sup> 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.

<sup>23</sup> The RIMF portal is a collaboration between FFA and SPC designed to support national information management systems of all FFA Members.

<sup>24</sup> The Project Operations Manual (POM) will provide further details on arrangements in place to ensure that equipment is being used for its intended purposes and in compliance with UNCLOS requirements as applicable.



regional data capture and sharing to inform monitoring, control and surveillance (MCS) initiatives; (iii) carrying out regional training on IUU fishing metrics; and (iv) developing an IUU fishing information dashboard.

**Subcomponent 1.2: Enhancing the fisheries management capacity of Targeted FFA Members (approximately US\$2.22 M)**

33. Activities supported under this subcomponent include: (a) (i) supporting regional capacity building through recognized certificates programs for eligible fisheries administration staff, including emphasis on opportunities to upskill female staff through formal technical qualifications within national fisheries authorities; (ii) providing training and technical assistance to eligible national legal officers and law graduates to manage complex fisheries litigation and prosecutions in a manner consistent with international law and best practice<sup>25</sup>; (iii) providing hands-on training to eligible national fisheries administration staff on both national and international fisheries law at the FFA headquarters; and (iv) strengthening national policy and institutions through reviews of legislative compliance with United Nations Convention on the Law of the Sea (UNCLOS) and providing technical assistance for strengthening legislative compliance with UNCLOS; and (b) (i) providing technical assistance and safety equipment<sup>26</sup> to strengthen national observer programs; (ii) developing a centralized regional asset tracking platform linked to the FFA's regional fisheries surveillance center; and (iii) studying the installation of personal safety surveillance cameras and asset tracking systems.

**Component 2: Harnessing economic benefits of oceanic fisheries to the regional economy (US\$2.32 M)**

34. The component will address national capacity building needs to equip targeted FFA Members to: (i) 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 levels; (ii) implement activities that aim to level imbalances often experienced between PIC 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.

**Subcomponent 2.1. Modelling and forecasting economic and social benefits of fisheries development (approximately US\$1.67 M)**

35. Activities under this subcomponent support capacity building of fisheries administrations in Targeted FFA Members to: (a) undertake and interpret economic, financial, and investment analysis to inform national sectoral policy development; (b) develop strategies and long-term programs to improve the investment climate for the fisheries sector with emphasis on greater value extraction from the longline tuna fishery; (c) produce improved regular strategic reports on the economics of tuna fishery and related investment trends<sup>27</sup>; and (d) increase understanding of the role of tuna fisheries for food security at national level and identify investments and policy development necessary to increase the contribution of tuna fisheries to national food security and nutrition.

**Subcomponent 2.2: Improving investment climate and negotiation capacity (approximately US\$0.65 M)**

36. Activities include providing recognized certificate training to eligible fisheries administration staff in Targeted FFA Members to participate in international fisheries negotiations courses, and supporting training opportunities at the FFA, regional organizations or other national administrations.

<sup>25</sup> The training will include instruction / content on international law requirements (UNCLOS 73) for fisheries enforcement activities in the EEZ.

<sup>26</sup> The POM will provide further details on arrangements in place to ensure that equipment is being used for its intended purposes and in compliance with UNCLOS requirements as applicable; and will further include provisions on ensuring that any handling of personal data is carried out in accordance with good international practice.

<sup>27</sup> The 'Independent Review of Increased Economic Returns From Fisheries' highlighted that countries required more detailed reports including on the drivers of tuna fisheries economics and investment trends.

**Component 3: Strengthening FFA's operating environment (approximately US\$1.62M)**

37. The component aims to: (i) identify and design low-carbon solutions to upgrade FFA's infrastructure and operations using renewable energy and other energy efficiency systems; and (ii) 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 (iii) strengthen knowledge and awareness of citizens and institutions on the importance of improved fisheries management through communications 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<sup>28</sup>.

**Subcomponent 3.1: Low carbon transition for FFA's infrastructure (approximately US\$0.05 M)**

38. Activities under this subcomponent will support the finalization of design options and assessment for low carbon infrastructure investments for FFA headquarters. This is intended to demonstrate decarbonization strategies to guide FFA Members and to support energy self-sufficiency of FFA.<sup>29</sup>

**Subcomponent 3.2: Strengthening FFA's cybersecurity, cloud business continuity, and business planning and accounting (approximately US\$1.12 M)**

39. Activities supported under this subcomponent include: (a) supporting the improvement of cloud business continuity with improved online and offsite information and communication technology protections systems; (b) enhancing data encryption and key management systems in line with diagnostic reports; (c) providing support to improve and understand proof of value for user identity management approach for electronic devices; (d) carrying out the cyber safety culture training program and assisting Targeted FFA Members to develop more resilient information and communication technology policies and infrastructure through a cybersecurity awareness program; (e) upgrading the FFA conference center systems and equipment; and (f) supporting the position of an accounting advisor to support the Recipient with cohesive business planning, budgeting and work planning, and financial performance monitoring and reporting. The accounting advisor will promote synchronization and optimization of FFA fundings by improving planning, reporting, and accounting for activities benefitting FFA and by extension member countries, ensuring compliance, risk management and business processes, as well as economies of scale. For sustainability purposes, the position is intended to be funded by FFA following three years of implementation.

**Subcomponent 3.3: Engaging citizens on the regional importance of fisheries (approximately US\$0.45 M)**

40. Activities supported under this subcomponent include: (a) providing training to eligible national communications staff; (b) strengthening Targeted FFA Members' institutional capacity for media engagement and outreach; (c) building cloud-based regional communications platforms and training of eligible FFA and Targeted FFA Members' staff; (d) conducting a Pacific communications conference to bring together communication officers from across national fisheries administrations, and promoting knowledge sharing and capacity building of media professionals; and (e) supporting a strategic communications officer position within the FFA.

<sup>28</sup> This activity aligns with Outcome 5 of the FFA Business Plan FY2021-25 aiming to enhance capacity of national fisheries administration to facilitate stakeholders' engagement and support for regional fisheries initiatives through enhanced communication and accessible information on regional fisheries management decisions and processes.

<sup>29</sup> Purchase and installation of a renewable energy system and selected energy efficiency measures supporting self-sufficiency of FFA headquarters and demonstration of decarbonization strategies to guide Targeted FFA Members in their application of low carbon solutions is not part of the Project and will be subject to leveraging of additional funds.

**Component 4: Project Management (approximately US\$2.1 M)**

41. This component will finance the Project Management Unit (PMU) to implement and manage the Project, including staffing and operation of said unit to conduct monitoring and evaluation, environmental and social risk management, and financial and procurement management.

42. A Project Preparation Advance (PPA) of US\$0.5 M has been processed under the Project. Key PMU staff have been recruited and preparation studies are underway.

**Strategic Alignment**

43. **Gender.** Few relevant data and statistics on women in the fisheries and maritime sectors are available for the Pacific, but efforts to gather data and promote women's empowerment and advancement in the Pacific maritime sector are evolving, including through stakeholder networks, such as the Pacific Women in Maritime Association (PacWIMA). Historically, the oceanic fisheries and maritime industry has been male dominated, and women represent only 1.2 percent of the global seafarer workforce<sup>30</sup>. Among the female workforce, major disparity persists between the number of women working in the sector at sea and on shore. However, there has been a significant shift in recent years, with a 45.8 percent increase in women working globally in the maritime sector in 2021 compared to 2015. Increasingly, gender dimensions are being considered and incorporated in maritime policies and procedures, and access to maritime training and employment opportunities are being extended to women. While women's participation in fisheries authorities has also been growing across the Pacific, they remain underrepresented in scientific and technical positions (including offshore fisheries and monitoring and surveillance). For instance, a 2012 case study<sup>31</sup> showed that women represented less than 20 percent of technical/science staff in government fisheries institutions in Tonga, the Solomon Islands, and RMI. This reflects a persistent pattern of poor representation of women within science and technical education, and in careers across the region; latest national employment estimates show that only 13.5 percent of STEM occupations in PIC-9 countries are held by women<sup>32</sup>.

44. FFA has made formal commitments towards improving gender equality in fisheries through its 2016 Gender Equity Framework and 2018 Domestic Violence Policy. As of 2022, FFA also has a Gender Equality and Social Inclusion Advisor, whose role is to strengthen capacity in this area within the Secretariat and its Members. FFA PROPER will build on these commitments and support objectives of achieving gender equality and empowering women in the fisheries sector, in particular in fisheries authorities, by enhancing access to training for women, creating an environment in which women are identified and selected for training opportunities, and thereby supported in career development within the fisheries sector administrations of FFA Members. The updated training plan will incorporate activities aimed at addressing identified gender inequalities in access to training across members' agencies, as well as needs for institutional strengthening to ensure women's retention and career progression. Under Subcomponent 1.2, opportunities to upskill female staff through formal technical qualifications within national fisheries authorities will be identified and supported, including addressing data gaps on representation within various technical fields by gender across member country institutions. The relevant indicator will track: Increase in the share of females from national fisheries administrations that have graduated with qualification: Baseline 0, Target 10 percent. FFA PROPER will further contribute to the visibility

<sup>30</sup> IMO. 2021. Women in Maritime Survey.

<sup>31</sup> Tuara, P., Passfield, K., Williams, M.J., Williams, M., Hilly, Z., Schwarz, A.M., Boso, D., Novaczek, I., Solomona, D.M., Vuki, V.C. and Buga, B., 2012. Issues on gender in oceanic and coastal fisheries science and management in the Pacific Islands: case studies from Solomon Islands, Marshall Islands and Tonga. *Fisheries*, (22), pp.2-16.

<sup>32</sup> Latest national survey estimates retrieved from ILOSTAT. STEM occupations include Science and Engineering Professionals, Science and Engineering Associate Professionals, Information and Communication Professionals, and Information and Communication Technicians.



and recognition of women in fisheries and maritime positions as part of a significant communication and outreach program planned on the importance of fisheries more generally.

45. **Climate Co-benefits.** As described in the Regional and Sectoral and Institutional Context, the Pacific region has been identified as one of the most vulnerable to the adverse impacts of climate change. Project activities promote efforts towards the reduction and limitation of greenhouse gas (GHG) emissions, and adaptive measures to build climate resilience across the region. The Project addresses key climate change vulnerabilities within oceanic fisheries through reducing anthropogenic pressures and building the national capacity of member countries to plan for climate resilient futures.

46. One of the key anthropogenic pressures to VDS integrity in managing stock yields is IUU fishing, with an estimated 6.5 percent of WCPFC-CA catch value lost to IUU fishing. To implement this adaptation, the Project will enhance monitoring, data collection, and analysis through the expansion of the regional EM and ER program to better understand, predict, and respond to changing abundances and locations of oceanic species catch, as well as their impacts on non-target species. This data will allow for adaptive responses to support the existing WCPFC management arrangements and the VDS, and to better manage the future climate-driven changes at both the national and regional levels.

47. Component 1 activities will support reducing anthropogenic pressures of IUU fishing through: (i) regional policy development including systemizing boarding inspection procedure; (ii) improving regional coordination of fisheries surveillance operations; (iii) development of monitoring and reporting metrics for IUU fishing to enable data-informed decision making; and (iv) enhancing the regional MCS workforce through capacity building and strengthening of NOPs. These activities contribute to the effective implementation of the VDS through the reduction of IUU catch and are recognized as an effective adaptation measure by reducing overcapitalization and excessive fishing. The cumulative and synergistic effects of climate change and other non-climate drivers must be recognized in the ongoing management of the fisheries.<sup>33</sup>

48. Component 2 activities focus on building the national capacity of members to adapt to changing circumstances, including climate change impacts, that may affect future fishery harvests. Activities include technical assistance and training to: (i) undertake analysis to inform national sectoral policy development; (ii) produce strategic reports to analyze economic and investment trends to improve the investment climate; and (iii) develop long term plans to maximize the value of the WCPO tuna fishery and achieve national food security. Climate change modelling studies suggest that adopting fisheries management measures that take account of climate-induced changes in fish productivity and distribution, would yield higher cumulative catches and profits, than business-as-usual management under all but the most severe climate scenarios. Component 2 activities will provide modelling and forecasting of economic and social benefits to determine development actions and management measures for building climate resilience throughout regional fisheries and supporting food security adaptations.

49. Component 3 activities focus on identification of potential mitigation co-benefits that could be achieved if additional funding can be leveraged during project implementation for investments in low-carbon transition of FFA's infrastructure and operations using renewable energy and other energy efficient systems, such as efficient lighting, air conditioning management, and roof insulation. Activities to improve energy efficiency across infrastructure contribute to the Pacific Islands Forum collective aim to achieve carbon neutrality in the Pacific by 2050. The FFA will identify options to upgrade its infrastructure to be more energy efficient and, subject to leveraging of additional funds for investing in identified options, would serve as a case study for deployment and dissemination across member countries. Excellence in Design for Greater Efficiencies (EDGE)<sup>34</sup> modelling has been undertaken to identify potential estimated total savings

<sup>33</sup> Bahri et al. 2021.

<sup>34</sup> <https://edgebuildings.com/>



of 203.11 tCO<sub>2</sub><sup>35</sup> per year across the FFA footprint. The base case scenario estimates that the FFA infrastructure footprint currently utilizes approximately 180 kWh/m<sup>2</sup>/year<sup>36</sup>, but could be reduced to approximately 21 kWh/m<sup>2</sup>/year (a savings of up to 87 percent below baseline emissions)<sup>37</sup> through the adoption of energy efficiency measures.

**50. Private Capital Mobilization.** Oceanic fisheries are an important primary source of exports and national revenue for many PICs. While fisheries have stimulated growth and development, the contribution of oceanic fisheries to PIC's domestic economies and food supply has been limited, and so has been private capital mobilization. These could increase domestic landings of both tuna and bycatch species, and investments in the domestic market, including food processing, thereby reducing pressure on more sensitive coastal fisheries and dependence on imported food products. Limited SPS facilities necessary for tuna exports are a key constraint for tapping into the potential of the tuna fisheries value chain. Domestic seafood value chains are further hampered by deficiencies in domestic cold storage and limited facilities for seafood preservation. The Project will help to identify national level impediments and constraints to investments in fisheries and provide recommendations to improve the investment climate within the sector and to support new business and private sector investment opportunities. It will support national-level analysis of appropriate policies and programs to increase the supply of tuna to domestic markets in FFA Members.

**51. Citizen Engagement.** The Project design builds on country consultations that FFA carried out with its members to review priority areas of support put forward from each country. Project stakeholders primarily include fisheries administrations in FFA Members, and further regional partner agencies, private sector and related associations, development partners, and civil society and advocacy organizations related to oceanic fisheries. The Project will engage with stakeholders through existing fora, regional fisheries meetings, and FFA's own governance body proceedings with respect to outputs relevant to regional policy and strategy. Engagement on technical-level outputs, as well as training and technical advisory services, will focus on relevant fisheries administrations in FFA Members. Project-supported training and capacity building activities will benefit from FFA's established feedback mechanisms on the relevance and benefits of training that have been established to evaluate and improve FFA's training program. Wider general audiences across the region will be reached through the Project's communication activities that are designed to amplify messaging and create public awareness around oceanic fisheries. A comprehensive Stakeholder Engagement Plan (SEP), including a Grievance Redress Mechanism, will be developed building on stakeholder engagement processes established during the first phase PROP Project.

### C. Project Beneficiaries

**52.** The primary beneficiaries are the regional and national fisheries officials that will benefit directly from improved capacities and working conditions. Pacific Islanders dependent on fisheries, including fishers, fishworkers and their households will be indirect beneficiaries as improved management of fisheries resources will contribute to resource productivity which underpins jobs, nutrition, and livelihoods. Project activities and enhanced compliance will generate regional benefits to the countries sharing the common marine ecosystem. The citizens, ecosystems, and economies of PICs will also benefit from the Project's investments that look for solutions to the challenges facing the various PICs and that promote regional public goods by managing shared resources, exploiting economies of scale, and facilitating collective action to address common goals. More broadly, operators and investors in the WCPO tuna value chains will benefit indirectly from a more sustainable resource base and decreased risks for their operations and investment, and

<sup>35</sup> Tonnes equivalent in carbon dioxin.

<sup>36</sup> Kilowatt-hour per square meter per year.

<sup>37</sup> Krug, O. (2022) Preliminary project report – FFA Headquarters: energy saving measures and energy production first proposal for FFA headquarters in Honiara

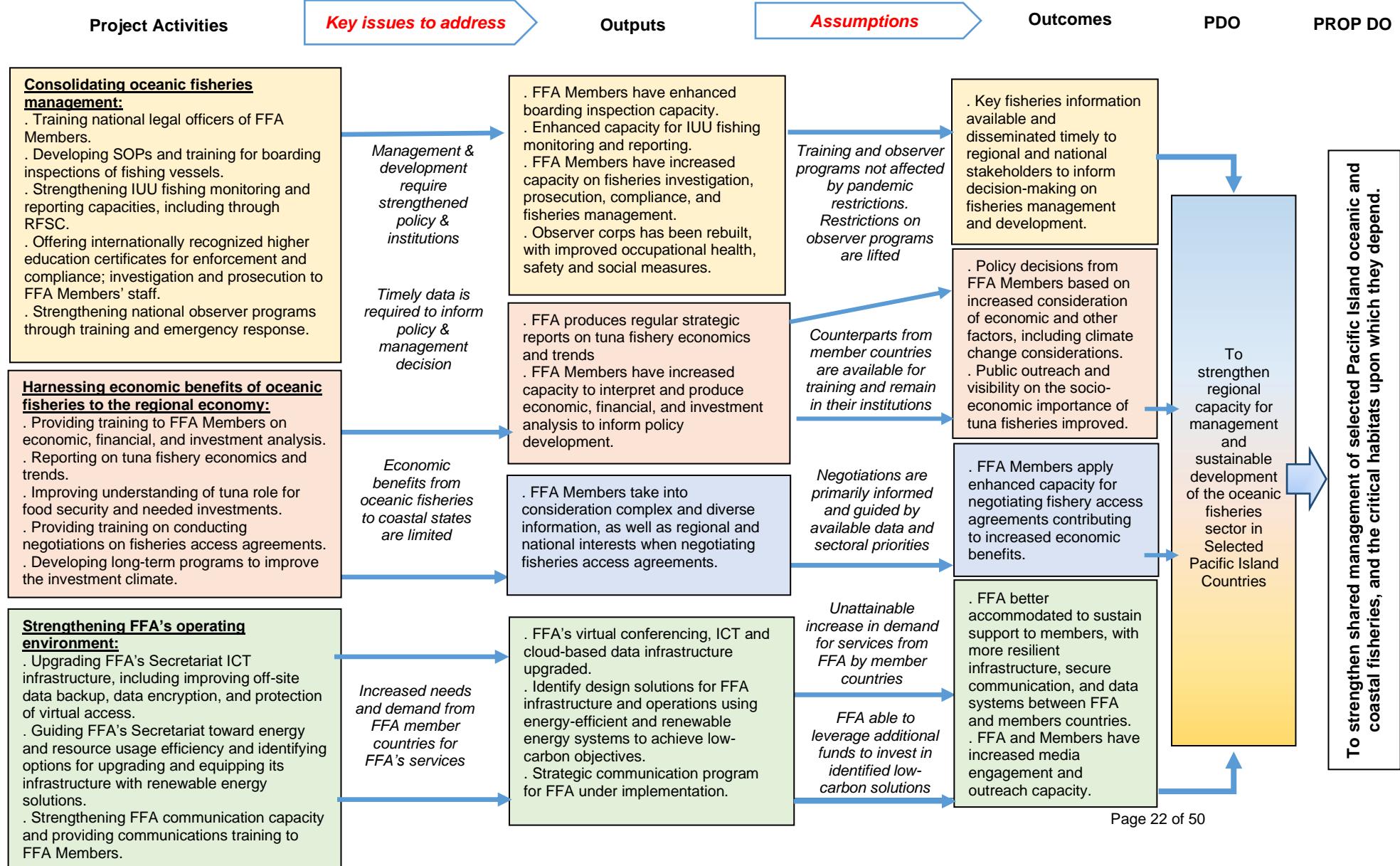


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consumers will benefit from more stable product flows and prices. Ultimately, the general population of the selected PICs involved in PROP will benefit from a healthier marine environment and increased food security.



## D. Results Chain





## E. Rationale for Bank Involvement and Role of Partners

53. The WB has been supporting the fisheries sector in the Pacific region since 2014. The FFA PROPER builds on the experience and knowledge gained from the implementation of the first cohort of PROP Projects at FFA, as well as in PICs. WB involvement will add value through: (i) global knowledge and innovation; (ii) long-term engagement through the Series of Projects, which offer the opportunity for setting long-term objectives and addressing complex sectoral challenges and development opportunities through capacity building, institutional reform and strengthening, and successive and adaptive management intervention that exceed typical project timeframes; (iii) leveraging increased IDA resources from dedicated Regional IDA allocations and serving as a platform for leveraging additional sequenced financing; (iv) operational assistance to prepare and implement the Project while managing risks, and tapping into the WB's global knowledge networks for results monitoring, capacity development, strategic communication, and knowledge development; and (v) its deep policy and operational engagement, partnerships and convening power in the fisheries sector in the Pacific region.

54. The value-added of this Project is to strengthen regional and national institutional capacity for oceanic fisheries management, and to conserve, maximize, and protect these critical resources from overexploitation and climate-induced impacts through improved CMMs. Most PICs have economies that are highly dependent on fisheries and a limited private sector base because of their small size, remoteness, and spread over a vast ocean area. FFA PROPER will be informed by methodologies developed by SPC and the South Pacific Regional Environmental Programme (SPREP)<sup>38</sup>,<sup>39, 40</sup> for cost-benefit, value-chain, and other economic analyses, which have also demonstrated their usefulness to inform public policy choices for industrial tuna, and small-scale fisheries.

## F. Lessons Learned and Reflected in the Project Design

55. **Individually tailored project design.** PROP first phase could have been better aligned with FFA priorities and mandate. While the Series of Projects continues to provide a common regional framework and an overarching collective objective that fosters regional collaboration, the series of second phase projects is being designed to respond better to the specific regional context and FFA demand. This Project also reflects the differentiation of the results framework across the Series of Projects by taking account of the intended outputs and outcomes based on country needs, the institutional context, and the specific Project objectives. At a regional level, PROPER design is more closely linked with the regional fisheries agreements and operating frameworks, such as the WCPFC, PNA, FFA, and SPC.

56. **Matching national implementation arrangements with quality regional TA and extensions for field interventions for advancing regional strategies.** Recent success in reducing IUU fishing by one-third in the region illustrates the importance of regional cooperation and national implementation. Sectoral line ministries participating in PROP have expressed increased demand for TA and capacity building from regional organizations and knowledge providers, such as FFA, SPC, and others, to support Project implementation. Close coordination with these regional organizations under the new PROP phase will offer a platform for cross-country knowledge transfer and capacity building, and further ensure regional coordination and convening power around shared goals. The FFA PROPER will directly complement country-specific PROPER interventions and activities.

57. **Investment in strong project management.** The original project management arrangements deployed at the beginning of PROP, where FFA had a role in supporting the management of national projects, involved functions beyond FFA's core role and mandate. FFA PROPER includes a fully staffed PMU to reduce the administrative burden on FFA and

<sup>38</sup> [http://www.spc.int/DigitalLibrary/Doc/FAME/Brochures/Anon\\_17\\_PolicyBrief30\\_Economics.pdf](http://www.spc.int/DigitalLibrary/Doc/FAME/Brochures/Anon_17_PolicyBrief30_Economics.pdf)

<sup>39</sup> <https://www.nature.com/articles/s41893-021-00745-z.pdf>

<sup>40</sup> [https://pacific-data.sprep.org/system/files/Economic\\_Analysis\\_of\\_CSPC.pdf](https://pacific-data.sprep.org/system/files/Economic_Analysis_of_CSPC.pdf)



to minimize the risks of implementation delays. Increased oversight of project management functions, including FM, procurement, and E&S aspects, has also been built into the FFA PROPER management arrangements. A PPA has been utilized to ensure readiness for implementation and accelerate early progress in the Project.

58. **Long-term regional engagement.** Fisheries management needs to be considered as a long-term multiphase process and engagement. While the original intentions of PROP continue to be relevant, they need to be realistically stretched across multiple phases of successive projects. The investments and engagement under PROPER build on the achievements of PROP and are intended to, in turn, feed into a future engagement (refer to Annex 2 on the PROP Series of Projects).

59. **Measuring improvements in regional capacity.** FFA provides significant regional technical advice and capacity development, in areas such as observers, prosecution, and competent authority. However, monitoring of capacity development results was limited in FFA PROP. Moreover, there was no systematic results monitoring of behavior changes from learning, and the subsequent impacts that can be attributed to the increase in the competency of trainees due to FFA training. FFA PROPER will include indicators to measure capacity development interventions for better and more timely monitoring of learning outcomes, behavior changes, and development outcomes. FFA PROPER will also strengthen the monitoring of uptake and implementation of FFA research, capacity development and policy recommendations, for example, the adoption of guidelines, standard operating procedures, and the use of analytical work.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

60. FFA houses a PMU responsible for day-to-day Project implementation with core staff recruited during Project preparation. The PMU, under the leadership of the FFA Director General, is 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)<sup>41</sup>. 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 as required by an E&S Specialist, M&E Specialist, and Procurement Specialist.

61. Project oversight will be carried out by the PSC<sup>42</sup>, which will meet on an annual basis, or more frequently as required, and will provide updates on Project implementation to the FFC. The FFC, which is comprised of the 17 FFA Members, meets once a year at its annual session with special meetings held at other times of the year based on need.

62. A draft Project Operations Manual (POM) has been developed. The POM includes a detailed description of the institutional arrangements and procedures for implementing the Project, including annual work plan development, M&E, reporting, financial management, procurement, E&S risk management, processes related to implementation of capacity building and training activities, data protection and privacy protocols in accordance with good international practice, protocols in place for use and safekeeping of equipment provided to FFA Members under the Project, procedures for obtaining consent from member countries for in-country activities as applicable, and specific protocols for promoting UNCLOS compliance as applicable.

<sup>41</sup> Refer to Annex 1 for PSC composition.

<sup>42</sup> The PSC is an internal arrangement of FFA.



## B. Results Monitoring and Evaluation Arrangements

63. The PMU will use a results-based management approach<sup>43</sup> to align and adjust implementation with progress made toward the achievement of the Project's expected outcomes. Results monitoring will focus on assessing progress towards the PDO and intermediate indicator targets, and to determine the outlook of meeting desired Project outcomes. Key elements of the Project M&E system are included in the POM. The PMU will hire a time-based M&E Specialist for: activity and process monitoring; progress monitoring; participatory monitoring to generate feedback from stakeholders and beneficiaries on a range of activity-related topics; outcome monitoring; and impact monitoring. Project results will be monitored semi-annually with inputs from FFA, and validated based on agreed data sources and methodology. WB implementation support missions will be carried out twice a year to assess progress on interim targets and to agree on corrective measures. A mid-term review will be carried out no later than 30 months after Project effectiveness.

## C. Sustainability

64. **Institutional Sustainability.** Since 1979,<sup>44</sup> FFA has facilitated regional cooperation so that all Pacific countries benefit from the sustainable use of tuna. FFA PROPER will support FFA to continue to assist countries to manage their fishery resources sustainably, to deepen its engagement as an advisory body providing expertise, provide TA and other support to its members who make sovereign decisions on their tuna resources, and to participate in regional decision making on tuna management.

65. **Economic Sustainability and Resilience.** The Project contributes to maintaining revenue from oceanic fisheries through its support for continuous and enhanced regional and national efforts, while controlling the costs of monitoring through innovative technologies. Improved management of oceanic fisheries will ensure a stronger resource base and economic activities they support, which in turn will increase resilience to shocks.

66. **Climate, Disasters, Environmental and Economic Sustainability, and Resilience.** The Project contributes to the management of climate change and disaster risks through its support for the alignment of the fisheries sector with best international practices and standards on environmental sustainability. The Project also supports the adoption of regional CMMs and their implementation in national waters, ensuring sustainable use of tuna resources.

## IV. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis

67. **Climate Risks.** A screening of the Project for short- and long-term climate change and disaster risks using the WB Climate and Disaster Risk Screening Tool deemed the exposure of the Project's location to be *High Risk*, due to the historical occurrence of climate and geophysical hazards, and the expectation that the Pacific region will generally experience future events of higher intensity, duration, and frequency. The impacts of climate change to the project's physical infrastructure and assets have been assessed as *High*, due to the expected changes in distribution and the abundance of fish within the region.

68. **Paris Alignment.** The operation is aligned with the goals of the Paris Agreement on both mitigation and adaptation.

<sup>43</sup> Results-based management is a participatory and team-based management approach to work planning and programming of activities that focuses on performance and achieving results.

<sup>44</sup> South Pacific Forum Fisheries Agency Convention



69. **Assessment and reduction of mitigation risks.** The operation has a low risk of impacting the Pacific Islands Forum's collective aim to achieve carbon neutrality in the Pacific by 2050. Project activities are not expected to contribute to a significant increase in GHG emissions as these activities support capacity building, technical assistance (e.g., installation of personal safety surveillance cameras), and improved public administration services (e.g., functions and frameworks) which are all Universally Aligned. The project design considered activities to improve energy efficiency across FFA's infrastructure and operations that could then serve as a case study or deployment and dissemination across member countries. EDGE<sup>45</sup> modelling has been undertaken to identify an estimated total savings of 203.11 tCO<sub>2</sub><sup>46</sup> per year across the FFA footprint. Additional funding will be sought during implementation to conduct investments in low-carbon transition of FFA's infrastructure.

70. **Assessment and reduction of adaptation risks.** The main climate and disaster risks likely to affect oceanic fishery resources are rising sea temperatures, ocean acidification, and shifting ocean currents. The project design takes into consideration the key climate risks by addressing the anthropogenic pressures of IUU fishing through regional policy development, regional surveillance operations and improved monitoring and reporting. Adaptive fisheries management is supported by building the capacity of member countries to adapt to climate change through technical assistance including developing long-term plans to maximize the value of the WCPO tuna fishery, and achieve national food security. Project activities will provide modelling and forecasting of economic and social benefits to determine development actions and management measures for building climate resilience throughout regional fisheries and supporting food security adaptations.

71. The operation adequately reduces the physical climate risks to project outcomes, and the project's climate resilience and adaptation design considerations through system level planning and institutional capacity and coordination limit the exposure to an acceptable level of residual risk.

72. **Economic Analysis.** A cost-benefit analysis of the Project was conducted to estimate the quantifiable direct benefits generated. The 'business as usual scenario' assumes that oceanic and coastal resources and ecosystems would continue to deliver substantial benefits to the FFA Members. The FFA Strategic Plan (2020-2025) puts a strong focus on strengthening fisheries institutions at national and regional levels, and on empowering member countries to manage their shared fisheries resources for the collective benefit of the region into the future.

73. Activities planned under Component 1 are expected to contribute to prevent an erosion of revenue under the status quo from existing clearly identified IUU risks, through training and technical expertise to develop operating procedures for boarding, port inspections, IUU monitoring and reporting. Training activities to build capacity of member countries and strengthen the NOPs are crucial to pursue the substantial reduction in overall estimates of IUU volumes and values since 2016. The loss of annual rent from tuna fisheries alone has been estimated to have decreased by more than US\$100 M since 2016.

74. Activities under Component 2 aim to assist FFA Members to further increase the contribution from collective management of oceanic fisheries to their national economies, in particular through increased domestic value added and increased contribution to food security. Even small improvements in fisheries management and investments of the resource rent collected at national level could bring substantial social and welfare benefits.

75. Benefits from activities to strengthen FFA's institutional capacity under Component 3 would stem from upgrading the FFA digital infrastructure and services. The resulting more robust service continuity and enhanced cyber security will

<sup>45</sup> <https://edgebuildings.com/>

<sup>46</sup> Tonnes equivalent in carbon dioxin.



contribute to FFA's roles regionally and in supporting member countries, in monitoring fishing activities, and increasing the value of fishing rights.

76. The overall economic internal rate of return (IRR) estimated at the end of the Project (five years) is 20 percent, rising to 31 percent after ten years without further investment. Institutional strengthening activities under Components 1, 2 and 3 at the regional and national levels are expected to deliver benefits over at least 10 years with little additional investment. The IRR (after 10 years) is not overly sensitive to a decrease in expected returns or to increased costs, decreasing to 22 percent after 10 years, assuming that the expected benefits decreased by 20 percent together with a 20 percent cost increase.

## B. Fiduciary

77. **Financial Management.** The FM arrangements will be carried out as stipulated in Bank Policy 'Investment Project Financing' (IPF), subject to implementation of agreed actions and mitigating measures. An FM capacity assessment of FFA was carried out in March 2023 to determine whether the existing FM arrangements correctly and completely record all transactions and balances; facilitate the preparation of regular, timely and reliable financial statements; safeguard the Project's assets; have reasonable controls; and that independent and competent audit arrangements are in place. The assessment recorded that existing financial management arrangements satisfy the financial management requirements as stipulated in Bank Policy for Investment Project Financing. The Project FM residual risk is rated as Moderate. FM arrangements, including details of the funds flow and disbursement arrangements, are described in Annex 1.

78. **Procurement** for the Project will be carried out in accordance with the WB Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 2016, revised November 2017, August 2018, and November 2020 (referred to as "Procurement Regulations"), as well as the provisions stipulated in the Financing Agreement and the Project's procurement plan. The WB's planning and tracking system, Systematic Tracking of Exchanges in Procurement (STEP), will be used to prepare and update procurement plans, to manage contract implementation, and to conduct procurement transactions for the Project.

79. The FFA will be responsible for conducting and monitoring procurement activities under the Project. The procurement risk assessment was carried out in December 2022 and noted that the FFA has prior knowledge of and experience with WB financed projects through FFA PROP (P131655). More details of the Project's procurement arrangements, procurement strategy, and the initial procurement plan are provided in Annex 1.

## C. Legal Operational Policies

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

## D. Environmental and Social (E&S)

80. 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.



81. 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.

82. The Project will generate minor E&S risks associated with procurement of equipment and TA activities. 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.

83. 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.

84. The following E&S instruments have been prepared and adopted for the Project: the SEP, LMP, ESCP, and COVID 19 Safety Protocol. These instruments were publicly disclosed on the FFA website and on the WB website on 16 March 2023. An updated version of the ESCP was publicly disclosed on 20 June 2023.

## V. GRIEVANCE REDRESS SERVICES

85. **Grievance Redress.** Communities and individuals who believe that they are adversely affected by a project supported by the WB may submit complaints to existing project-level grievance mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of WB Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the WB's GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the WB's AM, please visit <https://accountability.worldbank.org>.

## VI. KEY RISKS

86. **The overall risk is assessed as Moderate, with Low and Moderate risks across all risk categories.** The overall risk assessment factors in FFA's prior experience as a PROP implementing agency. The Project has been designed to align with FFA's core responsibilities and comparative advantages, thus further mitigating risks.

**VII. RESULTS FRAMEWORK AND MONITORING****PDO Indicators by PDO Outcomes**

<b>Key fisheries information available to timely inform decision-making on fisheries management</b>							
<b>Fisheries management informed by timely availability of fisheries data to national and regional stakeholders (Number)</b>							
Baseline Feb/2023	Intermediate Targets					End Target Jul/2028	
	Jul/2024	Jul/2025	Jul/2026	Jul/2027			
0	0	1	1	2	3		
Description	The number corresponds to interim targets of the sub-indicators achieved in the covered period. This indicator measures both the regional collaboration and national capacity aspects of the PDO.						
<b>Improved regular strategic reports on economics and investment trends in WCPO tuna fisheries and related sectors produced (Number)</b>							
Baseline	Intermediate Targets					End Target	
	0	0	1	1	1		
Description	Count of strategic economic reports published annually from Year 3 onwards and following update of economic metrics and indicators to be monitored and reported on during the first two years of project implementation.						
<b>Minimum number of FFA members providing timely information to the updated IUU fishing information dashboard (Number)</b>							
Baseline	Intermediate Targets					End Target	
	0	2	4	6	8		
Description	Count of countries that are providing timely information on a suite of updated IUU fishing metrics that are published in an updated IUU information dashboard.						



<b>Number of FFA members increasingly using the updated Niue Treaty Information System (NTIS) for intelligence and resources sharing (Number)</b>												
Baseline	Intermediate Targets				End Target							
0	0	3	6	9	12							
Description	The Niue Treaty Information System (NTIS) 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.											
<b>FFA members increasingly base policy decisions on consideration of economic and other factors</b>												
<b>Number of FFA member countries reporting that fisheries-related policy making is being informed by FFA policy briefs. (Number)</b>												
Baseline	Intermediate Targets			End Target								
	Feb/2023			Jun/2026								
0	3			6								
Description	Assessment of impact and update of recommendations and guidance from policy briefs by FFA member countries.											
<b>FFA members apply enhanced capacity for negotiating fishery agreements</b>												
<b>Number of FFA member country representatives reporting improved capacity and confidence in negotiating fisheries arrangements and agreements. (Number)</b>												
Baseline	Intermediate Targets			End Target								
	Feb/2023			Jun/2026								
0	2			6								
Description	Assessment of impact and application of negotiations training and information from strategic economic reports in negotiations for fisheries access agreements by FFA member countries. Increased capacity and confidence is expected to result in more favorable terms for FFA member countries in agreements.											

**Intermediate Indicators by Components**

<b>Component 1: Consolidating oceanic fisheries management</b>							
<b>Information Management System for IUU metrics developed and providing up-to-date information (Yes/No)</b>							
Baseline Feb/2023	Intermediate Targets				End Target Jun/2028		
	Jun/2024	Jun/2025	Jun/2026	Jun/2027			
No	No	No	Yes	Yes	Yes		
Description	Progress on technical IMS development to support collection, and analysis for IUU metrics, including further development of the Regional Information Management Framework (RIMF).						
<b>Number of persons from national fisheries administrations that have graduated with qualification (Number)</b>							
Baseline Feb/2023	Intermediate Targets				End Target Dec/2028		
	Jun/2026	Jun/2027					
0	10	15	20				
Description	Cumulative number of certificates and diplomas issued by USP completed						
<b>Increase in the share of females from national fisheries administrations that have graduated with qualification (Percentage)</b>							
Baseline Feb/2023	Intermediate Targets			End Target Jun/2028			
	Jun/2026						
0	5			10			
Description	The average share of women participating in FFA's formal courses is at 19% based on the last four cohorts of certificate training. The target is a 10% increase for the share of women graduating.						
<b>Component 2: Harnessing economic benefits of oceanic fisheries to the regional economy</b>							



<b>Number of national fisheries administration staff that received training in fisheries economics, financial and investment analysis (Number)</b>								
Baseline Feb/2023	Intermediate Targets				End Target Jun/2028			
	Jun/2024	Jun/2025	Jun/2026	Jun/2027				
0	30	60	90	120	150			
Description	Cumulative number							
<b>of which female (Number)</b>								
Baseline Feb/2023	Intermediate Targets			End Target				
	Jun/2026	Jun/2027	Jun/2028					
0	0	50						
<b>Number of national fisheries administration staff that received training in fisheries negotiations (Number)</b>								
Baseline Feb/2023	Intermediate Targets			End Target				
	Jun/2026	Jun/2027	Jun/2028					
0	19	38	58					
Description	Cumulative number of national fisheries administration staff that received training							
<b>of which female (Number)</b>								
Baseline		End Target						
0		19						
<b>Component 3: Strengthening FFA's operating environment</b>								
<b>FFA's cybersecurity environment enhanced (Yes/No)</b>								
Baseline	Intermediate Targets			End Target				



Feb/2023	Jun/2024	Jun/2025	Jun/2026	Jun/2027	Jun/2028
No	No	No	Yes	Yes	Yes
Description	Progress with upgrades to digital infrastructure critical to ensure secure access and use of data to support decision making processes of FFA and its members, e.g. improved data encryption, offsite cloud back-up, etc. preventing cyber security breaches.				
<b>Component 4: Project Management</b>					

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Fisheries management informed by timely availability of fisheries data to national and regional stakeholders	The number corresponds to interim targets of the sub-indicators achieved in the covered period. This indicator measures both the regional collaboration and national capacity aspects of the PDO.	Annual	PMU Reports	Aggregation of results from sub-indicators	PMU and respective FFA Divisions
Minimum number of FFA members providing timely information to the updated IUU fishing information dashboard	Count of countries that are providing timely information on a suite of updated IUU fishing metrics that are	Annually	Country reporting on improved IUU fishing	FFA Records	PMU and FFA Fisheries Operations Division



	published in an updated IUU information dashboard.		metrics that are informed by, inter alia, the two FFA IUU Quantification Reports and by the Regional Monitoring, Control and Surveillance Strategy (RMCSS).		
Number of FFA members increasingly using the updated NTIS for intelligence and resources sharing	The Niue Treaty Information System (NTIS) 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	Annually	NTIS records	Count of countries that have used the NTIS	PMU and FFA's Fisheries Operations Division



	enforcement activities by providing a framework for the Parties to share resources and exchange information, including fisheries data and intelligence.				
Improved regular strategic reports on economics and investment trends in WCPO tuna fisheries and related sectors produced	Count of strategic economic reports published annually from Year 3 onwards and following update of economic metrics and indicators to be monitored and reported on during the first two years of project implementation.	Annually	FFA records	FFA publications	PMU and FFA Fisheries Development Division
Number of FFA member countries reporting that fisheries-related policy making is being informed by FFA policy briefs.	Assessment of impact and update of recommendations and guidance from policy briefs by FFA member countries	Annually	Periodic qualitative assessments	Measured in periodic qualitative assessment during FFA meetings	PMU and FFC Secretariat
Number of FFA member country representatives reporting improved capacity and confidence in negotiating fisheries arrangements and agreements.	Assessment of impact and application of negotiations training and information from strategic economic reports in negotiations for fisheries access agreements by FA member countries. Increased capacity and confidence is expected to	Periodic	Training and Capacity Assessment	Measured by periodic training and capacity assessment	PMU and FFA Training Advisor



	result in more favorable terms for FFA member countries in agreements.					
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**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Information Management System for IUU metrics developed and providing up-to-date information	Progress on technical IMS development to support collection, and analysis for IUU metrics, including further development of the Regional Information Management Framework (RIMF).	Annually	IMS for IUU	IMS for IUU	PMU and FFA Fisheries Operations Division
Number of persons from national fisheries administrations that have graduated with qualification;	Cumulative number of certificates and diplomas issued by USP completed	Semiannually	FFA Training and graduation records	FFA Training records	PMU and FFA Training Advisor
Increase in the share of females from national fisheries administrations that have graduated with qualification	The average share of women participating in FFA's formal courses is at 19% based on the last four cohorts of certificate training. The target is a 10% increase for the share of women graduating.	Annually	Training and graduation records	Certificates issued by FFA in collaboration with USP	FFA Training Advisor



Number of national fisheries administration staff that received training in fisheries economics, financial and investment analysis	Cumulative number				
of which female					
Number of national fisheries administration staff that received training in fisheries negotiations	Cumulative number of national fisheries administration staff that received training	Semiannually	FFA Training Records	FFA Training Records	PMU and FFA Training Advisor
of which female					
FFA's cybersecurity environment enhanced	Progress with upgrades to digital infrastructure critical to ensure secure access and use of data to support decision making processes of FFA and its members, e.g. improved data encryption, offsite cloud back-up, etc. preventing cyber security breaches.	Annually	FFA IT records	FFA IT records	PMU and FFA Fisheries Operations Division: IT group

**ANNEX 1: Implementation Arrangements and Support Plan****COUNTRY: Pacific Islands**

Forum Fisheries Agency: Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience

**FFA Member Approval of the Project**

1. For FFA Member approval of the Project, a decision of by FFA's governing body, the Forum Fisheries Committee (FFC), is required. The FFC's annual meeting (FFC126) was held in Majuro, Marshall Islands on May 22-23, 2023, and approved relevant Project documentation. FFC decisions are reached based on consensus.
2. For specific in-country activities supported under the Project, FFA Member consent is covered through Country Service Level Agreements (CSLAs, soon to be referred to as partnership agreements) or through written requests received from FFA Members. CSLAs (or partnership agreements) set out the specific activities that a FFA Member requires, and additional activities may be set out in written requests. If a particular activity supported under the Project is not accommodated in the CSLA, a written request from the Member will be required.

**Implementation Arrangements**

3. FFA is an advisory body providing expertise, technical assistance and other support to its members who make sovereign decisions about their tuna resources and participate in regional decision making on tuna management through agencies such as the WCPFC. Member countries maintain full statutory responsibility for management of their natural resources and compliance with their international obligations, and may elect to follow advice provided by FFA at the Government's own discretion. PICs coordinate with the FFA in developing common regional positions and presents national positions on high seas management and allocations discussions in the WCPFC. The founding document of the FFA, the 1979 South Pacific Forum Fisheries Agency Convention outlines the scope and limitations of FFA's role.

4. A PSC established under the first phase of the PROP will be maintained for the Project and will be responsible for strategic oversight and coordination of the Project. The PSC is chaired by the Deputy Director General or Director of Fisheries Development, and further includes the Director of Fisheries Operations and the Director of Corporate Services, with FFA PROPER Project Coordinator serving as the PSC's Secretariat. The PSC provides advice and guidance to the PMU on issues affecting Project implementation, and will meet on an annual basis, or more frequently as required. The PMU will remain under the leadership of the FFA Director General. The PSC will provide updates on project implementation to the FFC as required. The FFC is comprised of the 17 FFA Members and meets once a year at its annual session with special meetings held at other times of the year according to its discretion and agenda. The roles of the PSC, implementing agency and the PMU, and their relation, are summarized in Figure A1.1 below.

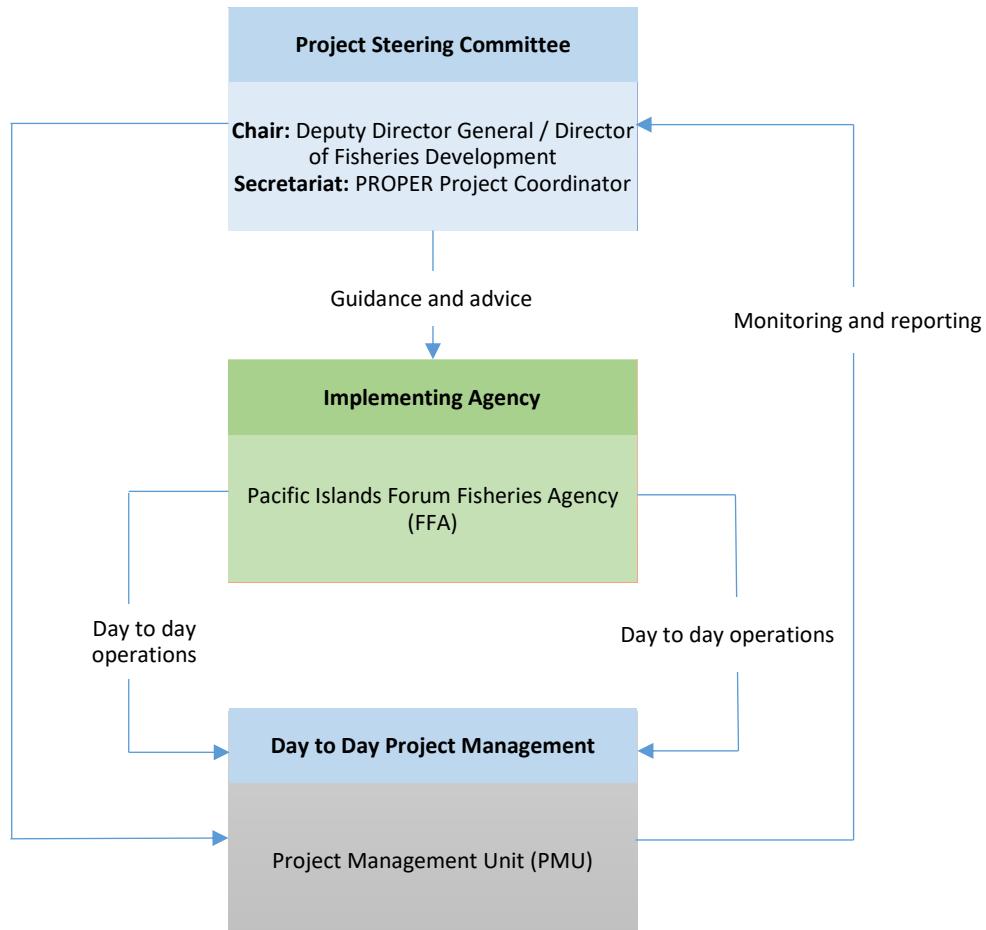
5. The Project will be implemented by the FFA, which will be responsible for the coordination and implementation of the Project through the PMU. The PMU will be responsible for the day-to-day management of the Project, including FM, procurement, and ESF compliance and reporting to the PSC. The PMU will consist of a Project Coordinator, a Finance and Administration Officer, and a Procurement Officer as minimum staffing to be maintained throughout implementation. Time-based support will also be provided by an E&S Specialist, M&E Specialist, and Procurement Specialist as required.

6. The POM will describe the institutional arrangements for day-to-day Project execution, including procurement, ESF compliance, FM, and M&E. The FFA will prepare the first annual work plan and budget within three months of the



effective date of the Financing Agreement; subsequent annual workplans and budgets will be completed by February 1 each year. The PMU will have primary responsibility for preparing annual work plans and budgets, as well as manage standard Project reporting, the procurement plan, and the diligent application of the POM.

**Figure A1.1: Implementation arrangements**



## Procurement

7. **Procurement Strategy.** Procurement under the Project will include mainly goods, consulting, and non-consulting services:

a. **For Component 1**, procurement activities will include: consulting services, such as Developing National Boarding (Port and At Sea) SOP, COVID-19 SOP, and technical support to FFA Members; reviewing Regional Fisheries Surveillance Center (RFSC) functions and developing the RFSC framework; feasibility study on the installation of personal observer surveillance cameras on fishing vessels, fisheries law research and publications (judicial compilation for members), Centralized Regional Asset Tracking Hub/Platform, and Scheme M&E; and goods such as Regional Resource Boarding Equipment Support, and Observer Safety Equipment. These activities will be of relatively small value.

b. **Component 2** will include the procurement of goods and consulting services relating to (i) production of regular strategic reports on the economics of the WCPO tuna fishery and investment trends in fisheries and related sectors;



(ii) assistance to help members develop long-term programs to improve the investment climate for the fisheries sector, focusing on locally binding constraints; (iii) assistance to FFA Members to develop and implement policies to increase contributions of national food security; (iv) strengthening policy and institutions, and (v) building the communications capacity of FFA & its Members.

c. **Component 3** will include the procurement of goods and consulting services for (i) identifying design options for low-carbon FFA infrastructure; and (ii) upgrades and support to FFA digital infrastructure and services.

d. **Component 4** will include the procurement of goods and consulting services for Project management support, including the establishment of a PMU, and the Project Coordinator.

8. The Project Procurement Strategy for Development (PPSD) shows that procurement activities under the Project are considered of moderate risk. Goods to be procured under the Project are of small value and are not complex. Market research has shown that the FFA has opportunities to select national and local suppliers available in the market to supply goods required under the Project and the Request for Quotations (RFQ) method with a national market approach will mainly be applied. Regarding the consultant services, the consultancy market in the Solomon Islands is also not very robust. Therefore, the market approach for specialized and critical consulting services required under the Project will likely be international. As the size of the consulting assignments is relatively small, Selection Based on the Consultants' Qualifications (CQS) will be the common method to be applied. Individual Consultants needed for the Project will be hired mostly with open competitive approach.

9. **Procurement Plan.** Based on the PPSD, an initial procurement plan for the Project was finalized prior to negotiations. It will be updated by the implementing agency at least on an annual basis to (i) reflect Project implementation, (ii) allow for changes, and (iii) add new packages as needed for the Project. All procurement plan updates or modifications will be subject to the WB's prior review and no-objection. Contracts not subject to prior review will be subject to post-review and the WB will carry out procurement post-reviews on an annual basis with an appropriate sample.

### **Financial Management**

10. The existing FM systems appear acceptable to meet the minimum FM requirements as stipulated in Bank Policy for IPF, subject to implementation of agreed actions and mitigating measures. The FM arrangements are detailed below:

11. **Budgeting.** A budget for the Project will be required to be prepared and maintained and reported against actuals. The budget will be submitted to the WB on a yearly basis for review and clearance. The procurement plan will be prepared in accordance with the approved Project budget.

12. **Accounting.** FFA uses the Finance 1 accounting software developed by Technology 1 Australia. The accounting software has been customized to be 'fit for purpose'. A separate Project code, and a funding source code will be assigned to help distinguish it from FFA funds. The coding system allows for effective Project financial reporting and accounts reconciliations.

13. **Internal Controls.** Relevant financial procedures are in place and the authority levels are documented in the delegation of authority listing included in the Annex to the FFA Financial Procedures Manual. Under Section 8.2 of the 'Financial Procedures Manual 2019', the issuing or purchasing division details the goods, services or works requested in the 'Expense Requisition Form' (ERF). Once authorized, the Corporate Services Division (CSD) procurement team issues a Purchase Order (PO) via the Finance One (F1) system, and the relevant reference number of the PO is quoted on the ERF. The CSD procurement team ensures that goods are received in good condition. Once the goods are received or the services are provided, the CSD Finance Officer prepares the payment voucher and attaches the relevant ERF for payment. Bank reconciliation will be performed monthly, with explanations for unreconciled items provided in the bank



reconciliation report. Subsidiary records of fixed assets are maintained up to date and reconciled with control accounts. Asset existence against the Asset Register records is verified annually and a signed stock take report detailing deficits or surpluses, recommendations for disposal etc., is submitted to the Director Corporate Services for further action. Contracts are partially managed by the Project Coordinator and by the procurement / finance team. The Project Coordinator will ensure that the contract is being delivered in accordance with the agreed timelines and up to the necessary standards. The procurement / finance team will track the commitment of funds towards the contract and ensure that commitments are cleared by the expected deliverable dates. To ensure that the Project is implemented as per the POM, the FFA Internal Auditors will include in their workplan the assessment of the Project internal controls and recommendations to improve systems and processes, and monitor those controls that impact on the achievement of Project objectives.

14. **Financial Reporting.** Unaudited IFRs will be prepared by FFA on a quarterly basis. The IFRs will include an analysis of actual expenditures for the current period, year to date and cumulative to date, plus outstanding commitments and comparisons against the Project, the Designated Account (DA) reconciliation, as well as supporting information such as the imprest register, assets register, leave register and contracts register. All Project reporting is derived from the reporting/accounting system. Financial reports will be reviewed and cleared by the FFA Senior Finance Officer and by the Project Coordinator, before submission to the WB. As part of this review, a reconciliation needs to be evident to show the system balances and the reporting balance. Any differences are investigated and need to be explained. The format will be developed and agreed by FFA and the WB prior to the due date for the submission of the first IFRs. The IFRs will be forwarded to the WB within 45 days of the end of each calendar quarter.

15. **External Audit.** An annual financial audit of the Project and the auditor's management letter will be required to be submitted to the WB within six months after the end of the FFA fiscal year and shall be made publicly available by FFA in a manner acceptable to the WB.

16. **Funds Flow and Disbursement Arrangements.** A DA held with an acceptable commercial bank will be maintained for the receipt of funds disbursed from the WB and to finance eligible Project expenditures. The ceiling for the DA will be specified in the Disbursement and Financial Information Letter (DFIL). The Project may use the following disbursement methods: (i) advances; (ii) direct payment; and (iii) reimbursement. Disbursements will be against the Statements of Expenditure. Required supporting documentation for disbursements will be outlined in the DFIL.

17. Eligible expenditures on goods, works, consulting services, non-consulting services, training and operating costs will be reimbursed at 100 percent up to the ceiling of US\$8.5 million equivalent. US\$500,000 is allocated for the refinancing of the PPA. As part of the operating costs, the Project will cover the information technology and utility fees incurred by FFA for staff and consultants hired for the purposes of the Project and based at FFA headquarters as per formula defined in the POM.

**Table A1.1. Financing Agreement Disbursement Categories and Amounts**

Category	Amount of the Financing Allocated (expressed in SDR)	Amount of the Financing Allocated (expressed in US\$ equivalent)	Percentage of Expenditures to Be Financed (inclusive of taxes)
(1) Goods, works, non-consulting services, and consulting services, Operating Costs, and Training and Workshops	6,420,000	8,500,000	100
(2) Refund of Preparation Advance	380,000	500,000	100
<b>Total Amount</b>	<b>6,800,000</b>	<b>9,000,000</b>	

**Implementation Support Plan**

18. **Strategy and approach for implementation support.** The Project implementation strategy is based on: (i) ensuring a high degree of implementation readiness of Project components; (ii) focused technical, financial and procurement review by the WB; (iii) close and continuous follow-up on issues highlighted during implementation support missions. The Implementation Support Plan will consist of a continuous dialogue with FFA and the PSC, and will include systematic joint reviews of program implementation, and regular oversight and support for Project activities. The Implementation Support Plan will enable the early identification of problems and the provision of timely TA to correct issues as they arise. Lessons learned from implementing the POM will be incorporated in future revisions of the POM, and further training will be offered for PMU staff and other relevant stakeholders where necessary.

19. The WB will provide support on procurement and FM, as required. This will include training of the respective PMU staff; providing guidance on technical specifications for terms of reference; reviewing procurement documents and providing feedback to the PMU; monitoring progress against the detailed Procurement Plan; reviewing the implementation of accounting, reporting, and internal controls; and providing feedback to the PMU based on the submitted reports.

20. Coordination will be maintained with member countries, development partners and nongovernmental organisations in the fisheries sector, in particular FFA Members with PROP/PROPER Projects and SPC as a counterpart regional agency.

21. **Team composition.** The WB implementation support team is expected to consist of two experienced co-Task Team Leaders in charge of overall coordination of FFA PROPER activities, and a Senior Fisheries Specialist based in Honiara to work with FFA, as needed, to support implementation. In addition, regionally based technical, procurement, and FM specialists and E&S specialists will provide implementation support in their areas of expertise. If required, implementation support consultants will be hired on an ad-hoc basis to provide real-time TA to support smooth implementation where capacity is inadequate.

22. **Implementation Support Plan and resource requirements.** Three implementation support missions will take place during the initial 12 months of implementation. This will be reduced to two implementation support missions in subsequent years. These periodic support missions will be complemented by regular audio and video interactions with the relevant counterparts.

**Table A1.2. Implementation Support Plan**

Time	Focus	Skill Required	Resource Estimate (Staff-weeks/ Year)
<b>0–12 months</b>	Implementation support coordination	Co-Task Team Leaders	12
		Environmental Analyst/ Operations Officer	8
	Overall technical support	Senior Fisheries Specialist	8
	FM	FM Specialist	4
	Procurement	Procurement Specialist	4
	ESF	Environmental Specialist	4
		Social Specialist	4
<b>Total Staff Weeks (0–12 months)</b>			<b>44</b>
<b>12–60 months</b>	Implementation support coordination	Co-Task Team Leaders	10
		Environmental Analyst/ Operations Officer	6
	Overall technical support	Senior Fisheries Specialist	6
	FM	FM Specialist	3
	Procurement	Procurement Specialist	3
	ESF	Environmental Specialist	3
		Social Specialist	3
<b>Total Staff Weeks (per year, 12–60 months)</b>			<b>34</b>



## ANNEX 2: Overview of PROP and Phase 1 PROP Project in the FFA

1. **This Project is the eleventh under the PROP Series of Projects.** PROP was developed in 2013 as an IDA Regional Window program and 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 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 was approved in May 2023. This would be the second phase project for FFA. The Series of Projects development objective is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats on which they depend, while each project has a specific PDO.

**Table A2.1. PROP SOP Phases**

	1st Phase: Regional collaboration and foundation of fisheries management							2nd Phase: Enhanced regional collaboration and fisheries management capacity							3rd Phase: Value chain development and regional integration							
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
FFA	Completed							This Project							Anticipated							
Solomons	Completed							Under implementation							Anticipated							
FSM	Completed							Under preparation							Anticipated							
RMI	Completed							Under implementation							Anticipated							
Tuvalu	Completed							Under preparation							Anticipated							
Samoa		Under implementation							Anticipated							"						
Tonga		Under implementation							Anticipated							"						
Kiribati		Under implementation							Anticipated													
Vanuatu									Under discussion							Anticipated						
Palau									Under preparation							Anticipated						
Fiji									Under discussion							Anticipated						
SPC									Under discussion							Anticipated						

2. **PROP is promoting a sequenced approach where each new country project scales up successes, builds on lessons learned from the previous project, and expands to new domains of activities to move toward achieving the Development Objective of the Series of Projects.** While the first phase of PROP focused on fisheries management through national contributions to regional management efforts and strengthening national capacities, the second phase will further enhance these aspects, scaling up successes and building on lessons from the first phase while paving the way for a third phase to further harness oceanic fisheries to the regional economies, develop and diversify domestic value chains, and promote regional integration.

3. **Key outcomes of the implementation of the first phase PROP Project with FFA include** (i) significant capacity building and training of FFA member countries and contributing to improving the shared management of oceanic fisheries, in particular MCS capacity, related shared standards and procedures, and TA for compliance with sanitary and IUU-related requirements to export fish to the EU; (ii) regional collaboration, via support from the SPC, for improved management and market linkages for the sea cucumber fishery, including resources assessments and development of management plans; and (iii) via support from the Office of the Pacific Ocean Commissioner, improved collective regional understanding of ocean finance concepts and opportunities, including through dedicated studies, conferences, and a fellowship program, with a country-specific Ocean Finance Profile developed for Tonga.



4. **PROPER will offer increased emphasis and investments for strengthening policies and institutions**, ensuring that Project design aligns with the FFA mandate and strategic objectives. The Project is closely linked with the regional fisheries agreements and operating frameworks such as the WCPFC, the PNA and the SPC. Identifying and combating IUU fishing and enhancing regional MCS is planned with the revitalization of NOPs, following a hiatus due to COVID-19 restrictions key for rebuilding the efforts of observer corps.



Table A2.2. Summary of PROP first and second phase projects

Individual projects	Financing (US\$ M)	Key focus	Period status
<b>First phase projects</b>			
Solomon Islands	IDA: 6.10 GEF: 1.37	<b>Management of oceanic fisheries</b> . Strengthen capacity of national & regional institutions to manage tuna fisheries . Ensure equitable distribution within PICs of benefits of managed tuna fisheries	2014–2021 Completed
FSM	IDA: 5.5	<b>Management of coastal fisheries</b> . Manage coastal fisheries that can generate export earnings . Support livelihoods, food security, and dietary health . Empower stakeholders to manage targeted coastal fisheries	2014–2021 Completed
RMI	IDA: 6.75 GEF: 1.83	. Link sustainable coastal fish products to regional markets . SPC involved in regional implementation of management of sea cucumber	2014–2021 Completed
Tuvalu	IDA: 7.00 GEF: 0.91		2014–2022 Completed
FFA	IDA: 3.97 GEF: 2.19	<b>Sustainable financing of the conservation of critical fishery habitats</b> . Establish Pacific Marine Conservation Development Financing mechanisms to support large Marine Protected Areas . Pilot Pacific Blue Carbon regional program for small to medium fishery habitats	2014–2021 Completed
Samoa	IDA: 9.00 for fisheries	<b>Samoa: Agriculture &amp; Fisheries Productivity and Marketing Project (SAFPROM)</b> <b>Strengthening National Institutions:</b> . Institutional capacity building for crops and livestock <b>Strengthening the performance of selected value chains</b> . Public-good infrastructure . Matching Grant Program	2019–2025 Ongoing
Tonga	IDA: 10.00	<b>Tonga: Pathway to Sustainable Oceans</b> <b>Strengthening Fisheries Governance</b> . Strengthening fisheries compliance capacity . MCS in Tonga's EEZ <b>Strengthening the Knowledge Base for Fisheries and Aquaculture</b> . Improving fisheries science for decision making of selected fisheries . Developing high potential aquaculture technologies . Strengthening Tonga's Special Management Area Program <b>Investing in Sustainable Fisheries Management and Development</b> . Developing an effective policy and regulatory framework to support aquaculture development and inshore commercial fisheries	2019–2026 Ongoing
Kiribati	IDA: 19.50	<b>Strengthening MCS of Large-Scale Oceanic Fisheries</b> . Strengthen MCS capacity . Improve enforcement, including facilities and infrastructure <b>Diversifying Marine-Based Revenue Streams for Outer Island Coastal Communities</b> <b>Improving Seafood Toxicology and Safety Measures in selected fisheries</b> . Develop pollution & seafood toxin assessments for Tarawa lagoon and coastal fisheries . Build capacity in seafood toxicology & construction of supporting laboratories . Develop legal and regulatory frameworks	2020–2027 Ongoing
Vanuatu	IDA	To be determined	Proposed
Palau	IBRD, trust funds	To be determined	Proposed
SPC	IDA	To be determined	Proposed
<b>Second phase projects</b>			
Solomon Islands	IDA: 13.5	<b>Strengthening regional collaboration and national capacity</b> for the management and sustainable development of the oceanic and coastal fisheries sector in the Solomon Islands	2022-2027 Ongoing
FFA	IDA	<b>Strengthening regional capacity</b> for the management and sustainable development of the oceanic fisheries sector in selected Pacific Islands	This Project
RMI	IDA	<b>Strengthening regional collaboration and national capacity</b> for the management and the sustainable development of the oceanic and coastal fisheries sector in Republic of the Marshall Islands.	2023-2029 Ongoing
FSM	IDA	To be determined	Proposed
Tuvalu	IDA	To be determined	Proposed

**ANNEX 3: Regional Integration – Rationale**

1. The Project is financed by resources from the IDA 20 Regional Window.<sup>47</sup> This Annex describes the rationale for regional integration as established for the Project.
2. The FFA's mission is to strengthen national capacity and regional solidarity so its members can manage, control and develop their tuna fisheries now and in the future. Based in Honiara, Solomon Islands, FFA's Pacific Island members are Australia, Cook Islands, FSM, Fiji, Kiribati, RMI, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.
3. FFA is an advisory body providing expertise, technical assistance and other support to its members who make sovereign decisions about their tuna resources and participate in regional decision making on tuna management through agencies such as the WCPFC. Member countries maintain full statutory responsibility for management of their natural resources and compliance with their international obligations. PICs coordinate with the FFA in developing common regional positions and presents their national positions on resource management and allocations discussions in the WCPFC. The founding document of the FFA, the 1979 South Pacific Forum Fisheries Agency Convention outlines the scope of FFA's role which includes intra-regional coordination and co-operation in: (i) harmonization of policies with respect to fisheries management, and (ii) cooperation in respect of relations with distant water fishing countries; surveillance and enforcement; onshore fish processing, marketing, and access to the 200-mile zones of other Parties.<sup>48</sup>
4. As directed by the its governing body the FFC, FFA is tasked to: collect, analyze, evaluate and disseminate to Parties relevant statistical and biological information with respect to the living marine resources of the region and in particular the highly migratory species; collect and disseminate to Parties relevant information concerning management procedures, legislation and agreements adopted by other countries both within and beyond the region; collect and disseminate to Parties relevant information on prices, shipping, processing and marketing of fish and fish products; provide, on request, to any Party technical advice and information, assistance in the development of fisheries policies and negotiations, and assistance in the issue of licenses, the collection of fees or in matters pertaining to surveillance and enforcement.
5. The FFA's executive is comprised of the Director General and Deputy Director General who have responsibility to oversee strategic management of the FFA Secretariat and relationship management with Members and partners. FFA has a staff of 116 personnel across five divisions comprising Executive, Corporate Services, Fisheries Management, Fisheries Development and Fisheries Operations. The FFA executive, together with FFA's fisheries management, operations development and corporate service Divisions guide the work of the Secretariat to develop high-level policy advice for its governing body, the FFC. The FFC is comprised of one representative of each of the FFA Members and meets once a year at its annual session with special meetings held at other times of the year according to its discretion and agenda. FFA and the project are linked through persons with responsibilities in the FFA executive and in the PSC. FFA has a budget for the current financial year of US\$ 30,050,830 spread across the divisions and various sourced with key donors currently comprising DFAT (Australia), MFAT (New Zealand), European Union (PEUMP), Global Environment Facility (OFMP III).
6. FFA is affiliated with a number of regional organizations in the Pacific. This affiliation is formalized through the advisory body known as the Council of Regional Organizations in the Pacific (CROP) and includes inter alia: SPC tasked with developing the technical, professional, scientific, research, planning and management capability of Pacific island people and whose Oceanic Fisheries Programme serves as the Commission's Science Services Provider and Data Manager for WCPFC; and SPREP tasked with strengthen the capacity of Pacific island members to plan and manage their

<sup>47</sup> <https://ida.worldbank.org/en/replenishments/ida20-replenishment>

<sup>48</sup> <https://www.ffa.int/system/files/FFA-Founding%20texts.pdf>



own national environmental programs to deal more effectively with issues that are transboundary in nature such as marine pollution.

7. The Project will be implemented by the FFA, which will be responsible for the coordination and implementation of the Project through the PMU. Table A3.1 below presents the contribution of the Project's activities to the regional objectives.

**Table A3.1. Overview the contribution of the Project's activities to regional objectives**

Regional Dimension	Illustrative Project Activities
Offshore fisheries are ecologically sustainable. Transitioning from species to managing ecosystems requires build national capacity to support the adoption of strengthened CMMs that reduce risks of overfishing, degraded ocean health and IUU fishing in the Western Pacific Ocean (WPO). Such approaches are essential to strengthen regional management measures as well as improving global standards for fishing on the high seas.	<ul style="list-style-type: none"><li>• Reporting by country and regionally.</li><li>• Incorporation of international experiences and experts (Hubs).</li><li>• Implementation support provides support &amp; coordination in national fisheries development, regional negotiations, and stakeholder engagement.</li><li>• Technical leaders make decisions that consider regional positive or negative externalities.</li><li>• Capacity building of national administrations in the effective management of tuna resources.</li><li>• Technical development of information management systems to support collection, and analysis and information sharing on IUU metrics, including further development of the RIMF.</li><li>• Capacity building to ensure legislative compliance with national and international fisheries instruments and timely reporting on WCPFC CMMs.</li></ul>
Broad cooperation across FFA Members and their partners is essential to deliver regional benefits from tuna fisheries. Key partner organizations include PNA Office, CROP agencies and donors. FFA plays a coordinating role in driving the collaboration, coordination and coherence necessary for achieving effective outcomes in line with Members' priorities and objectives.	<ul style="list-style-type: none"><li>• Facilitation of joint meetings between members, subregional organizations and technical agencies and donors.</li></ul>
Regional solidarity is critical to adopt progressive CMMs across the WPO. Adoption of WCPFC CMMs is by consensus involving FFA member countries (17) and FFA non-member countries (9), some with competing economic interests. FFA Members have a stronger negotiating position within the WCPFC when consensus positions can be reached among FFA Members.	<ul style="list-style-type: none"><li>• Coordination of fisheries surveillance operations.</li><li>• Coordination and design of advanced training for FFA Members in international fisheries negotiations.</li><li>• Consensus building and presentation of FFA Member regional positions on CMMs to WCPFC.</li></ul>
Harmonized Minimum Terms and Conditions for Access by Fishing Vessels (MTCs) to FFA Member EEZs. The MTCs are a key strategic tool developed through FFA processes to regulate access to FFA waters and are a fundamental mechanism for setting leading standards for FFA Members to protect, as well as maximize their benefits from, their fisheries resources.	<ul style="list-style-type: none"><li>• Capacity building on the use of MTCs to: develop standards for use of EM and ER systems on vessels; monitoring and reporting of fish aggregating devices, entry and exiting of EEZs, shore side landing of bycatch species, amongst others.</li></ul>
FFA Members' offshore fisheries rights in the WPO are well defined. The small size of most FFA Members legal departments limit the rate at which fisheries instruments are promulgated and the extent to which they take into consideration all relevant international law.	<ul style="list-style-type: none"><li>• Capacity building support to Members in fisheries law research and publications.</li><li>• Support to provision of recognized certificate training to eligible fisheries administration staff and of training opportunities at FFA, focused on building capacity in international and national fisheries law.</li><li>• Capacity building to strengthen zone-based management, improved management of longline and purse seine fisheries and the exercise of flag State rights.</li></ul>
FFA Members' offshore fisheries rights are secured and protected. Effective monitoring and control of fishing activity in	<ul style="list-style-type: none"><li>• Enhancing national capacity to effectively implement flag state, port state and processing state measures.</li></ul>



Regional Dimension	Illustrative Project Activities
the EEZs of most FFA Members is beyond the economic capacity of small fisheries administrations given the large size of their EEZs and high costs of maritime and aerial surveillance assets. Economies of scale can be gained through regional level coordination and harmonized approaches taken towards MCS related activities.	<ul style="list-style-type: none"><li>Developing monitoring and reporting metrics to quantify IUU fishing and development of the RIMF.</li><li>Enhancing the RFSC and effective implementation of the Niue Treaty</li><li>Use of international forums to promote global recognition and adoption of zone-based management and to protect FFA Members fisheries rights.</li><li>Provision of training in Fisheries enforcement and compliance, fisheries Investigation and Prosecution, fisheries legislation, and fisheries Evidence, Investigation and Prosecution training.</li></ul>
Harnessing economic & social benefits to FFA Members from oceanic fisheries under climate change. Models have been developed to assess the influence of ocean warming on the abundance and distribution of tuna resources. The use of such models to link tuna abundance and distribution to national level business planning and investments can provide assist FFA Members with the evidence base for decisions on economic investments in the sector.	<ul style="list-style-type: none"><li>Build capacity among members to include social and economic considerations when developing WCPFC CMMs.</li><li>Assisting members awareness and adoption of target reference points that are consistent with FFA Members' economic objectives for WCPO fisheries.</li><li>Building capacity building to strengthen the economic, financial and investment analysis capacity for FFA Members.</li><li>Production of regular strategic reports on the economics of the WCPO tuna fishery and investment trends in fisheries and related sectors.</li><li>Provision of technical advice and capacity building in modelling and adapting fleet strategies to accommodate climate driven changes in abundance and distribution of fish resources.</li><li>Provision of equipment and reporting services, to gain by economy of scales and common set of equipment.</li><li>Provision of a forum for knowledge exchange, to share best practices from events.</li><li>Communication.</li></ul>
FFA Members are empowered through strong and effective national and regional observer programs to minimize the risks of IUU fishing.	<ul style="list-style-type: none"><li>Provision of safety equipment and training to fisheries observers including inter alia; a. Observer Tracking Devices, safety, financial Literacy, asset management, conflict resolution, psychology, report writing.</li><li>Design of cost-effective tracking of observers and secure storage of fisheries surveillance information.</li><li>Evaluation of observer insurance schemes.</li></ul>
Enhancing national food security. Leveraging of rights for onshore and offshore developments present risks and potential negative impacts upon food security, coastal fisheries, conservation initiatives, human rights and other social objectives.	<ul style="list-style-type: none"><li>Assistance to FFA Members to develop and implement policies to increase contributions to national food security.</li><li>Assistance to help members develop long-term programs to improve the investment climate for the fisheries sector.</li><li>Developing and diversifying local value chains.</li><li>Strengthening coastal fisheries management.</li></ul>
Innovation, security and capacity building. Countries are constrained by poor coordination and insufficient resources to compile and manage bio-economic data collected across the WPO in a timely and secure manner. With shared tuna resources in the WPO valued at over USD 6 billion, secure management and hierarchical sharing of timely information is critical to: (i) identification and tracking of IUU fishing and (ii) share confidential trade information among FFA Members, and (iii) negotiating national and regional positions on WPO fisheries.	<ul style="list-style-type: none"><li>Regional knowledge exchange, evaluation, and planning to scale up the solutions and cross-support</li><li>Policy and regulation harmonization</li></ul>



Regional Dimension	Illustrative Project Activities
Cross-border solutions (positive or negative externalities). Some anthropogenic interventions have local effect, others have a much larger spatial effect. For example, the waste fuel oil and plastics disposed of at sea can drift into adjacent EEZs and impact marine flora and fauna including protected and prohibited species.	<ul style="list-style-type: none"><li>Capacity building to transform evidence on marine pollution into CMMS.</li></ul>