I. INTRODUCTION

1. The RETA aims to implement Phase Two activities for ADB 42073 Reg TAR[1]. The RETA is consistent with the framework of the Asian Development Bank (ADB) Pacific Region Environmental Strategy and the Pacific Regional Operational Business Plan and responds to key concerns regarding effective management of coastal and marine resources as raised by five Pacific countries[2], which lie within or border the coral triangle[3]. This RETA will assist Papua New Guinea, Solomon Islands, and Timor-Leste in fulfilling Coral Triangle Initiative (CTI)-related objectives and in engaging with the Fiji Islands and Vanuatu in these efforts. The RETA will focus on overcoming key issues facing inshore fisheries, marine managed areas, and land-based pollution affecting coastal waters.

2. A Regional CTI plan of action was drafted in March 2009 in Port Moresby and ratified by the senior officials' meeting. Timor Leste, Solomon Islands and Papua New Guinea have during 2009 prepared draft National Plans of Action (NPOA). Phase One of this RETA both supported and responded to that process in designing country programs to address priority needs linked to the objectives of both the NPOA and the GEF. Plans for integrated coastal management and ridge to reef integrated resource management already exist in Fiji and Vanuatu, with the RETA to accelerate and strengthen their implementation.

3. ADB has been designated as the lead GEF agency in formulating the CTI, including for Pacific countries, and the GEF council has endorsed a broad proposal for action.

II. ISSUES

4. The coastal and marine environments of the five countries participating in the RETA differ in terms of biodiversity and the range of ecosystems represented with global significance. In particular, the Solomon Islands and Papua New Guinea contain some of the highest reported levels of global diversity. While most sites currently remain intact they face significant threats from massive deforestation in the Solomon Islands and the acceleration of large scale extractive industries in PNG. The threats to coastal resources include; (i) fishing pressure from an increased number of fishers and the use of new technologies; (ii) increased impacts of expanding urban and rural settlements; (iii) the impact of land use on sediment delivery and increased nutrient inflow to coastal ecosystems; and (iv) the cumulative effects of impacts from a range of sector-based development activities.

5. The capability to address the changing nature of environmental threats is poorly developed or absent, with the environment sector focusing time and resources on Environment Impact Assessments (EIA) of major site-based development. Few attempts have been made to apply environmental management priorities to broader sector-based non-point sources of threats. Further, whilst many EIAs have been prepared, few have had any impact on the design or operation of these sector development programs.

6. Institutional capability is poorly developed for effective coastal resource management with institutional mandates being widely distributed and overlapping in jurisdictions between sectors, national and provincial administration and government and community led management of resources. The lead agencies for coastal resource management are fisheries departments and to a lesser extent, environment departments. Within the fisheries sector government priorities remain on commercial fisheries with a focus on Tuna. There is an emerging recognition of the importance of near-shore coastal fisheries, but mostly from

[1] RETA 42073: Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific Phase One: Co-financed by The Government of Finland and The GEF
[2] Papua new Guinea, Solomon Islands, Timor Leste, Fiji and Vanuatu
[3] Vanuatu and Fiji are not members of the CTI-6 agreement

the perspective of fisheries use and the assertion of both customary and government rights, rather than a focus on management for biodiversity maintenance.

7. Government agency capability is defined by the historical focus on fish utilization with structures, procedures and staff capacity to support these. There remains inadequate capacity in both numbers and skill sets to implement an effective coastal management framework and, as such, the policy, legal and planning frameworks remain mostly single sector orientated. Budgets to implement programs reflect the limited institutional capacity and the need for an institutional framework for coastal resource management. A major lesson from past and ongoing projects and initiatives is that capacity constraints are significant across all tiers of government and have resulted in fewer than expected achievements and impacts from these initiatives.

8. Possibly the most significant threats to coastal ecosystems for all five countries relate directly to the socio-economic context within Melanesia. Current demographic structures identify 40-50% of the population being below child bearing age, with current population growth rates of well over 2% per annum. Most populations are doubling in size in less than 30 years. The extent of this challenge is highlighted by Timor-Leste, where over a 4 to 5 year implementation period the population will grow by more than 40%. With limited formal employment to support these economies, rapid population growth will increase the demand on village level natural resources, which provide the only social safety net.

9. Melanesia is reported to face one of the most food insecure futures of any region in the world. Currently demand for coastal resources already exceeds estimated sustainable yields in all countries with the exception of Fiji, where demand and supply are considered to be in balance. Solomon Islands, PNG, and Vanuatu have excess demand, estimated to be 30%, 63% and 119% of forecast sustainable production levels respectively. By 2030 these deficits are predicted to increase to 117%, 169%, 263% assuming no significant change to the structure of local economic activity and consumption pattern.

III. THE PROPOSED TECHNICAL ASSISTANCE

A. Impact and Outcome

10. The impact of the RETA will be strengthened coastal management, which will increase the resilience of coastal and marine ecosystems to contribute to food security and livelihoods by 2030. Achievement of the impact will be indicated by the quality of coastal habitats and their productivity in terms of biomass and biodiversity. The expected outcome is effective and sustainable coastal and marine management practices being implemented in the selected demonstration areas - see the design and monitoring framework in Appendix A.

B. Methodology and Key Activities

11. The proposed RETA is structured around three outputs for building more effective coastal and marine resource management and an output for effective program management. The three resource management strengthening outputs are; (i) strengthening management capability and capacity; (ii) experiential learning to identify best management practice; and (iii) building supporting institutional frameworks.

1. Capacity Development and Organizational Strengthening ($3.84 million)

12. Output 1 will strengthen individual and organizational capacity within the five participating countries to effectively manage coastal and marine systems. The University of the South Pacific (USP) will develop and deliver in-country training programs on managing coastal and marine systems to national, provincial and local stakeholders. For Timor Leste,

the Australian Institute of Marine Science (AIMS) will mentor the National Directorate of Fisheries and Aquaculture (NDFA) staff in planning, undertaking and then maintaining data from resource assessments. Organizational strengthening under the RETA will involve technical assistance to key government agencies to develop a balanced approach between economic development and sustainable resource management.

13. For Fiji, the Department of Environment will be supported to establish and institutionalize the National Integrated Coastal Management Committee and its role in defining national strategies. In Vanuatu the newly formed Department of Environment (DoE) will be supported to develop strategic planning, work planning, and building integrated coastal management support systems. In Timor Leste, NDFA will be restructured to support the sector strategy through corporate planning, budgeting, and establishing level two and three managers with delegated planning and budget management responsibilities. In PNG the Department of Conservation (DEC) will be supported to define the structure and organizational systems for the Sustainable Management Wing including the Marine Unit. In the Solomon Islands, the Ministry of Environment and Conservation Management (MECM) will be supported to build functional teams to support climate change and integrated resource management including staff resource assessments, structural alignment to functional responsibilities, work planning and reporting.

2. Applying Best Management Practice for ICM and EBFM ($7.07million)

14. Output 2 will support key government agencies and stakeholders to apply the skills and approaches learnt in Output 1 by developing and implementing ICM and EBFM focused coastal and marine resource management plans in selected demonstration sites for each country. Each demonstration program will be implemented by the mandated agency but will involve participation from stakeholders operating across a range of sectors and all levels of government. With the support of the WorldFish Centre, coastal and marine resource management plans will also address climate change vulnerability and adaptation (V&A), with V&A assessments and identified risks to be addressed for each demonstration site. The RETA will also provide technical support and mentoring in habitat mapping to relevant agency staff in each country, which will include undertaking remote sensing, imagery interpretation, ground truthing, coastal assessments, spatial management and mapping.

15. The ICM planning process will involve community consultations and planning meetings, threat identification and prioritization, option analysis and implementation planning. Management priorities at the broader ecosystem scale will be introduced to community based management programs that exist within the demonstration ecosystems. The implementation of ICM activities will operate through community based natural resource management (CBNRM) planning that balances local objectives with wider ecosystem spatial management objectives. Achievement of the output will be indicated by integrated coastal management plans being implemented and adapted across the demonstration ecosystems

3. Enabling Conditions for Effective ICM and EBFM ($3.39million)

16. Output 3 will develop and adapt necessary systems and processes to ensure an effective enabling environment for undertaking ICM and EBFM best management practice in all five countries. This will involve customizing the legal and regulatory frameworks for coastal resource management in the five countries. IUCN will be contracted to deliver its Environmental Law program to the participating countries, which will build capacity in developing and managing legal and regulatory frameworks, and result in a road map for institutionalizing legal reform necessary for achieving best management practice in ICM, EBFM and climate change adaptation.