

*Agreement N°9056/REG*

***FINANCING AGREEMENT***  
*between*  
***THE EUROPEAN COMMISSION***  
*and*

***Cook Islands, Federated States of Micronesia (FSM), Nauru,  
Niue, Palau, Republic of the Marshall Islands (RMI)***

***Pacific Regional coastal fisheries  
development programme***

***(REG/7726/000)  
EDF IX***

MAY 2003

# FINANCING AGREEMENT

## Special Conditions

The European Community, hereinafter referred to as "the Community", represented by the Commission of the European Communities in its capacity as manager of the European Development Fund, hereinafter referred to as "**the Commission**",

of the one part, and

Cook Islands, Federated States of Micronesia (FSM), Marshall Islands, Nauru, Niue, Palau, represented by the Secretary General of the Forum Secretariat, Regional Authorising Officer, hereinafter referred to as "**the Beneficiary**",

of the other part,

HAVE AGREED AS FOLLOWS:

### **ARTICLE 1 - NATURE AND PURPOSE OF THE OPERATION**

1.1. The Community shall contribute to the financing of the following programme:

Title : Pacific Regional coastal fisheries  
development programme

Accounting N°: REG/7726/000

Identification N°: 9 ACP RPA 4

hereinafter referred to as "the programme", which is described in the Technical and Administrative Provisions in Annex II.

1.2 This programme will be implemented in accordance with the financing agreement and the annexes thereto: the General Conditions (Annex I) and the Technical and Administrative Provisions (Annex II).

### **ARTICLE 2 - THE COMMUNITY'S FINANCIAL CONTRIBUTION**

2.1 The total cost of the programme is estimated at 1 997 476 Euro.

2.2 The Community undertakes to finance a maximum of 1 997 476 Euro. The breakdown of the Community's financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions in annex II.

### **ARTICLE 3 - THE BENEFICIARY'S CONTRIBUTION**

Where the Beneficiary's contribution is not financial, the detailed arrangements shall be set out in the Technical and Administrative Provisions in Annex II to the financing agreement.

### **ARTICLE 4 - PERIOD OF EXECUTION**

The period of execution of the financing agreement shall commence on the entry into force of the financing agreement and end at 31 December 2009. This period of execution shall comprise two phases: an operational implementation phase, which shall commence on the entry into force of the financing agreement and end at 31 December 2007. As from this date shall commence the closure phase, which shall end at the end of the period of execution.

### **ARTICLE 5 - DEADLINE FOR THE SIGNATURE OF THE CONTRACTS AND PROGRAMME-ESTIMATES IMPLEMENTING THE FINANCING AGREEMENT**

Contracts and programme-estimates implementing the financing agreement shall be signed by 27 November 2006 at the latest. This deadline may not be extended.

### **ARTICLE 6 - PAYING AGENT**

In order to effect the payments resulting from this financing agreement, the role of paying agent shall be performed by the financial institution chosen by the Commission.

### **ARTICLE 7 - ADDRESSES**

All communications concerning the implementation of the financing agreement shall be in writing, refer expressly to the programme and be sent to the following addresses:

**for the Commission** EuropeAid

Cooperation Office B-1049

Brussels

**for the Beneficiary**

The Regional Authorising Officer,  
the Secretary General of the Pacific Islands Forum Secretariat  
Suva (Fiji)

**ARTICLE 8 - ANNEXES**

8.1 The following documents shall be annexed to this financing agreement and form an integral part thereof:

Annex I: General Conditions.

Annex II: Technical and Administrative Provisions.

8.2 Should a conflict arise between the provisions of the Annexes and those of the Special Conditions of the financing agreement, the provisions of the Special Conditions shall take precedence. Should a conflict arise between the provisions of annex I and those of annex II, the provisions of Annex I shall take precedence.

**ARTICLE 9 - OTHER SPECIAL CONDITIONS APPLYING TO THE PROGRAMME**

For the purpose of Article 3 of the General Conditions the authority responsible for carrying out the project which is the subject of this Financing Agreement is the Secretary General of the Forum Secretariat, Regional Authorising Officer.

**ARTICLE 10 - ENTRY INTO FORCE OF THE FINANCING AGREEMENT**

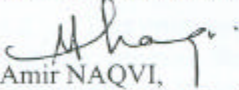
The financing agreement shall enter into force on the date on which it is signed by the last party.

Done in two original copies in the English language, one copy being handed to the Commission and one to the Beneficiary.

Done at Brussels

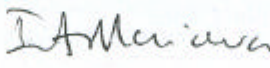
Done at Suva

FOR THE COMMISSION

  
Amir NAQVI,  
Deputy Chief Authorising Officer  
of the EDF

Date 28 NOV. 2003

FOR THE BENEFICIARY



Date 07/02/04





## **ANNEX I - GENERAL CONDITIONS**

### **TITLE I - PROJECT/PROGRAMME FINANCING**

#### **ARTICLE 1 - GENERAL PRINCIPLE**

1.1 The Community's financial contribution shall be limited to the amount specified in the financing agreement.

1.2 The provision of Community financing shall be subject to fulfilment of the Beneficiary's obligations under this financing agreement.

#### **ARTICLE 2 - COST OVERRUNS AND COVERING THEM**

2.1 Individual overruns of the budget headings of the financing agreement are dealt with by reallocating funds within this budget, in accordance with Article 20 of these General Conditions.

2.2 Wherever there is a risk of overrunning the global amount set in the financing agreement, the Beneficiary shall immediately inform the Commission and seek its prior approval for the corrective measures planned to cover the overrun, proposing either to scale down the project/programme or to draw on its own or other non-Community resources.

2.3 If the project/programme cannot be scaled down, or if the overrun cannot be covered either by the Beneficiary's own resources or other resources, the Commission may, exceptionally, at the Beneficiary's duly substantiated request, grant additional Community financing. Should it take such a decision, the excess costs shall be financed, without prejudice to the relevant Community rules and procedures, by the release of an additional financial contribution to be set by the Commission, up to a ceiling of 20% of the Community contribution laid down for the project/programme.

### **TITLE II - IMPLEMENTATION**

#### **ARTICLE 3 - GENERAL PRINCIPLE**

3.1 The project/programme shall be implemented under the responsibility of the Beneficiary with the approval of the Commission.

3.2 The Commission is represented in the State of the Beneficiary by its Head of Delegation.

#### **ARTICLE 4 - PERIOD OF EXECUTION**

4.1 The financing agreement shall lay down an period of execution, which shall commence on the entry into force of the financing agreement and end on the date specified to this end in Article 4 of the Special Conditions.

4.2 This period of execution shall comprise two phases:

- an operational implementation phase, in which the principal activities are carried out. This phase shall commence on the entry into force of the financing agreement and end at the latest 24 months before the end of the period of execution;

- a closure phase, during which final audits and evaluation are carried out and contracts and work-estimates for the implementation of the financing agreement are technically and financially closed. This phase shall commence on the date of end of the operational implementation phase and end at the latest 24 months after this date.

4.3 Costs related to the principal activities shall be eligible for Community financing only if they have been incurred during the operational implementation phase. Costs related to final audits and evaluation and closure activities shall be eligible up to the end of the closure phase.

4.4 Any balance remaining from the Community contribution will be automatically cancelled six months after the end of the period of execution.

4.5 In exceptional and duly substantiated cases, a request may be made for the extension' of the operational implementation phase and correlatively of the period of execution. If the extension is requested by the Beneficiary, the request must be made at least three months before the end of the operational implementation phase and approved by the Commission before that latter date.

4.6 In exceptional and duly substantiated cases, and after the end of the operational implementation phase, a request may be made for the extension of the closure phase and correlatively of the period of execution. If the extension is requested by the Beneficiary, the request must be made at least three months before the end of the closure phase and approved by the Commission before that latter date.

#### **ARTICLE 5 - CURRENCIES AND PLACES OF PAYMENT**

5.1 Where payments are made in the national currency of an ACP State, the accounts shall be held at a bank established in that country or in the country of the contractor's headquarters.

5.2 Where payments are made in euro or foreign exchange, the accounts shall be held at a bank or approved intermediary established in a Member State, an ACP State or in the country of the contractor's headquarters.

### **TITRE III - AWARD OF CONTRACTS AND GRANTS**

#### **ARTICLE 6 - GENERAL PRINCIPLE**

All contracts implementing the financing agreement must be awarded and implemented in accordance with the General Regulations for works, supply and service contracts adopted by the ACP-EEC Council of Ministers, supplemented by the General Conditions for contracts financed by EDF and the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

#### **ARTICLE 7 - DIRECT LABOUR OPERATIONS**

7.1 All programme-estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme-estimates in question.

7.2 In the case of direct labour operations, adequate provisions for the management and scrutiny of imprest accounts and for the definition of the responsibilities of the imprest administrator and the accounting officer shall be laid down. Moreover, where claims that the European Development Fund has on the Beneficiary via the public or semi-public bodies or departments of the State of the Beneficiary, the Commission shall take all the necessary measures to obtain actual repayment of the sums due, including, where appropriate, suspension by the Commission of that type of arrangement.

#### **ARTICLE 8 - DEADLINE FOR THE SIGNATURE OF THE CONTRACTS AND PROGRAMME-ESTIMATES IMPLEMENTING THE FINANCING AGREEMENT**

8.1 The contracts and programme-estimates implementing the financing agreement shall be signed by both parties within three years of the adoption of the financial commitment by the Commission, namely at the latest on the date referred to in Article 5 of the Special Conditions. That deadline may not be extended.

8.2 The above provision shall not apply to audit and evaluation contracts, which may be signed later.

8.3 On the date referred to in Article 5 of the Special Conditions, any balance for which contracts have not been signed will be cancelled.

8.4 A contract or programme-estimate which has not given rise to any payment within three years of its signature shall be automatically terminated and its funding cancelled.

#### **ARTICLE 9 - ELIGIBILITY**

9.1 Participation in invitations to tender for works, supply or service contracts shall be open on equal terms to all natural and legal persons of the Member States of

the Community and, in accordance with the specific provisions in the basic acts governing the cooperation sector concerned, to all natural and legal of the beneficiary third countries or of any other third country expressly mentioned in those acts.

9.2 Participation in calls for proposals shall be open on equal terms to all legal persons of the Member States of the Community and, in accordance with the specific provisions in the basic acts governing the cooperation sector concerned, to all natural and legal persons of the beneficiary third countries or of any other third country expressly mentioned in those instruments.

9.3 Exceptionally, in duly substantiated cases q proved by the Commission, it may be decided, on the basis of the specific conditions laid down in the basic acts governing the cooperation sector concerned, to allow third-country nationals other than those referred to in paragraphs 1 and 2 to tender for contracts.

9.4 Goods and supplies financed by the Community and necessary for the performance of works, supply and service contracts and procurement procedures launched by the grant beneficiaries for the execution of the action financed must originate in countries eligible to participate on the terms laid down in the previous three paragraphs.

9.5 This nationality rule shall also apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the Community.

## **TITLE IV - RULES APPLICABLE TO THE PERFORMANCE OF CONTRACTS**

### **ARTICLE 10 - ESTABLISHMENT AND RIGHT OF RESIDENCE**

10.1 Where justified by the nature of the contract, natural and legal persons participating in invitations to tender for works, supply or service contracts shall enjoy a provisional right of establishment and residence in the Beneficiary's country. This right shall remain valid for one month after the contract is awarded.

10.2 Contractors (including the grant beneficiaries) and natural persons whose services are required for the performance of the contract and members of their family shall enjoy similar rights during the implementation of the project/programme.

### **ARTICLE 11 - TAX AND CUSTOMS PROVISIONS**

11.1 Save where otherwise provided in the basic acts governing the cooperation sector concerned, taxes, duties or other charges (including value added tax - VAT - or equivalent taxes) shall be excluded from Community financing.

11.2 The State of the Beneficiary shall apply to procurement contracts and grants financed by the Community the most-favoured tax and customs arrangements applied to States or international development organisations with which it has relations. For the purpose of determining the most-favoured-State treatment, account shall not be



taken of arrangements applied by the Beneficiary concerned to the other ACP States or to other developing countries.

#### **ARTICLE 12 - FOREIGN EXCHANGE ARRANGEMENTS**

The State of the Beneficiary undertakes to authorise the import or purchase of the foreign currency necessary for the implementation of the project. It also undertakes to apply its national foreign exchange regulations in a non-discriminatory manner to the contractors allowed to participate referred to in Article 9 of these General Conditions.

#### **ARTICLE 13 - USE OF DATA FROM STUDIES**

Where the financing agreement involves the financing of a study, the contract related to this study, signed for the implementation of the financing agreement, shall govern the ownership of that study and the right for the Beneficiary and the Commission to use data in the study, to publish it or to disclose it to third parties.

#### **ARTICLE 14 - ALLOCATIONS OF AMOUNTS RECOVERED UNDER CONTRACTS**

Amounts recovered from payments effected or guarantees lodged under a contract financed under this financing agreement, together with any penalties arising from non-performance of a contract, shall be allocated to this project/programme.

#### **ARTICLE 15 - FINANCIAL CLAIMS UNDER CONTRACTS**

The Beneficiary undertakes to confer with the Commission before taking any decision concerning a request for compensation made by a contractor and considered by the Beneficiary to be justified in whole or in part. The financial consequences may be borne by the Community only where the Commission has given its prior approval. Such prior approval is also required for any use of funds committed under the present financing agreement to cover costs arising from disputes relating to contracts.

### **TITLE V - GENERAL AND FINAL PROVISIONS**

#### **ARTICLE 16 - VISIBILITY**

16.1 Every project/programme financed by the Community shall be the subject of appropriate communication and information operations. These operations shall be defined under the responsibility of the Beneficiary with the approval of the Commission.

16.2 These communication and information operations must follow the rules laid down and published by the Commission for the visibility of external operations in force at the time of the operations.

**ARTICLE 17 - PREVENTION OF IRREGULARITIES, FRAUD AND CORRUPTION**

17.1 The Beneficiary undertakes to check regularly that the operations financed with the Community funds have been properly implemented. It shall take appropriate measures to prevent irregularities and fraud and, if necessary, bring prosecutions to recover funds wrongly paid.

17.2 "Irregularity" shall mean any infringement of the financing agreement, implementing contracts or work-estimates or Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the European Communities, or by an unjustified item of expenditure.

"Fraud" shall mean any intentional act or omission concerning:

- the use or presentation of false, incorrect or incomplete, statements or documents which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by them, or on their behalf;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they are originally granted.

The Beneficiary shall immediately inform the Commission of any element brought to its attention which arouses suspicions of irregularities or fraud and of any measure taken to deal with them.

17.3 The Beneficiary undertakes to take every appropriate measure to remedy any practices of active or passive corruption whatsoever at any stage of the procedure for the award of contracts or grants or in the implementation of the related contracts. "Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the financial interests of the European Communities. "Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the financial interests of the European Communities.

**ARTICLE 18 - VERIFICATIONS AND CHECKS BY THE COMMISSION, THE EUROPEAN ANTI-FRAUD OFFICE (OLAF) AND THE COURT OF AUDITORS OF THE EUROPEAN COMMUNITIES**

18.1 The Beneficiary agrees to the Commission, OLAF and the Court of Auditors of the European Communities conducting documentary and on-the-spot checks on the use made of Community funding under the financing agreement (including procedures for the award of contracts and grants)

and carrying out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the project/programme, throughout the duration of the agreement and for seven years after the date of the last payment.

18.2 The Beneficiary also agrees that OLAF may carry out on-the-spot checks and verifications in accordance with the procedures laid down by Community law for the protection of the financial interests of the European Communities against fraud and other irregularities.

18.3 To that end, the Beneficiary undertakes to grant officials of the Commission, OLAF and the Court of Auditors of the European Communities and their authorised agents access to sites and premises at which operations financed under the financing agreement are carried out, including their computer systems, and to any documents and computerised data concerning the technical and financial management of those operations, and to take every appropriate measure to facilitate their work. Access by authorised agents of the European Commission, OLAF and the Court of Auditors of the European Communities shall be granted on conditions of strict confidentiality with regard to third parties, without prejudice to public law obligations to which they are subject. Documents must be accessible and filed in a manner permitting easy inspection, the Beneficiary being bound to inform the Commission, OLAF or the Court of Auditors of the European Communities of the exact location at which they are kept.

18.4 The checks and audits described above shall also apply to contractors and subcontractors who have received Community funding.

18.5 The Beneficiary shall be notified of on-the-spot missions by agents appointed by the Commission, OLAF or the Court of Auditors.

#### **ARTICLE 19 - CONSULTATION BETWEEN THE COMMISSION AND THE BENEFICIARY**

19.1 The Beneficiary and the Commission shall consult each other before, taking any dispute relating to the implementation or interpretation of this financing agreement further, in accordance with the relevant provisions of the ACP-EEC Partnership Agreement.

19.2 Where the Commission becomes aware of problems in carrying out procedures relating to management of European Development Fund resources, it shall establish all necessary contacts with the Beneficiary to remedy the situation and, take any steps that are necessary, including, where the Beneficiary does not, or is unable to, perform the duties incumbent on it under the ACP-EEC Partnership Agreement, temporarily taking the Beneficiary's place.

19.3 The consultation may lead to the amendment, suspension or termination of the financing agreement.

## **ARTICLE 20 - AMENDMENT OF THE FINANCING AGREEMENT**

20.1 Any amendment to the Special Conditions and Annex II to the financing agreement shall be made in writing and be the subject of an addendum.

20.2 If the request for an amendment comes from the Beneficiary, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the Beneficiary and accepted by the Commission.

20.3 For technical adjustments, which do not affect the objectives and results of the project/programme and alterations in matters of detail which do not affect the technical solution adopted, and within the limit of the contingencies funds, the Beneficiary shall inform the Commission of the amendment and its justification in writing as soon as possible and apply that amendment.

20.4 The specific cases of the extension of the operational implementation phase or of the closure phase are governed by Article 4 (5) and (6) of these General Conditions.

## **ARTICLE 21 - SUSPENSION OF THE FINANCING AGREEMENT**

21.1 The financing agreement may be suspended in the following cases:

(a) The Commission may suspend the implementation of the financing agreement if the Beneficiary breaches an obligation under the financing agreement.

(b) The Commission may suspend the financing agreement if the Beneficiary breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption.

(c) The financing agreement may be suspended in cases of force majeure, as defined below. "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the partie's control which prevents either of them from fulfilling any of their obligations, is not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by force majeure. A party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.

21.2 No prior notice shall be given of the suspension decision.

21.3 When the suspension is notified, the consequences on the ongoing contracts or work-estimates or contracts or work-estimates to be signed will be indicated.

## **ARTICLE 22 - TERMINATION OF THE FINANCING AGREEMENT**

22.1. If the issues which led to the suspension of the financing agreement have not been resolved within a maximum period of four months, the Commission or the Beneficiary may terminate the financing agreement at two months' notice.

22.2. Where a financing agreement has not given rise to any payment within three years of its signature or no implementing contract or programme-estimates has been signed by the date referred to in Article 5 of the Special Conditions, that financing agreement will automatically be terminated.

22.3 When the termination is notified, the consequences on the ongoing contracts or work-estimates or contracts or work-estimates to be signed will be indicated.

## **ARTICLE 23 - DISPUTE-SETTLEMENT ARRANGEMENTS**

23.1 Any dispute concerning the financing agreement which cannot be settled within a six-month period by the consultations between the Commission and the Beneficiary provided for in Article 19 of these General Conditions shall be submitted to the Council of Ministers. Between meetings of the Council of Ministers, such disputes shall be submitted to the Committee of Ambassadors. If the Council does not succeed in settling the dispute, either Party may request settlement of the dispute by arbitration.

23.2 In this case the parties shall designate an arbitrator within 30 days of the request for arbitration. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration (The Hague) to designate a second arbitrator. The two arbitrators shall in their turn designate a third arbitrator within 30 days. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration to designate the third arbitrator.

23.3 Unless the arbitrators decide otherwise, the procedure laid down in the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.

23.4 Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.

**ANNEX II**

**TECHNICAL AND ADMINISTRATIVE PROVISIONS FOR  
IMPLEMENTATION**

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Cook Islands, Federated States of Micronesia (FSM), Nauru, Niue, Palau,  
Republic of the Marshall Islands (RMI)

**Title :** Pacific Regional coastal fisheries  
development programme  
**Accounting N°:** REG/7726/000  
**Identification N°:** 9 ACP RPA 4

## **1. Background**

### *1.1 Main features of the sector*

Pacific ACP countries have a combined Exclusive Economic Zone (EEZ) of some 20 million km<sup>2</sup>, a total land area just over half a million km<sup>2</sup> and a total population of about 7 million. The Region attaches particular importance to the sustainable development of Fisheries as this sector is considered to have the most potential for revenue generation and sustainable economic growth.

Whilst tuna fisheries underpin the region's main hope for future economic self-sufficiency, it is the coastal fisheries which underpin current livelihoods and continued food security. Coastal fishery is the main source of cash and subsistence for many rural communities. Coral reef fisheries in particular are characterised both by their strong influence on the everyday lives of ordinary women and men, and by the lack of hard information necessary for governments and communities to make decisions about the management of reef fisheries.

The Secretariat of the Pacific Community (SPC) has *inter alia* the region's mandate for fisheries research and stock monitoring, including both oceanic and coastal components. Findings are used to promote the economic and social development of the region.

### *1.2. Problems to be resolved*

Domestic reef resources are an important food security for the vast majority of Pacific Islanders, but significant challenges exist in the management of reef fishery resources in the face of changing exploitation patterns and social systems. A major constraint is the scarcity of information, both biological and social, necessary for reef fishery management planning. Mechanisms for producing such information are undeveloped. Social and biological surveys of limited scope on coastal fisheries have been carried out in several Pacific Islands in the past, but usually on an ad-hoc basis, years apart, and often using non-comparable methodologies.

## **2. Objectives and expected results**

### *2.1. Overall Objectives*

The overall objective is to contribute to the long-term sustainable management of the fisheries resources of the Western and Central Pacific Ocean.

### *2.2. Project purpose*

The project purpose is to provide the scientific advice needed by Pacific Island Governments, regional fisheries administrations and the developing regional management arrangements for the sustainable management of the regions fisheries resources. In particular, countries will obtain specific information on the status of their fisheries resources that will allow them to further improve national and regional policies and arrangements to maximize economic and social benefit from the fishery while ensuring sustainable harvest of the resource. The project will support the six new Pacific ACP states, providing them with a range of services and assistance identical to that provided to the eight Pacific ACP and three OCT states under the 8<sup>th</sup> EDF PROCFISH/Coastal component programme.

### *2.3 Results*

The programme will result in the provision of the full range of scientific advice needed by governments and regional fisheries administrations for the sustainable management of the region's resources of coastal species. The programme will undertake the first-ever comparative reef fish assessment of the region. This includes information and standard methodology on how to obtain the information needed for the proper monitoring and subsequent management of coastal fisheries and, the development of alternative ways to relieve commercial pressure on reef fisheries that will promote realistic ecologically and economically sustainable development. This will be invaluable to planners, managers and users of coral reefs. The project will provide them with a range of services and assistance identical to that provided to the eight Pacific ACP and three OCT states under the 8<sup>th</sup> EDF PROCFISH/Coastal component programme.

## **3. Factors ensuring feasibility and sustainability 3.1.**

### *Lessons learnt from previous projects/evaluations*

This will be the first of a regional effort that may cover the next decade or more. The applied reef fisheries research will however mesh closely with occasional reef fisheries management activities supported from other sources (ROC/Taiwan, France, Asian Development Bank).

### *3.2. Environment, gender mainstreaming and other aspects*

The programme will contribute to the protection of the marine environment and the conservation of fisheries stocks. A large part of the programme activities are in themselves an Environmental Impact Assessment of the effects of fisheries on resources and ecosystems.

### *3.3. Co-ordination with other donors*

The most significant of several individual studies that have been carried out over limited areas, and at various times, has been the France/IRD (formerly ORSTOM) reef fishery resource assessment programme in New Caledonia, and the UK/SPC Integrated Coastal Fisheries Management Programme (ICFMaP) 1994-98. This programme will consult closely with IRD and will also take account of the findings of other interventions. These include the 1998 World Bank comparative study in a subset of ACP countries on community perceptions of the success reef fishery management interventions; and the planned future Global Environment Facility programmes under the SPREP Strategic Action Plan for International Waters of the Pacific Islands region.

## **4. Implementation**

### *4.1. Activities*

The activities of the coastal component will include six assessment sub-programmes involving five or more sites in each of the participating countries for the development of standard methodologies; field and laboratory research on reef fish and invertebrates. Extensive national and regional training will also be provided.



#### 4.2. Cost estimate and financing plan

	<b>Euro</b>
Technical Assistance	1,113,000
Equipment	108,000
Training	132,000
Operational Costs	522,476
External Evaluation	16,000
External Audit	16,000
Contingencies	90,000
<b>TOTAL</b>	<b>1,997,476</b>

#### 4.3. Implementation procedures and timetable

The overall responsibility for the implementation of the programme lies with the Regional Authorising Officer. In accordance with Article 35(1) of Annex IV to the Cotonou Agreement the supervision and management functions will be delegated to SPC (Secretariat of the Pacific Community) through the 'Grant Agreement' procedure signed locally between the RAO and SPC and following the rules of the call for proposals. The project will be under the overall direction of the Director General of SPC and within the SPC under the direct management of the Director of SPC's Marine Resources Division.

The Financing Agreement shall be concluded by 31 December of the year following the year in which the global financial commitment was adopted. Failing this, the corresponding appropriations shall be cancelled. The end of the period of operational implementation and execution of the Financing Agreement are hereby set respectively at 31/12/2007 and 31/12/2009. Any balance of funds remaining available under the EC grant shall be automatically cancelled 6 months after the end of the period of execution of the Financing Agreement.

Contracts and programme estimates must be signed by both parties no later than three years from the date of the corresponding global financial commitment. This deadline cannot be extended. The above provision does not apply to contracts relating to audit and evaluation, which may be signed later.

#### 4.4. Special conditions

Beneficiary countries undertake to make available to the project the necessary counterpart, office spaces, transportation and other staff. SPC commits in providing the required technical advice, leadership and continuous support - beyond the project life - to sustain the project outputs successfully. Pacific ACP member states undertake to implement the necessary legislative measures to ensure maximum effectiveness and sustainability of the Project. Participating governments will sign an MoU agreeing to the objectives, results and activities of the national projects as well as responsibilities and inputs to be provided by beneficiaries.

#### 5. Economic and financial viability

The direct economic value of regional reef fisheries is about f 200 million per year, mostly to the direct benefit of rural income and subsistence nutrition. This does not

include the value of wild reef resource-dependent pearl farming (around E 70 million/year) or the value of pharmaceuticals developed from the reef organisms that have been under investigation for the past three decades. Whilst a rough value can be put on the exploitation of reef organisms, it is impossible to calculate the value of better management without knowing the state of exploitation of these organisms - one of the main aims of this programme.

#### ***6. Monitoring and evaluation***

A logical framework matrix will identify specific objectively verifiable indicators (OVI) of activities against which progress will be monitored. Monitoring will involve independent annual financial audits and six-monthly and annual progress (activity) reports on achievements measured against the OVI in the matrix of the logical framework. Provision for an independent mid-term review and a final evaluation of the project is included in the budget.

A Programme Steering Committee, consisting of representatives from Pacific ACP and from the RAO office will meet annually. The EC will have observer status at all Programme Steering Committee Meetings.

A provision for Audit is included in the budget of this Programme in order to verify compliance with relevant rules and procedures. It is understood that the Chief Authorising Officer, in accordance with Art. 23 of the Financial Regulation may use this provision to organise an independent Audit of expenditure realised under this Programme.

## **List of Annexes**

Annex 1: Logical Framework

Annex 2: Detailed cost breakdown

Annex 3: List of Acronyms

Annex 4: Timetable

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Contribute to the long term sustainable management of the fisheries resources of the Western and Central Pacific Ocean.	Economic key indicators such as sectoral growth rates and contribution to GDP; status of fisheries resources; agreed regional management arrangements.	National planning / statistics office; SPC scientific assessments; reports by international agencies (eg. World Bank)	
Project Purpose	To provide the scientific advice needed by Pacific Island Governments, regional fisheries administrations and the developing regional management arrangements for the sustainable management of the regions fisheries resources. In particular, countries will obtain specific information on the status of their fisheries resources that will allow them to further improve national and regional policies and arrangements to maximize economic and social benefit from the fishery while ensuring sustainable harvest of the resource. The project aims to provide countries, community leaders and the private sector with what are currently the most critical tools necessary to alleviate the current problems of managing reef fisheries. This includes information and standard methodology on how to obtain the information needed for the proper monitoring and subsequent management of coastal fisheries. Proper management and sustainable development of coastal fisheries will have direct positive social repercussions on the communities depending on the harvesting of coastal marine resources, in terms of income and food security.	Catch levels at optimal (economically and ecologically) levels, scientific advice produced, disseminated and integrated into policies.	SPC regional database and scientific assessments; SCTB statistics, Working Group data, reviews of national and regional policies.	Co-operation amongst all parties; political will by PICs to accept scientific advice and integrate it into national and regional decision making process
Results	<ul style="list-style-type: none"> <li>• Comparative assessment of the status of the reef fish resources and social aspects of fishing, with in-depth surveys at 5 or more sites in each country providing data for local, national and regional sectoral planning and policy recommendations;</li> <li>• Handbooks of methods for assessing and monitoring reef fisheries;</li> <li>• Workshops and local consultations to pass on results and encourage management and development planning;</li> <li>• Training in reef fisheries assessment &amp; monitoring;</li> <li>• Published contributions to reef fisheries science, social science and ecology of global significance;</li> <li>• Indicators of sustainability for reef fisheries</li> <li>• Agreement on regional policy for future management</li> </ul>	Eleven sub-projects involving 5 or more sites. Each sub-project occupies 4 project months. Training, results and recommendations benefit communities and national fisheries departments and national planners. Publish output will include at least 2 comprehensive handbooks, 2 meeting reports, at least 5 scientific papers, 40 sub-project reports.	Project reports Sub-project reports SPC Head of Fisheries Meeting Handbooks International Journals Project Website Project review	Govt's continue to see SPC as a partner contributing to aims they wish to achieve, and continue to collaborate (little risk provided the project is not required to be too academic or experimental)  Fishers do not see field workers (both project and Govt.) as outsiders fulfilling their own research goals, or imposing unasked-for solutions, but as helping them in address real problems.

	Intervention Logic	Inputs	Costs	Assumptions
Activities	<ul style="list-style-type: none"> <li>• TA : recruit staff – identify attachments and consultations</li> <li>• Identify target sites and enterprises and agree MOUs on timing and conditions of fieldwork with Govts, and logframe sub-projects,</li> <li>• Fishery resource surveys, socio economic surveys, local training and data analysis, preparing status reports and presentation of recommendations for each sub-project</li> <li>• Regional workshops to discuss findings and seek feedback</li> <li>• Preparation and publication of handbooks and papers</li> <li>• Annual work programme planning and revision of logframes</li> <li>• Reporting to SPC Heads of Fisheries Meetings, EU, review etc,</li> </ul>	Senior Reef Fishery Scientist (Vertebrates)	282,000	
		Senior Reef Fishery Scientist (Invertebrates)	282,000	
		Community Fishery Scientist	282,000	
		Fishery Project Officer	232,000	
		Recruitment Costs	5,000	
		Consultancies	350,000	
		Total Technical Assistance	1,113,000	
		Sampling equipment/Computer Support	23,500	
		Data Equipment Replacement	44,500	
		Office Equipment	40,000	
		Total Equipment	108,000	
		Pacific Island Attachment	96,000	
		National Training Workshop	36,000	
		Total Training	132,000	
		Travel	180,000	
		Publications / Reporting	30,000	
		Conferences / Seminars	90,000	
		Field Research	90,000	
		Support Staff Services	42,000	
		Consumables/Office Supplies/Communications	30,000	
Financial Services / Auditing	5,850			
Indirect Costs	54,626			
Total Operations Costs / Administration	522,476			
External evaluation	16,000			
External Audits	16,000			
Contingencies	90,000			
		<b>GRAND TOTAL</b>	<b>1,997,476</b>	

Annexe 2 : Detailed Cost Breakdown

Coastal fisheries component (extension)	Total Budget	Year 1	Year 2	Year 3
<b>Technical assistance</b>				
<i>Long-term</i>				
Senior Reef Fishery Scientist (Vertebrates)	282,000	91,000	94,000	97,000
Senior Reef Fishery Scientist (Invertebrates)	282,000	91,000	94,000	97,000
Community Fishery Scientist	282,000	91,000	94,000	97,000
Fishery Project Officer	232,000	75,000	77,000	80,000
Recruitment Costs	5,000	5,000	0	0
<i>Short-term</i>				
Consultancies	30,000	10,000	10,000	10,000
<b>Total Technical Assistance</b>	<b>1,113,000</b>	<b>363,000</b>	<b>369,000</b>	<b>381,000</b>
<b>Equipment</b>				
Sampling equipment/Computer Support	23,500	19,500	2,000	2,000
Data Equipment Replacement	44,500	37,500	3,500	3,500
Office Equipment	40,000	40,000	0	0
<b>Total equipment</b>	<b>108,000</b>	<b>97,000</b>	<b>5,500</b>	<b>5,500</b>
<b>Training</b>				
Pacific Islander Attachment	96,000	30,000	32,000	34,000
National Training Workshop	36,000	12,000	12,000	12,000
<b>Total Training</b>	<b>132,000</b>	<b>42,000</b>	<b>44,000</b>	<b>46,000</b>
<b>Operational Costs and Administration</b>				
Travel	180,000	60,000	60,000	60,000
Publications/Reporting	30,000	10,000	10,000	10,000
Conferences/Seminars	90,000	30,000	30,000	30,000
Field Research	90,000	30,000	30,000	30,000
Support Staff Services	42,000	14,000	14,000	14,000
Consumables/Office	30,000	10,000	10,000	10,000
Supplies/Communications				
Financial Services/Auditing	5,850	1,950	1,950	1,950
Sub-Total Operational Costs and Admin,	467,850	155,950	155,950	155,950
<i>Sub-Total Direct Project Costs</i>	1,820,850	657,950	574,450	588,450
<i>Indirect Cost (3% of Direct Project Costs)</i>	54,626	19,739	17,234	17,654
<b>Total Operational Costs and Administration</b>	<b>522,476</b>	<b>175,689</b>	<b>173,184</b>	<b>173,604</b>
<b>External evaluation</b>	<b>16,000</b>		<b>6,000</b>	<b>10,000</b>
<b>External Audits</b>	<b>16,000</b>	<b>5,000</b>	<b>5,000</b>	<b>6,000</b>
<b>Contingencies</b>	<b>90,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>TOTAL COMPONENT</b>	<b>1,997,476</b>	<b>715,689</b>	<b>629,684</b>	<b>652,104</b>

### **Annex 3 : List of Acronyms**

ACP	African, Caribbean and Pacific
COFISH	Pacific Regional Coastal Fisheries Development Programme
EC	European Commission
EDF	Economic Development Fund
EEZ	Exclusive Economic Zone
FFA	Forum Fisheries Agency
ICFMap	Integrated Coastal Fisheries Management Programme
IRD	Institute for Research and Development
MoU	Memorandum of Understanding
OCT	Overseas Countries and Territories
OECD	Organisation for Economic Cooperation and Development
ORSTOM	Institute for Scientific Research for Development and Cooperation
OVI	Objectively Verifiable Indicators
SPC	Secretariat of the Pacific Community
SPREP	South Pacific Regional Environment Programme
RAO	Regional Authorising Officer
ROC	Republic of China
UK	United Kingdom