

**Development of tuna fisheries
in the Pacific ACP countries
(DEVFISH) Project**

Identification Number RPA/001/04



**Third Year
Annual Report**

July 2008



**PACIFIC ISLANDS
FFA FORUM SECRETARIAT**



SPC
Secretariat
of the Pacific
Community

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1. Introduction

1.1 Basic Project Information

Project Title: Development of tuna fisheries in the Pacific ACP countries (DEVFISH)

Project or Identification Number: RPA/001/04

Accounting Number: 9 ACP RPA 008

Financing Agreement Number: 9276/REG

Date of Financing Agreement: 07/03/05

Location: Regional with Project Staff based at FFA in Honiara, Solomon Is., and SPC in Noumea, New Caledonia.

Start Date – actual: 01/07/05

End Date – planned: 31/12/10

End date – likely: 31/12/10

Duration: 48 months

Primary Commitment: € 3,000,000

Key Stakeholders: Pacific Islanders involved in tuna fishing, processing and marketing, or businesses servicing those industries; or who have the potential to become involved.

Project Purpose : To contribute to the establishment of a concerted policy and economic environment conducive to the further development of Pacific ACP owned fishing and processing operations, and to an increased contribution of foreign fleets to the economic development of these countries.

Key Results:

- Improved information for policy making available and being used;
- New and improved strategies for fisheries development identified;
- Opportunities for participation of the P-ACP private sector in tuna fisheries improved;
- Conditions for regional and international trade in tuna products and investment in tuna production improved; and
- National policies and institutional arrangements for private sector tuna fishery development improved and coordinated.
- Project results widely disseminated with follow-up on project outcomes.

1.2 Current Status of Project: The DEVFISH project has now completed its third year of its four year duration.

The main achievements during the period include:

- Completion of the analysis of the economic benefits of the purse seine fishery and onshore processing started during 2007/07;
- Completion of a consultancy to assess the feasibility of a regional/reciprocal longline access arrangement to benefit local longline fleets;
- Completion of a tuna industry development action plan for Papua New Guinea as well Tuvalu's fisheries sector development action plan;
- Participation in the Pacific Tuna Forum, a new industry event organized in Papua New Guinea;
- Completion of a financial evaluation of the Nauru Fisheries Corporation;
- Implementation of a range of in-country projects in PNG, Kiribati, Cook Islands, Tuvalu, Samoa, Tonga and Vanuatu, mostly working with fishing associations and the private sector by providing training, and funding part time officers (executive officers) to man fishers' association offices;
- Completion of final report on the economics of the Samoan Alia fishery;
- Completed Purse Seine Strategy report which has been considered by the Parties to the Nauru Agreement;
- Completed longline framework report which was considered by member countries of the Subcommittee on Tuna and Billfish;
- Jointly sponsored with FFA an access negotiation workshop that covered various aspects of planning for and participating in access negotiations to maximize access fees returns;
- Completed a study on women's participation in Pacific Islands Tuna Fisheries development in PNG, Kiribati and Fiji;
- Assisted PNG Competent Authority (CA) to respond to problems identified by Food and Veterinary Office (FVO) of the EC to help PNG to preserve its list 1 status;
- Provided training to CA staff from Fiji, PNG, Samoa and Niue – coordinated by SPC;
- Tackling P-ACP countries' specific problems on issues such as tax, investment policies, port services and others in collaboration with FFA's normal work programme;
- Completed interim audit for AWP2 and submitted with second annual report in August 2007;
- Project web-site was maintained and updated during the period and copies of all reports were printed by SPC and circulated to relevant stakeholders.

1.3 Report Preparation: This report covers the activities undertaken during the month of July 2007 to June 2008. All activities implemented are based on the third year approved annual work plans and budget agreed to during the Project Steering Committee Meeting held in Wellington on the margins of Forum Fisheries Committee (FFC64) in May 2007. The focus of the third year's work programme is to complete the series of analyses on the economic impact of different domestic and locally based fisheries, and to develop plans and strategies for domestic industry development. As with the previous reports, the 2008 Annual Report is compiled by the Project Coordinator in consultation with project staff from FFA and SPC as part of the EU requirements for all regional projects funded under EDF9, and reflects the achievements to the end of June 2008.

2.0 Executive Summary and Recommendations

2.1 **Annex 1** provides the revised Logframe Matrix as recommended by the Mid Term Review report.

- 2.2 Project staff undertook substantial duty travel during the period. The FDPS made two visits to PNG, three visits to Tuvalu mainly in connection with national development planning, as well as attending meetings in Brussels, Noumea, Wellington, Bangkok, Guam and Palau. The FDO visited PNG, Kiribati, Cook Islands, Samoa and Niue, mainly following up on in-country projects, while the PC attended PACREIP Meeting in Suva, Fiji and third Steering Committee Meeting in Palau.
- 2.3 The Third Project Steering Committee Meeting was held in Koror Palau on 10 May 2008 to present financial status and progress of third AWP activities to stakeholders and to review draft AWP4 and DevFish phase 2 Concept Note. The meeting was attended both by RAO and EC representatives from Suva, Fiji.
- 2.4 In the result area of *providing improved information for policy making* the study on the economic benefits of the purse seine fishery and onshore processing was completed and 4-page summary of this report has been circulated widely. DevFish also sponsored a session on tuna fisheries at the SPC Heads of Planning and Statistics meeting in Noumea, with a view to raising awareness of the economic importance of the industry as well as improving its treatment in national accounts. Long line framework (LLF) report was considered by Sub-Committee on Tuna and Billfish. Final report on economics of Samoan Alia fishery was completed and provided number of lessons for the region. New study on economic impact of small-scale troll fisheries & sport fishing is currently in progress.
- 2.5 In the area of *improved strategies for fisheries development* two major consultancies were launched during the period. The first of these – a study of the feasibility of developing a regional longline access arrangement for domestic vessels – was completed, and identified limited support for the concept from stakeholders. The second, on the development of a regional strategy to maximize economic benefits from purse seine caught tuna. PSS report was considered by the Parties to the Nauru Agreement. The Project also provided partial funding to negotiation access workshop held at the FFA in April 2008 in response to suggestions made in the MTR report for DevFish to assist countries deriving economic benefits from foreign fleets. At the national level, the tuna industry development action plan for Papua New Guinea and fisheries development master plan for Tuvalu were completed during the period.
- 2.6 In terms of promoting *opportunities for P-ACP private sector participation in tuna fisheries*. DevFish funded the participation of representatives of two crewing agencies in a meeting with purse-seine operators to explore opportunities for the employment of more Pacific Islanders. Study on women participation in Pacific Islands Tuna Fisheries Development was completed in December 2007, but final report was unsatisfactory. Part of consultancy fee was retained and another consultant completed the report, including collection of additional data from Kiribati. FDPS prepared two project proposals for technical assistance to the competent authorities in Fiji & PNG, which have been approved by the EC-ACP “Strengthening Fishery Products Health Conditions in ACP/OCT Countries” (SFP) Project. Two managers from a fishing company in PNG attended a training attachment on value added tuna products; and a final report on a pilot project for small scale pole and line fishing development in Solomon Islands was received and distributed to key stakeholders.
- 2.7 For the project result area *improving conditions for trade and investment*, the FDPS participated in a further round of negotiation of the P-ACP/EU Economic Partnership Agreement dealing with the fisheries chapter. Two consultants were engaged to assist the Competent Authority in PNG address problems identified by a mission of the Food and Veterinary Office (FVO) of the EC earlier in the year and enable PNG to preserve its list 1 status. Training was provided for CA staff in PNG, Fiji, Samoa and Niue (coordinated by SPC). Project staff were actively involved in the Pacific Tuna Forum (the first international

tuna industry and trade conference of this type to be held in the Pacific): the FDPS made two presentations at the meeting and chaired the session on trade and markets; Devfish sponsored participation for one guest speaker from Europe; and arranged for representatives of four Pacific Islands tuna industry associations to attend the Forum, using funds provided by the EU PACREIP project. DevFish sponsored participation of staff from seamen's recruitment agencies of two countries to US Treaty broader cooperation talks in San Diego. Arranged meeting between Spanish tuna & industry participants & P-ACP Government & industry representatives on the fringes of the WCPF meeting in Guam in December 2007.

2.8 In the fifth result area – *improved policies and institutional arrangements for private sector development at the national level* – there is an overlap with other result areas, and some in-country projects such as national development plans have been reported above. Other support in this area included:

- Assisting associations by way of providing training, in-country support and funding part time executive officer positions in fishing associations in Kiribati, Tuvalu, Cook Islands and Tonga to man these offices;
- A financial review of the Nauru Fisheries Corporation recommending privatization of some functions;
- The provision of fish aggregation devices and equipment to convert diesel fishing boat engines to biofuel in Kavieng, PNG, in a pilot project to develop small scale tuna handline fishing;
- Sponsorship of a scholarship for a student to research depredation by whales on longline caught tuna in Fiji;
- A review of the National Development Bank lending scheme for small fishing businesses in PNG; and
- Tackling P-ACP countries' specific problems on issues such as tax, investment policies, port services and others in collaboration with FFA's normal work programme.

2.9 The final result area, *wider application of project results*, covers both the dissemination of information from the project and the coordination and reporting activities. The Project web-page was maintained and updated during the period, while hard copies of all reports were printed by SPC and circulated to relevant stakeholders. Reports on development options in the longline and purse seine fisheries and support to the Tonga export Fisheries Association were summarized for wider distribution. These were variously featured in 'The National' in Papua New Guinea and the 'Islands Business' website and print version, the Air Pacific magazine, as well as the SPC Fisheries Newsletter. This approach of publicizing the findings of the project through the regional media will be used further.

In terms of project coordination:

- The annual report covering the 2006/07 work programme together, with audited accounts for AWP2, were submitted in August 2007;
- The sixth FFA/SPC consultation meeting was held on 31st March at the FFA headquarters in Honiara; and
- The third project steering committee meeting was held in Koror, Palau on 10 May 2008, attended both by RAO and EC representatives from Suva, Fiji.

2.9 At the end of December 2007, DEVFISH FFA had spent only 73% of its annual budget. DEVFISH SPC on the other hand had spent 76% of its approved budget by the end of the period. This is a reasonable performance since funding for the current AWP was only received in December 2007. FFA expenditure plus commitments at the end of June 2008 was equal to 84% of the budget; SPC also had outstanding commitments.

2.10 The Project Coordinator, Teriba Tabe, resigned from his position during the period and left to take up a position with the Forum Secretariat in October. Recruitment of a replacement was

carried out following normal FFA procedures, and Mr. Leonard Paia of Solomon Islands was selected. He started work on 28th January 2008 at the end of his contract with the EU Project Management Unit in Solomon Islands.

- 2.11 The second project monitoring mission was conducted during August 07 and collected information in 11 of the 14 participating countries. The mission concluded that the project is highly relevant and its results are well appreciated by many of its stakeholders. As with the first mission, the project was ranked as 'good' in all five areas – relevance, efficiency, effectiveness, impact and sustainability. Changes to the project logical framework, particularly the indicators, were recommended however.
- 2.12 The project mid-term review (MTR) started during September 2007, after being awarded to regional consulting company Gillett Preston and Associates. The final report was received in March 2008.
- 2.13 In general the third annual work programme and its internal audit was completed satisfactorily.

TABLE 1 – SUMMARY OF PROJECT PROGRESS TO JUNE 2008 – (9.ACP.RPA.08)

Ref No.	Results description and indicators	Planned target/achievements for the reporting period (year to June 08)	Progress to June 2008/issues	Comments and Action required before 30 th June 2008
1.	Improved information for Policy Making			
1.1	<ul style="list-style-type: none"> • Measure economic performances of tuna fishery 	<p>1.1 publication, printing and dissemination of following:</p> <p>(a) revised estimate of the regional contribution of tuna to GDP;</p> <p>(b) development options in the Long-line fishery study;</p> <p>(c) Purse seine fishing & onshore processing study;</p> <p>(d) Opportunities for increasing utilization and value adding from shark by-catch utilization in tuna long-line fisheries;</p> <p>(e) Torremolinos Protocol & STCW-F Convention: Tools for</p>	<p>Revised estimate of the regional contribution of tuna to GDP (base year 2004) has been completed for the majority of the P-ACP countries</p> <p>Study undertaken to analyse feasibility of sub-regional/reciprocal access arrangements for tuna long line vessels.</p> <p>Long line Framework (LLF) report was considered by Sub-Committee on Tuna and Billfish.</p> <p>Final report received for study on economics of purse seine fishery and onshore processing analyses returns in tuna purse-seine fisheries in Papua New Guinea, Solomon and Marshall Islands, and contrasting economic benefits of onshore investment and processing. 4 – page summary of this report has been circulated widely.</p> <p>A study on the shark by-catch utilization was completed during the first half of 2007 while a brochure has been printed and distributed on the Torremolinos Protocol & STCW-F Convention: Tools for improved fishing vessel safety.</p>	<p>Regional access arrangement not widely accepted, but some potential for stronger cooperation.</p> <p>Some interesting opportunities through control of access (disincentives), but participation of smaller island states still a challenge.</p>

<p>1.2</p> <p>1.3</p> <p>1.4</p>	<ul style="list-style-type: none"> Validated manual for small scale tuna processing. Study on assessment of opportunities on purse seine fishing & onshore processing of catches Case studies 	<p>improved fishing vessel safety.</p> <p>1.2 Validate one of the financial/economic models (ACLAR model) already collected with data available from the purse seine study.</p> <p>1.3 Completing final draft of a study on "An Assessment of Opportunities The Economic Benefits of Tuna Purse Seine Fishing & Onshore Processing of catches".</p> <p>1.4 A case study on the economic benefits from sports fishing operations –suggested focus in Fiji, Vanuatu and Marshall Islands, with possible inclusion of Tonga</p>	<p>A number of fisheries economic models have been collected and for small scale tuna processing completed in March 2007</p> <p>Study of economic benefits of purse fishery and onshore processing completed by Dev Ads (PNG) report circulated.</p> <p>A new study on the economic small – scale troll fisheries and sports is currently in progress.</p> <p>DevFish also sponsored a workshop during SPC Heads of and Statistics in Noumea in September to improve awareness of the economic tuna fisheries.</p> <p>Final report on economics of sports fishery was completed during the period and had provided number of lessons for the region.</p>
<p>2</p> <p>2.1</p>	<p>Improving Strategies for Fisheries Development</p> <ul style="list-style-type: none"> Evaluating performances of different strategies for promoting tuna development. 	<p>2.1 Document success & failures of different strategies focusing on Marshall Islands loining plant, Soltai, PAFCO, Pohnpei Fishing Corporation, or national Fishing Corporation in FSM</p>	<p>Two major sub-regional studies completed during the period include:</p> <ul style="list-style-type: none"> An analyses of a feasibility regional/reciprocal arrangements for tuna

<p>2.2</p>	<ul style="list-style-type: none"> Assessing role of new approaches to fisheries management that promote domestic development 	<p>2.2 assessing role of new approaches to fisheries management that promote domestic development in the following option areas:</p> <ol style="list-style-type: none"> Strengthening preferences for local vessels – emphasis on development of regional strategy to maximize economic benefits from purse seine caught tuna in PNA countries. Reciprocal access arrangements with focus on a sub-regional arrangement framework for South Pacific long-line fisheries. Desk study on key principles for a regional tuna development strategy & policy with emphasis geared towards developing National Fishery Development Plans: focusing on: <ol style="list-style-type: none"> completing PNG tuna action plans; further support to Tuvalu fishery development plan; Some components of Solomon Islands Fishery Development Plan. 	<p>vessels. The LLF re- considered by Sub-Com Tuna and Billfish.</p> <ul style="list-style-type: none"> Development of a regional to maximize economic from purse seine caught report was also considered Parties to the Nauru Agreement. Study on ‘lessons learned’ progress. This covers approaches experienced decades since independence promote tuna development, including owned industries, joint-ventures well as domestic and investment. Studies carried out on development of regional strategy for purse seine & long line fisheries as above. Completion of PNG Development Action Plan Tuvalu Fisheries Development Action Plan Provided partial funding negotiation access works in April 2008 in response to suggestions made in the Monitoring report for year the need for DevFish to more support to countries deriving economic benefits from foreign fleets.
<p>2.3</p>	<ul style="list-style-type: none"> Identifying strengths & weaknesses of alternative fisheries development strategies. 	<p>2.3 Synthesizing results of above activities have been deferred to final year where results will be presented</p>	

		at a regional workshop.	
3.	Private Sector Participation in tuna fisheries improved		
3.1	<ul style="list-style-type: none"> Identify regional issues to assist P-ACP member countries in their tuna development plans from EU regional scoping mission report. 	3.1 Get regional scoping mission report & support good initiatives identified.	DevFish strengthened cooperation EU/ACP Project 'Strengthening Products Health Conditions in Countries' (the SFP Project). FDSP prepared two project proposals for technical assistance to the authorities in Fiji & PNG, which were approved.
3.2	<ul style="list-style-type: none"> Collaborate with CDE for future funding of Pacific Islands Tuna Industry Association (PITIA). 	3.2 Assisting regional networking of Pacific Island private sector interest by working closely with PITIA.	DevFish provided support for first PITIA. Formal establishment of PITIA has enabled the organization to access funding from GEF-funded Oceanic Resource Management Project & additional funding from CDE.
3.3	<ul style="list-style-type: none"> Study on women's participation in the Pacific Islands Tuna fisheries development in PNG, Kiribati & Fiji. 	3.3 Complete study on gender issues currently in progress & identify success stories that could become policy models in the region.	Study on women participation in Pacific Islands Tuna Fisheries Development completed in December 2007, report was unsatisfactory. Consultant fee was retained and consultant has now been engaged to write the report, including collecting additional data from Kiribati.
4.	Trade and Investment in Tuna Products Improved		
4.1	<ul style="list-style-type: none"> Competent Authority (CA) 	4.1 Regional study of laboratory services – continues study	Assistance was provided to CA in order to respond to problems identified by PNG to enable PNG to preserve its list 1 status.
4.2	<ul style="list-style-type: none"> Continue promotion of improved seafood safety & quality policies & 	4.2 Engaging consultants to follow up on recommendations for improvement of	Training was provided for CA staff in Fiji, Samoa and Niue (coordinated

	programmes undertaken for Samoa, Fiji & Niue.	seafood safety & quality policies – Niue etc.	
4.3	<ul style="list-style-type: none"> P-ACP Participants of Pacific Tuna Conference in PNG 	4.3 Coordinate participation of tuna industry representatives from P-ACP to Pacific Tuna Conference with funding from PACREIP.	Coordinated arrangements for for Island participants to Pacific Conference (funded by PACREIP)
4.4	<ul style="list-style-type: none"> EU Key tuna players participation at Pacific Tuna Conference in PNG 	4.4 Coordinate participation of EU key tuna players at Pacific Tuna Conference in PNG	Sponsored participation of EU speaker at the Pacific Tuna Forum Moresby in September.
4.5	<ul style="list-style-type: none"> Study on mobility of factors of production 	4.5 Pursue funding possibility on study of mobility of factors of production under Forum Secretariat PACREIP project	
4.6	<ul style="list-style-type: none"> Promoting EU-Pacific ACP investment & business relations 	4.6 Develop legal & institutional arrangement using results of national consultancies	
		4.7 Organise & coordinate workshop between vessel owners & seamen employment agencies	To improve opportunities for employment on foreign tuna DevFish sponsored participation from seamen's recruitment agencies countries to US Treaty broader cc talks in San Diego.
		4.8 Report & study on prospects for enhanced business relations relating to Brussels & PNG tuna conferences & seafood trade show.	Arranged meeting between Spain industry participants & P-ACP Govt & Industry representatives on the the WCPFC meeting in Guam in D
			Some work was carried out on promoting EU Pacific-ACP investment & business relations fisheries.
5	National Private Sector Development Improved		
5.1	<ul style="list-style-type: none"> Provide Support to established 	5.1 Country visits on request by P-ACP	Supporting national processes for

	<p>tuna fishing industry associations at national level</p>	<p>states in relation to strengthening of associations through funding or technical assistance to fishing associations.</p> <p>5.2 Provide Value added tuna products training for industry representatives from PNG & others</p> <p>5.3 Develop comprehensive new national policy proposals for selected P-ACP countries with action plans reflected in the National Actions Plans.</p>	<p>sector participation in tuna management development issues as well as establish and strengthened associations way of providing training, project country support and funding project officers (executive officers) to association offices.</p> <p>Completed two National Action Plans PNG and Tuvalu during the period</p> <p>In addition, the tackling P-ACP specific problems on issues such as investment policies, port services and in collaboration with FFA's normal programme.</p>
<p>6</p> <p>6.1</p>	<p>Project Coordinated and results applied</p> <ul style="list-style-type: none"> • Project coordination 	<p>6.1 Complete interim audit for AWP2 funds & submit 2nd annual report</p> <p>6.2 Regular up-date of DevFish website with regional reports printed & circulated.</p>	<p>Interim audit for AWP2 was completed submitted with the second annual August 2007.</p> <p>Project web-site was maintained & during the period, while copies of reports were printed by SPC & circulated relevant stakeholders. New reports are sent by e-mail of the executive to interested stakeholders, with either to the full report on the DevFish for regional studies or an offer to provide electronic or hard copy on request.</p> <p>Report on development options in fishery was summarized for</p>

		<p>6.3 Project steering committee 3 in Niue</p> <p>6.4 Regular six monthly meeting between project staff from FFA & SPC to be held in Noumea and FFA.</p>	<p>distribution. The full article was 'The National' in Papua New Guinea, the 'Islands Business' website, where highlights were reported in IB press and the Air Pacific magazine, as well as SPC Fisheries Newsletter.</p> <p>The third Project Steering Committee Meeting took place on 10 May 2007 in Koror, Palau. It was during this meeting a draft AWP4 was presented to the committee for further comment and submission as well as DevFish Concept Note was endorsed by the Committee.</p> <p>The fifth Roundtable meeting with SPC, Noumea, New Caledonia from 15-17 November 2007.</p> <p>The sixth Roundtable meeting with FFA, Honiara, Solomon Islands from 15-17 March 2008.</p>
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3.0 Review of Project and Performance to June 2008

3.1 Policy and Programme Context

The policy and programme context for which the DEVFISH project was initially developed continues to strengthen in its support for project objectives. At the annual meeting of Forum Leaders in Vava'u in November 2007, the heads of state of the Pacific ACP countries again "committed themselves to promoting domestic fisheries, in particular the development of national tuna industries." The 2nd project monitoring mission concluded that the project was highly relevant to real and perceived needs in the region at all levels of the intervention logic.

3.2 Progress towards achieving objectives

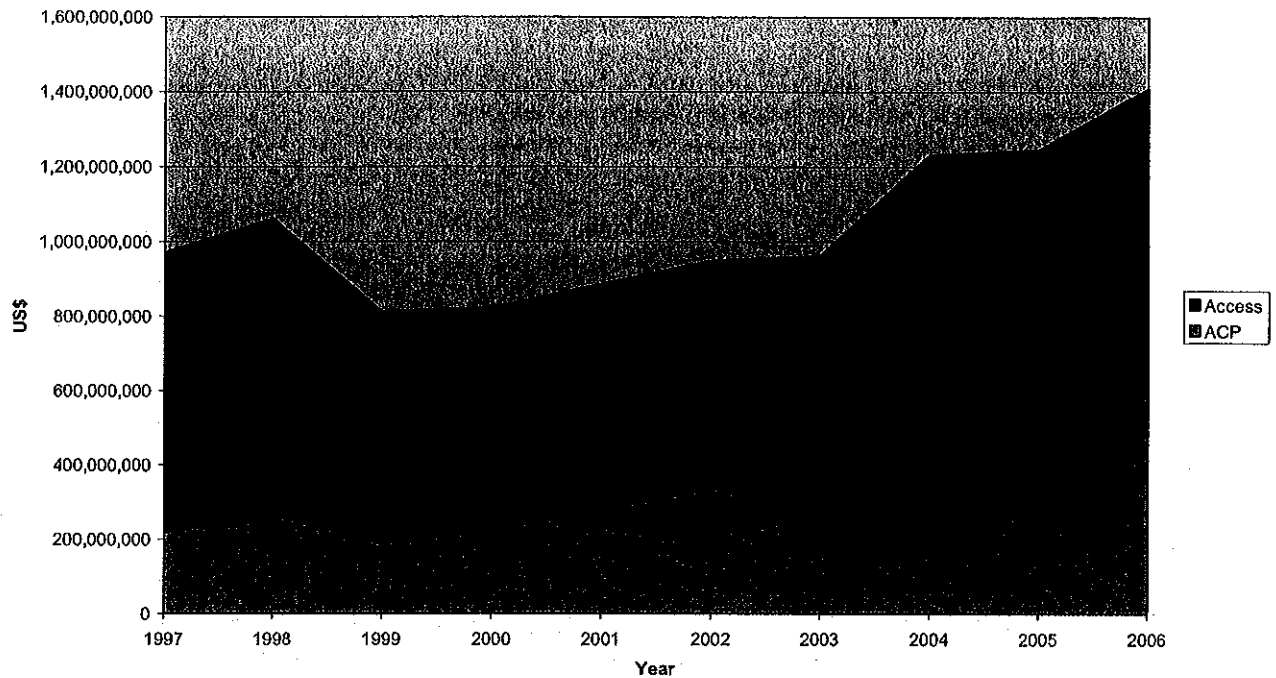
Overall objective

The overall objective of the DEVFISH project remains unchanged and that is: "*to increase the contribution from the sustainable use of marine resources to the alleviation of poverty in the Pacific ACP countries*".¹ It is difficult to monitor progress towards this objective on a six-monthly basis as improvements (such as increased employment in a new cannery) take some time to eventuate, and even longer before the data on these indicators comes through national reporting systems. Achievement of the objective is also influenced by many factors outside the control or influence of the project.

In very general terms however, the value of the tuna catch taken by domestic and locally based fishing operations (ACP) is increasing over time: both in total, and relative to the value taken under access agreements in ACP countries' EEZs (Access), as illustrated in the graph below for ten years' data up to the end of 2006. The most rapid growth occurred between 1999 and 2004, however, before the start of project activities.

¹ See Financing Agreement, Contribution Agreement, Inception Report - August 2005 and Six Monthly Report - January 2006

Value of tuna catch



Project purpose

The project purpose is “to assist P-ACP countries in the establishment of a concerted policy and economic environment conducive to the further development of Pacific ACPs owned fishing and processing operations and an increased contribution of foreign fleets to the economic development of these countries.” The indicators for this project purpose rely on the perceptions of private sector fishing companies and, more specifically, the national industry associations. The Project monitoring mission has generally recorded the satisfaction of most private sector stakeholders with the activities of DevFish, but it is again difficult to fully attribute positive changes to the work of the project. There have also been negative changes in the economic environment (most obviously in global fuel prices) during the period for reasons outside the control of the project. The monitoring mission noted the need to review project indicators, which was done as part of the mid-term review.

Key planned results of the project

The project planned results include:

- I. Improved information for policy making available and used;
- II. New and improved strategies for fisheries development identified;
- III. Opportunities for participation of the P-ACP private sector in tuna fisheries improved;
- IV. Conditions for regional and international trade in tuna products and investment in tuna production improved;

- V. National policies and institutional arrangements for private sector tuna fishery development improved and better coordinated;
- VI. Project efficiently administered and project results widely distributed and applied.

Major achievements in each of these areas have been listed in the Executive Summary above, and are covered in more detail in the following section. The monitoring mission reported that indicators for the achievement of the project results are not well defined in the logical framework, and these are again being amended by the MTR.

3.3 Activities undertaken

This report covers the progress of all activities undertaken in the third AWP during the months of July 2007 to June 2008 based on the 2007/8 work plans. The focus of the third year work programme was devoted to addressing the policy and development planning area based on the information gathered and studies undertaken during the first and second AWPs. The project also continued with, and completed, the series of analyses on the economic impact of different domestic and locally based fisheries, and developed plans and strategies for domestic industry development, started in the earlier programmes.

In addition to these general areas, the project continued to respond to needs identified by P-ACP countries in line with their national development priorities. The project also continued and expanded its programme to assist private sector fishing associations in many of the countries.

The status of the planned activities for third year AWP are provided in Table 1 above and further discussed in detail under the six *key results* that follows:

1. Improved Information for Policy Making

- The final report on the economics of the Samoan Alia fishery was completed during the period. The study determined that both Alia and conventional longline fisheries in Samoa deliver significant economic benefits, with the smaller Alias providing slightly higher value added and more jobs. However, under current economic conditions, Alias do not provide an attractive return on investment. One option for improving their profitability would be to replace the current 2-stroke outboards with more fuel efficient 4-stroke motors, which would quickly repay the higher capital costs through savings in fuel. As this fishery has been promoted as a model for small scale tuna fisheries in the region, its demise in recent years provides a number of lessons for the region and the Samoan Government have kindly agreed to its circulation to other countries in the region. A summary of the findings of the two 'small-scale' tuna export fisheries (Alias and Pumpboats) will be prepared soon.
- The final report was also received for the study on the economics of the purse seine fishery and onshore processing. The study was completed by DevAds (PNG). The study analyzes returns in the tuna purse-seine fisheries in Papua New Guinea, Solomon and Marshall Islands, and contrasts the economic benefits of onshore investment and processing. The report found substantial economic benefits from local basing of purse

seiners and onshore processing of their catches; but concluded that the contribution of many companies to Government revenue was disappointing. A 4-page summary of this report has been prepared and widely circulated.

- A new study on the economic impact of small-scale troll fisheries and sport – fishing is currently in progress. This will complete the series on the economic impact of the region's various tuna fisheries. The report is expected during the second half of 2008.
- In order to improve awareness of the economic importance of tuna fisheries as well as improving its treatment in national accounts, DevFish also sponsored a half-day workshop during the SPC Heads of Planning and Statistics in Noumea in September 2007. Experts on the economics of tuna fisheries in the region and the compilation of national accounts were brought in as resource persons, as well as Project and FFA staff. Feedback from participants was very positive.

2. Improved Strategies for Fisheries Development

- Two major sub-regional studies were carried out during the period:
 1. An analysis of the feasibility of sub-regional/reciprocal access arrangements for tuna longline vessels. The Longline Framework (LLF) report has just been considered by the Sub-Committee on Tuna and Billfish (SCTB). The study which was completed by David Evans and associates concluded that there was little support for the concept in some countries, where the locally based industry were mainly focused on the danger of such an arrangement allowing foreign controlled vessels into their EEZs. In other countries, however, the idea was appreciated by the domestic tuna industry. The best way forward is therefore likely to be a series of reciprocal arrangements between neighbouring countries or small sub-regional groups. A draft framework agreement under which these could be negotiated has been developed, and will be considered at the next meeting of the SCTB.
 2. A second major study was based on the development of a regional strategy to maximize economic benefits from purse seine caught tuna, was also awarded to a group of consultants headed by David Evans. The study analyzes policies to encourage on-shore processing of the tuna catch; and how these can be applied on a sub-regional basis by the countries that are Parties to the Nauru Agreement (PNA). The PSS final report was received and has been considered by the Parties to the Nauru Agreement, with follow-up actions already identified.
- An important study on 'lessons learned' from experience of tuna development strategies over the decades since independence was recently completed. This records experience in different countries of approaches to promoting tuna industry development, including State-owned industries, joint-ventures as well as domestic and foreign investment, and makes recommendations on the most successful and appropriate approaches.
- At the national level, a tuna industry development action plan for Papua New Guinea was completed during the period, and was launched at the Pacific Tuna Forum in September. Tuvalu Fisheries Sector Development Action Plan was also completed during the period

and launched in July 2008. Discussions were held with fisheries officials from Nauru, Palau, Kiribati and Samoa on future assistance with national development planning. Plans will be developed for Nauru and Samoa in 2008/09.

- In response to suggestions in the Project Monitoring Report for year 2, that DevFish needed to provide more support to countries in deriving economic benefits from foreign fleets, partial funding was provided for an access negotiation workshop which was held at the FFA head quarters in Honiara on April 2008. This workshop was jointly sponsored with FFA, and covered various aspects of planning for and participating in access negotiations to maximize access fee returns. Resolutions from the workshop were endorsed by the region's fisheries ministers at the annual meeting of the Forum Fisheries Committee.

3. Improved Private Sector Participation in Tuna Fisheries

- During the first two years DevFish has focused mainly on the opportunities for developing locally owned and locally based fishing and processing operations, but the project purpose also requires attention to increasing the economic contribution of foreign fleets and this is being addressed in the current AWP. With a view to increasing the employment of Pacific Island crew on foreign fishing vessels, the project sponsored the participation of the managers of two crewing agency companies in the broader cooperation talks held under the US tuna treaty in San Diego. US purse seiners employ more Pacific Islanders than any other foreign P/S fleet, and the US fleet is currently expanding.
- A final draft of the report on a study on women's participation in Pacific Islands Tuna Fisheries development in PNG, Kiribati and Fiji was received from the consultants FishTech Ltd in December 2007. The report still contained a large number of factual errors and irrelevant material, and was generally of an unacceptable standard. Following negotiations with the consultant, US\$4,000 was withheld from the final payment to pay for a re-write by another consultant. This other consultant has re-written the report, including the collection of additional data from Kiribati.
- Two managers from Ailan Seafood Ltd. in Papua New Guinea were funded to attend a practical attachment on the production of value added tuna products for export markets at the Gourmet Food Company in Fiji. The company plans to expand its purchase of tuna from local fishermen, and has already identified a market for smoked products in the EU.
- To assist in establishing a regional network of Pacific Islands Private Sector interests in tuna fisheries, DevFish continues to liaise with the Pacific Islands Tuna Industry Association.
- DEVFISH has recently strengthened cooperation with the EU/ACP Project 'Strengthening Fisheries Products Health Conditions in ACP/OCT Countries' (the SFP Project). The FDPS has prepared two project proposals for technical assistance to the competent authorities in Fiji and PNG, which have been approved and are currently in progress. The SFP project is able to provide relatively long-term technical assistance which is beyond the scope of DevFish.
- A consultancy to develop a pilot project for small scale tuna pole and line fishing in Solomon Islands was contracted to Fijian consultant Robert Stone. The study report

was received and a 4-page summary has been completed and circulated to relevant stakeholders.

4. Improved Conditions for International Trade and Investment in Tuna Products

- Most of the activities during the period focused on the European market. Although there is great distance from Pacific tuna producers, the tariff preferences, high demand and strength of the Euro have made this an attractive market for countries in the region. Retention and improvement of tariff preferences for tuna has been a key objective of the P-ACP countries in negotiation of an EPA with the EU; and the FDPS participated in a further round of negotiations in Brussels in September on the Fisheries Chapter of the proposed EPA. The EU offer to relax the rules of origin for canned tuna represents a very significant opportunity for the region's tuna industry. At the end of the year Fiji and PNG signed an interim trade in goods agreement and Solomon Islands can continue to export under the EBA initiative, so the three tuna exporters can continue to trade.
- These three were all subject to an inspection by the Food and Veterinary Office (FVO) of the EC during 2007. In November, DevFish provided a short-term consultant to assist the PNG Competent Authority address issues raised in the FVO report and enable PNG's List 1 status to be preserved.
- Training has also been provided for staff of the CA in PNG, Fiji, Samoa and Niue (coordinated by SPC), and follow up visits by a consultant in PNG, Fiji and Niue was also done in June 2008.
- The Project has now developed a good working relationship with the EU-ACP project "Strengthening Fisheries Products Health Conditions in ACP/OCT Countries", with a view to obtaining further assistance for the region from this source.
- The Pacific Tuna Forum (the first international tuna industry and trade conference of this type to be held in the Pacific) was held in Port Moresby in September. It was organized by Infofish and the PNG National Fisheries Authority with support from various other agencies and sponsors. Project staff were actively involved in the Forum: the FDPS made two presentations at the meeting and chaired the session on trade and markets; Devfish sponsored participation of one guest speaker from Europe; and arranged for representatives of four P.I. tuna industry associations to attend the Forum, using funds provided by the EU Pacreip project.
- Also in the area of investment, a meeting was arranged between Spanish tuna industry participants and P-ACP Government and Industry representatives on the fringes of the WCPFC meeting in Guam in December 2007. As a result, a survey of investment opportunities in the region for EU investors will be carried out.

5. Improved National Policies and Institutional Arrangements for Private Sector Tuna Fishery Development and Better Coordinated

- As noted above, a tuna industry development action plan for Papua New Guinea was completed during the period, and was launched at the Pacific Tuna Forum in September. A Fisheries Sector Development Action Plan for Tuvalu was also completed during the period and launched on July 2008. Discussions were held with fisheries officials from Nauru, Palau, Kiribati and Samoa on future assistance with national development planning. In addition, the tackling of P-ACP countries' specific problems on issues such

as tax, investment policies, port services and others are being done in collaboration with FFA's normal work programme.

- In Nauru a consultant carried out a financial evaluation of the Nauru Fisheries Trading Corporation, with a view to restructuring and privatization of some services. These recommendations have already been implemented by the Government.
- In Papua New Guinea, a review was completed on the fisheries credit scheme of the National Development Bank, with a view to improving the appraisal of loan applications and to ensure that the scheme meets the requirements of SMEs in the fisheries sector.
- DevFish funded equipment for a pilot project in PNG on the use of bio-fuel (coconut oil) as a substitute for diesel in fishing boat engines. Fish Aggregation Devices were also deployed in conjunction with SPC to support more fuel-efficient fishing methods for tuna. If successful, this approach may provide a way of addressing high fuel costs which are consistently identified as a major economic constraint to industry viability.
- A scholarship was sponsored for a student to research depredation by whales on longline caught tuna in Fiji – this was the first year of a two year study.
- The Project continued to support national tuna industry and fishing associations in a number of countries. Funding for Executive Officer positions in Kiribati, Tuvalu and Cook Islands continued during the period, and support for the EO of the Tonga Export Fisheries Association was extended for a further six months in recognition of her effectiveness in promoting industry positions in a number of Government forums. Associations have played a major role in identifying in-country assistance projects. These have included minor infrastructure (an ice machine); pilot projects to use biofuel for fishing boat engines and generators; study visits on processing techniques; design of a pilot project for small-scale pole and line fishing; and the financial review of a state owned fishing company.
- Assistance was also provided to Associations in Kiribati, Samoa, and Vanuatu to meet various requirements identified by their members.

6. Information dissemination

- The activities planned during the third year annual plan in terms of project coordination and wider application of project results include: organizing six monthly roundtable consultation meetings; annual steering committee meeting; national coordination meetings; submission of six and annual reports to both the RAO and EU; completing interim audit for project funds; up-dating DEVFISH site on FFA main website regularly; publication and circulation of regional reports and responding to requests from private sector. All of these activities have been completed as scheduled.
- The Project web-page was maintained and updated during the period, while hard copies of all reports were printed by SPC and circulated to relevant stakeholders.
- As new reports are released, the Project sends an email of the Executive Summary to interested stakeholders, with either a link to the full report on the Devfish webpage for regional studies or an offer to provide an electronic or hard copy on request.
- Reports on development options in the longline fishery and purse seine fishery were summarized for wider distribution. A report on the effectiveness of support to the Tonga Export Fisheries Association was also written. These articles were variously carried in 'The National' in Papua New Guinea, the 'Islands Business' website, IB print version and

the Air Pacific magazine, as well as the SPC Fisheries Newsletter. This approach of publicizing the findings of the project through the regional media will be used further.

- In spite of these efforts, the mid term review has found that key industry and Government stakeholders are still not fully informed of project activities and findings and recommended a communication strategy to be developed. This will be completed in the second half of 2008, so that project results can be more effectively disseminated in the final stages of the Project.

7. Management and Coordination

- The annual report covering the 2006/07 work programme together, with audited accounts, was submitted in August 2007.
- Unfortunately there was again a minor problem with the SPC audit, which delayed acceptance of the accounts and release of payment until early December.
- The SPC/FFA roundtable project planning meeting was held in Noumea in November, somewhat later than originally planned, due to staff travel and other commitments. The 6th SPC/FFA roundtable meeting was held at the FFA head quarters in Honiara on 31st March 2008. The third Project Steering Committee Meeting was held in Palau on 10 May 2008.
- The 2007/08 work programme internal audit for SPC has been completed while FFA's internal audit for the same period is currently in progress and expected to be completed by end of July or early August 2008.

3.4 Resources and budget

The approved Annual Work Programme budget for 2007/08 is €1,029,758, of which approximately €215,000 represents commitments carried forward from the previous year. The remainder is required to support new activities in 2007/08.

At the end of June 2008, DEVFISH FFA had actually spent 73% of its annual budget. DEVFISH SPC on the other hand had actually spent 74% of its approved budget by the end of the period. This is a reasonable performance since funding for the current AWP was only received in December 2007. FFA expenditure plus commitments at the end of June 2008 was equal to 84% of the budget; SPC also had significant outstanding commitments.

A breakdown of consolidated expenditure by budget head is provided in the table overleaf:

Table 1: FFA & SPC combined expenditure for July -2007 to June- 2008

Item	Original Budget	Budget Variations	Total Expenditure	Expenditure as % Budget	Budget unused
Opening balances			€ 823,723.81		
Expenditures Summary:					
1. Tech Assist	€ 493,388.00		€ 394,424.04	80%	€ 98,963.96
2. Equipments	€ 23,290.00		€ 18,752.39	81%	€ 4,537.61
3. Meetings & Travel	€ 172,416.00		€ 109,025.59	63%	€ 63,390.41
4. Operational Costs	€ 46,151.00		€ 32,094.72	70%	€ 14,056.28
5. In-Country Support	€ 261,578.00		€ 182,376.11	70%	€ 79,201.89
6. Indirect Costs	€ 32,935.00		€ 25,061.57	76%	€ 7,873.43
Total	€ 1,029,758.00		€ 761,734.42	74%	€ 268,023.58
Closing balance:			€ 61,989.39		

The unused budget will be re-committed for the final AWP, through an addendum to be considered by the next roundtable project planning meeting in September.

3.5 Assumptions and risks

Assumptions and risks identified in the inception, first six monthly and annual reports remain valid. This report will only comment on three identified risks, where there have been some changes:

General economic conditions do not remain favourable to tuna fishing

Changes in this area have been mixed: fuel prices have continued to rise since the start of the project, with an unfavourable impact on operating costs of both fishing and processing operations. The prices secured for longline caught tuna in traditional markets (US and Japan for fresh tuna with frozen albacore supplied to the region's canneries) have also seen little improvement, although strong demand from Europe and the strength of the Euro and pound have favoured companies that are able to export to this market. On a more positive note, supply shortages during the second half of 2007 saw a rapid increase in the price paid for Skipjack and Yellowfin tuna for canning, promising improved profitability for the purse seine fishery.

Tuna catch rates continue to fall in all or some participating countries

The very poor longline catch rates experienced in several countries in the South and east of the region during 2003-05 seem to have been caused by unusual oceanographic conditions which have now returned to normal. Longline fleets in Fiji and Samoa have both reported improved catch rates in 2006 and 2007.

Support is not provided by other ACP-EU instruments

During the period, direct funding support for project activities was provided by PACREIP, and staff of the two projects were in regular contact on trade issues. Following the appointment of a

new project manager for the SFP programme in Brussels, communications have improved dramatically. At the end of the period, the DevFish team leader was preparing two project proposals for SFP funding to assist the competent authorities in Fiji and PNG, which had been approved.

3.6 Management and coordination arrangement

Consultations have been maintained between project staff from both agencies (FFA and SPC) and the managers of the relevant divisions to ensure smooth implementation of the project's approved activities. The sixth coordination meeting was held on 31st March 2008 at the FFA head quarters in Honiara to review the implementation of the DEVFISH project, specifically the progress of the third annual work programme from July 2007 to February 2008 and the financial position of the project for the same period. The meeting also discuss further on the recommendations of the mid-term review. General discussions were also made on the draft 2008/2009 annual work programme. An observer from the RAO, Forum Secretariat in Suva, Fiji was present.

As part of managing and coordinating project activities, relevant reports are produced and disseminated widely through the FFA and SPC websites, SPC's newsletter, fishing industry network and workshop presentations. In certain cases, there are specific activities implemented at the request of the P-ACP members for which the reports are distributed to those concerned directly.

3.7 Financing Arrangements

As per our six previous reports, the project is fully funded by EDF9 while complementary in-house support is provided by both the FFA and SPC. Financing of the project activities are governed by the Financing and Contribution Agreements and remains at EURO 3,000,000 over the four year duration of the project.

In line with article 4(2) of the contribution agreement, a request for 80 percent of the third year proposed budget was submitted in August while funds were released in December 2007. Despite the delay in receiving funds for the third year work programme, both agencies were able to implement approved activities through left over cash balances carried forward from the second year work programme, and subsequently funding from FFA and SPC funds which have now been reimbursed.

3.8 Monitoring, Review and Evaluation Arrangements

During August 2007, a monitoring team also visited the region for annual monitoring of the project. They visited 11 countries, and assessed the project against the usual five criteria: relevance and quality of project design, efficiency of implementation, effectiveness of project, its impact, and potential sustainability. The DEVFISH project was rated as 'good' in all five areas.

An independent Mid Term Review of the DevFish project started in September 2007 following selection of the consultants – Gillett Preston and Associates - by the RAO and EU Delegation in

Fiji. Their final report was received in March 2008. The report made two key recommendations as follow:

- Despite considerable effort of project staff, only a portion of the important DevFish messages are getting through to the target audiences. The Review recommends that a communications strategy be developed and implemented.
- The quality of governance in the fisheries sectors of some P-ACPs is a major constraint on DevFish effectiveness, and on the wider fisheries sector. The Review recommends that DevFish focus on fishery policy for improving governance in the sector. In practical terms this may include enhanced promotion of tuna management/development plans, enhancement of fisheries associations, and the use of high-level policy briefings.

The project is now taking steps to address the two key recommendations by: currently working on a communication strategy for the project and supporting national fisheries associations as well as engaged in the development of tuna industry development action plans for Papua New Guinea and Tuvalu and held discussions with Palau, Kiribati and Samoa who had shown interest.

3.9 Sustainability Issues

The comments raised in all our previous reports regarding sustainability issues remain true at this stage. Since the project runs for only four years, all activities and initiatives supported by the project must have limited duration and are designed to be completed within the duration of this project. The project at this stage anticipates no ongoing activities that may require external funding.

The project has continued to support a number of capacity building activities and promoting skills transfer to national administrations and other stakeholders at the national level. At the regional level, project activities have complemented regional work programmes both at FFA and SPC. The FFA new structure has included the tuna development division and so it is anticipated that support to the development of the tuna industry will continue through its core staff and project funding.

The purpose of this project is very ambitious for a four year period and the indication from stakeholders is that further work is certainly required. A concept Note for phase II of the project was presented at the third Steering Committee Meeting held in Palau on 10 May 2008 at the margin of FFC67 and approval of the project concept has already been secured from Fisheries Ministers of the 14 participating countries. A revised draft of the concept Note incorporating new EU proposal guidelines has been completed and ready for submission to RAO and EC for consideration.

4. Annual Work Plan for 2008/2009

The DEVFISH Project is now entering the final year of its four years duration. In the three years to date, project staff have visited all the 14 Pacific ACP states at least once (many several times) in connection with project activities; three sub-regional tuna industry meetings were held; base line information has been collected; a range of regional tuna industry studies have been completed; work on tuna development planning has been carried out in two countries; a range of in-country

studies, training and technical assistance have been provided; and support has been given to a number of national fishing industry associations as well as the Pacific Islands Tuna Industry Association (PITIA).

In terms of administration, three project steering committee meetings were held at the margins of FFC61, Nadi in 2006, FFC64, Wellington in 2007, and FFC67, Palau in May 2008. Project monitoring reports were received in year 1 and year 2; and a mid term review has also been completed. Project reports have been submitted on schedule and the accounts for the first two years have been fully audited. The third year internal audit for the FFA component is now completed. The contract was awarded to Morris & Sojnocki, a local audit firm. SPC had also completed its internal audit.

The conservation and sustainable development of the region's tuna and related resources remain crucial on the region's agenda. At the Forum meeting in Tonga in November 2007, leaders re-affirmed their commitment to the development of domestic tuna industries in the Vava'u Declaration on Fisheries. There is thus an appropriate policy environment for the P-ACP countries to focus attention on the development of their commercial fishing, processing sectors and related activities. DEVFISH will continue to be a key instrument in this process over the coming months.

The major thrust of DevFish during the first three years of the project was on economic analysis to guide policy development. The project activities for the fourth AWP which runs from 1st July 2008 has been built upon those activities already implemented during the past three years but will focus more on promotion and progress with strategies for development, national development planning, policy development, information dissemination and improved opportunities for trade and investment, thus addressing key recommendations made in the MTR.

4.1 Results:

The Project is designed to support regional thinking and national action. The Regional Component supports analysis, consultation and training at the regional level on shared and common aspects of tuna development. The project planned results are:

1. The Regional Component

Result 1: Improved Information for policy making available and being used:

Result 2: New and improved strategies for fisheries development identified

Result 3: Opportunities for participation of the P-ACP private sector in tuna fisheries improved

Result 4: Conditions for regional and international trade in tuna products and investment in tuna production improved

2. The National Component

Result 5: National policies and national institutional arrangements for private sector tuna fishery development improved and better coordinated

3. The Coordination Component

Result 6: Project managed efficiently and coordinated, with results disseminated and applied.

PROJECT IMPLEMENTATION

Organizational Structure

The Contracting Authority is the Regional Authorising Officer (RAO). FFA and SPC are the two key implementing agencies. The Deputy Director of FFA remains the Project Supervisor. The FFA Fisheries Development Policy Specialist is the Team Leader. A Project Steering Committee (PSC) including representatives of participating Pacific ACP countries, FFA, SPC and the RAO meet annually at the margin of FFC meetings to provide technical and administrative oversight. The programme is implemented by means of a decentralised Contribution Agreement between the RAO and FFA and will remain under this arrangement until the closure of the project in 2009.

A subsidiary agreement between FFA and SPC was in place in 2005 committing each organization to implement project activities in accordance with the EDF regulations. A six monthly meeting by project staff from the two implementing agencies to coordinate the implementation and monitor project activities will continue to be organized. Six of these meetings have been held during the past three years with the most recent one held at the FFA Headquarters in Honiara on 31st March 2008. Within each organization project staff meet and consult each other regularly to discuss work plan activities and will continue to do so until the closure of the project.

4.2 Activity Schedule

The activity schedule for the fourth AWP which starts from 1st July 2008 include those activities agreed to during the sixth FFA/SPC consultation meeting held in March 2008 at Honiara. The AWP was further considered at the third Steering Committee Meeting held at Palau in May, and an addendum was submitted to reflect changes requested by stakeholders as well as the audited financial position after the second AWP was completed.

The Project is now moving into its final year of its four year period. Most of the 'information gathering' work has already been done or will be completed soon. Fair progress has been made with development planning and strategies, although more needs to be done with national development plans. The mid term review highlights the need to improve information flow from the project, as well as efforts to improve governance and awareness of policy issues. There may also be an opportunity to 'lay the foundations' for the second phase of the project.

The fourth AWP is devoted to addressing the policy and development planning area based on the information gathered, studies undertaken during the first, second and third AWPs and recommendations made in the mid term review report.

Result 1 – Improved information for Policy Making

The MTR report highlighted two most areas constraining project effectiveness concern communication and governance. The report further stated that despite considerable effort of project staff, only a portion of the important DevFish messages is getting through to the target audiences. The report recommended that a communications specialist formulate and implement a communications strategy.

It was agreed during the 6th consultation meeting held at the FFA Headquarters; Honiara on 31st March 2008 that SPC will take the lead in the development of a TOR for the engagement of a professional to develop a communication strategy. To commence this process, initial funding support will come from Information Dissemination budget allowance within the third AWP and later to be transferred to the fourth AWP.

The 6th consultation meeting also endorsed the need to raise efforts where appropriate to promote visibility. The MTR report was also made available as information to the project steering committee meeting as much of the membership have already been consulted during the process.

The planned activities for 2008/2009 AWP include the following:

- i) Preparation and circulation of summaries of existing reports and reports being prepared under the current work programme:
 - a. Small scale fisheries (Alia & pumpboat reports);
 - b. The second Gender study, after final editing at the end of this AWP;
 - c. A case study on 'lessons learned' – now nearing completion;
 - d. A case study on the economic benefits from small scale and sports fishing operations – already in progress but unlikely to be completed within the current AWP.
- ii) Statistics Meeting outcome follow-up - national meetings collaborating with National Statistics Offices and Central bank.

Result 2 – Strategies for fisheries Development Improved

Improving the strategies for fisheries development involves an evaluation of the performances of different strategies for promoting tuna development, assessing the role of new approaches to fisheries management that will promote domestic development and identifying strengths and weaknesses of alternative fisheries development strategies. The two major studies during the third year of the project were on the longline access framework (LLF) and purse seine study (PSS). Both may require further work during the 4th AWP.

Further work on a sustainable tuna management and development strategy will be proposed at the next FFC as a part of FFA's work programme. This is in response to the Vava'u declaration. Kiribati and Samoa have indicated their interest in assistance with development planning for the coming year.

The following activities have been planned to be undertaken during the fourth AWP 2008/09:

- i) Sustainable Tuna Development Framework activities will include:
 - a. Further work on a sustainable tuna management and development strategy in response to the Vavau declaration;
 - b. Follow-up on the decisions on domestic development of purse seine and long line fisheries from the PNA and Tuna and Billfish sub-regional meetings;
 - c. Pursue further work on longline access framework and onshore processing strategy;
- ii) Document some of the lessons learned by DevFish which may of interest to other countries or donors. Possibilities include experience with fishing associations, how to establish an effective competent authority, potential for use of coconut oil as a fuel for the fishing industry (based on work in Kavieng partly supported by DevFish) and other relevant topics.
- iii) Continue with developing National Fishery Development Plans - Follow up with interests indicated by Kiribati and Samoa and/or work with other countries that may be interested.
- iv) Facilitate a 'final meeting' to present the results of the project. For reasons of cost and to ensure suitable high level of participation, this will be carried out as a workshop session during FFC in May 2009, with flexibility to invite extra participation by industry associations.

Result 3 – Private Sector Participation in tuna fisheries improved

The following activities have been planned to be implemented in the final year:

- i) Assisting regional networking of Pacific Island private sector interest by working closely with the Pacific Islands Tuna Industry Association (PITIA);
- ii) Follow up on gender study with the following:
 - i. With registered interest from TEFA, facilitate a value adding/SYIB training workshop targeting women focused group with training undertaken by Tima/SYIB.
 - ii. Facilitate a by-catch food preparation/SYIB workshop by a good food nutritionist (church women group) targeting one/two country (PNG/Fiji/SI/FSM/RMI) which is in line with recommendation from the Gender study report to enhance initiatives at grassroots level that could accomplish the "spin off benefits" potential of industrialized setups.
- iii) Alia/Pump Boat report follow-up on the report recommendations such as engine replacement, grants identification, undertaking bio-economic modeling (license limits, TAC, FAD policy implication), and national training (skippers, FAD programs/alternate fishing techniques, on board fishing handling).
- iv) NZ study tour (HOFs/industry) – in line with the PNA aspiration drive with focus on inspiring members of the NZ purse seine/onshore development experience.

Result 4 – Trade and Investment in Tuna Products Improved

A number of activities relating to promoting the application of improved seafood safety and quality policies and programme have been undertaken for Samoa, Fiji, PNG and Niue during the first, second and third AWP. Project staff have also continued to ensure that proper treatments of the fishery aspects of regional economic integration initiatives are being undertaken in other regional initiatives such as the PACREIP and SFP projects. There have been several meetings aimed at promoting the EU-Pacific ACP investment and business relations. DevFish project has done some work on issues related to regional economic integration in the fishing industry – most recently a proposal to PACREIP to look at market opportunities for canned tuna under the PICTA agreement. It has been suggested that a more comprehensive study on what REI (or could mean) in the fisheries sector may be worth pursuing. The following activities have been identified therefore as some of the activities to be implemented during the 2008/9 AWP:

- i) Regional study of laboratory services – an analysis of likely requirements for selected countries that are most likely to seek access to the EU market in the next 3-5 years;
- ii) Engaging suitable and qualified consultants to follow up on those recommendations relating to improving seafood safety and quality policies made during first, second and third AWP - PNG, Fiji, Niue and Samoa;
- iii) Engage suitable and qualified consultants to carry out an investment study of the region for the possibility for enhanced EU – ACP relations in investment and trade;

Result 5 – National Private Sector Development Improved

A lot of work and support have been provided to the establishment of tuna fishing industry associations at the national level in the past three AWPs. This includes – refurbishment of the association office, financial support to the executive officers to man the associations, development of a model constitution for associations use. In line with the MTR recommendations, the following activities have been identified during the fourth AWP 2008/09:

- i) Expand efforts and coverage on the Executive. Officer trial targeting mainly these countries as priorities;
 - a. Fiji – interest expressed for umbrella association;
 - b. Nauru – interest registered;
 - c. Vanuatu – interest registered;
 - d. PNG – inciting commencement through special project (Madang Marine Park) participation.
- ii) Sponsor three trial Ex. Officers to participate at the planned regional proposal write-up workshop – ForumSec/PIPSO,
- iii) FDO to initiate exit strategy by identifying and linking these associations to potential donor agencies and other regional agencies;

The project will also continue to respond to requests for appropriate in-country projects at the national level, within the constraints of the reduced funding available for the final AWP.

Result 6 – Project coordinated and results applied

Project coordination and applying the results are crucial components of the project and are on-going activities. However, the following are the key activities for the fourth year work plan:

- i) Completion of the interim audit for the third year work programme funds and submission of the third annual report;
- ii) Regular up-date of DevFish website with regional reports printed and circulated;
- iii) Regular six monthly meeting between project staff from FFA and SPC to be held in Fiji and Honiara;
- iv) Completion of project final report and other closure activities.

4.3 Resources Schedule and Budget

APPROVED BUDGET 2008/9

The cost estimate for the fourth year work programme is €757,410 broken down as follows:

Budget Line No.	Budget Line	2008/2009		TOTAL
		FFA	SPC	
1.	TECHNICAL ASSISTANCE			
	Long Term			
1.1	Fisheries Development Policy Adviser	140,00		140,000
1.2	Fisheries Development Officer		91,000	91,000
1.3	Project Coordinator	80,000		80,000
	Short Term			
1.4	Consultancies	<u>80,000</u>	<u>25,630</u>	<u>105,630</u>
	<i>Sub-Total</i>	300,000	116,630	416,630
1.	EQUIPMENT			
2.1	Equipment	4,290	2,210	6,500
2.2	Computer Support	<u>9,380</u>	<u>4,620</u>	<u>14,000</u>
	<i>Sub-Total</i>	13,670	6,830	20,500
3.	MEETINGS & TRAVEL			
3.1	Regional Workshops	25,000		25,000
3.2	Travels P-ACP countries	37,800	32,200	70,000
3.4	Meetings Support	0.00		0.00
3.5	PSC Travel	<u>2,020</u>	<u>2,020</u>	<u>4,040</u>
	<i>Sub-Total</i>	64,820	34,220	99,040
4.	OPERATIONAL COSTS			
4.1	Information Dissemination		15,000	15,000
4.2	Office Support	13,333	6,567	19,900
4.3	Audit	<u>3,500</u>	<u>3,500</u>	<u>7,000</u>
	<i>Sub-Total</i>	16,833	25,067	41,900
	Total	97,071	52,269	149,340
5.	In-country programme support			
	Total Direct Operating Cost	492,394	235,016	727,410
6.	Indirect Costs	20,300	9,700	30,000
	TOTAL	512,694	244,716	757,410

Total budget for the fourth AWP is €757,410 comprising €512,694 for FFA and €244,716 for SP

4.4 Updated Risk Management Plan

LF Ref	Risks	Potential Adverse Impact	Risk Level (H/M/L)	Risk Management Strategy	Responsibility
P.P.	Quality of overall governance deters private investment in fisheries	Project activities do not achieve objective of economic growth driven by tuna fisheries	M	International community intervenes in fragile states to improve national capacity for good governance, and to maintain law and order.	Outside project control. Risk affects only some countries in the region
P.P.	Private sector investment does not respond to improved policies	Project activities do not lead on to growth in the domestic tuna fisheries	M	In countries where domestic investment is very limited the project may seek to identify foreign investment and other sources of finance	Project staff, other Personnel in FFA with good industry contacts
P.P.	General economic conditions remain favourable to tuna fishing	Planned new fishing and processing activities are rendered uneconomic	M	Project will promote strategies to increase economic returns, including value addition and new markets	Project staff
P.P.	Tuna catch rates continue to fall in all or some participating countries	As above, particularly for longline fisheries	H	Promote increased efficiency of fishing operations; Countries agree to reduce fishing effort on Bigeye and Yellowfin.	Project staff, SPC Fisheries Development Officers, SPC & FFA programmes
P.P.	Governments do not provide necessary infrastructure for private sector development	Development of fisheries inhibited or delayed	M	Focus on development that can occur with existing infrastructure in some countries; assist in locating possible external funding.	Project staff
P.R.	Governments do not respond to DEVFISH project results	Policy changes to improve the environment for tuna fishery development are not made	M	Project results communicated effectively and at an appropriate level. National producers' organizations encouraged to lobby for changes.	Project staff and senior management of FFA and SPC Fish producers' associations

P.R.	Governments do not respond to private sector input to policies and plans for political or cultural reasons	Enabling environment for private sector is not achieved in some countries	M	Seek support at a higher political level in those countries	FFA & SPC senior management.
P.R.	Necessary support is not provided by other relevant regional programmes.	Project results are not achieved in some areas.	L	Project is well integrated into work of regional organizations. Project supervisors can mobilize necessary support. If resources/skills are not available project can retain specialized consultants	Project supervisors in both organizations. Team leader.
P.R.	Governments and private sector do not provide information	Factual information for analysis and policy formulation not available	M	Project personnel use wide range of contacts. Reports can preserve confidentiality or not reveal sources of information. Some secretive countries will probably not release any useful information.	Project personnel
P.R.	Project is not effectively coordinated with regional economic integration activities.	Results relating to REI are not achieved	L	Major initiative in this area is another EU funded regional programme coordinated by the Forum Secretariat	Team leader RAO office
P.R.	Support is not provided by other ACP-EU instruments	Project results relating to food safety, EU investment and trade are not achieved	M	Establish regular contact and networking with these instruments.	Team leader

4.5 Special activities to promote sustainability

The MTR highlighted that in order to ensure continued flow of benefits from the project, there is need for adoption and adherence to policies that are favourable to domestic tuna industry development. It further argued that sustainability in the context of DevFish to a large degree depends on (a) the extent to which the policies and processes developed and promoted by DevFish are embedded in government agencies, (b) the extent to which the embedded policies/processes continue to function, and (c) the extent to which they continue to be relevant. The major focus of the fourth AWP will be on policy and processes promotion.

ANNEXES:

Annex 1 DEVFISH LOGICAL FRAMEWORK

ANNEX 1: PROJECT LOGICAL FRAMEWORK – Objective and Purpose

Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
<p>Overall Objective</p> <p>To increase the contribution from the sustainable use of marine resources to the alleviation of poverty in Pacific ACP Countries</p>	<p>Increase of 15% in the net value added contribution to GDP in constant prices across the region from tuna fisheries sectors by end of project.</p> <p>15% increase in employment in tuna fisheries and processing by end of project.</p> <p>15% increase in export value in constant prices across the region by end of project</p>	<p>End-of-Project Evaluation Report</p> <p>National accounts</p> <p>Central bank reports</p>	
<p>Project Purpose</p> <p>To contribute to the establishment of a concerted policy and economic environment conducive to the further development of Pacific ACPs owned fishing and processing operations and to an increased contribution of foreign fleets to the economic development of those countries.</p>	<p>Organisations representing tuna fishers and fishing industry report improved awareness of policy and economic constraints in at least 10 participating countries by the end of year 2.</p> <p>Organisations representing tuna fishers and fishing industry report significant improvements in the policy and economic environment, and increased business confidence in at least 7 of the participating countries by the end of project</p>	<p>National reports</p> <p>Regional reports (especially by FFA & SPC)</p> <p>Project reports, including reports establishing benchmarks for the Purpose-level OVIs.</p> <p>Mid-term Review and End-of-Project Evaluation Reports</p>	<p>Quality of overall governance does not deter private investment in fisheries</p> <p>Private sector investment responds to improved fisheries policies</p> <p>General economic conditions remain favourable to tuna fishing</p> <p>Abundance and distribution of tuna resources remains favourable to commercial fishing in participating countries</p>

ANNEX 1: PROJECT LOGICAL FRAMEWORK – Results

Regional Component

Result 1: Improved Information for Policy Making Available and Used

Measures available and being used, of benefits from tuna fishing & processing for local, locally based foreign and foreign vessels under different forms of arrangement

(Note: the Sources of Verification listed below apply to all of the Results)

Models available and being used of economics of different forms of tuna fishing and processing

Result 2: New and Improved Strategies for Fisheries Development Identified

Assessments available of effectiveness of existing strategies for tuna development, and possible new approaches

National Reports

Proposals for policy improvement for promoting private sector development

Regional Reports, including reports by FFA & SPC

Result 3: Opportunities for participation of the P- ACP private sector in tuna fisheries Improved

Institutional changes providing greater private sector participation in decisions and policies

FFA and SPC websites

Strengthened networking of private sector interests in tuna fisheries

Project documents, including technical reports, workshop reports, progress reports, Mid-Term Review and End-of-Project Evaluation

Enhanced participation by women in tuna-related activities

Result 4: Conditions for Regional and International Trade in Tuna Products and Investment in Tuna Production Improved

Improved seafood safety and quality policies, programmes and practices

Information from Forum Secretariat on Regional Economic Integration initiatives

Regional economic integration initiatives include well-developed fisheries aspects

Enhanced P-ACP/EU trade, investment and business relations in fisheries, particularly tuna

Reports of regional activities (workshops, consultations etc) involving Pacific ACP private sector interests and EU-Pacific ACP dialogue on fisheries

National Component

Result 5: National Policies And Institutional Arrangements For Private Sector Tuna Fishery Development Improved and Better Coordinated

Improved national fisheries governance, and fisheries policies and programmes in areas relevant to private sector development in which participating governments have requested assistance

Feedback from participating governments and private sector interests

Coordination Component

Result 6: Project efficiently administered and project results widely distributed and applied.

Satisfactory project reports, work programmes and audited accounts.

Information on Project results is widely available and being used

ANNEX 1: PROJECT LOGICAL FRAMEWORK – Activities

Activities	Means (Project-Financed)	Costs (Project-Financed)		
<p>Regional Component</p> <p><u>Result 1: Information for Policy Making</u></p> <p>Activity 1.1: Measure Tuna Fishery Economic Performance</p> <p>Activity 1.2: Analyse the economics of different forms of tuna fishing and processing ventures</p> <p>Activity 1.3: Analyse changes affecting economic viability of tuna operations</p> <p><u>Result 2: Strategies for Fisheries Development</u></p> <p>Activity 2.1: Evaluate the performance of different strategies for promoting tuna development</p> <p>Activity 2.2: assess the role for new approaches to fisheries management that will promote domestic development</p> <p>Activity 2.3: identify strengths and weaknesses of alternative fisheries development strategies</p> <p><u>Result 3: Private Sector Participation</u></p> <p>Activity 3.1: identify areas for improving policies which promote P-ACP private sector participation in tuna</p> <p>Activity 3.2: assist regional networking of Pacific Island private sector interests in tuna fisheries</p> <p>Activity 3.3: promote gender equality in participation in Pacific Islands private sector tuna development:</p>				
		<u>Regional Component</u>		
		€1,007,500		
		€392,000		
	<u>Regional Component</u>	€208,000		
		€35,000		
	<ul style="list-style-type: none"> i) Two long term experts; ii) short term national, regional and international consultants; iii) four regional workshops iv) equipment 	Sub-Total €1,642,500		
	38			

Result 4: Trade and Investment

Activity 4.1: promote the application of improved seafood safety and quality policies, programmes and practices

Activity 4.2: ensure proper treatment of fisheries aspects of regional economic integration initiatives

Activity 4.3: promote EU-Pacific ACP trade, investment and business relations in fisheries, particularly tuna

National Component

Result 5: National Private Sector Development

Activity 5.1: strengthen national consultative processes and national representation of private sector interests involved in tuna

Activity 5.2: prepare National Action Plans for Promoting Private Sector Tuna Development

Coordination Component

Result 6: Wider application of project results

Activity 6.1 Plan Project activities effectively and implement within budget.

Activity 6.2 Submit necessary reports, work programmes and audited accounts on a timely basis.

Activity 6.3 Hold necessary coordination and steering committee meetings

Activity 6.4 Disseminate information through a web page and circulation of reports, with emphasis on the private sector and follow-up on project outcomes

National Component

- i) national, regional and international consultancies
- ii) workshops and consultations
- iii) start up assistance for national consultative and representative bodies

Coordination Component

- i) Project Coordinator/Pacific Island Junior Professional
- ii) PSC Meetings
- Equipment
- Info Dissemination
- Computer/Office support
- Indirect costs/Review/Contingcy

National Component

Sub-Total €520,000

Sub-Total €524,500

€313,000

TOTAL €3,000,000

Annex: 2 - Consolidated Financial Report as at 30th June 2008

Item	Approved Budget	Pre-financing 80%	FFA Expenditure	SPC Expenditure	Total Exp June 08	Exp % budget
Approved budgets 2007/8	€ 1,029,758.00	€ 823,723.81	€ 701,545.00	€ 328,213.00		
Detail Expenditures:						
1. Technical Assistance						
FDPS - FFA	€ 135,000.00	€ 108,000.00	€ 112,701.11		€ 112,701.11	83%
PC - FFA	€ 85,711.00	€ 68,568.80		€ 81,688.46	€ 81,688.46	95%
FDO - SPC	€ 86,000.00	€ 68,800.00	€ 49,798.83		€ 49,798.83	58%
S/term Consultants	€ 186,677.00	€ 149,341.60	€ 104,971.25	€ 45,264.39	€ 150,235.64	80%
	€ 493,388.00	€ 394,710.40	€ 267,471.19	€ 126,952.85	€ 394,424.04	80%
2. Equipments						
Equipments	€ 6,404.00	€ 5,123.20	€ 3,568.06	€ 1,999.64	€ 5,567.70	87%
Computer Support	€ 16,886.00	€ 13,508.80	€ 8,184.69	€ 5,000.00	€ 13,184.69	78%
	€ 23,290.00	€ 18,632.00	€ 11,752.75	€ 6,999.64	€ 18,752.39	81%
3. Meetings & Travel						
Workshops	€ 71,152.00	€ 56,921.60	€ 63,854.04		€ 63,854.04	90%
P-ACP Travel	€ 89,800.00	€ 71,840.00	€ 29,548.82	€ 11,087.02	€ 40,635.84	45%
PSC travel/meeting	€ 7,464.00	€ 5,971.20	€ 1,532.97	€ 2,000.00	€ 3,532.97	47%
Meeting support	€ 4,000.00	€ 3,200.00	€ 1,002.74		€ 1,002.74	25%
	€ 172,416.00	€ 137,932.80	€ 95,938.57	€ 13,087.02	€ 109,025.59	63%
4. Operational Costs						
Information dissemination	€ 15,000.00	€ 12,000.00		€ 7,106.89	€ 7,106.89	47%
Office Support	€ 23,976.00	€ 19,180.80	€ 12,946.00	€ 7,000.00	€ 19,946.00	83%
Audit	€ 7,175.00	€ 5,740.00	€ 3,229.24	€ 1,812.69	€ 5,041.83	70%
	€ 46,151.00	€ 36,920.80	€ 16,175.24	€ 15,919.48	€ 32,094.72	70%
5. In-Country Support						
	€ 261,578.00	€ 209,262.40	€ 102,301.85	€ 80,074.26	€ 182,376.11	70%
6. Indirect Costs						
	€ 32,935.00	€ 26,348.00	€ 17,878.97	€ 7,182.60	€ 25,061.57	76%
7. Other Costs						
Evaluation	€ 0.00	€ 0.00			€ 0.00	
Contingency	€ 0.00	€ 0.00			€ 0.00	
	€ 0.00	€ 0.00			€ 0.00	
Totals	€ 1,029,758.00	€ 823,723.81	€ 511,518.57	€ 250,215.85	€ 761,734.42	74%

Annex 3: MINUTE OF SIXTH FFA/SPC CONSULTATION MEETING held in HONIARA
SUMMARY RECORD OF DISCUSSION
FFA/SPC SIXTH ROUNDTABLE CONSULTATION ON THE IMPLEMENTATION OF THE DEVFISH PROJECT

Introduction

1. Representatives of the FFA Development Division and SPC Coastal Fisheries Programme met in FFA, Honiara on 31st March 2008 to review the implementation of the DEVFISH project. An observer from the RAO, Forum Secretariat, and Fiji was present. The list of attendees were as follows:
 - FFA: Len Rodwell, Mike Batty, Leonard Paia, Masao Nakada
 - SPC: Michel Blanc, Jonathan Manieva
 - RAO: Teriba Tabe

Appointment of Chair

2. Mr. Michel Blanc of SPC chaired the meeting.

Adoption of Agenda

3. The approved agenda is appended as *Attachment # 1*

Minutes from 5th Coordination Meeting

4. The meeting approved the minutes of the 5th Roundtable coordination meeting.

Issues noted from Minutes

5. Need for translation of technical summary reports into French starting with Long line Economic brochure; Trade report and Purse Seiner brochure. The Small scale fisheries (Alia & pumpboat), troll/sports fishing study and lessons learnt study summaries should be translated when completed.
6. SPC budget noted Euro 10,000 to be charged straight under Technical Assistance or In-country Support to cover the Statistics meeting.

Progress of 3rd Year Annual Work Program (1st July-29th February 2008)-Summary Overview

The meeting noted the progress update of the activities to February 2008.

7. Gender study was not really satisfactory. Part payment was made to the contractor but another consultant has been hired to revise the report.
8. Lessons Learned consultancy contract has been signed with a variation to cover additional case studies in FSM to be carried out by James Movick . This contract variation resulted in the increase of contract price from US\$21,500 to US\$24,000 - an additional 5 days to the original 43 days.
9. Economic Impact of Small Scale Tuna Troll Fisheries and Sport Fishing Charters consultancy is in progress with a separate contract under €5,000 signed with Brad Gentner to assist two international consultants engaged in the study with the design of the sport fishing study.
10. Bio-fuel study in PNG has been completed and report soon to be completed.
11. Draft report on Artisanal tuna supply option study undertaken by Robbie Stone and focused on an Indonesian Model has just been received. Technically, it is an interesting model; however, practically it is more suited to a commercial operation than a village level project and there are concerns over the private sector partner's (Soltai's) current financial situation. To be printed and made available.
12. New Zealand seafood inspectors' two week course had started. DevFish/SPC will pick up trainees cost component. In-country follow-up phase will target PNG, Fiji and Niue by consultant (Ian Watson) expected to commence on 21st April 2008. There is no request for follow up from Samoa. There are funds available if Samoa requests for follow up later on. Fiji will also have longer term support from the SFP component. There is need for media awareness on the importance of competent authority and export requirements to stimulate national interest and understanding in the competent authority area.
13. Tuvalu Fisheries Master Plan (final draft) has been sent to Tuvalu Director of Fisheries to be tabled as a cabinet paper for further discussions at the national government level.

14. There is still lack of substantial interventions in Micronesia despite various expressions of interest to project personnel. Project's plan to target FSM interest in the review of National Fisheries Corporation and the interest registered by Pohnpei State for a coastal fisheries management development project.
15. Torremolinos awareness brochure hasn't resulted in interest, and there does not seem to be any immediate implications for the region's fishing industry as the Convention has not come into force. Suggested follow-up plans are shelved.
16. Samoa/Tautai ice machine activity is on schedule. Plan to invite EU presence at launching to improve visibility.

Overview Summary of Financial Position of 3rd Year Annual Work Program (1st July -29th February 2008)

Meeting noted:

17. Expenditure rate as % of budget for FFA and SPC was 65% and 48% respectively. Consolidated rate was 60% which is acceptable. FFA's rate includes commitments so actual expenditure is less. Meeting noted likelihood of expending equipment and travel budget lines before end of financial period with equipment replacement and country visits by project team in following up with project activities. It was advised that from EU/RAO perspective, expenditure rate for short-term consultancies and in-country projects are key indicators of project performance.
18. RAO's confirmation that:
 - Equipment replacement should be undertaken around this time rather than towards the end of project period.
 - Provision of laptops as equipment support to executive officers can come out from in-country budget line.
 - Any re-allocation of budget lines should be in April 2008 timeframe rather than May/June.
 - Expenditure rate is expressed as % of budget.
19. The DevFish commitment to the NZ seafood inspector's course will come out of the 2007/8 budget. Committed Euro 40,000.
20. FFA and SPC would be flexible to spend monies whenever request is received during the last quarter of 2007/8 AWP and where activity is unbudgeted to carry-over commitment to next AWP.
21. The weakening of US dollar against the Euro exchange rates through the period of the project should also be noted as a factor on the overall % of budget expenditure.

Review of Project Mid-Term Review Report

Meeting noted the two main recommendations.

22. SPC to take lead in the development of a TOR for the engagement of a professional to develop a communication strategy. Commence process with funding support from Information Dissemination budget allowance and carry forward to next AWP. Two phases are proposed. The first is for the engagement of a professional to develop the strategy including visits to FFA/SPC to assess technical reports, country stakeholders and undertake analysis of best communication options for target audience. The second is to actually prepare and disseminate information from the project studies and reports. This could involve a technical fisheries expert versed in the write up of summaries /briefings.
23. To address governance issue in the current phase, the project will increase budget and progress the area of executive officers for associations. Effort will also be put into development plans and high-level briefings. For the second phase the meeting believed that in-country/on-site trainings such as service standards, and extended consultancy attachments to address specific in-country problem areas would still be useful tools.
24. Involvement in access agreements will be minimal but DevFish is already committed to sponsoring participants for one workshop in this area.
25. Project will raise efforts where appropriate to promote visibility. Plan in last quarter of 2007/8 AWP to target the Samoa/Tautai ice machine activity and Island Business articles.
26. The MTR will be provided as information to the project steering committee meeting as much of the membership have already been consulted during the process.

General Discussion on proposed 2008/9 AWP

The meeting noted:

27. A request for the extension of the implementation phase to December 2009 has already been submitted to RAO and on to EC for approval.
28. RAO's advice that:
 - Response to extension addendum1 to FA expected by end of April 2008.
 - AWP-4 to be submitted as provisional 12 months AWP awaiting endorsement of addendum 1.
 - After receipt of endorsement, submit a revised 18 month AWP following final audit of AWP-3
 - Provisional AWP-4 can be presented also to PSC#3 for comments and review.
29. SPC officer' contract has been approved to be extended to August 2009 whilst noting likelihood to further extend in line to project extension.

Detailed Discussion of 2008/9 AWP

Meeting discussed potential areas of work identified by FFA and SPC and noted:

30. A final meeting to present the main results of the project to be held as a workshop session at the next annual FFC . This would involve the normal national representatives, with DevFish sponsoring extra private sector and Association participants. Timing will be subject to confirmation of the country to host FFC. If in Niue, and the country cannot accommodate extra participants, then an alternate date would be around the October Management Option meeting.
31. Focus of in-country activities to be on follow-up activities of what's been already undertaken. New short-term activities to target Micronesia block.
32. There have been some interventions by the project in the EPA work. There has been some success in efforts so far as the securing favorable changes to the Rules of Origin. RAO keep project in the loop on up coming events and negotiations.
33. Report summaries of the projects lessons learnt (i.e. executive officers of associations) will be produced in final reports.
34. Project will continue to pursue interventions to promote EU investors collaboration with P-ACP members as this is an output area of the Financing Agreement. Plan to engage EU consultant to visit identified P-ACP countries and analyse the opportunities for potential EU investors.
35. Project will maintain interest for collaboration with PACREIP and will aim to hold discussions with PACREIP officer when he visits Solomon Islands. Last proposal by DevFish at steering committee been approved in principle. Some of SPC concepts for work with Associations can be identified for PACREIP funding.
36. FFA Development section is committed to complement work areas identified by DevFish. Similarly, SPC Development section is committed to complement DevFish work area especially in training and development. These would be in work areas where funding is limited or joint in-country / regional approach. Key work areas to target follow-up activities of previous work activities.
37. Unallocated amount on the draft budget 2008/9 key work areas is for unprogrammed requests that need immediate response. Copy of draft appended as **Attachment #7**
38. RAO advised that:
 - AWP 2008/9 needs to be submitted as provisional budget two months before June 2008.
 - Final audit to be undertaken in early July 2008
 - SPC problems with the last two audits can be avoided by providing a financial statement ending June 2008 to RAO to check before auditor finalizes their book verification and report drafting.
 - Closure of project needed to be planned well and coordinated. Experience of some outstanding projects is that staff leave and the projects are not properly closed. Need for final audit, final technical report which reflects log frame. DevFish has established as model performance regional project so fitting to maintain credibility
39. SPC undertake to have early booking of auditor.

EDF 10 update

The meeting noted:

40. One concept paper has been prepared for submission to the RAO. Two of the focus areas are:
 - Continuing and expanding the current development work; and
 - Illegal Unregulated, Unreported(IUU) fishing
41. IUU concept proposes a technical officer assigned at SPC /OFP perhaps for data and observer issues. Concept envisages similar joint agencies implementation arrangement. DevFish/SPC to

update Tim Adams and John Hampton on the proposal especially on IUU and seek discussions on adjustments if any.

42. RAO's update on the EDF-10 process progress.

- By original schedule EDF-10 should have commenced in January 2008
- Process slowed due to uncertainties in the EPA linkages which is now isolated
- Two main focal areas: human resource, sustainable management of natural resources and a non-focal sector.
- Anticipate signing off on RSP/RIP in May/June 2008
- Consultant engaged by RAO to develop guidelines/criteria for assessing concept papers. Suggest DevFish to revisit last version of the concept papers and re-format when guidelines are established by end of April 2008. Guidelines will be closely linked to Pacific Plan.
- By EU's perspective, good to have larger budgeted proposal i.e. Euro 8-10 million
- EU does get involved in the selection process. Teriba to confirm process of selection of concept papers.
- Anticipate roll out of first EDF-10 projects at the earliest by Mid-2009 to end of 2009.
- However, indication of changes to procedures of endorsement for EDF-10 has potential to shorten usual time taken. Process can often work well, if regional EU delegate works well with Brussels desk officer, and the process can be expedited if a draft Financing Agreement is attached with the submission.

Third Project Steering Committee (PSC) Meeting

The meeting noted:

43. The draft agenda and made adjustments to stimulate more discussion from members. Presentations on updates of previous and current work to be provided only on paper and to seek queries or discussion on these papers if any. Also noted the need to encourage private sector participation at the PSC.
44. Expanded time allowed to provide update on the EDF-10 process and further discuss the concept paper for DevFish II. This enables the members to comment and review. Process requires consultation from members. RAO to provide selection guidelines as soon as finalized.
45. Information update to also include briefing of last monitoring mission report.
46. proposed agenda on SPC work program to only cover tuna fisheries related development and training components
47. Final dates awaiting confirmation from Palau. Tentative date is 10th May, Palau.
48. All printed reports for meeting to be ready/shipped two weeks before start of meeting dates.

Other Matters

49. Next meeting to be held in Suva. Tentatively scheduled on Monday 29th September 2008.

Annex 4: – MINUTE OF THE THIRD STEERING COMMITTEE MEETING held in PALAU

**DEVELOPMENT OF TUNA FISHERIES IN THE PACIFIC-ACP STATES (DEVFISH)
PROJECT**

THIRD PROGRAMME STEERING COMMITTEE MEETING (PSC-3)

Ngara Amayong Cultural Centre , Koror, Palau – 10 May 2008

A. RECORD OF DISCUSSION

Agenda 1: Introduction

Appointment of Chairman

1. The meeting endorsed Len Rodwell-FFA Secretariat to chair the meeting.

Agenda

2. The proposed Agenda was adopted with an additional item under Other Business.

Introductory Remarks & Objective of Meeting

3. The Project Coordinator provided introductory remarks on the purpose of the meeting and noted the expected aims and results to guide the meeting.

Agenda 2: Progress of Work Programme

The meeting noted:

4. The project will undertake practicable follow up actions in the 4th AWP on the recommendations of in-country studies such as the Samoa alia report.
5. Concern over the sustainability of support for executive officer positions in national fisheries associations, while noting the positive outcomes of the trial. The project was requested to develop an exit strategy – looking at ways for industry to support this capacity in larger countries and other donor funding for countries with little industry development. In some cases a sub-regional approach may be better.
6. The access negotiation workshop in April 2008 was only for countries with active bilateral fisheries agreements – mainly the PNA countries. A further workshop or work at the national level covering broader aspects of fisheries licensing, which would be suitable for all FFA members, is being considered.
7. The procedure for securing in-country support from the project is either by a direct request from the national fisheries contact or from the fisheries association with supporting endorsement from the fisheries authorities.

8. The project's focus on tuna industry development has required some flexibility - a range of assistance has been provided to small scale fisheries initiatives, especially in countries with little industry development.
9. The USP postgraduate scholarship was on cetacean depredation was not really designed as a tertiary education opportunity – it was simply a cost efficient approach for a two year research activity.
10. Interest in the outcomes of the bio-fuel trial from other member countries.
11. Interest in the findings of the sportsfishing study, noting some previous work on the potential in Solomon Islands and the need to balance the requirements of sports and commercial fishing interests.
12. FFA Development Division has supported a number of in-country activities and can assist further if DevFish budget limitations prevents the project from responding to requests.
13. An addendum to the Financing Agreement for the extension of the implementation phase to December 2009 has already been submitted to RAO and on to EC (Brussels). This process normally takes about 3 months but the EC delegation representative was not aware of any problem with the addendum.
14. DevFish has also submitted a provisional AWP for year 4 in compliance with EC procedures, but this will be updated and amended to incorporate any feedback from this meeting.

Agenda 3: Financial Reports of expenditure to date

The meeting noted:

15. Financial reports of expenditure to date as presented.
16. The clarification that indirect cost relate to FFA/SPC service fees for managing and support provided by other programs/staff within the organizations. This is limited to a percentage of project costs.

Agenda.4: Work Programme & Budget for Year 4.

The meeting noted:

17. The AWP and budget as presented.
18. The EU representative's advice to members that have Fisheries Partnership Agreements with the EU that they could perhaps request DevFish assistance to develop national plans and policies required under their FPAs.
19. The RAO's comments that unspent funds at the end of the project will be returned to EU.
20. The invitation to countries to provide any additional notes or suggestion for possible assistance during the course of the FFC and refer back to the Project staff.
21. FSM confirmed interest in assistance with a tuna fisheries development strategy.

Agenda 5.1 -3: Outcomes of Major project activities (FFA)

The meeting noted:

22. The need to circulate electronic copies of project reports to some of the new fisheries Directors. Electronic copies can be downloaded from webpage on FFA website and hard copies by contacting project staff.
23. Several highlighted areas from the PNA Purse Seine Strategy report for follow up. These included:
 - i. options for development of a regional tuna corporation;
 - ii. a detailed economic study of onshore investment options in feasible countries

The meeting also discussed the feasibility of dedicated air-freight services to support longline development. It was stressed that policies covering foreign investment are a matter for national governments.

24. The opportunity created by the relaxation in the Rules of Origin requirements to increase exports to the EU without the restrictions on vessel ownership. However this is still dependent on meeting EU export requirements for inspection by a Competent Authority.
25. There are still some issues to be resolved for foreign flag vessels offloading in PIC country. Those based in the country will have to undertake inspection by the national CA, whilst for others CA inspection clearance will need to be undertaken by the flag state.
26. Concern was raised regarding Vanuatu flag vessels based in PNG. The EU seem to be referring to the flag state (which does not have an approved CA) in relation to the approval to export to the EU whilst the same vessels offloading to Thailand facilities are treated differently to this ruling. PNG requested DevFish to seek reasons to explain this treatment.
27. The potential for export to the EU market was noted under current economic circumstances. Countries should consider CA assistance if they want to continue export or have export fishery and have plans export to EU markets; however the CA process is also expensive and takes time.
28. SPC will provide further explanation of the functions of OIE in relation to the export of certain aquaculture products.

Agenda 5.4: SPC component of major activities outcomes

The meeting noted:

29. The presentation on collaboration between SPC Nearshore Fisheries Development & Training Section and the DevFish Project.

Agenda 6: Monitoring Report by EU Missions

The meeting noted:

30. The monitoring missions reports

Agenda 7: Mid Term Review

The meeting noted:

31. The mid term review report undertaken by external consultants with positive rating
32. The two issues highlighted for attention and informed that they are being attended to by DevFish.

Agenda 8:-EDF-10 Update

The meeting noted:

33. The RAO's update on progress with the EDF-10 process. Points highlighted:
 - i. On the original schedule EDF-10 should have commenced in January 2008. Now agreement on the release of funds is anticipated by June 2008.
 - ii. Total funding is now a total of Euro 95 million. There is a change in the focal areas with the economic growth (Euro 45 million) and sustainable development (Euro 40 m). The title of the second focal area is still being debated with the EC favouring 'sustainable management of natural resources and environment'. There is also a non-focal sector (Euro 10million).

- iii. A guideline for concept notes has been developed and will be circulated to regional agencies soon, once the focal areas are confirmed. The deadline for submission of concept notes is July 2008.
 - iv. Groups of countries can submit proposals directly under regional initiatives and not necessarily through regional organizations.
 - v. The previous regional strategy papers may need some review. The RAO anticipates signing off on the new Regional Indicative Programme in June 2008
34. The Concept Paper for DevFish 2 and endorsed in principle the draft proposal which is to be re-formatted in line with the new guideline for concept notes.

Agenda 9-Other Matters

The meeting was provided with:

- 35. A copy of the fisheries chapter in the EPA for P-ACP members for comments. It was noted that should no comments be received back from the members on the text as provided, FFA will advise Forum Secretariat that there are no outstanding issues from Fisheries Administrations with the draft.

Meeting Closed.

- 36. The meeting closed at 12.30 hrs

B: LIST OF PARTICIPANTS IN THE PROJECTS STEERING COMMITTEE

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Annex 5 – List of Short Term consultancy work undertaken during 3rd AWP (July-07 – June-08)

Consultancy works undertaken during July 2007 - June 2008

Title of Consultancy Work	Name of Consultant Appointed	Duration	Fees & Estimated Budget	Status
A Sub-regional Management Framework for South Pacific longline Fisheries	David Evans & Associates	Started: 16 th August-07 Est. Completion date: end of Sept-07 (58 days)	<u>Fees: US29,000</u> Est. Budget: US40,000	Completed
In-country Support to Nauru – Financial Evaluation NFC	Peter Philipson	Started: 16 th August-07 Est. Completion date: end of Sept-07 (21 days)	<u>Fees: US10,500</u> Est. Budget: US25,000	Completed
In-country Support to Solomon Islands – Design of A Pilot Project to Develop Artisanal Tuna Supplies for Processing	Robert Stone	Started: 27 th August-07 Est. Completion date: end of December-07 (30 days)	<u>Fees: US17,000</u> Est. Budget: US25,000	Completed
Development of a Regional Strategy to maximize Economic Benefits from Purse Seine caught Tuna	David Evans & Associates	Started: 20 th Sept-07 Est. Completion date: end of Nov-07 (88 days)	<u>Fees: US44,000</u> Est. Budget: US55,000	Completed
In-country Support to PNG – Support to PNG Competent Authority	Francisco Blaha	Started: 11 th Nov-07 Est. Completion date: end of Nov-07 (7 days)	<u>Fees: €2,975</u> Est. Budget: €5,000	Completed
Lessons Learned – A Review of Success & Failures in Tuna	Robert Stone and Peter	Started: 21 Feb-08	<u>Fees: US21,500</u>	Completed

Fisheries Development in the Pacific Islands	Philipson	Est. Completion date: end June-08 (43 days)	Est. Budget: US30,000	
The Economic Impact of Small Scale Tuna Troll Fisheries and Sports Fishing Charters	Peter Philipson & Robert Stone	Started: 21 st Feb-08 Est. Completion date: end of June-08 (43 days)	<u>Fees: US21,500</u> Est. Budget: US35,000	On-going
In-country Support to PNG NFA – Coconut Oil Fuel Project	Steven Hobbs	Started: 13 th Mar-08 Est. Completion date: end of April-08 (10 days)	<u>Fees: US4,390</u> Est. Budget: €5,000	Completed & awaiting final report
The Economic Impact of Small Scale Tuna Troll Fisheries & Sports Fishing Charters	Brad Gentner	Started: 26 th Mar-08 Est. Completion date: end of June-08 (10 days)	<u>Fees: US5,000</u> Est. Budget: €5,000	On-going
In-country Support to three Competent Authorities (PNG, Fiji & Niue)	Ian G. Watson	Started: 21 st April-08 Est. Completion date: end of June-08 (35 days)	<u>Fees: US17,500</u> Est. Budget: US35,000	Completed