



**Pacific Islands Regional Oceanscape
Program (PROP)**
Project Number: P151780

Department of Fisheries
Ministry of Natural Resources
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TUVALU

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Terms of Reference

PROP/ TFD/C1/CS4-2021

Title	Consultancy to assist in maximizing the value of Tuvalu's VDS allocation and days sold
Location	Home Based
Duration	Estimated 10 - 15 days
Start Date	As soon as possible

Tuvalu has received financing from the World Bank for the *Pacific Islands Regional Oceanscape Program* (PROP). PROP comprises a series of projects, which includes separate national projects in the Federated States of Micronesia, the Republic of the Marshall Islands, Tuvalu and the Solomon Islands, and a complementary regional project implemented by the Forum Fisheries Agency (FFA). Projects in Kiribati, Tonga and Samoa have also recently joined the programme.

The PROP development objective is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend. This will provide the basis for sustainable and increased economic benefits to the participating Pacific Island countries from this resource.

The Project has supported the strengthening the Vessel Day Scheme (VDS) for the Tuna purse seine fishery, which has been a key factor in increasing the Government revenue collected by Tuvalu and other members of the scheme, over the past ten years.

The objective of the consultancy is to provide an independent assessment of the efforts of the Tuvalu Fisheries Department, supported by PROP and other technical assistance, in maximizing the value and revenue collected through the sale of days; and to recommend any improvements going forward.

Background

Tuvalu relies heavily on oceanic fisheries for economic development. Fisheries access agreements provide more than half of all Government revenue. Like other countries that are Parties to the Nauru Agreement (PNA), Tuvalu has seen revenue increase greatly as a result of participation in a management system launched some ten years ago – the purse seine Vessel Day Scheme (VDS).

The PROP project design recognizes the importance of oceanic fisheries, and particularly the role of the VDS in securing economic benefits for the participating countries. A number of activities at the national level have strengthened monitoring control and surveillance of the Tuvalu EEZ, as well as building IT systems and national capacity to manage the scheme. The project also supported Tuvalu's participation in the various regional and international meetings so as to advocate for national interests and develop capacity in this area. The project's Development Linked Indicators (DLIs) incentivised participating countries to comply with key requirements of the VDS.

At this time, as the project is moving towards the end of the first phase and consideration of a second, it is timely to have an independent assessment of Tuvalu's efforts to maximize the value of its allocation of days under the purse seine VDS (its Party Allowable Effort or PAE). This should focus on success in securing high levels of Government revenue from the sale of days and related levies and charges on the purse seine fishery, within the over-arching context of ensuring a sustainable fisheries resource. The last Performance Audit of Tuvalu's management of fisheries was carried out in 2012 in the very early years of the VDS, and pre-dates the PROP Project.

The consultancy is for the provision of this independent evaluation, as well as any recommendations for improvements going forward. The assessment will focus on the 7 year period 2014 to 2020 – with 2014 as the baseline year - as well as preliminary results for 2021.

Purpose

The purpose of the consultancy is to assist Tuvalu in maximizing sustainable economic benefits from its oceanic fisheries resources.

Objective

The objective of the consultancy is to provide an independent and external assessment of the Tuvalu Fisheries Department's efforts to maximize the value of its VDS allocation and the resulting revenue and other economic benefits derived from the purse seine fishery in Tuvalu's waters.

Expected Outcomes/Scope of Work

The Tuvalu PROP Project therefore seeks to engage an individual consultant to undertake the following tasks:

- 1) Examine the trends in the allocation of days (PAE) to Tuvalu under the purse seine VDS, and the impacts of reforms to the US Treaty and FSM Arrangement to this allocation and Tuvalu's control over these days;
- 2) Examine the price per day secured by Tuvalu, and contrast this with the revenue collected by other PNA members based on published figures for access revenue and their PAE;
- 3) Review the percentage of the PAE sold over the period, and efforts to increase sales, as well as charges for transfer of days;
- 4) Review Tuvalu's participation in the US Treaty, FSM Arrangement and pooling arrangement and comment on these in the context of the returns secured per day by Tuvalu;
- 5) Examine Tuvalu's participation in the US Treaty and the strategies adopted to secure alternative sources of revenue as the US fleet has declined;
- 6) Review the approaches used for the development of a nationally registered fleet and the benefits (financial as well as strategic);
- 7) Analyse the trends in transshipment in Funafuti lagoon and the associated revenue, as well as related charges for licensing of carrier vessels, and economic benefits (including to the private sector);
- 8) Review the increase in employment over the period (observers and Oceanic Fisheries staff) as well as employment opportunities created for crew;

- 9) Provide a brief overall assessment of Tuvalu's success in maximising the value and economic returns over the period from 2014 to date, and make recommendations for possible future improvements – both immediate and longer term.

Tuvalu Fisheries Department will endeavour to provide all information that is available to them that is relevant to the tasks above, as well as providing authorisation for the release of information from the Forum Fisheries Agency (FFA) and PNA Office if necessary.

Confidentiality

Note that elements of Tuvalu's strategy for maximising revenue are confidential. The client may request some details are not contained in the report, and the consultant will not disclose these to any other party. Some PNA members regard information on their PAEs as confidential, and again any PNA documents sighted to verify Tuvalu's allocation should be treated as strictly confidential. Unless the Bank has received express permission to do so from Tuvalu, the World Bank would not publicize or disclose the report or its content in part to any third party.

Specifications: Consultant's qualifications and experience

The selected Consultant(s) must meet the following requirements:

- A tertiary qualification in resource management, economics or accountancy with a higher degree preferred;
- Extensive experience in evaluating the economic returns and economic rent from industrial fishing operations, particularly tuna purse seine fishing;
- Thorough knowledge of the tuna fisheries management and access arrangements in the Pacific Islands Region, especially the PNA vessel days scheme, the US treaty, FSM Arrangement and bilateral access arrangements;
- A proven track record in preparing high quality technical reports on a timely basis.

Duration of the assignment and Consultant's input schedule

The proposed level of inputs is for 10 - 15 working days. These may be spread over a longer period to allow time for comments and responses to requests for information.

Deliverables and timeline

1. A draft report for comment by staff of TFD to be submitted by the end of January 2022;
2. A final report, incorporating these comments before 15th February, 2022. This should include an executive summary of not more than 2 pages.

Suggested payment schedule

- Payment of fees on completion of the work and acceptance of the final report
