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

Project Number: P151780

Department of Fisheries
Ministry of Natural Resources
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Terms of Reference

PROP/ TFD/C1/CS1-2020

Title	Consultancy to examine threats and opportunities provided by tuna transshipment in Funafuti lagoon
Location	Funafuti, Tuvalu – or home based working with an in-country consultant.
Duration	Estimated 35 working 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, the Solomon Islands, Kiribati, Samoa and the Kingdom of Tonga, and a separate but complementary regional project implemented by FFA.

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 objective of the consultancy is to examine the impacts, both positive and negative, of the recent growth of tuna transshipment activities in Funafuti lagoon, and develop a plan to minimize the threats and develop the opportunities that this activity provides.

Background

Tuvalu has been identified as the most fishery-dependent nation on earth. Not only is per capita fish consumption one of the highest in the world, but fisheries access agreements provide more than half of all Government revenue. The PROP project recognizes this importance, and is providing substantial resources to strengthen the management of both coastal fisheries (for food security) and oceanic fisheries (for revenue and economic development opportunities).

Funafuti atoll, which is the only designated transshipment port in Tuvalu, has seen a rapid growth in the transshipment of tuna caught by purse seiners fishing in the Central Pacific in recent years. From only 3 transshipment events in 2013, the period 2015-19 has seen between 100 and 200 events per year, with a 5-year average of 150,000 tonnes of fish transferred per year. While some

year-on-year variation in activity would be expected as oceanographic factors influence where fishing is concentrated, in the last decade the annual volume transshipped has fallen back on only two occasions: in 2016 after transshipment fees were increased; and in 2019 when a request from industry to reduce fees due to low fish prices was rejected.

Tuna transshipment is an activity that has an impact in many of the areas addressed by PROP. It is a direct source of Government revenue and provides other economic benefits and opportunities (including for Tuvalu's small private sector); it allows improved monitoring of the oceanic fishery – both in port and by facilitating observer placement; and it is a potential source of low-cost fish for the local market; but it also poses risks of pollution and environmental damage to the fragile lagoon ecosystem on which the community relies for food and recreation, and there are some social issues around the distribution of economic benefits. Otherwise there are few social impacts as crew rarely come ashore, but the topic of transshipment is quite controversial in Tuvalu.

This study will provide an independent techno-economic assessment of the current arrangements for transshipment operations in Funafuti, and opportunities in which the benefits could be increased, and propose actions to mitigate the risks. The output will provide a number of clear and feasible recommendations to the Tuvalu Fisheries Department (TFD) on the best way forward.

Purpose

The purpose of the consultancy is to contribute to the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend.

Objective

The objective of the consultancy is to describe the practices related to transshipment, examine the impacts, both positive and negative, of the recent growth of tuna transshipment activities in Funafuti lagoon, and develop a plan to minimize the threats and develop the opportunities that this activity provides.

Expected Outcome and scope of services

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

- Describe activities related to transshipment taking place in Funafuti Lagoon and Tuvalu island (a flow chart could be considered), including monitoring activities and catch/product certification by fisheries and/or sanitary competent authorities;
- List all taxes, fees and similar associated with transshipment activities levied by Tuvalu Fisheries Department (TFD) and other Government departments;
- Describe other socio-economic benefits, including food security and nutrition, accruing to government, firms, and labor force (or “households”) possibly financial sector i.e., shipping agents;
- Assess economic impacts and their distribution among shipping agents;
- Determine what are the incentives and disincentives for fishing companies to use Funafuti lagoon and Tuvalu for their transshipment activities, including a comparison with regional competitors (e.g., on taxes & fees);
- Make recommendations for policy and fiscal reforms as well as investments (with associated rough budget) to increase domestic socio-economic benefits from transshipment

(including by-catch landing for national market), and estimate resulting benefits for each recommendations;

- List and evaluate any environmental or social impact from the current and anticipated (with and without recommended reforms and investments) transshipment activities;
- Recommend mitigation measures for negative social and environmental impacts, and estimate resulting gains for environmental and social well-being as well as the economic losses and their distribution among the various different economic agents;
- Recapitulate, in a time-bound plan, recommendations for policy and fiscal reforms and investments for improving domestic socio-economic benefits and mitigating social and environmental impacts from transshipment, with the estimated benefits and impacts.

Specifications: Consultant's qualifications and experience

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

- Experience of the transshipment of fish and fisheries products, particularly tuna;
- A thorough understanding of the operational aspects and economics of the purse seine fishery, and a good network of contacts in the industry;
- A proven ability to develop pragmatic analysis, collecting data and informed opinion, to guide decision-making;
- Proven ability to prepare high quality reports including practical recommendations for small island developing countries.

Duration of the assignment and Consultant's input schedule

The proposed levels of inputs are for around 35 working days as follows:

- 7 working days home-based desk work in preparation;
- 21 working days field mission/data collection/drafting report; and
- 14 working days home-based for completion of the report.

With COVID-19 travel restrictions still in place, international consultants are allowed to engage a local consultant or counterpart to carry out in-country tasks under their own arrangement.

Deliverables and timeline

- Workplan and schedule submitted to Tuvalu for approval 7 days after contract signing;
- A draft final report, submitted within 21 working days of the completion of the field work;
- A final report submitted within 14 working days of receiving comments on the draft report.

Proposed payment schedule

- 60 percent of fees payable upon submission of draft final report.
- 40 percent of fees payable upon acceptance of final report.
