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**DEPARTMENT OF STATE**

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FROM - BANGKOK

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C & A - RR  
11-7-69

SUBJECT - RED: Southeast Asian Fisheries Development Center (PROP)

16 p.

REFERENCE

**NONCAPITAL PROJECT PAPER**

East Asia Regional Project No. 498-11-180-226

Submission date: November 1, 1969 Original      Revision No. 1

1. Project Title: Southeast Asian Fisheries Development Center (Training Department at Bangkok) (Research Department at Singapore)
2. Physical Implementation Span: FY 69 through FY 72
3. Gross Life of Project Financial Requirements

INT  
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a. U.S. Dollar Requirements:

The Council of the Southeast Asian Fisheries Development Center estimates that annual dollar cost requirements (for operating expenses), beginning in FY 69 and continuing for an indefinite period (draft agreement calls for a minimum of 10 years) are: fuel, laboratory equipment, books, and travel for:

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DRAFTED BY MC Crawford: pro	OFFICE RED	PHONE NO 420	DATE 11/30/69	APPROVED BY RED: LST Lawrence
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AID AND OTHER CLEARANCES RED: JDBlungart/RHolligan	AMB DCM EKEC SA MC POL ECON USOM-12 RED-4 EMB FILE
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Annual Operating US Dollar Cost

(1) Training Center	\$ 50,000
(2) Research Center	<u>70,000</u>
	\$120,000

USAID's proposed financing of laboratory equipment, books and some technicians for a three year period is:

FY-69  
\$100,000

FY-70  
\$100,000

FY-71  
\$100,000

B. U.S. Owned Local Currency

Not applicable.

3. Cooperating Countries Cash Contributions (Including Values of Land and Buildings)

(US Dollars)

	<u>Training Department</u>		<u>Research Department</u>		<u>Total of Both Centers</u>	
	<u>Capital</u>	<u>Annual Operating Costs</u>	<u>Capital</u>	<u>Annual Operating Costs</u>	<u>Capital</u>	<u>Annual Operating Costs</u>
JAPAN	\$760,000	\$180,000	\$750,000	\$114,000	\$1,510,000	\$294,000
Thailand	1,000,000	100,000			1,000,000	100,000
SINGAPORE			800,000	40,000	800,000	40,000
Other Donors	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>6,000</u>	<u>6,000</u>
	\$1,760,000	\$283,000	\$1,550,000	\$157,000	\$3,310,000	\$440,000

Among the "other donors" are other member countries which presently are the Philippines, Malaysia, and South Vietnam. Membership is open to the governments of the Southeast Asian countries and Japan. Actual amounts contributed are provided in the agreement establishing the Center, which calls for each member, except Japan, Thailand and Singapore, to contribute the dollar equivalent of \$2,000 annually in local currency. The Agreement also states that members who are sending trainees will make additional contributions in accordance with benefits derived from the centers. Both FAO and the Indo-Pacific Fisheries Council have expressed an interest in establishing liaison with the Center.

4. Summary Description Including Tabulation of Planned Inputs

a. Justification

The Southeast Asia Fisheries Development Center with separate training and research departments at Bangkok and Singapore, respectively, is an attempt by the countries of Southeast Asia, with the leadership of Japan, to promote the development of marine fisheries in Southeast Asia through regional cooperation. It is

prompted by the urgent need to increase the food supply, especially of animal protein, and to improve nutritional standards. It is recognized that in order to promote fisheries, efforts should be made in training fisheries technicians, research on fisheries technique, and investigations for new fisheries resources.

While total fish production has been increasing as the populations expanded in these countries, efficiency of production has been declining as a result of over-fishing of the waters of known resources. Fishing in most instances is conducted in shallow coastal waters (10 to 50 meters) for pelagic fish, using mostly non-powered craft and inferior and antiquated equipment. Motorized vessels, in most cases, are too small to engage in deep sea fishing for the demersal (bottom) fish, and to operate on the high seas. Fisheries officers in governments and industry lack the training to plan and direct this type of fishing, and fishermen lack the skills to operate larger vessels and conduct this type of fishing operation.

The countries of Southeast Asia, pressed by expanding populations, must seek every possible, economic means of increasing food supplies. Unexploited areas must be explored to locate additional fisheries resources. There is evidence of greater resources in deeper waters and in distant oceans, such as the South China Sea and the Indian Ocean. Some of the countries are already contracting with companies from more advanced countries for this type of operations. They are conducted with limited knowledge of the resources and without consideration for sustained yields. Systematic surveys are needed to determine the extent of these resources and to plan production for sustained yields. Exploitation requiring deep sea fishing and operations on the high seas will require techniques of ship storage and transportation not known in these countries at present. Improvements are also needed in shore facilities.

Contribution by the United States to these projects is in keeping with U.S. policy to encourage Asian initiative in regional cooperation and to support regional Asian institutions established for economic and social development and improvement of the general welfare of the people of these countries. This policy is spelled out in the Foreign Assistance Acts of 1967 and subsequent years.

U.S. support serves another policy objective; i.e., of encouraging Japan to play a greater role in providing assistance to countries

of Southeast Asia. Japan has been the prime mover for this project and will be a major contributor.

The objectives of improving, or sustaining the protein diet of increasing populations are in keeping with recommendations of the President's Science Advisory Committee and the objectives in A.I.D.'s War on Hunger, and Food from the Sea Programs. Furthermore, the U.S. may find opportunities to use the services of these centers in its bi-lateral assistance programs with countries of Southeast Asia.

b. Goals

The ultimate and indirect objectives of increasing production and consumption of food from the sea in Southeast Asian countries, will require more and larger powered vessels (30 to 300 tons), improved equipment and techniques, fishermen trained to operate the larger boats and use the new techniques, and availability of additional proven resources. Spelled out in terms of direct goals for the projects, the targets are defined in numbers of persons trained annually, new fisheries resources located, and improvements made in techniques and equipment as a result of research, development and training at the departments. The specific targets for the two departments are set forth below.

(1) Training Department (Paknam, Bangkok, Thailand)

The objectives of the training department are to train:

(a) 25 staff officers each year, such as master fishermen and engineers, for directing fisheries activities, or operating medium sized fishing boats;

(b) 25 senior officers at a higher level of technical skills for a period of two years operating larger fishing boats, conducting training in their own countries, and for planning and directing fisheries industries.

(2) Research Department (Changi, Singapore)

The research department will conduct surveys in unexploited areas which look promising with the purpose of expanding commercial fishing

operations; it will conduct oceanographic research in relation to ecological influences and migration of important fish; make observation, collect and analyze data on fisheries in the Southeast Asian countries for adding to knowledge, extending resources, and sustaining fields; and conduct experiments on fishing gear and equipment for improvements in efficiency and techniques of fishing operations. It will provide member countries with the above information, exchange information with research institutions of member countries, and conduct seminars for this purpose.

The functions of the Southeast Asia Fisheries Development Center, as stated in the objectives of the two Departments, are based on recognized needs. Additional functions of the Center as a regional organization will be determined after more thorough study.

#### c. General Approach and Plan of Action

Pursuant to paragraph 14 of the Joint Communiqué of the Second Ministerial Conference for the Economic Development of Southeast Asia, held in Manila from April 26 to 28, 1967, a meeting of the Working Party on the establishment of the Southeast Asia Fisheries Development Center was convened in Singapore from July 31 - August 4, 1967, at the invitation of the Japanese Government. The meeting was attended by representatives of the Republic of Singapore, the Kingdom of Thailand and the Republic of Vietnam. A representative of the Food and Agriculture Organization also attended the meeting as an observer.

The Working Party drew up a Draft Agreement for the establishment of a Southeast Asia Fisheries Development Center. Under its terms, membership is open to Japan and countries of Southeast Asia. It was circulated for signature with a target date for signing of December 31, 1967. The Agreement was subsequently signed by Malaysia, Thailand, Philippines, Vietnam, Singapore and Japan and entered into force in January 1968.

The Agreement provides for a Council, composed of a Director of each participating country, which will elect a Chairman and a Secretariat. It has functions and powers to decide on plans and programs for the establishment and operation of the centers at Bangkok and Singapore, to adopt budgets, appoint the Secretary-General, his deputy, and Chiefs and Deputies for the research and

training departments, and approve their annual reports of operations.

The "Department of Chiefs", or heads, of the two operating departments, will conduct the business of the two departments.

Guidelines, in the form of Resolution, for establishing and operating the "Departments" were adopted by the Council at its inaugural meeting in March 1968. Bangkok (Paknam) and Singapore (Changi) were agreed upon for the training and research institutions, respectively.

A further resolution, referred to earlier, concerns required contribution by members, and provides that a member country in whose territory a "Department" is located will provide land, buildings, furniture, equipment, services of local professional officers and service staff, and an agreed amount of money for operational expenses.

Japan agreed to furnish two vessels, their crews, and fishing equipment, and to provide professionals to work in the two Departments. Nationals of the countries in which the Departments are located head each of the Departments and Japanese professionals serve as deputies.

The Council requested at its inaugural meeting, that the U.S. Government provide funds for laboratory and other equipment, fuel, books and supplies.

Japanese technicians have been in Bangkok and Singapore since mid-1968 assisting in planning the two Departments. Both vessels were constructed and delivered by October 1969, and preparations were begun for initiating operations. Buildings at Changi were turned over to the Research Department in 1969, and contracts for buildings at Paknam are to be let in late 1969. Full operations of the two Departments is not expected to begin until 1970.

Consideration has been given to establishing a department of aqua culture and a Japanese survey team has been assigned to study the proposal and recommend a course of action. The survey is expected to be completed by the end of 1969.

Following is a tabulation of inputs for the life of the Project:

**(1) Training Center (Department)****Initial capital outlay (1969)**

(US Dollars)

(Japan) one 350 ton vessel with fishing equipment	\$ 760,000
(Thailand) land and buildings	<u>1,000,000</u>
Total initial capital outlay	\$1,760,000

**Annual Operating costs (Beginning FY-69)**

(Japan) crew of vessels, technical personnel of departments and scholarships	\$ 180,000
(Thailand) administrative & maintenance staff, and maintaining costs of building	100,000
(Thailand) fuel, foreign travel (U.S. contribution) books, equipment	40,000
Other donors office expenses, travel	<u>3,000</u>
Total annual operating costs	\$ 323,000

**(2) Research Center (Department)****Initial Capital Outlay (FY-69)**

(Japan) one 350 ton vessel with fishing equipment	\$ 750,000
(Singapore) land and buildings	<u>800,000</u>
Total initial capital outlay	\$1,550,000



Annual Operating Costs (Beginning FY-69)

(Japan) crew for vessel, technical personnel for centers, and scholarships	\$ 114,000
(Singapore) administrative & maintenance staff, and cost of operating and main- taining buildings	40,000
(Singapore) periodicals, books, laboratory equipment supplies, fuel, travel (U.S. contribution)	60,000
Other donors office expenses, travel	<u>3,000</u>
Total annual operating costs	\$ 217,000

### 5. Setting of Environment

The following Table I shows the population levels of 1965 and the projection for 1970 for countries of Southeast Asia. It also shows the food intake levels of 1959-61 and the projected goals for 1970. Table II shows fish production for 1953, 1956, 1965 and 1966 for these countries. Table III shows the number of fishermen, the number and sizes of powered vessels, and the number and sizes of non-powered vessels for the countries.

a. TABLE IPOPULATION AND DAILY FOOD INTAKE PER CAPITA IN 1959-61AND PROJECTED NUTRITIONAL GOALS FOR 1970

(The Countries of Southeast Asia)												
Country	Population Millions		Calories		Protein						Fat	
					Total		Animal		Pulse		1959-61	1970
					1959-61	1970	1959-61	1970	1959-61	1970		
1965	1970			Grams	Grams	Grams	Grams	Grams	Grams	Grams	Grams	
BURMA	24.73	26.7	2170	2280	46.2	47.4	8.8	8.7	4.5	4.9	33.3	38.9
INDONESIA	105.30	117.1	2160	2233	43.3	45.2	5.0	5.2	7.6	7.9	36.8	40.1
W. MALAYA	8.04	9.4	2400	2500	53.7	57.5	14.0	16.2	5.6	6.0	41.6	44.0
PHILIPPINES	33.35	37.8	2000	2220	44.6	47.8	10.7	11.9	3.7	3.6	32.0	38.9
TAIWAN	12.43	15.2	2440	2470	58.8	62.2	11.5	14.1	11.1	12.0	44.7	47.2
THAILAND	30.56	35.2	2120	2350	45.0	48.7	9.1	10.1	4.5	4.8	31.7	35.0
JAPAN	97.96	102.2	2360	2600	69.9	79.8	18.0	26.3	12.7	13.2	31.7	49.7
LAOS	2.2	NA	1900	NA	NA	NA	NA	NA	NA	NA	NA	NA

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b. TABLE IIANNUAL MARINE FISH PRODUCTION IN COUNTRIES OF SOUTHEAST ASIA

1953-1966

	<u>1953</u>	<u>1956</u>	<u>1961</u>	<u>1965</u>	<u>1966</u>
Burma	NA	360.0	360.0	360.0	360.0
Malaysia	147.3	139.9	181.2	253.3	295.6
Thailand	205.0	217.9	305.6	615.1	708.1
Indonesia	620.4	717.1	910.8	955.4	1,001.4
S. Vietnam	NA	130.0	250.0	375.0	380.5
Laos	--	--	--	--	--
China (Taiwan)	130.4	193.2	312.2	381.7	425.3
Philippines	311.9	416.0	476.1	685.7	726.0
S. Korea	267.0	346.6	468.8	640.4	701.1
Japan	4,598.9	4,772.8	6,710.5	6,870.0	7,077.4

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c. TABLE IIINUMBER OF FISHERMEN AND BOATS IN FIVE OF THE  
SOUTHEAST ASIAN COUNTRIES - 1966

	<u>Number of Fishermen</u>	<u>Powered Vessels</u>		<u>Non-powered Vessels</u>	
		<u>Number</u>	<u>Tonnage</u>	<u>Number</u>	<u>Tonnage</u>
Thailand	275,425	5,136	42,609*	141	1,023
Singapore	3,954	696	4,356	1,710	NA
Indonesia	920,000	3,300	NA	229,600	NA
Republic Vietnam	256,483	16,770	NA	48,380	NA
Malaysia	62,457	12,535	NA	8,371	NA

(Data on other countries is not available)

\* Data on boats for Thailand are for 1964.

d. Establishment of departments for training and research on a regional basis will be a break-through in the fisheries industry in Southeast Asia, where national interests and competition for resources have caused governments to guard their fishing grounds jealously and adopt restrictions against use of their ports by foreign fishing vessels. Major tests on regional cooperation will be placed on the participating countries to liberalize such policies as these, and to share the use of new fishing areas opened as a result of survey work of the Center. Achieving regional cooperation in the complex field of international marine fisheries among these countries will be a difficult task, which may put strains on the Center.

Training of people and location of new fisheries areas cannot in themselves alone upgrade the fisheries industries of these countries. Such programs by the Center must be accompanied by policies and programs on the home front by member governments and private industry to stimulate investment and interest in improving production, storage, processing, distribution and consumption of food from the sea.

## 6. Strategy

USAID's strategy is to encourage Japanese leadership and Asian initiative in the development of this regional project, which is the first in fisheries, with minimum U.S. participation and contribution and sufficient only to demonstrate U.S. interest, both in the food problem and in regional institutional cooperation in Southeast Asia.

The stated objective for the Research Department has not included handling, storage, processing and distribution of sea foods once the products are landed in member countries. Also, attention has not been given to the entire infrastructure for the fishing industry, such as organizations, financing, the role of government in developing fisheries, and improving distribution. This gets into research and extension in the countries. There is as great a need in the countries of Southeast Asia for research and development in these fields as in marine research. Therefore, AID's strategy should be to encourage the inclusion of these elements in the objectives and functions of the Research Department.

It would be to AID's interest in bi-lateral programs in member countries to have an American, specialized in this general area, assigned to the Research Department during its development stages. It may be possible to achieve a dual role for such an assignment: viz, of servicing the center, and of performing advisory services on a call basis for member countries.

a. Alternative Approaches or Techniques

This project has no alternate with the same or similar objectives, as there are no other regional marine fisheries projects. The small amount of funding recommended for this regional project should not greatly affect AID support of the development of other regional institutions.

b. Cooperating-Country Leadership

One of the most favorable characteristics of this project is the professional leadership and technical skills that Japan can and has agreed to contribute. The organizational pattern developed for the two institutions will permit appropriate use and voice of such Japanese personnel.

c. Cross Relationship

The relationship of this project to other activities of AID can be found in bi-lateral programs where a micro approach to improving fish production is used. Examples are the freshwater fisheries programs in Laos and the Philippines of developing hatcheries and improving production. These are not competitive.

AID has no program for training of marine fishermen on a regional basis. There may be a possibility for AID to use the resources of the Research Department, when developed, for a survey and mapping of fisheries resources for Indonesia along its coastal waters.

7. Planned Targets, Results and Outputs

AID's contribution in FY 69 is providing a vital part in making their SEA Fisheries Center a reality. Subsequently, as progress in achievement of the Centers objectives becomes evident, further AID support will be useful. Evidences and tangible measurements of

these achievements will be revealed by support and participation by member countries, and success of training and research. This success will be reflected in improvement of the fishing industry; i.e., larger boats, increased catch, and increased efficiencies of operation.

#### 8. Course of Action

The Fisheries Agreement provides the legal basis for establishing the Center for Southeast Asia and for its support by participating countries, and for the creation of a governing council. The Council has enacted working resolutions and has established working procedures and criteria. It has approved the principal staff members. Thailand and Singapore are providing land, buildings and operating staffs for their respective Departments, Japan is furnishing the vessels, plus technical personnel and project leaders, equipment, fellowships, and scholarships. The contributions of other countries are small (\$2,000 plus a fee for services rendered).

The only deficiency on the financing of the fisheries program is in regard to operating costs. While the U.S. contribution is small in relation to the total project cost, it is vital because it covers operating expenses. Particularly in the opening phase of the project, the U.S. contribution will cover one-half of the operating expenses of the Research Department and nearly one-quarter for the Training Department.

The first portion of the U.S. assistance for the Center was agreed to in June 1969, when an agreement for \$100,000 was signed. It is expected that further agreements will be signed for a total of \$300,000 before U.S. aid will be phased out as regional funds become available either through direct grant support or payment for services rendered.

  
HANNAH

A.I.D.  
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Room 1656 NS

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1. PROJECT NUMBER 109-11-180-226	3. COUNTRY East Asia Regional	4. AUTHORIZATION NUMBER 0033
2. PROJECT TITLE Southeast Asian Fisheries Development Center		5. AUTHORIZATION DATE 4/1/70
		6. PROP DATED 11/7/69

7. LIFE OF PROJECT

a. Number of Years of Funding: 3  
Starting FY 19 69, Terminal FY 19 72

b. Estimated Duration of Physical Work  
After Last Year of Funding (in Months): 12 months

FUNDING BY FISCAL YEAR (in U.S. \$ or \$ equivalent)	DOLLARS		P.L. 480 CCC + FREIGHT	LOCAL CURRENCY			
	GRANT	LOAN		Exchange Rate: \$1 =		HOST COUNTRY	
				U.S. OWNED			JOINTLY PROGRAMMED
Prior through Actual FY	\$100,000						
Operational FY	100,000						
Budget FY	100,000						
B+1 FY							
B+2 FY							
B+3 FY							
All Subsequent FY's							
<b>TOTAL</b>	<b>\$300,000</b>						

9. DESCRIBE SPECIAL FUNDING CONDITIONS OR RECOMMENDATIONS FOR IMPLEMENTATION, AND LIST KINDS AND QUANTITIES OF ANY P.L. 480 COMMODITIES

In FY 1969 a waiver was approved for use of U.S. funds to purchase non-U.S. source fuel oil on the condition that no future waivers would be requested for this purpose.

10. CONDITIONS OF APPROVAL OF PROJECT

None.

(Use continuation sheet if necessary)

11. Approved in substance for the life of the project as described in the PROP, subject to the conditions cited in Block 10 above, and the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitudes and scheduling of any inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

A.I.D. APPROVAL	CLEARANCES	DATE
(S) C H Brecher SIGNATURE	EA/TECH, Don Davis	11/21/69 1-19-7
	EA/RD, Leonard Durso	1-22-
EA/EA		
TITLE	4/1/70	DATE
	A/CONT	