

Annex A: Project Description

Project Description: Inshore Reef Assessment and Monitoring

(a) Background

Tonga's fisheries development is characterized by an overwhelming emphasis on the development of an artisanal seagoing fishing fleet. The resource targeted by this fleet was the hitherto underexploited outer reef slope and an extensive seamount area lying within the 200 mile EEZ of the Kingdom.

With the assistance of the Donor Communities, the Kingdom of Tonga (KOT) has provided training and limited operational capital for fisheries infrastructure development. Fisheries Division's Extension Service was a priority activity, which has culminated in the formation of the Fisherman Association of Tonga. The Association provided the Division with a broad based contact with fishermen.

Recently, Fisheries Division has adopted a comprehensive development concept, taking into full account of both, the structure of the fisheries sector and the nature of the resource base, subjected to development.

Fisheries Division's Resource Assessment and Development Branch had pioneered the applied concept and had embarked on the task of selecting and implementing assessment and monitoring systems, capable to provide the information content the comprehensive development concept requires. The Extension Branch was assisted in this task by ICLARM and USAID, who provided technical experts to manage the implementation of the activities.

(b) The Project

The Inshore Reef Assessment and Monitoring Project complements the organizational effort carried out by the Resource Assessment and Extension Branch of Fisheries Division, and will function to support the new development concept, creating the information base for development decision and legislative action.

The activities under the project will adhere to these objectives:

- to provide the necessary information as proposed by the ICLARM strategy, in support of the formulation and implementation of development/management actions
- to create human and infrastructural foundation for the continued resource assessment and monitoring capacity within Fisheries Division of the Government of Tonga.

The project activities will include:

- (i) Technical Assistance: One fisheries expert with support funds for the duration of the project, will assume responsibility as Project Coordinator, coordinating the data acquisition activities, training, project management and reporting.
- (ii) Training: Staff recruited by Fisheries Division under the project to perform data acquisition activities will be trained and provided with materials and funding to effectively carry out their work. Under the component, a small grant assistance program will be administered and will provide assistance to local fishermen in such areas as fishing boat and equipment repair maintenance and purchases of new equipment, under cooperative data agreements.
- (iii) Data Acquisition: Statistical information on inventories of fishing assets, fisherfolk, fishing methods and fishermen's needs will be acquired and processed through a number of implementing and monitoring systems. The information will be used to promote resource awareness by fishermen utilizing the inshore reef fishing grounds and will assist the Fisheries Division evaluate the educational needs of this sector of fishery.

A.I.D. financial inputs through Foundation For The Peoples of the South Pacific (FSP) will finance the above project activities, during the period April to December 1990.

- iv) Financial Management: USAID/RDO/SP will make an initial advance of project funds to FSP (For Government of Tonga (GOT) to meet projected expenditures for specific period, initially during the first three months. Thereafter, the first payment would be made on production of a financial report on expenditures incurred on the first advance.

Payments will be made in accordance with the payment provisions of this Grant Agreement (Attachment 2).

Special Provisions

(a) Kingdom of Tonga Role

The Kingdom of Tonga (KOT) agrees that all funds connected with this grant shall be issued on behalf of the KOT to the Foundation for the Peoples of the South Pacific (FSP) for the purpose of financial management of the project, described in Part 3. above.

(b) FSP Role

FSP will have the primary responsibility for the financial management of this grant. FSP will assist the KOT in coordinating all USAID-financial inputs for this project. It will ensure that the procurement of all goods and services for the project is done in accordance with USAID rules and policies, as described in this grant agreement and otherwise.

In addition, FSP will manage the employment of an expatriate Fisheries Officer (Projects Coordinator) in accordance with the terms set forth in this grant agreement.

The Projects coordinator will be primarily responsible for contracting for the procurement of all goods and services, will sign and execute such contracts, take delivery of project commodities and will be responsible for proper storage, operation and maintenance of all goods and commodities. The Projects Coordinator will be responsible for arranging all training that may be necessary under the project. In sum, he will manage the day-to-day operations of the project in strict and direct consultation with the Principal Fisheries Officer, Fisheries Division, Ministry of Agriculture, Fisheries and Forests, and keep RDO/SP informed both, of general project status and physical information in consultation with FSP and particularly any problems that may require the attention of all parties concerned.

(c) Grantee Contributions

- (1) The Grantee agreed to provide or cause to be provided for the project, all funds, in addition to the Grant, and other resources to carry out the project in a timely and effective manner, and to provide for operational recurring costs for the project following the project expiration date of December 31, 1990.
- (2) The estimated Grantee Contribution to the project is the use of facilities and resources of Fisheries Division, GOT. The dollar or in-kind contributions by GOT will be US\$15,000.

(d) Funding

A.I.D.'s contribution to the project will be provided in accordance with the payment provisions set forth in Attachment 2. It is anticipated that A.I.D.'s total contribution to the project will be up to US\$60,000.

(e) Source, Origin and Nationality Requirements

Except as AID may otherwise agree in writing, goods and services financed under this Grant will have their source and origin in AID Geographic Code 935 (Special Free World).

(f) Reporting

The Grantee shall prepare and submit to USAID/RDO/SP, Suva the required technical and financial reports in accordance with the schedule set forth in Attachment 2(b) (Expenditure Report).

(g) Grant Budget

The budget for this Grant is contained in Attachment 1. The funds provided herein will be used to finance the activities under the project up to a total of US\$60,000.

It is agreed that any additional funds for this project will be provided from sources arranged by the Grantee, and that the Grantee will either obtain the non-A.I.D. amounts or it will provide these amounts from its own resources.

- Budget
(US\$000's)

Personnel

Salary (Coordinator)	21,100	28,000
Benefits	4,200	
Housing	2,700	

Training

Materials	5,000	<u>15,500</u>
Grants	6,000	
Equipment	3,500	
Travel	1,000	

Travels

In Country	2,000	<u>8,500</u>
Vehicle (operating costs and insurance)	1,500	
Relocation/Vocation	5,000	

Others

Miscellaneous	2,500	<u>8,000</u>
FSP Fee	5,000	

PROJECT TOTAL

60,000
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Payment Provisions

In order to facilitate project implementation and assure the availability of funds to the KOT for FSP, the periodic advance payment method of financing will be used in the project.

Request for Advance Payment

To request advance payment, the Grantee will submit a certified consolidated projected cashflow statement (Attachment 2 (a) to the South Pacific Regional Development Office (RDO/SP). As per agreement FSP will prepare the documentation on behalf of the Grantee. The advance payment to be requested, initial or otherwise, must not be more than a 90 day cash requirement.

Special Bank Account

Until all advance payments made hereunder are liquidated, the initial advance and all other payments under the Grant shall be deposited by the Grantee in a special bank account in this case maintained by the FSP. All receipts and payments shall be recorded by the FSP finance office and copied to the Grantee in such manner that it will be possible for AID to ascertain its share of the balance in such account(s) at any time.

Use of Funds

The funds in the special bank account may be withdrawn by FSP on behalf of the Grantee solely for the purpose of making payments for items of allowable cost as provided in this Grant Agreement.

Replenishment/Liquidation

Each advance payment, whether initial or otherwise, must be accounted for at least quarterly in order for any subsequent advance payment to be made. If a request for an additional advance is desired, then it should be accompanied by a certified consolidated expenditure report as well as the projected cash flow statement and cash disbursement as seen in annexes to this Grant agreement.

Administrative Review

The RDO/SP, upon receipt of the above mentioned documents, will review them and if they are in order will process the next advance and or liquidation of the outstanding advance.

Unexpended Funds

Within sixty (60) days after project completion date, unexpended funds remaining on the advance, if any, just be refunded in the name of "The Treasury of the United States of America", c/o USAID/SP/Suva, Fiji.

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Fisheries Development Project

Advance of funds certificate

Government of Tonga
Inshore Reef Assessment Monitoring Project thru FSP
South Pacific Fisheries Development Project

Date

Projected Cashflow Statement - Advance Payment
put in from _____ to _____ in US dollars)

Projected Elements

- 01: Personnel
- 02: Training
- 03: Travels
- 04: Others (Listed)

Total

The undersigned hereby certifies: (1) that the above represents the best estimates of funds needed for expenditures to be incurred over the period described; (2) that appropriate refund or credit to the grant will be made in the event of disallowance in accordance with the terms of this grant; and (4) that any interest accrued on the funds made available herein will be refunded to AID.

By: _____ (position)

Date: _____

Fisheries Development Project

Expenditure Report

Government of Tonga

Inshore Reef Assessment Monitoring Project thru FSP

South Pacific Fisheries Development Project

Date

Expenditure Report - Advance Liquidation and Final Payment
(put in from _____ to _____ in U.S. dollars)

<u>Elements</u>	<u>Approved Budget</u>	<u>Expenditures Current Quarter</u>	<u>Cumulative Expenditures</u>	<u>Unexpended Balance</u>
01: Personnel	\$ xxxx	\$ xxxx	\$ xxxx	\$ xxxx
02: Training	\$ xxxx	\$ xxxx	\$ xxxx	\$ xxxx
03: Travels	\$ xxxx	\$ xxxx	\$ xxxx	\$ xxxx
04: Others	\$ xxxx	\$ xxxx	\$ xxxx	\$ xxxx
Total Cash Expenditures	_____	_____	_____	_____

"I, the undersigned, hereby certify that: (1) the expenditures claimed under the cited agreement are proper and due and that appropriate refund to AID will be made promptly upon request of AID in the event of non-performance, in whole or in part under the terms of the agreement or for breach of the terms of the agreement; (2) the information on the fiscal report is correct and such detailed supporting information as IAD may require will be furnished at the grantee's home office, as appropriate; (3) all requirements called for by the agreement to date of this certificate had been met."

By: _____

Title: _____

Date: _____