

PD ABH-352
85537

PACIFIC ISLANDS MARINE RESOURCES PROJECT

PROJECT PAPER SUPPLEMENT

**USAID/FIJI
879-0020**

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

Regional Development Office/South Pacific

4. BUREAU/OFFICE

APRE

04

3. PROJECT NUMBER

879-0020

6. PROJECT TITLE (maximum 40 characters)

Pacific Islands Marine Resources

6. PROJECT ASSISTANCE COMPLETION DATE (FACD)

MM DD YY
 09 30 95

7. ESTIMATED DATE OF OBLIGATION
 (Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY 90

B. Quarter 4

C. Final FY 94

8. COSTS (\$1000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	D. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	()	()	()	(9,750)	(3,950)	(13,700)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. Host Country					5,400	5,400
2. Other Donor(s)						
TOTALS				9,750	9,350	19,100

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan		
(1) ARDN	252	077		6,125		300		12,800	
(2) ESF	252	077				900		900	
(3)									
(4)									
TOTALS				6,125		1,200		13,700	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	BR	ENV	TECH	R/AG
B. Amount	100%	80%	80%	80%

13. PROJECT PURPOSE (maximum 480 characters)

To improve profitability and productivity of the private fishing sector. (Fiji component only)

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 1 0 9 3 0 8 9 4

16. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

18. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

To add a Fiji country component (\$900,000 ESF funding) and add funds for the Tuna and Billfish Assessment Program of the South Pacific Commission (\$300,000 DA funding).

Charles Crane
 CHARLES F. CRANE
 CONTROLLER

17. APPROVED BY

Signature

John B. Woods

Title

Regional Director

Date Signed

MM DD YY
 09 20 95

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PROJECT AUTHORIZATION AMENDMENT NO. 1

Name of Country/Entity: Regional Development Office/South Pacific

Name of Project: Pacific Islands Marine Resources

Number of Project: 879-0020

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, the Pacific Islands Marine Resources Project for the South Pacific Region was authorized on July 13, 1990. Pursuant to Sections 103 and 532 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the following amendments to the authorization of July 13, 1990:

- A. The planned obligations over a five year period from the date of the original authorization in grant funds are hereby increased to not to exceed Thirteen Million Seven Hundred Thousand United States Dollars (\$13,700,000). The additional funds hereby authorized may be obligated over the life of the project, subject to the availability of funds in accordance with the A.I.D. OYB allowance process to help in financing the foreign exchange costs of the project.
- B. The list of "Cooperating Countries" is hereby expanded to include the Republic of Fiji.
- C. Source and Origin of Commodities, Nationality of Services for New Activities added to the Project as described in the Project Paper Supplement:
 - (1) Commodities financed by A.I.D. under this amendment shall have their source and origin in the United States (A.I.D. Geographic Code 000) except as A.I.D. may otherwise agree to in writing;
 - (2) The suppliers of commodities or services financed by A.I.D. under this amendment shall have the United States as their place of nationality, except as A.I.D. may otherwise agree in writing; and
 - (3) To the extent permitted under the Agency's Buy America guidance cable dated December 5, 1990, State 410422, procurements of commodities and services described in the Project Paper Supplement may be from South Pacific Region sources (A.I.D. Geographic Code 879).

b

2. The authorization cited above remains in force except as hereby amended.



John B. Woods
Regional Director
date: 9/10/91

clearance:

~~PA~~
PDA *H*
ADO *8/11*
CON *CH*
Prog *[initials]*
RE *[initials]*

e

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J

List of Acronyms

ACDI	Agricultural Development Cooperative International
A.I.D.	United States Agency for International Development
EI	Entrepreneurs International
EOP	End of Project
ESF	Economic Support Fund
FAO	United Nations Food and Agricultural Organization
FDFA	Fiji Deep Sea Fisherman's Association
FSP	Foundation for the Peoples of the South Pacific
FY	Fiscal Year
GOF	Government of Fiji
GPNG	Government of Papua New Guinea
IEE	Initial Environmental Evaluation
LOC-TFCS	Letter of Credit - Treasury Financial Communications System
MARC	RDO/SP's Market Access and Regional Competitiveness Project
MOC	Memorandum of Cooperation
NGO	Non-governmental Organization
OEO	Office of Equal Opportunity
PIMAR	Pacific Islands Marine Resources Project
PVO	Private Voluntary Organization
RDO/SP	A.I.D. Regional Development Office/South Pacific
SPAFH	South Pacific Alliance for Family Health
SPC	South Pacific Commission
TBAP	Tuna and Billfish Assessment Program
UNDP	United Nations Development Program
U.S.	United States of America
USDO	United States Disbursing Officer

I. Summary

The Pacific Islands Marine Resources Project (PIMAR) was authorized on July 13, 1990. Its goal is to increase income generating opportunities for men and women within the Pacific islands through means which enhance the conservation and management of natural resources. PIMAR has five country components: Cook Islands black pearl, Kiribati atoll lagoon management, Papua New Guinea small-scale fisheries development, Tonga small-scale longline fisheries development, and Tuvalu bottomfish fisheries development. PIMAR also has a regional component to disseminate project results to other Pacific island countries.

The purpose of this PP Supplement is: (1) to add a sixth country component, Fiji, to PIMAR, and (2) to include the Tuna and Billfish Assessment Program within the PIMAR regional component. Between May 1987 and December 1988, aid to Fiji was suspended because of the 1987 coups. Aid is resumed and ESF have been programmed for Fiji for PIMAR. In the original PP, TBAP was not specified as A.I.D. assistance to it was being provided by A.I.D.'s South Pacific Fisheries Development Project (879-0009) which is ending. PIMAR is the appropriate mechanism for continuing A.I.D.'s funding to TBAP.

The proposed Fiji component was designed based on priorities and constraints identified by the private sector including: (1) severe shortage of docking facilities in the Suva area for unloading fish catch and taking on supplies, (2) high cost of fishing gear imported from traditional suppliers such as Australia, (3) limited familiarity with potential U.S. markets for fresh fish and fish products, and (4) subsidized inefficient government businesses which compete with private fisheries sector and government policies that restrain the growth and profitability of private commercial fisheries.

To assist with overcoming these constraints, the Fiji component will provide inputs for three activities: (1) design and construction of a jetty extension and auxiliary facilities in the Suva area (Lami); (2) familiarization tours to the U.S. to obtain new sources of fishing gear/supplies and new export markets for fish products, and (3) technical assistance to begin the process of privatization and policy changes.

By addressing industry identified priorities and constraints, the fishing industry in Fiji should become more efficient and profitable. The Fiji component addresses issues that will enable the fishing industry to expand and provides jobs and income generating opportunities for the men and women of Fiji.

TBAP is the technical basis for regional and national management of pelagic fish resources in the region. It is in the interests

of the U.S. that this program be continued. PIMAR is the most appropriate vehicle within RDO/SP's project portfolio for supporting TBAP.

II. Background - PIMAR

The underutilized marine resources and clean productive nearshore waters of the islands of the South Pacific provide a most important opportunity for economic development. The project approach is to encourage small-scale commercial fishing activities to exploit underutilized resources further offshore, thereby conserving the resources of the shallower waters of the lagoons and reefs for more subsistence-oriented users and mariculture. At the same time, the project will assist island nations to acquire better knowledge about their marine resources and how to manage them so that the resources, and the opportunities for development that they sustain, will not be depleted by over-exploitation or degradation of the marine environment.

The Pacific Islands Marine Resources Project (PIMAR) was designed in the summer of 1989 and authorized on July 13, 1990. The project has five country components with funds obligated through bilateral project grant agreements:

- (1) Cook Islands black pearl culture;
- (2) Kiribati atoll lagoon management;
- (3) Papua New Guinea small-scale fisheries;
- (4) Tonga small-scale tuna longline fisheries; and
- (5) Tuvalu small-scale bottomfish fisheries.

In addition to the five country specific components, the project has a regional impact component to transfer demonstrated technology to other Pacific island countries.

Contracting is ongoing for four of the five country components, Cook Islands, Kiribati, Tonga, and Tuvalu. These actions should be completed shortly. For the Papua New Guinea component, GPNG requested a change in two of three project sites. The component needs to be redesigned to accommodate these site changes. The redesign is planned for late 1991. No activities have yet been started on the regional impact component. The project budget on page 3 reflects the recent allocation of contingency and inflation allowances to four countries.

This project paper supplement is needed to expand PIMAR to include a sixth country component (Fiji), and to expand the regional component of PIMAR to include SPC's Tuna and Billfish Assessment Program (TBAP). At the time the PP was prepared, ESF was not available to Fiji. Aid had been suspended because of the 1987 military coups. The suspension was lifted in December 1988.

In late FY 1991 ESF became available for Fiji. RDO/SP programmed FY 1991 ESF for Fiji for PIMAR. Rather than design a separate bilateral project, RDO/SP decided that the most appropriate mechanism for channelling funds is under the PIMAR umbrella. As ESF planning levels for FY 1992 and 1993 include \$300,000 annually for Fiji, the approach has been taken to design three stand-alone activities should all three years funding not be forthcoming.

Table 1.
Current PIMAR Budget

<u>Component</u>	<u>Total LOP</u> (\$000)
Cook Islands	3,000
Kiribati	1,300
Papua New Guinea	3,092
Tonga	2,400
Tuvalu	930
Regional Impact	800

Evaluation/Audit	11,522
Project Coordination	250
	582

Contingency and Inflation	12,354
	146

	12,500

III. Fiji Component

1. Background

Fiji includes a group of about 800 islands between 15 and 22 degree S. latitude and 177 degree West and 175 degree East longitude. Fiji is composed of both atoll and high islands. The two major islands are Viti Levu and Vanua Levu. The capital, Suva on Viti Levu with about 80,000 people, is the center of population as well as economic activity. There are nine other urban centers outside of Suva. There are about 800,000 people in Fiji.

The economy is diverse and quite developed by Pacific island standards, with strong tourism, local manufacturing, and primary production sectors. Chief export-earning industries include sugar, fish, gold and copra. A large portion of the population is still at the subsistence level, especially in remote outer islands and inland areas of the main islands.

The commercial fisheries in Fiji are more developed than other Pacific island countries. The government owns and operates a fish cannery (PAFCO) as well as a fishing company (Ika Corporation).

In certain locations, inshore resources are approaching sustainable harvest levels, and in some areas reef access has been restricted. As a result of access problems stemming from reef tenure by indigenous Fijians, operators have moved off-shore to fish for bottomfish and pelagic fisheries resources.

A commercial medium-scale fisheries of about 20 vessels has developed in Fiji to harvest these resources. These operators focus on bottomfish and tuna primarily for the export market. Most of these operators are organized in the Fiji Deep Sea Fisherman's Association (FDFA). In addition to vessel crews, medium-scale operators also employ land-based support staff for processing and preparing fish for export.

Fiji also has many small-scale operators who use assorted small punts as well as the 28-foot vessels from the Fiji Fisheries Boat Building Program. These individuals target local markets and catch for personal and village consumption. In certain more remote areas of Fiji (such as Lau), fishermen associations have been formed. For the most part, however, small-scale fishermen are not organized.

Fisheries development in Fiji has been dominated by the national government. It determines priorities, formulates proposals which are submitted to donor agencies, and implements projects. Government priorities often do not relate to industry needs or the economic realities of commercial operations. Government projects have competed with and stifled private sector development. Many government initiatives have been inappropriate or have had no real impact on private fisheries development.

A.I.D. assistance to Fiji fisheries has been primarily under the U.S./South Pacific Fisheries Treaty (879-0011). The five year Fisheries Treaty came into force in June 1988. Under the treaty, Fiji receives US \$66,667 annually for economic development. Of these funds, Fiji has used US \$94,900 for several fisheries related projects including: fisheries infrastructure (seaweed sheds US \$60,000), fish aggregation devices (US \$17,400), and fisheries extension vessel (US \$17,500). Other proposals are under review.

In addition, under the South Pacific Fisheries Development Project (879-0009) which started in 1986, A.I.D. provided US \$112,000 to Fiji for small-scale slipway construction, Fisheries Division vehicle, computers, and seaweed storage shed construction.

2. Problems and Rationale

In designing the Fiji component for PIMAR, RDO/SP took a new approach. Instead of relying on the national government to identify and formulate projects, RDO/SP approached the private fisheries people about their needs and constraints. RDO/SP personnel met with private fishermen, middlemen and government officials in Suva, Lautoka, Ba, Labasa, and Savusavu. They identified the major constraints to private fisheries growth as:

- (1) lack of docking and support facilities in the Suva area;
- (2) extremely high cost of imported fishing gear/supplies and limited information on new markets for export of marine products; and
- (3) government-owned businesses that compete with the private sector and inconsistent government policies and practices relating to the fisheries sector.

Regarding (1), there is only one small jetty in the Suva area (in Lami on the outskirts of Suva) that serves all commercial fishing vessels. The jetty is adjacent to a small land-filled peninsula which is crown land owned by the government. This land is not under any lease. The land east and west of the peninsula and jetty is also crown land, but under lease. The current jetty was built over 25 years ago. It is about 45 feet wide and 15 feet long, and is in poor condition. It can efficiently handle about three or four vessels at one time, but about 20 medium size vessels and at least that number of smaller vessels currently use it.

Fishing vessels often tie up along side each other at the jetty, sometimes four abreast. The off-loading of catch and on-loading of supplies for an outer vessel must be done across all the vessels between it and the jetty. Other vessels are forced to anchor in the bay and transfer their catch to small punts for transportation to shore. This is all very slow, costly, and inefficient. The movement of vessels in arriving and departing is also slow and awkward in this extremely overcrowded setting.

A consultative group to the National Economic Summit in 1991 listed the lack of berthing space as one of the five most important constraints to commercial fisheries expansion. The other priority areas included: (1) fisheries licensing policy; (2) air cargo space; (3) tax free factory status; and (4) skipjack tuna pricing.

Regarding (2), much of the fishing gear and supplies are imported from traditional sources of supplies such as Australia. Gear and suppliers are not always readily available, with some items costing three to four times more than in the U.S.

The potential for expanding Fiji fish exports to traditional export markets such as Australia is limited due to the poor market (price) for quality fresh fish. In the last few years, Fiji fresh fish exports have begun to expand to such markets as Japan, and the U.S. Other Pacific islands such as Tonga, American Samoa, and Federated States of Micronesia are successfully exporting fresh fish to the world market (primarily Japan, Canada, Hawaii, and the mainland U.S.). Fiji exporters lack industry contacts and knowledge to further expand and develop their export markets.

Regarding (3), GOF operates several businesses such as gear and ice sales, jetty management, and vessel construction. These are often fully subsidized by government. These public businesses directly compete with and stifle the private sector. In addition, the financial and management structure of government is not conducive to the successful operation of businesses. As such, the government owned businesses are not efficient or responsive to private fishermen's needs.

Also, while one agency of the government is trying to assist the private fishermen, another is levying significant duties and taxes on production inputs. For example, a fishing company can bring in hydraulic fishing reels duty free, but when the hydraulic motor needs to be replaced, full duties of 17.5 percent are applied even though it is to be used for commercial fishing. This increases costs, lowers profitability and discourages expansion.

A small investment to assist the private fishermen to overcome constraints (1) and (2) and the GOF to begin to remove constraint (3) should result in lower costs, more fishing activities, new export markets, and additional jobs with the resulting contributions to economic growth and a stronger private sector.

The activities identified above fit within RDO/SP's focus on agro-marine development. These activities within the Fiji PIMAR component are intended to bring people from both private and public sectors together to resolve constraints and facilitate economic growth in the fisheries sector.

3. Component Goal and Purpose

The goal of the Pacific Islands Marine Resources project and all its components including Fiji, is the same as the basic goal of

the approved Regional Development Strategy Statement for FY 1990 - 1994: to increase income generating opportunities for men and women within the Pacific Islands through means which enhance the conservation and management of natural resources.

The national purpose of the Fiji component is to improve profitability and productivity of the private fishing sector. Indicators that the purpose has been achieved (end of project status) include:

- (1) increased efficiency of loading/unloading operations of fishing vessels in the Suva area;
- (2) local gear importers are importing fishing gear and supplies from the U.S. while local exporters are exporting more fish to the U.S. and other export markets; and
- (3) the government is considering the privatization of its fishing and support activities, and changing its policies that affect the private fishing operations.

The regional purpose is to demonstrate an approach for identifying and removing constraints to industry development that includes a greater role for the private sector, including the private sector's operating facilities owned by the government.

4. Description of Activities

A. Berthing in the Suva Area

The project will finance an expansion of the jetty and supporting facilities at the existing Lami jetty location. This includes:

- (1) a 12 foot wide by 190 foot long floating pontoon jetty with concrete deck with utilities (electricity and water), and possibly a 50 foot floating pontoon "tee" at the end of the jetty;
- (2) refurbishment of existing jetty;
- (3) an office plus shower and toilet facilities for fishermen;
- (4) security lighting;
- (5) security fence (about two meters high);
- (6) one way roadway from highway to jetty;
- (7) demolition of existing maintenance yard and shed;

- (8) paint and materials for rehabilitation of existing facilities; and
- (9) paving of the site to overcome the serious mud problem during the frequent rains in Suva.

In addition to the above facilities to be financed by the project, a local fuel company has indicated that it would install an underground fuel storage tank and run a line along the jetty to facilitate the refueling of vessels.

The existing ice making machines would remain on the premises, although they might have to be relocated within the site.

The jetty is on crown land and therefore owned by the GOF. However, the GOF is to enter into a long term lease whereby the private sector will operate the jetty for the benefit of the commercial fisheries people.

The jetty is to be operated by a manager hired by the Lami Jetty Management Committee composed of five members from the Fiji Deep Sea Fisherman's Association (FDFA), one representative from the small-scale fishermen, and one from the Fisheries Division of the GOF. The committee will answer to the FDFA and the GOF.

The operations will be financed by membership fees for regular users (estimated to be US \$1,500 per year per vessel for medium and large vessels) and docking fees for casual users. Some revenues will also be obtained from sale of fuel and electricity. Expenses include salary of the jetty manager, security, bookkeeper, utilities, facility repair, insurance, and maintenance.

B. Market Linkages

This activity includes both the linkage of Fiji gear importers with the U.S. suppliers and Fiji fish exporters with U.S. fish importers.

About ten key local private sector gear importers/sellers from across Fiji will be invited to participate in industry familiarization visits to the U.S. The focus is on learning what fishing gear and supplies are available in the U.S. and on establishing contacts with U.S. firms which make and sell them. Complementing this effort, a trade promotion activity will be initiated, including the collection and dissemination of U.S. contacts and catalogs to private importers and fishermen associations throughout Fiji.

The key assumption here is that U.S made gear/supplies are of adequate quality and competitively priced as compared to

gear/supplies now being imported. Access to alternate sources of fishing gear and supplies should result in better availability and lower price to fishermen. This will result in lowering production costs and thereby increasing profitability of operations. This results in increased income generating opportunities for fishermen.

To facilitate the export of fresh fish and fish products, up to ten exporters and would-be exporters of fish will be invited to travel to the U.S. on a market familiarization trip. They will make contact with U.S. fish importers and attend appropriate industry trade shows in the U.S. The project might also bring up to five U.S. fish importers to Fiji to make contacts and become more knowledgeable about the potential of importing fish from Fiji.

The project's implementing agent, the Foundation for the Peoples of the South Pacific (FSP), will make all arrangements for these market linkage trips and pay for the round trip airfares. The participants (both those from Fiji and the U.S.) would share the costs in accordance with mission policy. FSP may call upon Entrepreneurs International (EI) or the contractor for the Market Access and Regional Competitiveness Project (MARC) to assist with these trips. The trips would be coordinated with the Embassy Commercial Attache.

C. Fisheries Privatization and Policy Reform

Short term advisors (six person months) would review the fisheries sector to identify opportunities for creating a business environment more conducive to the growth of private fisheries. They will look at government policies that constrain the growth of private fisheries and identify opportunities for privatization of government operated businesses. Their report will be given to the GOF and released to the private sector. For those businesses which the GOF is interested in selling, the project will provide technical assistance to analyze and prepare detailed plans for privatization. This is similar to the approach taken by the Asian Development Bank in Papua New Guinea.

Changes in policy and privatization of government-owned businesses will not be achieved quickly. The technical assistance to be provided by this project can merely start the process due to funding limitations and the relatively short time period of the project.

D. Phases

Due to the uncertainty of ESF funds in FY 1992 and 1993, the Fiji component has been structured so that each year's program of

actions is complete and self-sustaining on its own merits in case subsequent's years funds should not materialize.

FY 1991 funds will be used for the construction of the pontoon jetty and the first priority auxiliary facilities.

FY 1992 funds will be used for the construction of second priority auxiliary facilities; the travel of five gear importers and five fish exporters to the U.S.; and two person months of short term technical assistance for policy reforms.

FY 1993 funds will be used for the travel of up to five gear importers and five fish exporters to the U.S.; the travel of up to 5 U.S. suppliers of fishing gear to Fiji; the travel of up to 5 U.S. importers of fresh fish and fish products to Fiji; and four person months of short term technical assistance for initial privatization studies.

5. Cost Estimates and Financial Plan

A. Cost Estimates

1. Construction - The preliminary cost estimate of this input is based on information from a U.S. exporter of pontoons for floating jetties and a survey of local suppliers and construction contractors.

First Priority Items

- jetty extension - pontoons, concrete decking and assembly	\$140,000
- jetty anchorage, supervision of construction	60,000
- construction of shower and toilet facilities	10,000
- security fence and lighting	10,000
- refurbishment of existing jetty and utilities	30,000
Sub-Total First Priority	250,000

Second Priority Items

- roadway on/off jetty	40,000
- demolition of existing maintenance yard and shed	5,000
- paint and materials for moving and rehabilitation of existing facilities	30,000
- paving of site	15,000
Sub-Total Second Priority	90,000
Sub-Total All Construction	340,000

ii. Market Linkages - A total of ten Fijian gear importers/sellers and ten fish exporters will fly to the U.S. to make new market contacts and to attend trade shows. In addition, up to five U.S. gear suppliers and up to five U.S. fish importers will visit Fiji. The project would pay part of the airfare and daily travel allowance (estimated at US \$4,000 per person). There will be cost sharing by participants in accordance with RDO/SP mission policy.

The Contractor's costs for arranging travel is estimated at US \$30,000. The total estimated cost for market linkage activities is \$150,000.

iii. Technical Assistance - The six person months of technical assistance would cost about \$25,000 per month (salaries, travel costs, secretarial, etc.) for a total of \$150,000.

iv. Contingency and Inflation - An allowance of \$120,000 is provided for unanticipated costs and increase in prices for the project inputs listed above.

v. FSP Management Fees - The FSP overhead of 23.97 percent would be applied to all costs except construction and import of pontoons where the overhead will be 5 percent. The fees include two months of engineering assistance (US\$10,000) one month of country director's time (US \$6,000) and miscellaneous support costs (US \$9,000).

B. Financial Plan

i. Grant to FSP - Although funds for the other five country components were obligated through bilateral project grant agreements, this approach is not feasible for the Fiji component for reasons described in Section III.6.D.i below. Therefore, all funds are to be obligated through a cooperative grant agreement between A.I.D. and FSP. Payments to FSP for all costs will be by periodic advances using letters of credit to FSP issued by the Treasury Financial Communications System (LOC-TFCS). FSP will include details of all financial transactions in its quarterly progress report to RDO/SP.

ii. FSP Capability to Manage the Funds - FSP has been receiving grants from A.I.D. for about 15 years. It is a registered PVO that is audited annually. In addition to the long illustrative list of grants made to FSP described in Section III.6.E below, FSP is receiving a US \$2.3 million collaborative assistance grant to implement the Profitable Environmental Protection Project. RDO/SP is satisfied that FSP is capable of managing this grant.

iii. Audits and Evaluation - FSP's financial records are audited annually and copies of the audits are provided to A.I.D. FSP's financial records for this grant will be included in the annual audits. In addition, the project has funds outside the country components for any independent audits that A.I.D. might require.

The Fiji component will be included in the overall evaluations of PIMAR. Funds for these independent evaluations are included in the PIMAR budget but outside the country components and FSP grant.

iv. RDO/SP Financial Monitoring - The quarterly progress reports to be prepared by FSP's Suva office will include financial data for review by the RDO/SP project officer and controller. Any questions about the reports will be raised with either the Suva office of FSP (located three blocks from RDO/SP) or FSP's home office.

C. Host Country Contributions

Host country contributions will be provided by: (1) GOF; (2) FDFA; (3) small-scale fishermen; (4) private sector gear/supply importers; and (5) private sector fish exporters.

For the Lami jetty extension staff of GOF and FDFA as well as small-scale fishermen will be deeply involved in planning and implementation of this activity. GOF and FDFA will also contribute physical assets to this activity. The GOF will provide land as well as its two ice plants. Private sector fishermen will pay for operation and maintenance of the facility when the up-grade is completed.

For the market linkage activity, private sector gear/supply importers as well as private sector fish exporters will cover their own wages during familiarization studies. In addition, they will share in travel costs in accordance with RDO/SP mission policy.

For the policy/privatization activity, staff of GOF, FDFA, independent fishermen, and other relevant individuals will provide input into these activities. GOF will provide a counterpart for these activities.

Table 2

Detailed Estimates of A.I.D. Costs: Fiji
(US\$ 000)

		<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>Total</u> <u>LOP</u>
	person months				
1. Construction		250	90	0	340
2. Market Linkages					
Familiarization tours			60	60	120
Organizing costs			15	15	30
3. Technical Assistance					
Policy analyst	2		50		50
Privatization advisor	4			100	100
4. FSP Management Fee		40	50	50	140
5. Contingency and Inflation		<u>10</u>	<u>35</u>	<u>75</u>	<u>120</u>
Component Total		300	300	300	900

notes:

1. Technical assistance for privatization and policy review to support two short term advisors.
2. Market linkages includes study tours for both local gear suppliers and local fish middlemen, in addition to travel to Fiji by U.S. gear manufacturers and fish importers.
3. Infrastructure construction includes Lami jetty and its auxiliary facilities.
4. FSP costs include a supervising engineer, country director's time and overhead on all costs.

TABLE 3

Budget Plan By Type of Funds
(US\$ 000)

	<u>Foreign Exchange</u>	<u>Local Costs</u>	<u>Total Costs</u>
1. Construction	100	240	340
2. Market Linkages			
Familiarization tours	100	20	120
Organizing costs	30		30
3. Technical Assistance	120	30	150
4. FSP Management Fee	115	25	140
5. Contingency and Inflation	<u>70</u>	<u>50</u>	<u>120</u>
Component Total	535	365	900

Justification for Local Cost Financing:

1. The pontoons are to be bought from the U.S. It is not practical to obtain from the U.S. the materials and labor for fencing, lighting, minor construction and assembly of the floating jetty.
2. There will be small local costs associated with the tours to the U.S. (e.g. travel from Suva to Nadi) and the travel to Fiji of U.S. suppliers of gear.
3. A limited amount of the TA costs would be local: per diem, local transportation, etc..
4. A portion of the FSP costs would be local: engineering help, miscellaneous support costs.
5. Since 60% of all costs is for foreign exchange costs, the ratio is also applied to the contingency and inflation allowance.

The new "Buy America" policy (State 410442, December 5, 1991) states that some local procurement does not require source and nationality waivers including construction contracts under \$5.0 million, professional services contracts under \$250,000 and commodities/services which are only available locally. Therefore, no waivers are needed for the local costs described above.

Table 4

Estimated Host Country Contribution: Fiji
(US\$ 000)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>Total</u> <u>LOP</u>
1. Infrastructure					
Existing jetty	30				30
Existing Ice Plants	220				220
Existing Buildings	10				10
2. Land	14				14
3. Facility utilities, insurance, repair and maintenance		7	7	7	21
4. Local counterparts					
FDFA	3	2	3		8
Facility management	2	14	14	14	44
Fisheries staff	3	3	5	2	13
5. Market linkages		<u>20</u>	<u>20</u>		<u>40</u>
Component Total	282	46	49	23	400

notes:

1. Infrastructure includes in-kind contributions towards project from government and private sector. Existing ice plants only refers to the two GOF ice plants on site, not to the four private sector ice plants.
2. Land is government in-kind contribution to jetty extension.
3. Facility utilities are utility costs to be met by user fees paid by vessel owners.
4. Local counterparts include local manpower inputs for all activities under the Fiji component (Lami jetty facility, privatization and policy reviews).
5. Market linkages includes salaries and travel cost sharing for private sector participants in study tours and trade shows.

6. Implementation Plan

A. Design of Jetty

The design work will be carried out by a local architect under an RDO/SP purchase order financed by PD&S funds. The selection and award of purchase order should be completed in September 1991.

B. Grant to FSP

The cooperative grant agreement with FSP to obligate funds will be executed by the A.I.D. Regional Contracting Officer (based in Manila) as the amount of the grant exceeds the authority of the Regional Director. FSP will provide all A.I.D.-financed inputs, but may need to contract for some inputs such as market linkage travel and technical assistance for review of government policies and business ownership. FSP will hire on a part time basis a local engineer to assist with bidding for supplying pontoons and local construction.

C. Memorandum of Cooperation

RDO/SP will enter into a memorandum of cooperation (MOC) with the GOF concerning this project. The MOC will describe the project and the responsibilities of all parties (RDO/SP, FSP, GOF, and FDFA). RDO/SP recently began using this instrument to obtain concurrence with a government for a project when the conventional project grant agreement is not appropriate.

D. Options for Implementation

Only one of the following options to obligate funds and implement the Fiji component (option v below) is feasible and economical:

i. Grant to GOF - Under conditions agreed upon with Congress in the restoration of aid to Fiji, A.I.D. assistance is to be provided primarily through non-governmental channels. In addition, the GOF has had considerable difficulty in using A.I.D. assistance for fisheries. Since the emphasis of the Fiji component is on the private sector, it is important for both planning and implementation that RDO/SP work directly with the Fiji private sector rather than through the government. Therefore, this option is not desirable.

ii. Grant to Private Sector - At this time, there is not a local private sector entity with adequate track record to be the recipient of the grant. Even if there were an entity suitable for the jetty construction, it would not be suitable for the market linkage activities or the privatization and policy

reform technical assistance. Therefore, this option is not feasible.

iii. Contract with U.S. firm - Not only would no U.S.-based firm likely to be experienced in all three areas of project activity, the small size of the project elements would not interest U.S. construction firms. Also, the costs of administering the project from the U.S. would be out of proportion to the level of funding. In addition, this option does not resolve the obligation question. Therefore, this option is not feasible.

iv. Grant to PVO Not Based in Fiji - While A.I.D. could award the grant to a PVO not established in the South Pacific, it would not be cost effective considering the small size of the grant and the large costs of maintaining an office in Suva just to implement this grant. In addition, a new PVO would require considerable time to set up an office in Suva and become familiar with operating in Fiji. Therefore, this option is not cost effective or feasible.

v. Use of a Fiji-Based PVO - A PVO with sufficient managerial competence that is already based in Fiji could receive the grant and manage the implementation in a low cost and effective manner as none of the activities are overly complex or large. The PVO, however, would need an experienced engineer to assist with the construction activities. There is only one PVO with an office in Fiji and prior experience with fisheries projects in the South Pacific - The Foundation for the Peoples of the South Pacific (FSP). Therefore, a cooperative grant agreement, as defined in Handbook 13, Chapter 6, provides a low cost, effective way of implementing the Fiji component.

E. Justification for Non-Competition and Capability of FSP

i. Justification for Non-Competition - Per Handbook 13, Chapter 2, competition is not required for: "Assistance awards for which one recipient is considered to have exclusive or predominant capability, based on experience, specialized facilities or technical competence, or based on an existing relationship with the cooperating country or beneficiaries." (paragraph 2B3b).

As described below, FSP has exclusive capability based on past experience in the South Pacific in general and especially with fisheries activities and has existing operations and personnel in Fiji. Therefore, the cooperative grant agreement may be awarded to FSP without competition.

ii. Capability of FSP - FSP has been working on development in the South Pacific for more than two decades. FSP has been involved in fisheries development activities in the region for more than a decade. Several of these projects, including those dealing with fisheries, have been supported by RDO/SP.

FSP has branch offices/member agencies in the United States, Australia, Canada, Fiji and the United Kingdom. FSP has been the principal PVO partner of A.I.D. in the South Pacific since A.I.D. programs were approved in 1976 and the AID/RDO/SP office opened in 1978.

FSP has undertaken the following non-fisheries projects in the region for A.I.D.:

- (1) Institution building of South Pacific Alliance for Family Health (SPAFH) through a cooperative agreement with RDO/SP;
- (2) Management of the A.I.D.-sponsored short and long term study grants program;
- (3) Management of the RDO/SP small business support program for three years;
- (4) Child Survival Programs in Vanuatu and now the Solomon Islands;
- (5) Vitamin A Program in Kiribati;
- (6) Multiprogram Support Grant affecting programs in six Pacific island countries;
- (7) Regional Nutrition Program, supported by A.I.D./S&T Bureau, in twelve nations; and
- (8) Cooperation with RDO/SP in seven countries on developing analyses of environmental problems and NGO assistance needs in September/October 1990 and April 1991.

FSP has specialized in the development of marine resources and fisheries since the beginning of its work in the South Pacific. Specific examples are as follows.

- (1) In 1968, FSP was awarded an Office of Equal Opportunity (OEO) contract for a two-year boat building and fisheries training program in Ponape.
- (2) From 1970 to 1975, FSP worked at the request of the Government of Western Samoa in the training of

rehabilitated lepers to build fishing vessels. Working in partnership with FAO, FSP trained fishermen, established loan programs to finance vessel purchase, established an effective distribution system for marketing fish, and established the Apia fish market complete with reefer plants for fish storage. The program was so successful that it was taken over by the Government of Western Samoa.

- (3) FSP undertook a similar program from 1971 to 1976 with the Fisheries Division of the Government of The Solomon Islands. This program included the establishment of decentralized reefer storage sites throughout the Solomons and the recycling of fish offal as a food supplement for pigs.
- (4) In 1972, FSP worked with the Samarai Pearl Program and Denis George in Papua New Guinea by providing assistance to the Milne Bay Pearlfarmers Association.
- (5) From 1978 to 1986, FSP's Solomon Islands fisheries program received additional support from the recently established A.I.D. South Pacific Program. FSP initiated a nationwide small fishing vessel development project. This FSP-created business is now the largest locally-owned business in the Solomons (50 employees).
- (6) From 1980 to 1990, FSP (with A.I.D. Operational Program Grant start-up funding and in collaboration with the United States Peace Corps and the Government of Tonga) initiated a 10-year fisheries development program in Tonga. UNDP and bilateral donors joined the program and A.I.D. additionally funded Agricultural Development Cooperative International (ACDI) to establish an effective marketing system. To this day the program continues to satisfy the fresh fish requirements of the capital of Tonga, Nuku'alofa.
- (7) From 1988 to 1990 and with A.I.D. and Forum Fisheries Agency support, FSP and the Government of Tonga initiated a three-year study of the sustainability of the Tonga fisheries industry with the goal of identifying sustainable levels of production.
- (8) From 1988 to 1990 in Papua New Guinea, the Department of Fisheries asked A.I.D. and FSP to initiate a canoe-building project for outer reef fishing. FSP continues to manage this very successful program.

FSP is the recognized leader within the PVO community for effective and diverse programs in the South Pacific, in particular those concerning marine resources. FSP has a proven

record in successful completion of projects in general, and specifically of fisheries projects.

F. Jetty Management Organization

During the design of the Fiji component, RDO/SP worked closely with the Fiji Deep Sea Fisherman's Association (FDFA) whose membership includes most private deep sea fishermen in Fiji. This group of fishermen have the greatest need for jetty facilities and have the most to gain from the construction and effective operation of the Lami jetty. The Association, which has been in existence since 1987, was registered on April 23, 1991 under the Industrial Associations Act, thus becoming a "body corporate." According to a legal opinion from its attorney, the Association's charter is very broad and covers the acquisition and operation of a wharf and auxiliary facilities. Its revenues can be used only for the promotion of the purposes of the Association and no dividends or distributions of profits or income can be paid to its members.

The Association's membership is limited to owners and operators of vessels "primarily used for fishing outside the demarcated areas" who are bone fide commercial operators.

There is no functioning organization of small-scale fishermen in the Suva area. Thus the FDFA is the only private sector organization capable of operating the jetty but it is essential that the jetty be operated for the benefit of all fishermen in the Suva area regardless of any consideration including size of vessels and operations. FDFA formed the Lami Jetty Management Committee on July 12, 1991. Its seven members include five members from the FDFA (two representing long line vessels, two representing pole and line tuna vessels, one representing snapper), one representative from the inshore fishermen, and one from the Fisheries Division of the GOF. The committee will answer to the Association and to the GOF.

The committee is to employ a full time jetty manager. Ika Corporation (GOF-owned fishing company with offices across the street from the jetty) has offered to use its accounting staff and computers for accounting. The Fisheries Division has indicated it would continue to pay for the security guards presently employed at the jetty in exchange for a waiver of docking charges on the vessels of the Fisheries Division.

G. Ownership and Lease of Jetty Facilities

The existing jetty and the land it is on is owned by the GOF. GOF is to lease the land and jetty to the Lami Jetty Management Group for an appropriate period on the condition that the

operations of the jetty will be for all commercial fishermen in the area without discrimination by race of owner, or size of vessel. All costs of operating the jetty will be borne by the lessee, including regular and special maintenance. The FDFA and its leased facility will be subject to taxes in accordance with the laws governing associations in Fiji.

H. Project Coordination Committee

The project coordination committee will guide project implementation. The committee will consist of the Director of Fisheries in Fiji, the President of the Fiji Deep Sea Fisherman's Association, Director of FSP Fiji Office, and RDO/SP's Project Officer. The chairman of the committee will be the Director of Fisheries in Fiji. In addition to providing overall guidance, the committee will be responsible for selection, review, dissemination and use of data obtained from the project. It will also review FSP's quarterly progress reports and make annual assessments of progress.

7. Summary Analyses

A. Technical

i. Jetty and Supporting Facilities

Why a jetty? For reasons described in III.2 (Problem and Rationale), the commercial fishermen in the Suva area indicated that the small size of the jetty facilities was their biggest constraint to increasing their operations and profits. A consultative group to the National Economic Summit in 1991 listed this as one of the four most important constraints to commercial fisheries expansion.

In 1983, the Australians considered building a fishing port facility in Lami costing about US \$5 million. That proposed project was not implemented. In 1989, the Japanese considered doing the same, with a proposed budget of about US \$8 million. There was no implementation of this plan either. The substantial benefits from the expansion of the jetty justify the modest investment in the jetty now even if a master plan should be developed and carried out at a later date.

Why the Lami site? The proposed Lami site is at the existing small, inadequate jetty, which is on the main highway between Suva and Nadi. The site is only a few kilometers from the Suva commercial port. A hotel that caters to private vessels with its anchoring basin is adjacent to the site. The GOF-owned Ika Corporation, a fishing company, has its headquarters across the

road from the site. The jetty is on government-owned land so there will be no land acquisition costs or difficulties. Other sites around the Suva area were considered but none offered all the advantages and conveniences of the Lami site.

Fixed vs. floating pontoon jetty? The initial plan was for a conventional jetty sitting on concrete piling. However, exploratory drilling in 1991 did not hit solid footing at 50 feet when the drilling was stopped. While it is unknown how deep the piling would have to go to achieve a solid footing, the costs of piling to the 50 feet alone would greatly exceed the cost of a floating pontoon method. In addition, erection of the floating pontoons would have much less environmental impact than sinking pilings to great depth. This approach also offers flexibility as it could be easily moved to another site in the future if circumstances should require it.

Why invest in supporting facilities? To make the jetty fully functional and to realize the full economic and financial benefits from the investment, the following operating needs must be met: (1) security for the area, (2) office for the management operations, (3) shower and toilet facilities for the crews of docked ships to reduce pollution in the waters, (4) elimination of the mud in the access area from the highway after rains, and (e) a separate area for small fishing vessels. The supporting facilities described in III.4 will meet these needs.

How is the jetty to be built? The floating pontoons are not available locally so they will have to be imported from the U.S. Most other materials are either produced locally (e.g. cement) or are imported and available on the local market (e.g. fencing and lighting materials). FSP will explore the advantages of using one contract with a local building contractor for all construction work vs. using several separate contracts. The seller of the pontoons would provide technical supervision for the erection of the pontoons.

Will the jetty be operated for benefit of all commercial fishermen and in a satisfactory manner? The operation of the jetty by the FDFA's Lami Jetty Management Committee is described in Section III.6.F. The inclusion of representatives from the Fisheries Division and from the small-scale fishermen will help prevent the operations from being carried out only for the benefit of the large deep sea fishermen. Appropriate language would be written into the land lease concerning the use of the jetty by all commercial fishermen. The management committee representing the large deep sea fishermen has a strong vested interest in insuring that the jetty is managed in an efficient

and appropriate manner. Their fleets of fishing vessels will be the major users of the jetty and its supporting facilities.

ii. Market linkages - Most if not all of the estimated US \$3.5 million annual imports of fishing gear is from Australia and Asia. Only a small percentage of this market is supplied by the U.S. For many items, especially those from Australia, costs are much higher than similar gear available in the United States. Most fishing gear importers and retailers have had no experience with U.S. products or suppliers. The most appropriate way to introduce U.S. fishing gear into Fiji is by arranging for Fijian importers to make buying trips to the U.S. and for U.S. suppliers to make marketing trips to Fiji.

Less than five years ago, there was almost no fresh fish exported from Fiji. At that time fish were exported to Australia, one of Fiji's traditional trading partners. The Australia market has low prices and limited potential for growth. In the past few years, fresh fish exports from Fiji have increase dramatically. Much of the current US \$7 million exports (1990 estimate) are to Japan and the U.S. Further expansion of fresh fish products into the U.S. market would be a real boon for the commercial fishermen and processors. However, except for a few major players, fish middlemen and potential exporters have no experience or contacts with the U.S. market.

These market linkage trips should result in lower cost and more reliable supply of fishing gear and larger and more profitable export of fish products.

iii. Policy Reform and Privatization - The GOF in the last year or so has indicated considerable interest in policy changes to support the growth of the private sector. This includes the sale of its industrial and commercial operations to the private sector (e.g. ice machines in rural areas, and sales of fishing gear at subsidized prices). Therefore, it is appropriate to provide the GOF with technical assistance in analyzing policy changes that are needed for growth in the fishing sector. In addition, government commercial operations that are good candidates for privatization can be identified, e.g., Ika (the government owned fishing company) and PAFCO (the government owned cannery).

B. Economic Analysis

i. Lami Jetty - The current berthing situation has resulted in inefficient off-loading operations and unnecessary costs to fishermen. Returning vessels rarely can berth at the jetty. Fish often are off-loaded either across

several other vessels, or from a mooring via punts. The same situation holds for the resupply of vessels. The situation results in inefficient, time consuming and labor intensive off- and on-loading operations. The time delays and additional handling can and does impact the quality of product. Since all medium-scale vessels target fish for the export market, quality is critical in order to get top price.

A similar situation holds for small-scale operators who must compete for space with medium-scale operators. On- and off-loading operations are extremely inefficient. This results in increased costs and loss of revenues (decreased fishing time, and lower priced poor quality fish).

By addressing private sector industry's identified need, operations of both small- and medium-scale vessels can be made more efficient and profitable. Current operators and their employees will benefit, notably by increasing access to Suva, Fiji's largest market. In addition, further expansion of the pelagic fisheries would result in additional income generating opportunities.

ii. Market Linkages - The imports of fishing gear and supplies are estimated at about US \$3.5 million per year. It is assumed that U.S. products can be competitively shipped and sold in Fiji. If this assumption is true, then U.S. suppliers may reasonably capture 15% of this market. The modest investment in the familiarization trips would provide a handsome return to U.S. suppliers, as well as to Fiji fishermen who will enjoy lower cost gear and supplies.

Exports to the U.S. account for perhaps 60 percent of total exports (estimated at US \$7 million in 1990). A modest increase in exports to the U.S. should result in more income and increased fishing activity. This assumes that the U.S. market for fish continues to exhibit strong demand and firm prices.

iii. Privatization and Policy Reforms - The technical assistance being provided for this component is modest and can only start the government on the road to selling off its commercial fishing operations and changing its policies. The ultimate economic payoff could be large although impossible to calculate if the GOF should sell some of its fisheries sector businesses and modify some of its policies that affect the private fisheries operations.

C. Social Soundness Analysis

i. Lami Jetty - The current jetty has been in place for over 25 years. The area has been used by fishermen for most of that time as a mooring site. The expansion of the jetty and auxiliary facilities has been proposed by private fishermen. No problems are envisaged in their acceptance and use of the facility.

Regarding the management of the facility, private sector will take the lead and manage it. Industry should be responsive to its own needs. This innovative management arrangement is acceptable to industry.

Local residents are accustomed to having private fishing vessels operate from the current jetty. Expansion of the current jetty will ease congestion. Total number of vessels docking in Lami are expected to remain constant. This should be acceptable to local residents.

ii. Market linkages - Fiji imports much of its production inputs from traditional suppliers in Australia as well as from Asia. Currently it imports small amounts from the U.S. There should be no reluctance by local importers to make familiarization trips to the U.S. to seek new sources of supplies.

iii. Privatization and Policy Reforms - Governments generally resist efforts to privatize the government-owned commercial enterprises and make changes in their policies. Although the GOF has made major pronouncements regarding promoting the private sector and improving the investment climate, few concrete actions have been taken to date. The modest amount of technical assistance can only help to begin this process. While there may be resistance by government officials, the selling of state-owned businesses and constructive changes in policies would be welcomed by the private fisheries people if it increases their productivity, profitability and business opportunities.

iv. Beneficiaries - The primary beneficiaries of the Fiji component would be: (1) the owners of the fishing vessels (higher profits) and their crews and shore staff (larger catches and profits to share) which will use the new facilities and buy lower priced U.S. gear; (2) the importers of fishing gear, and ultimately their customers (the fishermen) assuming any lower prices will be passed on to their customers; and (3) newly hired personnel if operations should expand to supply fish products to the U.S. market for fish products. Ultimately, the entire fishing sector should benefit from policy reforms and privatization.

D. Environmental Analysis

An IEE has been prepared and was sent to AID/W on July 23, 1991 by fax (see Attachment C). On August 22, 1991 APRE/DR/TR approved the IEE (by telephone to ADO).

The proposed jetty extension and auxiliary facilities are located in an area already heavily used by both commercial fishing and recreational vessels. The proposed infrastructure will not impact environmentally sensitive coastal areas such as mangroves or coral reefs. In fact, with the proposed infrastructure development, environmental risk may be lessened. Accidental spillage and littering should be greatly minimized compared with development of a proper facility and associated management.

The market linkages and policy reform activities will not have direct impact on the environment.

E. Sustainability

Harvest of inshore and bottomfish resources are approaching sustainable levels of harvest in some areas of Fiji. Some additional expansion of harvest of these resources can be sustained. Significant increases in the harvest of pelagic resources (tuna) can be sustained with existing stock levels.

GOF has a data collection program for monitoring catch and effort levels for major fisheries. GOF regulates commercial effort by the issuance of licenses. If a fishery approaches sustainable levels of harvest, the total number of licenses or participants in that fishery will be limited.

Mechanisms for ensuring that sustainable yields are achieved over time are in-place in Fiji. Fisheries regulations have been imposed on certain sedentary inshore marine resources to insure that stocks are not depleted.

The project component focuses on increasing the profitability of existing operations. The mooring facility in the Suva area will enable current operators to more efficiently on- and off-load their vessels.

A key issue here is the sustainability of private sector jetty management and operations. FDFA has proposed a management plan for the jetty which is responsive to industry needs (see Attachment D). In order to sustain operations and provide for maintenance and repairs, fees will be levied on vessels using the facilities. In this way, a self-financing operation can be achieved.

Gear/supply imports and fish exports will be sustained after initial project inputs are provided if these actions are profitable.

8. Monitoring and Evaluation

RDO/SP will monitor the implementation by:

- regular trips to project site by the RDO/SP project officer (marine resources advisor);
- review of the grantee's progress reports;
- regular meetings with the grantee whose office is about three blocks from RDO/SP; and
- participation in the project coordinating committee.

In the project paper, an evaluation of the entire PIMAR project was planned for April 1992. However the project authorization was delayed about a year and contracting has been delayed by several months. Therefore, the interim evaluation should be postponed until about October 1993 to allow about two years of operations by the several contractors. The evaluation would include the Fiji component. Funds for the evaluation are included in the PIMAR overall budget.

9. Conditions and Covenants

Although normally conditions and covenants are not included in the cooperative grant agreement or a memorandum of cooperation, several control points are needed to ensure that important steps are taken in the appropriate sequence. These should be included in the cooperative grant agreement with FSP.

Prior to FSP initiating actions to contract for construction, the following should be completed:

- (1) RDO/SP enter into a memorandum of cooperation with the GOF.
- (2) The GOF execute a long term lease with the Lami Jetty Management Committee or the Fiji Deep Sea Fisherman's Association for the operation of the Lami jetty. The lease should include provisions regarding the rights of small-scale fishermen to use the jetty facilities, the representation of the GOF and the small-scale fishermen on the management committee, and the responsibilities of the FDFA for maintenance of the jetty. The jetty rental rate should be nominal.

- (3) The FDFA prepare a document describing the operations of the Lami jetty, including who can use the facilities, the fee structure, arrangements for provision of fuel, ice, electricity and other services, composition and by-laws of the management committee, plans for staffing and operating the jetty, security, sources of revenue and expected expenditures, etc.

Prior to FSP's making arrangements for short term technical assistance for the privatization and policy reform activities, the written concurrence of the appropriate ministry of government should be obtained.

No special covenants shall be needed.

IV. Tuna and Billfish Assessment Program Component

1. Background

The Tuna and Billfish Assessment Program (TBAP) of the South Pacific Commission (SPC) is an extra-budgetary program based in Noumea, New Caledonia. Current donors to the TBAP include: Australia, France, New Zealand, and the United States.

The goal of TBAP is to provide assistance to SPC countries in development, rational exploitation, and management of the renewable oceanic resources of the region. The tuna resource constitute the single largest resource available to member countries.

A.I.D. has been supporting TBAP over the last several years through three separate grant agreements. In the early 1980's, initial funding was through a general SPC grant under A.I.D.'s Multiprogram Support Project. In FY 1989 to FY 1991, A.I.D. provided US \$44,000 to TBAP through a SPC fisheries grant under the South Pacific Fisheries Development Project (879-0009). The current TBAP support is through a separate TBAP grant (under 879-0009) for US \$319,000 for FY 1990 through FY 1992. The current A.I.D. annual funding represents about 15 percent of the annual TBAP budget (total budget about US \$600,000 in 1991). The additional TBAP support proposed here represents the fourth A.I.D. grant supporting TBAP.

2. Rationale

Tuna resources are the most valuable renewable marine resource available to Pacific island countries. The proper management and sustained harvests of these fish stocks are critical to the economic development of small Pacific island countries. In access fees alone, Pacific island countries received between US \$25 to 30 million in the 1990 period.

TBAP collects and analyses data on tuna and billfish within SPC's region. This information is the basis for management of the pelagic fish stocks in the South Pacific region. TBAP provides technical assistance to island countries in data collection, analyses, and formulation of their national fisheries management plans. Support of TBAP will result in better assessment and sustainable management of pelagic fisheries resources at both the national and regional level.

3. Purpose

The purpose of supporting TBAP is to ensure the proper assessment and management of pelagic marine resources in the South Pacific region. Sustainable tuna harvests are an environmental management issue of priority to A.I.D. Proper management and sustained tuna harvests are also a priority of the U.S. fishing industry operating under the U.S. Fishing Treaty. TBAP processes catch data from U.S. tuna vessels which operate under the Fishing Treaty.

The proper management and sustained harvests of pelagic fish stocks in the South Pacific are important to the U.S. Support for TBAP ensures that these key issues are addressed.

An additional and important purpose of supporting TBAP is to facilitate development of a cost recovery system. Implementation of such a system will enable TBAP to become a self-sustaining program.

4. Description of TBAP

The TBAP was established by the 1980 South Pacific Conference which mandated the assessment of tuna and billfish fisheries in the SPC region. In 1987, TBAP was critically reviewed. Its new emphasis is on field research activities to answer stock assessment questions at both regional and national levels, and the provision of technical and advisory services of direct assistance to private sector and individual countries.

TBAP provides direct support for the fisheries private sector in the region. Specific assistance includes the following:

- (1) TBAP publishes a quarterly statistical bulletin, the Régional Tuna Bulletin. This bulletin summarizes tuna catch statistics by fleet, month, and species, and provides information on catch by area. About one-third of the 500 subscribers are tuna fishing companies, exporters, and processors.
- (2) TBAP responds to specific industry requests for

information on the status of tuna stock resources. Advice is provided on the available resource base and the potential for development. This information is critical in planning private sector investments in the fishing industry.

- (3) TBAP provides data on tuna movements to private vessel owners. Information is based on the on-going tuna tagging program of TBAP. This information is extremely useful to private sector vessel operators in their efforts to locate and harvest tuna resources.

To achieve the objectives of this grant, A.I.D. funds will be used for the following:

- (1) to collect, analyze and disseminate tuna and billfish statistics to the private sector as well as Pacific island governments;
- (2) to provide advise and respond to requests from the private sector on fishing trends as well as opportunities for fishing industry development in the Pacific islands region;
- (3) to assess tuna and billfish stocks in the region and provide advise to Pacific island countries on management of stocks to optimize long-term sustainable harvests; and
- (4) to develop a cost recovery program for TBAP.

5. Implementation

RDO/SP, with the assistance of the A.I.D. Regional Contracting Officer in Manila, will enter into a grant agreement with the South Pacific Commission, an approved public international organization, to finance a portion of the TBAP costs. The A.I.D. funds will be co-mingled with the funds from other donors rather than being used to finance identifiable portions of TBAP. The funds will be disbursed periodically by USDO treasury checks to SPC.

The A.I.D. funds will be used in FY 1992 to FY 1993 to cover about 15% of the annual costs of the TBAP.

A.I.D. has made numerous grants to SPC over the past decade for TBAP and other programs so SPC is familiar with A.I.D. rules and procedures. SPC is audited annually by outside accountants. SPC is currently undergoing a comprehensive management evaluation by a team provided by its major donors, including the U.S. The

Results of the evaluation should result in SPC's improving its management of resources.

FIGURE 1 LOGICAL FRAMEWORK - FIJI

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATIONS	IMPORTANT ASSUMPTIONS
<u>PROGRAM OR SECTOR GOAL</u>	<u>MEASUREMENT OR GOAL ACHIEVEMENT</u>		
Increase income generating opportunities for men and women within the Pacific Islands through means which enhance the conservation and management of natural resources.	<ol style="list-style-type: none"> 1. Increase employment of men and women engaged in commercial fishing (on vessels, in land-based processing, and in business offices). 2. Catches of bottomfish and pelagic species increase to sustainable levels. 	<ol style="list-style-type: none"> 1. Number of commercial fishing licenses issued by Fisheries Department. 2. Government of Fiji trade statistics and export figures. 3. Fiji Fisheries Department annual report on state of the fishery resources and industry. 	<ol style="list-style-type: none"> 1. Current tuna and bottomfish export prices are maintained or rise. 2. Production input costs and export freight costs remain well below revenues, and profit levels are maintained or increased. 3. Tuna and bottomfish stocks are harvested at sustainable levels.
<u>COMPONENT PURPOSE</u>	<u>END OF PROJECT STATUS</u>		
<ol style="list-style-type: none"> 1. The <u>national</u> purpose is to improve profitability and productivity of private fishing sector. 2. The <u>regional</u> purpose is to demonstrate a strategy for identifying constraints to industry development that are then removed. 	<ol style="list-style-type: none"> 1. Increased efficiency of loading/unloading operations of fishing vessels in the Suva area; 2. Local gear importers are importing fishing gear and supplies from the U.S.; 3. Local exporters are exporting more fish to the U.S.; 4. GOF is considering the privatization of its fishing activities; 5. GOF is considering changing its policies that affect the private fishing operations. 6. Other countries of the South Pacific use similar strategy to identify and remove constraints to private sector fisheries development. 	<ol style="list-style-type: none"> 1. EOP evaluation assessing: (a) private sector use and management of the Lami jetty and ancillary facilities; (b) GOF operated fish related businesses privatized; (c) GOF adopts consistent regulations and legislation on fisheries development. 2. Fiji Fisheries Department survey and annual report on the status of the fishing industry. 	<ol style="list-style-type: none"> 1. Private sector fishing industry can organize and direct its own development and address its identified priorities and constraints. 2. Fish exports from Fiji are competitive in U.S. and other export markets. 3. U.S. manufactured fishing gear is competitive with gear from other sources. 4. GOF is committed to privatization of its fish related businesses and to private sector development.

FIGURE 1 LOGICAL FRAMEWORK - FIJI (Continued)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATIONS	IMPORTANT ASSUMPTIONS
<u>OUTPUTS:</u>			
1. Expanded jetty facilities at Lami jetty. 2. Market linkages of local gear suppliers to U.S. gear manufacturers and of local fish middlemen to U.S. fish importers. 3. Privatization and policy reform actions.	1. Completion of Lami jetty and ancillary facility and private sector management of the facility. 2. Increased amount of U.S. manufactured fishing gear imported into Fiji. 3. Increased amount of Fiji fish exported to the U.S. market. 4. GOF considering legislation and regulations conducive to private sector fisheries development and beginning privatization activities.	1. Project progress and end of project reports. 2. Fiji Fisheries Department annual report on the state of the fishing industry. 3. GOF trade statistics on gear imports, and fish exports. 4. GOF legislation and regulations on fisheries development.	1. Private sector fishing industry can organized and manage the Lami facility. 2. U.S. fishing gear is competitive in price and is marketed in Fiji. 3. Fiji fish is competitive in the U.S. in quality and price. 4. GOF embraces the review of privatization and policy reform opportunities and implements them.

INPUTSA.I.D.:

1. Design and construction of jetty and ancillary facilities.
2. Study tours of U.S. gear manufacturers and U.S. fish importers.
3. Trade show and promotion of U.S. manufactured gear and Fiji fish export products.
4. T.A. on privatization and policy reform.

Type of Input	A.I.D. (\$000)	GOF
Short Term T.A.	150	
Counterparts		65
Market Linkage	150	40
Infrastructure	340	260
Land		14
Operation/Maintenance		21
FSP Fee	140	
Contingency and		
Inflation	120	
Total	900	400

GOF/Private Sector:

1. Local counterparts.
2. Salaries for private sector participants in study tours/trade shows.
3. Existing infrastructure and land at the Lami site.
4. Operating and maintenance costs of the Lami facility.

1. A.I.D. and GOF records.
2. Annual project implementation reviews, progress reports and end of project report.
3. End of project evaluation.

ACTION: AID INFO: EXEC

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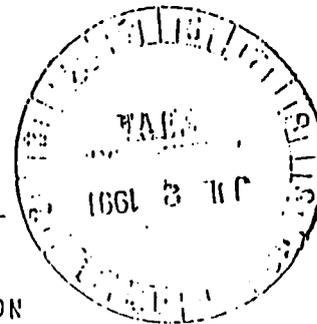
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E.O. 12356: N/A

TAGS:

SUBJECT: PACIFIC ISLAND MARINE RESOURCES PROJECT (879-0020)



1. THE ACTING AA/APPE HAS APPROVED AN AD HOC DELEGATION OF AUTHORITY (DOA) TO THE REGIONAL DIRECTOR, SOUTH PACIFIC TO AMEND THE SUBJECT PROJECT. THE AD HOC DOA COVERS THE ADDITION OF THE FIJI AND FISH RESOURCES MONITORING COMPONENTS FOR AN ADDITIONAL 1.2 MILLION DOLLARS (900,000 DOLLARS IN ESF AND 300,000 DOLLARS IN DA). COPY OF DOA ACTION MEMO, SIGNED 6/26/91 FAXED TO MISSION. SEPARATE COPY POUCHED TO MISSION. BAKER
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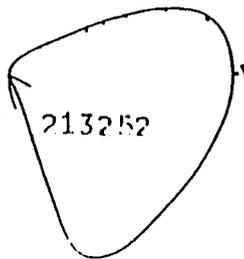
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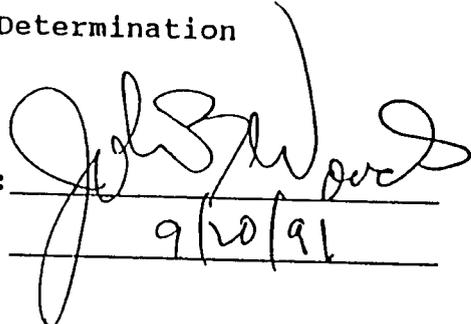


INITIAL ENVIRONMENTAL EXAMINATION (IEE)

Project Location : South Pacific
Project Title : Pacific Islands Marine Resources Project
Life of Project : FY1990-FY1995
Funding : \$13.7 million
IEE Prepared By : K.R. Uwate, Marine Resources Advisor
E. Pita, Fisheries Advisor

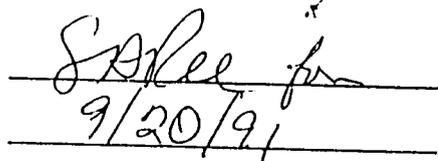
Environmental Action: Negative Determination
Recommended

Regional Director's :
Concurrence

Signature: 

Date : 9/20/91

APRE Bureau
Environmental Coordinator's
Concurrence

Signature: 

Date : 9/20/91

There are two elements to the amended project: (1) the addition of a Fiji country component; and (2) additional support for the Tuna and Billfish Assessment Program (TBAP).

Fiji Component

The Fiji PIMAR component will directly support private, commercial fishing efforts including export fisheries. The following activities are planned under the Fiji PIMAR component.

- (1) Extend the Lami fishing jetty and support facility to alleviate congestion and increase efficiency of in-port operations for small- and medium-scale commercial vessels. The jetty facility will be managed by an association of commercial operators.

- (2) Introduce local suppliers to U.S. manufacturers and exporters so that lower cost and greater variety of fishing gear will be available to private sector fishermen.
- (3) Link local fish middlemen with U.S. fish importers so that fish exports to the U.S. can be expanded.
- (4) Develop privatization and policy reform opportunities within Government of Fiji to create a business environment which is conducive to private sector fisheries development.

Tuna and Billfish Assessment Program

The TBAP's function is to collect and analyze data on tuna and billfish within SPC's region (the South Pacific). This information is the basis for management of pelagic tuna and billfish stocks in the South Pacific region. TBAP provides technical assistance to island countries in data collection, analyses, and formulation of their national fisheries management plans. Support of TBAP will result in better assessment and sustainable management of tuna and billfish fisheries resources at both the national and regional level. This will result in a positive environmental effect for the pelagic fisheries resources in the region.

IEE Requirements

In accordance with Handbook 3, Appendix 2D, an IEE is not required for the authorization amendment for the following classes of actions (under Section 216.2 (c) (2)):

subsection (i): "education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc)."

SPC's TBAP is considered a technical assistance program to the South Pacific countries and territories. TBAP has training components within its work program.

In the Fiji component, the development of gear import and fish export trade activities (Fiji activities (2) and (3) above) relate to education and technical assistance. Local gear suppliers and fish middlemen will participate in study tours and appropriate trade shows.

subsection (iii): "analyses, studies, academic or research workshops and meetings;"

SPC's TBAP does analyses, studies, academic and research workshops and meetings on the state of the pelagic fisheries resources in the South Pacific region.

In the Fiji component, the privatization and policy review are research studies based on analyses (Fiji activity (4) above).

subsection (xiv): "studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment;"

SPC's TBAP is a program which is intended to develop the capability of member countries to assess, plan rational exploitation and manage their own pelagic fish resources.

Therefore, an IEE is not required for activities (2), (3), and (4) of the Fiji component or for the TBAP component.

EE for Fiji Component (1) - Construction

In accordance with Handbook 3, Appendix 2D, Section 216.3 (a) (1), the following IEE was prepared for the construction activity of the Fiji component.

The Fiji component activity (1) above includes the construction and operations of a jetty extension and ancillary facilities such as a slipway. Construction of the jetty extension primarily involves anchoring with concrete weights and chain, a floating dock extension to the existing jetty. The existing jetty will be retained as the base. Construction of a slipway will be on the existing make-shift (dirt) slipway currently in operation adjacent to the jetty. It will include some dredging.

The proposed jetty extension and ancillary facilities are located in an area already heavily used by both commercial fishing and recreational vessels. There is a small existing jetty which attempts to accommodate most commercial fishing vessels in the Suva area. Small-scale operators use the existing make-shift (dirt) slipway adjacent to the site. No other is available for small vessels in the Suva area. The area has already been dredged periodically by the government to ensure safe mooring and passage of vessels.

The project will, through the establishment of a jetty management entity, reduce the concentration of ships crowding the existing dock area with the provision of additional docking and mooring space which will reduce noise, congestion and the present unsightly environment. The project will also reduce the number of vessels and the time required for the vessels to be at the dock by improving on/off loading capability of service vehicles.

At this time, there are no waste removal facilities (human or industrial) available at the jetty site. The project will design and construct waste disposal facilities for the removal of waste from the moored fishing vessels and crews.

The area is already heavily industrialized. The proposed infrastructure will not impact environmentally sensitive coastal areas such as mangroves or coral reefs. In fact, with the proposed infrastructure development, environmental risk may be lessened. With the current level of congestion at the jetty, vessels commonly on- and off-load several vessels. Accidental spillage and littering is common. With the jetty expansion, vessels will be able to on- and off-load at the jetty. The probability of accidents and resultant pollution is lowered.

Up-grading the existing make-shift slipway will also lessen environmental risk. Currently, there is significant erosion at the make-shift dirt slipway. The ground is bare and Suva experiences heavy rainfall (1990 rainfall was over 3 meters). When a proper slipway is constructed, erosion and run-off will be minimized.

Negative environmental impact from the proposed construction and jetty and ancillary facility operations is not significant. In fact, the project will greatly enhance the environment for the adjacent Tradewinds Hotel's guests, the pleasure boaters and the general public.

Regarding increased fishing by private industry and the sustainability of harvest levels, Fiji Fisheries Division has an active data collection and analyses program. It is one of the best, if not the best among independent Pacific island countries. This data collection program provides the basis for management of fish stocks. When harvest rates approach sustainable levels, the total number of licenses issued to operators by Fisheries Division will be limited.

Fiji Fisheries Division has agreed to conduct a fisheries impact assessment of the proposed site. The report was completed on August 21, 1991 and was forwarded to RDO/SP. This assessment

ATTACHMENT C

focussed on fish species diversity, current fish harvest, and potential impact of the proposed project.

Threshold Decision:

For Fiji component (1), negative determination.

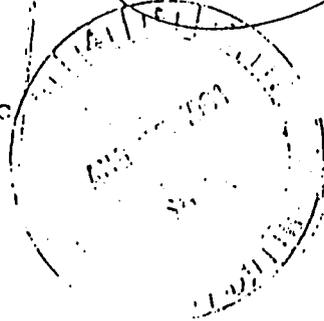


Fiji Deep Sea Fisherman's Association

PO BOX 3410 LAMI. TELEPHONE: 361600 FAX: 351134

15 August 1991

US Agency for International Development
Regional Development Office/South Pacific
American Embassy
PO Box 218
SUVA



ATTENTION: MR ROGER UWATE

Dear Roger

At an association meeting on Thursday 25th July attended by:

- | | | | |
|----|-----------------|---|----------------------|
| 1. | Dr T Adams | - | Fisheries |
| 2. | Mr P Usamaki | - | Ika |
| 3. | Mr J Russo | - | Tasu |
| 4. | Mr L Bordles | - | Feeders |
| 5. | Mr GB Southwick | - | Fresh Fish Exporters |
| 6. | Dr T Lewis | - | SPC |

Apologies: R Stone and CF Bay

Your letter of July 12 was discussed and I have been instructed to pass the following decisions on to you.

1. MANAGEMENT STRUCTURE

The Jetty Management Committee will be elected from within the Fiji Deep Sea Fishermans Association with one seat being reserved for the G.O.F in the form of the Chief Fisheries Officer or his representative, and one seat reserved for a representative of the small scale inshore fishermen. The committee therefore will comprise of 2 people representing long line vessels, 2 persons representing pole and line tuna vessels, 1 representing snapper, 1 representing inshore fishermen and 1 from the Fisheries Division (CFO).

ACCOUNTABILITY: of the committee will be to the association as a whole and to the G.O.F via the Chief Fisheries Officer.

As 98% of the usage and funding of the day to day running of the jetty will come from members of the FDFA. It was decided that the management should remain essentially with the Association.

A full time jetty manager will be employed. Ika Corporation has offered the use of its accounting staff and computers to keep track of finances and prepare monthly accounts in conjunction with the jetty manager and the management committee.

Fisheries have indicated that they would be prepared to (a) hand over a disused workshop on the present jetty for the office and (b) continue to pay for the security guards presently employed at the jetty. In return the committee will waive any docking charges relating to Fisheries vessels.

SERVICES will include security, fuel, water and electricity - all to be supplied on the user pay principle.

ICE is currently provided on a commercial basis by a privately owned ice plant situated at the jetty and owned by Wasawas Fisheries/Fresh Fish Exporters and will shortly be supplemented by production from a G.O.F Japanese aid ice plant. It is envisaged that this situation will remain for the time being unless the G.O.F intends to hand over the ice plant to the association. Total ice production will be in the order of 16 tons per day (WWF) and 6 tons per day (G.O.F). This is adequate for the time being.

POLLUTION: will be controlled by the jetty manager and the committee and suitable guidelines and penalties will be laid down to protect the area.

It is envisaged that unchecked violators would be restricted from the jetty as a suitable deterrent.

FEE LEVELS The interim budget indicates that medium/large vessels may have to pay in the vicinity of \$1,500 per annum in docking fees. Further discussions are to be held to arrive at an equitable formula based on tonnage and usage.

Fees will be collected on a monthly basis for regular users and cash basis for casual users.

<u>INCOME</u>		<u>EXPENDITURE</u>	
Vessel Docking	30,000	10,000	Jetty Manager
Fuel Profit	15,000	6,000	Security
Utilities	<u>5,000</u>	5,000	Bookkeeper
		5,000	Utilities
	50,000	4,000	R & M
		1,000	Insurance
		1,000	
		<u>9,000</u>	Contingency
		40,000	

ASSOCIATION MEMBERSHIP Considerable discussion relating to this has been held in the past and further discussion is to be held in the future. However, current thinking, which is unanimous at this time (including the Fisheries Division) is that the association was primarily formed to promote and protect the Deep Sea (ie off shore) fishing industry as a group and that inshore fishermen already have a great number of fishing associations which represent them and their interests.

There is a proposal, that in due course a Fiji Fishing Industry Advisory Board be formed which would comprise the various sections of the industry and include small scale fishermen.

It is felt that the inshore and off shore industries do not have a great deal in common and the inshore fishermen should be represented by a person who is familiar with the inshore problems.

Having said that it must be noted that the jetty will be open to inshore fishermen and in fact a special area will be designed for their use on the western side of the jetty. It has also been suggested that to assist inshore fishermen no docking charges be made against vessels under 35ft.

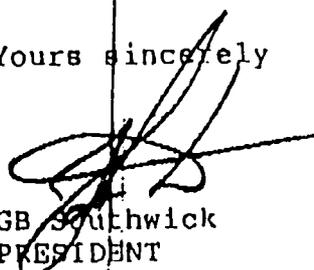
As far as their input on the jetty management committee, one space has been reserved for their representative.

As the FDSA is probably currently the only association that works closely with the Fisheries Division in matters of fishery policy and development, we expect that any requests for assistance from the small scale fishermen will be supported.

The FDSA would welcome some sort of affiliation by any inshore association that felt they could benefit from being attached. Certainly all efforts by FDSA and the Fisheries will be made to accomodate and assist small scale fishermen, although, as pointed out by the Fisheries Division, the small scale fishermen rarely work out of Suva, their main base in this area being Wainibokasi in the Rewa Delta, which is adjacent to their main fishing grounds east of Suva.

I trust that this clarifies the position of the FDSA and Fisheries and we would be glad to respond to any further matters.

Yours sincerely



GB Southwick
PRESIDENT

5C(2) - ASSISTANCE CHECKLIST *

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

Pacific Islands Marine Resources Project PP Supplement No. 1.

* Checklist is for new components added to existing project.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?

Yes. See MARC PP

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. Host Country Development Efforts (FAA Sec. 601(a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

Assistance should have some positive impact on (a), (b), (d) and (e) for Fiji.

2. U.S. Private Trade and Investment (FAA Sec. 601(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

U.S. PVO implementing the Fiji Component will use services of U.S. private organizations to promote private trade between Fiji and U.S.

3. Congressional Notification

a. General requirement (FY 1991 Appropriations Act Secs. 523 and 591; FAA Sec. 634A): If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the notification requirement has been waived because of substantial risk to human health welfare)?

Congress has been notified

b. Notice of new account obligation (FY 1991 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

NA

c. Cash transfers and nonproject sector assistance (FY 1991 Appropriations Act Sec. 575(b)(3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

NA

4. Engineering and Financial Plans (FAA Sec. 611(a)): Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes. See PP Supplement

5. Legislative Action (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? No legislative Action needed
6. Water Resources (FAA Sec. 611(b); FY 1991 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook J for guidelines.) NA
7. Cash Transfer and Sector Assistance (FY 1991 Appropriations Act Sec. 575(b)): Will cash transfer or nonproject sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)? NA
8. Capital Assistance (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? NA
9. Multiple Country Objectives (FAA Sec. 601(a)): Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage Same answer as # 1 above

monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

10. U.S. Private Trade (FAA Sec. 601(b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

Same answer as # 2 above

11. Local Currencies

a. Recipient Contributions (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

The regional component does not require contribution of local currency. Fiji is contributing 30% of costs of the Fiji component. U.S. does not own foreign currencies of the South Pacific.

b. U.S.-Owned Currency (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No

c. Separate Account (FY 1991 Appropriations Act Sec. 575). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

NA

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of

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A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

12. Trade Restrictions

a. Surplus Commodities (FY 1991 Appropriations Act Sec. 521(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

No

b. Textiles (Lautenberg Amendment) (FY 1991 Appropriations Act Sec. 521(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility

No

studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

13. Tropical Forests (FY 1991 Appropriations Act Sec. 533(c)(3)): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas?

No

14. Sahel Accounting (FAA Sec. 121(d)): If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?

NA

15. PVO Assistance

a. Auditing and registration (FY 1991 Appropriations Act Sec. 537): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

Yes

b. Funding sources (FY 1991 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from

Yes

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sources other than the United States Government?

16. Project Agreement

Documentation (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

NA. No project agreement will be signed

17. Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

Yes

18. Women in Development (FY 1991 Appropriations Act, Title II, under heading "Women in Development"): Will assistance be designed so that the

Yes to extent feasible. However women are not engaged in commercial fishing in Fiji.

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percentage of women participants will be demonstrably increased?

19. Regional and Multilateral Assistance (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.

Some project assistance will be provided to regional organizations.

20. Abortions (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):

a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

No

b. Will any funds be used to lobby for abortion?

No

No

21. Cooperatives (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life?

No

22. U.S.-Owned Foreign Currencies

a. Use of currencies (FAA Secs. 612(b), 636(h); FY 1991 Appr Appropriations Act Secs. 507, 509): Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the u.s. are utilized in lieu of dollars to meet the cost of contractual and other services.

No foreign exchange Owned.

b. Release of currencies (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

Same answer as 11b above

23. Procurement

a. Small business (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes

b. U.S. procurement (FAA Sec. 604(a)): Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? Yes

c. Marine insurance (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Yes

d. Non-U.S. agricultural procurement (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) NA

e. **Construction or engineering services** (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) No

f. **Cargo preference shipping** (FAA Sec. 603): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? No

g. **Technical assistance** (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes. TA will be provided by U.S. PVO.

h. **U.S. air carriers** (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes

i. **Termination for convenience of U.S. Government** (FY 1991 Appropriations Act Sec. 504): If the U.S. Government is a Yes

party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

j. Consulting Services (FY 1991 Appropriations Act Sec. 524): assistance is for consulting service through procurement contract pursuant to 5 u.s.c. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

Yes

k. Metric conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

Same answer as # 17 above.

l. Competitive Selection Procedures (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Justification made for non-competitive award of grant.

24. Construction

a. Capital project (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used? No

b. Construction contract (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? Yes

c. Large projects, Congressional approval (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress? NA

25. U.S. Audit Rights (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? NA

26. Communist Assistance (FAA Sec. 620(h)). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes

27. Narcotics

a. Cash reimbursements (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes

b. Assistance to narcotics traffickers (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to Yes

believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance?

28. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes

29. Police and Prisons (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes

30. CIA Activities (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? Yes

31. Motor Vehicles (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? NA

32. Military Personnel (FY 1991 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes

33. Payment of U.N. Assessments (FY 1991 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? Yes

34. Multilateral Organization Lending (FY 1991 Appropriations Act Sec. 506): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? Yes

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35. Export of Nuclear Resources (FY 1991 Appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? Yes

36. Repression of Population (FY 1991 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes

37. Publicity or Propoganda (FY 1991 Appropriations Act Sec. 516): Will assistance be used for publicity or propoganda purposes de\$igned to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any public@ty or propoganda purposes not authorized by Congress? No

38. Marine Insurance (FY 1991 Appropriations Act Sec. 563): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that u.s. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? Yes

39. Exchange for Prohibited Act (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? No

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. Agricultural Exports (Bumpers Amendment) (FY 1991 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

Answers in Section B are for TUNA and Bill Fish Assessment Program Component only

NA

2. Tied Aid Credits (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits?

No

3. Appropriate Technology (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

NA

4. Indigenous Needs and Resources (FAA Sec. 281(b)): Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

Assistance helps regional organization carry out program that better uses one of the region's greatest economic assets.

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5. Economic Development (FAA Sec. 101(a)): Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes

6. Special Development Emphases (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions;

Project will help (c) and (e) as described in PP.

(b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

7. Recipient Country Contribution (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Not required as this is assistance to a required organization.

8. Benefit to Poor Majority (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes

SB.

9. Abortions (FAA Sec. 104(f); FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 535):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? No

b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No

d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? NA

e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? NA

f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization? No

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10. Contract Awards (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

NA

11. Disadvantaged Enterprises (FY 1991 Appropriations Act Sec. 567): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

None as funds will be used by regional organization for localized costs

12. Biological Diversity (FAA Sec. 119(g)): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

(a) No

(b) No

(c) No

(d) No

13. Tropical Forests (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c)-(e) & (g)):

a. A.I.D. Regulation 16: Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

NA

b. Conservation: Does the assistance place a high priority on

NA

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conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all

(1) - (11) NA

relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

(12) NA

(13) NA

c. Forest degradation: Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

No

d. Sustainable forestry: If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

NA

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e. Environmental impact statements:
Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment?

Yes

14. Energy (FY 1991 Appropriations Act Sec. 533(c)): If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases?

NA

15. Sub-Saharan Africa Assistance (FY 1991 Appropriations Act Sec. 562, adding a new FAA chapter 10 (FAA Sec. 496)): If assistance will come from the Sub-Saharan Africa DAA'ccount, is it: (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) to be used to promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector; (c) being provided in accordance with the policies contained in FAA section 102; (d) being provided in close consultation with African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (e) being used to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to

NA

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support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (f) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

16. Debt-for-Nature Exchange (FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management.

NA

17. Deobligation/Reobligation (FY 1991 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance; are the funds being obligated for the same general purpose,

NA

and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

18. Loans

a. Repayment capacity (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest

NA

b. Long-range plans (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

c. Interest rate (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

d. Exports to United States (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

19. Development Objectives (FAA Secs. 102(a), 111, 113, 281(a)): Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities

Same answer as # 6 above



to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

20. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs. 103 and 103A):

a. Rural poor and small farmers: If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

Project to help rural and urban private sector through better harvesting of tuna and billfish throughout the South Pacific

b. Nutrition: Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly

NA

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addressing the problem of malnutrition of poor and vulnerable people.

c. Food security: Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

NA

21. Population and Health (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

NA

22. Education and Human Resources Development (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

NA

23. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106): If

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assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

NA

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

NA

b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

c. research into, and evaluation of, economics development processes and techniques;

d. reconstruction after natural or manmade disaster and programs of disaster preparedness;

e. for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;

f. for urban development, especially small, labor-intensive enterprises; marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

24. Sahel Development (FAA Secs. 120-21). If assistance is being made available for the Sahelian region, describe: (a) extent to which there is

NA

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international coordination in planning and implementation; participation and support by African countries and organizations in determining development priorities; and a long-term, multidonor development plan which calls for equitable burden-sharing with other donors; (b) whether a determination has been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of projects funds (dollars or local currency generated therefrom).

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

Answers in Section C are for Fiji component ONLY

1. Economic and Political Stability (FAA Sec. 531(a)): Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

Yes

2. Military Purposes (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes?

No

3. Commodity Grants/Separate Accounts (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

NA

4. Generation and Use of Local Currencies (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106?

NA

5. Cash Transfer Requirements (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 575(b)). If assistance is in the form of a cash transfer:

NA

a. Separate account: Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds?

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b. Local currencies: Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements?

NA

c. U.S. Government use of local currencies: Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. government as the U.S. determines necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available?

NA

d. Congressional notice: Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?

Yes

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