

**FFA****FORUM FISHERIES COMMITTEE
124th Meeting****28 October 2022
Honiara, Solomon Islands**

Agenda Item:	6
Paper No:	FFC124-WP.05 A
Title:	ToRs USTT Administration Review

Summary

In accordance with FFC122 tasking and on behalf of the FFC Sub-Committee, the Secretariat presents the draft Terms of Reference for United States Tuna Treaty Administration Review for consideration by Members.

Recommendations

The Committee is invited to approve the Terms of Reference.

**REVIEW OF FFA ADMINISTRATION OF THE TREATY ON FISHERIES
BETWEEN THE GOVERNMENTS OF CERTAIN PACIFIC ISLAND STATES
AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA**

TERMS OF REFERENCE

Background

The Pacific Island Parties (PIPs) have agreed to a review of the cost effectiveness and efficiency of the administration of the *Treaty on Fisheries between Certain Governments of the Pacific Island States and the Government of the United States of America* (the “Treaty”). The review was requested in response to changes impacting the Treaty post-2022, including the declining trend in the number of fishing vessels operating under the Treaty and the substantial increase in US Government funds, and the need to ensure that the budget and work programme for Administration is fit for purpose and meets the needs of the Treaty partners.

The FFA Secretariat is the Administrator of the Treaty and is therefore responsible for its implementation. The Administration has been undertaken with a current fixed budget provision of US\$1.265 mil per annum. The Treaty administration budget is sourced from the US Government fixed annual contribution with any surplus being returned to PIPs in subsequent years through an agreed internal distribution.

The Treaty has been in operation for over 32 years, since it first came into force in June 1988, noting that it does not have a sunset clause. The annual budget for the Treaty administration varied over the period, including a number of extensions of the financial package, but averaged US\$1 million. The major expenditure for the Treaty administration budget is the cost of the annual meetings of the parties and working group sessions, including the renegotiation sessions whenever required. An average of 3 staff have been engaged on a permanent basis for the Treaty administration – one professional and two support staff.

Relevant to this work is a series of reviews on FFA fees and charges, the FFA US Treaty Observer Programme and management fee that may inform considerations within the scope of work of these terms of reference.

The review is timely with the FFA Strategic Plan (2020-2025) highlighting the need to ensure the structure and delivery models of services provided by the Agency are fit-for-purpose. The last review of the Treaty administration was done in 2013.

Objective of the Review

The objective of the review is to ensure that the Treaty administration unit and business operations are efficient, cost effective and fit for purpose under revised Treaty arrangements for 2024 and beyond, noting that 2023 is a transitional year for Treaty administration and arrangements. The budget and administration have been approved through to June 30 2023 in the FFA 2022/23 annual workplan and budget; and that the new arrangements under the Treaty for 2023 and beyond will begin from 1 July 2023.

An assessment of the services delivered by the FFA Secretariat in relation to Treaty Administration, and the cost effectiveness and efficiency of the delivery of those services, including under future Treaty arrangements, is the main focus of this review.

Scope of Work

The Consultant is expected to undertake the following:

1. Assessment of the services required to be delivered in order to effectively administer the Treaty;
2. Review of the services provided by the Treaty Administration unit from 2013 to 2022 against the budgets and expenditures of the unit during this period. This should include, inter alia, specific areas of work in relation to the Treaty administration unit within FFA:
 - a. Formulation and approval of the annual budget and work programme;
 - b. Issue of Regional Licenses to US vessels fishing pursuant to the Treaty;
 - c. Payment of license fees and other financial requirements;
 - d. Secretariat's levy for services;
 - e. Banking and investment of funds before distribution;
 - f. Distribution of Treaty funds;
 - g. Vessel reporting requirements and obligations;
 - h. Administration of the Project Development Fund (PDF) and any other funds under the Treaty, including associated the criteria to access the funds and reporting requirements;
 - i. Annual financial and audit reporting;
 - j. Coordination of annual and special meetings of the PIPs and Consultation with the US;
 - k. Annual reporting to the PIPs; and
 - l. Treaty Unit structure within the FFA structure, including number of personnel.
3. Consult with relevant FFA Secretariat and SPC-OFP staff, US Gov and ATA, and PIPs on planning and delivery of Treaty administration services provided by FFA.

4. Provide an assessment of the cost effectiveness and efficiency of delivery of those services by FFA over this period.
5. Consider the service delivery requirements under future Treaty arrangements taking into account the increased financial US government contribution and associated administration requirements as well as the size of the US fleet operating under the Treaty and associated administration requirements.

The DDG and the Treaty Manager will be the main informants for this review, but the consultant will report to the steering committee to ensure independence.

Deliverables

The review is expected to deliver a report that will cover the following in a forward-looking approach:

- (i) Overview of the current administrative and operational requirements under the Treaty and how these may change under revised Treaty arrangements;
- (ii) Assessment of the relevance of the work programme of the Treaty Administration unit for the implementation of the Treaty;
- (iii) Identification of changes that may be required to the budget and work programme and delivery model of the Treaty administration unit as well as any recommended changes to the structure and staffing of the unit; and
- (iv) Make recommendations relating to:
 - a. The required services to be provided under revised Treaty arrangements in relation to Treaty administration (noting that this is still subject to ongoing discussion by the Parties to the US Treaty and further information may be required to inform this aspect of the review);
 - b. Improving the cost effectiveness and efficiency of the delivery of Treaty administration services;
 - c. The appropriate basis for determining the Treaty Administration budget as well as how those costs should be recovered from the US government.

Time Schedule and Reporting Requirement

This work is to be completed by (date to be discussed) and a report shall be provided to the Secretariat for circulation to and discussion with members, noting that a draft will be provided to the Steering Committee for feedback and direction.