



Regional Technical Assistance Report

Project Number: 42073
July 2008

Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific Phase 1 (Cofinanced by the Government of Finland and the Global Environment Facility)

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
CROP	–	Council of Regional Organisations in the Pacific
CTI	–	Coral Triangle Initiative
GEF	–	Global Environment Facility
GEF-PAS	–	Global Environment Facility–Pacific Alliance for Sustainability
NGO	–	nongovernment organization
PARD	–	Pacific Department
PNG	–	Papua New Guinea
RETA	–	regional technical assistance
RSDD	–	Regional and Sustainable Development Department
UNDP	–	United Nations Development Programme
UNEP	–	United Nations Environment Programme

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	Targeted intervention
Sector	–	Agriculture and natural resources
Subsector	–	Environment and biodiversity
Themes	–	Environmental sustainability, sustainable economic growth, capacity development
Subthemes	–	Natural resources conservation, promoting economic efficiency and enabling markets, regional public goods

NOTE

In this report, “\$” refers to US dollars

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I. INTRODUCTION

1. This regional technical assistance (RETA), which is consistent with the framework of the Asian Development Bank (ADB) Pacific Region Environmental Strategy and the Pacific Regional Operational Business Plan, responds to key concerns regarding management of coastal and marine resources as raised by five Pacific countries,¹ which lie within or border the coral triangle.² This RETA will assist Papua New Guinea, Solomon Islands, and Timor-Leste in fulfilling Coral Triangle Initiative³ (CTI)-related objectives and in engaging with the Fiji Islands and Vanuatu in these efforts. A separate ADB RETA will assist Southeast Asian CTI countries in fulfilling CTI objectives.⁴ The five Pacific countries mentioned have demonstrated their interest in cooperating with the Global Environment Facility—Pacific Alliance for Sustainability (GEF-PAS).⁵ Since there are strong complementarities between the CTI and GEF-PAS objectives and both are eligible for Global Environment Facility (GEF) cofinancing, this RETA has integrated marine protected areas management with efforts to control damage from pollutants derived from onshore activities. In addition, given that the broader CTI and ADB partners such as the Food and Agriculture Organization, Secretariat of the Pacific Community, United Nations Development Programme (UNDP), and WorldFish Center are addressing offshore commercial fishing threats and related capacity and enforcement issues, this RETA will focus on the challenges for inshore fisheries, marine managed areas, and land-based pollution affecting coastal waters.

2. A draft CTI plan of action was discussed at the first CTI senior officials' meeting in December 2007, and the Fiji Islands and Vanuatu also endorsed a "ridge-to-reef" GEF-PAS proposal to support greater attention to pollutants that flow from the land to the sea. ADB has been designated as the lead GEF agency in formulating the CTI, including for Pacific countries, and the GEF council has endorsed a broad proposal for action.⁶ All five countries have formally endorsed this proposed structure, and the need for the RETA was reaffirmed during a fact-finding mission held from 11 February to 7 March 2008.⁷ Two other Pacific developing member countries, the Federated States of Micronesia and the Republic of Palau, will be involved in an information-sharing role in the RETA.⁸

¹ These countries are Fiji Islands, Papua New Guinea (PNG), Solomon Islands, Timor-Leste, and Vanuatu. Of these, PNG, Solomon Islands, and Timor-Leste are part of the core group of coral triangle countries, which also includes Indonesia, Malaysia, and the Philippines.

² The coral triangle is a global center of marine diversity covering 5.7 million square kilometers and including all or part of exclusive economic zones of six countries. It contains vast marine resources critical for economic and food security of an estimated 120 million people.

³ The CTI was proposed by the President of Indonesia and supported by six core countries to increase coastal and marine resources management action and to improve resource mobilization and regional cooperation to this end.

⁴ TA 6446-REG: *Strengthening Sound Environmental Management in the Brunei Darussalam, Indonesia, Malaysia and Philippines East ASEAN Growth Area*. Approved in February 2008, the RETA will be implemented by Southeast Asia Department of ADB.

⁵ GEF-PAS is a regional effort, increasing attention toward global environmental concerns that support national development priorities, in partnership with GEF and its agencies. ADB serves as one of 10 GEF agencies with access to GEF financing for activities that support the achievement of global environmental objectives in areas such as climate change (mitigation and adaptation), biodiversity conservation, and the management of international waters.

⁶ The CTI framework document, the Pacific Alliance for Sustainability framework document, and the GEF project information form, authorizing the preparation of this RETA for GEF cofinancing, were approved by the GEF council in April 2008.

⁷ The RETA first appeared in the business opportunities section of ADB's website on 14 February 2008.

⁸ A separate GEF-financed project under GEF-PAS will be implemented by the United Nations Environment Programme (UNEP) and the Micronesia Challenge, and it will support similar and related activities in the Marshall Islands, Federated States of Micronesia, and the Republic of Palau.

II. ISSUES

3. The coral triangle is the most species-rich coastal and marine environment in the world, and its resources support the livelihoods of a significant proportion of the populations of the countries in or adjacent to the coral triangle through products and services linked with fisheries, ecotourism, and other coastal economic activity. Production systems are largely based on these natural resources. Growth must be sustainable to drastically reduce the incidence of poverty. For many people involved in coastal and small-scale fisheries, marine resources are the only source of cash income, with households living hand-to-mouth. Development without sustainable management of coastal and marine resources risks exacerbating poverty. While stakeholders and contemporary research agree that the coral triangle area reefs are in generally good condition, there are significant coastal development and fishing-related pressures including overexploitation of coastal areas and overharvesting of valuable species. Reef fish have been heavily exploited by small-scale commercial enterprises, local fishing communities, and commercial fishing. There are also indications of coastal and marine ecosystem damage due to destructive fishing practices and sediment and effluent discharge from neighboring catchments. In addition, weak management of natural resources systems in Pacific countries risks progressive degradation of the region's economic base, especially fish stocks. Predicted climate change impacts, such as rising sea levels and temperature, will also likely degrade resources, resulting in economic disruption and social flow-on effects for the coral triangle countries. Goods and services provided by coastal and marine ecosystems include rich and often endemic biological diversity, which in turn sustains complex livelihood systems and supports unique cultural practices with traditional customary practices relating to the management and use of these resources.

4. Many threats to biological resources in the coral triangle are regional in scope; therefore, coral triangle countries would benefit from well-coordinated policy, institutional, and technical responses at the national and regional levels. Areas for cooperation include those addressing (i) destructive practices used in the live reef food fish trade; (ii) illegal, unregulated, and unreported fishing across the region; (iii) climate change impacts; and (iv) depletion of highly migratory marine animals that cross national boundaries. A coordinated multilateral partnership among coral triangle countries is also much more likely to attract significant public and private funding from external sources.

5. These countries are facing significant challenges when creating effective coastal and marine resources management programs. Staff and budget resources are usually extremely limited for governmental environment agencies. Efforts tend to be primarily focused on the productive sectors' resources management, rather than on conservation. In addition, stronger coordination and cooperation are needed among the many government agencies and levels responsible for the environment and natural resources, as well as between government and nongovernment organizations (NGOs). While capacity limitations are notable across all five countries, capacity needs in Solomon Islands and Timor-Leste are particularly high.

6. Consultations with the donor community revealed that substantial international resources have been invested in the Pacific to better manage the region's environment. However, the efforts are largely disparate and have sometimes not received the required ownership and support at the country-level, especially whole-of-government engagement. To succeed, coastal and marine resources management assistance must be supported at the country level, with strong engagement from coordinating and sectoral agencies alike, as well as local level government representatives.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

7. This RETA will complete a design (phase 1) for a follow-on RETA (phase 2) to strengthen management of coastal and marine resources in coral triangle countries at the local and national levels to prevent environmental degradation and to achieve both global and local benefits from improved environmental management. The impact of both RETAs will be enhanced and sustained Pacific coastal and marine systems. The outcome of this RETA (phase 1) will be an agreed design of a 4-year coastal and marine resources management plan (phase 2) to be implemented from 2010 to 2013.⁹ The design and monitoring framework is in Appendix 1.

B. Methodology and Key Activities

8. This RETA will prepare a design for phase 2 within 9 months (September 2008 to May 2009). It will adopt the following strategies: (i) using research-based information to define options and to make decisions for sustainable coastal and marine resources management; (ii) engaging multisector and multilevel stakeholder participation to ensure broad-based design ownership and support; (iii) building on existing strategies, policies, plans, intercountry agreements, and institutional history to consolidate gains and accelerate progress; (iv) securing long-term commitments from stakeholders and development partners to sustain design implementation results in a complex implementation setting; and (v) noting the interaction of factors shaping common threats and opportunities for environmental protection to generate a coordinated response for the participating countries.¹⁰ Major assumptions and risks include the availability of country data and government and stakeholder capacity to participate in RETA activities.

9. The following activities will be carried out during design formulation:

- (i) **Prepare environmental and socioeconomic profiles of participating countries.** The profiles will determine: (a) the environmental and socioeconomic characteristics of the individual countries and the coral triangle subregion; (b) common environmental issues and trends and the impact of socioeconomic activities on environmental degradation; (c) gaps in information and data management systems and methods; (d) watershed conditions and their interface with marine and coastal habitats; (e) threats from land-based activities to coral

⁹ Phase 2 activities will be in two areas: (i) marine areas management; and (ii) integrated watershed, coastal resources, and fisheries management. Climate change impacts on coastal and marine resources and adaptations to these risks will be integrated into both components. Tailored country-specific implementation and whole-of-government engagement and coordination in each country will be critical for RETA success.

¹⁰ The implementation of this RETA will build on and/or be closely coordinated with the following ADB projects, which have been approved: (i) ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Papua New Guinea for the Coastal Fisheries Management and Development Project* (Loan 1925, approved 24 October, \$5.7 million) and (ii) ADB. 1999. *Technical Assistance for Strengthening the Live Reef Fish Trade Management in the Pacific Developing Member Countries*. Manila (RETA 5896, approved 28 December, \$215,000). It will also draw lessons from GEF initiatives including: GEF–World Bank Coral Reef Targeted Research and Capacity Building Programme; UNDP–GEF Pacific Islands Oceanic Fisheries Management Project; UNEP–GEF Sustainable Finance Systems for Islands Protected Area Management; and the UNDP–UNEP–GEF Integrated Water Resources Management Project. ADB and the participating Pacific countries will also draw on advice from centers and programs of expertise such as the University of the South Pacific and other CROP agencies, the Reef & Rainforest Research Centre, the Coral Reef Initiative for the South Pacific, and local and international NGOs.

reefs, near-shore habitats, and associated fisheries; (f) regional and national climate change impacts on coastal and marine resources; and (g) other issues that a strategy for strengthened coastal and marine resources management in the subregion must address.

- (ii) **Assess laws, regulations, policies, and institutional capacities.** The legislation and policy assessment will review national policies, strategies, regulations, and laws, assessing the relevance and appropriateness of these instruments to the major environmental issues and trends in the subregion as defined in the environmental and socioeconomic profiles, as well as the effectiveness with which the policies and regulations are being implemented and enforced. Gaps in these instruments will be identified and recommendations made. The planning and project management capacity of implementing government agencies will be assessed, drawing on existing national capacity self-assessments. The results of the assessment will indicate capabilities and shortfalls and will be drawn upon for likely interventions under phase 2.
- (iii) **Formulate a 4-year project design.** The aim is to draw stakeholder inputs and support for the design, especially from government but also communities, NGOs, and the private sector. In consultation meetings, stakeholders—led by the GEF focal point and lead environment counterpart agency for the RETA and involving the whole-of-government coordination mechanism in each country—will identify issues, define sustainability indicators for the subregion, and propose future courses of action. The meetings will result in the following: (a) list of priority actions and associated cost estimates to be carried out at the country level, and (b) coordination and information sharing at the regional level, as appropriate.
- (iv) **Generate government support and forging partnerships for action.** The proposed project design will be submitted for review to the participating countries' governments. Their representatives and ADB will consult and agree on any needed design revisions or adjustments, and then the design will be circulated to the CTI secretariat, development partners, Council of Regional Organisations in the Pacific (CROP) agencies,¹¹ NGOs, and the private sector for their suggestions.

C. Cost and Financing

10. The RETA is estimated to cost the equivalent of \$1,125,000: \$550,000 of which will be financed on a grant basis by the Government of Finland¹² and \$300,000 of which will be financed on a grant basis by the GEF through a project preparation grant.¹³ The RETA will be administered by ADB. The remaining amount of \$275,000 will be contributed by the governments of the five participating countries, and each country will finalize its contribution before RETA implementation. The detailed cost estimates and financing plan is in Appendix 2. Although the cost estimates and financing plan for the phase 2 RETA will be decided as an

¹¹ These agencies include the Forum Fisheries Agency, Secretariat of the Pacific Community, South Pacific Applied Geoscience Commission, South Pacific Regional Environment Programme, and University of the South Pacific.

¹² Through a channel financing agreement (Technical Assistance Program) between the Government of Finland and ADB.

¹³ Application for cofinancing (\$300,000) for project preparation was made to the GEF on 10 June 2008 and approved on 23 June 2008. A Letter of Commitment for the funds was received on 7 July 2008.

outcome of this RETA, the funding envelope—including direct and parallel cofinancing—is expected to be over \$40 million.¹⁴

D. Implementation Arrangements

11. ADB's Pacific Department (PARD) will serve as the executing agency for the RETA. Counterpart implementing agencies will be the lead environment agencies in each of the five participating countries.¹⁵ To ensure whole-of-government engagement and coordination, a steering committee mechanism in each country, which will include the GEF focal point and the lead environmental agency, will be utilized.¹⁶ These committee mechanisms will consult with civil society and the private sector to ensure various stakeholders' input. At the regional level, PARD and GEF will facilitate regional information sharing through CTI, GEF-PAS, and ADB processes.¹⁷ No-objection in writing will be obtained from each of the participating countries prior to commencing or financing activities under the RETA in the territory of such participating country. Links will also be formed with CTI focal points for the three core CTI countries (PNG, Solomon Islands, and Timor-Leste). Further implementation arrangement details in each country can be found in the aide mémoire of the fact-finding mission.

12. The RETA will require international (18 person-months) and national (21 person-months) facilitator services. Consultants will be recruited through a firm using quality- and cost-based selection (90:10) with a simplified technical proposal. Five national facilitators (one per country, international or national consultants) working closely with their respective GEF focal points will report to the team leader, who in turn will report to a PARD staff consultant, all under the supervision of the PARD governance specialist. International consultants will be selected and hired by ADB, and the national facilitators by ADB in consultation with participating governments, according to ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). Outline terms of reference for the consultants is in Appendix 3, and a proposed organizational structure for implementation is provided in Appendix 4. Upon RETA completion, all equipment purchased will be provided to the participating governments.

13. Capacity needs and constraints in participating countries were discussed in detail with stakeholders during the fact-finding mission and documented in country-specific appendixes to the aide-mémoire, which will be drawn upon by the consultant team. RETA consultations will include governments, the Pacific Island Forum Secretariat and CROP agencies, the Coral Reef Initiative for the South Pacific, and NGOs, as well as the private sector, which can play an important role with respect to promoting sustainable livelihoods.

¹⁴ This will likely include a \$7.5 million GEF grant, \$1.5 million from ADB's technical assistance resources, and cofinancing provided on a grant basis as follows: Australia (\$9 million); international NGOs, including Conservation International, The Nature Conservancy, and World Wide Fund for Nature (\$6 million); United States (\$20 million); Japan; and New Zealand (figures for Japan and New Zealand will be released in the 2nd half of 2008).

¹⁵ Fiji Islands = Department of Environment; PNG = Department of Environment and Conservation; Solomon Islands = Department of Environment, Conservation and Meteorology; Timor-Leste = Directorate of International Environmental Affairs; Vanuatu = Ministry of Lands (Environment Unit)

¹⁶ Fiji Islands = Sustainable Development Committee; PNG = MDG7 Technical Committee (to be renamed Climate Change and Environmental Sustainability Technical Committee); Solomon Islands = Coordination Committee for Sustainable Development; Timor-Leste = Interministerial Working Group on Environmental Coordination, Natural Resource Management, and Multilateral Environmental Agreements; Vanuatu = Vanuatu Scientific Research Council

¹⁷ A proposed Southeast Asia Department-administered RETA, *Cooperation and Knowledge Sharing for the Coral Triangle Initiative*, is expected to facilitate information exchange from this PARD RETA across the wider CTI effort. The GEF International Waters Learning Exchange and Resource Network will facilitate information sharing and access to best practices from over 60 related GEF projects around the world, enabling Pacific partners to benefit from global experience.

IV. THE PRESIDENT'S DECISION

14. The President, acting under the authority delegated by the Board, has approved (i) ADB administering technical assistance not exceeding the equivalent of \$300,000 to be financed on a grant basis by the Global Environment Facility, and (ii) ADB administering technical assistance not exceeding the equivalent of \$550,000 to be financed on a grant basis by the Government of Finland for Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific Phase 1, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK (PHASE 1)

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Impact Enhanced and sustained coastal and marine systems in the Pacific region</p>	<p>Significant improvement in marine conservation and integrated watershed and coastal resources management by the end of phase 2 of the RETA (phase 1: 2008–2009; phase 2: 2010–2013)</p>	<p>Monitoring system to be developed in phase 1</p> <p>Technical assistance report and reports from subregional institutions (e.g., Pacific Islands Forum and CROP agencies), regional initiatives (e.g., WorldFish Center), and multilateral bodies (e.g., UNDP and World Bank)</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Pacific governments recognize the value of sustainable natural resources systems (including for livelihoods) and the need for collaborative efforts to address transboundary environmental threats. • GEF financing is secured and is adequate, and other cofinancing is also adequate. • Pacific governments' commitment to the Coral Triangle Initiative remains strong, and there is community-based support for associated activities. <p>Risk</p> <ul style="list-style-type: none"> • Pacific governments do not formulate supportive national policies, and/or policies are not supported at the community and local levels. Necessary legal frameworks are not in place.
<p>Outcome Design of a 4-year coastal and marine resources management plan covering the five participating countries</p>	<p>Key stakeholders, including governments and ADB, endorse the design plan by July 2009.</p>	<p>RETA reports and mission and project progress reports</p>	<p>Assumption</p> <ul style="list-style-type: none"> • Pacific governments continue supporting conserved natural resources systems and collaborative action to address transboundary threats to the environment.

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Outputs</p> <p>1. A Pacific environmental and socioeconomic profile of each country, which includes methodology to ensure data comparability across countries and identification of information gaps</p> <p>2. A policy, law, and institutional capacity assessment, which focuses on policies and laws that are in place and required; draws on countries' available capacity self-assessments; and plans for enhancing policies, laws, and capacity of governments and (where relevant) NGOs</p> <p>3. 4-year plan of activities identified, including stakeholders' identification of environmental issues and indicators for progress, a list of priority actions with specific activities and cost estimates for governments and other stakeholders including regional information-sharing mechanisms</p>	<p>Methodology designed</p> <p>Data collection completed</p> <p>Country data analyzed and written up</p> <p>Countries' profile reports and strategies completed by January 2009</p> <p>Assessment methodology designed</p> <p>Government policies and laws reviewed, and recommendations made</p> <p>Institutional capacity of governments assessed by January 2009</p> <p>Stakeholder consultations conducted</p> <p>Feasibility of recommendations determined</p> <p>Plan drafted by March 2009</p>	<p>Project inception and review mission reports and design reports</p> <p>Project inception, mission review, and design reports</p> <p>Forum proceedings of subregional institutions or UNDP, and other capacity assessments</p> <p>Consultation reports</p> <p>Forum proceedings of subregional institutions</p>	<p>Risk</p> <ul style="list-style-type: none"> • Lack of available data in countries <p>Assumption</p> <ul style="list-style-type: none"> • Governments and stakeholders participate actively in the assessment. <p>Assumption</p> <ul style="list-style-type: none"> • Governments and stakeholder groups participate actively in the plan formulation so ownership is generated.

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>4. Government support and partnerships for action agreed on after the plan of activities is submitted to governments for their review and subsequently endorsed and circulated to the private sector and NGOs for comment. Pledges of support also elicited from development partners.</p>	<p>Project design presented to governments for consideration and to other stakeholders for input</p> <p>Consultations held with development partners for possibility of funding plan implementation by May 2009</p>	<p>Progress reports and mission review reports</p> <p>Forum proceedings of subregional institutions</p>	<p>Assumption</p> <ul style="list-style-type: none"> • Governments, stakeholders, and development partners show continued interest in plan of activities. <p>Risks</p> <ul style="list-style-type: none"> • Governments' development priorities give low priority to environmentally sustainable management of resources. • Development partners' funding priorities change.
<p>Activities with Milestones</p> <p>1.1 Plan profiling activity</p> <p>1.2 Prepare environmental and socioeconomic profile (by month 4)</p> <p>2.1 Design assessment policy and institutional assessment methodology</p> <p>2.2 Review policies and laws, and identify gaps and initiatives needed to support sustainable coastal and marine resources management</p> <p>2.3 Assess governments' institutional capacity to support the implementation of sustainable coastal and marine resources management</p> <p>2.4 Identify gaps in government and stakeholder capacity, drawing on self-assessments already undertaken</p> <p>2.5 Make recommendations for government and stakeholder implementation (by month 6)</p> <p>3.1 Prepare for stakeholder planning consultations</p> <p>3.2 Validate the findings of the profiling through stakeholder workshops</p> <p>3.3 Identify and prioritize the issues that hinder sustainable management in countries</p> <p>3.4 Identify and prioritize recommendations to address the issues, including cost estimates</p> <p>3.5 Assess the capability of governments and stakeholders to carry out the recommendations</p> <p>3.6 Identify opportunities for and constraints to carrying out actions</p> <p>3.7 Carry out feasibility analyses of actions, and integrate these into one package (by month 8)</p>			<p>Inputs</p> <ul style="list-style-type: none"> • ADB: \$550,000 • GEF: \$300,000 • Governments: \$275,000

Activities with Milestones	Inputs
4.1 Consult with government agencies to get their formal acceptance of the plan of activities	
4.2 Elicit suggestions from private sector groups, NGOs, and other stakeholders	
4.3 Initiate the process of plan implementation	
4.4 Secure donor funding commitments for plan (by month 9)	

ADB = Asian Development Bank, CROP = Council of Regional Organisations in the Pacific, GEF = Global Environment Facility, NGO = nongovernment organization, RETA = regional technical assistance, UNDP = United Nations Development Programme

Note: CROP agencies include the Forum Fisheries Agency, Secretariat of the Pacific Community, South Pacific Applied Geoscience Commission, South Pacific Regional Environment Programme, and University of the South Pacific.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
A. Government of Finland^a and Global Environment Facility Cofinancing^b	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants ^c	460.0
ii. National Facilitators ^d	90.0
b. International and Local Travel	120.0
c. Reports and Communications	20.0
2. Equipment ^e	20.0
3. Consultations and Conferences ^f	30.0
4. Miscellaneous Administration and Support Costs	10.0
5. Contingencies	100.0
Subtotal (A)	850.0
B. Government Financing^g	
1. Office Accommodation and Transport	100.0
2. Remuneration and Per Diem of Counterpart Staff and Consultants	170.0
3. Other	5.0
Subtotal (B)	275.0
Total	1,125.0

^a \$550,000 financed through a channel financing agreement (Technical Assistance Program) between the Government of Finland and the Asian Development Bank (ADB). Administered by ADB.

^b \$300,000 financed on a grant basis by the Global Environment Facility. Administered by ADB.

^c 18 person-months international consultants.

^d 21 person-months international or national consultants.

^e Computers (1 laptop per national consultant; international consultants will provide own laptops), printers, LCD projectors, and screen.

^f Estimated cost is \$4,000 per country (covering mostly airfare for stakeholders from outer islands) for a total of \$20,000 for five countries.

^g Government financing is as follows: Fiji Islands \$50,000 (in-kind); Papua New Guinea, \$100,000 (50% in-kind); Solomon Islands, \$50,000 (in-kind); Timor-Leste \$25,000 (in-kind); Vanuatu \$50,000 (in-kind).

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS FOR PHASE 1

1. The consultants will ensure that all outputs under the Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific, Phase 1 regional technical assistance (RETA) project comply with policies and guidelines of the Asian Development Bank (ADB).

2. The consultants will be responsible for submitting the following reports: (i) an inception report, to be submitted at the end of the first month of phase 1; (ii) an interim report, to be submitted by the end of month 3, covering work completed during the first 3 months of phase 1; (iii) a draft final report, to be submitted 2 weeks before the end of phase 1; and (iv) a final report, to be submitted within 4 weeks of the final tripartite review meeting, incorporating comments of ADB and the governments.

3. Phase I of this RETA project will be implemented by a team consisting of a (i) team leader; (ii) policy, institutional, and social specialist; (iii) marine and fisheries resources management specialist; (iv) resource economist; and (v) five country facilitators.

A. Team Leader (international, 7.50 person-months)

4. The team leader will lead the project team in achieving the project's objectives within the set timetable. Specifically, the team leader will:

- (i) prepare the project implementation design (phase 2), noting the country-specific policy and institutional environments including capacity constraints and needs, and assess nongovernment organization (NGO) and civil society capacity for implementation;
- (ii) provide technical guidance and directions to international and national consultants, and ensure that they comply with their terms of reference;
- (iii) assist country-level teams in negotiating partnerships with donor agencies and in coordinating with donors supporting similar interventions;
- (iv) assess the mandate and capacity of various government agencies concerned with coastal and marine resources management; help to implement institutional strengthening, capacity building, and coordination; introduce consultative and participatory processes involving NGO stakeholders; and integrate sectoral agencies into project formulation and implementation work;
- (v) identify priority capacity-building interventions;
- (vi) formulate recommendations for incorporating public participation processes and social improvement strategies covering livelihood creation and poverty reduction in targeted areas;
- (vii) define biophysical and socioeconomic indicators needed to monitor changes in the ecological environment, biodiversity status, and social well-being;
- (viii) in coordination with team members, prepare an environmental assessment of the project's overall design using a suitable approach, such as a strategic environmental assessment, according to ADB environmental assessment guidelines;
- (ix) in coordination with team members and in consultation with stakeholders, prepare a detailed project proposal and specific work plans reflecting expected outputs and outcomes suitable for Global Environment Facility (GEF) financing and country-specific components, including background and rationale, cost estimates, financing plan, implementation arrangements, strategic environmental

- assessment, and descriptions of the project's expected impacts, benefits, and risks;
- (x) finalize the project's monitoring and evaluation system, identify appropriate indicators to assess performance and sustainability, and oversee design and monitoring framework development;
 - (xi) lead team consultations, workshops, and awareness-raising efforts with the aim of participatory project development;
 - (xii) finalize the GEF project preparation proposal in collaboration with various stakeholders and partners;
 - (xiii) improve and finalize the GEF project threat and root cause analysis; and
 - (xiv) attend to the Scientific and Technical Advisory Panel comments, and oversee the proposal for GEF CEO and Council endorsement.

B. Policy, Institutional, and Social Specialist (international, 4.75 person-months)

5. The policy, institutional, and social specialist will assess the existing and planned national policy and legal environment to support sustainable watershed, coastal and marine resources, and fisheries management; ensure socioeconomic aspects are fully covered in the project proposal's development; and provide baseline economic parameters relevant for incremental cost analysis development. This expert will have the following specific tasks:

- (i) assess the five governments' existing legal and policy frameworks for watershed, coastal and marine resources, and fisheries management, drawing upon previous technical assistance conducted under the ADB Pacific Region Environmental Strategy and in the five participating countries;
- (ii) identify measures needed to strengthen the legal and policy regimes to avoid overlapping mandates and to strengthen coordination and harmonization among concerned agencies;
- (iii) analyze any changes planned for existing policies and laws as well as planned new policy and legal instruments likely to impact sustainable management and conservation;
- (iv) analyze key institutions' capacity, and propose capacity-building measures to promote coastal conservation;
- (v) analyze public awareness of relevant policy and legislation at project demonstration sites;
- (vi) in close consultation with potentially affected peoples, NGOs, and project implementing agencies, assess potential resettlement issues that may be relevant to the project's design and implementation stages;
- (vii) integrate technical inputs provided by the team into the final project proposal, working closely with the team leader;
- (viii) provide socioeconomic information necessary for the project design, including the role of natural resources on livelihoods, socioeconomic threats to the globally significant biodiversity of selected demonstration sites, and root causes for those socioeconomic threats;
- (ix) analyze resource economics, market development opportunities, and livelihood strategies for ensuring biodiversity conservation while promoting sustainable community development and cultural integrity;
- (x) review published information from similar studies undertaken by other domestic or international agencies; and

- (xi) analyze the existing socioeconomic information on the candidate project sites, and develop a framework to undertake detailed studies in selected demonstration sites.

C. Marine and Fisheries Resources Management Specialist (international, 3.75 person-months)

6. The marine and fisheries resources management specialist will:

- (i) assess the institutional arrangements and capacity constraints of key agencies in watershed, coastal and marine resources, and fisheries management, and recommend measures for institutional capacity strengthening for each country based on the result of a needs assessment;
- (ii) evaluate current and future coastal resources management and development activities, studies, and plans; coastal and marine resources and fisheries policies, strategies, and directions; and impacts in the designated area;
- (iii) formulate activities that will lead to environmentally-sound resources management in focus areas;
- (iv) assess barriers to effective coastal and marine resources management and ways to overcome the barriers, including enabling policy environments, legislative and regulatory needs, and institutional capacity for project implementation;
- (v) design work programs to compile information on coastal and marine biodiversity in project areas, particularly species' richness and habitat diversity, site-specific threats to biodiversity and analysis of root causes, and essential habitats and threatened and endemic species;
- (vi) evaluate existing and past activities, studies, and plans on formal and informal marine managed areas, assess lessons learned, and prepare a suitable plan for establishing formal and informal marine managed areas; and
- (vii) considering the above, (a) determine the adequacy of the enabling policy environment, the status of marine biodiversity, and threats to the sustainable use of coastal and marine resources as bases for identification of suitable sites for project interventions; (b) formulate an integrated coastal and marine resources management plan focusing on protection and sustainable utilization of the resources; and (c) prepare a strategic environmental assessment of the overall intervention according to ADB guidelines.

D. Resource Economist (international, 2.00 person-months)

7. The resource economist will prepare the project's overall cost estimates, including the incremental costs of proposed activities. The resource economist will work in close collaboration with the team leader and other consultant team members. The resource economist will have the following specific tasks:

- (i) establish the baseline costs of current activities in project demonstration sites;
- (ii) work closely with the team leader and country teams to determine incremental costs of activities proposed for the entire project;
- (iii) provide policy and analytical inputs for project document development;
- (iv) review published information from similar studies undertaken by other domestic or international agencies;
- (v) assess funding needs and gaps for effective marine resources management and business plans for long-term funding needs; and

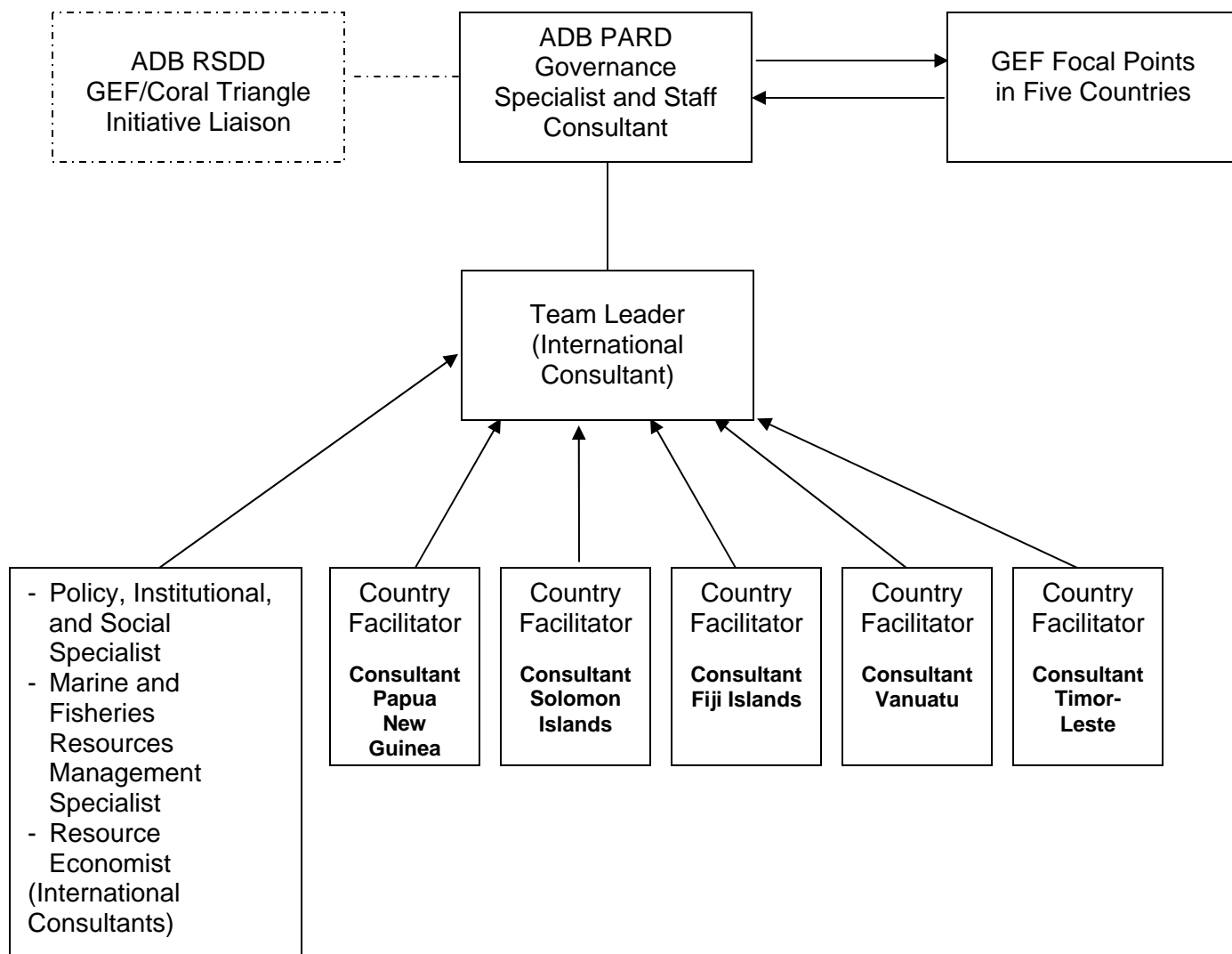
- (vi) explore public–private partnership in marine and coastal resources management, and assess sustainable finance mechanisms (e.g., trust funds, tourism user fees, and fishery license fees) as sources of funding after project completion.

E. National Facilitators (international or national, one per country—Fiji Islands, Papua New Guinea, Solomon Islands, Timor-Leste, and Vanuatu—4.20 person-months each)

8. The national facilitators will assist and support the team leader and international consultants, including but not limited to the following tasks:

- (i) liaise in close consultation with GEF focal points, concerned agencies, institutions, organizations, community-based organizations, and NGOs to assist the international consultants in collecting data on legislative and policy issues, institutions, watershed conditions, formal and informal coastal and marine resources management;
- (ii) help with other tasks as directed by the team leader or the international consultants;
- (ii) assist the international consultants in undertaking stakeholder consultations and workshops, acting as workshop facilitator to enable discussions on design and monitoring framework analysis and development; and
- (iii) assist the team leader in all project activities, especially providing input on country-specific issues affecting project design and implementation.

ORGANIZATION STRUCTURE FOR RETA (PHASE 1) CONSULTANTS



ADB = Asian Development Bank, GEF = Global Environment Facility, PARD = Pacific Department, RSDD = Regional and Sustainable Development Department