

Rules of Procedure of the Fish Fund

INTRODUCTION

1. The WTO Fisheries Funding Mechanism Trust Fund, (the Fish Fund or the Fund), consists of three main entities:
 - a. **Steering Committee.** Composed of government officials from WTO Members that have contributed to the Fund and developing country and Least Developed Country (LDC) WTO Members that have deposited their instruments of acceptance of the WTO Agreement on Fisheries Subsidies (the Agreement or AFS), and thus are eligible to benefit from the Fund.
 - b. **Technical Subcommittee.** Composed of representatives from the core partner organizations of the Fish Fund, the Technical Subcommittee is part of the Fish Fund Steering Committee. The main tasks of the Technical Subcommittee are to provide technical advice to the Steering Committee on project proposals received, and to participate in the discussions of the Fish Fund Steering Committee by bringing specialized expertise. The organizations that form the core partnership of the Fish Fund include the United Nations Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD), the World Bank, and the World Trade Organization (WTO).
 - c. **Fund Secretariat.** A small entity responsible for the daily operations, activities, and tasks of the Fish Fund, the Fund Secretariat is composed of professional staff with subject matter expertise in fisheries, management, and trust fund administration, as well as project management and grant-making expertise. The Fund Secretariat is supported by administrative staff. The primary task of the Fund Secretariat is to execute the strategic priorities and directives set by the Steering Committee. Administrative oversight of the Fund Secretariat is provided by the Director of the WTO Rules Division.
2. The Fish Fund and its Secretariat are administratively housed at the WTO and adhere to the WTO's administrative and governance frameworks. The Fish Fund is subject to the WTO's legal and fiduciary rules and obligations and lacks legal personality. The full cost of the Fish Fund staff is directly financed by the Fund. The Fund Secretariat operates under the same legal and fiduciary rules as the WTO, which supports the Fund's activities.

I. STEERING COMMITTEE

A. Mandate and Operating Principles

3. The Steering Committee serves as the primary decision-making body of the Fund and provides direction for its activities, consistent with the Fund's main objective as specified in Article 7 of the Agreement on Fisheries Subsidies (AFS), of supporting WTO Members from developing and least-developed countries to implement the Agreement or any additional provisions that may be agreed by Members to achieve comprehensive disciplines on fisheries subsidies as foreseen in Article 12 of the Agreement.
4. The Steering Committee shall follow principles that are aligned with best practices in development project management, in line with the objectives of the Fish Fund and will adhere to the WTO technical assistance standards and practices.¹ The Fund will abide by the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.
5. To be eligible to apply for assistance from the Fish Fund, a developing or LDC WTO Member must have deposited its instrument of acceptance of the Agreement with the WTO Depositary.
6. The Steering Committee will elect two Co-Chairs. One of the Co-Chairs will be nominated from the group of WTO Members that have contributed to the Fish Fund. The other Co-Chair will be nominated from the group of developing country or LDC WTO Members that have deposited their instruments of acceptance of the AFS.
7. The Steering Committee will meet at least twice per year, with additional meetings scheduled as needed. The Co-Chairs of the Steering Committee may call for additional meetings at the request of any member of the Steering Committee.
8. The Co-Chairs are responsible for establishing the agenda and directing the Steering Committee's activities. The Secretariat will distribute both the annotated draft agenda and the documents for consideration or decision to the Steering Committee members and Observers. The annotated draft agenda will be provided no later than 15 working days before the meeting, and the documents for consideration or decision will be distributed at least 10 days prior to the meeting.
9. The Secretariat will distribute relevant documentation related to funding requests to the members of the Steering Committee and Observers shortly after a call for proposals period concludes.
10. Steering Committee decisions in principle will be taken by consensus. In a case where a consensus cannot be achieved, and a decision is necessary in the interest of the Fund's operations, a vote can be called. For such a vote to produce a valid decision, a two-thirds majority is required of the Steering Committee members with voting rights who are present, subject to a quorum of at least five donors and five beneficiaries.

B. Composition

11. The Steering Committee will be composed of eight (8) representatives of WTO Members that have contributed financial resources (donors) to the Fish Fund, and eight (8) representatives of developing country WTO Members, including LDC Members, eligible

¹ WTO technical assistance standards and practices are guided by the *2022 Practical Guide for WTO Technical Assistance and Training*

to apply for assistance under the Fund (beneficiaries). At all times, at least two (2) WTO Members from LDCs must be part of the Steering Committee.

12. Members of the Steering Committee are accountable to their respective constituencies and will in any case serve the utmost interest of the Fish Fund. Each constituency selects its representatives to the Steering Committee and determines their terms and rotation arrangements. The constituencies shall inform the Fund Secretariat of any changes in their representatives at the beginning of every year. For the sake of continuity, an individual member's term on the Steering Committee shall be at least twelve months. Any changes to the size of a constituency's representation on the Steering Committee must be approved by the Steering Committee.
13. The core partners of the Fish Fund will be part of the Steering Committee in their capacity as members of the Technical Subcommittee and will not have voting rights.

C. Observership

14. WTO Members that are donors to or beneficiaries of the Fish Fund and are not represented on the Steering Committee may attend Steering Committee meetings as Observers. Observers may be allowed to speak at Steering Committee meetings at the discretion of the Co-Chairs but will not have voting rights.

D. Functions, Responsibilities, and Obligations

15. The Steering Committee is the primary decision-making body responsible for overseeing the operations and financial management of the Fish Fund. Its responsibilities include making decisions on funding for project grants and project preparation grants submitted to the Fish Fund Secretariat, establishing, and periodically reviewing and updating, the Fund's strategy, reviewing the Fund's performance, and approving the Fund's annual work plans and budgets.
16. The Steering Committee shall review and consider for approval requests for funding that have been received and preliminarily evaluated by the Fish Fund Secretariat and the Technical Subcommittee, as required.
17. The evaluation and approval of the requests for funding shall be based on the Operational Project Guidelines of the Fish Fund as established by the Steering Committee. These guidelines contain clear eligibility and prioritization criteria for funding, as well as an explanation of the approval process and supporting materials necessary for funding requests.
18. The Steering Committee will also be responsible for overseeing the effective operationalisation of the Monitoring and Evaluation Framework (M&E Framework) for the Fish Fund.
19. The M&E Framework specifies outputs and outcomes aligned with the objectives of the Fisheries Fund and includes a detailed project and program-level logical framework. It shall be kept up to date and accessible to all Members of the Fund with the support of relevant expertise as necessary and appropriate.
20. The Steering Committee may form Working Groups to address specific issues as it deems necessary. These Working Groups should be composed of WTO Members that serve as members of the Steering Committee. All decisions and topics addressed by any of the Working Groups must be approved by the Steering Committee.
21. The Steering Committee shall regularly update the WTO Committee on Fisheries Subsidies. One of the Co-Chairs of the Steering Committee or the Secretariat of the

Fish Fund shall provide updates on the Fund's operations to the Committee on Fisheries Subsidies.

22. The Steering Committee shall consider the annual report for discussion and approval. After the Steering Committee has approved the annual report, it will be made publicly available.
23. The Fish Fund will be evaluated by an external reviewer appointed by the WTO Secretariat after consultation with the Steering Committee at least every five years, unless decided otherwise by the Steering Committee. After circulation to and discussion in the Steering Committee, the evaluation report will be made available as a public document and circulated inter alia to the WTO Committee on Fisheries Subsidies.

II. TECHNICAL SUBCOMMITTEE

A. General Functions

24. The primary function of the Technical Subcommittee of the Fish Fund is to provide expert technical advice to the Steering Committee.
25. The Technical Subcommittee assesses the technical merits and feasibility of proposals for funding in the form of project preparation grants and project grants, and provides recommendations on the proposals to the Steering Committee. The recommendations are required for Category II project proposals as defined in the Guidance Note for applicants. Unless otherwise decided, the proposals for Category I projects are reviewed by the Secretariat and submitted for approval to the Steering Committee.
26. The Technical Subcommittee is part of the Steering Committee and actively engages in the latter's deliberations regarding funding proposals, ensuring that funding decisions are informed by technical expertise. The Technical Subcommittee and its members are non-voting participants in the Steering Committee.

B. Composition

27. The Technical Subcommittee will be comprised of representatives of the core partner organizations of the Fish Fund, listed below:
 - a. the United Nations Food and Agriculture Organization (FAO),
 - b. the International Fund for Agricultural Development (IFAD),
 - c. the World Bank, and
 - d. the World Trade Organization (WTO).

C. Functions, Responsibilities, and Obligations

28. The Subcommittee makes recommendations on project and funding proposals, considering the main objectives of the Fish Fund as outlined in the impact statement approved by the Steering Committee and the fisheries subsidies disciplines set forth in the Agreement on Fisheries Subsidies or any additional provisions that may be agreed by Members to achieve comprehensive disciplines on fisheries subsidies as foreseen in Article 12 of the Agreement.
29. The Subcommittee offers advice and recommendations based on subject matter expertise and experience in implementing projects and providing development assistance related to fisheries, fisheries management, and related areas.
30. In assessing funding proposals and making recommendations to the Steering Committee, the Technical Subcommittee will consider the Monitoring and Evaluation Framework for the Fish Fund, including its specific outcomes aligned with the Fund's objectives.
31. To identify possible synergies and prevent duplication, all members of the Technical Subcommittee will share on a regular basis information on their respective organizations' ongoing activities in Members applying for Fish Fund support.

III. SECRETARIAT

A. General Functions

32. The Fund Secretariat shall report to and receive direction from the Steering Committee.
33. The Fund Secretariat does not have voting rights in the policy decisions of the Fish Fund, including the approval of project grants.
34. Administrative oversight of the Fund Secretariat will rest with the Director of the WTO Rules Division.

B. Reporting and Evaluation

35. The Fund Secretariat is responsible for reporting its main activities, operations, and financial management to the Steering Committee.
36. These responsibilities include, but are not limited to:
 - a. implementing the Fish Fund work plan;
 - b. compiling and regularly communicating information on the principal activities of the Fund to the Steering Committee, and to donor and beneficiary constituencies;
 - c. conducting reviews of applications for funding as per agreed Fish Fund processes and procedures, and keeping records of applications received, and projects approved for funding;
 - d. preparing annual reports on the achievements and finances of the Fund, including assessing the performance of activities based on the Fund's M&E Framework, and providing this information to the Steering Committee for discussion and approval. Annual reports will be based on:
 - i. the activities completed and outputs achieved according to the workplan;
 - ii. the progress, final and evaluation reports on individual projects; and
 - iii. the contribution to results based on the Theory of Change of the Fish Fund.
 - e. publishing and disseminating annual reports and any other approved reports of evaluations as directed by the Steering Committee;
 - f. preparing any relevant documentation that may contribute to a discussion topic or decision, upon request by the Steering Committee;
 - g. assuming responsibility for the accounting and financial tasks needed to administer the Fish Fund, including preparing the required contributions to the periodic reports for the WTO Committee on Budget, Finance, and Administration;
 - h. conducting outreach to potential Fish Fund donors to broaden and deepen the funding base;

- i. providing administrative assistance to the Steering Committee in preparation for meetings, and performing the function of Secretary at these meeting; and
 - j. performing any other duties or documentation as requested by the Steering Committee.
- 37. In determining whether to participate in external events, the Fish Fund Secretariat will be guided by the following criteria, to be applied on a case-by-case basis:
 - a. relevance to the Fish Fund workplan;
 - b. participation in the event by Fish Fund partners;
 - c. participation of Fish Fund beneficiaries;
 - d. possibility of linking participation to past/on-going/planned Fish Fund projects and other Fish Fund activities;
 - e. requests for specific presentations on Fish Fund activities; and
 - f. availability of resources.

C. Operations and Strategic Planning

- 38. The Fund Secretariat will provide operational and strategic advice to the Steering Committee based on the Fund's annual work plan, results achieved, and budget.
- 39. The Fund Secretariat shall authorize payments for projects and activities approved by the Steering Committee.
- 40. The Fund Secretariat will ensure that the Fund's financial management aligns with WTO policies and that the Fund's operations remain within budget.

D. Grant Facilitation and Advisory Support

- 41. The Fund Secretariat will provide support and assistance to WTO Members seeking to benefit from the Fund, as stipulated in Article 7 of the Agreement on Fisheries Subsidies. This support will be demand driven and provided through various modalities.
- 42. To the extent possible, advisory support will be tailored to specific requests from beneficiaries. The main objective is to ensure that beneficiaries applying for funding have completed all the necessary documentation required for approval by the Steering Committee.
- 43. Advisory support may include, but is not limited to:
 - a. providing guidance to applicants on completing application forms and assembling necessary documentation;
 - b. assisting in identifying instruments, such as needs assessments, to determine the technical assistance required;
 - c. ensuring that applications are properly channelled through the Technical Subcommittee and the Steering Committee;

- d. facilitating workshops and training sessions to assist applicants to understand the Fish Fund's objectives and funding modalities, as well as other bilateral and multilateral initiatives contributing to the implementation of the AFS;
- e. offering follow-up advice to support successful project implementation and compliance with reporting requirements; and
- f. recommending improvements to the application process.

E. Fiduciary Responsibilities

- 44. The Fund Secretariat, in consultation with the WTO, is responsible for compiling an annual budget for the Fish Fund, which will include its main activities and operational expenses. This budget will be submitted for approval by the Steering Committee.
- 45. The WTO Financial Rules and Regulations, together with the financial and administrative provisions contained in this document shall apply to the management of the Fish Fund.
- 46. Financial and accounting records are kept in Swiss Francs. Financial transactions and financial statements are subject to internal and external auditing procedures laid down in the WTO Financial Rules and Regulations.
- 47. The WTO Secretariat may subcontract some of its functions and use the services of outside experts, as it deems necessary, to perform certain functions of the Fund Secretariat.
- 48. The WTO Secretariat reports to the Steering Committee on the financial operation of the Fund. The WTO Secretariat submits a factual and financial report to the Steering Committee annually. The report contains detailed information on income and expenditure.
- 49. The accounting period of reference is the calendar year.
- 50. Contributions will be accepted in accordance with the WTO Financial Rules and Regulations. Contributions are deposited into a bank account designated by the WTO Secretariat. Contributions received in currencies other than Swiss Francs may be converted in conformity with standard WTO practice.
- 51. Any interest income derived from contributions to the Fish Fund shall be credited to the Fund in accordance with the applicable WTO regulations, rules, and practices. Interest earned on contributions shall be identified as such and shown in the financial reports and statements of accounts.
- 52. Contributions received shall be used for staffing requirements, activities focusing on the delivery of the objectives of the Fish Fund, and AFS-related activities as outlined in the relevant Fish Fund work plan, project proposals, and grants. Any other expenditures must be approved by the Steering Committee.
- 53. The following expenditures shall be charged directly to the Fish Fund Trust Fund:
 - a. costs related to activities focusing on the delivery of Fund-related technical co-operation, as outlined in the relevant annual work plans;
 - b. costs related to Fund Secretariat travel (e.g., for meetings with donors and beneficiaries);
 - c. independent evaluations of the Fund;

- d. specific mandates given to an external auditor for review and audit of expenses on projects;
- 54. The WTO charges overhead costs equivalent to 13 per cent of direct costs financed by the Fish Fund in accordance with the decisions of the WTO General Council.
- 55. For projects implemented by applicants, partners or third parties, overhead costs are normally shared between the applicant, partner or third party and the WTO on a 12 per cent – 1 per cent basis.
- 56. The aggregate of the amounts committed and expenditures incurred for projects, together with the staffing and other operational costs, shall not exceed the total resources available to the Fish Fund.
- 57. Unexpended contributions at the end of a WTO financial year should normally remain available in the Fund in order to finance applications and other related costs in the following year, except in the case where agreements with donors need to be reviewed and/or re-established. In this case, the Fish Fund will keep or return unexpended contributions according to the requirements of the relevant donor.
- 58. The WTO shall terminate the Trust Fund established for the Fish Fund upon completion of all projects identified pursuant to these operational rules and after satisfaction of all commitments and liabilities arising there from. Upon expiration or termination of the Trust Fund established for the Fish Fund, the WTO undertakes to reimburse to donors any unused balance of the contributions.

IV. AMENDMENTS AND REVIEW OF THE RULES OF PROCEDURES

- 59. A review of the Rules of Procedure of the Fish Fund may be conducted by the Steering Committee at any point in time deemed appropriate, with the objective of ensuring optimal operations and management of the Fish Fund.
- 60. The first such review will take place 12 months after the Fish Fund has become operational.
- 61. The Steering Committee may decide to amend the Rules of Procedure by a consensus decision of the members of the Steering Committee with voting rights who are present.