

Categories of Projects and Funding Windows for the Fish Fund

BACKGROUND AND KEY CONCEPTS:

This brief is being circulated to the Steering Committee of the Fish Fund for approval at the upcoming meeting on 3 July. It has benefited from extensive consultations and a dedicated meeting between donors and beneficiaries, reaching a common understanding on several issues.

This brief provides inputs for the Steering Committee meeting regarding the funding windows of the Fish Fund. The document was originally based on WT/BFA/INF/15, which notified the establishment of the Fish Fund and its concepts and was initially discussed by the Working Group on Project Guidelines in two dedicated meetings.

The first meeting, held on 31 May, focused on establishing initial funding windows for Category I and Category II projects. Below, you will find descriptions of these project categories and their agreed ceiling amounts for your consideration.

The Working Group met again on 7 June to further discuss areas of intervention for Category II project grants more specifically. This discussion is also reflected in the current document.

The funding approach includes two categories:

Category I: Funding up to a maximum of US\$ 50,000 aimed at providing quick, lower-cost support for studies and initial assessments of compliance with the disciplines contained in the Agreement on Fisheries Subsidies (AFS). This category of funding can also be used to prepare a proposal for Category II funding support.

Category II: Funding aimed at supporting more complex, programmatic interventions. Category II projects may be integrated into existing larger programs from other development organizations contributing to the implementation of the AFS or funded as standalone projects responding to a specific discipline of the AFS. These projects are based on prior assessments of national needs for implementing the AFS disciplines and address the identified gaps, up to a maximum of US\$ 300,000.

Concerning applications for funding under both categories, all discussions by the Working Group emphasized the need for flexibility in the Steering Committee members' decision-making process regarding the funding of projects, especially in this initial operational phase of the Fish Fund. The proposed funding ceilings should be regarded as general guidelines. In specific warranted cases, such as multi-country or regional proposals, the Steering Committee should have the flexibility to exceed the indicated maximum amounts. Applicants are discouraged from submitting projects that surpass the given limits without prior consultation with the Secretariat.

CATEGORY I

Per the discussions of the Working Group, the objective of Category I grants is to provide support for preliminary activities such as needs assessments and preparation of larger projects requiring more substantial funding. These grants will facilitate initial activities and identify a WTO Member's readiness to implement the AFS, as well as develop projects needing substantial funding.

The process for Category I applications will be more simplified than Category II, with a view to swift and efficient processing and approval. For Category I grants, contributions from beneficiaries are not required.

Discussions in the Working Group also highlighted the importance of prioritizing the use of national consultants where implementation capacity exists as a means to enhance domestic capacity and engage in meaningful knowledge transfer.

Costing for Needs Assessment

Based on the experience of other WTO trust funds (see Annex, "Elements Relating to Financial Estimates for Categories I and II"), one likely type of request will be for an expert to conduct a needs assessment. A needs assessment would likely involve consultant fees, consultant travel costs, and the cost of running workshops, seminars and other outreach activities to engage stakeholders.

A consultancy contract for this type of activity could be estimated at around 40 working days, including 15 days for the consultant to work directly on the ground with government officials, contributing to greater knowledge transfer where necessary.

Regarding travel costs, while these would not necessarily be incurred in every case, it is estimated that air tickets could cost US\$ 2,000, and that the daily subsistence allowance for the experts' per diem could cost US\$ 400.

The total funding limit for Category I is US\$ 50,000. Applicants for projects in Category I will need to specify the nature of the request and the resource allocation. Any requests exceeding this amount will need to provide a detailed explanation, specifying the nature of the request, and justification for the additional funding requested.

CATEGORY II

Fish Fund support via Category II projects will target requests requiring more in-depth technical knowledge and planning.

These projects will go beyond initial assessments, focusing on WTO Members' capacities to fulfill requirements for the implementation of the AFS. These projects will enhance the work in areas such as fisheries management systems, data collection, institutional support, and updates to domestic legislative frameworks, as outlined in the original concept note establishing the Fish Fund.

Proposals in this category are expected to provide detailed project information and will be approved by the Steering Committee contingent upon a clear implementation plan with direct links to the implementation of the disciplines in the AFS. These projects must also demonstrate value for money. Applicants will have to provide information of in-kind, administrative or financial contributions to be made by the beneficiary of the project grant.

Category II projects will have a maximum limit of US\$ 300,000. The Steering Committee retains the flexibility to approve projects that exceed this financial threshold, but countries are discouraged from submitting projects that surpass the US\$ 300,000 limit.

Types of Support Needs

The project categories listed in the following section are not exhaustive; other types of support may emerge that have yet to be contemplated. Applicants may blend different types of support, so that a specific project can serve several aspects in the implementation of the AFS.

Furthermore, Category II funding proposals will need to be evaluated in light of the specific country context as well as the findings of the prior assessment of needs related to implementing and complying with AFS disciplines.

Funding for certain kinds of activities, for example funding of stock assessments, while important, may exceed the financial capabilities of the Fund. These types of interventions might require the Fish Fund to work closely with other organizations, especially core partners of the Fish Fund, to support beneficiaries in finding solutions to implement these support measures. Funding support for distinct elements of stock assessment methodology or management, however, might be covered by the Fund provided that such a specific support element has been previously identified.

1. Analysis, Reports, and Sector Studies:

These types of projects will focus on formulating national sectoral plans, assessments, and studies related to fisheries and fisheries management, IUU fishing, and other rules of the AFS.

They will assist WTO Members to formulate domestic policy and planning needed for alignment with the AFS.

2. Capacity Building and Technical Assistance

These types of project grants are aimed at enhancing skills and capabilities, through training and development, of those involved in front-line fisheries management as far as required by the AFS.

These are projects with strong capacity development components in areas such as notifications and the usage of data collection systems, vessel monitoring systems, inspections, etc. It is expected that these initiatives will provide training and supporting resources targeted at ensuring effective training for activities identified as priorities in implementing the AFS.

3. Update of Legislative Frameworks and Institutional Support

This category of project grants would support WTO Members in revising and updating key legislation and legislative documents in line with the AFS.

The main objective of these grants is to ensure that the legal and institutional frameworks governing fisheries are current, effective, and responsive to the requirements of the AFS.

4. Data Collection

This category encompasses project grants that will be destined towards research and data collection for assessing marine stocks and surveys, as needed to implement AFS requirements.

These assessments are vital for understanding the current state of fish populations and enabling WTO Members to fulfill specific reporting requirements adequately.

5. Improvements or Setup of Fisheries Management Systems

Project grants of this type would focus on providing governments with upgrades or for setting up systems that contribute to better and more sustainable fisheries management as needed for implementation of the AFS disciplines.

Such projects would aim to enhance the operational capabilities and efficiency of fisheries authorities. These types of upgrades would be essential for maintaining effective fisheries management and supporting compliance with regulations of the AFS.

The Fish Fund Secretariat and core partners of the Fund can support WTO Members that require additional assistance in establishing management systems by facilitating resource mobilization and capacity building efforts.

Elements Relating to Financial Estimates for Categories I and II

It is anticipated that the Fish Fund will start receiving proposals once the AFS enters into force.

While most initial proposals are likely to be in Category I, it is nonetheless important to be prepared also to deal with proposals in Category II.

Regarding the maximum amounts of grants in each category, it is crucial to provide tentative guidance in advance, so that the requests from beneficiaries fall within a financial range that aligns with the Steering Committee's framework.

Certain Members of the Working Group have also emphasized the importance of shared financial contributions and co-financing. It was stressed as well that it would be important to ensure complementarity with ongoing initiatives of peer organizations, especially the technical organizations active in the field of fisheries technical assistance and capacity building (TACB) that are core partners of the Fish Fund (FAO, World Bank, and IFAD). It is crucial to avoid duplication and, more importantly, to amplify the impact of interventions by the WTO Fish Fund.

ANNEX

For purposes of comparison and analysis it is useful to understand the financial limits and scope of other WTO trust funds. These funds have specific funding windows tailored to their topics and mandates.

The **Standards and Trade Development Facility (STDF)** offers project preparation grants of up to US\$ 50,000. These grants support the application of SPS-related capacity evaluation and prioritization tools, the preparation of feasibility studies to assess the potential impact and economic viability of proposals, and the preparation of project proposals that can be funded by the STDF or other donors.

STDF project grants are funded up to US\$ 1 million and focus on projects that identify, develop, and disseminate good practices in SPS-related areas. These grants support projects linked to STDF knowledge work on common-interest topics, projects that address SPS constraints through regional approaches, and collaborative interdisciplinary projects.

The **Trade Facilitation Agreement Facility (TFAF)** provides project preparation grants of up to US\$ 30,000 for analytical studies, project proposals, reports, or diagnostic studies to acquire implementation assistance from a Partner.

TFAF Project Implementation Grants, which go up to US\$ 200,000, target capacity building for TFA Category C Commitments requiring support for implementation.

Until its second phase ended in 2022, the **Enhanced Integrated Framework (EIF)** offered various funding windows for project development and implementation. Beneficiaries could request up to US\$ 100,000 for project preparation grants to design projects predominantly for external funding.

Beneficiaries could also apply for grants up to US\$ 200,000 to assess the technical viability and economic feasibility of particular supply-side interventions. In December 2023, the EIF initiated funding through an interim facility, available only for a limited time until a new program is established.