

Consultancy

The Pacific Islands Forum Fisheries Agency, is seeking to engage a team consultants to conduct a study on - Improving Provision of Global Tuna Industry & Market Intelligence To FFA Members Detailed terms of reference set out below.

Minimum Requirements

Interested individual consultants and consulting companies are invited to make a submission for the project including:

- the CV of the person(s) who will undertake the work, detailing qualifications and experience in not more than 6 pages;
- their proposed methodology and schedule, noting the timing as per the TOR in not more than 4 pages.

It is crucial to address very clearly the requirement provided in the terms of reference attached.

Timing of :

Applications close on the 31 December 2009. For further information please contact Len Rodwell on email: len.rodwell@ffa.int

Applications:

All applications must be clearly marked as specified in the TOR as well as with the name of the consultant or company and addressed to the following:

The Director Fisheries Development, Forum Fisheries Agency, P.O. Box 629, Honiara, Solomon Islands. Phone +677 21124 Fax +677 23995. Email len.rodwell@ffa.int

TERMS OF REFERENCE

IMPROVING PROVISION OF GLOBAL TUNA INDUSTRY & MARKET INTELLIGENCE TO FFA MEMBERS

FORUM FISHERIES AGENCY

Background

The global tuna industry is both complex and highly dynamic. This is evidenced by a number of recent significant changes including: the revitalization of the US purse seine fleet; changing fishing patterns, including the increased use of fish-aggregating devices (FADs) by purse seine vessels; a decline in distant water fishing longline vessel numbers; unprecedented volatility in fuel prices; significant increases in skipjack tuna fish prices due to processor demand outstripping supply for canning material, while prices for longline caught tuna remain relatively stagnant; and, growing significance of tuna trading companies and vertical integration into the global supply chain. Developments such as these significantly impact the operating structures of fishing fleets and generate change throughout the entire global supply chain for tuna. Conversely, changing retail patterns also influences the global supply chain and may affect the activities of the fishing fleets and other tuna industry players.

FFA Members need a good understanding of industry drivers (e.g. operating costs, markets, corporate strategies, etc.) that directly influence distant water fishing fleets' (DWF) operations; and understanding the relationship between industry drivers and distant water fleet operations is essential in deriving increased benefits from foreign fleets.

Information relating market place dynamics to the current situation of distant water industry/fleets is not provided in a systematic way by the FFA Secretariat, nor does such information appear to be readily available. Hence, some DWFN's national fisheries administrations with more comprehensive industry/market intelligence are currently more effective than the FFA Secretariat and FFA member countries in keeping abreast of industry and market developments.

The FFA Secretariat will continue to support members with foreign access negotiations and agreements through improvements in the provision of advice on market prices, systematic data monitoring and comparison across fleets, analysis of vessel performance, and industry intelligence on distant water fleets and the processing sector. Subsequent moves by PNA to reshape their relationship with foreign fleets including moving away from access agreements and looking to deal more directly with major trading and processing businesses in both fishing and processing rather than dealing with weak and uncooperative foreign fishing associations and flag states make the need for understanding tuna industry structures and conditions even more important.

Consultancy Objective

The objective of the consultancy is two-fold:

- (i) To provide industry and market intelligence to FFA members regarding the current status of the global tuna industry in terms of DWF fleets, tuna trading companies, major processors and principal markets for i) general use by FFA Secretariat and FFA members to better understand the structure of the global tuna industry and factors that determine prices, profitability etc.; ii) direct and immediate use in relations with DWFN, including access agreements and shaping alternative arrangements to access arrangements including direct involvement in fishing and processing; iii) use

in negotiations with foreign interests for fisheries-development related projects, iv) understanding the market and industry implications of conservation and management measures.

- (ii) Develop a system for ongoing collection and dissemination of industry and market intelligence to FFA members.

This is intended to improve FFA Secretariat's and FFA members' understanding of the relevance of global industry and market developments to the Western and Central Pacific tuna industry. In turn, this will serve to assist FFA members to strengthen their negotiating positions with distant water fishing nations and increase returns from foreign fishing access, improve the effectiveness of fisheries management efforts, and enhance domestic development efforts.

In April 2007, an extensive study commissioned by FFA on trade-related issues concerning the tuna industry and their potential impacts on Pacific Island countries (PICs) was completed – "*Pacific Islands Countries, the Global Tuna Industry and the International Trade Regime – A Guidebook*". While the study focused primarily on developments in the international and regional trade arenas, it also provided insights into the trends and structure of the global tuna industry including an overview of the principal markets for tuna from FFA member countries (i.e. Japan, EU, US, Thailand and American Samoa).

A comprehensive study will be conducted which updates and builds on the market and industry intelligence presented in the above-mentioned fisheries-trade guidebook.

Development of a systematic approach to ongoing collection of industry and market intelligence will enable the secretariat to remain abreast of ongoing developments in the global tuna industry and brief FFA member countries accordingly.

Expected Outcomes

The consultancy (and the introduction of a system for ongoing collection and dissemination of industry and market intelligence) is intended to assist FFA members in the following:

- (i) *Improving FFA members' positions in access arrangements:* the study will provide FFA members with necessary industry and market intelligence to better understand the factors that influence distant water fishing fleets' profitability; and hence, capacity to pay access fees to fish in FFA members waters.
- (ii) *Improving fisheries management policies:* the study will develop an analytical foundation for more effective fisheries management policies through greater understanding of distant water fleets' changing fishing patterns, operating structures, ownership structures etc.
- (iii) *Enhancing fisheries development:* the study will improve understanding of the capacity of distant water fishing interests to contribute to domestic industry development of FFA members, and to better identify strategic partners capable of making domestic investment. This information will help FFA members develop relevant domestic economic development and fisheries policies.
- (iv) *Improving the ongoing ability of FFA members to understand industry/market dynamics:* the study will recommend an initial methodology, sources and format of presentation for the regular collection of the types of industry and market intelligence data covered in (i)-(iii).

Scope of Consultancy

A. Industry & Market Intelligence on Recent Developments in the Global Tuna Industry

The consultants will undertake desk research and in-country consultation (with follow up telephone/email consultation, if necessary) on the following:

- (i) *Distant water fishing fleets* – major industry players; ownership and management structures; vessel operations (capacity, area of operation, timing, operating costs); flag state requirements; access arrangements with FFA members; major markets; linkages to trading companies and processing firms; recent changes and future prospects, importance of fishing in the WCPO and FFA Members' waters in particular; covering -
 - a. Traditional DWFN fishing in WCPO: Japan, Korea, Taiwan, United States, Philippines,
 - b. Emerging DWFN in WCPO: China, EU (including Latin-American vessels)
 - c. Other fleets of importance/potential significance: Filipino and Indonesian domestic fleets
- (ii) *Major tuna trading companies (Tri Marine, FCF, Itochu)* - company ownership and management structure; service delivery; global operations; sources of financing for trading purposes; major clients; influence on, links to and control over supply chain dynamics; impetus for growing significance and future prospects, implications of the companies' operations for FFA Members; dependence on tuna supplies from the WCPO and FFA Members' waters in particular; scope for direct relationships between FFA Members and major tuna trading companies as an alternative to arrangements with distant water fleets, including identification of which major tuna trading companies might be potential partners for FFA Members and possible strategies for engaging with those trading companies .
- (iii) *Tuna processing firms* – identify major industry players where relevant to the study outcomes, including company ownership and management structures, linkages to fishing fleets and trading companies, market linkages, recent changes and future prospects including similar consideration of the role of supplies from the WCPO and FFA Members and processing in the WCPO to each processor, and the potential for direct relationships as noted above for major tuna trading companies; covering –
 - a. Traditional/historic production sites: American Samoa, United States, Spain, Italy, Japan, Thailand
 - b. Emerging production centres: Philippines, Indonesia, West Africa (especially Ghana and Ivory Coast) and Latin America (especially Ecuador)
 - c. Future prospects: China, India, Vietnam
 - d. PIC-based processors: American Samoa, Papua New Guinea, Solomon Islands, Fiji, Marshall Islands
- (iv) *Markets* – identify important market features including: linkages to processing firms, retail patterns, price trends, demand trends, recent changes and future prospects; covering the following markets
 - a. Principal markets and processing locations: Japan, US, EU, Thailand, American Samoa

- b. Emerging markets: Asia other Japan including China, Taiwan, Korea, Latin America, Middle East
- v) FFA Member Strategies: describe the range of approaches being adopted by FFA Members in their relations with major industry fishing and processing interests including recent PNA-led changes, implications of these changes and challenges and opportunities associated with them

Findings from desktop research, in-country consultation and the resulting analysis will be presented in a report. It is expected that at the conclusion of each of these major sections in the report, a brief summary of key implications for FFA members will be presented.

B. Ongoing collection & dissemination of industry and market intelligence to FFA members

Following the completion of in-country industry consultation for the first component of the consultancy, an informal workshop will be held between FFA staff (i.e. Fisheries Development Division, FFA Media & Publications Officer), the lead consultant (or nominated person from the consulting team) and selected FFA member country representatives to collectively develop a system for ongoing collection and dissemination of industry and market intelligence to FFA members.

Discussions are expected to cover (but are not limited to) the following issues:

- *Existing sources of information* – identify existing sources of information/data currently available to FFA Secretariat and members and discuss how to make better and more systematic use of such information.
- *Additional sources of information* – identify information gaps and additional useful sources of information to bridge these gaps. Consider existing potential networks available (e.g. industry associations, contacts in national fisheries administrations, informal networks with individual industry operators both regionally and internationally etc.).
- *Intended recipients & pitch* – determine who the most appropriate recipients of information are and the most useful level to pitch the information so that member countries can readily absorb information and make use of it for both general purposes and when formulating negotiating positions for access negotiations.
- *Medium of communication* - identify the most effective medium for disseminating information (e.g. written briefs, FFA website, press releases, email alerts etc).
- *Regularity of information* – determine how regularly information intelligence should be provided.
- *Responsibility for intelligence gathering & disseminating activities* – determine responsibilities with FFA Secretariat for gathering and disseminating information.

The consultants will then be required to prepare a document which outlines a recommended systematic approach for ongoing collection and dissemination of industry and market intelligence to FFA members, based on outcomes from the workshop.

Deliverables

There will be two key deliverables from the consultancy:

1. A comprehensive report presenting industry and market intelligence collected during the course of the consultancy (covering four key focal areas – fishing fleets, tuna trading companies, tuna processing companies and markets) of relevance to FFA Secretariat and FFA members (both government and industry). The information should be presented in simple, easy-to-read format suitable for wide distribution and should be limited to a maximum of 100 pages, with accompanying executive summary.
2. A short report documenting a recommended systematic approach for ongoing collection and dissemination of industry and market intelligence on the global tuna industry (maximum 10 pages) (based on outcomes from discussions between the lead consultant, FFA & FFA members).

The consultants will also be required to provide the FFA Secretariat with copies of typed notes from in-country meetings and a CD containing all reference and supporting documents collecting during the course of the study.

Resources

FFA's Fisheries Economic Advisor (FEA) will be available to assist the consultancy team throughout the duration of the consultancy, including, but not limited to the following areas:

- Provision of relevant reference material held by FFA to consultants;
- Collaborate in preparations for in-country consultation (establishing contact lists, drafting letter of introduction, setting up meetings, logistical planning etc.);
- In-country consultation – accompanying consultants for in-country consultation, assisting with interviews, preparing meeting transcriptions etc.;
- Analytical input;
- Editing reports; and
- Report printing and distribution.

Divisional staff involvement will be further discussed at the project inception meeting. Any costs associated with staff involvement in in-country consultation will be met by FFA.

It is anticipated that FFA's Media and Publications Officer will facilitate the informal workshop regarding ongoing collection & dissemination of information. Selected members from Fisheries Development Division will also be involved in these discussions.

Budget

The total budget for this consultancy is US \$90,000 and is expected to cover consultancy fees, economy class flights, DSA, translation services for in-country consultation, incidentals (telephone, photocopying, taxis etc.) and printing & report distribution.

Payment terms for the consultancy will be:

- 25% on signing of contracts
- 25% on delivery of draft reports
- 50% on delivery of final reports, meeting notes and copies of reference materials.

Flight bookings made through FFA's Travel Agent will be paid for directly by FFA. Flight bookings made by consultants will be reimbursed by FFA upon submission of receipts.

Per diems will be advanced by FFA to the consultant(s) upon approval of travel itineraries by FFA prior to commencing in-country consultation.

Time Schedules and Reporting Requirements

The consultancy is expected to commence in January 2010 and be conducted over a five month period.

The key milestones for the consultancy are as follows.

Milestone	Timing
Project Inception Meeting	January, 2010
Informal Workshop	TBC
Draft reports submitted	April 2010,
FFA comments back to consultants	May, 2010
Final reports submitted	June 2010

Should there be delays in project commencement, the milestone timeframes will shift accordingly.

The consultant(s) will report to the Director Fisheries Development.

Required Expertise

The consultancy will require expertise in relevant international trade and international business issues (such as tuna market dynamics and supply chain structure, corporate strategy, industrial fisheries policy and development), coupled with relevant tuna fisheries-based experience (fleet operations, foreign fisheries access), preferably in a Pacific Islands context.

It is envisaged that the consultancy would be carried out by a team comprised of a lead-consultant and several relevant fisheries/international fisheries-trade specialists strategically located so as to minimize travel expenses associated with in-country consultation.