

Standard Summary Project Fiche – IPA centralised programmes
Project Fiche: 12

1. Basic information

- 1.1 CRIS Number: 2009/021-170
- 1.2 Title: **Sustainable Management of Marine Fisheries**
- 1.3 ELARG Statistical code: 03.13
- 1.4 Location: Montenegro

Implementing arrangements:

- 1.5 Contracting Authority: Delegation of the European Commission to Montenegro
- 1.6 Implementing Agency: N/A
- 1.7 Beneficiary (including details of project manager):

Key beneficiaries:

- Ministry of Agriculture, Forestry and Water Management (MAFWM)
- Institute of Marine Biology of the University of Montenegro (IMB)

Project partners:

- Fisheries Inspectorate (MAFWM)
- Association of Fishermen, Bar
- Association of Fishermen, Herceg Novi

The Project Manager will be:

- MS Slavica Pavlović, Senior Advisor, Rimski trg 46, 81000 Podgorica, Montenegro

Financing:

- 1.8 Overall cost: 1 800 000 EUR
- 1.9 EU contribution: 1 000 000 EUR
- 1.10 Final date for contracting: Two years from the date of the conclusion of the Financing Agreement
- 1.11 Final date for execution of contracts: Two years from the final date for contracting
- 1.12 Final date for disbursements: One year from the final date for execution of contracts.

2. Overall Objective and Project Purpose

2.1 Overall Objective

The sustainable management of the Montenegrin marine fishery sector.

2.2 Project purpose

The strengthening of Montenegrin capacity to effectively manage the harvest of marine fishery resources within the context of the Common Fisheries Policy (CFP) and full stakeholder participation.

2.3 Link with AP/NPAA / EP/ SAA

Accession Partnership

MAFWM is the partner organisation. Currently, there isn't a comprehensive fisheries research programme although some activities are carried out by IMB.

NPAA

The Republic of Montenegro signed the Stabilisation and Association Agreement (SAA) with the EC in October 2007. This represents a new phase in the relationships between Montenegro and the EU, which is now established on a contractual basis. With signing of the SAA, Montenegro commits itself to approximation of Montenegrin legislation to that of the EC and especially to implementation of compatible legislation.

Montenegro has to prepare a special programme for implementation of the SAA in consultation with the EC. At this stage of relations between Montenegro and the EU there is no formal need to address the issue of harmonization with the whole *acquis*, but the Government of Montenegro has adopted a decision to prepare the National Plan for Integration (NPI) that will mature into National Programme for Adoption of *acquis* (NPAA) once Montenegro acquires candidate status.

2.4 Link with MIPD

MIPD states that favoured projects “will have to be selective and focussed on those sectors which have an overwhelming political, economic, social and institutional significance, expected catalytic impact across sectors, as well as project readiness”. Furthermore, that “in most cases assistance will build on programmes financed under CARDS where sustainable financing over the years is required to produce the desired results”.

MIPD notes that the fisheries sector is one “which has been relatively neglected in the past in terms of EU assistance. However taking into account the requirement for the implementation of the Stabilisation and Association Agreement in this area, and the new competences of Montenegro in the area of fisheries policy support is highly needed”.

2.5 Link with National Development Plan

Not applicable

2.6 Link with national / sectoral investment plans

National Strategy of Sustainable Development of Montenegro (NSSDM) calls for acceleration of economic growth and development, and decrease of regional development disparities. Reduction of poverty and insurance of equitable access to services and resources is highlighted as well. The document stressed out importance of efficient

pollution control and reduction and sustainable management of natural resources as well as the improvement of governance system and public participation mobilising all stakeholders building capacities at all levels.

NSSDM particularly stressed out importance of environmental vision i.e. the necessity to protect the environment and sustainable management of natural resources, stimulating at the same time the synergy between development and environmental protection and having in mind the right of future generations to a quality life.

The plan for integrated use of the coastal zone is described in a policy document prepared by the Ministry for Economic Development (MED). A rational use of natural resources of the region while preventing and removing possible harmful effects, in particular in terms of pollution water (including the sea) has been emphasised. General agricultural policy, applicable to the fisheries sector, underlined that management of resources in a long-term have to be in a sustainable manner and coordinated with environmental protection. This policy “is based on reforms of policy, harmonization of legislation with the requirements of European integration and institutional capacity building.

Montenegro has adapted a spatial plan which had the function of providing “a strategic framework for the general spatial development of Montenegro until 2020 and to form clearly defined corridors to which sector planning and more detailed spatial planning have to move”. One of the objectives defined by this plan is “sustainable development of coastal area with the applications of principles of sustainable development and instruments of integrated coastal area management as a public interest of Montenegro, including the priority of resolving the most important, numerous problems and contradictions, particularly regarding the spatial and planning direction of the sea aquatorium (sic) and better valorisation and use of particularly valuable resources and potential”.

In the foreword to the National Fisheries Strategy the Minister (MAFWM) writes, inter alia that Fishery sector is of particular importance for economic development, which has valuable but under-utilized resources in the sector. The Strategy stressed that it is necessary to establish and enforce the principles of responsible fisheries and fishing efforts, taking care of all important aspects: biological, ecological, technological, economic and social. It is further highlighted that illegal and unregulated fishing must be controlled and the resources require proper management as well as the biodiversity and integrity of marine ecosystems must be protected. The National Fisheries Strategy noted that Montenegro needs to harmonize and improve its legislation, improve the monitoring system through collecting of data in compliance with international standards and administrative capacities must be strengthened. One of the important objectives there is recommendation for the establishment of an investment environment favourable for renewal of the national fishing.

The CARDS project identified the need for:

- A modern and profitable fish catching sector that may fish available resources on a sustainable basis to land top quality fish for direct consumption, export and value added processing;
- An institutional structure that manages the fishing sector both efficiently and effectively in full consultation with stakeholders and according to the obligations assumed through (application for) membership of the EU; and
- Fishing activities that are carried out on a sustainable basis, with full reporting and traceability.

3. Description of project

3.1 Background and justification

General

Montenegro is situated on the eastern side of the Adriatic, with Croatia and Albania on its northern and southern borders respectively. The terrain of Montenegro ranges from high mountains along its borders with Kosovo and Albania, through a segment of the Karst of the western Balkan Peninsula, to a narrow coastal plain that is only one to four miles wide. Much of its 294 km coastline is comprised of precipitous rocky cliffs interspersed with few small sandy beaches. These beaches become more prevalent to the south, culminating in a relatively long stretch of sandy beach (8 miles) extending to the Albanian border at the mouth of the Bojana River. The rugged coastline limits accessibility to the sea to a few landing places and harbours. The coastal plain disappears completely in the north, where the mountains abut the inlet of the Gulf of Kotor. Montenegro, as a newly independent state, has joined organisations in which it previously participated as part of the State Union. The SAA with the EU was signed in October 2007. Montenegro is now a formal member of AdriaMed. Montenegro, through IMB has been involved in the AdriaMed project “Scientific Cooperation to Support Responsible Fisheries in the Adriatic” since 2003. IMB staff is also involved in ADRICOSM, a pilot project to implement an integrated coastal zone management (ICZM) system in the Adriatic Sea. The Montenegrin Government has adopted new freshwater fishery legislation and associated regulations, and is currently considering newly drafted marine fishery legislation to make it compatible with that of the EU.

Fishing Industry

The low share of fisheries in GDP belies the potential importance of the sector in terms of local employment, food security and environmental protection. Importantly, while the fishing sector is currently of limited relative significance compared to other parts of the economy, fishery related employment and income have a strong potential to increase. Accordingly, the worth of the industry must be measured on the basis of possibilities following successful implementation of a well designed development programme rather than the actual situation.

The major fishing port is Bar, and there are smaller ports at Herceg-Novi, Budva, Kotor and Tivat. Landing places for small boats are found along the whole shoreline of Kotor Bay while larger boats can anchor a short distance from shore.

All fishing vessels over 12m length over all (LoA) are considered to be commercial fishing vessels. In 2007, 21 commercial vessels (14 trawlers and 7 purse seiners) were registered. The majority of boats are old (approximately 35 years) and many are not fully functional nor optimally equipped for fishing. A major concern is the safety of this aging fleet. The vessel engines have a low horsepower (hp), with the exception of one 33m side-trawler with an engine of 1,200 hp.

The Montenegrin commercial fishery is small and there is little useful fisheries data available. According to the National Fisheries Strategy there are 120 registered fishers (including 52 full-time). A total of 159 people were employed in the marine fisheries sector (91 full-time & 68 part-time employees), plus a further 36 in aquaculture. The Strategy cites a catch of 1,700 mt of marine species; however the 2006 Statistical Yearbook gives annual marine catches of less than half that figure. It would appear that much of the data acquires credibility through repetition rather than accuracy.

Compilation of available historical fisheries data in a systematic way would be highly desirable. Some data has been collected but is not collated in a single accessible database. All fishing vessels are (in theory) registered and licensed; the licenses specify the types of

fishing gear they may use. The CARDS project “Support to the Fishery Sector” developed a Fishery Information Service (FIS) in which data on the fishery will be stored.

Aquaculture production in Montenegro comprises four main sectors – trout, Mediterranean mussels, sea bass and sea bream. In addition there are small amounts of other species farmed, e.g. oyster and arctic char, which are cultured in association with other species. If Montenegro is to derive the full benefit from aquaculture, with a potential tenfold increase in production in the long term, there will need to be strong institutional support.

Fish Resources

Demersal. The inshore fishery is very poorly researched and effort and catches are not adequately monitored. There are few details of what could be a relatively large number of fishermen with vessels under 12m, and the impact of their fishing effort on stocks is unknown. This sector benefits local communities and the tourism sector and is an integral part of the Montenegrin coastal economic and social structure along the coast

Catch estimates are not justified by rigorous fisheries science, but they are the best available upon which to make a management decision. Available data indicates that catch per unit effort (CPUE) has been constant at around 20 kg/h and in the past has been higher.

It is estimated that the current biomass for demersal species in traditional fishing areas is 2,700 mt with a sustainable annual catch of 600 mt. This estimate is based on limited and periodic research and a more comprehensive resource assessment programme is needed. Such an assessment will guide investment policy in the fleet (restructuring including modernisation).

Pelagics. Past research indicated that opportunities exist in the pelagic sector (sardines and anchovy) and that these species may be caught in commercial quantities. In recent years, limited research by IMB programmes has pointed to a biomass for pelagic species ranging between 30,000 mt. and 130,000 mt., allowing for a maximum sustainable yield (MSY) of about 9,000 mt. It should be clearly understood, however, that substantial additional research needs to be undertaken on these resources, certainly before deciding on the size of fleet needed for their economical harvest on a sustainable basis. As small pelagics are migratory, effort in Montenegrin waters cannot be in isolation from that elsewhere in the Adriatic and it is important that there is joint scientific research between the various countries

The current catch per vessel is low but the situation is not clear and may be due to a variety of reasons e.g. scarcity of resources or unsuitable catching operations (type of boat, type of gear, seasonality etc).

Underutilised resources. AdriaMed surveys have indicated the presence of a variety of commercial species at depths of 200 m. to 500 m., and there is sufficient to support experimental commercial fishing to determine potential of e.g. nephrops and hake. If it were proved that there are commercial quantities of fish available to Montenegrin vessels this would provide a potential avenue of expansion for the trawl fleet without increasing fishing effort in the traditional grounds close inshore.

Institutional Arrangements

Administration and management. MAFWM is responsible for fisheries management in Montenegro. At present there is one adviser in the ministry who covers fisheries and two junior officers who trained with the CARDS project.

Monitoring, Control and Surveillance (MCS). Two agencies are involved in MCS in Montenegro, the Marine Police and the Fisheries Inspectors of the MAFWM Inspectorate.

While keen to assist the fisheries inspectorate, the Marine Police have their own priorities and time available for fisheries is limited to a few hours per year. There are 4 fisheries inspectors, including one who concentrates on fisheries in Lake Skadar. Other inspectors have responsibility for fishing in other fresh water bodies. With no equipment to allow sea based activities, the majority of MCS work by inspectors is dedicated to fishery outlets (mongers and restaurants) on – shore. Hence fish inspectors focus on food quality rather than what they should be doing which is MCS of fishing vessels and their catching activity. There is no Vessel Monitoring System (VMS) capacity in Montenegro.

Support under the CARDS program has established procedures for strengthening MCS, but an on-going programme will be required for training in the implementation of the CFP, the adoption of Standard Operating Procedures (SOPS) for inspection, the application and interpretation of databases and equipping the inspectorate to the standard required.

Fishery Research

Research capability. A main role of fishery managers (with appropriate scientific advice) is to direct the scientific research necessary for good decision-making. This is especially important in a country such as Montenegro which must make best practical use of the limited funds available.

Part of the University of Montenegro, IMB is the provider of fisheries science research and advice for the Government of Montenegro. There are 37 staff at the Institute, of whom 11 are PhDs. Fieldwork and much of the report writing is done by PhD students and university graduates. IMB hopes to recruit a further 8 researchers at PhD level.

The building and grounds have been converted to meet the IMB needs, but lack of investment and maintenance has led to the building being in a poor state of repair. A priority of the current Director is to renovate the facility and make the building fit-for-purpose while providing a safe place to work. IMB has a small boat which it is not ideal for fishery research as it is slow with a high freeboard and limited clear area on the deck to work

A priority for IMB is the sourcing of funds for on-going research to answer pressing fisheries management questions rather than on reliance of projects for *ad hoc* work.

Issues Affecting Delivery of an Effective Fisheries Administration (SWOT. See Annex 3)

Sectoral perception of MAFWM. Staff have the capacity to respond in a timely and efficient manner to sector issues. The priorities have played a major part in this improvement. Nevertheless, substantial additional institutional strengthening is required.

A priority is the development of a strong public sector – private sector partnership to facilitate improved administration and management of the sector. Currently, stakeholders do not have a major role in determining and implementing policy nor responsibility for protecting the resource. This may change if they have a greater sense of ownership of the resource and the management process.

Monitoring Control and Surveillance (MCS). MCS requires substantial strengthening. The current fishery inspectorate is not fit-for-purpose. The terms of reference (ToR) of fisheries inspectors are not appropriate; there is insufficient professional capacity to fully discharge required duties; and the inspectorate lacks the equipment needed to fully undertake their work to a consistently high standard. Due to the lack of appropriate

equipment, adequate training, limited TORs and personal preferences, fish inspectors focus on fish quality in restaurants and shops rather than on fishing and landings. While, in theory, there is an established system for recording catch with all vessels required to submit a catch log - there is no revision of the provided data for accuracy and this is needed if the CARDS project designed FIS is to be of any practical use. Landings are inadequately monitored, with no routine check of boats, fishing gear and catch.

Finally, to comply with EC regulations, VMS has to be in place for vessels > 14 m. LoA.

Lack of Infrastructure and Funding for Fisheries Research. There is a clear and urgent need to upgrade the interior of the Institute for Marine Biology, to allow it to function properly as a centre for national fisheries research and other related activities. The existing wet laboratory facilities are too small and limit the possibility to process marine and fishery samples. There is no dedicated library space.

As noted above, the current research boat is far from ideal and limits effective research. It has a high freeboard, is slow and has relatively little space on board for staff and equipment. The EAR had already ordered some research equipment, including a CTD (a device for shipboard monitoring of physical-chemical parameters in water), and associated software. Also ordered was trawl fishing gear for the MEDITS programme.

The available budget barely allows the Institute to maintain itself and certainly does not support the level of research necessary to inform and advise fishery managers.

There are some indirect ad-hoc funding opportunities for research activities, but because they are not planned they do not best meet the needs of the IMB and MAFWM. An annual fishery research programme would be the preferable solution, at least until the basic parameters of the fisheries are determined.

Given funding constraints, it is understandable that fisheries research is undertaken on an opportunistic basis. The current management structure of IMB is not fully geared to direct the research needed to provide answers to fisheries management questions. Staffing is an issue: Fishery research is maintained in an optimistic work atmosphere, but given that the operational budget is just €2,800 per month, funding is a major constraint. The initiation or expansion of fisheries to utilise currently unexploited stocks should be encouraged. There should be Government support to fund exploration of a potential fishery for deep-sea Nephrops and associated finfish. Before investment is provided for the small pelagic fleet, the resource has to be proved through the activities of exploratory voyages undertaken by licensed foreign vessels as this will reduce the risk of capital loss within Montenegro. Again, from the catch and effort data gathered it will be possible to assess the potential of the fishery and determine how many licenses may be issued.

Institutional Needs Analysis

Administrative capacity-building. The CARDS project has recommended the establishment of a Fisheries Directorate to strengthen daily administration of the fishing sector enhance the capacity for effective durable fisheries management and facilitate more efficient and effective communication with the range of stakeholders in the fishing industry. The strategic planning role of the Ministry involves interactions with other ministries and agencies (e.g. Ministry of the Environment), and with regional and international fishery management organisations (e.g. GFCM, AdriaMed, FAO, ICES and the EU). Bearing in mind EU Maritime Policy, further detailed coordination is required to place fisheries management activities within the broader framework required for ICZM and provide the links needed to manage those fish stocks shared with neighbouring states (especially pelagic species) including those species managed by ICCAT.

The proposed Directorate will need to:

- Provide advice in a timely and efficient manner to the Minister;
- Recruit new personnel to carry out its mandate under the Fisheries Act;
- Train staff in fisheries management and fisheries administrative and planning skills;
- Carry out MCS functions throughout the Montenegrin fisheries zone including the establishment of a Vessel Monitoring Centre;
- Design, implement and monitor financial aid programmes under EU structural and other financial aid projects;
- Maintain the FIS;
- Provide the basis for continuous future communication with DGMARI;

This will need technical assistance to manage the overall project and advice on institutional strengthening and the supply of the necessary equipment to enable it to carry out its functions.

In the period immediately prior to accession it will need to establish a twinning relationship with a European fisheries department.

Stakeholder participation: Establishment of a Fishery Management Council (FMC).

In fisheries 'co-management', a partnership arrangement must be developed in which government, local resource users (fishers), other organisations (NGOs, academic and research organisations), and other fisheries and coastal resource stakeholders (boat owners, fish traders, tourism establishments, etc.) share the responsibility and authority for decision-making. The aim must be to form a public sector / private sector partnership that maximises the strength of the fisheries administration in a situation where it is necessary to minimise public expenditure.

An FMC should be established by MAFWM which should meet and debate in public, ensuring full transparency and accountability for the process. The FMC would also be responsible for making recommendations for any future fisheries research necessary to enable Council members to make proper recommendations.

Advisory groups, comprising members with appropriate backgrounds and expertise, should support the Fishery Council, whose own members may not have the expertise to make fishery recommendations on all aspects of Montenegrin fisheries. These advisory groups can fully inform the council of issues pertaining to specialist areas, geographical or technical, to enable the Council to make appropriate recommendations for actions in support of sustainable fishing. To develop co-management in Montenegro, assistance will be needed in organizing fishers into representative groups (e.g. POs) that can agree and communicate local needs.

Research capacity-building. IMB should continue to take advantage of opportunistic research through collaboration whenever possible and benefit from capacity building visits to other European fishery research establishments. This institution should participate in effective implementation of a fisheries management plan. Sufficient resources should be allocated to entering data into the ASFA database. This will enable an online search of fisheries research done in Montenegro, to provide baseline information and/or avoid duplicating effort.

Research priorities for this institution should be a comprehensive survey of the inshore fisheries, full fishery independent baseline survey of the Bojana River delta and estuary, exploratory fishing for pelagics and for deep-water demersal species. IMB should promote reliable catch reporting following the application of effective MCS and checking of logbooks and catches, etc.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

The project is designed as an instrument to bring about sustainable harvest of the fishery resources in Montenegrin national waters. In turn this will have a number of positive impacts on (i) vessel earnings and incomes in the fish catching sector; (ii) reduced risk of investment in related on-shore activities (processing and ancillary services); (iii) reduced need to import fish to cover consumer demand; and (iv) the supply of fresh fish to discerning tourists.

By promoting the sustainable use of a renewable natural resource, the project will have a catalytic effect on the development of the fish catching sector as it will promote new investment in the restructuring and modernisation of the fleet. The promotion of a profitable fish catching sector would have a knock-on effect to related on-shore activity – fish processing marketing and distribution, and the provision of services (e.g. ship repair, engine maintenance and berthing facilities).

The basis of the project is Sustainability, which will come about through strengthening the administration, improving research, involving stakeholders in the definition, application, monitoring and evaluation of selected measures, and restructuring the fleet to allow the profitable harvest of available resources by modern, efficient vessels that fit with the traditional character of the sector. The issue will also be addressed through the improved capacity for monitoring and control of the respective bodies and the established legislation, which will allow further harmonisation of national legislation with the EU Common Fisheries Policy.

This project will have cross-border impact as it will improve management of shared stocks, while the eco system based approach will, by necessity, require substantial collaboration with authorities, institutions and stakeholders in neighbouring countries (Albania, Croatia, Slovenia and Italy). Joint research programmes will allow the stronger understanding of the availability of fishery resources in Montenegrin waters in the context of the overall situation in the Adriatic.

3.3 Results and measurable indicators

The expected results and measurable indicators for the activities are:

Result 1: Improved capacity of the Directorate of Fisheries (DF) to manage Montenegrin fisheries

The achievement of this result will be indicated by:

- Number of DF staff prepared to manage fisheries
- The DF annual budget.
- National legislation (primary and secondary) consistent with EU acquis.

Result 2: Improved capacity of the Institute of Marine Biology for complete stock assessments of marine fishery resources in Montenegrin waters and provision of reliable advice to DF and the FMC

The achievement of this result will be indicated by:

- Number of fishery inspectors.
- The fulfilment of work programme related to MCS of the fishing fleet.
- The number of infringements prosecuted.
- The equipment available for MCS duties.
- The allocation of budget for MCS activities within the annual DF budget.

Result 3: Improved capacity of the Fisheries Inspectorate to monitor, control and surveil (MCS duties) the implementation of the regulations

The achievement of this result will be indicated by:

- Number of fishery inspectors
- Fulfilment of work programme related to MCS of the fishing fleet.
- Number of infringements prosecuted.
- Equipment available for MCS duties.
- Allocation of budget for MCS activities within the annual DF budget.

Result 4: FMPs have been defined and are implemented in accordance with the requirements of the CFP

The achievement of this result will be indicated by:

- The FMC comprising DF officials, scientists and stakeholders meets on a regular basis.
- FMPs defined by the FMC are agreed by the Minister and all required measures are incorporated within the legal framework.

Result 5: Stakeholders participate fully in Fisheries management planning, implementation and evaluation

The achievement of this result will be indicated by:

- Public sector support is provided to the fish catching sector to ensure that it may profitably harvest the available resources on a sustainable basis.
- The catching sector comprising larger vessels (>14 m) has organised a functioning producers organisation (PO).

3.4 Activities

The project will be implemented through the following activities:

Activities related to Result 1: Management capacity of the Directorate of Fisheries (DF)

Work on alignment of primary and secondary legislation of Montenegro with the EU acquis; strengthening the administrative capacity of DF; improving the information base on the fishery sector; and strengthening the capacity of DF to design and implement policies that are similar to those applied in member states.

The activities are:

- 1.1: Activities on alignment of the legal framework with the CFP.
- 1.2: Recruitment and training (including equipping) of the required personnel (administrators, scientists, inspectors).
- 1.3: Preparation of socio-economic survey of the fish catching sector including costs and earnings data for individual fleet segments, and annually up-date key information for incorporation into the Fishery Information Service data base.
- 1.4: Set-up of FIS functions with monitoring of production data and the compilation of statistics in accordance with EU regulations.
- 1.5: Strengthening of the capacity of the fisheries administration to plan and implement an effective fisheries development programme.
- 1.6: Strengthening of the capacity of the fisheries administration to plan and manage a structural aid programmes.

Activities related to Result 2: Stock assessment capacity of the Institute of Marine Biology (IMB)

Effective monitoring of fishery resources harvested by the Montenegrin fleet by strengthening the capacity of IMB while providing the finance needed to allow resource assessments.

The activities are:

- 2.1: Qualified scientists (one demersal, one pelagic, one shellfish) are working in IMB on a full time basis, with adequate support staff and equipment.
- 2.2: Work on establishment of a continuous sampling programme for estimation of the catches of the small boat fleet.
- 2.3: IMB undertaking demersal & pelagic fisheries surveys in Montenegrin waters. (15 days/yr demersal trips; 4 days/yr pelagic trips)
- 2.4: Work on the analysis of catch-effort data and develop a data base.
- 2.5: Exploratory fishing cruises assessing underutilised stocks found in Montenegrin and international waters (5 days/yr).
- 2.6: Monitoring of marine fish stocks in the context of eco system approach to fisheries management.

Activities related to Result 3: Monitoring, Control and Surveillance (MCS) capacities of the Fisheries Inspectorate

These activities concern the improvement of the fishery inspectorate to up-grade its capacity to undertake MCS of fishing vessels.

The activities are:

- 3.1: Incorporation of the Fishery Inspectorate within DF.
- 3.2: Work on definition of number, qualifications and location of fish inspectors.
- 3.3: Training of fish inspectors (with the equipment needed) for effective completion of their duties training them in its use.
- 3.4: Work on establishment of a VMS centre with satellite monitoring of all fishing vessels (>14 m).

Activities related to Result 4: Preparation of Fisheries Management Plans in accordance with the requirements of the CFP.

These activities are designed to support the efforts of the Montenegro Government to establish a Fishery Management Council (FMC) to define fisheries management plans and provide the vehicle for full stakeholder participation in the decision making process.

The activities are:

- 4.1: Work on establishment of an FMC and holding of regular meetings.
- 4.2: Training of members of the FMC in fisheries management (aims, objectives, planning and implementation).
- 4.3: Work on FMC proposal on an FMP for implementation in 2011.

Activities related to Result 5: Participation of stakeholders in Fisheries management planning, implementation and evaluation.

These activities refer to strengthening the capacity and interest of the private sector to participate in the administration of the fisheries sector.

The activities are:

- 5.1: Establishment of a Producers organisation (PO) that is fully functioning by 1/2011.

5.2: Providing conditions for PO participation on the FMC and other advisory committees established by DF.

5.3: Development of a DF structural programme that will provide public sector financial assistance for the restructuring and modernisation of the Montenegrin fish catching sector consistent with the long term fishing opportunities defined by the FMC.

5.4: Support for the PO involvement in effective MCS of fishing activity (by 12/2011).

5.5: The PO prepares a harvesting plan for its members (by 6/2011).

The above mentioned activities will be implemented through the following contracts:

- **Contract 1:** Service contract, aimed at building the capacity of the beneficiary institutions to implement their duties (Directorate of Fisheries, Fisheries Inspectorate, Institute of Marine Biology, Fisheries Management Council and Producers' organisation). Funded by IPA.
- **Contract 2:** Supply contract aimed at purchasing the equipment needed for DF, IMB and the PO. Funded by IPA.
- **Contract 3:** Works contract, which will (i) provide two offices for fish inspectors (one in each of Bar and Herceg Novi) and a coastal office in Kotor (sharing with IMB); and (ii) refurbish the laboratories used by resource biologists in IMB. Funded by IPA.
- **Contract 4:** Works contract financed by the Government of Montenegro (World Bank project at the amount of €300,000 to refurbish the IMB building). This will be tendered and managed by the Montenegrin National Authorities.
- **Contract 5** covers the amount provided by the Government of Montenegro to finance partially private sector investments in the fish catching sector and cover the operational cost of the VMS.

3.5 Conditionality and sequencing

Conditionality. The achievement of the overall objective of the project is dependent on the following conditions:

- Creation of a Directorate of Fisheries.
- Agreement on the role of IMB in the administrative process with full agreement of the University of Montenegro.
- Motivation and ability (access to funding, to qualified consultants, etc.) of the DF, IMB and the stakeholders.
- A solution to the need to restructure and modernise the fleet.
- Support to IMB from research institutes experiences in the Adriatic.
- Full involvement of motivated stakeholders in the fisheries administration.
- Awareness of the need for sustainable management of the stocks within an eco system approach.

Sequencing. Ensuring effective sequencing of the five envisaged contracts.

While Contract 4 (the MAFWM input to modernisation of IMB using World Bank funds could not start prior to the signature of the IPA project) the first task would be to guarantee the fabric of the IMB building. The implementation of contract 1 should be phased. KE1 (MAFWM Institutional Strengthening) should be fielded immediately with inputs over 24 months. KE2

(IMB) should be fielded immediately with inputs over 24 months. KE3 (Fishery Inspectorate) should be fielded once the required equipment is in place with the defined number of days inputted over a period of 15 months. A priority of the selected consultants would be definition of the supply contracts (Contract 2) and work contracts (Contract 3). Contract 5 – Government aid to the private sector and the VMS would be on-going throughout the service project.

3.6 Linked activities

A CARDS project (“Support to the Fishery Sectors in Serbia and Montenegro) ran from April, 2007 until September, 2008. The defined objective of this project was: “In the context of alignment with EU Acquis, to support the Montenegrin and Serbian public and private sectors in the implementation of their National Fishery Strategies”.

The four substantive project components dealt with alignment of national fisheries legislation with the EC acquis, food safety, strengthening of the fishery administration to plan, design and implement activities and projects in the context of implementation of the acquis, public policy and development of the fishery sector; and support to the private sector in selected areas.

The World Bank is negotiating with the Government a project valued approximately € 15 million and called “Montenegro Institutional Development and Agriculture Strengthening (MIDAS)”. Components are a rural development programme and strengthening the MAFWM’s administrative and management capacity.

Under the first component the World Bank has offered funding of €380 000 to the IMB to establish a water quality monitoring centre. Of this sum, the bulk (€300 000) is to be spent on refurbishing IMB. Although this sum is not sufficient to carry out all the rehabilitation work required in the building, it does provide much-needed funding which can be designated as co-financing..

3.7 Lessons learned

Implementation of the CARDS project has emphasised a number of issues.

- To change the mind set of stakeholders will require substantial work to ensure confidence building and their full participation in the administration and management of the fishery sector. These stakeholders must see a benefit from their participation in addition to the expectation of the sustainability of the resources they depend on. Such benefit should come through the confirmation of property rights over the fishery and public financial assistance to implement the required modernisation of the fishing fleet. This emphasises the importance of result 5.3 and the inclusion of €450,000 of Montenegrin public finance in the overall budget for the project.
- It is clear that Montenegro does not have the budget to finance the luxury of research activities that have no specific benefit to the fishery sector. This implies the need for a substantial restructuring and redirection of IMB in order to make better use of the scarce financial resources available.
- MAFWM and the CARDS project invested significant resources to develop the FIS. However, this investment will be for nothing if the quality of the data to be inputted into the FIS remains poor.
- Similarly, MAFWM and the CARDS project devoted substantial resources to the drafting of a new Marine Fisheries Law. An issue was the level of stakeholder involvement in the preparation of that Law, with the current approach emphasising the potential for reaction of the industry to the draft rather than the proactive involvement of stakeholders in the drafting process.
- While the Law is now strong, The capacity to enforce the law has to receive more attention.

- Conditionality: Often project implementation is hampered by the insufficient allocation of staff and resources on behalf of the main beneficiaries. This project will tackle this issue through an initial assessment of the capacity and needs of the bodies involved in establishing an effective fisheries management regime within the context of a real understanding of Montenegrin conditions.
- Institutionalisation of training activities: Past assistance experience shows that a properly organised training effort as opposed to ad hoc organised training is crucial. Therefore the training must be based on the priorities agreed with the stakeholders. But the actual delivery of the training must be primarily locally-based and concentrated to ensure maximum impact and to avoid disruption to other functions of the stakeholder institutions. Training delivery is more efficient if it comprises a) structured seminars, b) strategic mentoring services for key officials and c) peer learning activities to ensure coherence and value from knowledge and skills acquired through the various capacity building activities.
- Advocacy and Awareness: it is important to note that the implications and needs of fishery management are relatively unknown, not only to the wider public, but to some extent to professionals in fishery sector. Therefore the project will pay special attention to awareness raising and consultations.

4. Indicative Budget (amounts in €)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIB UTION	
	IB	INV	EUR (a)=(b)+(c)+(d)	EUR (b)	%	Total EUR (c)=(x)+(y)+(z)	%	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	%
ACTIVITIES												
Contract 1 Service	x		560,000	560,000	100.00%							
Contract 2 Supply		x	290,000	290,000	100.00%							
Contract 3 works		x	150,000	150,000	100.00%							
Contract 4 works		x	300,000		0.00%	300,000	100.00%	300,000				
Contract 5		x	500,000		0.00%	500,000	100.00%	500,000				
TOTAL IB			560,000	560,000	100.00%				0	0		
TOTAL INV			1,240,000	440,000	35.48%	800,000	64.52%	800,000				
TOTAL PROJECT			1,800,000	1,000,000	55.56%	800,000	44.44%	800,000	0	0	0	0%

Amounts net of VAT

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	Q3/2009	Q2/2010	Q1/2012
Contract 2	Q2/2010	Q4/2010	Q2/2011
Contract 3	Q1/2010	Q3/2010	Q3/2011

Contracts 4 and 5 are under the responsibility of the national authorities

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 4 (Works)	Q3-2009	Q4-2009	Q2-2010
Contract 5 (Other)	Q3-2010	Q3-2010	Q4-2011

6. Cross cutting issues

6.1 Equal Opportunity

The overall approach to fishery development in Montenegro is based on the model adopted by the EC to revise member state application for finance available under the European Fisheries Fund (EFF). Implicit with the EFF template is consideration of social factors including equal opportunity and minorities.

6.2 Environment

The sustainable management of fish resources is inextricably linked to environmental issues. Fishery management planning will take place within an eco system based approach that not only takes into account the impact of other factors on the fish, but also the implications of fishing activity on other elements of the eco system.

6.3 Minorities

The project will address minorities' issues as an integral part of its overall objectives and project purpose. While implementing the project all minority related topics will be respected in raising awareness and trainings.

ANNEXES

Annex 1- Log frame in Standard Format

Annex 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme

Annex 3 - Reference to laws, regulations and strategic documents:

Annex 4- Description of the Institutional framework

Annex 5- Details per EU funded contract

Annex 1- Log frame in Standard Format

LOGFRAME	Programme name and number: Sustainable Management of Marine Fisheries (2009/021-170)		
	Contracting period expires two years from the date of the conclusion of the Financing Agreement	Disbursement period expires one year from the final date for execution of contracts	
	Total budget: €1.8 million EUR	IPA budget: €1.0 million EUR	
Overall objective	Objectively verifiable indicators	Sources of Verification	
Sustainable management of the Montenegrin marine fishery sector.	<ul style="list-style-type: none"> • Annual total allowable catches (TACs) match sustainable stock reference points in implemented GoM fishery strategy. • The catching fleet operates with a net profit. 	<ul style="list-style-type: none"> • Government monitoring reports • National report to EC Reports by Directorate of Fisheries (DF) 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
Strengthening of the Montenegrin capacity to effectively manage the harvest of marine fishery resources within the context of the Common Fisheries Policy (CFP) and full stakeholder participation.	<ul style="list-style-type: none"> • Reliable estimates of resource biomass and related TACs. • Implementation of Fishery Management Plans (FMPs) defined by a functioning Fishery Management Council (FMC). • Licensing of all fishing vessels. • Reliable recording of all fish catches and landings. The level of detected infringements by fishing vessels (licensed and unlicensed). 	<ul style="list-style-type: none"> • Peer reviewed scientific reports published by IMB. • Membership of the FMC. • FMP(s) • DF Fishery Information System (FIS) • Fishery Inspector reports. 	<ul style="list-style-type: none"> • Government policy includes the incorporation of the EU <i>acquis</i> in national legislation. • A Directorate of Fisheries is established and functioning before January, 2010. • IMB receives sufficient funding. • Government policy allows for full stakeholder participation in the fishery management process.

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
1: Improved capacity of the Directorate of Fisheries to manage Montenegrin fisheries	<ul style="list-style-type: none"> •The number of staff contracted to DF. • The DF annual budget. •National legislation (laws plus regulations) are consistent with EU acquis. 	<ul style="list-style-type: none"> •MAFWM budgets. •Government Gazette •Expert reports •Reports by Montenegrin government to the EC. 	<ul style="list-style-type: none"> •MoA agrees to create DF. •DF has the number and type of staff required for its effective functioning. •DF is allocated the budget required for efficient & effective operation. •Montenegrin government policy is to align national legislation with that of the EU.
2: Improved capacity of Institute of Marine Biology to complete stock assessments of marine fishery resources in Montenegrin waters and provide reliable advice to DF and the FMC.	<ul style="list-style-type: none"> •Minimum 2 scientists contracted by IMB during the project implementation. •The quality of IMB scientific reports as verified by peer reviewers. •The IMB annual budget (and amount allocated for resource assessment – staff, training, equipment, scientific investigation). 	<ul style="list-style-type: none"> • IMB budget. • Reports by peer reviewers 	<ul style="list-style-type: none"> • The University allocates sufficient budget to IMB. • The salary scales within IMB are sufficient to attract the required scientist. • The staff and management of IMB are open to change.
3: Improved capacity of the Fisheries Inspectorate to undertake monitoring, control and surveillance (MCS) duties needed to implement and enforce regulations.	<ul style="list-style-type: none"> •Number of fishery inspectors. •The fulfilment of work programme related to MCS of the fishing fleet. •The number of infringements prosecuted. •The equipment available for MCS duties. •The allocation of budget for MCS activities within the annual DF budget. 	<ul style="list-style-type: none"> •MAFWM / DF budget. •Monthly activity reports. •Court reports. 	<ul style="list-style-type: none"> •Sufficient budget to allow for effective MCS activities. •There is the political will to prosecute those who transgress fishery regulations.
4: FMPs have been defined and are implemented in accordance with the requirements of the CFP.	<ul style="list-style-type: none"> •The FMC comprising DF officials, scientists and stakeholders meets on a regular basis •FMPs defined by the FMC are agreed by the Minister and all required measures are incorporated within the legal framework. 	<ul style="list-style-type: none"> • The FMP with annual revisions. • Minutes of FMC meetings. • Government gazette. 	<ul style="list-style-type: none"> •The FMC is required by fisheries law. •effective participation by all nominated members. • Cooperation of all the sector.
5: Stakeholders participate fully in Fisheries management planning, implementation and evaluation.	<ul style="list-style-type: none"> • Public sector support is provided to the fish catching sector to ensure that it may profitably harvest the available resources on a sustainable basis. • The catching sector comprising larger vessels (>14 m) has organised a functioning producers organisation (PO). 	<ul style="list-style-type: none"> •MAFWM budget allocations. •Reports by DF (structures). •Articles of Association of the PO, •Membership list of the European Association of POs. 	<ul style="list-style-type: none"> • There is public finance available for the restructuring of the fish catching sector. • Fish vessel owners are proactive in establishing a PO.

Activities	Means	Costs	Assumptions
1: Focused on fisheries management by the Directorate of Fisheries 1.1: Alignment of the legal framework with the CFP. 1.2: Recruitment and training of DF personnel. 1.3: Preparation of socio-economic survey of the fish catching sector. 1.4: Set-up of FIS functions with monitoring of production data and compilation of statistics 1.5: Strengthening of the capacity of the fisheries administration to plan and implement an effective fisheries development programme and manage structural aid programmes.	Contract 1. Service contract (€560,000) . EU IPA finance <ul style="list-style-type: none"> To provide 350 working days (3 key experts – policy, resource assessment and MCS - + short term experts) of technical assistance over two years to DF, IMB, Fisheries Inspectorate and the PO. (€320,000) An allowance (incidental expenditure) of €100,000 for training. To undertake fishery research cruises (total 48 days over two years) (€120,000). To undertake socio- economic survey including vessel costs and earnings (€20,000). 	Total : €1,800,000 EU funds : €1,000,000 (contracts 1, 2 and 3) National funds: €800,000 (contracts 4 and 5)	- Funds from the World Bank project ear marked for institutional strengthening of \ IMB available and their disbursement fits with the IPA project schedule. - MAFWM continues annual support to the fishing sector in order to promote bits modernisation.
2: Focused on stock assessment by the Institute of Marine Biology 2.1: Ensuring the human and technical resources of the IMB 2.2: Establishment of a continuous sampling programme for estimation of the catches of the small boat fleet. 2.3: IMB undertaking surveys in Montenegrin waters. 2.4: Analysis of catch-effort data and develop a data base. 2.5: Exploratory fishing cruises assessing underutilised stocks found in Montenegrin and international waters (5 days/yr). 2.6: Monitoring of marine fish stocks.	Contract 2. Supply contract (€290,000) . EU IPA finance To supply equipment to DF, IMB, Fisheries Inspectors and PO.		
3: Focussed on monitoring, control and surveillance by the Fisheries Inspectorate 3.1: Incorporation of the Fishery Inspectorate within DF. 3.2: Definition of number, qualifications and location of fish inspectors. 3.3: Training of fish inspectors 3.4: Establishment of a VMS centre with satellite monitoring of all fishing vessels (>14 m).	Contract 3. Works contract (€150,000). EU IPA finance. To provide offices for DF in Bar, Herceg Novi and Kotor (in IMB) and modernise IMB labs.		
4: Development of Fisheries Management Plans 4.1: Establishment of an FMCouncil and holding of regular meetings. 4.2: Training of FMC members in fisheries management 4.3: Support to FMC for preparing FMP for implementation in 2011.	Contract 4. Works contract (€300,000). To be financed by the Government of Montenegro (Assistance from WB Rural development project). Modernisation of IMB building.		
5: Focused on Stakeholders' participation in Fisheries management planning, implementation and evaluation. 5.1: Establishment of Producers' organisation (PO). 5.2: Support to PO for participation in the work of the FMC and DF. 5.3: Development of a DF structural programme for public sector financial assistance. 5.4: Support to the PO for effective involvement in MCS of fishing activity 5.5: Support to the PO for preparing a harvesting plan for its members	Contract 5 (€500,000). Public Financial Support for the private sector and VMS.		

Annex 2- Amounts in EUR contracted and Disbursed per Quarter over the full duration of Programme

Amounts in EUR

Contracted	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Contract 1	560,000								
Contract 2			290,000						
Contract 3		150,000							
Cumulated	560,000	710,000	1,000,000	0	0	0	0	0	0
Disbursed	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Contract 1	168,000		118,000		118,000		100,000		56,000
Contract 2			174,000			116,000			
Contract 3		15,000		60,000	60,000		15,000		
Cumulated	168,000	183,000	475,000	535,000	713,000	829,000	944,000	944,000	1,000,000

Contracts 1, 2 and 3 will be funded by the EU budget and will be tendered and managed by the EC Delegation to Montenegro.
Contracts 4 & 5 will be tendered, managed and funded by the national authorities of Montenegro.

Annex 3 - Reference to laws, regulations and strategic documents:

Stabilisation and Association Agreement (SAA)

Accession Partnership

National Plan for Integration (NPI)

MIPD

National Strategy of Sustainable Development of Montenegro (NSSDM)

Montenegro spatial plan

National Fisheries Strategy the Minister (MAFWM)

Common Fisheries Policy

COUNCIL REGULATION (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy

Commission Regulation (EC) No 446/2008 of 22 May 2008 adapting certain bluefin tuna quotas in 2008 pursuant to Article 21(4) of Council Regulation (EEC) No 2847/93 establishing a control system applicable to the Common Fisheries Policy

Council Regulation (EC) No 1447/1999 of 24 June 1999 establishing a list of types of behaviour which seriously infringe the rules of the common fisheries policy

Commission Regulation (EC) No 2244/2003 of 18 December 2003 laying down detailed provisions regarding satellite-based Vessel Monitoring Systems

Council Regulation (EC) No 601/2004 of 22 March 2004 laying down certain control measures applicable to fishing activities in the area covered by the Convention on the conservation of Antarctic marine living resources and repealing Regulations (EEC) No 3943/90, (EC) No 66/98 and (EC) No 1721/1999

Council Regulation (EC) No 770/2004 of 21 April 2004 amending Regulation (EC) No 2791/1999 laying down certain control measures applicable in the area covered by the Convention on future multilateral cooperation in the north-east Atlantic fisheries

Council Regulation (EC) No 855/2004 of 29 April 2004 amending Regulation (EC) No 3069/95 establishing a European Community observer scheme applicable to Community fishing vessels operating in the Regulatory Area of the Northwest Atlantic Fisheries Organisation (NAFO)

Council Regulation (EC) No 869/2004 of 26 April 2004 amending Regulation (EC) No 1936/2001 laying down control measures applicable to fishing for certain stocks of highly migratory fish

Commission Regulation (EC) No 356/2005 of 1 March 2005 laying down detailed rules for the marking and identification of passive fishing gear and beam trawls

Council Regulation (EC) No 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy

Regulation (EC) No 1921/2006 of the European Parliament and of the Council of 18 December 2006 on the submission of statistical data on landings of fishery products in Member States and repealing Council Regulation (EEC) No 1382/91

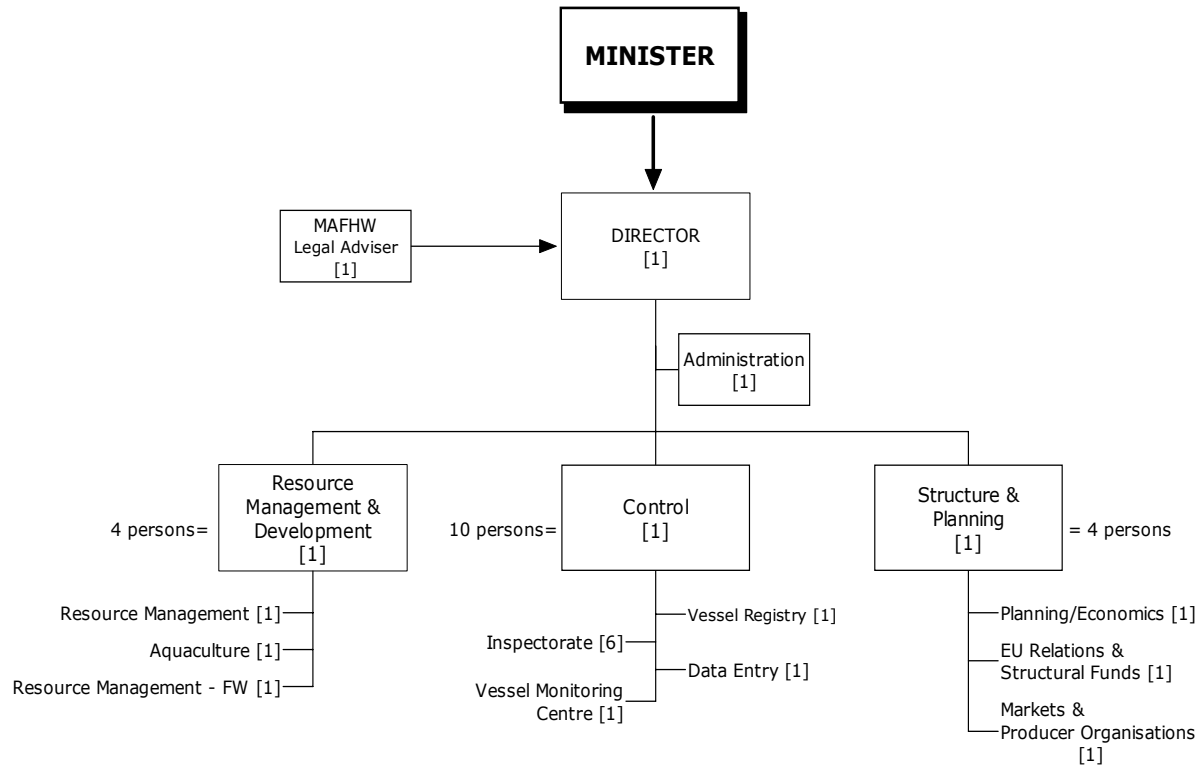
Council Regulation (EC) No 1966/2006 of 21 December 2006 on electronic recording and reporting of fishing activities and on means of remote sensing

Commission Regulation (EC) No 391/2007 of 11 April 2007 laying down detailed rules for the implementation of Council Regulation (EC) No 861/2006 as regards the expenditure incurred by Member States in implementing the monitoring and control systems applicable to the Common Fisheries Policy

Council Regulation (EC) No 1099/2007 of 18 September 2007 amending Regulation (EC) No 601/2004 laying down certain control measures applicable to fishing activities in the area covered by the Convention on the conservation of Antarctic marine living resources

Commission Regulation (EC) No 1566/2007 of 21 December 2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1966/2006 on electronic recording and reporting of fishing activities and on means of remote sensing

Government of Montenegro
**MINISTRY OF AGRICULTURE, FORESTRY
 AND WATER MANAGEMENT**
Directorate of Fisheries
Proposed Organisation Chart



Fisheries Management and Administration	
<p>Strengths</p> <p>Government is reform-orientated</p> <p>Priority to accept <i>acquis communautaire</i></p> <p>Comprehensive draft legislation</p> <p>Government will increase public salaries</p> <p>The fleet in its current condition is not over capitalised</p> <p>Developing tourism and demand for local seafood</p>	<p>Weaknesses</p> <p>Inadequate MCS</p> <p>Inspectorate not adequately motivated</p> <p>Illegal, Unreported and Unregulated fishing (IUU)</p> <p>Lack of institutional capacity to manage facilities</p> <p>Poor infrastructure for post harvest handling</p> <p>Poor support infrastructure for fishing boats</p> <p>Undeveloped and divisive fishermen's organizations</p> <p>Limited research and data collection capability</p>
<p>Opportunities</p> <p>Government support for fisheries restructuring</p> <p>EU support for MAFWM in pre accession phase.</p> <p>Management collaboration with Albania on the Bojana river mouth.</p> <p>Potential unexploited deep water fishing areas.</p> <p>Restructuring of whole sector</p>	<p>Threats</p> <p>Conflicts in the use of the coastal zone</p> <p>Competition from other coastal zone users e.g. tourism, shipping, recreation</p> <p>Habitat degradation – especially construction</p> <p>Increased competition from EU fishermen</p> <p>Illegal fishing practices e.g. use of destructive fishing methods, explosives, and small mesh sizes etc.</p>

Fisheries Research	
<p>Strengths</p> <p>Established research institute within University of Montenegro</p> <p>Record of research</p> <p>Part of AdriaMed Project</p> <p>Good location</p>	<p>Weaknesses</p> <p>Poor salaries and staff motivation</p> <p>Inadequate funding</p> <p>Lack of income</p> <p>Lack of long-term direction in research</p> <p>Lack of historic fisheries data</p> <p>Facilities non-maintained</p> <p>Lack of adequate equipment & access to vessels</p>
<p>Opportunities</p> <p>Links with Institute of Oceanography, Split, and potential collaboration on shared stock issues.</p> <p>Twinning with a leading fisheries science institute</p> <p>Development of non-research dependent income</p> <p>Access to World Bank funding</p>	<p>Threats</p> <p>Loss of prestige due to inability to act as an adequate research partner in regional projects</p> <p>Entry of EU vessels compromises capacity to set realistic TAC</p>

Annex 5- Details per EU funded contract

The project will be implemented through 5 contracts, presented in the table below

	Focus	Type of contract	Source of funding	Ind. Am (EUR)	Indicative duration (months)
Contract 1	Strengthening of the Fisheries Administration	Service	EU	560,000	24
Contract 2	Purchase of equipment for the Fisheries Administration, the Institute of Marine Biology and the Producers Organisation.	Supply	EU	290,000	9
Contract 3	Provision of offices for fish inspectors in 3 coastal locations and refurbishment of the stock assessment facilities at the Institute of Marine Biology.	Works	EU	150,000	9
Contract 4	Modernisation of the IMB building in Kotor	Works	Gov. of Monten. (a Component of the WB financed rural development project)	300,000	12
Contract 5	Support for development of Montenegrin Marine Fisheries Sector	Service	Gov. Of Montenegro	500,000	24
Total				1,800,000	

The implementation of all the contracts is linked.

Contract 4 will be launched first in order to ensure that the conditions of the IMB building are of the standard required to justify substantial new investment in laboratories and offices. Contract 1 will follow. Initially there will be support for preparation of the technical specifications for Contract 2 and Contract 3 and ensuring the base for future effective implementation of Contract 5. Thereafter technical assistance will support development of the work activities following the delivery of equipment (Contract 2) and the (partial) completion of Contract 3. Contract 5 will be on-going throughout the project.

Contract 1 is a service contract, aimed at working with DF (including the Fisheries Inspectorate) and IMB to:

- implement the various programmes comprising the approach to strengthening fishery management planning;
- provide specific training activities;
- finance research cruises; and
- complete a socio-economic survey of the fishery sector (to be sub-contracted to a local consultant).

On that basis specific components will be:

- To provide 350 working days (3 key experts – policy, resource assessment and MCS plus non key expertise in selected areas) of technical assistance over two years to DF, IMB, Fisheries Inspectorate and the PO. (€320,000)
- An allowance (incidental expenditure) of €100,000 for training.
- To undertake fishery research cruises (total 48 days over two years) (€120,000).
- To undertake socio- economic survey including vessel costs and earnings (€20,000).

The objective of this activity is to ensure the capacity of the Fisheries Administration to manage the marine fisheries sector in the context of implementation of the Common Fisheries Policy of the EU. This implies capacity to ensure sustainable management of the fishery resources found in Montenegrin national waters, with adequate resource assessments, fishery management planning, support to the private sector (including the provision of adequate infrastructure) in the context of an inclusive development policy, and effective monitoring, control and surveillance of fishing activity.

The key contractor's tasks include:

- To continue the work of the CARDS project and ensure that national legislation is aligned to the CFP and supporting regulations are defined and implemented to ensure effective on-going management of the fishery. Activities will include on-going training of key personnel in the legal implication of the CFP.
- Capacity building activities with focus on:
 - Fishery Administrators
 - The CFP
 - Fisheries development strategy
 - Structural aid programmes
 - Fisheries Management
 - Cooperative work with stakeholders
 - Report preparation and presentation
 - Reporting to the EU
 - Fishery Inspectors
 - The CFP
 - Effective control and surveillance of marine fishing activities;
 - Inspection procedures (on-shore and at-sea)
 - Collaborative work with stakeholders;
 - Legal aspects
 - Data requirements
 - Fisheries Management
 - Resource Scientists
 - Resource Assessments
 - Fisheries Management
 - Management advice to administrators.
- To improve the information base available to decision takers through:
 - Developing resource assessment in the fisheries (demersal, pelagic and underutilised) and establish potential annual catch levels on a sustainable basis
 - Maintaining development of the Fishery Information Service developed by the CARDS project;
 - Completing a socio economic survey of the sector; and
 - Establish a working log book system for the timely and effective recording of vessel catches.
- To assist development of stakeholder representative organisations, with emphasis on capacity building for one producers' organisation. This includes (i) work with the Fisheries Administration to further develop the structural aid programme to be financed by the

Government of Montenegro, with the aim of facilitating access of the Montenegrin fishing sector to whatever financial aid programme available upon accession to the EU; (ii) participation on a fisheries management council; (iii) co-management of fishery resources in Montenegrin waters.

- To advise on equipment requirements (fisheries administration (including the Inspectorate), fish producers organisation and IMB) and prepare technical specifications and bid documentation;
- To advise on the provision of offices for the fishery inspectors and prepare tender documents;
- To advise on the provision of laboratories for resource assessment in IMB and prepare tender documents.
- To advise on training requirements and arrange related activities (overseas training courses, study tours, seminars, symposia, workshops and on-the-job training).
- To promote Fishery Management Planning through work with fishery administrators fishery scientists and stakeholders, with establishment of a representative Fishery Management Council and the definition and implementation of a Fisheries Management Plan.
- To undertake project management activities that will focus on:
 - The coordination of all project activities (Components 1 to 5);
 - Evaluate the impact of purchased equipment on the various beneficiaries;
 - Reporting and communication with the beneficiaries and the CA.

In order to implement this major objective the Contractor has to provide at least:

Key expert 1: Project Manager (160 working days)

The Project Manager will drive the implementation of the service contract, provide overall guidance on project orientation and focus and ensure that contract objectives are met. He/she will ensure timely identification of short term and other expert requirements, determine their profiles and inputs, supervise and coordinate their actions and ensure quality control of all TA-team outputs. Besides the management aspects, he/she will particularly responsible for:

- The preparation of technical specifications and supply contracts for equipment in Contract 2;
- The preparation of technical specifications and tender documents for Contract 3;
- The development of a Structural Aid programme (Contract 5);
- Advice on the formation of an effective Fisheries Directorate;
- Training of Fishery Administrators in the CFP, structural programmes, fishery management;
- Work with stakeholders to establish the Producers Organisation;
- Development of a Fishery Management Council and Fisheries Management Plan;
- Planning for a socio-economic survey.

The required qualifications, skills and experience include:

- University degree in a relevant discipline, along with strong communication and leadership skills;
- At least 10 years of professional experience in the Fisheries Sector;
- Experience in Fishery Policy Development in an EU accession country;
- Experience in EU structural programmes for the fisheries sector;
- Experience of Fishery Management Planning;
- Experience in working closely with stakeholders;

- Previous experience as team leader or project director in a long term assistance project in a third country (new EU Member States and/or EU candidate or acceding countries is an advantage) in a relevant thematic area.
- Excellent report writing capabilities.

Key expert 2: Monitoring, Control and Surveillance Expert (40 working days)

The MCS expert will be responsible for implementing all activities related to the strengthening of the Marine Fisheries Inspectorate. *Inter alia* duties will include:

- Design and implement the required procedures for effective MCS
- Advise the team leader of the equipment requirements for the Fishery Inspectors (including specifications);
- Design and implement an effective VMS, including a VMS centre.
- Train fish inspectors to provide them with the professional capacity to fully undertake their work to a consistently high standard;
- Design and implement a workable log book system.

S/he has to demonstrate:

- At least 10 years practical experience gained in an EU member state within a government agency responsible for the design and implementation of a system for MSC in the context of EU legislation.
- Experience in the MSC agency should include relevant work in training of new entrants to the service.
- Strong practical experience in the design and implementation of VMS.
- Strong experience in direct contacts and cooperative work with stakeholders.
- Some experience of work in accession countries.
- Excellent report writing capabilities.

Key expert 3: Resource Assessment (50 working days)

S/he will be responsible for direct work with the Institute of Marine Biology to establish the research programme needed to provide the analysis required to determine annual catch limits for the major species found in Montenegrin waters. This will include close work with the Director of IMB and his staff to ensure that the defined programme is within the context of resources available to IMB (i.e. the defined research programme must reflect the on-going financial capacity to cover its implementation, while reflecting the scale and intensity of the fishery). Specific duties will be:

- Advise the team leader on equipment needs (*and related training*) to provide the basis for effective stock assessments, including the technical specifications.
- Advise the team leader on the requirements for stock assessment laboratories and associated offices to be located at IMB;
- Complete a gap analysis of the skills required to complete stock assessments on demersal, pelagic and shellfish resources found in Montenegrin waters with the definition of reliable biological reference points.
- Define the training programme required to up-grade the skills available in IMB to undertake stock assessments;
- With IMB colleagues define the research programme for demersal and shellfish resources– including sampling programmes and research cruises.
- Work with the SSTTE (see below) on the research programme for pelagic species;
- Advise on the need for other resource based activities (e.g. cross border assessments with Croatia and Albania and specific assessments e.g. Bojana).

- With IMB colleagues analyse the data provided by the research programme and ensure their presentation to administrators and stakeholders.
- Support IMB colleagues with the preparation of scientific papers for publication in learned journals following peer review.

S/he has to:

- 15 years experience in the assessment of fishery resources, preferably in the Mediterranean;
- Have 10 years experience in training scientific staff;
- Have experience in the design and implementation of a research cruises;
- Have experience in providing fishery management advice to International bodies, governments and stakeholders.
- Excellent report writing capabilities.

Non Key Experts (100 working days)

A number of short-term (senior and junior) experts will also be involved in this project.

- Legal Expert (15 working days)
- IT expert (Senior / Junior) (20 working days)
- PO expert (15 working days)
- Pelagic resources expert (20 working days)
- Unallocated (30 working days)

Contract 2 is a supply contract aimed at purchasing the equipment needed for DF, IMB and the PO.

A list of items of laboratory equipment will be identified and recommended to (i) strengthen the capacity of the fishery inspectors to carry out their prescribed duties (ii) allow resource scientists to effectively complete their research programme and (iii) facilitate the effective functioning of the fledgling producers organisation.

The equipment to be purchased will be extensively discussed with the beneficiaries and prioritised.

The technical specifications and related tender documents will be prepared according to EU procedures by the TA team after an initial visit to Montenegro soon after project inception.

Contract 3 is a works contract, which will:

- provide two offices for fish inspectors (one in each of Bar and Herceg Novi) and a coastal office in Kotor (sharing with IMB); and
- refurbish the laboratories used by resource biologists in IMB.

Locations will be identified for rental or purchase by MAFWM on the basis of a needs assessment (floor area, number of rooms etc). The office in Bar should be located at Bar Marina and should include space for the Producers Organisation.

It is considered opportune that the fishery inspectorate (Kotor) and DG regional office be located in a refurbished IMB building along with the VMS centre.

The technical specifications and related tender documents will be prepared according to EU procedures by the TA team after an initial visit to Montenegro soon after project inception.

Contract 4 is a works contract, financed by the Government of Montenegro using finance provided through the World Bank rural development project. It will start prior to the project. Its objective is to modernise the IMB building and make it fit-for-purpose i.e. ensuring the fabric of the building (roof, windows, walls and the provision of services (water, electricity, telephone and internet).

Contract 5 is a services contract through which the Government of Montenegro will provide financial assistance to the private sector to facilitate modernisation of the marine fisheries sector. This programme will progress the work established by the CARDS project and follow the defined National Fisheries Strategy that has been developed on the template used by member states for the European Fisheries Fund. This contract is integral to the empowerment of stakeholders and their inclusion in the decision making process including the co-management of resources.