

Structure of application text

Project Title: **Advancing Preferential Rights of Fisherfolks over Municipal Waters Benefits-Stream**

1. Relevance of the Intervention

1.1. Objective of the Intervention

The long-term goal of the intervention is to empower municipal fisherfolks sector in contributing towards increased benefits from scaled up diversified livelihoods and enterprises, and improved fisheries resource management of the common fishing grounds of Tayabas Bay and Tañon Strait.

1.2. Relevant Project Context

The following are interconnected conditions of the municipal fisherfolks sector, laws governing fisheries and coastal resources in the Philippines, including practices relevant to the proposed project:

1.2.1. Poverty in the Municipal Fisherfolks Sector

As of 2012, four out of ten Filipinos under the poverty threshold belong to the fisherfolks sector – which is largely comprised by municipal fisherfolks. Municipal fishers is technically categorized as those using less than 3 gross tons of boat. Municipal fisherfolks are generally characterized by low educational attainment, low income worsened by the seasonality of fishing, lack of security in settlement, and lacks other landbased assets. Most municipal fisherfolks catch an average of 2 to 5 kilograms per fishing trip, using hook-and-line and fishing nets as gears, using a boat that can be operated by 1 to 3 persons. Women fisherfolks are involved in the actual harvesting of fish as shell gleaners for subsistence purposes, but are mostly engaged in pre and post harvest activities like preparation of fishing gears, fish vending, and fish processing. During lean seasons when fish harvest is low, women in fishing households are the ones who mainly bear the burden to look for other sources of income by either producing and selling traditional crafts and native delicacies, or providing laundry services and other piece-meal jobs to make ends meet. Fisher-women are usually the ones who take care of the budget and have access to credit for daily household subsistence.

Since the last Administration, the government has increasing budget in support of the poor fisherfolks to uplift their status. Social protection programs on health, fishing boat, and crop insurance are made available for the fisherfolks. In the same vein, the new Administration through the Department of Agriculture and Bureau of Fisheries are now supporting

fisherfolks to form cooperatives to venture in new and under-exploited fishing grounds to be more competitive.

1.2.2. Preferential Rights of Municipal Fisherfolks to the Municipal Waters

In the Fisheries Code of 1998, or *Republic Act 8550*, the municipal fishers enjoy preferential rights over municipal waters¹, which can be described in layman's term as the area covered by 15 kilometers seaward parallel to the general coastline of each coastal municipality. *Preferential use rights* of municipal fishers means giving priority to registered municipal fisherfolks and their organizations to use/ access, be granted fishery mariculture privileges, and enjoy the benefits stream of the resources found in that defined area. Application of preferential use rights can be extended and applied to the use and management rights over mangrove forest, fish sanctuaries, fry gathering zone, shell gleaning, fish corrals, mariculture and seaweed farming zone, and theoretically even in tourism services. The law even provides for the establishment of fisherfolks settlement/ village to facilitate tenure for fisherfolks who are mostly situated in coastal areas under public domain.

This provision of preferential rights of municipal fishers is anchored on Philippine Constitution Article 13 regarding Social Justice and Human Rights, which intends to alleviate poverty and ensure food security for one of the poorest sectors in society. Unfortunately, fisherfolks have not fully enjoyed the benefits of their preferential rights over municipal waters, which will be elaborated below in the problem analysis.

For the purposes of this proposal, do note that commercial fishing may be allowed by a local government unit (LGU) to operate within the 10.1 km to 15 km municipal waters as long as the following minimum requisites are met:

- 10.1km to 15 km has been clearly delineated
- the depth of the waters starting from 10.1 km should be more than 7 fathoms (this is to avoid the destruction of critical marine habitats such coral reef and seas grass beds)
- there is concurrence by Municipal Fisheries and Aquatic Resource Management Council² (MFARMC) , and
- commercial fishing vessel/s to be permitted have not been involved in any violation of the law duly certified by the Bureau of Fisheries.
- A municipal ordinance is enacted pursuant to such objective

1.2.3. Amendments to Fisheries Code of 1998

It should be noted that there has been recent amendments to the Philippine Fisheries Code of 1998, or Republic Act (RA) 8550 of 1998. The new law is called Republic Act **(RA) 10654 of 2016**, an act amending specific provisions to effectively address Illegal, Unreported, and Unregulated Fishing (IUUF).

¹ There is a legal and technical definition of municipal waters in the law, but for the purposes of this proposal bias was given to describe the marine fisheries part of the municipal waters. This provision is pursuant to Section 7, of Article 13 On Social Justice, of the Philippine Constitution.

²MFARMC is a policy recommendatory body composed mainly of fisherfolks organizations' representatives.

Background: In 2014, the European Union has imposed a yellow card as a warning against the Philippines to be listed in non-cooperation third countries on Illegal, Unreported, Unregulated Fishing (IUUF). Once included in the list countries will be banned from trading fisheries products with the EU. Countries can be removed from the list once they have proven that concrete measures have been taken to improve the situation³. This yellow card has put a threat to the continuous access of Philippine fisheries products to the European market, which currently absorbs 40 percent of the country's tuna product exports.

The yellow card prompted the Philippine government to amend its Fisheries Code in 2015 and is finally approved in 2016.

The amendments can be said to add more legal provisions to deter commercial fishing from committing IUUF *by imposing stricter rules and higher penalties* in violation of the law, including the rules of Regional Fisheries Management Organizations where Philippines is a signatory like the West-Central Pacific Fisheries Commission.

In this new RA 10654, satellite-based *vessel monitoring system (VMS)* is required for medium and large scale commercial fishing. *VMS can be used to track* if fishing boats are entering areas they are not supposed to have access, like in municipal waters, fishery reserved area, fishing inside an area during closed season. VMS can serve as an instrument for curbing *de facto open-access fisheries*⁴ a situation where the powerful like the commercial fishing groups violate every known fishery law and does not incur any accountability for transgressions committed.

The newly passed Amendment of the Fisheries Code (RA 10654) *is expected to make major changes in the current dynamics of fisheries law enforcement and management* in the country, but up to what depth and breadth remains to be seen.

1.2.4. Comprehensive National Fishing Industry Development Plan (CNFIDP) from 2016 to 2020

To complement the amendment of the Fisheries Code, the Bureau of Fisheries and Aquatic Resources (DA-BFAR) has updated in 2016 its strategic plan to develop the fishing industry. For purpose of this proposal, it will focus only on certain relevant aspects of the Plan: One percent (1%) annual growth is targeted for municipal fisheries, while 5% annual growth is targeted for commercial capture fisheries in new fishing ground, or conditioned on positive results of management interventions like closed season in fishing. To meet this 5% growth for commercial fishing, two of the main strategies are to explore new and underexploited fishing grounds e.g. the West Philippine Sea and Benham Rise, including *to work for the passage of ordinances for the implementation of 10.1 to 15 km access by small and medium scale commercial fishing, subject to existing laws.*

Given this plan, it is expected that government will encourage and support the opening up of the 10.1 km in selected areas or municipalities to commercial fishing. Government

³Blomeyer&Sanz - Mike Beke, Roland Blomeyer. 2014. Study on Illegal, Unreported, Unregulated (IUU) Fishing: Sanctions in the EU.

will allocate fund and make effort toward this direction. The Department of Agriculture and Bureau of Fisheries are encouraging the fisherfolks to organized cooperatives as the department will support and grant bigger boats and appropriate gears to explore new and under-exploited fishing grounds, including the re/opening of some 10.1 to 15 km municipal waters.

1.3. Problem Analysis

1.3.1. De Facto Open-Access Fisheries

De facto open-access fisheries is in practice a survival-of-the-fittest, or winner-take-all situation in fisheries where those who have the control of technology, capital, and political influence get all the resources they want anytime, anywhere, and with whatever means they want *with impunity, in spite of existing laws*.

Sadly, *de facto* open-access fisheries still prevails in many municipal waters in the Philippines in spite of *the preferential rights* given to municipal fishers: One example is the encroachment of commercial fishing in municipal waters despite of regulations imposing the contrary. Here are some reasons why violations continue to happen: difficulty for authorities to monitor encroachment due to high transaction cost of enforcement, violators can easily pay the relatively low fines and penalties, enforcement officers are being bribed to skirt prosecution, and commercial fishing are protected by some politicians who have vested interest. Some politicians relatives and cronies have on other fishery privileges. On the other hand, many fisherfolks organizations are not yet well informed, or are not empowered in claiming and advancing their preferential rights over the resources in the municipal waters.

1.3.1.1. Lack of Access and Control on the Means of Production in Fisheries

There are instances that even if preferential use rights are already enjoyed by municipal fisherfolks they still fail to translate it to increased economic benefits for themselves. One of the reasons of not being able to achieve higher economic returns is because of the fragmented character of municipal production system. Here is a number of limitations that get in the way of that keep the fishers production system fragmented:

First, municipal fishers do not have access and control on the means of production to harvest fish in an efficient manner. Even if commercial fishing operations have already been effectively outlawed in some municipal waters, fisherfolks have not significantly translated their fishery management efforts into increased harvest. One case in point is the municipality of Mulanay in Tayabas Bay where all nine (9) units of commercial fishing have been prohibited since 2004. With lesser fishing effort and competition from commercial fishing it would be expected that municipal fisherfolks would have increased their production. However it is not the case now, increased production is not being felt by municipal fisherfolks even after more than a decade of closure to commercial fishing!

Why?

The answer has something to do with the *kind of fisheries the municipal waters has and the technology of fishing being used by municipal fisherfolks*, including the bathymetry⁵ and topography of a municipal waters, particularly when the target species are pelagics which often move in schools in deep waters and are highly migratory. The technology the Mulanay fisherfolks are using are not really catching the small pelagics that abound in farther and deeper parts of their municipal waters, which are still caught by commercial fishing operating outside municipal waters. Municipal fishing in Mulanay catches an average of 2 to 5 kilograms of small pelagic per fishing trip, using hook-and-line and fishnets as gears, with 16 horsepower boat, operated by 1 to 3 persons. Meanwhile a small scale commercial fishing has an average catch between 1 to 3 metric tons per trip, with a crew size of 10 to 20 persons. *Comparably, the fish catch of one small commercial fishing is almost equivalent to the catch of 200 to 400 individual municipal fishing boats.*

There is usually an economy of scale needed in fish harvesting, processing, and trading in order to be more efficient and viable. One needs volume if one wants to deliver surplus fish supply to a market center that is 50 to 100 kilometers away to cover costs. It would entail high transaction cost that will affect economic feasibility for a fishers organization to consolidate the catch of 200 fishers.

Even if the municipal fisherfolks want to catch the pelagic fishes abounding in the deeper parts of their municipal waters, they *do not have access to capital and advanced technology – the "means of production"⁶ to harvest fish efficiently.*

To take the point further, in the **3-month closed season** of sardine-fishing in Zamboanga Peninsula, the most gainer when fish harvesting was re-opened were the commercial fishing outfits. Why? Because, they have the technology to efficiently catch the target fish species. It is difficult for municipal fisherfolks to raise capital collectively to own and operate even one commercial scale fishing, even if some municipal fishers have the skills to operate commercial fishing.

Commercial fishing is not inherently bad, it is only a tool-- as it largely contributes to the protein needs and food supply of the population and the fishing industry. *It only becomes bad when fish harvesting exceeds the limit of sustainable harvest, too many fleets competing for limited fish stocks, breaks established fishery management regulations, and the benefits accrue only to a few.*

Commercial fishing *can be sustainable* if its number and fish harvest can be controlled within the sustainable limits; and if a system can be installed to ensure high probability that violators will be caught and prosecuted. With the advent of deterring high penalties for doing IUUF and heightened law enforcement of Bureau of Fisheries, commercial fishers will think many times before violating the law. They can also be required to install vessel monitoring system to raise the reliability of being caught and punished when transgression happens.

Commercial fishing *can be used as an instrument to bring about equity* to translate preferential rights of municipal fishers over municipal waters into more economic benefits for them. *Given a little push from government and stakeholders, municipal fisherfolks can be capacitated collectively to own and operate commercial fishing venture within the 10.1 km of municipal waters and beyond. This strategy can be an effective asset reform in the fishing industry.*

⁵The measurement of depth of water in oceans, seas, or lakes

⁶ Means of production includes two broad categories of objects: *instrument of labor* such as equipment, tools, and the *subject of labor* such as raw materials and natural resources like fish and other marine organisms.

1.3.2. Increased uncertainty due to poverty, increased exposure to climate change impact, and limited income sources of fisherfolks households .

The project that precedes this newly proposed one targeted to diversify sources of supplemental livelihoods by organized fisherfolks women to partly address the problems listed in the heading. And true to its intention, several supplemental livelihoods were established and lead by women. But, there is still the unfinished business of sustaining these supplemental livelihoods into the scale of enterprise. Often fisherfolks organizations, undervalue or do not put value on their labor inputs in making their products. One case in point is MAFILP, one of the partner organizations in Tanon Strait area that has been operating a mangrove nursery for several years now. Despite its many loyal clients, the enterprise is barely surviving due to underpricing of mangrove seedlings and lack of skills in negotiating with buyers. The food catering business of MAFILP also does not have business, pricing and marketing plan. The MAFILP case is not an isolated case, this is common to partner fisherfolks organizations. Fisherfolks organizations still need to be capacitated in terms of business planning, pricing, negotiations, and marketing. Other partner fishers organizations have to broaden market linkages and their networks for better sustainability. This is because *continuous product development, logistics, promotional expenses, and the cost of establishing connection to market channels in trading centers* are limiting factors for *nascent fisherfolks groups which are still building up their business management capacity*.

These gaps may be bridged by further building the capacity for the internal organizational consolidation and provide marketing services to promote, link to market channels, and deliver the products to the target consumers.

1.4. Contribution of the intervention towards strengthening civil society, compliance of rights, equal access to resources, participation towards lasting improvements for poor, marginalised and vulnerable target groups.

1.4.1. The expected contribution of the intervention is to capacitate organized fisherfolks and their networks to engage duty-bearers to support *preferential use* claims and benefits over the fisheries and coastal resources in their respective municipal waters.

Generally, partner fishers organizations will be capacitated to claim preferential rights on fishery privileges such as: erecting fish corrals, fish traps, installation of fish aggregating devices, and fry gathering activities in demarcated areas. Other claim on preferential rights can be tied to management responsibilities like the right on shell gleaning privileges in mangrove areas while protecting mangrove forests; establishment of mangrove nursery and aqua-silvi-culture while protecting and rehabilitating mangroveforest; operating ecotourism activities while guarding fish sanctuaries and marine protected areas.

One particular showcase the project is aiming here is the facilitation of the acquisition, operation, and ownership of a commercial fishing venture within the 10.1 to 15 kilometers municipal waters of Mulanay, Quezon, by the organized fisherfolks

themselves, in order that more economic benefits can accrue to them. But, it does not stop there, it may trigger multiplier effect on the local economy: Once the volume of catch increased at a certain level, fish trading and processing will also be encouraged to thrive. Ancillary economic activities like ice plants, fuel stations, food stations, transportation, and hauling services may start to flourish. If successful, this can be replicated by the government and other civil society organizations in other municipalities with similar conditions.

The second objective of this proposed intervention is to facilitate the consolidation of 10 fisherfolk organizations of women and men to scale up livelihoods and resource management activities into the level of enterprise and established broader market linkages and networks. Discussions will be further detailed in the following sections, particularly in the sub-sections under 6. Strategies and Expected Results of the Intervention.

2. Partnership

2.1. The experiences, capacities and resources of participant partners (including the Danish organisation) and of other actors, if any, in relation to the intervention's subject matter and context.

2.1.1. The Danish Organization

Experience of working in the particular field addressed by this project proposal

PUGAD's experience and capacity within the field of small-scale fisheries builds on over 10 years of engagement. In 2007, PUGAD co-founded 'fiskerifagligt netværk,' a network of Danish organizations working with small-scale fisheries. As a key partner of this network, PUGAD has implemented several conferences, and workshops, meetings and field trips on small-scale fisheries. It has also taken part in international conferences and workshops on fisheries in Brussels, Bangkok and South Africa. PUGAD's experience of cooperation with the local partner Tambuyog Development Center has been ongoing in 3 phases in the present project. PUGAD has also experience in development work in fisheries with other NGOs in the Philippines. There is a consistency between the field of activity in Denmark and the work carried out in the projects applied for PUGAD, and on many occasions in Denmark and globally it informs people in Denmark and abroad about its projects in the Philippines. Besides phase 1, 2 and 3 of this Municipal Fisherfolk Registration and Licensing Project, and this phase 2 - 12-1188-MP-sep, CISU has founded other projects for cooperation and capacitance building about this issue

The network on its own has a long history and a long range of activities as study tours, network building (in Brussels, with different European NGOs, conference at Christiansborg, advocacy about the EU fisheries reform, with Transnational Institute in Amsterdam, Netherlands, with the two world leading organizations about small scale fishers: World Forum of Fisher People and World Small Scale Fisheries where we participated in the congresses and have regular cooperation, with the UN's FAO and many others). The FFN has been turned into FFM (Forum for Madsuverenitet) for the last two years and is now 7 NGOs (PUGAD, Levende Hav, Afrika Kontakt, Mellemerika Komiteen, NOAH, Permakultur and FrieBønder & Frit

land) and mainly we focus at sea- and landgrabbing and the rights for people to defend their right for food souveringhty.

Particularly relevant to this project, PUGAD has gained valuable understanding of inshore and coastal fisheries as it actively worked with the FFN/FFM. Through the years, FFN, along with PUGAD, has advanced the discussion and understanding of fisheries issues, mainly by organizing training seminars and conferences on the importance of inshore fishing to food security and the development of coastal communities in the African, Caribbean and Pacific (ACP) countries; the issues in commercial fisheries treaties involving the EU; fisheries management in inshore fisheries; and reforming the European Common Fisheries Policy of the European Commission. PUGAD also facilitated a study tour to South Africa to learn from AK and their partner's experiences in capacity building for civil society's organisations. The past has strengthened the knowledge and competencies of the organisation within: 1) methods and importance of supporting capacity building of the civil society in the coastal fisheries; 2) knowledge on international issues such as fishing trade between EU and ACP countries which means that our partners in the South can better carry out lobbying and advocacy to their decision makers as well as the international level; and 3) strengthening the network between South and North organisations as well as the South-South level.

In recent years, PUGAD has implemented several small projects funded by Danish Trade Unions and via its own fund-raising activities. Cooperative organizing, education and training with the local fisherfolk, including the women, in the island of Samar. PUGAD supported the small scale fisher cooperative in Samal, Bataan. Aside from the above, PUGAD supported an anthurium project for working students in Malaybalay in Mindanao. A cobra project for small scale landless peasants in Surigao del Norte and for the last 6 years with Voluntary Paroles Association in Bukidnon about ex convicts..

2.1.2. The Partner in Developing Country

Tambuyog is one of the pioneering and leading non-government organizations working on sustainable fisheries and community-based coastal resource management in the Philippines. It started out in 1984 doing research and organizing in coastal communities in Lingayen Gulf in Northern Luzon. Tambuyog initiated knowledge management and advocacy base in the fisheries sector through the establishment of the Community-Based Coastal Resource Management (CBCRM) School, a capability-building program that aims to develop resource managers from the ranks of municipal fishers nationwide.

Tambuyog expanded its expertise to include fisheries trade issues since 2002. It conducted the Sustainable Fisheries and Trade Campaign Project which was aimed at influencing fisheries trade policies in the World Trade Organization (WTO) and other international trade negotiations. For 12 years Tambuyog has been the Regional Coordinator and Secretariat of Southeast Asian Fish for Justice Network (SEAFish-J), a regional alliance of 14 NGOs and 2 national fisherfolks federations from 7 countries. The network proffers its perspective and platform on fisheries and coastal concerns in the region at the global arena.

Tambuyog continues to mark its name in instituting fisheries policy reforms including in the recent policy amendments of the Philippine Fisheries Code, otherwise known as Republic Act (RA) 10654, through its strategic representation and participation in institutionalized mechanisms and platforms for participatory fisheries governance such as in the Philippine Council on Agriculture and Fisheries (PCAF) and National Fisheries and Aquatic Resources Management Council (NFARMC).

In the last five years, Tambuyog has managed to sustain and consolidate its efforts in integrating fishery resource governance and community enterprise development to increase bargaining power and reduce poverty among small fishers capacity development and implementation of primary and secondary livelihoods with organized fisherfolks in its demonstration sites and showcase fisheries areas. The preferential use rights of small fisherfolks and mainstreaming of gender and development is consistently being pursued through campaign on municipal fisheries registration, technical assistance in the establishment of community fish landing centers (CFLC) and engagements with local government units and co-management bodies at all levels

2.2. How the intervention applied for will develop relations between the partners. The partnership's experiences and track record of creating outputs and outcomes of relevance to civil society. Experiences of carrying out advocacy.

PUGAD representatives have met Tambuyog during the FAO Conference for Small-Scale Fishers in Bangkok in 2008. In September 2009, PUGAD and Tambuyog cooperated in the conduct of the *Conference on Small-Scale Fisheries in Copenhagen*, where rights-based solutions to the global fisheries crises were put forward. PUGAD also participated in this conference together with the Network for Small-Scale Fisheries in developing countries, Africa Contact and the Living Sea. It should be noted that PUGAD has been active in this Network and has participated in cooperation work in the last six years, involving a study trip to South Africa to work with Masifundise and the Coastal Links, two South African fisheries organizations. It was during the above conference that PUGAD discussed a possible cooperation with Tambuyog on the issues of small fishers in the Philippines. At the COP 15 in Copenhagen, Tambuyog also participated and the Network organized a side conference in accordance with the alternative summit where Tambuyog, PUGAD and Africa Contact participated. The agenda was primarily about climate change and its impacts on Southeast Asian nations. Tambuyog also participated and presented its agenda and experience in a workshop and conference about Common Fisheries Policy of EU including the UN-FAO VGSSF⁷ organized by Africa Contact in cooperation with PUGAD in March 2012.

In connection with CISU supported projects, the cooperation between PUGAD and Tambuyog has already carried through three projects spanning a total of 6 years: The first phase was the development of an improved system of registration of municipal fishers, with one and a half years duration, from July 2011 to December 2012. The second phase, which has a two-year duration ended in December 2014, was the promotion with fisherfolks and LGUs to implement an enhanced fisherfolks registration and linked in the formulation of the Municipal Fisheries Development Plan. The third project built on the gains of the previous projects to pursue capacity building of women's fishers groups to develop diversified livelihoods to have supplemental sources of income and establish post-harvest facilities to improve their production system. Through consultation and workshops management policy, action and strategies recommendations were formulated to serve as management framework at the fishing ground level for adoption and operationalization by LGUs for their respective municipal waters.

⁷ UN-FAO VGSSF- United Nations Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries

Through the three (3) projects supported by CISU for 6 years, PUGAD and Tambuyog were able to *influenced the mainstreaming of* Municipal Fisherfolks Registration and Community Fish Landing Centres into nation-wide programs of the Bureau of Fisheries.

The 4th project being newly proposed here will *further push the claim of municipal fisherfolks of their preferential rights on municipal waters*, to realize economic benefits for vulnerable and marginalized fishers, with focus, but not limited to venturing in commercial fishing within the 10.1 to 15 kilometres of the municipal waters.

This thrust is consistent with Section 5 of the Food and Agriculture Organization (FAO) Voluntary Guidelines for Securing Sustainable Small Scale Fisheries Guidelines for Securing Sustainable Small Scale Fisheries (VGSSF), which is *all about governance of tenure in small scale fisheries and resource management*.

2.3. How the intervention applied for will contribute to the partners mobilising, building relations, and cooperating with other actors, both in the developing country and in Denmark.

Pursuing the implementation the Voluntary Guidelines for Securing Sustainable Small Scale Fisheries has been one of the main agenda of the PUGAD, together with its networks Danish Society for a Living Sea, Masifundise, World Forum of Fish Harvesters and Fishworkers (WFF), in order to alleviate poverty and secure sea food for billions of population. The proposed project is in synergy with efforts to realise VGSSF in all parts of the globe where there are marginalized fishers. The project long term impact will contribute to the reform on asset and shift of access of small scale fishers to the means of production in fisheries, including their meaningful participation in governance in fisheries and resource management.

The project is linked with and pursuant to European Union's common policy on Illegal, Unreported, Unregulated (IUU) Fishing which extend to third countries and countries where EU has fish trade relations. The use of vessel monitoring system to track fishing boats is actually a technological tool started in EU to make fishers more compliant and accountable to the management rules of common fisheries. Such technology's effectiveness and reliability in monitoring compliance to fishing regulations will be tried out in this project. PUGAD can provide support and expertise in the Monitoring Control and Surveillance (MCS) particularly the use of vessel monitoring system and fish catch monitoring tools, through the links of its networks in Denmark and Europe.

Through its links with the Danish Society for Living Sea, PUGAD may also bring in the expertise on the compliance of the operation of the commercial fishing venture to the Marine Stewardship Council (MSC) standards.

2.4. The contributions, roles and responsibilities of partners in the project implementation

Danish organization

PUGAD will coordinate regularly with Tambuyog in project planning, monitoring and evaluation. PUGAD will help in the sourcing or outsourcing of technology of vessel monitoring system and the training for its usage.

PUGAD will provide orientation and training for the compliance to the MSC⁸ and European market standards for possible market linkages for small pelagic and tuna –like commodities, through its link with the Living Sea, or other civil society groups working on it.

Local organization

Tambuyog will be responsible for the conduct of all project activities, which are activities in capacity building, advocacy, and organizing. It will also ensure effective and efficient project monitoring, assessment, evaluation, and documentation major activities and milestones.

Project Set-Up

Under the guidance of Tambuyog Executive Director, a Project Committee will be formed, which will be composed of the following project-based personnel:

- One (1) Project Coordinator;
- One (1) Enterprise Development Officer
- Two (2) Community Organizers
- One (1) Consultant for Commercial Fishing Operations on a per job or retainer basis

The Executive Directors heads the Project Committee anchored on the strategic objectives of Tambuyog.

The Project Coordinator leads the day-to-day management of the project and is primarily responsible for ensuring efficient and effective accomplishments of project targets. In addition, He/she will be responsible for advocacy work with the regional government agencies and exercise supervision over the area personnel in charge of coordination with LGUs from barangay to provincial levels. He/she will be supervised by the Tambuyog Executive Director.

One (1) Enterprise Development Specialist will be hired to lead in the organizational assessment, business planning, coordinate the program for the main capacity building activities for organizational consolidation, facilitates product-market matching and market linkages for the products and services of existing fisherfolks organizations.

There will be two (2) Community Organizers in the area. He/she will be directly responsible for the community organizing, mobilizations, area based data gathering, mentoring of fisherfolk leaders and members, assist in advocacy to LGUs and line agencies in the area, and assist in the conduct of area-level trainings.

A (1) Consultant for Commercial Fishing Operations will be hired on a per job/ output basis to help in the formulation of business plan and securing documents for fishing

⁸Marine Stewardship Council.

operations. The Consultant will also received monthly retainer, beginning in the 8th month of the project duration, to advise on the business aspect and set-up and implementation of commercial fishing operational system.

In addition to the above project-based staff, the services of a bookkeeper will be needed to assist the Tambuyog Finance Unit in the recording of the project financial transactions.

The services of resource persons with varied field of expertise will be acquired on a per training/ activity basis. A documentor will be also hired on per training basis. Budget for resource persons and documentoris incorporated in the cost of each training.

2.5. Monitoring and evaluation in project implementation

Annual planning will be conducted at the start of every year in the two and a half years project implementation. Project monitoring will be done through monthly staff reporting and meetings. The staff reports will be validated during area visits by the Project Coordinator. PUGAD will conduct monitoring activities on a semestral basis and will send personnel on an activity-basis like the conduct of capacity building on MSC for the commercial fishin operations and assessment on compliance.

Project assessments will be conducted quarterly followed by plan adjustments, if necessary. Thus the monthly monitoring and quarterly assessments are crucial in determining the area situation or the status of the project implementation which would warrant any adjustment in the project. Any recommended change in project strategy or activities will be recommended by the Project Coordinator to the Tambuyog Executive Director. Any final decision on the change will be made only after it is agreed upon with PUGAD.

The project staff will collect data on the indicators by securing copies of primary documents such as profiles of training participants, attendance sheets of an activity and the activity reports of the staff, including any supplementary photos of the activity. Other raw documents of any activities can also help.

However, reports on qualitative indicators regarding the target group can be further validated by actual consultations with the fishers themselves or by observing any positive changes in attitude or behavior.

Project evaluation is planned at the last quarter of this two-and-a-half years project term, for which an external evaluator will be hired. Financial auditing will also be conducted by an external auditor that is acceptable to both Tambuyog and PUGAD.

3. Target groups

Targets for Commercial Fishing Venture

For the commercial fishing venture, the primary target beneficiaries are 3 functional fishers associations with a total 105 members located in the Municipality of Mulanay. They are primary because the commercial fishing venture is targeted to operate within the municipal waters of Mulanay. These associations are currently managing their respective livelihood and enterprise projects. The commercial fishing project is seen to complement their current and planned livelihood projects. Members of these 3 organizations will be mainly targeted to be members of the Fishers Cooperative to be established:

1. **SNMPP** Association in Barangay Poblacion 4 - with 38 men and women members, currently operating fish rolls and surimi production and marketing, with a post-harvest facility. Fish catch from commercial fishing can serve to supply its fish processing facility.
 2. **SMMIY** Association in Barangay Yuni - with 34 men and women members, implementing rice retailing. Implementing a roll-over scheme of loan for fishing boat engines granted by LGU. Will soon implement a fish aggregating device project grant by Department of Agriculture. Fish aggregating devices are used by commercial fishing to attract schools of fish.
 3. **KALIPI** Association in Barangay Patabog, - with 33 women-fishers members, will resume incubation of soap-making and marketing. Plan to continue to explore fish-based livelihood project.
- Other individuals from the 1,453 registered fisher men and women in the municipality of Mulanay which are not yet a member of the 3 associations can be a member of to-be-established fishers cooperative to manage and own the proposed commercial fishing project.

Also targeted as primary beneficiaries are 4 fisherfolks associations, with a total membership of 95 individuals, which are based in Municipalities of Agdangan and Unisan. These 4 associations are to benefit from the increased volume of fish catch by the commercial fishing venture *which is expected to provide fish supply* to their current and planned livelihood projects. Members of these associations will also be invited to be members of the Fishers Cooperative to formed for the duration of the proposed project:

1. **SFAB in** Barangay Binagbag in Agdangan municipality -with 24 members, currently operating smoked fish, fish paste, and fish sauce production and marketing, with post-harvest facility
 2. **BMS** in Barangay Sildora in Agdangan municipality- with 33 members, currently implementing of fishrolls production and marketing, with post-harvest facility. It is also implementing a savings & credit program and a boat- rental project.
 3. **BEAUWENS** in Barangay Punta in Unisan municipality – with 23 women members, currently implementing ginger tea production and Korean Nature Farming demo site. Will resume incubation of ready-to-cook fish embutido.
 4. **3SBK**in Poblacion, Agdangan - with 15 women members, operated an eatery near 2 schools funded by the Department of Social Welfare. It also incubated fish drying, but lack regular and affordable fish supply that limited their production. The association can get their fish supply from the commercial fishing venture in Mulanay.
- The Fishers Association which will manage the Community Fish Landing Center in

Barangay Patabog in Mulanay, constructed through the BFAR and NAPC project – expected to be organized in 2018, targeting at least 25 members at the start.

Do note that as the project will implement the labor standards for fish workers on board commercial fishing vessels based on Department Administrative Order 156-16, it is intended that the lessons to be learned on economic viability in complying to this order will benefit fifty six thousand (56,000) fish workers⁹ on board commercial fishing vessels operating nation-wide.

Secondary Target Groups for Advocacy

1. Municipal Local Government Unit (MLGU): Local govern units are mandated to manage municipal waters, in accordance to national laws and local ordinances enacted at the local level. The project targets the MLGU of Mulanay for advocacy. Its Legislative Council earlier opened public discussion of allowing non-resident commercial fishing in its municipal waters, because it wanted to effect the lowering of fish prices in the locality by increasing the volume of fish landings. However, leaders of fishers and Tambuyog were able to assert with the LGU that the beneficiaries should be primarily the local municipal fishers themselves, and vessel monitoring technology should be applied in order to ensure that sustainability of the fisheries is still the main objective if the commercial fishing is to be allowed again in their jurisdiction.
2. Bureau of Fisheries and Aquatic Resources (BFAR) is national government agency mandated to implement fisheries and aquaculture area management, enforce fisheries laws, and assist in the development of capture fishing and aquaculture sectors. Certifies post-harvest facilities to sanitary standards and provide tools and training for fish catch documentation. Also responsible in the capacity building of Municipal Local Government Units to effectively provide services to its constituency and manage the municipal waters.
3. Department of Labor and Employment (DOLE) – Issued Department Administrative Order (DAO) 156-16 about the rules and regulations governing the working and living conditions of fishworkers on board commercial fishing vessels engaged in commercial fishing operation. DAO 156-16 does not however distinguish between large, medium, and small scale commercial fishing vessels in its regulatory provisions.
4. Philippine Council for Agriculture and Fisheries (PCAF) - national level mechanism, or recommendatory body for intergovernmental agencies, private sector, and civil society dialogue concerning agriculture and fisheries modernization. Monitors implementation of existing programs and policy. Influential in creating new policy and programs, endorsement of budget for agri and fisheries modernization and rural development. Endorsing resolutions regarding policy issues concerning agri and fisheries modernization such as use of VMS, imposition of labor standards, implementation, catch documentation, determination of municipal waters suitable for access of commercial fishing.
5. National Fisheries and Aquatic Resources Management Council (NFARMC) -

⁹ *This is the data available in the CNFIDP 2005 of Fishing Industry Development Plan. No clear breakdown how many are crew of small scale fishing vessels. There is no updated data available as many fishworkers are informally employed particularly in small and medium scale commercial fishing vessels.*

participatory governance body to assist in the formulation of national policies for the protection, sustainable development and management of fisheries and aquatic resources .

6. Commercial Fishing Groups – These organizations argue that they will go out of business if DAO 156-16 is to be enforced specifically to commercial fishing vessels, due to the unpredictability of income from fishing operations. The DAO does not distinguished between large, medium, and small scale commercial fishing in the application of its legal provisions. They wanted to have status quo and just follow the existing system -- which is practically very informal, and skirts the accountability and liability of operators and financiers over the safety, health, and fair compensation of fishworkers. These groups also resist catch documentation prescribed in the amended fisheries code of 2016.

The proposed commercial fishing venture provide empirical evidence on the viability of small scale fishing compliance to labor standards as outlined in DAO 156-16 and catch documentation requirements.

7. National Mapping and Resource Information Authority (NAMRIA) – The agency mandated to delineate and map-out municipal waters.
8. Department of Science and Technology (DOST) – This agency has provided more than a million worth of equipment and fixtures for the post-harvest facilities established by the Phase 3 project for Tayabs Bay area only. It currently assists the associations in terms of product development.
9. Department of Trade and Industry (DTI) – This agency can help the fishers associations by providing opportunities for product promotion and linking with potential local markets.

a. How the target groups have been involved in preparations and will exert influence on the implementation of the intervention

The following processes were the bases for the proposed project:

- Representatives of Tambuyog and PUGAD met November 3-4, 2016 to assess what were already achieved in Phase 3 and what lessons can be culled from the on-going implementation, including forecasting and scoping of what could be the logical continuity or scaling up of development interventions.
- The results of the assessment and forecasting were consulted in 2 separate occasions on December 4 and 13, to representatives of fisherfolks organizations (FOs) and LGUs in Tayabas Bay and Tanon Strait. The combined results of the project implementers and stakeholders assessments served as inputs for the initial design of this proposed project drafted on April 2017.
- Evaluation of 3 projects with CISU from 2011 to June 2017 was conducted from July to August 2017, participated by fishers project beneficiaries and local government units personnel. The main objectives of draft 4th project proposal were consulted during the focus group discussions.
- The results of evaluation are incorporated in the final proposal.

4. Strategy and expected results of the intervention

- a. **The development long-term objective is to empower municipal fisherfolks sector in contributing towards increased benefits from scaled up diversified livelihoods and enterprises, and improved fisheries resource management of the common fishing grounds of Tayabas Bay.**

The Immediate Objectives including OVI and Means of Verification

Immediate Objectives	Objectively Verifiable Indicators (OVI) of Achievement	Sources and Means of Verification
1. To capacitate an organized fisherfolks cooperative and its networks to <i>advocate and engage duty-bearers to support their preferential rights claims over resources in municipal waters, have access and control to the advanced means of production in fisheries,</i> comply with fishing operation standards and be included in their plans and budget support.	<ul style="list-style-type: none"> • At least 5 partner Fishers Organizations (FOs) secured tenure instruments and management rights particularly on: fish sanctuaries, mangrove forest areas, post-harvest facilities, and settlement area for the sustainable use, protection, & benefit of the community. <p>For Tayabas Bay</p> <p>Effect on Cooperative aspect</p> <ul style="list-style-type: none"> - Functional organizational, operational, and financial system - Fishing venture generated around P4.1 M net income for its 2-year operation, breakdown as follows : P1.6M profit 	<p>Comparison of data of tenure rights between September 2017 & June 2020</p> <p>Revenue-generated in actual operation is at par with projected revenue in feasibility study. VMS fishing</p>

	<p>sharing income for boat captain & 10 crews (1st & 2nd year); at least P1.5 million of dividends for cooperative members (1st & 2nd year); plus P2.2 M reserved fund at the end of the project for continuous operations and capacity building¹⁰.</p> <p>Effect on Socio-economic aspect for 2 years of operation¹¹</p> <ul style="list-style-type: none"> - As a result of increased volume of fish landed in the municipality, there is increased economic activities like fish vending/ trading and processing , including increased revenue of LGU from fish unloading: - At least PhP 480,000 revenue from fish unloading for 2 years - Generated potential 60 additional jobs as fish vendors, with P48,000 each average annual income. - At least P 374,000 in 2 years additional income for post harvest facilities with 30 production workers <p>Effect on Advocacy aspect : BFAR adopted the following: a) Joint-Venture or build-operate-capacitate-transfer arrangement on commercial fishing to be managed and owned by municipal fishers in other suitable municipal waters, in partnership with Tambuyog, other local governments and peoples organizations; b) developed standard checklist of requirements for the operations of small scale commercial fishing vessels, c) policy recommendations based on the lessons about the viability of the compliance to labor standards for fish-workers on board fishing vessels based on DAO156-16 , d) including catch documentation system at the municipal level.</p>	<p>data record.</p> <p>Records of volume of unloaded fish and payment receipts, of financial records of post-harvest facilities</p> <p>Annual Plan & Budget of BFAR for the Joint-Venture arrangement. Guidelines documents of BFAR on: standard checklist of requirements, catch documentation system. Guidelines of DOLE on labor standards for small commercials</p>
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¹⁰ Please check attached excel file: Income-Cash-flow-projection-AAA

¹¹ Please check attached ms word file: Concomitant-Results-AAA

<p>2. Facilitated the consolidation of 7 fisherfolks organizations of women and men to scale up livelihoods <i>into the level of enterprise and established broader market linkages and networks</i> (between and among POs, LGUs, other CSOs, and private sector).</p>	<p>Enterprises to scale up: fish rolls, smoked fish, ginger tea.</p> <ul style="list-style-type: none"> • Increased regularity of production & marketing activities as a result of increased available raw fish supply for processed products • Realized value-addition of products compared to August 2017 levels¹² • Expanded institutional buyers¹³ 	<p>Comparison of baseline data on the reach of services, and financial status of each fishers association June 2017 and June 2020</p>
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Outputs and Activities

Regarding objectives	Expected outputs	Activities
<p>In pursuit of objective 1</p>	<p>1.1. Fisherfolks organizations and their networks claimed preferential access to various resources in municipal waters.</p>	<p>1.1.1. Review/ Validation of advocacy agenda 1.1.2. Operational planning of advocacy agenda of fisherfolks organizations and their networks 1.1.3. Implementation of advocacy plan 1.1.4. Mentoring and monitoring</p>
	<p>1.2. Memorandum of Agreement among fisherfolks organizations, MFARMC, LGU, BFAR, Tambuyog on the roles and responsibilities and contributions in the operations of commercial fishing in the 10.1 km municipal waters</p>	<p>1.2.1. Learning exchange visit with JF Zengyoren, National Federation of Cooperatives in Japan¹⁴ 1.2.2. Feasibility Study (FS)¹⁵ and Workshop on Business Plan (BP) for Commercial Fishing in municipal waters. 1.2.3. Presentation and validation of FS & Business Plan to fisherfolks, LGU, & BFAR and agreement on roles of each stakeholders</p>
	<p>1.3. Adoption of ordinance with delineated coordinates of the 10.1 km for the operations of Commercial Fishing in municipal waters incorporating additional provision on the use of vessel monitoring system</p>	<p>1.3.1. Delineation of 10.1 km of municipal waters of Mulanay 1.3.2. Consultations with fisherfolks and stakeholders on ordinance 1.3.3. Validation and endorsement of municipal ordinance to Legislative Council/ Sangguniang Bayan 1.3.4. Monitoring enactment process of ordinance</p>

¹² Please check attached file : Scaling up of Livelihoods-Enterprise-AAA

¹³ These are restaurants, grocery stores, malls, hotels, individuals with formal contracts or purchase orders with the fishers associations. Do not confuse with industrial or commercial definition.

¹⁴ This group was previously worked with Tambuyog on the issues of Fisheries Trade policies and engaged WTO during the Hongkong Ministerial Meeting. The group's experiences would be perfect model for us to follow in implementing this next phase on Community Based Fisheries management and Cooperative- led fisheries production.

¹⁵: FS and Business Plan will include socio-economic, resource management, technological, organizational, and institutional aspects of operating small scale commercial fishing in 10.1km of municipal waters.

	<p>1.4. Organizing fishers cooperative, set up of Joint-Venture systems, build up capacity of a Fisherfolks Cooperative for the operations of Commercial Fishing vessel</p> <p>Joint-Venture Agreement between Tambuyog and Fishers Cooperative</p>	<p>1.4.1. Campaign /orientation with existing fisherfolks organizations and registered fisherfolks on the feasibility study and business plan for Commercial Fishing Operations, including Joint-Venture Scheme with Tambuyog</p> <p>1.4.2. Monitoring of Capital Build-up for operations</p> <p>1.4.3. PMES and General Assembly to approve Business Plan, and approval of Joint – Venture agreement between Tambuyog and Fishers Cooperative</p> <p>1.4.4. Recruitment of business manager, administrative staff, boat captain, and crew</p> <p>1.4.5. Set up of organizational systems of Joint-Venture</p> <p>1.4.6. Training on business management and sustainability of small scale commercial fishing vessel</p> <p>1.4.7. Training on MSC and European Market Standards for possible market linkages</p>
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	<p>1.5. Set up the operations of commercial fishing in municipal waters</p> <p>Developed appropriate standard checklist of operational requirements for small scale commercial, including labor standard for on board fish workers</p> <p>Developed catch documentation system at the municipal level, compatible with the system of BFAR on stock assessment</p> <p>Applied labor standard in fishing operations based on DAO 156-16, including fish handling, and catch documentation system</p> <p>Come up with policy recommendations basing on the results and lessons of the implementation/ application</p>	<p>1.5.1. Acquisition of fishing vessel & gear with legal documents, set up of satellite-based/ or radio-based monitoring system of the fishing vessel .</p> <p>1.5.2. Workshops to develop minimum standard operational requirements for small commercial fishing, labor standard for on board fish workers</p> <p>1.5.3. Trainings on basics of fish handling, catch documentation</p> <p>1.5.4. Implement commercial fishing operations, fish handling, and catch documentation at the municipal level</p> <p>1.5.5. Monitoring of Fishing Operations & Management</p> <p>1.5.6. Assessment of: a) effectiveness of the Joint-Venture, or build-operate-capacitate-transfer arrangement, as a strategy on commercial fishing venture to be managed and owned by municipal fishers, b) the appropriateness of minimum standard requirements for small scale commercial fishing, c) economic viability of small commercial fishing venture in compliance to labor standards for fish-workers on board fishing vessels as specified in DAO156-16, and d) appropriateness of catch documentation system at the municipal level.</p> <p>1.5.7. Linking with other Fisherfolks Organization/s with post-harvest activities (relate to objective 2)</p>
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	<p>1.6. Commitment by BFAR to map out, identify, and delineate municipal waters in the Philippines, suitable for small scale commercial fishing.</p> <p>Submitted and advocated to BFAR, PCAF, NFARMC, and other stakeholders the developed standard checklist of requirements for small scale commercial, catch documentation system, assessment and evaluation on the viability of the compliance to labor standards for DOLE.</p> <p>Fisher leaders articulated the gains and lessons of the commercial fishing venture, and advocated needed policy and support from the local government</p>	<p>1.6.1. Periodic assessments of the operations of the commercial fishing venture</p> <p>1.6.2. Participation of fisher leaders and Tambuyog in regional and national mechanisms of BFAR, PCAF, NFARMC, and DOLE</p> <p>1.6.3. Participation of fisher leaders local special bodies of the MLGUs of Mulanay, Agdangan, & Unisan</p>
In pursuit of objective 2	<p>2.1. Formulated capacity building plan based on organizational assessment of 42 FOs.</p>	<p>2.1.1. Organizational Diagnosis of existing Fishers Organizations (FOs) and Training Needs Analysis of leaders and members</p> <p>2.1.2. Implementation of Organizational capacity building , including leadership development plan</p>
	<p>2.2. Developed business & marketing plan.</p>	<p>2.2.1. Planning for Business & marketing</p>
	<p>2.3. Developed partnership with government agencies and private sector.</p>	<p>2.3.1. Market and business advising</p> <p>2.3.2. Consultation with target and potential partners to help in product and services marketing</p>
	<p>2.4. Developed market linkages/ expand market reach.</p>	<p>2.4.1. Implementation of business & marketing plan / market linking</p> <p>2.4.2. Mentoring, Monitoring and assessment</p>

5. How and with which methods the intervention is to be carried out so as to make it likely to lead to the objectives defined, including how the role as a catalyst has been considered. The inter-linkage and balance between capacity development, advocacy and possible strategic deliveries .

In pursuit of their preferential rights claim over municipal waters, the partner fisherfolks organizations in the fishing ground of Tayabas had formulated respective municipal level advocacy agenda which ranges from simple request of supplemental livelihoods, demanding security of tenure for the right to use and manage mangrove forests, coral reef area for fish sanctuary, secure tenure over their settlement areas, earn the right to manage a post-harvest facility, to name some.

Some of these agenda can be realized through simple lobbying for more budget to conduct regular sea-patrol, access to small capital, equipment, or capacity building for supplemental livelihoods. Meanwhile, others like security of settlement, tenure to mangrove forest, management right over an established fish sanctuary would require more focused efforts to attain.

In this proposed project fisherfolks organizations (FOs) will still be assisted to pursue those advocacy agenda as regular activities. So there will be review and validation of advocacy agenda at the municipal level.

Do note however, that special attention and intervention will be given to constituency building, cooperative organizing, claim-making, networking, and actual venture of a municipal fisherfolks cooperative to operate small scale commercial fishing in the 10.1 kilometers and beyond. This is to showcase that municipal fishers can capture the resource rent/benefits in the municipal waters. Other village-level fisherfolks organizations will be mobilized to put up still to-be-determined number of fish attracting devices (FADs) between the 10.1 km to 15 km area to draw-in school of fish for easy harvesting by the commercial fishing gear. In this manner, sharing of the benefits of fish harvest will be spread to other fisherfolks organizations. The increased fish production is expected to supply established post-harvest facilities and livelihoods of organized women involved in fish processing, vending, trading, and other ancillary industry.

The proposed objective 1 is considered as both experimental and innovative. It is experimental because it ventures into a less familiar economic activity that is traditionally perceived as rogue competitors by municipal fishers themselves, because of its flagrant encroachment inside municipal waters. Use of relatively new technologies like VMS to ensure boundaries are respected make this proposal experimental. It is innovative because it could start to significantly shift fisheries assets and benefits in the hands of a few to the hands of the many. With this strategy, the project will further push towards the transformation of municipal fisheries production system into a more integrated and egalitarian industry. Lessons from the practice will be shared with BFAR, DOLE, commercial fishing groups, and other LGUs in and outside Tayabas Bay for refinement and replication in other suitable municipal waters.

Plan for Realisation and Process:

The proposed project for objective 1 will cover 36 months, or 3 years. The first 12 months will broadly comprise institutional, community, and organizational preparatory activities, which will lay down the foundation of interaction and cooperation among the stakeholders. The 13th to 24th month period will be the actual implementation of fishing operations and continues capacity building stage where a Joint-Venture (JV) scheme will be in effect. A phase-out strategy will be implemented from 25th to the 36th month where management of the commercial fishing operations will be gradually transferred to the Fishers Cooperative from the JV.

Between the 1st and 3rd month of the project, as key capacity building for PUGAD, Tambuyog, and leaders from fisherfolks organizations, there will be a learning exchange visit in 3 sites of affiliate cooperative members of *JF Zengyoren National Federation of Cooperatives in Japan*¹⁶ to get direct knowledge of a model of good-practice on fishers

¹⁶This group was previously worked with Tambuyog on the issues of Fisheries Trade policies and engaged WTO during the Hongkong Ministerial Meeting. The group's experiences would be perfect model for us to follow in implementing this next

cooperative–led sustainable fisheries production that is horizontally and vertically integrated business structure, and the most who benefit are the members themselves other than few corporations. BFAR and LGU representatives will be invited to join this study-trip. Lessons from this learning exchange can be incorporated in the business plan for the commercial fishing operations. With the help of competent commercial fishing practitioners¹⁷ and technicians from BFAR / NSAP¹⁸, a feasibility study and business plan will be prepared *with key fisher leaders who have experienced in commercial fishing operations*. The study will include not just business aspect, but also socio-economic, resource management impact, legal, technological, organizational, and institutional aspects of the operations.

From 3rd to 4th month of the project, the next set of activities will be focused on constituency building : The feasibility study and business plan will be presented first to select fisher-leaders, MLGU of Mulanay, BFAR representatives, other duty-bearers, including service providers of vessel monitoring system (VMS) for feedback, recommendations, and commitment-making to support the project. *The activities here are already form of advocacy and engagement with said stakeholders to make them understand the purpose, process, of the project, as well as identify their interests and roles in relation to the project.* BFAR will probably support this project as one of its strategy in meeting the 5% growth of catch volume for commercial fishing is to work for the passage of ordinances for the implementation of 10.1 to 15 km access by small and medium scale commercial fishing, subject to existing laws. It would also be interested that the project will actually demonstrate the viability of applying the labor standards for fish workers on board fishing vessels as outlined in DAO 156-16¹⁹, as well as initial practice of catch documentation/ reporting at the municipal level as mandated by the newly amended fish code. LGU is interest on the increase of the volume of fish landed as it has the potential to lower fish prices, increase the opportunity for additional jobs for its constituents, and generate local revenue from increased the economic activities. Lobbying activities will be done months prior and after the presentation to seek support with the MLGU, BFAR, NAMRIA, DOST, and other stakeholders if they can provide for the cost of delineation, fish attracting devices, VMS, safety gears, fish storage chests, skipper/ fish handling/ SOLAS²⁰, related trainings, as well as a portion of the operational capital as their counterpart for the project. A memorandum of agreement (MOA) or Understanding at least between the MLGU, BFAR, Tambuyog, and the fishers associations will be one of the main outputs of foregoing activities.

MLGU and BFAR representatives will be invited and informed in succeeding regular monitoring, assessment activities, including evaluation in order to keep abreast with the progress of the commercial fishing related project.

From the 4th to 7th month, activities such as consultations, lobbying, coordination, and campaigning relating to delineation of 10.1kilometers by NAMRIA/ BFAR, and enactment of ordinance by the LGU to enable the commercial fishing venture operate inside the municipal waters of Mulanay will be spearheaded by Tambuyog and fisher leaders. Simultaneous orientation and campaigning activities will also be conducted for members of fishers associations and other registered fishers about the feasibility, business plan, as

phase on Community Based Fisheries management and Cooperative-led fisheries production. Please check: <http://ica-ap.coop/AboutUs/national-federation-fisheries-cooperative-associations-zengyoren>

¹⁷ *Some members of the Tambuyog's NGO network have been involved in managing commercial fishing operations the past and are willing to lend a hand in the intricacies of the business.*

¹⁸ *Bureau of Fisheries and Aquatic Resources – National Stock Assessment Program.*

¹⁹ *Department Administrative Order (DAO) 156-16 about the rules and regulations governing the working and living conditions of fishworkers on board commercial fishing vessels engaged in commercial fishing operation.*

²⁰ SOLAS – Safety of life at sea.

well as the processes, systems, requirements for and possible benefits of members of to-be-established Fishers Cooperative. General assembly, election of officers, savings campaign for capital build up will follow. The process of acquisition of fishing vessels, gears, and installation of VMS is expected to take about 4 to 6 months. So the process of prospecting will already start on the 4th month of project implementation.

It should be noted that the project management structure for the commercial fishing venture will be initially run under a Joint-Venture (JV) agreement between Tambuyog and the Fishers Cooperative. The cost of the fishing vessel and gear will serve as Tambuyog capital share for the Joint-venture. The Fishers Cooperative will have to raise one fourth of the amount equivalent to one year operations, within six months²¹ after the general assembly, and have to continually save up for the amount, equivalent to one year operations as subscribed capital, for two years, or from 6th month up to the 30th month of project implementation.

The Joint-Venture will render more control to Tambuyog over financial and operational policy, including the recruitment and hiring of competent business manager, staff, and boat captain which sometimes gets tricky when done at the first stages by the cooperative members themselves. Tambuyog representatives, supported by elected Board of Directors of Fishers Cooperative, will regularly oversee the management and operations of the fishing venture which will be spearheaded by a hired business manager and the boat captain. The 13th to 24th month period of the project will be the fishing operations implementation and capacity building stage where a Joint-Venture scheme will be in effect.

Phase-out Strategy and Sustainability for Commercial Fishing Venture

It is targeted on the 24th month that administrative, financial, and fishing operational systems would have been installed and being complied with under a Joint-Venture scheme. It is projected to earn a net income, after expenses of around 2.6 million in the first year. Profit sharing of 25 per cent will be distributed to the business manager, boat captain and crew. After profit sharing, 30 per cent, or about P 604 thousand, will be distributed as dividends for cooperative members, while the remaining 70 per cent, or P1.4 million will be left for the continued operations and capacity building of cooperative officers and members.

Phase-out from the joint-venture will be implemented from the 25th to the 36th month where management of the commercial fishing operations will be gradually transferred to the Fishers Cooperative. Business manager and staff involved in the daily operations since day one will not necessarily change faces. Only top level policy decision-making will change hands from being Tambuyog controlled into a Cooperative Board of Directors and membership controlled decision-making. At the end of second year of fishing operations or on the 36th month of the project, the venture is estimated to earn P4.1 million after expenses. After profit-sharing, thirty per cent will be distributed for dividends of members. While P2.2 million will be left for continued fishing operations and capacity building of cooperative officers and members²².

On the 34 to 36th month of this project, the sustainability of the fishing venture as managed by the cooperative will be evaluated based on the following criteria:

²¹ This will fall from the 6th to the 12th month of project implementation.

²² Please check attached excel file: Income-Cash-flow-projection-AAA

1. Achieved profitability based on business plan
2. Ensured compliance to organizational policy based on CBL to ensure checks and balance
3. Compliance to the established financial and operational system
4. Formulated financial forecast and business strategy for the next three years based on actual performance.
5. Expansion of members based on sound screening policy
6. Acquired Certificate of Good Standing by regulatory agencies particularly Cooperative Development Authority (audited financial reports, internal revenues, social security benefits, mandated dividends and fund allocations, required training)
7. Management team covered required training hours
8. Developed marketing scheme

ROLE OF STRATEGIC SERVICES AS CATALYST

The strategic services seek to primarily showcase the effectiveness of the strategy of having management of the commercial fishing enterprise from initially under Joint Venture, then will gradually be transferred to cooperative management and ownership by municipal fishers. The project expects to *demonstrate the economic viability* of a small commercial fishing operating within the 10.1 kilometers municipal waters while applying labor, safety, environmental, and catch documentation regulations and standards as outlined by the law.

For the entire project duration Tambuyog and leaders of fishers organizations will participate in state-and-civil society interface mechanisms and engage key decision-makers at the local up to national level such as Municipal FARMC, PCAF, NFARMC to elaborate on the principles, objectives, gains, and lessons of the project. Please check activities 1.1.3 and 1.6.1. to 1.6.3. and corresponding outputs above. The advocacy activities of the project have mainly these agenda: In the short term, the project expects to gain support of duty-bearers to implement the proposed commercial fishing venture, through a MOA, in manners like enacting the needed enabling ordinance, shouldering cost of delineation, training, or providing equipment, fixtures and the likes. At the end of the project, BFAR is expected to have adopted the strategy, and will allocate budget to replicate the practice in other *suitable municipal waters*. In this way, government will *help municipal fishers capture the benefits of their preferential rights over the coastal fisheries*.

As concomitant outcomes of implementing the small scale commercial fishing venture, the project is expected to deliver the following (*Please check activities 1.5.1 to 1.5.6. and corresponding outputs on page 20*):

- 1.) *Developed checklist of minimum standard requirements for the operation of small scale commercial fishing vessels*. Empirical data, lessons learned, and policy recommendations will be submitted to BFAR, PCAF, NFARMC.
- 2.) *Provide empirical information on the viability of small commercial fishing venture compliance to labor standards for fishworkers on board fishing vessels as specified in DAO156-16*. The evaluation of viability will be submitted to DOLE as basis for minimum labor standards specifically for the small scale commercial fishing, which will benefit more than fifty six thousand fishworkers. Data of the practice and lessons will be shared too with commercial fishing groups and BFAR.
- 3.) *Contribute to the enhancement of catch reporting system at the municipal level*. BFAR has current catch documentation system done only in major fish ports and a

few selected sites. Catch documentation is required for all municipalities with municipal fishers based on newly amended fisheries code. BFAR however has not yet prioritized imposition of this to all fishing municipalities. Lessons learned on the practice of catch documentation and policy recommendations will be submitted to BFAR, PCAF, and NFARMC. About 700 coastal municipalities can benefit from the

Strategic delivery/ Special Input: Provision of one unit small scale commercial fishing vessel approximately PHP3,200,000, or *DKK 391,000*, to attract other commitment from duty-bearers particularly fishing gear, VMS, fish finder, fish attracting devices, cost of delineation, cost of registration and licensing, as well as support for training, fishing operations, and fish catch monitoring for research and development purposes.

The second objective takes off from the gains of the previous project, the fish-based and non-fish based products that the women's groups have developed for income generation. The proposed intervention is to elevate these income generating projects into the standards of enterprises with clear targets, regularity of operations, systems. First, the fishers organizations (FOs) will undergo organizational and project diagnosis to assess their strengths and weaknesses, including capacity building needs. The organizational diagnosis shall be the basis of an organizational development. Next, within the organizational development plan is the formulation of business and market plans, which will be implemented to broaden the market reach of FOs enterprises. An enterprise development specialist will be hired by the project to focus on enterprise development and marketing. Partnership with the designated district offices and divisions of Department of Trade and Industry, DOST, and BFAR will be pursued by Tambuyog and partner FOs to support the project.

The current livelihoods that would be consolidated are the surimi, fish rolls, smoked fish (an by products fish paste & fish sauce) and ginger tea production and marketing being operated by SNMPP, BMS, SFAB, BEAUWENS.

Other livelihoods which have to be rolled out for incubation to check profitability are dried fish, soap-making production and marketing, and rice retailing by 3SBK, KALIPI, SMMIY respectively.

Phase-out Strategy and Sustainability for Livelihoods/ Enterprise of fishers organizations

The current livelihoods/ enterprise of the fishers would have been consolidated when the following indicators have been achieved: 1) increased regularity of production cycle as a result of increased availability of fish supply for raw materials, and expanded the volume regular buyers with market contract, or purchase order, 2) through continues product development and increased efficiency of production, the livelihoods/ enterprise is expected to attain the *realizable margin of the value-addition* for each product²³.

1. Achieved profitability based on business plan
2. Ensured compliance to organizational policy based on CBL to ensure checks and balance
3. Compliance to the established financial and operational system
4. Formulated financial forecast and business strategy for the next three years based on actual performance.
5. Expansion of members based on sound screening policy

²³ Please check attached file: Scaling up of Livelihoods-Enterprise-AAA

6. Developed marketing scheme

a. What possible factors (risks) may hinder or delay fulfilment of the intervention's objective, and conceivable solutions aimed at mitigating the risks concerned.

Below are assessed risks in the implementation of this proposed project.

OBJECTIVE/ OVI	Assumptions & Risks	Risks Mitigation Measures & Actions
<p><u>OVI for OBJECTIVE 1:</u> Cooperative of Fisherfolks operating a commercial fishing vessel, equipped with vessel monitoring system, with support from government, and allowed to operate inside the 10.1km of municipal waters and beyond.</p>	<p>1. Fishers in Mulanay may not be keen in joining the cooperative and putting in share capital for the operations of the commercial fishing venture.</p> <p>2. Commercial Fishing vessel to be acquired may no longer be seaworthy. Technical processing of license and registration may be prolonged. Delineation of the 10.1 to 15km area of municipal water may be prolonged.</p>	<p>1. To lower the likelihood of this risk, the action is to come up first with feasibility and business plan to project the economic viability, legal and technical feasibility of the fishing enterprise. There will be a campaign to explain this to potential cooperative members. In this way fishers will be inspired and can weigh their interest or stake in the project. The Project activities is designed to ensure this process.</p> <p>2. A Technical Working Group to be composed of representatives from BFAR, LGU, NAMRIA, Tambuyog, Fishers Cooperative and Consultant previously engage in commercial fishing will be the body to <i>observe due diligence</i> and recommend to the Project Committee to ensure that all technical and legal requirements are in order.</p>
<p><u>OVI for OBJECTIVE 1:</u> At least 5 of partner Fishers Organizations (FOs) secured tenure instruments and management rights particularly on: fish sanctuaries, mangrove forest areas, post-harvest facilities, settlement area for their sustainable use, protection, & benefit.</p>	<p>3. Duty-bearers may negatively misinterpret methods of advocacy that fisherfolks organizations may apply, and therefore may not be keen to grant tenure instruments and management rights over specific coastal resources.</p>	<p>3. The fisherfolks will be capacitated to apply stakeholders analysis, power-mapping, mutual-gains and negotiations methods, in designing their advocacy plan to calibrate which suitable approach may be applied in each engagement with specific duty-bearers.</p>
<p>OVI for OBJ. 2: At least 6 of performing fisherfolks</p>	<p>5. Target and market channels may not be responsive to the promotion and marketing strategies offered by</p>	<p>5. These various measures will be installed to lessen identified risk: Expansion and linkages with market</p>

<p>organizations(FOs) with at least 300 women and men members have established and broaden reach of market linkages, and increased their services and benefits to members and their communities.</p> <p>Increased by 20% the partnerships and investments from LGUs, line agencies, and private sector in product/ service development and marketing activities</p>	<p>FOs, thus dampening plans for expansion of product and service reach.</p> <p>6. There might be risk with line agencies may not prioritize additional investments for the improvement of the products and services of the FOs, including expansion of market reach. But, duty-bearers are not likely to withhold support of investments if FO products and services are already existing and performing Why? Because government people are also conscious of their performance. Underutilization or under-spending of their budget will not reflect good on their performance.</p>	<p>channels will be targeted based on sound/ practicable marketing strategies. Performance-based incentives will be offered to designated marketing personnel of fisher organizations. Different methods will be tried and assessed to suit targeted customers and market. An enterprise development specialist will be hired to focus on the needs of the FOs existing products and</p> <p>6. To lessen problem in appropriateness and timing of delivery of investments from duty-bearers, prior consultation on the targets and budgets will be done to level off if the needs of the FOs and the targeted assistance by duty-bearers are compatible, and what are the technical and legal requirements.</p> <p>Once agreed, close coordination will be done to meet the target timeline.</p>
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6. Planned intervention-related information work in Denmark

When phase 4 finish, PUGAD has been working with this project for 8,5 years, and we see the transformation from one-man fisheries in tiny, fragile boats to a collective organised which answer the need for a sustainable fisheries and livelihood in an environment more difficult to manage in due to climate changes and by that more rough weather etc. PUGAD informs about this travelling to its own activities, presentations in our network Madsuverænitet and other NGO related events.

PUGAD will also update our phot exhibition which has been open for the public 3 weeks in Tårnby main library and in Holbæk Medborgerhus. PUGAD will write feature articles about the succeses and obstacles in this project, mso other organisations can learn from our experiences. Finally consider the board to write a book about this project. PUGAD's board is responsible to carry out this activities.

The primary aim it to influence the public opinion in order further support development aid and get the understanding that it matter, secondarily used as a case for other NGO's