



PARTIES TO THE NAURU AGREEMENT

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VDS Review- Request for Expression of Interest (EOI)

The Parties to the Nauru Agreement Office (PNAO) is seeking the services of a Consultancy Team to carry out an independent review of the VDS. It is envisaged that the review will be carried out by a fisheries specialist team of 2-3 experts from outside the region with expertise in rights-based management systems. The consultants will be short listed by a three-person steering committee nominated by Palau Arrangement Participants. The PNA Office will work with this international consultant team to ensure they have access to all necessary papers and reports.

Interested applicants are invited to submit:

- A brief cover letter outlining relevant experiences
- Curriculum Vitae (CVs)
- Proposed professional fees

Terms of Reference:

Objective:

The primary objective of this engagement is to produce a clear plan of action that will improve the integrity and implementation of the VDS, to provide secure, equitable and sustained benefits to the Parties to the Palau Arrangement. The narrower concern raised by Parties is that emerging weaknesses in the VDS are reducing the value of fishing access and the revenue that Parties can collect.

Identify and analyze factors contributing to reduced demand for access/vessel days and ascertain any systemic linkages between the design and operation of the VDS, including the role of the Federated States of Micronesia Arrangement (FSMA), which allows multi-zone access to vessels sponsored by member countries and accounts for a large and growing proportion of the fishing effort under the VDS.

Consultancy Services Required:

- Consultancy services are therefore required to carry out an independent review of the VDS. It is envisaged that the review will be carried out by a fisheries specialist team of 2-3 experts from outside the region with expertise in rights-based management systems. The consultants will be short listed by a three-person steering committee nominated by

Palau Arrangement Participants. The PNA Office will work with this international consultant team to ensure they have access to all necessary papers and reports.

Deliverables:

- Written review report, including findings and analysis and supporting annexes.
- Recommendations for the key issues identified in the Detailed Terms of Reference

Duration and Timeline:

1. The consultants are expected to:
 - a. Participate in the annual meeting of the Participants to the Palau Arrangement in 2026, present their work plan, and obtain guidance on this and the conduct of the review;
 - b. Undertake extensive consultations with stakeholders in the Participants, regional agencies (PNAO, FFA, SPC) and wider regional stakeholders;
 - c. Report regularly by teleconference to a three-person steering committee nominated by Palau Arrangement Participants to provide guidance and oversight of the review;
 - d. Produce a draft report by August 2026 for circulation and comment by Parties and the PNA Office;
 - e. Produce and present a final report to a special meeting of the Participants to the Palau Arrangement in 2027, in the form of a 10-page summary with supporting annexes, incorporating these comments; and,
 - f. Present their findings to PNA Ministers at their annual meeting in 2027, and PNA Leaders in mid-2027.
2. The Consultancy Team is expected to complete this work within 2 months from signing the contract.

Methodology

The review will be making recommendations on issues of great importance to Participants and will need to ensure ownership of its findings. There will be a small steering committee established to guide the process, with regular electronic consultations by teleconference. The consultants will also take up opportunities to brief the full membership of the Participants to the Palau Arrangement on progress.

The study will involve a review of the documentation of the VDS, making use of reports held by the PNAO and elsewhere.

The study will nominally require four weeks' work by the consultants, but this time may be spread over a longer period. Approximately one week will be allowed for literature review and research.

A week will be allowed for participation in the PNA annual meeting in 2026. Two weeks will be allowed for additional consultation and compilation of the draft report, which should be brief and to the point. Presentation of the final report at the 2027 to officials and Ministers could be provided over Teams; however, presentation to the Leaders' summit will be in person to allow direct discussion if needed.

Reporting:

The Consultancy Team will report directly to the Chief Executive Officer of the PNAO and will work independently, with periodic consultations as required.

Deadline for Submission: 30th November 2025

Contact information: Please direct inquiries and submit EOIs to: jobs@pnatuna.com

Only shortlisted candidates will be contacted.

Detailed Terms of Reference

More specifically the Consultancy Team is required to review the VDS with regard to the following broad headings:

i. Management of the supply and demand for fishing access

For the last ten years of the VDS the total allowable effort under the scheme has remained the same. Annual reviews of the level of effort creep, which would require a reduction of the TAE under the VDS rules, have not given any clear result. However, the number of vessels operating has fallen while total catches have remained broadly the same.

A significant percentage of days are unused each year, and several Parties have reported difficulty in selling their allocation of fishing days year on year. There is a perception that there is an oversupply of days and the VDS is becoming a 'buyer's market'.

The consultants will undertake an analysis to determine the optimal path for fishing effort (demand) over time and compare this with past and likely future levels of fishing effort and the available supply of vessel days, including all available days (i.e. in-zone days and high seas days).

ii. Non-fishing days

The original design of the VDS was based on days in-zone; however, with the high cost of days, operators not unreasonably persuaded Parties to allow non-fishing days in circumstances under which vessels were clearly unable to use a day to catch fish (broken down, fully loaded and proceeding to port, and so on).

The consultants will review the application of non-fishing day processing for consistency across the membership in accordance with documented guidelines or operating procedures.

iii. Level of fishing effort on the high seas

Under WCPFC rules, most distant water fleets are subject to quite restrictive limits on their fishing effort in the Eastern High Seas. In contrast there are no restrictions for vessels registered to Small Island Developing States – a fleet that has grown in recent years. Fishing in the high seas, while influenced by oceanographic conditions, can provide fishing opportunities of several thousand days of fishing effort outside PNA EEZs in some years, providing no VDS return for high seas access.

The consultants will review the level of effort expended in the high seas and its potential impact on the VDS, as well as providing options for including or mitigating high seas effort through the VDS and/or other appropriate mechanisms.

iv. Impact of the FSM Arrangement

Vessels sponsored by Parties to the FSM Arrangement are able to use days purchased from their home party to fish in the EEZs of all other Parties on payment of an additional fee. This flexibility results in very efficient utilisation of fishing days. It also means that Parties with a large FSMA fleet are assured of selling their fishing days (sometimes at a price well below the benchmark price a distant water fishing fleet is required to meet), while others will simply collect the additional fees when these vessels fish in their waters.

In contrast, the declining distant water fleet may hold days to fish in several different EEZs and be unable to use them. [refer transfer of days below]. It also means that the non-home party is often still holding days it cannot sell as FSMA vessels can access their waters if they already hold FSMA days from their home party.

The consultants will review the role and impact of the FSMA arrangement in accordance with the application of the current arrangement and operating procedures, to identify and analyze factors contributing to reduced demand for access/vessel days and ascertain any systemic linkages with the operation of the VDS.

v. Pricing of days and the PNA Benchmark

An important step in increasing revenue for PNA members was the introduction of a benchmark price, with agreement that Parties would not sell days to any distant water fishing fleet at a price below the benchmark. The current benchmark of US\$8,000 per day has been in place for many years, and it is believed that the actual selling price of each party is well above this level – but differs between countries, with the larger EEZs generally commanding a higher price. Some

Parties also apply the benchmark to domestic vessels, while others grant large concessions in exchange for other economic benefits.

The consultants will undertake an analysis to assess whether the mix of fee collection has implications on VDS sales, VDS utilisation and optimizing between the conflicting objectives of the VDS. i.e. increased access fee revenue; increased supplies for local processing operations; improved long-term sustainability of the resource; and, what Parties perceive as a more equitable share of the fishery for themselves.

vi. Transfer of days

Economic theory predicts that fishing rights are more valuable if they can be transferred. A number of Parties allow days that have been purchased in their EEZ to be transferred to another EEZ on payment of a fee. Other Parties do not allow 'transfer in' under any circumstances, or only if their own days have all been sold. These different policies impact on Parties in different ways.

The consultants will review the different 'policies' implemented by Parties, with regards to transfer of days, and recommend improved transfer processes.

vii. Pooling

The PNA members with smaller EEZs have, for some years, participated in a pooling arrangement under which they each provide the same number of days into a pool. These pool days are sold by auction and can be used in any of the Pooling Party EEZs. Pool days have typically provided Parties with a premium price for days, but demand has been falling for several years.

The consultants will review the utility of pooling with regards to balance against the migration of operators/vessels to the FSMA and/or chartering of vessels by Participants to the Palau Arrangement.