

Annex 1

Project Document

Project Title: Identification and formulation of a project to strengthen Scientific, Technical and Institutional cooperation to support responsible fisheries in the Black Sea

Short Title: BlackSeaFish

Project Symbol: GCP/RER/025/TUR

Countries: Countries bordering the Black Sea

Donor: Turkey

Donor contribution: USD 100 000

Executing Agency: FAO *Bayram VAN ANKARA, (Ankara)*

Duration: One year

Estimated Starting Date: August 2009

Table of Contents

Abbreviations and Acronyms.....	6
Executive Summary.....	7
1 Introduction.....	8
2 Sectoral Content.....	8
2.1 Technical Characteristics and Constraints	8
2.2 Institutional Framework and Capacities	9
2.3 Sector Governance and Policy	9
2.4 Technical Cooperation.....	9
3 Project Rationale and Concept.....	10
3.1 Sector Problems to be addressed.....	10
3.2 Project Approach and Strategic Context.....	11
3.3 Reasons for FAO Involvement.....	11
4 The Project	12
4.1 General Description.....	12
4.2 Main Expected Results	12
4.3 Workplan.....	12
5. PROJECT INPUTS	13
6. PROJECT PHASING	14
7. INDICATIVE BUDGET IN USD.....	15
Appendix 1 – Terms of Reference.....	16
Appendix 2 – Timeframe.....	18

Abbreviations and Acronyms

BSC	Commission on the Protection of the Black Sea Against Pollution (Black Sea Commission)
BSEC	Organization for Black Sea Economic Cooperation
CFP	Common Fisheries Policy (EU)
CopeMed	Advice, Technical Support and Establishment of Cooperation Networks to Facilitate Coordination to Support Fisheries Management in the Western and Central Mediterranean - GCP/REM/057/SPA (FAO project)
CPWG	Country Participatory Working Group
EAF	Ecosystem Approach to Fisheries
EastMed	Scientific and Institutional Cooperation to Support Responsible Fisheries in the Eastern Mediterranean (EastMed) - (FAO project)
EC	European Commission
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAOR	FAO Representation
GFCM	General Fisheries Commission for the Mediterranean
IUU	Illegal, Unreported and Unregulated (fishing)
IPOA	International Plans of Action
LOA	Length Overall of a vessel
MedFisis	Mediterranean Fishery Statistics and Information System (FAO project) - TCP/INT/2940 and GCP/INT/918/EC
MEDITS	Mediterranean International Trawl Survey (EC programme)
MedSudMed	Assessment and Monitoring of the Fishery Resource and the Ecosystems in the Straits of Sicily - GCP/RER/010/ITA (FAO project)

Executive Summary

The Black Sea is an important fishing region and the majority of its fish stocks are transboundary. The Black Sea is surrounded by six countries: Bulgaria, Georgia, Rumania, The Russian Federation, Turkey and Ukraine. Fisheries and aquaculture in these countries provide vital sources of food, employment, recreation and trade which support the Black Sea coastal communities and both fisheries and aquaculture are critical to the social and economic health of the region. However, the Black Sea is widely recognised as one of the regional seas most damaged by human activity. A number of its fisheries are in a depleted or critical state and action at regional level is therefore needed to help them to recover.

Despite a relatively good history of cooperation in the field of Marine Environmental Research, namely in the framework of the Commission on the Protection of the Black Sea Against Pollution (BSC) and of several Regional Projects, the large differences in socio-economic and institutional structures among the Black Sea nations have all contributed to an insufficient regional cooperation on fisheries research and management, and to a large imbalance in capacity for Fisheries Research and Management among the countries in the region.

The identification and formulation phase "Identification and formulation of a project to strengthen Scientific, Technical and Institutional Cooperation to support Responsible Fisheries in the Black Sea" (henceforth referred to as BlackSeaFish) will support the development of a consistent project for strengthening regional scientific, technical and institutional capacity and cooperation mechanisms for Sustainable Fisheries and Aquaculture Management, in line with the FAO Code of Conduct for Responsible Fisheries and the Ecosystem Approach to Fisheries Management.

This work is planned to run for one year, at an estimated total cost of USD 100,000. The project is funded by Turkey and will be managed by the Fisheries Management and Conservation Service (FIMF) of FAO. To ensure an adequate level of ownership and responsibility by the participating countries, a participatory approach will be adopted, requesting the full involvement of all partner countries and regional organizations in the definition of the main themes for the project document. This project will capitalise on the experience gained by FAO through the implementation of other sub-regional projects, namely AdriaMed, CopeMed, EastMed and MedSudMed.

The main output of this formulation work will be the preparation of a full phase Project Document to be submitted to potential donors for funding approval. Through this phase it is also expected to set up and implement participatory processes for regional cooperation on fisheries issues (including the relation with aquaculture) among the countries bordering the Black Sea and with the regional organisations, like the General Fisheries Commission for the Mediterranean (GFCM).

1. INTRODUCTION

The Black Sea is an important fishing region and the majority of its stocks are transboundary. Its most important fisheries stocks are shared by the coastal countries (Bulgaria, Georgia, Romania, Russia, Turkey and Ukraine). However, the Black sea is widely recognised as one of the regional seas most damaged by human activity. A number of its fisheries are in a bad state and action at regional level is therefore needed to help them recover.

Fisheries and aquaculture provide vital sources of food, employment, recreation and trade which support the Black Sea coastal communities and both fisheries and aquaculture are critical to the social and economic health of the region. Fisheries are currently at a critical point and concern has been expressed at the delays in establishing the functional mechanisms needed for coordinating scientific inputs and to reconcile routine implementation by government departments of practical management advice on fisheries based on shared resources. To achieve this, it will be necessary to re-establish monitoring, survey and analysis capacity on a cooperative basis, and to reinforce the regional scientific and technical cooperation mechanisms.

The first meeting of the Permanent Working Group on Stock Assessment, a joint initiative of the General Fisheries Commission for the Mediterranean (GFCM) and the Commission on the Protection of the Black Sea Against Pollution (Black Sea Commission – BSC), discussed the need to develop a project for supporting the Fisheries Institutions of the participating countries in their efforts to develop responsible fisheries management in the Black Sea, following the approach already tested in the on-going regional fisheries projects executed by FAO in the Mediterranean.

This was discussed and approved at the 31st and 32nd sessions of the GFCM. On the occasion of this last meeting, GFCM presented a document (GFCM/XXXII/2008/Dma.4) discussing possible issues to be covered under this project. The GFCM member countries Bulgaria, Romania and Turkey again expressed the need for the project. Turkey kindly expressed its willingness to support the preparation of such a project in the Black Sea, building upon the encouraging experience of cooperation developed in the FAO sub-regional projects in the Mediterranean¹. In November 2008, Turkey requested FAO, through GFCM, to develop a project document for the Black Sea.

2. SECTORAL CONTENT

Technical Characteristics and Constraints

The Black Sea has since the 1960s undergone dramatic environmental changes and upheavals in its ecology. These were accompanied by a systematic increase in fishing pressure that affected the already weakened fish stocks. The most important fisheries have suffered very important decreases in productivity and landings, with a marked social and economic impact on coastal populations. Some stocks have since shown some signs of recovery, but several are still in a seriously depleted situation.

¹ Namely AdriaMed, CopeMed, EastMed, MedFisis and MedSudMed.

Many of the most important commercial species are shared among several or all of the littoral Black Sea countries. There are strong technical interactions, with the same species being exploited by different types of fishing boats and gear, and biological, with a complex network of predator-prey interactions involving most exploited species.

There are large differences in the economic and technical structure of the fleets exploiting the fishery resources of the Black Sea among the countries, making regional cooperation a more demanding exercise.

Fishery research in the Black Sea region remains sparsely equipped and funded. Basic biological and socioeconomic information required for responsible fisheries management are generally not completely available and not adequately standardised and analysed for use in policy development.

Institutional Framework and Capacities

The six Black Sea nations (Bulgaria, Georgia, Rumania, The Russian Federation, Turkey and Ukraine) have different socio-economic and political structures, and in the specific case of the fisheries sector they participate in diverse international contexts.

The fishery and aquaculture management systems of the various Black Sea countries have been experiencing significant changes, with some down-grading of fishery management to lower institutional levels, and often a separation of the functions of monitoring, research and management in different Ministries.

All of the countries in the region have relevant and important human and institutional capacity on marine and fisheries research, but some need to expand and develop that capacity.

Sector Governance and Policy

All Black Sea countries are extremely concerned with the need to improve their fishery sector, including aquaculture, at both the national and sub-regional levels. There are several regional organizations concerned directly or indirectly with fisheries management in the Black Sea, which seek to further work together through various partnership arrangements. These include the General Fisheries Commission for the Mediterranean (GFCM) and the Commission on the Protection of the Black Sea Against Pollution (BSC). EU miss!

There are several ongoing cooperation initiatives among these organizations, involving also the countries directly, aiming at setting a common framework for sustainable fisheries management in the Black Sea. Despite these initiatives, however, to date no formal arrangement for cooperation in fisheries research and management across the region has been achieved.

Technical Cooperation

This project has much in common with the four FAO-executed projects in the Mediterranean sub-regions aiming at strengthening national capacity and enhancing sub-regional and regional cooperation to promote responsible fisheries management.

- (i) CopeMed GCP/REM/057/SPA (1996-2005, extended as CopeMed II 2008-2011 – GCP/INT/028/SPA and GCP/INT/006/EC),
- (ii) AdriaMed GCP/RER/010/ITA Module I (1999-2010 with possible extension),
- (iii) MedSudMed GCP/RER/010/ITA Module II (2001-2010 with possible extension),
- (iv) EastMed GCP/INT/041/GRE-ITA-EC (2009-2014).

These projects have all been implemented with the full commitment of participating countries, a condition that was essential to achieving their success. So far, the projects have produced encouraging changes and progress in terms of collaboration between national and regional scientific and fisheries management institutions and have already achieved a real impact in their respective sub-regions and beyond. CopeMed, AdriaMed and MedSudMed have contributed to the sustainable management of marine fisheries in the Western and Central Mediterranean through (i) the establishment of coordinated, cooperative and participative fisheries research and management in line with the indications set by the FAO Code of Conduct for Responsible Fisheries; (ii) the creation of a sub-regional information exchange platform and improved collaboration between the scientists of participating countries; (iii) the development and implementation of national fisheries statistical systems; (iv) the development of common scientific criteria regarding the formulation of fisheries management measures; (v) the development of common methodologies related to bio-economic sampling, analysis and evaluation, and; (vi) improved collaboration in support of fisheries management. While EastMed is expected to start only now, it is expected that it will develop along similar lines to the other projects.

The current project will build upon lessons learned from the above four Mediterranean FAO-executed projects and of the regional Black Sea projects supported by the Commission on the Protection of the Black Sea Against Pollution. It is expected that the full phase of the BlackSeaFish Project will share its knowledge and findings with these projects as well as with the other ongoing projects in the Black Sea and the Mediterranean, like the Strategic Partnership for the Mediterranean Sea Large Marine Ecosystem project co-funded by GEF², and the FAO regional project MedFisis.

No link to other projects

3. PROJECT RATIONALE AND CONCEPT

Sector Problems to be addressed

The Black Sea has since the 1960s undergone dramatic environmental changes and upheavals in its ecology. These were accompanied by a systematic increase in fishing pressure that acted on the already weakened fish stocks. The most important fisheries have suffered very important decreases in productivity and landings, with a marked social and economic impact on coastal populations.

The main factors leading to this situation are not fully known, but at least the following elements are relevant:

² Global Environment Facility

- a. The fisheries system of the Black Sea fisheries is particularly complex
- b. There is considerable variation in the technical, organisational, social and economic dimensions of fisheries and aquaculture among the Black Sea countries. There are also significant differences among the nations in the way fisheries are managed.
- c. The multidisciplinary research and information base required for fisheries management is generally poor and not necessarily relevant for the analysis of fishery management options.
- d. There are weaknesses in the institutional framework required for integrated fisheries management, particularly at the regional level.

Project Approach and Strategic Context

The project will adopt a participatory approach, requesting the full participation of all partner countries and regional organizations dealing with fisheries or marine environment in the design of the full-scale project. This will be achieved through the development of a regional network, composed of National Focal Points (NFP's), and representatives from the Fisheries Departments and Fisheries Research Institutes of the Black Sea countries, as well as from the GFCM and the BSC, supported by a technical team from FAO. The process of project design will be tailored to ensure the maximum level of ownership and responsibility for all the participating countries and their institutions.

EU not mentioned

The preparatory phase will design the Project Document for the Black Sea with the overall aim of reinforcing the regional technical, scientific and institutional capacity and cooperation mechanisms to effectively manage Black Sea fisheries within the framework of the current concepts of sustainable Fisheries Management, namely as defined by the FAO Code of Conduct for Responsible Fisheries and the Ecosystem Approach to Fisheries Management.

This preparatory phase will focus an important part of its efforts on establishing the cooperation framework necessary for the identification of the common Black Sea fisheries issues, and the definition of a regional approach to address them. It is expected that the full-scale project will achieve this through the reinforcement of the technical, scientific and institutional capacity of the countries' institutions, coupled with frequent exchange of experience at the regional level.

Reasons for FAO Involvement

The Black Sea Fisheries project will complete the network of sub-regional projects in FAO Fisheries Area 37 that are executed by FAO and support the management of fisheries in the Mediterranean and the Black Sea.

The significant expertise accumulated by the FAO Fisheries and Aquaculture Department through the Mediterranean regional projects, as well as in FAO's regional and sub-regional offices, means that FAO is particularly well suited to support this project, in its multiple dimensions.

The project will thus benefit from the FAO Fisheries and Aquaculture Department's general guidance in relation to responsible fisheries management, including the implementation of the

Code of Conduct for Responsible Fisheries (CCRF) and its International Plans of Action (IPOAs) and the Ecosystem Approach to Fisheries Management (EAF).

4. THE PROJECT

General Description

The overriding objective of the preparatory phase is to prepare a Project Document for the full phase, based on the results of a formulation mission in the Black Sea countries to assess, in consultation with the relevant national authorities and other relevant stakeholders, the needs and expectations relative to fisheries management and research.

The project is planned to operate for one year and has an estimated total budget of USD 100 000 funded by Turkey.

EU not funded!

Main Expected Results

- Reports of participatory meetings with relevant stakeholders in the Black Sea countries to evaluate the needs and expectations.
- A document for a project in support of the countries in building a regional cooperation framework and developing their scientific, technical and institutional capacity for sustainable fisheries management, in accordance with the FAO Code of Conduct for Responsible Fisheries and the Ecosystem Approach to Fisheries.
- Reinforced regional cooperation on Fisheries issues

The proposed actions of the full phase project document will derive from a participatory process with relevant stakeholders. Their involvement at the early stages of the formulation process is central for the success of the project.

FAO will provide support to organise the national consultations and the regional coordination meeting, and review the first draft of the project document before submission to participating countries early September 2009 for technical comments. The final project document, taking into account, as appropriate, any remarks from the participating countries and FAO technical comments, will be presented to the donor community by FAO in December 2009 for funding approval.

Work Plan

Activity 1- National Overview Reports

The first activity of the preparatory phase will be the preparation of the National Overview Reports that will serve as the basis for the preparation of the full phase project. One national consultant per country will be recruited to prepare the national overviews, that should cover the organisation of the sector, the history of the fisheries and their management, and an identification of the main issues related to fisheries research and management in the country. The report will also identify the initiatives of cooperation with other countries in the region, clearly indicating the participating institutions, the coordinators and the theme and results of the activities. All national consultants will be provided with the same report template,

specifying the information to be included and the report organisation, in order to ensure consistency among the different national reports.

Activity 2 – Formulation Mission

After the review of the National Overview Reports, the drafting team will visit the countries in the region, and will hold interviews with responsible officials and selected stakeholders, to obtain their views on possible priority issues and desirable approaches. Based on the Overview reports and these country visits, as well as on the documents previously prepared by the GFCM, the BSC and other organisations, the drafting team will prepare a document (Concept Note) summarising and organising the different priority issues identified by the countries, and proposing possible options for the project approach and activities. This will form the basis for discussion at the regional coordination workshop.

Activity 3 – Coordination workshop

A regional coordination workshop will be organised, bringing together the representatives of the countries, including the Directors of Fisheries and the NFP's to discuss the National overview reports, and design the project framework. This will include the identification of national and main common sub-regional priorities, the preliminary selection of issues and the preferred approach, including the definition of the institutional partners to the project. These elements will form the basis of the first draft of the Project Document which will be finalised by the drafting team and sent by FAO to the different participating countries for comments.

Activity 4 – Validation Meeting

At the validation meeting, the final draft Project Document, including the comments received, will be presented to participant countries and potential donors for approval and funding proposals.

5. PROJECT INPUTS

Inputs by the Recipient Governments

The Government of each participating country is expected to give full cooperation through the nomination of a senior officer to act as the focal point in the appropriate institution/ministry designated as the National Implementing Agency. Each Government will contribute inputs in-kind, represented by the active support of the staff in the national fisheries institutions, by the supply of local services, as well as by the provision of national and local data pertinent to the activities to be undertaken during the project preparatory phase.

Cash contributions towards this project component are not expected from the participating Governments during this preparatory phase.

Donors' Inputs through FAO

Consultants (up to 29,250 USD)

Provision is made to cover the costs the formulation team (one international consultant) and the national consultants (1 per country). The Terms of Reference are set in Appendix 1.

Travel (up to 53,246 USD)

An allocation will be provided to cover the costs of official travel by international and national consultants, as well as by FAO staff participating in the formulation mission to the

participating countries. Provision is also made to cover the cost of participants from participating countries to the coordination workshop and validation meeting.

General Operating Expenses (up to 6,000 USD)

A provision is made to cover local transport (if needed), sundries, the organization of the coordination workshop and validation meeting, and the costs for the preparation and reproduction of the project document, including translation

Project servicing costs (up to 11,504 USD)

A standard charge applied according to the level of expenditure realised by the project components, and covering the cost of the FAO's central administrative and operational services provided to the project.

6. PROJECT PHASING

The project is planned to operate for one year. The project emphasises the need to develop a framework for regional cooperation that will allow national Fisheries Departments to participate fully in the development of the project document and in the project's full phase. An indicative work plan follows.

Quarter 1:

- Establish contacts with the National Focal Points (NFP) nominated for each country.
- Select and recruit the international and national consultants
- Preparation and delivery of the National Overview Reports

Quarter 2:

- Visit to participating countries by the Project Formulation Team and if necessary provision of inputs to improve the National Overview Reports
- Drafting of the Project Concept Note
- Regional Coordination Workshop to review the Project Concept Note: priority issues, strategies for tackling these, and to propose the outlines of the main project document.

Quarter 3:

- Formulation of the draft project document to be forwarded to countries for comments.
- Finalisation of the Project Document taking into account FAO and countries comments.

Quarter 4:

Validation and presentation of the Project Document to participating countries and potential donors for funding approval.

7. INDICATIVE BUDGET IN USD

The total project cost is estimated at USD 100 000.

Budget Line		Budget in USD
5013	Consultant	29,250
5542	International consultant	15,750
5543	National consultants	13,500
5021	Travel	53,246
5661	Non-Staff travels	31,214
5684	International Consultants	15,832
5692	FAO travels (TSS)	6,200
5028	General Operating Expenses	6,000
6300	Local transport, sundries, meetings organisation, preparation and reproduction of the project document.	6,000
5029	Support Costs	11,504
6118	Project Servicing Costs (13 %)	11,504
	TOTAL	100,000

Appendix 1 - Terms of Reference

Fisheries Planning Consultant (International)

Activities:

Under the general supervision of the Chief of Fisheries Management and Conservation Service (FIMF), the technical supervision of the responsible FIMF Fishery Resources Officer, and in close cooperation with the national consultants, the National Focal Points, the relevant national stakeholders of participating countries and the GFCM Secretariat, the Fisheries planning consultant will elaborate the full-size project document for submission to donors. More specifically, s/he will:

- prepare the National Overview templates to be used by the national consultants requesting information on e.g. fishery statistics, data collection and processing, stock assessment, fishery bio-economic assessment, marine ecosystems, institutional aspects related to fisheries administration and research, socio-economics data and any other item considered of relevance;
- analyse the Overview Reports sent by the national consultants and if needed request additional information;
- review any other relevant information, publications and documentation available on the Black Sea;
- lead, with the assistance of the national consultants, the missions in participating countries;
- participate, in each visited country, in meetings with the Fisheries Administration, FAO Representation and other partners interested in the project;
- organize and take part in discussions with relevant stakeholders to identify the issues and the needs in order to strengthen regional scientific, technical and institutional capacity and cooperation mechanisms for sustainable management of fisheries and aquaculture;
- elaborate a Concept Note proposing a series of priority activities for the full phase of the project, to be discussed during the Regional Coordination Workshop;
- draft, on the basis of the approved Concept Note, a project document for discussion with FAO and participating countries;
- take into account the comments from FAO and the participating countries and finalise the project document according to the format of FAO, including a proposed budget, the terms of references of main experts, and any other section required by FAO or potential donors;
- take part in the validation meeting to present the project document to the Black sea countries and potential donor interested to support the project.
- Finalise the Project Document as necessary to satisfy possible requirements by the Black Sea countries or donors and technical comments by FAO;
- prepare a final report of the work.

Duration: 45 days on a WAE basis

Location: Home country, with travel to FAO HQ and in the participating countries.

National consultants
(one for each country)

Activities:

Under the general supervision of the Chief, Fisheries Management and Conservation Service (FIMF), the technical supervision of the responsible FIMF Fishery Resources Officer, and in close cooperation with the international Fisheries Planning Consultant, the National Focal Points and relevant national stakeholders, the national consultants will prepare the National Overview Reports.

More specifically, they will:

- carry out a first analysis on the fisheries sector of the country based on the template provided by the Fisheries Planning Consultant;
- identify the weaknesses and the needs at national level to improve sustainable fisheries management, including interactions between national fisheries organisations;
- prepare and deliver a National Overview Report detailing the analysis of the Fisheries and Aquaculture sector of the country, and including his/her identification of the possible weaknesses and needs done as above;
- facilitate the organisation of the formulation mission in the country and prepare a work plan for it, including the contacts with the fisheries administration, research institutes, FAO Representation and any other relevant partner (donor, development project, etc.);
- participate in the local consultations;
- prepare a brief report of mission;

Duration: 15 days on a WAE basis

Location: Respective country

Appendix 2 – Timeframe

Month	1	2	3	4	5	6	7	8	9	10	11	
Activity												
Contacts with the NFPs	X											
Recruitment of consultants	X											
Preparation of the National Overview Reports		X	X									
Carry out field mission				X								
Drafting of Concept Note				X								
Regional Coordination W/S					X							
Formulation of draft Project Document and submission for comments					X	X	X					
Finalisation of the Project Document							X	X				
Validation and presentation of Project Document to donor community										X		

**MEMORANDUM OF AGREEMENT BETWEEN THE MINISTRY OF
.....OF TURKEY**

AND

**THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
(FAO) REGARDING SUPPORT TO THE**

**Identification and formulation of a project to strengthen Scientific, Technical and
Institutional cooperation to support responsible fisheries in the Black Sea**

GCP/RER/025/TUR

This Memorandum of Agreement (hereinafter "MOA") is entered into by the Food and Agriculture Organization of the United Nations (hereinafter "FAO") and the Ministry of Agriculture and Rural Affairs of Turkey (hereinafter "Ministry"). FAO and the Ministry are hereinafter referred to as "Parties".

- Whereas the Parties intend to support the project "Identification and formulation of a project to strengthen Scientific, Technical and Institutional cooperation to support responsible fisheries in the Black Sea" as outlined in details in Annex 1
- Whereas the Ministry will provide a cash contribution to the implementation of the project.

The purpose of this MOA is to support the implementation of the activity Identification and formulation of a project to strengthen Scientific, Technical and Institutional cooperation to support responsible fisheries in the Black Sea".

The support will be implemented by the Regional Office for Europe and Central Asia in close collaboration with local partners in Bulgaria, Georgia, Rumania, The Russian Federation, Turkey and Ukraine and an eventual identified institution in Turkey, (hereinafter "REU"). FAO undertakes to perform the services/achieve the results as outlined below.

The support will be initiated in August 2009 for a period not exceeding 12 months from the receipt of the contribution.

The Contribution will be subject to the following conditions:

- the Contribution will be applied by FAO for the provision of services as specified in this Memorandum. FAO will make every effort to ensure timely and full provision of the services;
- the Contribution will not be used to meet the cost of import or customs duties (or any similar fees) imposed by the countries involved, on the goods imported or services provided;

A Trust Fund will be established by FAO, in line with FAO resources mobilisation procedures, on the basis of this MOA.

The Trust Fund will be used solely to cover the expenditures as outlined in the project document in Annex 1.

The parties will use their best efforts to keep each other informed and consult on all matters including convening of meetings of technical officers responsible to review progress of activities carried out under this MOA.

FAO will ensure that the Contribution is, prior to disbursement in accordance with the Memorandum, recorded in an account ("the Account") separate from any other funds. The funds in the Account may be freely exchanged by FAO into other currencies as may facilitate their disbursement.

The obligations of FAO are contingent upon receipt of the necessary funds from the Ministry in accordance with this Memorandum of Agreement. In the event that funds should prove to be insufficient for the achievement of the support due to the loss in exchange rate or other cost increases exceeding the provisions for inflation in the support budget, FAO and the Ministry will consult each other by means of usual procedures.

The Contribution will include a provision not exceeding thirteen percent (13%) of the total amount to assist with the defrayment of the cost of administration and other expenses incurred by FAO directly relating to the support.

FAO will administer and account for the Contribution in accordance with its financial regulations and other applicable rules and procedures and practices and keep separate records and accounts for the support. The Contribution will be used solely for the execution of the support. FAO will provide to the Ministry on completion of the Support, a certified final financial statement showing funds received and expended for the support and a terminal report on activities. All financial accounts and statements shall be expressed in United States Dollars, and, in compliance with FAO's normal standards and procedures, and shall be subject exclusively to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of FAO. Should an Audit Report to FAO's governing body contain observations relevant to the contributions, such information shall be made available to the Ministry.

If any changes occur which, in the opinion of the Ministry, impair significantly the developmental value of the support, the Ministry and FAO will consult on measures to resolve the problem and possible courses of action. In the event of such changes, the Ministry, however, reserves the right to modify its financial contribution to the support. In such event, the obligations already assumed by either party will remain in force to the extent necessary to permit orderly withdrawal of funds, the settlement of accounts between the parties and the settlement of any liability incurred by FAO for the activities covered by this Memorandum.

The Ministry will not be responsible for the activities of any person or third party engaged by FAO as a result of this memorandum, nor will the Ministry be liable for any costs incurred by FAO in terminating the engagement of any such person.

For the avoidance of doubt nothing in this Memorandum or in any document relating thereto will be construed as constituting a waiver of privileges and immunities of FAO. Any dispute between FAO and the Ministry arising out of the interpretation or execution of this Memorandum shall be settled by a mutually agreed arrangement.

This Memorandum will become operational upon signature by both participants and may be subsequently amended by mutual consent.

For the Government of Turkey

For the Food and Agriculture Organization of
the United Nations

Signed:

Signed:

Name:

Name:

Date:

Date: