

**Forum Fisheries Agency (FFA)**  
**Independent Review of FFA's Performance**

**Review Report**

May 2017

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## Review of FFA's Performance

### Executive Summary

A Review of the FFA's performance was carried out in March – April 2017. The Review found that:

- The FFA Secretariat is regarded highly amongst its membership and other stakeholders consulted.
- FFA members have a high level of confidence in the Secretariat and its staff.
- The Secretariat has made substantial improvements in its internal processes and procedures across a range of aspects including governance policies, financial systems, planning, and risk management.

The Review identified a number of areas for the Secretariat to focus on to improve performance, including:

- Continuing the program of reviewing and updating internal policies and procedures, including the HR management system;
- Improving timeliness in providing documents to FFC and other meetings to support more informed decision-making;
- Improving elements of the Monitoring and Evaluation system, in particular documentation of 'lessons learned'.

During the course of the Review, stakeholder interviews identified several specific work areas where there appeared to be gaps or areas of concern; the Review suggests that the Secretariat review these areas with a view to identifying any consequent change in its delivery of services:

- Provision of advice on commercial fisheries operations in member countries.
- Development of the Catch Management System under the Tokelau Arrangement.
- Regional Information Management services/Framework.

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| <i>Secretariat: Specific commentary included below.</i> |
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With respect to FFA's future focus, the Review makes observations on:

- increasing FFCs engagement in priority setting.
- gaining a clearer sense of FFA's core business, especially in relation to proposals to extend its role into new areas.
- consideration of medium term scenarios for the scope and extent of FFA activities.

## Review of the Forum Fisheries Agency's (FFA's) Performance

### Background

In the latter part of 2016 FFA undertook to commission a review of FFA's performance to 'supplement the existing processes that the Forum Fisheries Committee (FFC) and its Audit Committee use to assess routine performance' and to provide 'forward-looking...comment on future needs'.

The stated objectives of the review are to assess:

- (1) *The performance of FFA since the last independent review (2010), including:*
  - a. *The efficiency, risk management and monitoring of FFA's operations;*
  - b. *FFA's effectiveness in achieving its regional, sub-regional and national objectives in respect of the sustainable management and development of the region's highly migratory fish stocks*
- (2) *The relevance of FFA's objectives, programs and activities to members including the direction of future business models and positioning FFA to provide the forms of regional, intergovernmental and private sector cooperation needed to maintain and enhance relevance.*

Guidance was provided to the Reviewer to the effect that any conclusions reached should indicate areas for attention, rather than recommending specific actions.

### Process for the Review

The Reviewer was engaged in mid-March, and the review undertaken over the period March – April 2017. The review is based on a combination of stakeholder consultations and review of selected FFA documentation.

With respect to stakeholder consultation, the reviewer was asked to 'consult with a wide range of regional stakeholders including, but not limited to CROP Agencies, WCPFC, PITIA, NGOs active in the region and non-member governments'. In line with this, consultation was carried out through:

- Attendance at an 'Informal Ministerial' workshop in Honiara in March 2017 on the theme of Strategic Fisheries Cooperation; including the opportunity for a limited number of face-to-face discussions with Ministerial delegates and (mostly) officials;
- Four working days based at FFA in Honiara, conducting interviews with staff and gaining access to documents;
- Subsequent remote discussions with a wider range of stakeholders including members, non-members, Council of Regional Organisations of the Pacific (CROP) and sub-regional agencies, and Non-governmental Organisations (NGOs), along with additional FFA staff interviews.

In total over 40 separate interviews were conducted, involving a range of stakeholders entities / agencies as shown in Table 1.

| Stakeholder              | Number |
|--------------------------|--------|
| FFA Secretariat          | 16     |
| FFA Members <sup>1</sup> | 10     |
| Non-Members              | 4      |
| CROP agencies            | 3      |
| NGOs                     | 5      |
| Other                    | 2      |

The timing of the Review and consultation process constrained the opportunity for face-to-face discussions and access to documents<sup>2</sup>. As a consequence, the Review was not able to conduct in-depth assessments of the many specific issues and questions raised under the Terms of Reference. The review therefore represents a 'rapid assessment' of the organisation's performance.

The reviewer is solely responsible for the interpretation and analysis, but at times draws on elements of the previous FFA Review (2010) as a point of comparison or benchmark.

### Structure of the report

This report follows the structure set out in the Terms of Reference, which identify 11 thematic areas, and over 40 sub-questions under the headings aligned with the objectives noted above:

- Efficiency, Risk Management and Monitoring
- Effectiveness in meeting objectives
- Relevance

A full list of thematic areas and sub-questions is attached as Annex A.

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<sup>1</sup> Representatives of FFA members not interviewed when the Reviewer was on Honiara were invited to participate by phone/skype or email

<sup>2</sup> The Review is based on the information and documentation made available; it is acknowledged that there may be other sources that supplement what was available at the time of the Review.

## Part 1 Efficiency, Risk Management and Monitoring

### 1. High level Governance

#### Operations / functioning of the governing body

The governance model for FFA is essentially as for other CROP agencies; it comprises a governing body made up of all members, along with additional elements to provide focus on specific aspects (e.g. Audit Committee). For FFA the governance arrangements and supporting systems are set out in the Corporate Governance Policy adopted in 2016.

Members consulted in the course of the review were broadly comfortable with the governance processes and members' opportunity to participate in decision-making; *'[we are] happy with how it is being done; senior officials meet to prepare Ministers'*. The establishment and implementation of the Audit Committee was praised, particularly in providing a forum for more focussed review of financial reports and the budget in preparation for FFC meetings.

Consultations revealed two areas where members had misgivings about the process. The first was a specific concern about the timeliness with which the Secretariat makes papers available to members prior to meetings. This concern related to the FFC meeting in its governance role *'[receiving papers] two days out from a big Ministerial meeting is not good'*, as well as other meetings and workshops run by FFA. The review heard of instances when delegates were provided with papers on arrival at meetings, and of staff *'still writing papers on the first day'* of a multi-day workshop. The concern on this issue was that it fundamentally affects the quality of decision making and in some cases the possibility of making a decision (if delegates have not had the opportunity to confirm a national position).

*Secretariat: Timely delivery of papers continues to be an area for improvement. While there are often external factors that cause delays in paper finalisation the Secretariat acknowledges the need to deliver papers well ahead of meetings.*

The second issue - relating to the underpinning governance model – is discussed under 'future proofing' (section 11 below).

#### Continuous improvement

Since the time of the last review, FFA has embarked on a programme of revising and updating systems, and introducing new procedures. This has accelerated over the last two years, and also includes a schedule of reviews as set out in table 2.

| <b>Table 2: List of updated corporate policies and procedures</b> |  |                              |
|---|--|------------------------------|
| <b>Completed</b>  | <b>Underway</b>                                | <b>Planned</b>               |
| FFA Corporate Governance Policy                                   | Financial Procedures Manual                    | Staff Regulations review     |
| Establish Internal Audit  | Information Security Management Systems (ISMS) | Values Statement             |
| Staff Travel Policy -Revised                                      | Individual Performance Management              | Administration Manual review |
| Procurement Policy -Updated                                       | Insurance Review                               | Financial Operations manual  |
| Financial Regulations (updated)                                   | Risk Management                                | HR Manual update             |

|   |  |   |
|---|--|---|
| Document Storage Policy                               | IT Procedures Manual and Policy                          | Health and Retirement Policy for PAL staff. |
| Gender Equity Framework                               | Housing Valuation and Housing Policy Review              | Review of CSLA procedures.                  |
| Foreign Exchange Policies                             | Technology One systems and processes Health Check        |   |
| Emergency Procedures, Safety and Contingency Planning | Intergradation of HR (Orange) and payroll (Sage) systems |   |
| Donor Agreement Payment and Reporting Schedule        |  |   |
| Risk Management Policy and Procedures                 |  |   |
| Implement Technology One Budget Module.               |  |   |

The Review acknowledges that this is an impressive body of work, and members were of the same view: '[FFA has] invested a lot on internal procedures....internal governance is working better', but also noted that much of it is new and 'needs to bed in'. This work has been undertaken to improve internal procedures and accountability, but also to align with the requirements of donor partners such as the EU and multilateral donors.

*Secretariat: It is good that this significant body of work is visible to members. Note though that it has come at substantial cost in terms of staff time and effort and more importantly has distracted the Secretariat from other areas of corporate reform, such as performance management, which is now a key priority being actively progressed (discussed below).*

### Risk

The creation of the role of Internal Auditor has added a significant new dimension to the Agency's capacity to self-assess and manage risk. The role sits outside the Divisional line-management structure and reports directly to the Director-General as well as providing a report to the Audit Committee.

In relation to risk, Internal Audit has a role under the FFA Risk Management Policy and Procedures to 'identify and assess factors and events that will impact the achievement of FFA's strategic and operational objectives'. In line with this, the Internal Auditor has built on existing processes to develop a Master Risk Register which identifies Strategic (external) and Operational (internal) risks, along with risk assessment and treatment options under a standard risk management approach.

On the specific issue of foreign exchange risk; FFA's adverse experience in relation to exchange rate fluctuations associated with the Global Financial Crisis (GFC) of 2008, spurred the Agency to commission an external review of its foreign exchange practices. The review was carried out in 2016, and in October 2016 the Agency reported that it had implemented the most important actions identified in the review. Changes have been incorporated into the FFA Finance Manual, including, for example, the provision that '*Donor funds received in non USD currency [are] converted immediately to USD*'.

## 2. Programming systems

Selection and prioritisation of activities is ultimately decided by the Forum Fisheries Committee (FFC) on advice from the Secretariat and the Audit Committee. This is managed under a cascading series of corporate [and regional] documents as described in the Corporate Governance Policy:

### The FFA Strategic Plan 2014 – 2020

#### The Roadmap for Sustainable Pacific Fisheries

#### Statement of Intent (SOI)

#### Country Level Service Agreements (CLSAs)

Activities and Key results are formulated into the Statement of Intent, and then reflected and costed out in the Annual Work Programme and Budget which is considered for approval by the FFC.

This process is closely aligned with the Governance issues discussed above, and members' considered it to be a clear internally consistent decision-making process. One stakeholder commented that these processes *'are so far ahead of how it used to be'*.

The work programme makes provision for work under international treaties/ conventions; primarily the WCPFC and Pacific regional/sub-regional agreements. This work appears to be largely delivered by the Fisheries Management and Operations Divisions. Support for members' compliance is included in Country Service Level Agreements where requested.

Planning for annual activities appears to be done predominantly at Divisional level, with the respective Divisional programmes and budgets merged into the Annual Work Program and Budget (AWPB). Once the AWPB is approved Divisions generally create their own Divisional work plan with a sufficient level of detail to guide the year's activities. Similarly, Divisions take responsibility for developing project proposals in line with the FFA strategic documents, along with donor aims /requirements as may be appropriate.

The Secretariat reported that carry-forwards have become a more regular feature of the budget in recent years; up to 25% of donor funds are currently being carried forward year by year. This has been subject to discussion in the Audit Committee, particularly whether it represents the agency 'struggling to deliver' work as programmed. It was noted that there are a variety of other reasons for funds being carried forward, including:

- Delays (e.g. awaiting legislative changes) or changes in priority at Secretariat or country level that shift activities into a subsequent financial year.
- Prudent management of funds; ensuring that funds are carried over rather than 'poorly spent' at the end of the financial year.
- Funds being transferred in to the Agency late in the financial year.
- The expansion of activities associated with the adoption of the Roadmap.

In these circumstances, the Secretariat views carry-forwards of this magnitude as being ‘neither good nor bad’ from an accounting perspective. Under the financial regulations, unspent Trust Funds must be re-budgeted (for accountability reasons) or collected and held in the Reserves in other funds.

The Secretariat advised the Review that ‘there is a case for the FFA to consider a review of its management of all its Reserve Funds relevant to contemporary needs’.

### 3. Communication

The Secretariat advised that communications are handled under a Communications Strategy<sup>3</sup> adopted in 2013 and scheduled for review in 2018.

Much of the secretariat’s communication of technical information to its members is through the formal papers and presentations to FFC meetings and the range of technical meetings, negotiations and workshops convened by FFA and other agencies in the region. The Secretariat is also responsible for a range of print and web-based publications (e.g. FFA Trade and Industry News) and press releases. Recently, FFA has developed a social media presence focused largely through Facebook and, to some extent, Twitter.

These communications channels all have different audiences and correspondingly different characters. Some offer formal technical guidance and advice, others are more informal and provide a photographic of the human interactions at certain meetings.

Stakeholders interviewed in this review had mixed views on the appropriateness and effectiveness of the various media products; for some ‘they do a great job’ for others there were concerns about some aspects. The ones that attracted most comment were:

- Facebook page  
The Facebook page was popular; reportedly ‘*the most popular in the region*’. The Facebook page brings the sense of having an up to date awareness of what is going on and being able to see people in action, although; ‘*[we] see ourselves on Facebook sometimes more than is comfortable*’.
- FFA website  
The website was considered to be a little dated and lacking appeal, especially compared, for example, to some international NGO websites.
- Fisheries Roadmap Report Card  
The Report cards associated with the fisheries Roadmap were considered to be well designed for the wider public, with clear graphic presentation communicating the key industry indicators.
- Press releases  
The press releases were welcomed but some found their timing and content a little hard to interpret – particularly in instances where they deal with negotiations still in progress.

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<sup>3</sup> Not sighted by the reviewer

The press releases reveal something of the dilemma FFA faces in communicating with the wider public. Much of what is delivered by the agency (e.g. MCS work) or discussed in negotiations has at least an element of confidentiality to it. This means that decisions about what to say (or what information to include) and when to say it require fine judgement. There was a general sense that FFA could play a larger role in making the public aware of the importance of fisheries to the region, and the agency's role in supporting it.

It was noted that getting Pacific stories into the mainstream international media has proven very difficult (i.e. beyond specialist fisheries media).

Given the potential for regional fisheries stories and FFA's role to reach a wider audience, the scheduled review of the Communications Strategy is timely, and provides an opportunity to identify key audiences, key messages, and target media products accordingly.

*Secretariat: The Secretariat agrees with most of the commentary and suggestions in this section, particularly regarding the usefulness of social media presence and the need to modernise the content and appearance of the FFA website.*

*The Secretariat acknowledges the feedback about press releases. As a general rule, press releases go through an extensive process of review and the Secretariat endeavours to maintain appropriate sensitivity to ongoing discussions and negotiations, while also trying to raise public and stakeholder awareness in the way suggested above.*

*The anticipated review of the communication strategy in 2018 will be useful to continue the improvement that has been achieved in the last few years.*

#### **4. Procurement and Financial Systems**

##### Financial accountability and transparency

Accountability and transparency is provided through financial reporting scrutinised through the Audit Committee, and formally considered by FFC. One member country representative summed up progress in this area in stating that 'In the last 5-6 years there has been huge improvement'.

The Secretariat reported that this improvement has been achieved through a number of changes since the previous FFA review, including:

- Restructure of the Finance Team
- Upgrade of the Financial System
- Revision and update of the Finance Manual
- Ongoing improvements to the Budget module
- Commitment to clear, plain language financial accountability documents.

##### Procurement

A Procurement Policy has been prepared as part of the updated Finance Manual. The policy sets out specific guidance on procurement and contracting; a summary is to be made available on the FFA website 'as a commitment to transparency and a guide to tenderers'. The Policy sets out a range of procurement options that may be applied in different circumstances (e.g. different cost levels).

It is notable that the Policy includes provisions that apply to funds managed under certain donor programs managed by FFA, including the World Bank and FAO/UNDP.

*Secretariat: Substantial further strengthening of the procurement process is a major achievement in seeking “7 Pillar” compliance to receive EU funds. The Secretariat will continue with such reforms including to improve the timeliness of procurement without a loss of accountability. This work is important but as discussed elsewhere requires some other reforms to progress at a slower pace.*

### Audit

The Secretariat reports that Audit procedures have been upgraded to achieve compliance ‘with International Public Sector Accounts Standards (IPSAS) from International Financial Reporting Standards (IFRS)’. There has been the required rotation in external audits. The most recent Annual Report (covering the 2015-16 year) recorded that ‘all external audit outcomes were unqualified’.

*Secretariat: The FFA budget has grown by around 75% since 2010. It has also grown more complex in terms of the mix of income sources and the range of expenditure modalities. Recognition of the ongoing unqualified audits is very welcome.*

### Reserves and carry-forwards

Further to the comments above on carry-forwards, changes in the finance software now enable Divisional Directors to access the system to develop budgets and track expenditure. In addition managers and directors are provided with weekly and monthly reports (this was not done at the time of the previous review). The Secretariat acknowledged during the Review that further enhancement of this reporting can be achieved to enhance transparency and create better ‘real-time’ management of available funds.

## **5. Monitoring and Evaluation**

The ability to report accurately rests on a system of monitoring, and to a lesser extent evaluation, of activities, outputs and outcomes. The review was advised that there is a systematic process for providing the necessary information into key governance documents - notably the Annual Report - on an annual basis. Outside of this process, there is a more informal set of practices for monitoring progress. This appeared to be based around intra-Divisional tracking of progress against workplans, meeting reports and, in particular, the provision of staff travel reports.

The FFA strategic Plan records that:

The FFA Annual Report is the primary reporting tool for FFA and is used to provide a comprehensive assessment of the performance of the Secretariat and its members against the provisions and intentions of the Strategic Plan, SOI and AWPB.

FFC consideration of the Annual Report has involved a two step process. For the most recent Annual Report, an interim Annual Report was considered and endorsed by FFC officials at FFC 98 (May 2016), with a direction that the final Report would be transmitted to the Ministerial Forum Fisheries Committee Meeting (FFCMIN13 – after prior consideration by officials), and subsequently to Forum Leaders.

The Annual Report, at least in the form that it is published<sup>4</sup>, provides a highly summarised report on activities and achievements, generally encapsulating a year's achievements under KRA in a sentence or two. For example under Fisheries Operations KRA 4 the Annual Report observes that “Effective utilisation of the IMS in the context of MCS is an area of opportunity that requires more work”; a statement that is clearly open to a range of interpretations. The Review was advised that an alternative ‘traffic light’ model of reporting was trialled last year in the Audit Committee with the intention of it being used for future Annual Reports.

*Secretariat: The Secretariat and Audit Committee continue to examine the best way to report against collective achievements. The Annual Report is, by necessity, relatively brief but is closely aligned with the SOI and AWPB. The Secretariat continues to believe that the traffic light style report that was trialled in 2016 has great merit as a single source for members and donors to draw easy conclusions about performance.*

Discussions with staff revealed a sense that there was a reasonably high burden of reporting apart from the Annual Report itself, dominated by donor and project reporting requirements. For example; the secretariat indicated that a position had been created specifically to tend to Activity management and donor reporting. From time to time independent evaluations are commissioned of donor projects (which are usually multi-country).

The Review was advised that donor-specific reporting is not shared unless there is a donor request, but that issues identified in these reports are worked into other reports and papers prepared by the Secretariat.

*Secretariat: On the issue of donor relationships in general, and reporting specifically, the Secretariat is interested in organising some form of “Donor Symposium” in the next financial year. We see this as being a valuable opportunity for donors to better understand how their individual contributions fit to make the AWPB, and particularly how projects funded by different donors complement each other.*

All staff members are required to complete a travel report in a standard format after each travel mission. These are circulated electronically to all staff for reference. The reviewer was advised that these trip reports provide a means for staff (who choose to read them) to gain an understanding of what other staff members are doing, make connections between different areas of work, and learn of any relevant progress/change at national level. They also act as a primary source of information for preparation of the Annual Report.

Country Service Level Agreements (CSLAs) provide a mechanism for dialogue on country circumstances, needs and services provided. Staff are encouraged to use the CSLAs to guide in-country work and, when on site, assess progress and/or barriers to change.

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<sup>4</sup> In the form of an Executive Summary

In the past there has been a programme preparing periodic country Implementation and Progress Reports in relation to CSLAs. These were written with a view to assessing country circumstances and progress (and/or barriers to progress), and revising the content of CSLAs. The most recent of these was carried out in 2015. More recently, FFA has used the practice of engaging member representatives in bilateral discussions on the CSLAs in the margins of other regional meetings. The Secretariat advised that it proposes a reconsideration of 'best practice' in this area.

### Report card

The Roadmap – Future of Fisheries Report Card system provides another example of reporting against objectives. In this case the objectives are designed to be measured against parameters such as economic contribution, and employment that can be tracked through regional statistics rather than measures of agency activity. It was noted that the gains in employment and economic benefits are aligned with the locality and management of the major fisheries resources – the skipjack fishery managed under the PNA purse-seine VDS being a case in point.

*Secretariat: The Secretariat is careful to ensure good explanation of the context of each economic indicator that is used as a sign of relative success. While all indicators show good progress at the regional level, each one has biases to a specific group of members (such as VDS Participants for government revenue increases, Melanesia for processing related jobs, longline processing countries for value of exports). The overview statistics in the report cards are supported by the more detailed "Economic Indicators" report that provides national figures.*

### Lessons learned

The Review was not made aware of a systematic process for identifying and absorbing 'lessons learned'. Staff reported that this is done in a variety of more or less informal ways, including:

- Picking up lessons from trip reports
- Post event team discussions / debrief
- Peer to peer learning (e.g. at the bar)
- Learning by doing (i.e. making mistakes)
- Mentoring and advice from senior staff ('we tried that in 2008..')
- Potentially through lessons identified in external project reviews

*Secretariat: Some form of structured process to "bank" lessons learned is an interesting concept that the Secretariat will look into in order to optimise performance and ensure maintenance of corporate knowledge. The advent of an EDRMS system – about to be trialled – may also assist in this process. The use of cross-divisional task forces for key policy challenges such as on the SDGs and Oceans may also provide an opportunity for effective knowledge-sharing.*

## Part 2: Effectiveness in meeting objectives

### 6. Objectives

Achievement of FFA objectives is a joint mission that can only be delivered by means of a partnership between the Secretariat and its members. The FFA Strategic Plan sets out high level Outcomes as in Box 1 below. It can be seen that achieving the outcomes depends on the actions of both the Secretariat and members (along with a range of external factors).

**Box 1: FFA Strategic Plan Outcomes**

**Outcome 1** - Regional Solidarity is enhanced

**Outcome 2** – Effective management regimes in place, developed and supported by member governments, taking into account the views of stakeholders

**Outcome 3** – Benefits to FFA Members from fisheries are reinforced by robust Monitoring, Control and Surveillance (MCS) in support of fisheries Management frameworks

**Outcome 4** – Tuna fisheries are developed to maximise social and economic benefits to Members from the sustainable use of our hared fisheries resources

**Outcome 5** – FFA governance and administration is continually strengthened

These Outcomes are further described through a set of Modalities relating to each Outcome. In addition, a set of Goals are identified for each Division within the agency. This general arrangement of Outcomes is repeated and elaborated in the SOI.

Assessing whether these objectives being achieved is not straightforward, as (apart from Outcome 5) they refer to complex sets of conditions. As noted above the FFA Monitoring and Evaluation systems document activities and results that can be reasonably expected to contribute to the high level Outcomes. This reporting also includes information on timeliness and budget/financial aspects; both with respect to planning (through the AWPB) and reporting. No specific concerns have been brought to the attention of the review on these aspects (other than those specifically mentioned elsewhere in this Report).

With respect to efficiency, the Secretariat's operational costs are governed to a large extent by the regional arrangements determined by the Council of Regional Organisations of the Pacific, and the costs associated with being based in Honiara. Some stakeholders raised questions about whether the Secretariat gives sufficient consideration to alternative modes of delivery (e.g. contracting or outsourcing) for some services.

*Secretariat: The Secretariat acknowledges this feedback. Greater attention to opportunities to outsource have the potential to engender efficiency but also to gain fresh perspectives. The need to ensure that services/advice are tailored specifically to the Pacific (and SIDS) context have sometimes deterred investigation of such approaches. There are a few examples where substantial investment has been made in external service providers with unforeseen negative consequences. More generally the Agency seeks to use its expertise to the best benefit of members and must weigh up the costs of either providing this 'in-house' or going to the market and undertaking procurement with the resulting management and oversight responsibilities.*

### Member resources / capacity

The capacity of members is crucial to the attainment of national objectives, in partnership with the Secretariat. More broadly the international, regional and sub-regional needs are continually expanding – placing additional demands at national level. This encompasses both the range of issues which officials must ‘get on top of’, and attendance at the multitude of fisheries meetings, which take staff away from national operations. A common message from the consultation process was that there are ‘*too many meetings*’, and that the demands affect small administrations most acutely. On this issue, one stakeholder observed that ‘*FFA has grown and the countries [fisheries departments] have stayed the same. There should be a correlating expansion in small administrations*’. Some national administrations have significant bilateral donor capacity support; this may be more or less successful in the long term, but masks capacity problems in the short term.

*Secretariat: The Secretariat strongly agrees that most member fisheries administrations should be larger to meet the growing demand and complexity of the work. This is specifically addressed in the Roadmap, which calls for greater commitment by Governments to invest adequately in fisheries departments.*

*Every FFA Island member now earns more from its fisheries resources than ever before, and the onus is at the national level to reinvest appropriate amounts of that revenue.*

*The Secretariat shares the concern raised about the overall success of some capacity supplementation programs and has shared these concerns with members and donors in the past.*

*The Secretariat certainly does acknowledge however that the burden falling on smaller administrations does make it difficult for them to participate equally in all meetings and keep up with a rapidly evolving management landscape. The Secretariat will consider further how this might be better addressed. Communication strategies ensuring timely reporting of the fuller range of meetings the FFA attends may be part of the answer. Another component will be the likely improvement in IT services should the foreshadowed undersea cable come to Honiara in 2018, making teleconferencing more realistic and cost-effective.*

The fact of the large number of meetings means that there is a close and ongoing relationship between Secretariat staff and member representatives, built up over (in some cases) many years of shared experiences in and around meetings. This brings a profound sense of partnership to the Secretariat’s dealings with members that is unique amongst the CROP agencies.

*Secretariat: The Secretariat strongly agrees with this conclusion – while the meeting load is brutal it does provide opportunity for relationship building in a way that simply doesn’t exist in other sectors and the resulting trust and mutual appreciation is a big factor in much of the fisheries related success in the region.*

### Country objectives (CSLAs)

The Review heard a range of comment relating to CSLAs. It was acknowledged that they provided a key insight into national needs and in some cases were cited as being very useful for Secretariat staff. In other cases stakeholders noted that they are not fully prioritised (e.g. *'there is too much in ours'*), and that they can be by-passed at times by direct requests for assistance on other issues during the year. Members have high expectations of the Secretariat – at times suggesting that the Secretariat should anticipate national needs or problems before they arise (e.g. in relation to compliance with international requirements), *'not just react when we have a problem'*. Conversely the Review also heard from members that at times they will indicate that everything is under control at national level - until a problem comes up.

These examples highlight the difficulties that the Secretariat faces in responding to national needs while also providing support at international and sub-regional level.

*Secretariat: This feedback is interesting, and something the Secretariat would like to explore further with members. An in-house review of the way the FFA manages its CSLAs may be timely and could be conducted in the 2017/18 year if members are in agreement. There are synergies here with the need to further improve our monitoring and reporting on how the Agency meets national needs. Further comments provided below.*

## **7. Institutional Capacity**

FFA is seen as a high performing agency; at the same time questions have emerged about its ability to deliver in the face of an expanding range of challenges, even with an expanding budget (in recent years).

### Organisational structure

FFAs organisational structure reflects that of the structure of the Strategic Plan, with four Divisions; Fisheries Management, Fisheries Development, Fisheries Operations, and Corporate Services. The Review heard relatively little comment on the organisational structure itself. Some changes had been made in terms of moving certain work elements between Divisions in response to changing priority (e.g. US Treaty). There have also been long standing debates on the placement of the legal section, and the relationship between Fisheries Management and Fisheries Development.

Several interviewees commented on the flow of information from Executive Management: *'staff are not always aware of when and how certain decisions have been arrived at'* and would welcome more openness especially where it relates directly to their work. As one said *'I am the type of person that wants to be involved – but if I am kept in the dark, I disengage'*.

*Secretariat: As a relatively large organisation with a very high rate of travel and overseas service delivery, it is quite easy to overlook opportunities for internal communication. This is very valuable feedback that the Secretariat will action. We will ensure staff are consulted to assess how better information flows can be achieved and how to ensure such processes are sustained throughout the year.*

Several interviewees observed that the different Divisions operate to some extent as 'silos' and that improved coordination and communication would assist with efficient workflow.

*Secretariat: This was also a concern raised in the 2010 review. The Secretariat's view is that it is markedly improved, thanks to tools such as the SLAs and greater emphasis on trip reports. This issue will be addressed through development of better coordination, information exchange and policy integration processes.*

### Staff profile<sup>5</sup>

The total number of staff on site is approximately 100, including project staff and people placed in the secretariat through other arrangements. Of these 45 are international staff employed by FFA.

With respect to planning the mix of skills and qualifications needed to implement FFA's work program, the Review was advised that this is handled through an annual review amongst the Executive Management Team in the context of the AWPB preparations. New positions can be established by agreement with FFC, through approving the Budget. The mix of staff qualifications as at 2017 is set out in Table 3.

| <b>Type of qualification</b> | <b>Number</b> |
|------------------------------|---------------|
| Fisheries related            | 12            |
| IT related                   | 7             |
| Economics                    | 5             |
| Law                          | 4             |
| Business                     | 4             |
| Management / governance      | 3             |
| Development                  | 3             |
| Other social science         | 3             |
| Accounting / Finance         | 2             |
| Other physical science       | 2             |
|                              |               |
| <b>Total</b>                 | <b>45</b>     |

### Representation

The mix of FFA international staff nationalities in 2010 and 2017 is shown in Table 4. Fourteen of the current 45 International staff are women.

The table shows the highest number of staff being Australian, while two currently hold citizenship outside the FFA membership.

Several interviewees commented on the role and contribution of Pacific Island international staff. One long term observer noted that there are Pacific Islanders who '*are globally prominent in fisheries law and MCS but not in economics and fisheries management*', and lamented that more Pacific Island men and women have not been supported to excel in these areas. One suggestion for increasing Pacific Island capacity was the concept of having a Pacific Island youth program or placement within each Division. It was also noted that the Secretariat has at times been criticised for drawing good staff away from national fisheries departments.

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<sup>5</sup> In the CROP agencies, staff are employed in two ways, either through local or international recruitment. The formal terms are: Employees in Positions Advertised Locally (EPAL) or Employees in Positions Advertised Internationally (EPAI). In this report the terms 'local' and 'international' are used to refer to these categories.

*Secretariat: SPC has just introduced this (placement) concept and FFA will be watching its effectiveness with interest. The Secretariat is proud of the achievements it has made in formalising MCS training opportunities in the region, and this appears to have borne fruit. The Secretariat is interested to do likewise in fisheries management and policy in 2018. Recruitment of national staff does give consideration to the national institutional impact but it would also be quite unfair to qualified nationals to not consider them for employment.*

Staff also commented that new arrivals in the organisation can play an important role in bringing fresh thinking and challenging attitudes.

| <b>Staff nationality</b> | <b>2010</b> | <b>2017</b> |
|--------------------------|-------------|-------------|
| Australia                | 7           | 11          |
| Solomon Islands          | 4           | 5           |
| Fiji                     | 4           | 5           |
| PNG                      | 6           | 6           |
| Cook Islands             | 2           | 4           |
| Samoa                    | 3           | 3           |
| Tonga                    | 2           | 2           |
| FSM                      | 1           | 2           |
| Tuvalu                   | 1           | 2           |
| RMI                      |             | 1           |
| UK                       |             | 2           |
| NZ                       | 2           | 1           |
| Kiribati                 |             | 1           |
| USA                      | 1           |             |
|                          |             |             |
| <b>Total</b>             | <b>35</b>   | <b>45</b>   |

The Secretariat has adopted a Gender Equity Framework, which is to be subject of a standing item on the FFC agenda from 2017. The scope of the Framework encompasses “all aspects of the regional tuna fishery”. Amongst other things, the Framework states that “Processes surrounding recruitment and training, including within industry, the public sector, technical and tertiary studies will be evaluated”.

Staff interviewed for the Review welcomed the Framework, but noted that it is yet to be implemented. Further comment was made on the relatively low number of women employed amongst the international staff, and that no woman has ever held the position of Director (or higher).

*Secretariat: The Secretariat shares concerns about the general under-representation of women in the international staff and in the senior management tiers. Addressing this will be relatively complex as women are generally underrepresented in the applicants for such positions, so FFA will need to develop an understanding of why that is and how it could be addressed. One of the intended actions under the Gender equity Framework is have the FFA’s internal administration examined with a view to ensuring it meets relevant equal opportunity criteria. This is intended in part to address such issues and may lead to better medium-term performance in this regard.*

<sup>6</sup> These figures exclude Japanese staff and RFSC staff from NZ and Australian Military

The Review was advised that FFA's recruitment processes focus on 'merit' as the primary criterion, with other aspects, such as gender or representation, coming into play 'all other things being equal'. The Review notes that 'merit' is a complex concept that can properly include additional elements or competencies alongside academic qualifications.

### Capacity building for staff

Several staff expressed frustration at the lack of opportunity to enhance their skills through additional training. There is a widely held view that CROP agencies 'don't do staff training' because staff are expected to be fully competent to do that job from appointment. Some interviewees had strong views on this issue; for example pointing out that it is common in other workplaces to encourage training in order to increase the capability and maintain motivation of staff. On the other hand one respondent strongly urged that more effort go towards helping members, rather than staff issues.

The FFA Governance Policy states:

*In general, staff recruited to Positions Advertised Internationally (PAI) will be expected to possess the core competencies and experience necessary to discharge their duties effectively. Professional staff will, however, be considered for training, work experience, representational and related opportunities where these are of reasonable cost and are likely to derive immediate or ongoing benefit to the Agency and to the staff member.*

This Policy seems open to the concept of additional training, and allows for a case to be made on the basis of ongoing benefit to the agency and the staff member. This may be stronger where staff are employed beyond one contract term, as their skills may be 'slipping behind best practice in the area'.

*Secretariat: This is a long standing point of disagreement in FFA and in other CROP agencies. The Secretariat needs to settle on a formal view, and the advice of members would be most welcome in terms of whether members wish to see:*

- *An organisation that has regular staff turnover through a policy of recruiting contemporary specialists and then replacing them as their skill and knowledge loses currency (no training provided); or*
- *An organisation that seeks to provide career opportunities for long term staff appointments that allow staff to grow as roles grow (training provided).*

*Secretariat: The Secretariat is of the view that staff recruited should have the sufficient skill-set to discharge their duties effectively. The OJT provided by their roles in FFA should generally sustain strong achievement over a medium-term timeframe. However, the Secretariat acknowledges that there are short-term and special-interest training (including in respect of management skills) that can benefit both staff and the Agency as a whole. It is intended to better articulate and address training for International staff within the new Individual Performance Management system being rolled out in 2017.*

FFA also arranges staff training in areas directly related to staff duties, at times in association with USP, which has been well appreciated.

*Secretariat: This type of training usually relates to duties outside of the direct requirements of the position. For example, a technical adviser is expected to be a specialist in their field, but might not be expected to have the skills and knowledge to teach others – so if they are then expected to instruct on formal courses, they need instruction training.*

The Secretariat noted that the FFA’s location in Honiara limits the pool of qualified applicants for international staff positions; this would seem to reinforce the case for ongoing development for current staff.

The Governance Policy also provides for training for local staff where it “will enhance their skill set relative to their career aspirations, the discharge of their duties and the ongoing operational needs of the Agency”. The Staff committee, representing local staff, has made representations to management on this issue (as well as on other issues such as remuneration and the cost of rental housing in Honiara).

*Secretariat: No formal representations have been received from the Staff Committee in recent years, although informal discussions have recently highlighted the desire of local staff for a better articulated training policy. The Executive continue to place a very high value on the services provided by locally engaged staff, as evidenced by the regular market reviews and subsequent recommendations to FFC to ensure that FFA is a key employer in the Solomon Islands market. It is intended to better articulate and address training for local staff within the new Individual Performance Management system being rolled out in 2017.*

### Performance Management

No one interviewed during the review process expressed any satisfaction with the staff performance management process. One commented, succinctly; ‘currently I hate the HR system – think it’s unfair’. This sense of unfairness seemed to be primarily based, not on remuneration, but on relative workload and performance between different staff; i.e. the view that the system neither rewards good performance, nor has any corrective effect on poor performance.

The review does not have a view on individual staff performance, but makes the following comment. A well known model of staff/HR management describes staff in four categories according to their ‘potential’ and ‘performance’ as below. All organisations generally have staff in each of these categories; in this model it is a management responsibility to encourage staff to move to the right side of the table (through mentoring, training, being given opportunities ‘grow’ and to use their skills to the full etc) and if that is not possible, to look for alternative pathways.

|                  |                    |                       |
|------------------|--------------------|-----------------------|
| <b>Potential</b> | <b>Learners</b>    | <b>Stars</b>          |
|                  | <b>Dead Wood</b>   | <b>Solid Citizens</b> |
|                  | <b>Performance</b> |                       |

The Secretariat has acknowledged shortcoming in the performance management system and is in the process of developing a replacement.

*Secretariat: The Secretariat agrees with all the comments above. This was also an issue that was raised in the 2010 review. After that time, a formal process was implemented as part of the CROP change to a new pay system. The process was very cumbersome and as such was never fully implemented (the WCPFC Secretariat reviewed this process last year and recommended that they would need to recruit a full time manager to run the process on their 9 professional positions...).*

*The Secretariat has implemented an informal series of individual and organisation-wide performance bonuses over the last two years, as well as taking action to address cases of significant disparity in pay rates amongst staff members doing similar jobs.*

*While these have all been improvements, the Secretariat acknowledges that a formal policy framework is urgently required. This work was deferred in the last 12 months while the Secretariat struggled to meet 7 Pillar and post project audit requirements but is now working to establish a fair, transparent and efficient process. This is being rolled out with a view to being fully implemented in the 2017/18 year and should address many of the concerns raised. Staff feedback into the new systems was canvassed and incorporated.*

This issue ties in with the wider issue of workload. Interviewees from both inside and outside the organisation commented on the workload faced by FFA staff, especially with the travel demands: 'I just think they are so overworked'. More specifically, some within the Secretariat expressed the view that the workload is unequally shared. Stakeholders outside the Secretariat also commented on the fact that they see a small number of individuals taking on the bulk of the load; 'working their [hearts] out'. The Review concurs that some staff take on very heavy workloads, and that some redistribution of this, perhaps through delegation of roles, would be healthy for the organisation and for individual staff.

The Review also notes that less glamorous work carried out behind the scenes is crucial to the functioning of the organisation, but often goes unnoticed. This work also needs to be acknowledged and valued.

## **8. Overall effectiveness**

The Review found that members, and others across the range of stakeholders, hold the FFA Secretariat in high regard. A strong positive signal from the Review is that, taken overall, the organisation seems to be in much better position than it was in 2010 (the time of the previous review). The membership has appreciated the constructive leadership provided by the Executive, and has confidence in the management team. The Secretariat also enjoys the confidence of its major member / donors, Australia and New Zealand, which continue to provide a substantial proportion of the Secretariat's funding.

The overall work program, including delivery of activities and Outcomes, is discussed in section 6. While this appears to be 'on track' in a general sense, Review was advised of areas where the Secretariat is seen to excel and others where stakeholders raised questions. The Secretariat was seen to perform very highly:

- In terms of preparations and support for members' participation in the Tuna Commission; *'cohesiveness of engagement [in WCPFC] has been wildly enhanced - in both building capacity and identifying strategic/common issues'.*
- In relation to key aspects of the regional MCS arrangements: *'MCS is one of the great things that FFA has run very well'.*

There were three areas where members identified specific gaps or needs; or varying levels of dissatisfaction with respect to particular areas of work:

- Members identified advice on a range of commercial aspects of the fishing sector as an area where more support would be appreciated. This included assessment of commercial risk in relation to business proposals, including foreign investment and Joint Ventures.

*Secretariat: We have just re-created the "Investment Facilitation Manager" position, which has been vacant since 2013. This position provides the capacity for the Secretariat to be far more proactive in the areas identified above. The new manager will start in June.*

- Development of the CMS under TKA; this was identified as an area of ongoing concern particularly in relation to managing the process for developing the proposed Catch Management System (as noted also in section 9).

*Secretariat: Commentary provided in section 9.*

- Regional Information System/Framework; long standing concerns were raised about the utility and timeliness of the system in development.

*Secretariat: This is an issue also of concern to the Secretariat. The IMS products delivered by the Secretariat are high quality and generally highly appreciated by members. Focus is needed on two critical areas though:*

- *Creating greater efficiency in the design and roll-out process through a standards based approach. The FLOW and MCSWG made excellent progress in this regarding terms of licensing/authorisation modules and the Secretariat will be using the same process to develop standards for all other modules.*
- *Better cooperation between the various developers and owners of the IMS products in the region. IMS products are being developed by FFA, SPC and Quick Access Computing as well as a few stand-alone national systems. By and large there is good cooperation and interoperability between FFA and SPC systems. FFA has had less success in cooperating with QAC, and the members that are paying for those services are encouraged to promote an open and cooperative environment. The FFA internal audit of the ISMS also identified this as a critical factor and recommended the development of a Regional Information Management Strategy. The Secretariat agrees that this would be a good way forward to discuss various opportunities for cooperation and interoperability.*

The Review has not looked into these issues in any detail, but encourages the Secretariat to review each of these, at whatever level of investigation is appropriate, to determine whether there is a substantive basis to the concern, and/or whether a different approach is needed in addressing/progressing these issues.

Forward planning is embodied in the Strategic Plan 2014 – 2020, and the SOI, which has a three year outlook. The two documents have different functions; the Strategic Plan deals with high level objectives and statements of principle. The SOI is a key part of the annual planning process, with some broader narrative scene-setting; its three year outlook deals with indicative funding rather than anticipating future work priorities. This arrangement represents a reasonable balance, without putting too much energy into anticipating the future course of regional or global events.

## 9. Regional relationships

FFA's response to the progressive emergence of sub-regional interests has differed in each situation according to the roles and ambitions of the respective groups. It is worth noting that firstly, there has been an overall move for members to focus on fisheries of particular interest to them as the regional approach and understanding of fisheries management has matured (e.g. with the settling in of the WCPFC). Secondly, these sub-regional groupings all comprise FFA members (in some cases not exclusively) so there is a core of common interest with FFA running through them.

### Parties to the Nauru Agreement (PNA)

The PNA, and the establishment of a separate PNA Office, is usually raised as 'exhibit 1' in discussing the role and influence of sub-regional groups. The close association between FFA and PNA has a long history, going back to the founding of the sub-group over 30 years ago. The establishment of a separate PNA Office, with some FFA staff as key figures, has been identified as a challenge to regional cohesion in the sector.

It is not necessary or appropriate in this report to go into the details of what has transpired. Instead, the review can report a sense of optimism arising from what is seen as a more constructive relationship emerging over the last eighteen months. Members interviewed were positive about the positive direction the relationship appears to be taking. One member commended FFA (and by implication both parties): *FFA has done a good job to build cooperation with PNA – done a great job to maintain connection – it could have gone wrong...*

While there have been mis-steps and misunderstandings the roles seem more settled. The PNA Office was '*created for different reasons*', but PNA members remain core members of FFA and value FFA's regional role.

FFA seems to have retained its support for individual PNA members but stepped back from its previous role in providing advice to the PNA collectively – it was noted that FFA had no papers on the agenda for the recent PNA meeting (unlike SPC).

While it appears that there is a residue of cautiousness between the agencies and some of the membership, stakeholders also highlighted the fact that the two agencies should complement each other; avoiding duplication of services and ensuring that gaps are addressed. The FFA/SPC colloquium may offer a model for enhancing the relationship between FFA and the PNA Office.

*Secretariat: FFA has worked hard to create and maintain a positive relationship with the PNAO and to ensure clear messaging to PNA members. This has not been easy at times.*

*The observation about meeting papers is an interesting one, and it is encouraging that members have recognised this. The secretariat would welcome the opportunity to present papers for PNA consideration but PNA members would need to direct that as in the past the PNAO had been resistant to papers prepared by FFA.*

*The Secretariat supports the establishment of a formal colloquium with the PNAO along the lines of the annual meeting between FFA and SPC. This has been a great success in terms of understanding different perspectives, delineation of roles and cooperative work planning, and would be of benefit to the whole FFA membership.*

### Tokelau Arrangement (TKA)

FFA has taken on the role of secretariat to the TKA, and advising on the design of a Catch Management Scheme (CMS) under the Arrangement. The review has not delved deeply into this but has detected, through stakeholder interviews a lack of optimism about the TKA CMS in part relating to FFA's role, including:

- Lack of clarity about the relationship with the PNA long-line VDS
- A sense of uneasiness about whether FFA is acting in the role of advisor to members or moving into a management role should rest with the rights owners (sovereign states)
- A sense that members are being asked to take decisions before the full implications of the CMS have been fully explored
- A lack of appreciation of the complexities members face at national level in relation to the Scheme; *[is FFA] not listening? Are the members trying to tell them something?*

*Secretariat: The evolution of the TKA has indeed been a challenging process. While the Secretariat endeavours to be sensitive to issues raised by members, it is also important that we provide free and frank advice on areas where we see opportunities (or risks) for members; even where that will be controversial or confronting. In this case, there are significant benefits that members could gain through greater control over the southern longline fishery and substantial risks to members from an ongoing lack of action.*

*The May 2017 meeting was somewhat of a watershed in clearing the air and taking some significant steps forward. The work to be developed over the next few months should address the residual concerns of most members.*

### Te Vaka Moana (TVM)

FFA has been supporting TMV in a contractual role in association with New Zealand funding for TVM. The operating context and circumstances of members have changed significantly since TVM was established. Different interests have emerged within the group and it remains to be seen whether New Zealand will assign further funding under the collective TVM umbrella.

### Melanesian Spearhead Group (MSG) and Polynesian Leaders Group (PLG)

It appears that neither of these groups is actively involved in fisheries issues at the time of the Review, and the Secretariat's interaction with them has been limited.

### CROP Agencies

#### Pacific Islands Forum Secretariat (PIFS)

The FFA/PIFS relationship has been 'mixed'. In the past the relationship between agencies has been a cautious one, with some perceived overlaps that were considered unhelpful by both parties.

The Framework for Pacific Regionalism (FPR) provides the backdrop to recent engagement between FFA and PIFS. In the first year of the FPR process (2015) there was a lack of clarity about how the process would affect existing reporting lines to Leaders. FFA's Governance Policy shows its expectation that it's governing body (FFC Ministerial) has a direct line of reporting to Forum Leaders (as set out in the FFA Convention).

Tensions arose between the agencies around FFAs expectation that the regional Future of Fisheries Roadmap would be forwarded through the FFC Ministerial for Leaders endorsement, when at the same time a separate fisheries initiative had been selected through the FPR process. Ultimately Leaders (amongst other things) adopted the Roadmap, and directed that a Task Force be established to develop a program for increasing economic returns from fisheries over a five year period.

This Task Force was chaired by PIFS, and comprised FFA, SPC and PNA Office. The Task Force completed its work in 2016 and contributed to an increasingly constructive relationship amongst these four agencies.

PIFS has an ongoing role under the Roadmap in relation to investment facilitation and market access, and FFA and PIFS have had a shared role in the past in relation to proposals for fisheries partnership agreements with the European Union.

*Secretariat: Minor comment; the reference should be to “economic partnership agreement”. FFA provides advice to individual members on FPA proposals upon request.*

### The Pacific Community (SPC)

The relationship between FFA and SPC is a particularly constructive. One interviewee described it as *overall a good example of how agencies should work [together]*. The agencies have different mandates but work together on a number of issues of mutual interest including:

- MCS, databases and IT issues
- Science / research
- Joint work on donor–funded projects
- Interaction between tuna and coastal fisheries
- Observers
- Legislative reviews

The annual colloquium has been invaluable in cementing the relationship between the agencies over the last decade. There has also been an extension of SPC participation in FFC meetings, allowing issues raised in its Heads of Fisheries meetings to be brought to the attention to Ministers (e.g. as occurred in relation to coastal fisheries in 2015/16).

*Secretariat: FFA respects SPC and highly values the relationship. Given the cross over in work areas, it has taken some work on both sides to establish such a cooperative framework, especially since the fall-out of the RIF Review in 2006/07.*

*The positive relationship, including a myriad of jointly executed projects is of substantial benefit to the members. Gender issues may also be a new area of collaboration.*

### SPREP

SPREP’s environmental mandate has several areas of crossover with tuna fisheries in the region, including; fisheries interactions with protected or endangered species (marine mammals, sharks etc), marine litter/pollution, and biological diversity of areas beyond national jurisdiction (BBNJ).

The Review was advised that the agencies work together under the auspices of the CROP Marine Sector working Group (on BBNJ). Beyond that the Review was not able to gauge the scope or character of the relationship between the agencies.

### Western And Central Pacific Fisheries Commission (WCPFC)

From the perspective of the Tuna Commission Secretariat, FFA members' participation is a critical part of the Commission's activities. The FFA Secretariat is recognised for its effectiveness in preparing members and developing unified positions that are presented strongly by FFA members in the Commission debates. At the same time this approach means that the COP debates were something of a set piece that allowed little room for active negotiation. The Commission Secretariat noted the increasing capacity of delegations in the realm of international negotiations.

Some FFA members expressed misgivings about the current direction of Commission work, questioning the benefits arising for FFA members from some recent decisions. The increasing burden of requirements to provide reports to the Commission was also noted; there are now over 40 management measures to report against *'it's disheartening to do what we do and then get non-compliance...for not reporting on time – which overshadows the behaviour of vessels which is the highest priority'*.

*Secretariat: FFA member influence over the WCPFC to date is a hallmark of "strength through cooperation". Looking at the treatment of developing States, and even developed coastal States in other RFMOs, it is clear that FFA members have been successful in working together to forge a different path.*

*In terms of the processes used by the Secretariat and members to prepare for and participate in WCPFC meetings, there is always scope for improvement. The Review comments about formalising "lessons learned" are particularly applicable in this context. The Secretariat is interested in reviewing the WCPFC approach at this year's MOC.*

### Non-members and NGOs

Both groups appreciated what they described as a recent shift towards FFA being more accessible and open to discussion.

Non-members main area of interest was in the relation to WCPFC processes, where they were in equal parts impressed and frustrated by the FFA members' disciplined collective approach to negotiations. It was clear that there is a high level of respect for the way FFA members conduct themselves in this environment, with support from the Secretariat. It was notable that non-members identified a strong sense of unity among FFA members, and identified FFA as lead in this; as one noted, FFA is *'very effective at executing its mission and helping to achieve what [the] secretariat and member states want'*. Another commented that *'FFA as whole, is a respected player and its role cannot be replaced'*. At the same time non-members noted that the collective approach made it difficult to negotiate solutions, particularly within the WCPFC meetings themselves. Some struggled to interpret the different roles of FFA, PNA and TKA.

NGOs interviewed during the Review were positive about FFA's role and their current relationship with the Secretariat. In some instances NGOs would prefer greater access to discussions and data.

In summary, over recent years FFA has take a more active role in engaging with stakeholders, notably extending its reach to be more accessible to non-members and NGOs. These efforts have brought increased dialogue with the Secretariat, and have been appreciated by these parties.

*Secretariat: The feedback and perspectives of external stakeholders are much appreciated. Staff work hard to play a mediation and facilitation role with stakeholders – within the confines of mandates from the membership.*

*The lack of flexibility in negotiation positions is an interesting topic for further consideration through the “lessons learned” exercise mentioned above. DWFNs have an established history of influencing RFMOs in their favour and if those efforts are frustrated by FFA members’ collective approach; that is probably a sign of success.*

## 10. Sustainable Development

Most of the elements relating to sustainability of outcomes have been discussed in previous sections of this report, in particular Section 5 (Monitoring and Evaluation) and Section 6 (Objectives).

The capacity of member countries to sustain progress is an important factor in the Secretariat’s work. Member countries, especially the smaller states, have limited capacity and require ongoing support, both bilaterally, and through the Secretariat. Perhaps, as one stakeholder put it ‘*capacity building is forever*’.

## Part 3: Relevance

### 11. Strategic Positioning and Future-proofing

The analysis and commentary in sections 1 and 2 are made within the context and boundaries of the current FFA ‘business model’. In Section 3 the Review is asked to consider the business model itself, and whether there is any support for a different way, or ways, of doing things.

#### FFA Business model

The review found that there was a wide range of understandings about what is meant by FFA’s ‘Business model’. When asked, stakeholders volunteered a variety/diversity of interpretations, including:

- How we go about our business deliver results
- Finances: cost recovery from the vessel register, member contributions; donors and funding models
- How you go about doing things – where you want to see agency in 5 years time.
- Corporate Structure
- Consensus decision-making
- Ownership interest (capital assets, people housing etc)
- The whole structure of FFA’s relationships with members.
- Governance, management, priority setting

These understandings differ, but encompass some common themes that are discussed below.

### Governance - Governing body

It was noted in section 1 that members are generally comfortable the governance and planning arrangements (through the Audit Committee and FFC). While supporting the positive changes that have been implemented, some members identified further areas for improvement. In particular, Members expressed a level of dissatisfaction with FFA's priority setting. Some described this in terms of extending the Secretariat's role into new areas. Others expressed concern over the Secretariat's capacity to deliver across an increasing range of issues and services.

In one interpretation, the central issue was seen as a weakness in governance, in that the governing body has a poor record of bringing greater discipline to the decision-making process. The concern was not about a lack of consultation in relation to the AWPB, but a perceived lack of analysis provided by the Secretariat about fundamentally different ways of delivering services.

In FFAs' case The FFA Convention sets out the basis of the governance relationship. Further, as noted earlier, FFA's governance model is common amongst CROP agencies. In this context, FFA Members have a much more direct engagement with the Secretariat than do most other CROP agencies, some of which convene in a formal governance role biennially (every second year<sup>7</sup>).

The Review concurs with interviewees that a radical re-vamp of the governing body is not necessary or desirable. But there may be ways of bringing clearer consideration within FFA and the Audit Committee. Some examples include:

- Where FFA is proposing investing in new areas of work, there could be a requirement to explicitly provide analysis to show that FFA offers the best/most efficient way of dealing with the issue. This may involve, for example, discussion of whether the particular service would more appropriately be provided by members, a subgroup of members, outsourcing, or through the private sector.
- Adopting a 'sunset clause' (as introduced as part of the Framework for Pacific Regionalism), under which specific initiatives are reviewed at intervals (say 5 years), and stopped if they are not delivering the desired results.
- Creating opportunities for more active engagement within FFC on priorities, options and trade-offs.

### Core business

The issue of priority setting is closely linked to with other comments about FFA's 'core business'; a common sentiment was that FFA should stick to its core business and only extend its work into new areas with a clear mandate from its members.

Core Business' itself is not a straightforward concept, and no common understanding was evident in consultations during the review. However several stakeholders pointed to the FFA Convention with its focus on highly migratory species<sup>8</sup>, as a starting point. Other candidates included:

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<sup>7</sup> The SPREP governing body agreed in 2015 to move this model, largely to avoid the costs associated with an annual meeting (in SPREP's case these include the cost of translation and interpretation in French and English)

<sup>8</sup> Formally, the Convention refers to 'conserving and managing the living marine resources, including highly migratory species' within EEZs.

- MCS
- Capacity building
- Regional and international fisheries negotiations and obligations
- Advice on fisheries management
- Advice on fisheries development
- New issues and/or threats such as 'blue boats', other, especially non-fisheries, international agreements that have the potential to affect fisheries.

An attendant question is – rather than trying to cut out services, should the Secretariat just keep expanding as new services are required? Or alternatively cap the number of staff to enforce limits on new work; as one respondent observed “*In some ways the old staffing cap was a blessing, forcing FFA to remain lean and mean*’.

*Secretariat (comments also apply to “Governance” section above): Hopefully the key concern about priority setting is a lack of understanding of how the Secretariat goes about it, rather than a dissatisfaction with the priorities that are identified and funded. At the May 2017 Audit Committee the Secretariat briefly demonstrated how the SOI (the clearest articulation of short term priorities) is developed, including the process that each Division Director goes through to determine their key work areas and assess the capability of their Decision to meet them. This is perhaps something that the wider FFC would benefit from.*

*Capacity to deliver is a critical concern within the Secretariat. The size of the agency, level of resources and complexity of work have all increased dramatically. The Secretariat has reached a point where it needs to either “say no” to additional work unless existing work areas are removed, or to expand significantly. The Secretariat’s preference is for the former, and this again links to priority setting.*

*A mid-term review of the Strategic Plan is scheduled for 2018, and this is probably the right opportunity for members to engage in a “strategic dialogue” about priorities for the agency and core roles and functionalities of the Secretariat.*

## Funding

It appears that the level of donor confidence in FFA is at something that might be considered an ‘all time high’. The recent upgrading of internal systems, and evident strong performance of the Secretariat has encourages strong support from traditional donors Australia and New Zealand, and a ‘pipeline’ of projects in the design phase, notably in partnership with the European Union.

The Review heard a range of views on whether the mix is right. Most members interviewed were comfortable with the level and source of donor funding, and it was acknowledged that FFA is able to leverage funding for work on members’ behalf, that would otherwise not be accessible to them. As one member representative noted ‘*FFA can pull in resources to help us*’.

There was minority support for avoiding donor funding altogether in order to operate independently of outside influence<sup>9</sup>.

<sup>9</sup> This might be seen as the PNA model, although the PNA Office does also make use of external donor funding.

The fact that the current donor landscape is positive gives rise to concern that it will inevitably decrease at some stage, as donor priorities shift. One response to that may be seeking relationships with 'new' or emerging donors, but this was not an issue that was raised actively by members in the current review.

It was noted that donor funding is not without drawbacks; *'[FFA has] to meet expectations – including 'strings attached' with donor country requirements'*. There are also direct costs; for example the Secretariat advised that the process for meeting EU requirements, has so far (to April 2017) cost in the order of USD 120,000 in staff time. In addition there are ongoing concerns on the funding of project overhead costs, and the level of reporting and accountability, for example: *'The problems with PROP implementation are compounded because of the very high burden of oversight and approval by the [World] Bank'*. An additional factor is that tagged project resources can not be redirected quickly to address new or pressing issues.

In relation to member contributions, the Review is aware of ongoing consideration of this issue by the Secretariat and FFC. As the Secretariat has noted in its advice to FFC, this is a complex issue which includes considerations of fairness/equity, and Pacific Island members' sense of 'ownership' of the Agency. In the course of the current review there was relatively little discussion on this issue amongst members interviewed. Several member representatives raised the issue of cost recovery or charging for services as a source of revenue, without putting forward specific proposals. It was noted that cost recovery relating to fishing in EEZs (and attendant services) can be interpreted as redirecting funds that belong to the members. One interviewee noted that *'when PNA split from FFA it took away most of FFA's expectations for increased cost-recovery with it'*.

With respect to the 'sense of ownership', the Review did not see evidence of this lacking amongst Pacific Island members. Not only did interviews show strong support for the agency and interest in its future, but also members have a strong track record of engagement in FFA processes and activities.

An alternative way of looking at the founding issue is to view it in the context of the overall capacity across the region. It is evident that the greatest pressure on capacity is in the smaller members' fisheries administrations – it is valid to question whether additional national funds would bring a greater return if used to increase national capacity in fisheries departments, rather than providing a marginal increase in Secretariat Funding (assuming ongoing donor support from Australia and New Zealand). Further to this, perhaps a new area of capacity building work may be to support members in making a case to their governments for increased departmental funding to in order to maintain critical fisheries capacity and services (this is often referred to as 'mainstreaming' and is a common element of many development projects in other thematic areas).

The FFA Secretariat provided additional comment to the Review on this issue, putting forward the view that while the mix of donors would change, and the requirement to manage such funds would reflect such circumstances, it was no easy task to simply 'remodel' the FFA on a different business path. Membership contributions supplemented by Australian and New Zealand program and project support, together with member-owned licence fee revenues, collectively accounts for around 75% of all FFA funding. This could only be altered with a very fundamental rethink of the Agency's role and the manner of its expected delivery of services to members.

*Secretariat: The financial position of FFA is indeed at an all-time high. This is evidenced in a number of ways such as new donor relationships (Sweden, World Bank, Oceans 5), greater contribution of untied donor funds (Australia, New Zealand, Sweden), agreed increases to cost recovery (FFA vessel register and US Treaty), agreed increases in membership contributions and a low rate of membership arrears.*

*As per comments above, the Secretariat is probably now reaching the maximum desirable size. It is also important to note that some of the new donor relationships have come at high cost to the Secretariat, and greater attention to cost benefit analysis will be required of future “high donor oversight” projects such as those funded by World Bank, FAO, Japan and EU.*

*The Secretariat view the current funding model, which has a good mix of donor funding, member fees, cost recovery and other sources as a positive model. The diversity amongst donors also provides protection against inevitable cyclical changes.*

*The Secretariat does not support the minority view of moving away from donors altogether. Small Island Developing States refusing external assistance on the management and development of their greatest shared resource seems a self-harming position. Having said that, the mix of donor and non-donor funds needs to be carefully balanced, and the relationships between donors and FFA need to be crafted carefully and on the basis of supporting member priorities rather than donor ideals. With a few exceptions, the Secretariat has been highly successful in this regard.*

*Where applicable the agency will continue to enhance efforts in respect of cost-recovery, promote increased self-reliance through capacity development and ensure that value-for-money is sustained through competitive processes in the selection of goods and services.*

### Managing for Future Change

The Review considers that the Secretariat management and staff have a good sense of their operating environment and major trends in the short to medium term, and a willingness to respond as challenges arise. However it was also observed that it is difficult ‘freeing time for the executive team to focus on ... innovation instead of backward-looking accountability and day-to-day [issues]’. The Review considers that if FFA wishes to match services to future expectations, then something more than the current processes that primarily serve to guide annual planning.

The intent here is not to engage in ‘crystal ball gazing’ about global events, but gain a sense of some basic agreements about FFA’s (both the Secretariat and members) future expectations, in order to guide the delivery of services for members. This might include some form of structured FFC consideration of future scenarios, or specific future propositions designed to provoke discussion. Some examples are provided below.

- By 2020, FFA will have established a separate Division of Fisheries and Oceans Multilateral Agreements to track international processes that have the potential to impinge on fisheries rights of members.
- By 2025, the Fisheries Operations Division will be operating as a stand-alone entity based in Brisbane.
- By 2026, the FFA Secretariat will have a staff of 200 half of whom are working out of a newly commissioned office building adjacent to the current site.

- By 2028, most of FFA's current functions will have transferred to other entities (stand-alone business units run by FFC-appointed Boards, sub-regional organisations, the private sector), while the remainder will focus on management of donor funds for capacity building at national level.

A robust discussion on such propositions would serve to give direction to medium-term planning for the Secretariat, in the context of high level objectives of the (current or future) Strategic Plan.

*Secretariat: There has not been time to consider the specific example suggestions above, but the Secretariat strongly agrees with the recommendation that this future-oriented discussion should commence. As stated above, the impending review of the Strategic Plan might be a good opportunity for that. While the process may result in a new document, the discussion that goes into that would be of greatest value to FFA.*

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## Acronyms

|       |  |
|-------|--|
| AWPB  | Annual Work Program and Budget                             |
| BBNJ  | Biological Diversity of Areas Beyond National Jurisdiction |
| CMS   | Catch Management System                                    |
| CSLA  | Country Service Level Agreement                            |
| EPAI  | Employee Positions Advertised Internationally              |
| EPAL  | Employee Positions Advertised Locally                      |
| FFA   | Forum Fisheries Agency                                     |
| FFC   | Forum Fisheries Committee                                  |
| GFC   | Global Financial Crisis                                    |
| IFRS  | International Financial Regulatory Standards               |
| IMS   | Information Management System                              |
| IPSAS | International Public Sector Accounts Standards             |
| MSG   | Melanesian Spearhead Group                                 |
| PIFS  | Pacific Islands Forum Secretariat                          |
| PLG   | Polynesian Leaders Group                                   |
| PNA   | Parties to the Nauru Agreement                             |
| SOI   | Statement of Intent  |
| SPC   | The Pacific Community                                      |
| SPREP | Secretariat of the Pacific Regional Environment Programme  |
| TKM   | Tokelau Arrangement  |
| TVM   | Te Vaka Moana  |
| USD   | United States Dollar                                       |
| USP   | University of the South Pacific                            |

## **Annex A: Review Questions**

### REVIEW OF FFA'S PERFORMANCE

#### Terms of Reference

[excerpt: Scope of the Review - thematic areas and sub-questions ]

#### **Scope of the Review**

The scope of the review will encompass the following:

##### II.1. a. Efficiency, Risk Management and Monitoring

These questions assess whether FFA's organisational structure and systems are conducive to good management and cost-effective implementation of its programs and extra-budgetary projects.

#### **High level Governance**

- a) Is the governing body a transparent, efficient and effective decision-making body and what if anything should be done to help improve the direction and support provided by it to the Secretariat?
- b) Does the FFA undertake adequate risk analysis and respond to known challenges in an effective way (including e.g. in respect to foreign exchange fluctuation)?
- c) Does the organisation exhibit a culture of continuous improvement?

#### **Programming systems**

Does the FFA Secretariat have efficient and transparent programming systems for selection and prioritisation of activities as identified by member countries and management; including a) planning and designing activities b) allocating resources to meet obligations under regional and international treaties/conventions; and c) fully utilising available annual budgets and effectively managing any necessary carry-forwards?

#### **Communication**

- a) Is FFA effective in communicating technical and other information to member Countries?
- b) Is the FFA effective in communicating broader sectoral developments and policies and the role it plays in these processes.
- c) Does FFA have sufficient presence in regional and global media (including social media) and international debates to promote the interests and achievements of FFA members?
- d) Is the FFA's communication strategy being implemented appropriately to reflect likely future trends and issues?

#### **Procurement and Financial Systems**

- a) Is the organisation financially accountable, with transparent budget processes, procurement and contracting systems?
- b) Has the organisation adopted internationally acceptable auditing processes for program, financial and administrative systems (and does it implement a timely audit program)?
- c) Are FFA systems adequate to identify carry-forwards and Fund reserves in a transparent manner with data available to decision-makers in a timely fashion?

## Monitoring and Evaluation

Are the monitoring and reporting processes systems adequate for FFA to assess and report on the outputs and outcome of its current activities? a) What mechanisms are established with participating countries to monitor and report on progress of activity components in these countries? b) Are the monitoring and reporting systems adequate for FFA to assess and report on the outputs and outcomes of its current activities? c) What mechanisms are used to evaluate and learn lessons from activities implemented over multiple countries? d) Are the monitoring and evaluation systems adequate for FFA to learn lessons and to improve its future activities?

### II.1. b. Effectiveness in meeting objectives

#### Objectives

a) Are the objectives of FFA's Strategic Plan and Statement of Intent being achieved in an efficient way? b) Are activities and programs mostly implemented within timeframe and within budget and are FFA and member resources adequate to meet program requirements? c) Are the FFA's programs well aligned with agreed regional member country objectives and priorities for fisheries, including as stated in the new Regional Roadmap and implicit in the Framework for Pacific Regionalism? d) To what extent is FFA able to identify and service sub-regional needs and priorities and balance these with national needs and priorities? e) To what extent is the FFA able to meet the national fisheries development and management needs of its members? f) To what extent has the FFA assisted Pacific Island Countries to meet their commitments under global and regional fisheries conventions and negotiations? g) Does FFA actively develop effective partnerships with Pacific Island Countries?

#### Institutional Capacity

a) Does FFA's organisational structure meet its needs and encourage efficient workflow, with an appropriate balance and number of staff at senior and lower levels and among Divisions and Programs? b) Are FFA staff suitably qualified and experienced, and are Pacific Islanders including women appropriately represented in the staffing profile? c) Does the Secretariat have adequate policy frameworks to ensure and promote gender equality in the Secretariat and its work? d) Are capacity building opportunities for staff adequate? e) Does the FFA have fit-for-purpose recruitment policies and individual performance management system? f) Are FFA's resources, and those of its developing member countries, adequate to meet program requirements?

#### Overall effectiveness

a) Is the FFA's work Program on track? Are the objectives of the FFA's Strategic Plan, Work Program and Statement of Intent being met? b) Does the FFA have clear and realistic forward work plan and identified future outcomes, supported by robust logic and effective systems? c) Are members satisfied with their investment in FFA and is there evidence of change amongst stakeholders and beneficiaries?

## Regional relationships

How effectively has the FFA addressed the following

a) Has FFA's response to the proliferation of sub-regional interests (PNA, TVM, MSG, PLG and TKA) been efficient, appropriate and in the best interests of members? b) Has FFA developed effective and mutually beneficial linkages with other CROP regional agencies? (including the Pacific Islands Forum, Secretariat of the Pacific Community, the University of the South Pacific and Secretariat of the Pacific Regional Environment Program) c) To what extent does the FFA communicate and collaborate with like-minded organisations, and to what extent does it promote the interests of its member countries in that engagement? d) How does FFA manage the provision of services and advice in areas where SPC or other bodies also play a role? e) Does FFA effectively align its services and advice with the high-level regional development and other priorities set by the PIF, including the Framework for Pacific Regionalism? f) Does FFA maintain adequate relationships and communication with non-FFA member governments, NGOs and international agencies?

## Sustainable Development

Does the FFA demonstrate its contribution to sustainable development, through: a) Quantitative and qualitative evidence of outputs produced from its activities? (The response to this question will take into account the capacity of FFA's M&E system to report on outputs, and will discuss positive and negative influences on performance). b) Quantitative and qualitative evidence of outcomes achieved? (Evidence of this will need to come largely from member countries). c) Outcomes/outputs which are likely to be sustained? This will take into account the capacity of member countries to sustain such outcomes/outputs. d) Clearly articulated policies promoting sustainability as an essential element of program design, implementation and assessment.

## II.2 Relevance

### Strategic Positioning and Future-proofing

a) Does the FFA have sufficient processes in place for members and the Secretariat to ensure that FFA's services are continually matched to expectations in the context of future changes? b) Is the FFA "business model" appropriate to predict or detect changes in national, sub-regional and regional expectations and consider new or revised services to meet those expectations? c) Is FFA's funding adequately and/or appropriately diversified, in particular:  is the mix of program vs project funding from donors appropriate, and are donor projects responsive to FFA needs?  is there sufficient diversity amongst donors to cover different priority areas?  is there a suitably developing relationship with NGO's and emerging donors?  do member contributions adequately reflect the value of FFA services?  what level of contribution and formula options may be appropriate to recommend in the context of a formal review of member contributions to be implemented as part of the post2020 Strategic Plan?