



Pacific Islands Forum Fisheries Agency



**FFA**

# Annual Report

1 July 2013 – 30 June 2014

**Pacific Islands Forum Fisheries Agency  
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# FFA Annual Report for fiscal year 1 July 2013 – 30 June 2014

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# Glossary of Terms

## TERM

## DEFINITION

### End Outcomes

What we are striving to achieve for our member countries in the long-term. For our purposes the Strategic Outcomes in the FFA Strategic Plan.

### Intermediate Results

- What we need to achieve in the shorter term in order to contribute to our high level results in the longer term.
- Concrete objectives that FFA can aim towards in the short to medium term (eg the next 12 months to three years)

We have more influence over these intermediate (even more so for immediate results, immediate impact of our work in the first year) than the high level end outcomes we're aiming for

### Impact:

The effect of our activities on member countries. Addresses the question of "what difference are we making?" Impact made up of several levels;

- 1) near term results, immediate impact of our services (within 12 months of delivery)
- 2) intermediate results are medium term changes in member countries' situation, two to three years in future as a consequence of our services
- 3) Longer term impact – changes in member countries situations in the long term ie from 3+ years as a result of our work

### Impact Indicators

- Indicates a change in the community, environment or economy,
  - Reflect the effectiveness of our services in contributing to Outcomes
  - Help determine whether anyone is "better off" as a result of services being provided
- Will be influenced by more than one organization,

### Effective Performance Measurement

Monitoring & Evaluation system

- Of outputs to impact or results – "effectiveness measures" eg "Results Indicators" "Impact indicators"
- Of inputs into outputs – "efficiency measures" eg "Service, Output or Performance Measures or Indicators" Look at how efficiently we deliver our services or output as well as the quality and timeliness of the service delivery
- Of resources to inputs – "economy measures"

### Outputs

The means that FFA uses to create impact, i.e. our services. Outputs are also final services provided to external stakeholders eg members. Our outputs include - "High Level Advice" consisting of management advisory services to members as well as the technical core activities undertaken by the core Divisions of Fisheries Management, Fisheries Development and Fisheries Operations. Corporate Services activity costs are Overheads – that is, internal supporting services to the Core Divisions.

### Results (per se)

What FFA is trying to achieve for its members in the short to medium term

- They describe what we are trying to achieve through our services
- End points to be aimed for, rather than individual activities or strategies,
- Will be influenced by a broad range of factors, many of which are beyond our control
- The longer away it is on the future the less control we will have

### Sub-outputs

Activities undertaken by Divisions i.e. activities or sub-programs under the main Programs. These were previously known as Sub-programs

### Managing for Results and Accountability:

The Secretariat will not be held wholly accountable to the high level result indicators, but will be accountable for managing for its results and for demonstrating that it is making a valuable contribution to the community

- Secretariat needs to deliver a mix of services which are reasonably likely to have a positive impact on results (other things being unchanged)
- By tracking indicators over time frequently, evaluating assumptions, it will be able to monitor its impact and make service delivery changes where appropriate

# Acronyms

<b>3IA</b>	Third Implementing Arrangement of the Parties to the Nauru Agreement
<b>AFMA</b>	Australian Fisheries Management Authority
<b>AWPB</b>	Annual Work Program and Budget
<b>CDR</b>	Corporate Data Resource
<b>CITES</b>	Convention on the International Trade in Endangered Species
<b>CMM</b>	Conservation and Management Measure
<b>CMR</b>	Compliance Monitoring Report
<b>CROP</b>	Council of Regional Organisations in the Pacific
<b>CSLA</b>	Country Service Level Agreement
<b>CIF</b>	Cost Insurance and freight
<b>DevFish</b>	EU funded project implemented by FFA and SPC
<b>EAFM</b>	Ecosystem Approach to Fisheries Management.
<b>EDF 10</b>	Tenth Round of the European Development Fund
<b>EEZ</b>	Exclusive Economic Zone.
<b>EU</b>	European Union.
<b>FADs</b>	Fish Aggregating Devices
<b>FAO</b>	Food and Agricultural Organisation of the United Nations
<b>FFC</b>	Forum Fisheries Committee
<b>PDF</b>	Project Development Fund
<b>PICTA</b>	Pacific Island Countries Trade Agreement
<b>PIFS</b>	Pacific Islands Forum Secretariat
<b>PIPs</b>	Pacific Island Parties
<b>PIRFO</b>	Pacific Islands Regional Fisheries Observer
<b>PITIA</b>	Pacific Island Tuna Industry Association
<b>PNA</b>	Parties to the Nauru Agreement.
<b>PPAC</b>	Pacific Plan Action Committee
<b>PPB</b>	Pacific Patrol Boat
<b>QUADs</b>	Quadrilateral Defence forces of Australia, New Zealand, France and USA
<b>REI</b>	Regional Economic Integration of Pacific Tuna Fisheries Strategy,
<b>RFMO</b>	Regional Fisheries Management Organisation
<b>RIMF</b>	Regional Information Management Facility
<b>RMCSS</b>	Regional Monitoring, Control and Surveillance Strategy
<b>ROP</b>	Regional Observer Programme (of the WCPFC)
<b>RSL</b>	Results Service Logic
<b>RTMADS</b>	Regional Tuna Management and Development Strategy
<b>SC</b>	Scientific Committee (of the WCPFC)
<b>FSMA</b>	Federated States of Micronesia Arrangement.

continued...

<b>GDP</b>	Gross Domestic Product
<b>G E F / OFMP</b>	Oceanic Fisheries Management Project funded by the Global Environment Fund
<b>IUCN</b>	International Union for the Conservation of Nature. (or The Conservation Union)
<b>IUU</b>	Illegal, Unregulated and Unreported fishing.
<b>JPF</b>	Japanese Promotion Fund
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MCS</b>	Monitoring, Control and Surveillance.
<b>MCSWG</b>	Monitoring Control and Surveillance Working Group (of FFA)
<b>MOU</b>	Memorandum of Understanding
<b>MTU</b>	Mobile Transceiver Unit
<b>NGOs</b>	N o n g o v e r n m e n t a l Organisations
<b>NIMS</b>	National Information Management Systems
<b>NPOA</b>	National Plan of Action
<b>NTSA</b>	Niue Treaty Subsidiary Agreement
<b>PA</b>	Palau Arrangement
<b>PACER</b>	Pacific Agreement on Closer Economic Relations
<b>SCWG</b>	Scientific Committee Working Group (of FFA)
<b>SOI</b>	Statement of Intent
<b>SOP</b>	Standard Operating Procedures

<b>SPC</b>	Secretariat of the Pacific Community
<b>SPC/OFP</b>	Secretariat of the Pacific Community/Oceanic Fisheries Programme
<b>SPREP</b>	Secretariat of the Pacific Regional Environmental Programme
<b>TCC</b>	Technical and Compliance Committee (of the WCPFC)
<b>UNCLOS</b>	United Nations Convention on Law of the Sea
<b>UNFSA</b>	United Nations Fish Stocks Agreement.
<b>USP</b>	The University of the South Pacific.
<b>UST</b>	United States Treaty – official name: “Multilateral Treaty on Fisheries between Governments of Certain Pacific States and the Government of the United States of America
<b>VAP</b>	Violations and Prosecutions Database module
<b>VDS</b>	Vessel Day Scheme
<b>VMS</b>	Vessel Monitoring System
<b>VSAT</b>	Very small Aperture Terminal (Satellite Receiver)
<b>WCPFC</b>	Western and Central Pacific Fisheries Commission
<b>WCPO</b>	Western and Central Pacific Ocean

# Part 1

## Message from the Director - General

- a. Operating Environment
- b. Highlights
- c. Report against the Statement of Intent
- d. Services for Member Countries



# Message from the Director - General



James Movick  
**DIRECTOR-GENERAL**

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*In 2014, prices have fallen, but good catches have continued to buoy overall profitability. Longline fleets, on the other hand, in particular the domestic southern albacore fleets, have been adversely affected by significant downtrends in catch rates (and more recently prices) likely caused by the significant recent growth in the level of effort expended in the fishery.*

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The Annual Report on the performance of the FFA Secretariat is an essential component of our accountability framework. It primarily serves to inform members on actual performance results and impact of services achieved by the Secretariat during the period July 1, 2013 to June 30, 2014.

However, before venturing into the highlights of the year and report on operations a brief commentary on the Secretariats operating environment will provide clarity of context and understanding of developments within the region and more broadly on an international scale.

## 1. Operating Environment

### (a) Status of the Stock

- South Pacific Albacore; The stock as a whole is not in an overfished state. There is currently no overfishing, but there are significant concerns over the ongoing economic viability of the fishery due to the concentration of fishing effort on particular components of the stock.
- Bigeye: The stock is not in an overfished state, but there is currently overfishing.
- Skipjack: The stock is not in an overfished state. There is currently no overfishing, but limiting further growth in the fishery is important to maintain financial viability.
- Yellowfin: The stock is not in an overfished state. There is currently no overfishing
- Bycatch: Overfishing occurring for Oceanic White tip and Silky Sharks. The stock status of many other bycatch species is unknown.

### (b) Current market trends and outlook

Economic conditions for the fleets in the Western Central Pacific Ocean (WCPO) in recent years have been mixed. In 2013, purse seine fleets continued to benefit substantially from improved and sustained high fish prices and steady catch rates. In 2014, prices have fallen, but good catches have continued to buoy overall profitability. Longline fleets, on the other hand, in particular the domestic southern albacore fleets, have been adversely affected by significant downtrends in catch rates (and more recently prices) likely caused by the significant recent growth in the level of effort expended in the fishery. Consequently, except for highly subsidised fleets, a large portion of the fishery has been forced to reduce operations or exit the fishery. The industry has raised the concern that the catches are now at a level that has affected CPUE to the point where it is no longer economically viable to fish, let alone compete. Members and the Secretariat are nearing finalisation of management measures that should, over time, reduce effort in the fishery and reintroduce economic viability.

### (c) Global tuna Production and Prices

Global tuna catch of the four major tuna species (albacore, bigeye, skipjack



and yellow fin) rose to 4.46Mt million in 2012, compared to the 2005 peak reversing declines in the previous two years. This 7% increase over the previous year was driven by a 12% (290,000Mt) rise in the WCPO catch, offsetting marginal declines in the Eastern Pacific.

The 2013/14 period has seen considerable volatility in prices for some of the key tuna species caught in the region. The Bangkok price for skipjack for canning (4-7.5 lbs), after hitting a record of US\$2,300/mt in April 2013, fell rapidly throughout the period to April 2014 when they reached \$1,150 but then recovered to around \$1,650/mt as at mid-June. Prices of Albacore for canning (10 kg and over) have also been falling since April 2012 when the fish was commanding a price of US\$3,650/mt. By August/September 2013 this had bottomed out at \$2,100, and by June 2014 had climbed back to around \$3,000. On a more positive note, prices for fresh tuna in the US and the fresh and frozen sashimi prices in Japan were generally favourable for exporters from the region. The region's canneries were also benefiting from high prices for canned skipjack in both US and EU markets at the end of 2013.

#### (d) Trade

In the three major export destinations – European Union (EU), United States of America (US) and Japan, the annual trends between 2000 and 2012 show constant growth between 2005 and 2011 followed by a substantial increase in 2012. Imports by all markets registered increases in 2012 but the growth in EU imports were particularly notable. Exports to the EU from current FFA member sources presently enjoy duty free access under the Interim Economic Partnership Arrangement (IEPA - PNG) and Everything but Arms (EBA – Solomon Islands). Nonetheless, complexity of market requirements, including Rules of Origin (RO), Illegal Unregulated and Unreported fishing (IUU) Regulations, Competent Authorities, Free Trade Agreements (with Philippines and possibly Thailand), WTO rules, Doha conclusion and competitiveness issues for Pacific Island countries point to many challenges and imminent preferential tariff erosion.

Exports to the US (freight or free alongside ship basis (f.a.s.)) rose from \$28 million in 2000 to \$100 million in 2009 and 2010, reduced substantially to only \$57 million in 2011 but recovered again in 2012.

The Japanese market as a major destination for sashimi-grade products is of great importance to countries with longline fleets targeting bigeye and yellowfin. Imports (cost insurance and freight basis (c.i.f.)) from FFA member countries to Japan trended up from \$31 to \$102 million over the period 2000-2012. Imports of fresh sashimi products (unprocessed) from FFA countries have been on the decline in recent years, but the rise in fresh and frozen tuna fillets in the last three years have more than offset these declines.

#### (e) Contribution to GDP

The overall contribution of the harvest sector (that is, fishing by domestic and locally based fleets in their own EEZs) to GDP, in nominal terms, has markedly increased over the years in parallel with catch values, particularly from the purse seine fishery.

In 2012, the contribution to GDP was an estimated \$240 million, a rise of 25% from the previous year. This was driven by a substantial increase in value of the catch landed. The significance of the contributions to overall GDP among FFA member countries varies widely, ranging from near zero for some to approaching 10% for others.

#### (f) Employment

Tuna related employment increased steadily between 2008 and 2013 rising from around 12,000 to 16,000, underpinned by growth in the onshore processing sector employment. This sector accounts for between 60% and 70% of the total tuna related employment. The onshore processing sector is currently employing just less than 10,000 as compared to less than 9,000 in 2008.

Greater opportunities are opening up for employment especially in processing sector. For example, in PNG, four new canneries/loin factories recently commenced operations or are about to commence, and a total of 13,500 direct jobs is expected to be created ; in the Solomon Islands expansion of existing facilities will add a further 500 jobs.

# Highlights

The highlights and achievements for the Secretariat for the year are;

## (a) High Level Advice

- Mid-term Strategic Plan Review and Strategic Budget review undertaken during the period.
- Successful in ensuring fisheries continues to remain a priority for Leaders as shown in the 2013 Communique.
- Ensuring that fisheries is included in the key issues raised at SIDS prep meetings and broader Oceans fora.
- Continued support and advice to members including their respective UN missions on relevant UN processes on fisheries including the preparatory meetings towards the Sustainable Development Goals (where a stand-alone SDG is being considered for oceans and fisheries).
- Continued positive work towards implementation of the recently adopted multilateral agreement under the Niue Treaty including the receipt of ratifications; in-country legal support; the establishment of the Niue Treaty Information System; and continued cooperation with the Forum Secretariat for broader law enforcement purposes.
- Continued support and collaboration with SPC-SOPAC towards boundaries solutions for members, including signing of boundaries treaties.
- Comprehensive review of the MTCs to ensure it continues to provide leading standards for fishing access.
- Continued support and advice to several members to update their fisheries legislation.

## (b) Fisheries Management

- FFA members proposals to WCPFC for strengthened conservation and management measures resulted in agreement of a comprehensive measure on tropical tuna which strengthens zone-based management and support for the Palau Arrangement Vessel Days Management Scheme, and which should result in the removal of most overfishing of bigeye tuna by 2017.
- WCPFC also agreed to adopt FFA member-proposed measures that defined the special requirements of SIDS and territories, and which required them to be considered in future measures.
- Significant progress was made towards the definition of a subregional management arrangement for South Pacific albacore tuna, and finalisation of this framework remains a priority for early 2014-15.
- Considerable effort was put into strengthening national tuna fishery management consultation, planning and implementation, including several fisheries institutional reviews.
- The value of the US multilateral treaty increased considerably from \$42 million to \$63 million. A strengthened UST financial management system in place.

## (c) Fisheries Development

- Support for fisheries development planning in Kiribati has helped the Government secure funding for important wharf infrastructure in Kiritimati Island. Technical advice on pole and line vessel design for Solomon Islands has been taken up, with a commitment from the private sector to proceed with construction of a new vessel – the first for many years.
- Good progress was made in strengthening systems and procedures in the three competent authorities that certify that fisheries products meet sanitary standards for export to the EU. FFA has also assisted eight members in support of compliance with the EU IUU regulation, with no member countries

blacklisted to date, although compliance with the requirements established by DG Mare is proving very challenging for members.

- Good progress was made with two major proposals for onshore investment in Solomon Islands, including acquisition of sites. A project management unit was established and an internationally- recruited adviser has now taken over from the FFA support to bring these investments to fruition.
- The completion of a regional bio-economic model for the southern longline fishery represents the culmination of considerable work. The model shows that the value of the fishery could be increased substantially by cutting fishing effort – a conclusion that has been borne out by recent events – and has been tailored to provide management advice at the national level.

#### (d) Fisheries Operations

- Development of a complete set of Pacific Islands Regional Fisheries Observer (PIRFO) training and accreditation competencies across the entire observer program and staff standards including those of Observer, Debriefers, Trainer, Manager/ Coordinator.
- Capacity increases in numbers of observers, debriefers and trainers to meet regional needs.
- FFA provision of national support in data management protocols and program administration.
- Support for the establishment of the Cook Islands initiative Pago Pago Subregional Office to provide subregional Monitoring, Control and Surveillance (MCS) support for participating members.
- Ongoing success of the cost recovery model applied to the US multilateral Treaty fleet providing support for national observer programs.
- Continued enhancement and deployment of the Regional Information Management Facility (RIMF) to foster sharing of fisheries information and data amongst FFA members.
- Ongoing ICT assistance to FFA members including the development of national information management systems (NIMS) for seven (7) member countries.
- Successful upgrades of ICT hardware and software to enhance the accessibility and security of FFA corporate data at both the Honiara and Sydney (Macquarie Telecom Data Centre) sites.
- Minor revamp of the FFA website to enhance its visibility and presence through social media, and improve accessibility using smartphones and tablets.
- Ongoing technical and ICT support to Regional Fisheries Surveillance Centre (RFSC) services and operations.

#### (e) Corporate Services

- Improvements in timing of the Accounts preparations and Audit of the Financial statements despite change of Auditors.
- Unqualified audits were received, and issues highlighted in the Management reports were attended to or addressed.
- Financial Training was delivered for all Divisions and new directors.
- Completed training for all Finance users.
- Completion of the much-needed facelift of the Conference Centre.
- Review of all staff Terms of Reference.
- Revised Monitoring and Evaluation templates for review of Country Service Level Agreements (CSLAs).
- Revised organisation-wide appraisal process.

# Reports against the Statement of Intent

The table below assesses progress towards the results stipulated in the Statement of Intent for the fiscal year and mid-term. These assessments are for the first nine months of the fiscal year

## a) High Level Advice

<b>Result 1</b>	
Pacific Forum Leaders priorities and decisions progressively implemented <ul style="list-style-type: none"> <li>• Funding made available for implementing Leaders priorities on an ongoing basis</li> <li>• These activities to be incorporated into FFA Annual Work Programme and Budget (AWPB) on an ongoing basis</li> </ul>	
<b>Assessment of progress</b>	On track
<b>Result 2</b>	
Members better able to identify national priorities and positions and convey these to the wider membership <ul style="list-style-type: none"> <li>• Increasingly confident and competent officials</li> <li>• Increased level of trust and solidarity between members</li> </ul>	
<b>Assessment of progress</b>	Fully achieved
<b>Result 3</b>	
A well-managed Secretariat with robust integrated institutional processes in place compliant with Corporate regulations and delivering on its mandate <ul style="list-style-type: none"> <li>• Country Service Level Agreements (CSLA) tasks delivered as required</li> <li>• Audited financial accounts approved</li> <li>• Multiyear AWPB continue to be developed using Output budget and integrated management framework</li> <li>• Annual Report, Statement of Intent(SOI) and AWPB integrate</li> </ul>	
<b>Assessment of progress</b>	Fully achieved
<b>Result 4</b>	
Strong and sustainable relationships between FFA and its members as well as the donor community	
<b>Assessment of progress</b>	Fully achieved
<b>Result 5</b>	
Rights of FFA members are protected FFA members have the ability to make well informed decisions in their own right about matters affecting the viability of their fisheries	
<b>Assessment of progress</b>	On track

## (b) Fisheries Management

<b>Result 1</b>	
Policy and administrative decisions guided by robust planning frameworks at the national level – <ul style="list-style-type: none"> <li>• Outputs delivered under work plans are implemented.</li> <li>• WCPFC Conservation and Management Measures (CMMs) reflect national and sub-regional priorities and are implemented</li> <li>• Stock level performance and status improve</li> </ul>	
<b>Assessment of progress</b>	On track
<b>Result 2</b>	
Transparency and accountability <ul style="list-style-type: none"> <li>• Enhanced ability to determine national positions on priorities incorporating range of stakeholder views.</li> <li>• Involvement of a broad range of stakeholders including the community in public consultations on fisheries legislative reviews</li> </ul>	
<b>Assessment of progress</b>	Fully achieved
<b>Result 3</b>	
National prioritisation <ul style="list-style-type: none"> <li>• Sub-regional activities are consistent with national priorities</li> <li>• Sub-regional activities drive coordinated regional positions where necessary</li> </ul>	
<b>Assessment of progress</b>	$\frac{3}{4}$ achieved
<b>Result 4</b>	
FFA members drive the WCPFC process FFA proposals to WCPFC are generally successful Other decisions of WCPFC are based on active input by FFA members and reflect FFA views	
<b>Assessment of progress</b>	$\frac{1}{2}$ achieved
<b>Result 5</b>	
Administer and manage the US treaty efficiently and effectively <ul style="list-style-type: none"> <li>• All relevant data received, entered and submitted to national administrations and WCPFC within agreed timeframes</li> <li>• Funds collected on time, well managed and distributed according to agreed formula</li> <li>• Project Development Funds (PDF) are well managed and accessed efficiently by members</li> </ul>	
<b>Assessment of progress</b>	Fully Achieved

## (c) Fisheries Development

<b>Result 1</b>	
<p>Improved returns from the exploitation of tuna resources;</p> <ul style="list-style-type: none"> <li>• Increased value of exports</li> <li>• Increased income generated by fishing and processing activities</li> <li>• Increased government revenue from the tuna fisheries sector</li> </ul>	
<b>Assessment of progress</b>	¾ - Fully achieved
<b>Result 2</b>	
<p>Fisheries management and development policies take account of the needs of the private sector.</p> <ul style="list-style-type: none"> <li>• Inclusion of the private sector in fisheries stakeholder consultations</li> <li>• Pacific Islands Tuna Industry Association (PITIA) and national fisheries associations recognised in the fisheries decision-making process</li> <li>• Investment processes reformed</li> </ul>	
<b>Assessment of progress</b>	Fully achieved
<b>Result 3</b>	
<p>Improved institutional and technical capacity at the national level to promote domestic industry development</p> <ul style="list-style-type: none"> <li>• Number of development plans approved.</li> <li>• Competent Authorities strengthened and compliant.</li> <li>• Increase in the value of and amount of exports</li> <li>• Growth in number of markets (particularly those with preferential trade conditions) for Pacific Island tuna products</li> </ul>	
<b>Assessment of progress</b>	On track but needs improvement
<b>Result 4</b>	
<p>Increased income generated by small scale fishing and processing activities.</p> <ul style="list-style-type: none"> <li>• Sustainable production (catch volume) from small scale fishing</li> <li>• Catch value from small scale fishing</li> </ul>	
<b>Assessment of progress</b>	¾ - fully achieved



## (d) Fisheries Operations

<b>Result 1</b>	
National MCS frameworks based on best practice control and risk assessment frameworks <ul style="list-style-type: none"> <li>• National MCS plans in place</li> <li>• Improvement in member status of the MCS scorecard (10 MCS elements)</li> <li>• National Plan of Action(NPOA) - Illegal Unregulated and Unreported fishing (IUU) developed or updated</li> <li>• MCS Standard Operating Procedures (SOPs) developed and used</li> </ul>	
<b>Assessment of progress</b>	On track
<b>Result 2</b>	
Improved management of information useful for MCS purposes <ul style="list-style-type: none"> <li>• National fisheries Information Management Systems (IMS) fully developed and implemented</li> <li>• Integration of a fully developed and implemented Regional Information Management Facility (RIMF) with national IMS</li> <li>• Data-sharing amongst members consistent with agreements in NTSA</li> <li>• Niue Treaty Information System (NTIS) fully operational</li> </ul>	
<b>Assessment of progress</b>	Fully achieved
<b>Result 3</b>	
Improved understanding of the drivers and level of compliant and non-compliant behaviour Individual intelligence analytical tools developed for national and regional levels to identify IUU activities, deter IUU operators and prevent IUU fishing	
<b>Assessment of progress</b>	On track
<b>Result 4</b>	
Capacity and capability to respond to IUU risks/threats via human resources, institutional set-up and assets <ul style="list-style-type: none"> <li>• Training requirements identified in the Regional MCS Training Needs Assessment implemented</li> <li>• MCS training shifted from workshops to standards-based competencies</li> <li>• NPOA-IUU and MCS Plans implemented in a manner which ensures MCS operations are risk based (prioritised) and intelligence fed (targeted)</li> <li>• Continued support for observer, observer de-briefer and observer trainer training</li> <li>• Fully functional and sustainable national observer programmes</li> </ul>	
<b>Assessment of progress</b>	On track
<b>Result 5</b>	
Increased support of fisheries management outcomes through application of MCS tools via market-based measures and mechanisms <ul style="list-style-type: none"> <li>• Port state measures and catch certification procedures implemented which link product back to origin of catch</li> <li>• Catch certification and verification tool developed for spatial comparative analysis of data holdings across various datasets</li> </ul>	
<b>Assessment of progress</b>	On track
<b>Result 6</b>	
Detect, deter and eliminate IUU fishing <ul style="list-style-type: none"> <li>• Increased support for observer debriefer training in documenting IUU</li> <li>• Electronic reporting implemented for observer logbooks and inspections data</li> <li>• FFA VMS service and delivery enhanced</li> <li>• VMS verification and cross validation occurring through use of AIS</li> <li>• NTSA utilised for the conduct of cooperative surveillance activities</li> <li>• Surveillance partners (QUADS) provide targeted MCS support and follow up (metrics) to members</li> <li>• Sub-regional observer and MCS hub established in Pago Pago</li> </ul>	
<b>Assessment of progress</b>	¾ - Fully achieved

# Map of FFA Services to Member Countries



## FSM

- Maritime boundaries assistance
- Institutional Strengthening Review
- Advice on national Fish Aggregating Device (FAD) management
- Advice on WCPFC CMR response and process
- National fisheries investment strategy developed
- Development of national information management systems (NIMS)
- Technical Assistance for NPOA-IUU
- Specific VMS training



## RMI

- SLA design visit planned for last quarter
- NTSA in-country support
- Tuna Management and Development Plan support
- Advice on national FAD management
- Institutional Strengthening Review
- Development of Institutional strengthening implementation plan
- Obligations under WCPFC CMMs explained
- Advice on WCPFC CMR response and process
- Investment strategy developed
- Support for compliance with IUU regulation
- VMS related financial support
- Development of national information management systems (NIMS)
- Docksides and Boarding Workshop
- TA for NPOA-IUU



## NAURU

- High level visit
- SLA review planned during national visit
- Tuna Management and Development Plan
- Legislative assistance
- Assistance with the sourcing of a professional volunteer
- Advice on WCPFC CMR response and process
- Draft tuna development plan prepared
- Development of national information management systems (NIMS)
- Docksides and Boarding Workshop
- Specific VMS training



## PALAU

- Advice on WCPFC CMR response and process
- VMS related financial support
- Development of IS Report



## PNG

- High level visit in Mar 14
- Legislative assistance
- Advice on national FAD management
- Support for competent authority
- Support for compliance with IUU regulation
- In-country adviser to be provided to address threats to investment
- Provincial investment proposals evaluated
- Advice on WCPFC CMR response and process
- TA for NPOA-IUU
- Individual/Group fellowship attachment
- Specific VMS training.



## SOLOMON ISLANDS

- Legislative assistance
- Maritime boundaries assistance
- Legal attachment as part of Postgraduate Diploma in Legal Practitioner
- Advice on national FAD management
- Advice on WCPFC CMR response and process
- In-country adviser provided to facilitate investment
- Support provided for competent authority
- Development of NPOA for control of IUU fishing
- Business case developed for Govt support to CA and IUU compliance
- New pole and line vessel design completed
- Bagan baitfishing units provided with training in their operation
- Baitfish management plan prepared
- Study of use of HCFC gases in fisheries refrigeration equipment completed
- Development of national information management systems (NIMS)
- TA for NPOA-IUU
- Assist MPI with Boarding and Inspection Workshop
- Specific VMS training.
- VSAT Communications.
- VMS related financial support.



## AUSTRALIA

- Minister Foreign Affairs visited Honiara December 13
- High level visit by FFA to Canberra



## VANUATU

- CSLA and M&E review
- Legislative assistance
- Tuna Management Plan support
- NPOA (sharks)
- SP albacore management support
- Institutional Strengthening Review
- WCPFC CMMs
- Advice on WCPFC CMR response and process
- Advice on the declaration of a purse seine effort limit
- Advice on national FAD management Data collected on longline vessels and fish processing facility operating costs
- Bio-economic input into Tuna Management Plan review
- Assistance provided in compliance with IUU regulation
- VMS related financial support
- Development of NIMS
- TA for NPOA-IUU

## REGIONAL

### All members

- Advice on WCPFC Sessions and Technical Committees
- Joint Coordination of 4 Surveillance Operations
- WCPFC VMS services provided to WCPFC secretariat via the Data Centre in Sydney, Australia.
- VMS Data services provided to Secretariat of the Pacific Community (SPC)

### SUBREGIONAL

#### Melanesian Spearhead Group (MSG), Parties to the Nauru Agreement (PNA), Te Vaka Moana

- Advisory role to PNA and MSG Fisheries Technical Advisory Committee.
- Provided inputs to FFA participation at TVM meetings
- VMS Data services provided to Party to the Nauru Agreement Office (PNAO)





### KIRIBATI

- High level visit
- Legislative assistance
- Maritime boundaries assistance
- Tuna Management and Development Plan support
- Advice on national FAD management
- Advice on WCPFC CMR response and process
- Support for development of Competent Authority
- Investment facilitation advice and appraisal by In-country Adviser
- Kiritimati Master Plan and Supporting studies to facilitate investment in port infrastructure completed
- Development of National Management Information Systems (NIMS)
- Assisted AFMA deliver 2 MCS-related training
- Specific VMS training
- TA for NPOA(IUU)



### TUVALU

- Legal attachment as part of Postgraduate Diploma in Legal Practitioner
- Advice on national FAD management
- Advice on WCPFC CMR response and process
- TA on re-structuring the national fishing corporation
- FFAVMS and VSAT communications
- Specific VMS training
- TA for NPOA-IUU



### SAMOA

- Legislative assistance
- NTSA in-country support
- Institutional Strengthening - Capacity building strategy
- Mid-term review of the Samoa TMDP
- Advice on the declaration of a purse seine effort limit
- Advice on WCPFC CMR response and process
- Data collected on longline vessels and fish processing facility operating costs
- Economic evaluation of tuna longline fisheries
- Bio-economic input into new tuna management plan
- Samoa LL domestic fleet (14 MTUs installed, 1 on Research vessel, 1 on PPB vessel)
- Individual/Group fellowship attachment
- VMS related financial support, domestic fleet
- Specific VMS training
- Development of national information management systems (NIMS)



### COOK ISLANDS

- High level visit in Aug 13
- NTSA in-country support
- Institutional Strengthening Review
- Quota Management System design support
- Advice on WCPFC Compliance Monitoring Report (CMR) response and process
- Investment options and Pago Office evaluation
- Domestic Long Line (LL) fleet (4 Mobile Transceiver Units (MTU) installed, 1 on Pacific Patrol Boat (PPB) vessel)
- Individual/Group fellowship attachment, Specific VMS training
- VMS related financial support
- Development of national information management systems (NIMS)



### TOKELAU

- Assistance with FFC planning and preparations
- Expecting Minister visit
- VMS related financial support
- Specific VMS training.
- VSAT Communications
- IMS Roll-out



### NIUE

- Legislative assistance
- Advice on the declaration of a purse seine effort limit
- VMS related financial support
- Docksides and Boarding Workshop
- Individual/Group fellowship attachment
- Specific VMS training.
- Individual/Group Fellowship attachment



### TONGA

- CSLA and M&E review
- Legislative assistance
- NTSA in-country visit
- Institutional strengthening review
- Attachment to FFA
- NPOA (sharks)
- Support for reviewing the Tuna Management and Development Plan.
- SP albacore management support
- WCPFC obligations workshop and advice for implementation
- Advice on WCPFC CMR response and process
- Advice on the declaration of a purse seine effort limit
- Fellowship for MAFFF Fisheries Officer
- Data collected on longline vessel and fish processing facility operating costs
- Bio-economic model used to provide advice on management
- Tonga LL domestic fleet (7 MTUs installed)
- VMS related financial support, domestic fleet
- Specific VMS training
- Development of national information management systems (NIMS)



### FIJI

- CSLA and M&E review
- Legislative training workshop
- Tuna Management and Development Plan support
- NPOA (sharks)
- South Pacific albacore management support
- WCPFC CMMs
- Advice on WCPFC CMR response and process
- Advice on the declaration of a purse seine effort limit
- Support to competent authority
- Support for compliance with IUU regulation
- Business plan and investment prospectus for local fishing company
- Individual/Group fellowship attachment
- Specific VMS training
- Support for VMS domestic fleet monitoring
- Development of national information management systems (NIMS)
- TA for NPOA-IUU

### REPUBLIC OF MARSHALL ISLANDS

### KIRIBATI GILBERT ISLANDS

### HOWLAND & BAKER (US)

### KIRIBATI PHOENIX ISLANDS

### PALMYRA (US)

### JARVIS (US)

### KIRIBATI LINE ISLANDS

### TUVALU FUNAFUTI

### TOKELAU (NZ)

### WALLIS & FUTUNA (FR)

### SAMOA APIA

### AMERICAN SAMOA (US)

### COOK ISLANDS

### RAROTONGA

### FIJI SUVA

### NIUE ALOFI

### TONGA NUKU'ALOFA

### PITCAIRN ISLAND

### FRENCH POLYNESIA (FR)

### WELLINGTON

### NEW ZEALAND



### NEW ZEALAND

- High Level consultation





# Part 2

## Performance Information

1. Introduction
  - (a) Service performance and effectiveness
  - (b) Quality of Policy Advice
2. Report From Divisions
  - (a) High Level Advice
  - (b) Fisheries Management
  - (c) Fisheries Development
  - (d) Fisheries Operations
  - (e) Corporate Services
3. Regional Coordination and Integration
4. Developing Organisational Capability

# 1. Introduction

This section of the report sets out financial and non-financial performance information through a series of reports and statements for each Output.

Reports include the following;

- i. Environmental Scan, a narrative on the developments in the operating environment of the Division
- ii. Operations – activities undertaken over the fiscal year under the AWPB including regional, sub-regional and national activities
- iii. Related Issues, Opportunities and Impacts of activities.

## (a) Service Performance & Cost Effectiveness

Since July 2009, the Secretariat has adopted an outcomes based approach to planning and management of its activities

The intermediate results that are pursued by the various Outputs /Divisions are as follows;

Intermediate Results	Outputs
<b>1. Solidarity - Enhanced regional solidarity for the common good</b>	High Level Advice - Executive Management - Legal
<b>2. Frameworks in place</b>	Fisheries Management - Integrated Fisheries Management - Administered Funds
<b>3. Develop tuna Fisheries</b>	Fisheries Development - Economic Advisory - Market Intelligence - Trade and Export Development - Investment Facilitation
<b>4. Protect tuna resources</b>	Fisheries Operations - Monitoring, Control and Surveillance

Delivery of interventions undertaken to achieve these intermediate goals are through the Secretariat Outputs as indicated in the above matrix. Outlined in the Director-General's message is the report on the effectiveness of operations for each Output.

## (b) Quality of Policy Advice

All outputs the Secretariat delivers relate to provision of policy advice to members. Despite the quality and depth of this advice, outcomes at times fall short of what is planned. This reflects the complex reality of multiple, shifting factors outside the control of the Secretariat and member country measures. It is therefore important to clarify and be realistic at the outset and planning phase on what the performance measures for policy advice are.

## Performance Measures for quality;

**Membership feedback** – Measurement of members’ satisfaction with output delivery is on a continuous basis.

**Quality Assurance Procedures** – The Secretariat operates internal processes to ensure quality of its policy advice. These include peer review, consultation within the Secretariat, and relevant outside organisations and knowledgeable authorities in the fisheries management, monitoring, control and surveillance and development fields.

## Performance Measures for quantity

FFC mandated specific bodies of work undertaken by the Secretariat through the adoption of the Annual Work Program and Budget. At the same time, the Secretariat remains responsive to changing circumstances and emerging issues by presenting revised budgets and seeking additional funding for new work on an ongoing basis throughout the year.

The volume of work delivered relative to output intentions assesses this measure.

## Performance Measure by Coverage

Provision of a comprehensive range of services in respect of policy advice including the capacity to react quickly, support for members in regional meetings such as FFC and international meetings such as WCPFC annual sessions and select committees, relevant briefings of significant issues and regular evaluations on impact of policy on members aspirations.

## Performance Measures for Cost

The work programme delivered will be within the cost parameters approved by FFC.

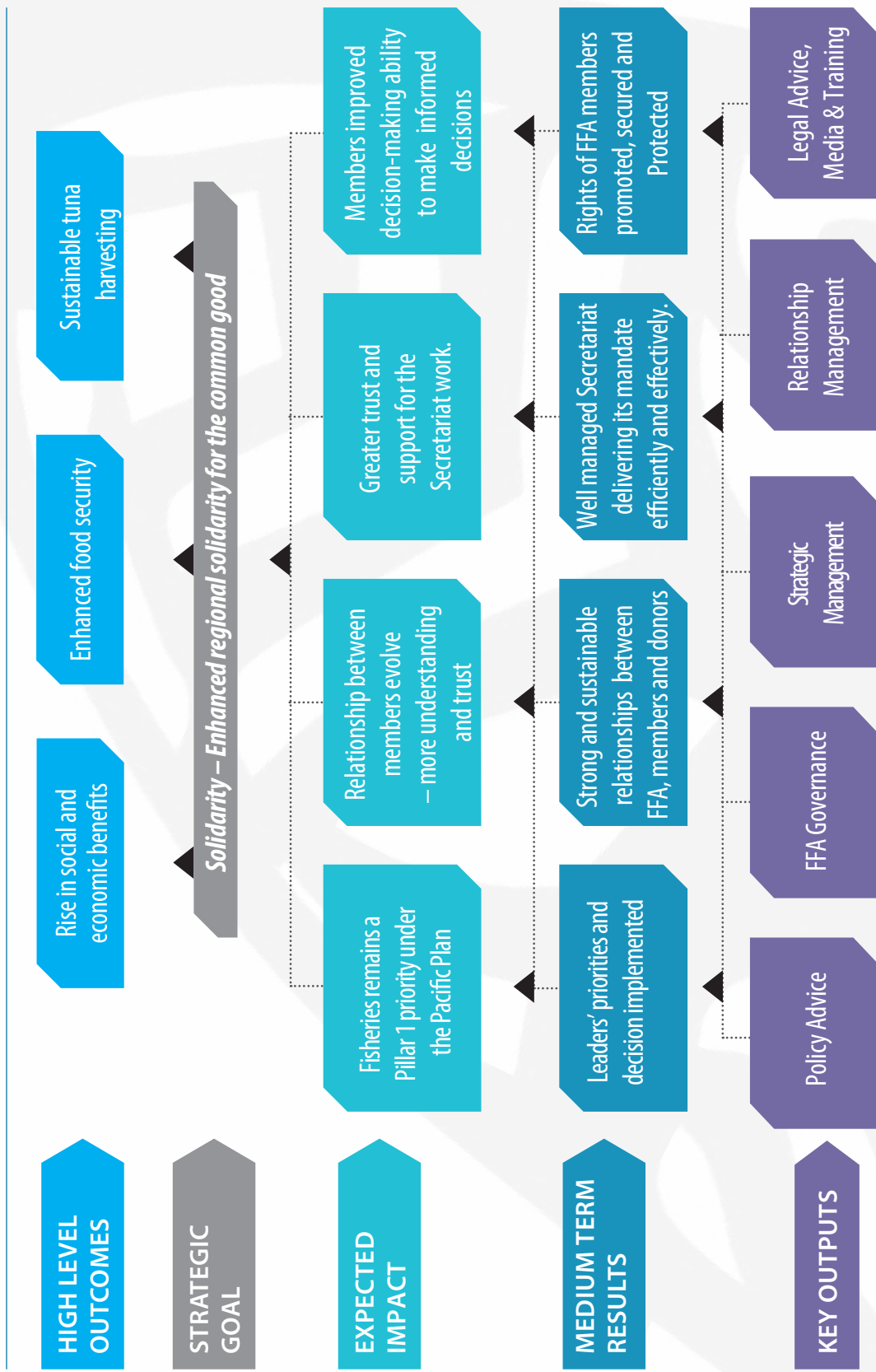
## Performance Measures for Timeliness

Meeting reporting deadlines, as assessed against agreed intentions and minutes of relevant FFC meetings.



## A. High Level Advice Output, Results and Outcomes Flow

**STRATEGIC GOAL: Solidarity – Enhanced regional solidarity for the common good.**



# A. High Level Advice

## Description of Output

Provision of high level policy advice to FFC and members as well as managing the work of the Secretariat and member support services. This Output includes the executive, management (Heads of the four Divisions), the Legal Unit, Training Advisor, Media Officer and executive support staff. There are fourteen staff; twelve posts advertised internationally, and two posts advertised locally.

The medium term bridging goal for the High Level Advice Output is facilitating “Enhanced regional solidarity for the common good.” The diagram above demonstrates the flow of the Division’s outputs to higher-level results, outcomes and impacts.

### 1. Environmental Scan

Oceans and fisheries issues assumed a high profile on the global agenda during the year, and the FFA continued to keep a watching brief/provide advice to members. These included advice or participation in UN meetings on UNCLOS, development of sustainable development goals, preparatory meetings towards the SIDS Conference and FAO meetings.

In progressing this work at the UN, the DG visited FFA member Missions to the UN in August 2013 and June 2014 to develop a closer network with member UN missions who are at the heart of these ongoing meetings and negotiations.

### 2. Overview of Operations

The Executive team continued good progress in 2013/14 with a more active focus on regional solidarity. They also were successful in overseeing the management of the secretariat and providing direction to ensure the effective and efficient implementation of activities and the appropriate corporate support services provided to support the rollout of these activities. Challenges included the unforeseen loss of all three technical directors during 2013 and resulting workloads while the positions were filled. One Director-level position was advertised twice.

The reporting period saw changes to the High Level Advice Output and management team as follows:

- Resignation of the former Director Fisheries Operations Mr Mark Young
- Appointment of Mr Michael Batty as Director of Fisheries Development
- Appointment of Dr Tim Adams as Director of Fisheries Management
- Appointment of Mr Noan Pakop as Director of Fisheries Operations

### 3. Key Results Achieved

Key Results achieved by the High Level Advice include:

- Review of the Strategic Plan: the review continued successfully in 13/14 with a member wide workshop held in Oct 13 that was useful in getting feedback from the wider membership. These will be collated then sent out to members for comments before being put to the Review Sub Committee and FFC89 for further consideration. (The aim is for a final draft submitted to the ministers for final endorsement at FFCMIN10.)
- A Financial Risk Assessment Review was successfully undertaken in 2013/14, which will further enhance the effective and efficient performance of the Agency.
- Training: enhanced with the recruitment of a training coordinator who will also ensure the training activities address the needs of members including clear outcomes to members.
- Communications: the Communications Strategy was finalised and approved by the FFC in Oct 13. The



Media Officer was also active in ensuring enhanced media coverage.

- Executive led the FFA team and members in the JPF negotiations that ensured continued JPF support to key activities of interest to the FFA
- Executive led the negotiations with Australia and NZ to ensure continued financial assistance to the FFA.
- A range of corporate reforms to respond to increasing budget pressure have been initiated, focusing across the range of FFA activities, including staff entitlements in order to ensure that FFA operates as efficiently and cost effectively as possible.

Continued positive work related to the recently adopted multilateral agreement under the Niue Treaty, including the receipt of ratifications; in-country legal support; the establishment of the Niue Treaty Information System; and continued cooperation with the Forum Secretariat for broader laws enforcement purposes.

## 4. Related Issues, Opportunities and Impacts

### Issues

The following have continued to cause concern:

- Continued pressure on General Funds leading to certain required core funded activities, such as ongoing maintenance and other works, being postponed and becoming an urgent priority. FFC decisions and positive indications from donors in late 13/14 will address this issue.
- Utilisation rate of project funding continues to be a challenge due to decreased flexibility, however, this is expected to be addressed in 2014-15FY.

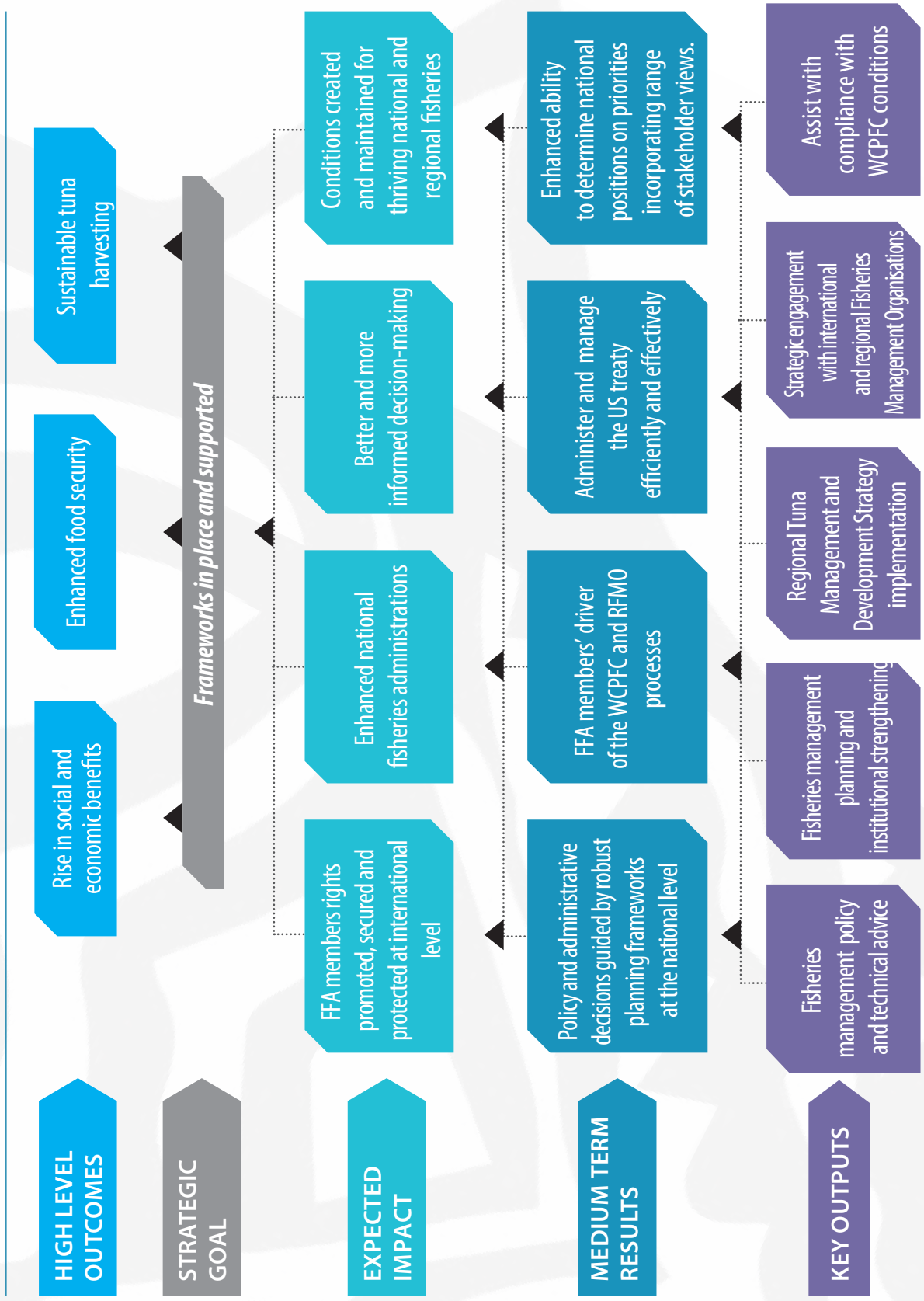
### Opportunities

- Recent challenges to regional solidarity represent an opportunity for the region to reaffirm its commitment to cooperation, and this is being addressed through a series of high-level visits.
- The Pacific Plan review presents an opportunity to better working processes to ensure that issues from the FFA are raised to Leaders accordingly.
- The momentum from the enhanced profile of the Albacore issue is an opportunity for the FFA to finalise and bring into effect the management framework.



## B. Fisheries Management Output, Results and Outcomes Flow

### DIVISION'S STRATEGIC GOAL: Frameworks in place and supported



# B. Fisheries Management

## Description of Output

Develop model management and legal frameworks that assist members to: develop and implement alternative zone- based arrangements; promote sustainable development and exploitation of tuna resources; provide basis for maximum economic returns from tuna fisheries; meets sub-regional, regional and international obligations; strengthens domestic development aspirations within sustainable limits, and protect rights of FFA members. This Output covers nine staff -- five Fisheries Management Advisors and the Manager of the Treaty Administration Unit are internationally recruited, and there are three locally recruited support staff.

The medium term bridging goal for the Fisheries Management Output/ Division to achieve Strategic Plan Outcome 1 is to set up effective frameworks. The diagram above demonstrates the flow of the Division's outputs to higher-level results, outcomes and impacts.

### 1. Environmental Scan

The Fisheries Management Division divides its work into three areas: the status of the stocks upon which sustainable fisheries depends (including the ecosystems that support them); the intergovernmental fishery agreements that ensure that opportunities are fairly balanced and implemented fully; and the national and local management measures that promote sustainable development and maximise growth.

The status of highly migratory fish stocks and their exploitation has been outlined in Part 1. After the linear expansion of the last 50 years, the Western and Central Pacific tuna fisheries appear to have reached the limits of growth, from either the biological or the economic viability point of view. Rigorous sustainable management is critical for maintaining viability, and facilitating the transition from a distant water dominated to a coastal state beneficial fishery. There is a growing awareness that the status of bycatch species may begin to limit tuna fisheries more than the status of target stocks and that bigeye tuna – which is essentially a bycatch in the purse-seine fishery – is already limiting the FAD-dependent component of that fishery. The depletion of biomass by industrial fisheries may affect artisanal coastal fishery catch rates to an extent that affects local food security even to levels that can still maintain maximum sustainable yield of target stocks.

Promoting the best national benefits within established regional constraint includes; best practice processes involving rights based management and agreed precautionary reference points, indicators, and harvest control rules at the stock-wide level. Likewise, fishing opportunities need to be managed at the national level within established regional parameters. Subregional arrangements are slowly proving to be a productive and beneficial way forward, lending strength to gradual phasing out of distant water fishing fleets to allow growth in domestic fisheries. These arrangements also support Pacific Small Island States negotiations in the regional and global arena, whilst enabling them to share some direct operational and decision-making processes in a way that does not compromise national interests. The FFA region is not homogeneous, and different tuna fisheries are important to different (if overlapping) sub regions, which is largely influenced, amongst others, by productivity of fishing grounds.

The FFA Fisheries Management Division does not operate in a vacuum. The information necessary to develop and operate fishery management processes is dependent particularly on the work of the FFA Fisheries Operations Division (vessel monitoring), Fisheries Development Division (economics, markets and trade) and the Secretariat of the Pacific Community's Oceanic Fisheries Programme (science and statistics). Critically, implementation of the Division's policy advice is dependent on member country fisheries administrations and subregional management arrangements. One of the aims of the FFA Fisheries Management Division is to create the conditions under which the FFA Fisheries Development Division can foster sustainable growth in Pacific Island benefit from Pacific Island tuna fishery resources.

### 2. Overview of Operations

The Fisheries Management Output/Division has two sub-outputs or areas of work; they are (a) Integrated Fisheries Management and (b) Administered Funds. Under the Director, the Division has a staff of five Fisheries Management

Advisers in addition to the US Treaty Management Unit. Activities were strengthened with the recruitment of the Director in October 2013. However, the continuing delay in approving the long-awaited GEF Offshore Fisheries Management Project (Part 2) project meant that several results that had been expected in the approved work programme for the year could not be achieved, or were not extended to as many member countries as had been originally programmed. The Division has made use of two consultants whose specific expertise and experience has proven exceptional in achieving outcomes of benefit to members, particularly in the analyses of preferred options for proposed conservation and

management of targeted fisheries, development of negotiating positions and in the governance aspects of institutional review. The availability of these experts will be lower in the next financial year, and will require some internal resourcing, strengthening and testing of alternatives.

Despite the above the Division did achieve an impressive workload, and some notable outcomes, including the fostering of significant fisheries management advances at the regional level.

### 3. Key Results Achieved

Results achieved over the period for the Division's annual work programme and budget output areas include:

#### Integrated Fisheries Management

##### (a) Fisheries Management Policy Advice - National Level

- Provision of support for the preparation and review of national fisheries policies, strategies and plans for target tuna species and bycatch species such as sharks. Such support would cover national fisheries management and development planning processes, usually involving one or more in-country workshops, presentations and analyses, usually in conjunction with SPC-OFP or other FFA Division staff.
- Support for reviews of national fisheries institutions as part of overall national institutional strengthening programs, ongoing and future, with recommendations for implementation by respective members including follow-up support by donors.
- Support to member countries on the process of nationally implementing measures and procedures agreed at WCPFC, and in reporting to WCPFC on these (all reporting obligations but in particular Annual Report Part 1 and 2 reports and CMR responses).
- National workshops on the development or implementation of specific components of fisheries management, including options for direct licensing, Quota Management System design, albacore management, and longline VDS implementation.
- Advice to members on national tuna fisheries management issues arising.

##### (b) Fisheries Management Policy Advice - Regional Level

- Support to FFA members at WCPFC, including convening two preparatory meetings (Management Options Consultation and pre-WCPFC FFC) to agree on conservation and management measures to propose to WCPFC, preparation of briefing documents and support for negotiating draft CMMs during the meeting). Five FFA member CMMs were adopted.
- Support to FFA members at WCPFC Scientific Committee and Technical and Compliance Committee meetings, including preparation of comprehensive briefs explaining the issues and agreement of regional consensus positions and talking points at pre-SC and TCC meeting for members.
- The Division also took part in several other processes, including the WCPFC Northern Committee, the WCPFC Management Objectives Workshop (including collaborating in the preparation of several working papers), several SPC-OFP workshops (Stock pre-Assessment, Tuna Data, Stock Assessment Training), WWF workshop on CITES shark trade procedures, and other FFA meetings, including the MCS Working Group. Most of these involved the preparation of briefings or working papers.
- Support for CROP processes particularly the CROP Marine Sector Working Group. This includes preparing papers and chairing meetings of the group. Similar advisory support for other international processes such as FAO COFI and UN Rio+20, UN SIDS Conference with respect to ensuring fisheries issues and priorities are better reflected in decision-making and outcome documents. Provided inputs to briefings to PICs participating in these international forums.

### (c) Fisheries Management Policy Advice - Sub -Regional Level

Advisory support to FFA members of the Nauru Agreement and Palau and FSM Arrangements on various issues, including a proposal for strengthening FAD management.

- Advisory support to FFA members of the Nauru Agreement and Palau and FSM Arrangements on various issues, including a proposal for strengthening FAD management.
- Advisory support to other sub-regional meetings, including convening and developing working papers for the FFC Subcommittee on South Pacific Tuna and Billfish Fisheries. The Division was also involved in the work of Te Vaka Moana and the MSG Fisheries Technical Advisory Committee.

#### Administered Funds (UST)

- Meetings of UST Pacific Island Parties and between the PIPs and US were arranged on various issues, including renegotiation of the treaty and regular annual consultations
- Project Development Funds were administered, and other Treaty funds were received and disbursed as possible. Lack of PIP agreement on the distribution formula (whether according to catch or fishing days effort in zone) has delayed the latest disbursement.
- A 1½-year transitional arrangement to end on 31 December 2014 was agreed, pending further agreements to be made in the on-going renegotiations.
- Maintenance of regional solidarity on FFA positions for the renegotiation.
- Substantive increase in the annual financial package
- Agreement to apply the VDS on the treaty fleet.

## 4. Related Issues, Opportunities and Impacts

### Issues

#### Integrated Fisheries Management

There were no extraordinary problems to contend with this year at the fisheries management division level. The issues to be tackled are relatively well defined and approachable compared to most other SIDS sectors, and FFA has evolved the most effective ways of tackling them. The main issues are those of scale and timing – this is the largest tuna fishery in the world and its long-term sustainability needs to be secured before its productivity is depleted to the point where it is no longer economically feasible for Pacific Island based fisheries to develop and where coastal artisanal fisheries are severely impacted.

#### Administered Funds

The major renegotiation issue with the US that is still outstanding is the need to agree on national law issues. There is potential for this to cause the whole negotiation to collapse if no agreement is reached on this.

The other issue is the need for PIPs to agree on the distribution of the 85% allocation of funds. This is an internal issue amongst the PIPs themselves.

A number of unfortunate issues strained relationships with the US during the financial year, including the extremely late payment by the US Government for the current Licensing Period, and the positions carried by the US in the WCPFC meeting in Cairns.

### Opportunities

#### Integrated Fisheries Management

The focus at the international level on Ocean outcomes and SIDS during this and the next financial year offer a potential opportunity for promoting the intergovernmental fisheries management principles for highly migratory stocks that have been pioneered by FFA members, and seeking a level of global acceptance that will help bind

the more refractory distant-water flag states to these standards. Promotion of principles such as zone-based management and respect for the special requirements of SIDS coastal states in their own region will require greater collaboration between national fisheries authorities and their UN missions – for those members that do not already have good linkages. The Division will endeavour to assist in promoting these linkages and preparing information summaries and briefings that are applicable at the international level, although this aspect of the work programme is not currently strongly resourced.

### Administered Funds

There is potential for the outstanding national issues to be addressed by the work of the Drafting Working Group, which is led by the FFA Legal Counsel.

### Impact

#### Integrated Fisheries Management

General impact of services evolved around specific areas of, but not limited to-

- Level of awareness on priority issues and relevant strategic directions including decisions emerged from WCPFC, SC-SPTBF, PNA, TVM, MSG
- Sense of ownership over national policies, strategies and plans been developed
- Collaboration and networking amongst key stakeholders and agencies following participatory processes adopted during consultations and workshops
- Strengthened fisheries administrations with clear policy guidelines and resources to performed mandated functions
- Active participation and contributions during meetings of the FFA, WCPFC and subgroupings (PNA, TVM, MSG).
- Further impact of services will be assessed at the next independent review.

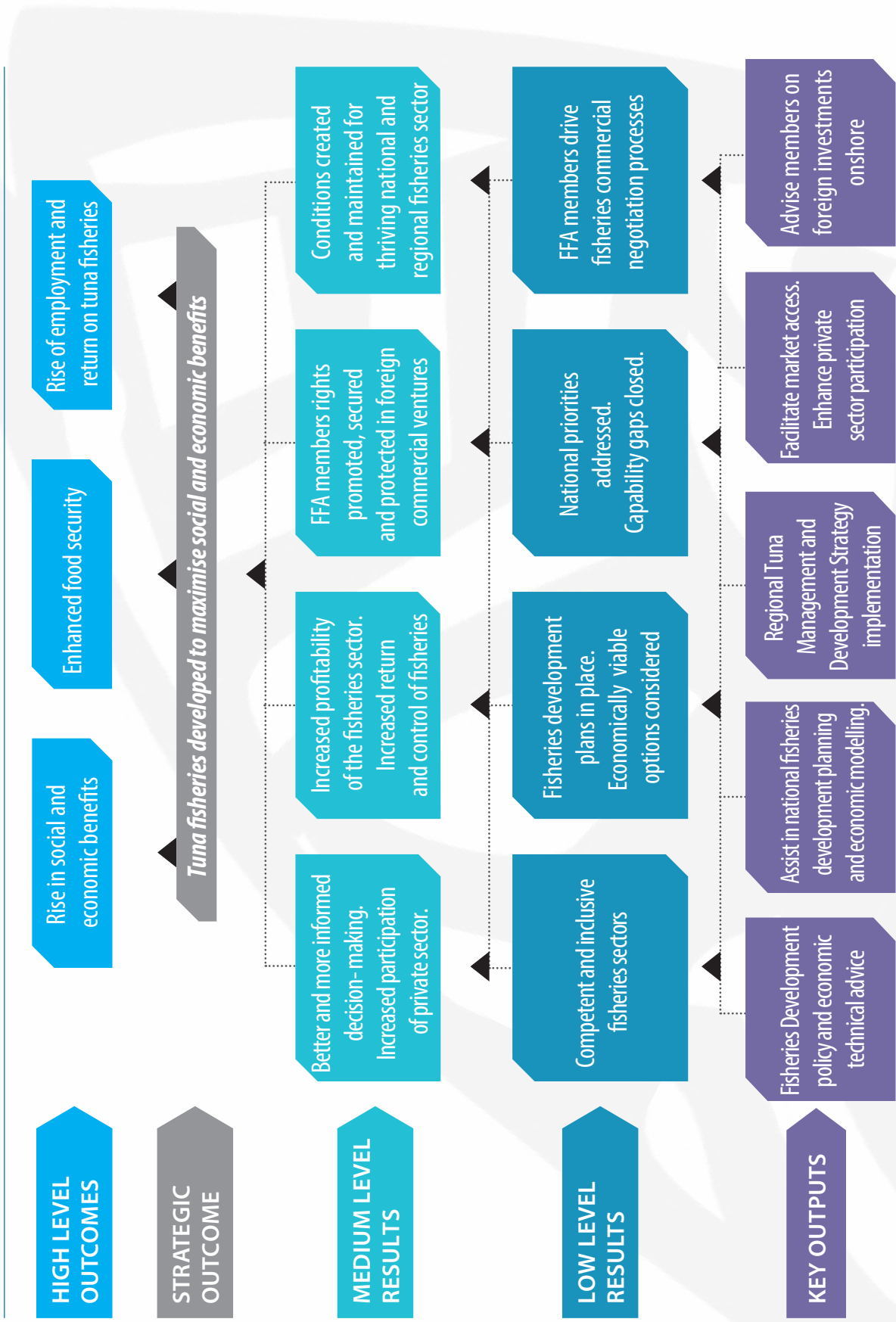
### Administered Funds

- PIPs benefit from the increase in financial package that is three times greater than in the previous arrangement.
- PIPs are in greater control of the negotiation process, in most cases dictating the terms and conditions on the US fleet.
- Improved and greater understanding of the issues for negotiation for wider application on their bilateral partners, as well appreciation of their obligations to ensure resource sustainability.



# C. Fisheries Development Output, Results and Outcomes Flow

## DIVISION'S STRATEGIC GOAL: Tuna fisheries are developed to maximise social and economic benefits to members



# C. Fisheries Development

## Description of Output

Activities to assist member countries develop their domestic industries and increase returns from sustainable harvesting of tuna resources within their EEZs. This Output is made up of four work areas in addition to the EU funded DEVFISH Phase 2 Project. The four (4) Units are (1) Economics Intelligence (2) Development Support (3) Trade and Export and (4) Investment Facilitation. Services are delivered by a mix of FFA staff (9) in-country consultants both short and long term and two Japanese Government-funded staff. All FFA staff posts are posts advertised internationally.

The medium term bridging goal for the Fisheries Development Output is Develop - Tuna fisheries and related industries are developed to maximize social and economic benefits to members. The diagram above demonstrates the flow of the Division's outputs to higher-level results, outcomes and impacts.

### 1. Environmental Scan

#### International Level

Global economic output is estimated to have increased by 3% in 2013, and is forecast to increase to 3.7% in 2014. This reflects improvement in the economic performance in the US, several European countries moving out of recession, and accelerated economic growth forecast in many developing economies. So far, oil prices have remained relatively stable, as new sources of supply are developed. The high prices of many staple foods, which have persisted since mid-2010, seem to have ended with the world price of maize falling by a third in the second half of 2013. Broadly, fish prices follow closely the global food price index.

In terms of fisheries products, sustainability and traceability continue to be a major issue in Europe and the US. Market access into the EU remains problematic for many developing countries with three placed on the IUU list (of countries from which imports are prohibited) in late 2013. EU missions visited two Pacific Island countries in early 2014 to audit compliance with IUU regulations. Two more country visits were expected.

Japanese household consumption of tuna continued the slow decline that has been evident throughout the past decade although global demand for fresh/frozen tuna products continues steady growth. Consequent restructuring of supply arrangements offers new shore side opportunities for PICs as well as new challenges including in fleet make-up and cost efficiencies and shore infrastructure and transportation modalities,

#### Regional and Subregional Level

There was little progress in negotiation of the proposed Economic Partnership Agreement, despite officials meetings in Europe and a brief meeting between Trade and Fisheries Ministers and the EU Trade Commissioner in Honiara. Papua New Guinea has withdrawn from active participation in the EPA talks, concerned that the agreement will be less beneficial than the interim EPA that they have already ratified. Commission trade officials have stated that without PNG, there can be no EPA. Meanwhile, a review will start before the end of the period to investigate the feasibility of negotiating preferential trade terms for export of Pacific Island fisheries products to US markets. The ninth WTO Ministerial conference in Bali also reached agreement on some measures expected to facilitate trade, particularly for least developed countries.

Opportunities and constraints differ greatly between individual FFA members. Attracting and sustaining viable investment is largely a national responsibility, although regional and subregional fisheries management initiatives can create opportunities.

One area where potential has been identified is in the area of market access, and in early 2014 FFA launched a proposal to establish a permanent support unit for members in meeting EU sanitary standards. It is envisaged that some countries may wish to delegate much of the 'control function' of their competent authorities to this unit, so it becomes in effect a 'regional CA.'



## 2. Overview of Operations

### Fisheries Development Advisory

Good progress was made in support of development planning for Kiritimati Island for the Government of Kiribati. The plan and supporting work helped to inform the decision of the EU to proceed with essential wharf infrastructure under the EDF11 national programme. Development planning work for two other countries did not advance pending responses from Government authorities. Promising results were also achieved in efforts to strengthen the pole and line fishery in Solomon Islands and a pilot project is now operational in Papua New Guinea.

### Economic Intelligence

The economic intelligence unit continued to provide information and advice in the key areas of market price data; economic indicators used to monitor progress in development of the region's fisheries; development of briefs for fisheries access negotiations; and the use of bio-economic modelling to support decisions on tuna management that will maximise returns from the fisheries.

### Trade and Export Facilitation

The work in this area focused mainly on EU market access, with support and training provided to staff of the three approved Competent Authorities for sanitary certification of fisheries products, as well as two developing CAs. The unit has now recruited an adviser to work in this area full-time. Member countries were also assisted in complying with the EU IUU regulation, starting with development of national plans of action. FFA staff also participated in three rounds of talks on the Economic Partnership Agreement with the EU – in which fisheries has become a key issue – although little progress was made. The informative trade newsletter was produced bi-monthly as planned, and an expanded version (Trade and Industry News) was launched at the beginning of 2014.

### Investment Facilitation Unit

The IF unit operated without a manager throughout the period due to uncertainty over future funding, but some good progress was made. In-country advisers in three countries progressed a number of major proposals, as well as building national capacity. Shorter-term inputs developed investment strategies in two countries, and appraisal of investment proposals in a third. Another short-term input to advice on restructuring the national partner of an important fishing joint venture is planned before the end of the period while another in-country adviser will be deployed to ensure the continuation of a number of important incentives for investment in a member country.



### 3. Key Results Achieved

Achievements over the period for the various work areas include:

#### (a) Fisheries Development Advisory

- Completion and presentation of the Kiritimati integrated fisheries master plan;
- Input to the Kiribati Ministry of Fisheries and Marine Resources strategic plan, which was approved by Cabinet during the year;
- Preparation of a simple business plan for the proposed Kiritimati wharf development;
- Training on fisheries access and joint venture negotiations delivered to senior officials through the negotiations training course;
- Photography for a baitfish identification manual needed to monitor baitfish catches in the pole and line fishery;
- Baitfish management plan drafted for Solomon Islands to improve management of the resource and meet Marine Stewardship Council requirements for certification of the P & L fishery;
- Baitfishing techniques using the Indonesian 'Bagan' style of fishing are now well established in Solomon Islands, and staff of the National Fisheries College (NFC) in PNG have been trained in their use;
- Designs for a new pole and line vessel suited to Pacific Islands operations were completed – a commercial company has allocated funds to purchase a vessel and tenders are now being invited;
- A small pole and line vessel for training has been repaired and is now operational at NFC Kavieng

#### (b) Economics Intelligence

- Continuation of the monthly series of market price data for tuna and tuna products in major markets, published every two months;
- Compilation of estimated catch volumes and values by species, EEZ, fishing fleet, gear type and EEZ;
- Regular collection and presentation of key economic indicator data from member countries, covering employment, export value, contribution to GDP, etc.;
- Collection and verification of data on operating costs for different fishing fleets;
- Development of regional bio-economic models with SPC and presentation of results at various forums including SC-SPTBF meeting and WCPFC Management Options Workshop.
- National level bio-economic modelling to assist with the setting of management limits for the longline fisheries in the EEZs of Vanuatu, Samoa and Tonga ;
- Presentation of bio-economic results for the development of reference points for stock-wide management and national management measures;
- Advice on economic returns of different fleets for calculation of potential access fees;
- Preparation of access negotiation briefs and participation in negotiations on request.

#### (c) Trade and Export Development

- Follow-up missions were undertaken in three countries (Solomon Is, Fiji and PNG) to support improvements in systems and procedures of the CAs;
- Technical advice and training was provided in one country (Kiribati) that is still developing its national CA;
- A full-time adviser was recruited to lead the market access work of the unit noting that the three-person consulting team is also available;
- Discussions were held with DG SANCO to progress the regional CA concept, and members invited to provide their feedback and interest in this service;
- Seven countries will have been assisted to prepare national plans of action against IUU fishing as part

of the strategy to address the EU IUU regulation;

- Two countries were assisted to develop standard operating procedures to implement the NPOA;
- Technical advice was provided to several countries in other aspects of IUU compliance – catch documentation and port state measures;
- By the end of the period, three newsletters covering trade issues and three expanded publications with more industry news will have been prepared;
- FFA provided technical support to meetings aimed at concluding a comprehensive EPA with the EU;
- A study on the opportunities for concluding a regional preferential trade agreement between Pacific Island countries and the USA was launched, with FFA providing the information and analysis of fisheries issues.

#### (d) Investment Facilitation

- An in-country adviser provided support to the Cook Islands government with a number of development initiatives, including the opening of a facility in Pago Pago;
- An in-country adviser in Kiribati has progressed initiatives aimed at developing employment opportunities for i-Kiribati processing workers outside the country;
- An in-country adviser is has been recruited to assist Papua New Guinea address threats to EU market access which could risk both current and future investment in on-shore processing;
- An investment strategy for the tuna industry in FSM has been developed, after wide stakeholder consultation, and submitted for approval by the national authorities;
- An investment strategy is being developed for Marshall Islands, and should be completed within the period;
- Investment proposals under consideration by provincial authorities in PNG have been evaluated and advice provided to national stakeholders;
- Advice provided on investment facilitation process with further investment policy advice, feasibility studies and training to follow in PNG;
- Secured attachment for Investment Development Officers targeted at capacity building in investment due diligence and transaction facilitation for PNG;
- A study on re-structuring the national fisheries corporation of Tuvalu will be completed before the end of the period;
- A business plan and investment prospectus will be developed for a local private sector fishing company in Fiji;
- Improved intelligence on developments in the Japanese industry has been provided, and a review of the experience of Japanese joint venture partners and opportunities for new investment will be completed during the period.

## 4. Related Issues, Opportunities and Impacts

### Issues

Key issues identified include the following:

- **Development Planning:** There has been less progress than expected with the completion of tuna development plans for several member countries. Lack of follow-up and response to draft documents is often the cause of this
- **Regulatory Frameworks:** The work of the Division has continued to raise awareness of the economic importance of tuna fisheries in the region, as well as demonstrating a growing contribution. While developing consensus on management measures is proving to be a slow process, there is general awareness of the potential to improve economic returns by reducing effort in the major fisheries.
- **Trade and Export:** Realistically it will be very difficult for many members to establish and maintain

competent authorities that meet EU sanitary requirements. Further progress with the EPA negotiation is in doubt, with PNG indicating that they see little value in proceeding with these long-running negotiations and a number of intractable differences between EU and P-ACP positions

- Investment facilitation: Although there are still opportunities to facilitate new investment, the unit also needs to focus on evaluating existing arrangements and supporting endeavours to maximise genuine development benefits received by host countries.

## Opportunities

- There are opportunities to integrate development planning more effectively with the review processes of national tuna management plans.
- As management moves towards the use of reference points and harvest control rules there are opportunities to set economic targets for the region's fisheries. Innovative ways of selling fisheries access, such as pooling of vessel days and auction systems provide potential to increase government revenue.
- The delegation of control functions to a 'regional CA' located in FFA could open the way for smaller countries to comply with EU requirements and secure improved market opportunities for fish from locally registered vessels as well as processing plants.
- There are important opportunities to address threats to existing and planned investment related to market access, as well as opportunities to assist members with appropriate investment advice/options based economic analysis for both existing and planned investment projects.

## Impact

### Fisheries Development Advisory

There is an excellent chance that funding will be secured for the development of infrastructure needed for development of Kiritimati Island, Kiribati, as a base for longline fishing and tuna export. This could have significant socio-economic benefits for Kiribati.

Everything is now in place for a limited expansion of the pole and line fishery in the Solomon Islands and for training/demonstration of the techniques in Papua New Guinea.

### Economic Intelligence

The work of the unit has continued to raise awareness of the economic importance of tuna fisheries in the region, as well as demonstrating a growing contribution. While developing consensus on management measures is proving to be a slow process, there is general awareness of the potential to improve economic returns by reducing effort in the major fisheries.

### Trade and Export Facilitation

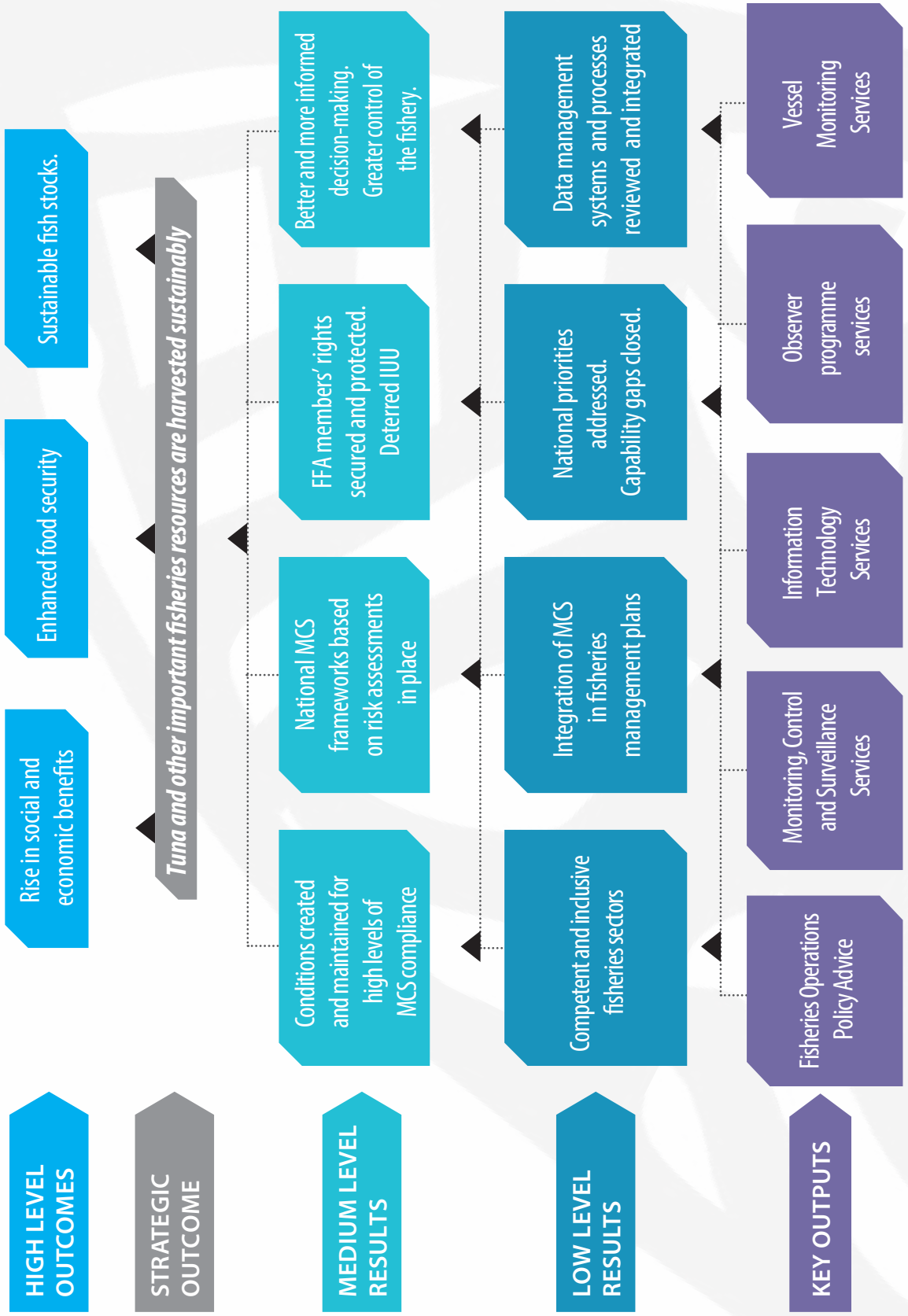
Papua New Guinea and Solomon Islands have been able to continue and expand exports of canned tuna and cooked loins to the EU because of maintaining market access. Operators in Fiji have also been able to take advantage of EU markets for frozen loins at a time when albacore prices for canning were very depressed, as well as expanding sales of other frozen products.

### Investment Facilitation

Most of the Unit's activities will take some time to deliver genuine new inward investment, but satisfactory progress has been supported. The importance of the Unit may also be in its pre-cautionary advice to members not to undertake certain investments and policy actions.

## D. Fisheries Operations Output, Results and Outcomes Flow

### DIVISION'S STRATEGIC GOAL: Tuna fisheries are developed to maximise social and economic benefits to member



# D. Fisheries Operations

## Description of Output

Activities to assist member countries ensure that fishing operations prescribed compliance requirements, including obligations under the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean.

This Output is made up of four work areas, (1) Monitoring, Control and Surveillance, including the Regional Fisheries Surveillance Centre, (2) Vessel Monitoring System and Registry (3) Observer Program, and (4) Information and Technology.

The Division employs 30 staff split evenly between posts advertised locally and posts advertised internationally.

The medium term bridging goal for the Fisheries Operations Output is “Protect the integrity of management measures for tuna and other important fisheries resources is maintained through high level of compliance”. The diagram (Fig 4.) demonstrates the flow of the Divisions outputs to higher level results, outcomes and impacts.

### 1. Environmental Scan

On the international level, the Division’s work is closely linked with the work of WCPFC and to a far lesser extent, the SPRFMO.

The main focus for the 2013/14 FY in relation to priorities for the WCPFC was understanding the Compliance Monitoring Scheme (CMS), its reporting and assessment mechanisms, and the potential implications for members are also critical.

At the national level, capacity in human resources and IT systems continued to be a problem. The development of the Regional Information Management Facility as well as staff skills and IT systems support will undoubtedly build capacity at the national level in these areas.

MCSWG17 reviewed the Standard Operating Procedure (SOP) developed for the administration of FFA VMS non-reporting and saw this as an important step towards meeting the target achievement of 99.5% VMS reporting compliance.

### 2. Overview of Operations

Overall, the first six months of the fiscal year without a fulltime Director to lead and coordinate the work of the Division was a challenge. However, the Division did achieve its intended results and some notable outcomes, including progressive MCS developments at the regional and national levels.

#### (a) MCS

The Regional Fisheries Surveillance Centre (RFSC) coordinated four regional MCS operations during the reporting period. These operations were conducted to prevent, deter and eliminate IUU fishing activities in the specific areas of operation, which include the EEZs of participating members and the adjacent high seas pockets and areas. Quadrilateral Defence Forces (QUADS) ships and aircrafts from Australia, New Zealand, US and France, support these activities. Sixteen MCS Officers from eight countries were trained on the use of MCS tools during the operations.

In addition to these regional MCS operations, the RFSC provide ongoing MCS services to members. These include:

- Continuous provision of the Regional Surveillance Picture (RSP) to members to support national MCS activity;
- Continuous monitoring of members’ EEZs complementing their monitoring activities;
- Alert members of potential illegal activity in their EEZs or adjacent high seas pockets and areas; and



- Build capacity of national MCS officers to utilize regional support tools during operations.

Other specific RFSC assistance to individual members includes:

- assisted Tuvalu in the investigation of two (2) vessels
- assisted Australia in the investigation of a vessel
- assisted Fiji as flag state in their investigation of a vessel
- assisted Solomon Islands in the investigation of two (2) vessels.

In terms of Training Courses, one (1) Evidence and Investigations course was conducted with 22 participants from all FFA Members and two (2) Dockside Boarding and Inspection workshop conducted for seven Nauru & 8 RMI Fisheries Officers and Law Enforcement personnel. Two Fisheries Officers and a Police Sergeant from Niue travelled to Honiara and participated in a MPI/FFA Boarding and Inspection training run for Solomon Islands Fisheries and Police Maritime Officers

#### (b) Observer

Full 100% coverage using FFA Members national and subregional observer programmes has been met. Longline coverage has increased but not yet to the regional target of 5%. Coverage appears to be met by the two FFA Members with flagged transshipment carriers. FFA has made, to date, 252 observer placements on US flagged purse seiners under the Multilateral Treaty.

Ongoing training of observers has increased the number available in the region to around 742. There are currently 27 fully certified debriefers and 121 trainees. PIRFO standards are now established for observers, debriefers, trainers and recently for observer programme managers.

The Observer Programme Management (OPM) electronic module has been regionally adopted as the observer programme management and administration tool for subregional and national programmes, which has improved their ability to meet their obligations of data management and reporting to WCPFC.

#### (c) VMS

FFA has continued to implement mechanisms to assist FFA members with VMS related costs to support their national and regional MCS needs. These include support for (i) National VMS related costs such as reimbursement of 50% of base salary of the fulltime national VMS Officer, (ii) Support for National VMS, installation of MTUs for local fleets and (iii) Support for National VSAT solutions.

#### (d) Information Technology Sub-output/Unit

Significant progress in the upgrade of the FFA ICT infrastructure has yielded some promising results in terms of enhanced security and greater reliability of the Agency's IT systems. Together with the ongoing development and adoption of RIMF and the FFA Information Security Management Systems (ISMS) amongst FFA staff and members, this output has helped improve the Agency's stature and credibility to provide transparency and accountability of FFA members' data.



### 3. Key Results Achieved

Achievements over the period for the various work areas include:

#### (a) MCS

- The provision of MCS-analysed information to members on an ongoing basis provide an efficient and effective means of utilising available limited surveillance resources in targeting Vessels of Interests.
- The deterrence effect of the regional MCS Operations on IUU fishing has been apparent.
- Capacity building activities enhancing skills and knowledge of national MCS and law-enforcement officer.
- The development of curriculum and resources for the new MCS Officers Foundation Course due to commence delivery in October 2014.

#### (b) Observer

- Establishment of Pago Pago Subregional Fisheries Office for Cook Islands
- Development of PIRFO Trainer/Assessor and Management/ Coordinator standards
- Improved administration of observer programmes and improved data management with the development and national rollout of OPM.
- Ongoing improvements of national capacity development through FFA staff and funding support.
- Early E- Reporting trials on purse seine and long line vessels by FFA observers.
- Electronic monitoring (video) trials underway with two Taiwanese vessels based in the Solomon Islands

#### (c) Vessel Monitoring System

- Mobile Transceiver Units (MTU) inspection group trainings for in-country VMS/MCS enforcement officers specific to the VMS MTU challenges;
- Individual/Group fellowship attachments from 4 FFA members;
- Specific VMS Training Course at FFA Honiara – August 2013;
- In-country assistance – VMS related financial support, domestic fleets of 3 member countries using FFAVMS and VSAT Communications for one member country;
- WCPFC VMS Services provided via the Data Centre in Sydney, Australia;
- VMS position data provided to PNAO for PS and LL fleet
- VMS position data provided to SPC

#### (d) Information Technology

- Successful upgrade of the FFA ICT infrastructure through the installation of five (5) new servers and

network equipment to take full advantage of emerging technologies such as virtualisation and relevant cloud technologies.

- Successful changeover of the ageing IT hardware at the FFA VMS primary site within the Macquarie Telecom Data Centre in Sydney, Australia.
- Provision of ICT assistance in the development of national Information Management Systems (IMS) at the national fisheries offices of 10 member countries
- Continued development and rollout of the Regional Information Management Facility (RIMF) as the medium for information sharing amongst FFA members as well as being the “one-stop shop” repository of regional fisheries information and data.
- Provision of timely ICT support for the Regional Fisheries Surveillance operations namely: Island Chief, Kurukuru, Rai Balang, and Tui Moana.

## 4. Related Issues, Opportunities and Impacts

### Issues

#### (i) MCS

Despite the availability of the WCPFC high seas data – both 100NM buffer and the in-zone, some members are yet to request this data and nominate the RFSC as their MCS entity affecting the RFSC’s ability to provide adequate analytical support to these members.

Lack of feedback to the RFSC remains a concern. Request for Information (RFIs) generated during regional MCS operations largely go unanswered, despite major improvements and simplification to the process to ease the burden on each nation. Whilst some nations respond to general queries in a timely manner, many do not, effectively limiting RFSC’s ability to assist.

#### (ii) Observer

- Need for national cost recovery models to be developed
- National Finance Administration constraints to independent accounts
- Further need for de-briefer training
- Ongoing observer training needed
- Donor funding for capacity development reduced

#### (iii) Vessel Monitoring System

Some members have not been able to benefit and utilise the financial support provided under the National VMS activity. As of March 2014, only eight FFA members have claimed reimbursement under this assistance activity thus far.

The initial IDP690 model MTUs installed had factory faults which the suppliers have since replaced free of charge. Testing is being undertaken before carrying out the replacements on the domestic fleet in Tonga, Samoa and Cook Islands.

### Opportunities

#### (a) MCS

The RFSC will continue to explore technologies that would enhance the current operation support tools used at the regional level to support national MCS activities.

Similarly, strengthen collaboration through information sharing with other international organisations such as Interpol to prevent, deter and eliminate opportunities for IUU fishers or their vessels in members EEZs or the WCPO.



## (b) Observers

Implementation of cost recovery regimes will move the region's observer programs forward on a sustainable and self-supporting basis.

### Impacts

The following are immediate results and impact of work undertaken

## (a) MCS

Deterrence of IUU fishing in members EEZs resulting in increased compliance with national requirements, and ensuring that members benefit for the economy derived from the resources in their EEZs and further contributing to the overall level of compliance in the WCPO.

Increased availability of electronic reporting technologies will significantly improve data quality and timeliness.

## (b) Observer

Improved timeliness of observer data submission

Improved data accuracy and incident reporting through development of analytical procedures and improved debriefer numbers and skills.

FFA Members the primary observer service providers to the ROP

## (c) VMS

With the availability of additional MCS tools, the capacity and capability of member MCS Officers in their ability to monitor the various classes of vessels has improved. These include (i) flagged vessels in all zones, (ii) licensed foreign vessels, in all zones, (iii) Other vessels reporting to FFA VMS and operating within member's EEZ, (iv) WCPFC VMS 100nm buffer zone monitoring by selected FFA members who nominated FFA as their authorised MCS Entity,

(v) WCPFC VMS In-Zone monitoring under Article 24(8) by selected FFA members who nominated FFA as their authorised MCS Entity.

## (d) Information Technology

The efficacy of ICT services continues to contribute to the overall performance and achievements of the FFA Secretariat and member countries. This correlation highlights the growing importance of ICT and emerging technologies in the effort to curb IUU fishing and sustainably manage fish stocks in national waters and beyond.



# E. Corporate Services

## 1. Summary of Progress

Over the course of the year, the Corporate Services Division continued to provide support services to technical divisions as well as further refining systems and processes as part of FFA Internal Reforms. In addition, strategic work undertaken by the Performance Management Unit has continued to provide management advice in organisational development aspects and Secretariat performance management as well as monitoring and evaluation of services delivered under Country Service Level Agreements. The Unit was also able to provide assistance directly to a member country in strengthening linkages of their strategic plans to the budgetary process.

## 2. Key Results Achieved

### Corporate Services Division

- Ongoing review of all corporate policies
- Improved audit turnaround process
- Comprehensive property maintenance assessment completed
- Successful completion of the second Local Market Survey jointly undertaken with the Solomon Island Chamber of Commerce

### Internal Reforms

- Refinement of the Output Budget format
- Commenced incorporation of transaction listing by country
- Review and development of a new integrated performance management system to ensure staff performance is tied to strategic and operation goals
- Review of business processes – Review financial management processes,
- Upgrade of Financial Information Management system and Payroll system
- Review of Corporate policies and Staff Regulations
- Started development of Service Charter for the Secretariat
- Update of Output and Organisational Structures
- Job evaluation of all positions
- Human Resource Information system
- Assisted Technical divisions prepare for national level work under the Regional Strategies.
- Review of Insurance processes
- Fully integrated management system in place (Planning, budgeting, monitoring and evaluation process including staff appraisal integrated)
- Revised security process for accessing main FFA compound
- Completed Financial Risk Assessment Review.
- Internal audit function in place

## 3. Related Issues, Opportunities and Impacts

- Integrated management system ensures results are delivered when staff performance and reward

system is driven by achievement of operational goals

- Greater clarity in resource requirements over the medium term as well as annual work programme and budget
- Improved efficiency and improved assurance of integrity of processes and transactions
- Improved capability to provide timely financial reporting Strengthened monitoring and evaluation framework
- Capability planning and development process which is facilitated by the Division has been instrumental in addressing capability gaps including the identification of training needs analysis, process faults and staffing needs
- More secure compound
- Greater focus and attention on the identified high-risk areas in FFA financial management systems.

## Issues

Issues facing the Corporate Services are not new. Difficulties revolve around the capability gaps the Division faces in terms of human resources and availability of streamlined processes and structures to support the internal reforms it is spearheading.

Shared responsibilities for vacant positions- The growth in work and limited number of staff has affected job-loadings, although alleviated to some degree by appointment of new staff in Finance and Administration.

## Opportunities

- Improved efficiencies from upgraded Financial Information system, and potential in future for a common platform for human resources information and payroll management.
- Integrated management system linking all aspects of management across the Agency
- Third generation strategic planning, budgeting and results-based management framework in place and implemented
- Opportunity for Increased capacity for value-adding in strategic planning and impact assessment at the country level
- Broader understanding of work and multi-skilling



## Impact

- Integrated management system ensures results are delivered when staff performance and reward system is driven by achievement of operational goals
- Greater clarity in resource requirements over the medium term as well as annual work programme and budget
- Improved capability to provide timely financial reporting Strengthened monitoring and evaluation framework
- Capability planning and development process which is facilitated by the Division has been instrumental in addressing capability gaps including the identification of training needs analysis, process faults and staffing needs

## 3. Regional Coordination and Integration

Strategically, FFA ensures congruency with regional priorities and directions through implementing Leaders' fisheries-related directives under the Pacific Plan and Forum Heads of Government meetings as well as from taking appropriate account of outcomes of other regional groupings of Leaders such as the PACP Leaders Meeting. The Council of the Regional Organisations of the Pacific (CROP) oversees implementation of work in the various sectors under the Pacific Plan. Through the CROP mechanism, the Secretariat contributes to the following:

- Implementation of the Pacific Plan - The Secretariat reports progress of its activities to Leaders through the Pacific Plan Action Committee annually, integrating activities into the Annual Work Program and Budget
- Regional Security - Working with the Forum Secretariat in developing a Regional Security framework development which includes our Monitoring, Control and Surveillance (MCS) activities and the Niue Treaty.
- Climate Change –The South Pacific Regional Environmental Programme (SPREP) is leading a high level (CEO) CROP working group on climate change issues that even though FFA is not able to participate in has nevertheless committed to assist where possible.
- Fisheries - Leading the work in regional fisheries with the Secretariat for the Pacific Community (SPC) providing scientific input to fisheries management and SOPAC providing delimitation of boundaries for MCS. Actively participates in the fisheries related deliberations and activities of the MSWG and SDWG coordinating mechanism.
- Capability Building – Working with the University of the South Pacific in providing scholarships and training as well as development of long term curriculum in fisheries.
- Gender – Working with other CROP agencies to promote institutionalisation of gender issues across CROP organisations and in-country work as well as preparations for the UN SIDS meeting in Apia later this year.
- Harmonisation - Working with other CROP agencies to develop best-practice administrative practices and implementation across agencies

## 4. Improving Organisational Effectiveness

Improving organisational effectiveness remains one of the key deliverables of the Performance Management Unit. However, with the heavy workload in other areas and lack of additional staff, it has not been possible to complete all work as intended. With an additional staff recruited to work in the HR Unit, this will reduce some of the load in that area to enable more time to improving organisational effectiveness.

### Capability Development Process

Refinement of the Capability development process to encompass two major components as below:

## (a) Secretariat's ability to produce right results

### (i) How well the agency identifies and addresses the Leaders and FFC priorities

- As in the past, the Secretariat has been proactive in this respect. Priorities and issues are being raised in a timely manner with FFC and when approved bringing these to the Leaders' attention and formal recognition, as of regional importance. The Secretariat has also been strategic in proactively seeking funding for current and emerging "priorities". On approval, priorities are immediately mainstreamed and incorporated in to the Annual Work Program and Budget.

### (ii) How effective is the delivery of core functions

- Ongoing monitoring of national activities under the Country Service Level Agreements signed with members will show how effective the delivery of core functions has been. Country Scorecards showing progress of in- country development work will also indicate the effectiveness of delivery of core functions.

## (b) Agency Management

### (i) Review of corporate systems for fitness of purpose, and refine alignment to changed working arrangements and governance requirements,

- Work undertaken in this area has been development of Internal Audit capability through an external consultant
- Ongoing review of the Human Resources Strategy and Financial Regulations

### (ii) Review of Divisional structures

Budget Output Structure was updated to the current AWPB developed for allocation of individual responsibilities and for assessment against the organisational structure

### (iii) Review of job-loadings and staff responsibilities

- Standardised job description format with posts being job sized as they become vacant. Internally job sized before external verification.
- Clarity in management responsibilities has been addressed in the review of management and executive job description format.
- Development of Service Charter for the Secretariat
- Update of Output and Organisational Structures
- Job evaluation of all positions
- Human Resource Information system
- Assisted Technical divisions prepare for national level work under the Regional Strategies.
- Review of Insurance processes
- Fully integrated management system in place
- Revised security process for accessing main FFA compound
- Completed Financial Risk Assessment Review.

# Part 3

## Staffing and Accounts

1. Staffing Information
2. 9 Month Accounts to end of March 2014
3. Audited Accounts for FY2012/13



# Staffing Information

As of 1 May 2014, 87 staff are employed in FFA. Secretariat staff are recruited from 15 countries, with the majority of staff from the host country of Solomon Islands.

The following are details of staff movements over the year.

## Staff that have left FFA;

1. Mr Mark Young – Director Fisheries Operations (USA)
2. Dr William Edeson – Legal Adviser (Australia)
3. Mr Nicholas Reese – Manager Information Technology (Australia)
4. Mr Robert Stone – Fisheries Development Adviser (Fiji)
5. Mr Donald Papaol – US Treaty Finance Officer (PNG)
6. Ms Cecilia Navere – Data Entry Officer (Solomon Islands)

## New Staff joining FFA;

1. Mr Mike Batty – Director of Fisheries Management (UK)
2. Mr Timothy Adams – Director of Fisheries Development (UK)
3. Ms Lisa Williams-Lahari – Media Officer (Cook Islands)
4. Ms Megan Streeter – Training Adviser Coordinator (Fiji)
5. Mr Jope Tamani – Trade Adviser (Fiji)
6. Mr Visa Rabuka – Human Resources Officer (Fiji)
7. Mr Patrick Orotaloa – Housing Fund Administrator (Solomon Islands)

## Staff Promotions

1. Mr Noan Pakop – Director Fisheries Operations (PNG)
2. Contract Extensions/Renewals
3. Dr Manu Tupou-Roosen – Legal Counsel (Tonga)
4. Mr Kaburoro Ruaia – Manager, Treaty Administration (Kiribati)
5. Mr Timothy Park – Manager Observer Program (Australia)
6. Ms Yolanda Elanzo – Observer Finance Officer (FSM)
7. Mr Timothy Costello – Observer sub-regional Coordinator (NZ)
8. Mr Filimon Lutunaika – Systems Analyst (Fiji)
9. Mr Kenneth Katafono – Database Administrator (Fiji)
10. Ms Alena Takacova – Data Quality Officer (Rep. Slovakia)
11. Mr Peter Terawasi – Fisheries Economic Advisor (Solomon Is)
12. Ms Viola Levy – Performance Analyst (Samoa)
13. Mr Kauka Havea – Financial Accountant (PNG)
14. Ms Allison Riley – Administration officer (Australia)
15. Mr Dennis Yehilomo – MCS Analyst (PNG)
16. Mr Ribanataake Awira – Fisheries Development Advisor (Kiribati)



## Staff List

DESIGNATION	NAME	NATIONALITY
<b>Executive Management</b>		
Director-General	Mr James Movick*	FSM
Deputy Director-General	Mr Wez Norris*	Australia
Legal Counsel	Dr M Tupou-Roosen*	Tonga
Legal Advisor	Mr P Manoa*	Fiji
Legal Advisor	Dr W Edeson*	Australia
Legal Advisor	Dr F Manoni*	Marshall Is
Executive Officer	Mr T Tupou*	Tonga
Training Advisor, Coordinator	Ms M Streeter*	Fiji
Media Officer	Ms L Williams-Lahari*	Cook Islands
Asst. Observer Placement Officer	Mr A Orianha'a	Solomon Is
Personal Assistant (DG)	Ms A Vave-Erekali	Solomon Is
Personal Assistant (DDG)	Ms C Murdoch	Solomon Is
<b>Fisheries Development (FD)</b>		
Director, Fisheries Development.	Mike Batty*	UK
Manager, Investment Facilitation	Vacant*	
Fisheries Policy Specialist	Mr H Walton*	New Zealand
Fisheries Economic Advisor	Dr C Reid*	Australia
Fisheries Economics Officer	Mr P Terawasi*	Solomon Is
Fisheries Economist	Mr R. Imo*	Samoa
Fisheries Development Adviser	Mr R Awira*	Kiribati
Fisheries Development Adviser	Mr R Stone*	Fiji
Tuna Industry Adviser/ JPF Coordinator	Mr S Fujiwara*	Japan
Trade Development Adviser	Mr J Tamani *	Fiji
Project Coordinator	Mr L. Paia*	Solomon Is
Investment Facilitation Adviser	Mr J Ilakini*	PNG
Investment Facilitation Coordinator	Mr S. Guurau*	Solomon Is
Japanese Investment Facilitator	Mr M Nakada*	Japan
<b>Fisheries Management (FM)</b>		
Director, Fisheries Management	Mr Timothy Adams*	UK
Fisheries Management Adviser	Mr I Freeman*	Australia
Fisheries Management Adviser	Mr M Kamatie*	Kiribati
Fisheries Management Adviser	Mr S Sauni*	Tuvalu
Fisheries Management Advisor	Ms A McDonald*	Australia
Fisheries Management Advisor	Ms P Maru*	Cook Islands
Fisheries Management Adviser	Vacant *	
Fisheries Management Officer	Vacant *	
Multilateral Treaty Manager	Mr K Ruaia*	Kiribati
UST Finance Officer	Vacant*	
Senior Treaties Data Clerk	Ms R Marsh	Solomon Is
Data Entry Officer	Vacant	



DESIGNATION	NAME	NATIONALITY
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### Fisheries Operations

Director, Fisheries Operations	Mr N Pakop*	PNG
Manager, IT	Vacant	Fiji
Systems Analyst	Mr F Lutunaika*	PNG
Network Administrator	Mr H Salonica*	Rep. Slovakia
Data Quality Officer	Ms A Takacova*	Solomon Is
ITC Helpdesk Officer	Ms L. Masaea	Solomon Is
Librarian	Mr E Marahare	Australia
Observers Programme Manager	Mr T Park*	Solomon Is
Asst. Observer Placement Officer	Mr A Orianiha'a	Solomon Is
Asst. Observer Placement Coordinator	Mr F Anii	Solomon Is
Data Entry Officer	Ms T Kaitu	Solomon Is
Data Entry Officer	Ms M Gamasi	Solomon Is
MCS Policy Advisor	Vacant*	
Surveillance Operations Off. 1	Mr P Graham*	Cook Is
Surveillance Operations Off. 2	Lt Cdr. M Pounder	Australia
Compliance Policy Advisor	Mr A Turanganivalu*	Fiji
MCS Specialist	Vacant*	
MCS Analyst	Mr D Yehilomo*	PNG
Surveillance Operations Asst.	Mr A Rahari	Solomon Is
MCS Asst. 1	Ms A Arehauta	Solomon Is
MCS Asst. 2	Mr F Aleziru	Solomon Is
Register Data Officer 2	Ms G Harold	Solomon Is
Manager, VMS	Mr R Chand*	Fiji
VMS Liaison Officer	Mr D Koroi	Solomon Is
VMS Assistant Officer	Mr S Masika	Solomon Is
VMS Administration Assistant	Ms H Panda	Solomon Is
Data Entry Officer	Ms A Vavataga	Solomon Is
Database Administrator	Mr K Katafono*	Fiji
Subregional Arrangements Off.	Mr F Forau	Solomon Islands
Fisheries Enforcement Adviser	Vacant	
Observer Finance Officer	Ms Y Elanzo*	FSM
Subregional Coordinator	Mr T Costello*	NZ

### Corporate Services

Director, Corporate Services	Mr D Rupokets*	PNG
Manager Finance	Mr M Teofilo*	Samoa
Manager HR, Performance Management & Administration	Ms P Matautia*	Samoa
Management Accountant	Mr R Rutepitu*	Solomon Is
Financial Accountant	Mr K Havea*	PNG
Performance Analyst	Ms V Levy*	Samoa
Administration Officer	Ms A Riley*	Australia
Finance Officer – US Treaty	Mr L Galo	Solomon Is
Finance Officer – FSMA	Mr F Sipele	Solomon Is
Finance Officer – GFund &VMS	Mr L Kakaluae	Solomon Is
Finance Officer - Trust Fund	Ms G Talota	Solomon Is
Asst. Finance Officer - TF	Ms G Konia	PNG
Asst. Finance Officer - VMS	Mr L Tavallo	Solomon Is

**DESIGNATION****NAME****NATIONALITY**

Asst. Finance Officer – GF	Mr J. Tukupaka	
Asst. Finance Officer – FSM	Mr L. Livah	Solomon Is
Asst. Finance Officer – UST	Mr E Vazu	Solomon Is
Personnel Services Officer	Mr L Alufurai	Solomon Is
Travel Officer	Ms D Boso	Solomon Is
Office Services Supervisor	Ms S Olisukulu	Solomon Is
HR Services Assistant	Mr V Rabuka	Fiji
HR Officer	Ms E Suri	Solomon Is
Office Services Assistant	Ms I Mae	Solomon Is
Tea Attendant/Cleaner	Mr A Aratara	Solomon Is
Transport and Customs Officer	Mr S Havea	Solomon Is
Property Manager	Mr P Orotaloa	Solomon Is
Housing Fund Administrator	Mr J Tommy	Solomon Is
Maintenance Officer	Vacant	
Maintenance Assistant	Mr S Wini	Solomon Is
General Hand 1	Mr H Tolo	Solomon Is
General Hand 2	Mr R Gholomo	Solomon Is
Finance Officer, Assets		



# Unaudited Income and Expenditure Statement as at End of March 2014

	<b>Revised Budget</b>	<b>Total YTD</b> (Actuals + Commitments)	<b>% of Budget</b>
<b>INCOME</b>			
Member contribution	1,593,209	1,375,183	86%
Donor	15,823,173	13,584,328	86%
Australia PDF	300,375	189,250	63%
Vessel registrations	3,790,219	3,515,529	93%
Administered funds	2,954,998	2,982,946	101%
Cost recovery revenue	1,019,560	688,727	68%
Program support	737,228	219,920	30%
Benefit derived from use of assets	215,793	59,362	28%
Miscellaneous	198,204	167,928	85%
Housing fund income	1,345,263	992,548	74%
Reserves	444,096	-	0%
<b>Total income</b>	<b>28,422,119</b>	<b>23,775,613</b>	<b>84%</b>
<b>EXPENDITURES</b>			
Output 1 High level advice	4,778,797	2,511,667	53%
Output 2 Fisheries management	3,913,357	1,682,391	43%
Output 3 Fisheries development	5,648,847	2,060,692	36%
Output 4 Fisheries operations	9,064,087	5,339,271	59%
Overhead – Corporate Services	3,588,341	2,480,805	69%
<b>Total Outputs delivered by FFA</b>	<b>26,993,429</b>	<b>14,074,826</b>	
Housing fund expenditures	1,357,732	857,887	63%
Services delivered by third parties	70,958	-	0%
<b>Total expenditures</b>	<b>28,422,119</b>	<b>14,932,712</b>	
<b>Net position</b>	<b>0</b>	<b>8,842,901</b>	<b>53%</b>

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PACIFIC ISLANDS FORUM

We have audited the accompanying financial statements of the Pacific Islands Forum Fisheries Agency (the Secretariat) which comprise the consolidated statement of financial as at 30 June 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other exploratory notes as set out on pages 8 to 27.

## Members' and Managements' Responsibility for the Financial Statements

The Secretariat is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the members and management determine is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Secretariat as at 30 June 2013 and of its financial performance, its changes in funds and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

## Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

In our opinion,

- i) proper books have been kept by the Secretariat, so far as it appears from our examination of those books:
- ii) the financial statements are in agreements with the books of accounts
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Secretariat's financial regulations in the manner so required.

13 December 2013

Suva, Fiji

KPMG

Chartered Accountants

# 1. Core Funds

## Pacific Islands Forum Fisheries Agency - Audit Report

Consolidated statement of comprehensive income for the year ended 30 June 2013

	Notes	2013 US\$	2012 US\$ (Restarted)
<b>Income</b>			
Member country contributions	5	1,549,813	1,500,311
Donor Funds	6	10,723,228	10,634,430
Vessel registration fees		3,933,007	3,433,810
Housing rental receipts		76,261	74,427
Interest received		85,866	7,661
Program support and cost recovery		275,493	824,634
Australia Project Development Fund donation		183,125	111,125
Benefit from property, plant and equipment		54,611	35,416
Other income		164,671	166,983
<b>Total income</b>	<b>1,345,263</b>	<b>17,046,075</b>	<b>16,788,797</b>
<b>Expenditures</b>			
Output 1 – High Level Advice	7	3,175,580	2,985,165
Output 2 – Fisheries Management	7	1,284,638	1,940,688
Output 3 – Fisheries Development	7	2,984,981	3,310,853
Output 4 – Fisheries Operations	7	5,471,184	4,365,605
Output 5 – Corporate Services	7	3,876,398	4,017,002
<b>Total expenditures</b>	<b>26,993,429</b>	<b>16,792,781</b>	<b>16,619,313</b>
<b>Surplus for the year</b>		<b>253,294</b>	<b>169,484</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year			
<b>Total comprehensive income for the year</b>		<b>253,294</b>	<b>169,484</b>

# 1. Core Funds

## Pacific Islands Forum Fisheries Agency - Audit Report

Consolidated statement of comprehensive income for the year ended 30 June 2013

	Notes	2013 US\$	2012 US\$ (Restarted)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	4,236,370	4,223,835
<b>Total non-current assets</b>		<b>4,236,370</b>	<b>4,223,835</b>
<b>Current Assets</b>			
Trade and other receivables	12	3,058,808	3,231,398
Other assets	11	175,521	440,131
Cash and cash equivalents	20(a)	9,802,805	11,099,497
<b>Total current assets</b>		<b>13,037,134</b>	<b>14,771,026</b>
<b>Total assets</b>		<b>17,273,504</b>	<b>18,994,861</b>
<b>Accumulated Funds, Reserves and Liabilities</b>			
<b>Accumulated funds and reserves</b>			
Accumulated funds		2,881,482	2,628,188
<b>Total accumulated funds and reserves</b>		<b>2,881,482</b>	<b>2,628,188</b>
<b>Non-current liabilities</b>			
Provisions	13	169,723	95,331
Deferred revenue	18	4,281,600	4,213,080
<b>Total non-current liabilities</b>		<b>4,451,323</b>	<b>4,308,411</b>
<b>Current liabilities</b>			
Trade and other payables	15	712,958	1,710,539
Provisions	13	703,171	961,686
Other liabilities	14	8,524,570	9,386,037
<b>Total current liabilities</b>		<b>9,940,699</b>	<b>12,058,262</b>
<b>Total liabilities</b>		<b>14,392,022</b>	<b>16,366,673</b>
<b>Total accumulated funds, reserves and liabilities</b>		<b>17,273,504</b>	<b>18,994,861</b>

## **US Treaty (a) US Treaty Administration**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTILATERAL FISHERIES TREATY WITH THE UNITED STATES OF AMERICA – TREATY ADMINISTRATION FUND**

We have audited the accompanying statement of the Multilateral Fisheries Treaty with the United States of America – treaty Administration Fund which comprise the statement of financial position as 14 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes as set out on page 8-18.

#### **Members' and Managements' Responsibility for the Financial Statements**

The Secretariat is responsible for the preparation of financial statements that give true and fair view in accordance with International Financial Reporting Standards and for such internal control as the members and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Multilateral Fisheries Treaty with the United States of America Treaty Administration Fund as at 14 June 2013 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **Report on Other Legal and Regulatory Requirements**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

In our opinion,

- i) proper books have been kept by the Secretariat, so far as it appears from our examination of those books:
- ii) the financial statements are in agreement with the books of accounts
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Secretariat's financial regulations in the manner so required.

31 January 2014

Suva, Fiji

KPMG

Chartered Accountants

## 2. US Treaty Administration Fund – Consolidated Statement of Comprehensive Income

Multilateral Fisheries Treaty with the United States of America  
Treaty Administration Fund 25th Licensing Period

	Notes	2013 US\$	2012 US\$
<b>INCOME</b>			
Treaty funds income		1,486,775	,1,427,298
Interest Income		19,732	20,355
Sundry Income		13,996	7,504
<b>Total income</b>		<b>1,520,503</b>	<b>1,455,157</b>
<b>EXPENDITURES</b>			
Staff costs	5	361,893	478,523
Project costs	5	946,805	1,,33,533
<b>Total expenditures</b>		<b>1,308,698</b>	<b>1,512,056</b>
<b>Surplus for the year</b>		<b>211,805</b>	<b>(56,899)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year			
<b>Total comprehensive income for the year</b>		<b>211,805</b>	<b>(56,899)</b>



### 3. US Treaty Administration Fund – Consolidated Statement of Comprehensive Financial Position

Multilateral Fisheries Treaty with the United States of America  
Treaty Administration Fund 25th Licensing Period

	Notes	2013 US\$	2012 US\$
<b>ASSETS</b>			
Current Assets			
Trade and other receivables	8	599,213	1,052,799
Cash and cash equivalents	14(a)	30,714,178	46,465,960
<b>Total current assets</b>		<b>31,313,391</b>	<b>47,518,759</b>
<b>Total assets</b>		<b>31,313,391</b>	<b>47,518,759</b>
<b>Equity and liabilities</b>			
<b>Accumulated funds and reserves</b>			
Accumulated funds		30,666	(181,139)
<b>Total accumulated funds and reserves</b>		<b>30,666</b>	<b>(181,139)</b>
<b>Current liabilities</b>			
Trade and other payables	10	31,212,273	47,642,073
Provisions	9	70,453	57,825
<b>Total current liabilities</b>		<b>31,282,726</b>	<b>12,058,262</b>
<b>Total liabilities</b>		<b>31,282,726</b>	<b>47,699,898</b>
<b>Total accumulated funds, reserves and liabilities</b>		<b>31,313,391</b>	<b>47,518,759</b>

## **US Treaty (b) Observer Placement, Crewing, Training and Administration Funds**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTILATERAL FISHERIES TREATY WITH THE UNITED STATES OF AMERICA – OBSERVER PLACEMENT, CREWING, TRAINING, AND ADMINISTRATION FUNDS**

We have audited the accompanying statement of the Multilateral Fisheries Treaty with the United States of America – Observer Placement, Crewing, Training, and Administration Funds which comprise the statement of financial position as 14 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes as set out on page 8 to 17.

#### **Members' and Managements' Responsibility for the Financial Statements**

The Secretariat is responsible for the preparation of financial statements that give true and fair view in accordance with International Financial Reporting Standards and for such internal control as the members and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit

#### **opinion.Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Multilateral Fisheries Treaty with the United States of America Observer Placement, Crewing, Training and Administration Fund as at 14 June 2013 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **Report on Other Legal and Regulatory Requirements**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

In our opinion,

- i) proper books have been kept by the Secretariat, so far as it appears from our examination of those books:
- ii) the financial statements are in agreements with the books of accounts
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Secretariat's financial regulations in the manner so required.

31 January 2014

Suva, Fiji

KPMG

Chartered Accountants

## 4. US Treaty Observer Placement, Crewing, Training and Administration Funds – Statement of Comprehensive Income

Multilateral Fisheries Treaty with the United States of America

Observer Placement, Crewing, Training and Administration Funds 25th Licensing Period

	Notes	2013 US\$	2012 US\$
<b>Income</b>			
Treaty funds income	5	1,193,463,	1,908,130
Sundry Income	6	1,826	8,124
<b>Total income</b>		<b>1,195,289</b>	<b>1,916,254</b>
<b>Expenditures</b>			
Observer Placement costs	7	832,100	930,571
Observer training costs	7	104,263	128,398
Observer administration costs	7	654,631	476,086
<b>Total expenses</b>		<b>1,590,994</b>	<b>1,535,055</b>
<b>(Deficit) Surplus for the year</b>		<b>(395,705)</b>	<b>381,199</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year			
<b>Total comprehensive income for the year</b>		<b>(395,705)</b>	<b>381,199</b>

## 5. US Treaty Observer Placement, Crewing, Training and Administration Funds – Statement of Financial Position

Multilateral Fisheries Treaty with the United States of America

Observer Placement, Crewing, Training and Administration Funds 25th Licensing Period

	Notes	2013 US\$	2012 US\$
<b>Assets</b>			
Current Assets			
Trade and other receivables	9	802,334	1,063,633
Cash and cash equivalents	16(a)	1,667,731	1,521,096
<b>Total current assets</b>		<b>2,407,065</b>	<b>2,585,096</b>
<b>Total assets</b>		<b>2,407,065</b>	<b>2,585,096</b>
<b>Equity and liabilities</b>			
<b>Accumulated funds and reserves</b>			
Accumulated funds		810,478	1,206,183
<b>Total accumulated funds and reserves</b>		<b>810,478</b>	<b>1,206,183</b>
<b>Current liabilities</b>			
Trade and other payables	10	716,767	782,181
Other payables	11	908,850	596,732
Provisions	12	33,970	-
<b>Total current liabilities</b>		<b>1,659,587</b>	<b>1,378,913</b>
<b>Total liabilities</b>		<b>1,659,587</b>	<b>1,378,913</b>
<b>Total accumulated funds, reserves and liabilities</b>		<b>2,470,065</b>	<b>2,585,096</b>

## **US Treaty (c) Economic Development and Industry Development Funds**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTILATERAL FISHERIES TREATY WITH THE UNITED STATES OF AMERICA – ECONOMIC DEVELOPMENT AND INDUSTRY DEVELOPMENT FUNDS**

We have audited the accompanying statement of the Multilateral Fisheries Treaty with the United States of America – Economic Development and Industry Development Funds which comprise the statement of financial position as at 14 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes as set out on page 8 to 17.

#### **Members' and Managements' Responsibility for the Financial Statements**

The Secretariat is responsible for the preparation of financial statements that give true and fair view in accordance with International Financial Reporting Standards and for such internal control as the members and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Multilateral Fisheries Treaty with the United States of America Economic Development and Industry Development Funds as at 14 June 2013 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **Report on Other Legal and Regulatory Requirements**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

In our opinion,

- i) proper books have been kept by the Secretariat, so far as it appears from our examination of those books:
- ii) the financial statements are in agreement with the books of accounts
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Secretariat's financial regulations in the manner so required.

31 January 2014

Suva, Fiji

KPMG

Chartered Accountants

## 6. US Treaty Economic Development and Industry Development Funds – Statement of Comprehensive Income

Multilateral Fisheries Treaty with the United States of America  
Economic Development and Industry Development Funds 25th Licensing Period

	Notes	2013 US\$	2012 US\$
<b>Income</b>			
US Treaty receipts	5	47,368,432	25,974,376
Sundry Income	6	603,727	112,148
<b>Total income</b>		<b>47,972,159</b>	<b>26,086,524</b>
<b>Expenditures</b>			
Administration, PDF costs, indexing share and distribution of 15% share	7	12,401,604	11,295,042
Distribution of 85% shares	7	35,558,164	18,266,214
<b>Total expenses</b>		<b>47,959,768</b>	<b>29,561,256</b>
<b>Surplus/(Deficit) for the year</b>		<b>12,391</b>	<b>(3,474,732)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year			
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>12,391</b>	<b>(3,474,732)</b>

## 7. US Treaty Economic Development and Industry Development Funds– Statement of Financial Position

Multilateral Fisheries Treaty with the United States of America  
Economic Development and Industry Development Funds 25th Licensing Period

	Notes	2013 US\$	2012 US\$
<b>Assets</b>			
Current Assets			
Trade and other receivables	9	32,874,305	47,242,213
Cash and cash equivalents	14(a)	33,585,149	19,988,505
<b>Total current assets</b>		<b>66,585,149</b>	<b>67,230,718</b>
<b>Total assets</b>		<b>66,459,454</b>	<b>67,230,718</b>
<b>Equity and liabilities</b>			
<b>Accumulated funds</b>			
Accumulated funds		-	(12,390)
<b>Total accumulated funds</b>		-	<b>(12,390)</b>
<b>Current liabilities</b>			
Trade and other payables	10	36,009,414	23,627,691
Other liabilities	11	30,450,040	43,615,417
<b>Total current liabilities</b>		<b>66,459,040</b>	<b>67,243,108</b>
<b>Total liabilities</b>		<b>66,459,464</b>	<b>67,243,108</b>
<b>Total accumulated funds, reserves and liabilities</b>		<b>66,459,464</b>	<b>67,243,718</b>

## **US Treaty (d) PDF Fund**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTILATERAL FISHERIES TREATY WITH THE UNITED STATES OF AMERICA – PROJECT DEVELOPMENT FUND**

We have audited the accompanying statement of the Multilateral Fisheries Treaty with the United States of America – Project Development Fund which comprise the statement of financial position as 14 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes as set out on page 8 to 17.

#### **Members' and Managements' Responsibility for the Financial Statements**

The Secretariat is responsible for the preparation of financial statements that give true and fair view in accordance with International Financial Reporting Standards and for such internal control as the members and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit

#### **opinion.Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Multilateral Fisheries Treaty with the United States of America Project Development Fund as at 14 June 2013 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **Report on Other Legal and Regulatory Requirements**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

In our opinion,

- i) proper books have been kept by the Secretariat, so far as it appears from our examination of those books:
- ii) the financial statements are in agreements with the books of accounts
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Secretariat's financial regulations in the manner so required.

31 January 2014

Suva, Fiji

KPMG

Chartered Accountants



## 6. US Treaty Project Development Funds – Statement of Comprehensive Income

Multilateral Fisheries Treaty with the United States of America  
Project Development Funds 25th Licensing Period

	Notes	2013 US\$	2012 US\$
<b>Income</b>			
US Treaty income	5	2,940,686	3,385,606
Other Income	6	10,654	3,761
<b>Total income</b>		<b>2,951,340</b>	<b>3,389,367</b>
<b>Expenditures</b>			
Projects	7	3,413,447	3,316,337
Bank charges		12,434	21,824
<b>Total expenses</b>		<b>3,425,881</b>	<b>3,338,161</b>
<b>(Deficit)/Surplus for the year</b>		<b>(474,541)</b>	<b>51,206</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year			
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>(474,541)</b>	<b>51,206</b>

## 6. US Treaty Project Development Funds – Statement of Financial Position

Multilateral Fisheries Treaty with the United States of America  
Project Development Funds 25th Licensing Period

	Notes	2013 US\$	2012 US\$
<b>Assets</b>			
Trade and other receivables	9	307,906	833,349
Cash and cash equivalents	13(a)	3,420,012	2,837,537
<b>Total current assets</b>		<b>3,727,918</b>	<b>3,670,886</b>
<b>Total assets</b>		<b>66,459,454</b>	<b>67,230,718</b>
<b>Equity and liabilities</b>			
<b>Accumulated funds</b>			
Accumulated funds		2,085,578	2,560,119
<b>Total accumulated funds</b>		<b>2,085,578</b>	<b>2,560,119</b>
<b>Current liabilities</b>			
Trade and other payables	10	1,642,340	1,110,767
<b>Total current liabilities</b>		<b>1,642,340</b>	<b>1,110,767</b>
<b>Total liabilities</b>		<b>1,642,340</b>	<b>1,110,767</b>
<b>Total accumulated funds, reserves and liabilities</b>		<b>3,727,918</b>	<b>3,670,886</b>





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