

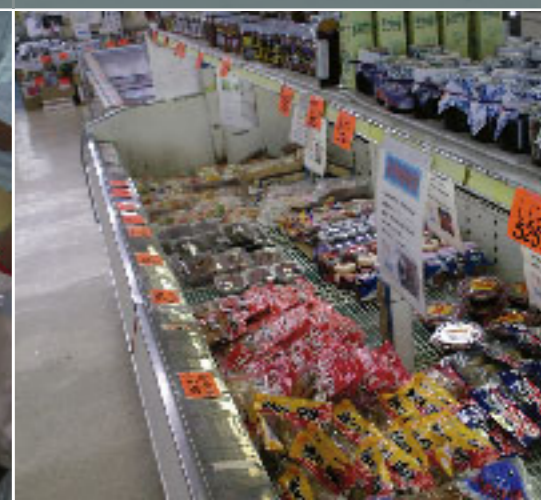


2005 Annual Report

Pacific Islands Forum Fisheries Agency

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Pacific Islands Forum Fisheries Agency



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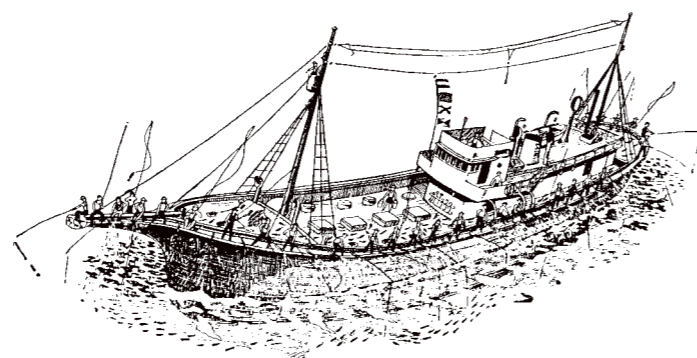
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Produced for publication by
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FFA VISION:

We will enjoy the highest levels of social and economic benefits for our people through the sustainable development of our fisheries resources.

FFA MISSION:

To support and enable our members to achieve sustainable fisheries and the highest levels of social and economic benefits in harmony with the broader environment.



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PART 1 INTRODUCTION AND OVERVIEW

INTRODUCTION

The year 2005 signalled the dawn of a new strategic operating framework for the Forum Fisheries Agency (FFA) and its membership. In response to the directive of the Pacific Islands Forum Leaders in 2004 for greater ministerial oversight of regional fisheries issues and for increased economic returns to the people of the region from the exploitation of its fisheries resources; and coupled with the need to reposition the strategic focus and direction of the Agency in light of international and regional developments in fisheries management and development, the governing council of the FFA adopted in June, 2005 the new FFA Strategic Plan 2005 – 2020 (the "Strategic Plan 2020"). This will be the blueprint that provides the high level and long term strategic directions for the agency throughout at least the next decade, to ensure the FFA continues to remain relevant and supportive of its membership in its areas of competence.

A comprehensive strategic planning framework for the agency was adopted by the first annual ministerial meeting of the Forum Fisheries Committee (FFC) in June, 2005 in Majuro, Republic of the Marshall Islands. The framework provides for a three tier planning framework. The Strategic Plan 2020 provides the high level and long term strategic direction and objectives for the agency and its members. This high level strategic document is supplemented by a three year rolling business planning framework that provides shorter term directions and objectives with greater detail on how those objectives will be achieved. The third tier is the annual work program and budget that sets out the specific activities the agency will undertake, and their budgetary implications in any given year, in support of the long term objectives and goals of the agency.

At the apex of the new strategic planning framework, is the renewed vision of the members of the agency that calls for the "enjoyment of the highest level of social and economic benefits for their people through the sustainable development of their fisheries". The mission of the agency is to support and enable members achieve their stated vision. Two strategic programs for the agency are identified in the Strategic Plan 2020, designed to support the members achieve their vision for greater benefits

from the development of their fisheries resources. These two programs are the Fisheries Management Program and the Fisheries Development Program.

With the new Strategic Plan 2020, significant governance, structural and corporate reforms were also necessary and were duly adopted by the FFC to appropriately equip the agency to deliver on its new strategic direction and objectives. Foremost of these reforms is the ministerial oversight of regional fisheries issues and the work of the FFA; now to be provided by an annual ministerial meeting of the FFC.

This annual report provides an overview of the main activities and involvements of the agency and its members in 2005, and its structure mirrors that of the Strategic Plan 2020 programs and sub-programs. In addition to these activities, the report also documents the various technical and corporate support services the agency provides on behalf of and in support of its members.

MAIN ACHIEVEMENTS AND CHALLENGES IN 2005

The year under report was a busy and interesting year with the development and adoption of the new Strategic Plan. A range of structural and corporate reforms were also implemented to better position the resources and personnel of the agency.

Apart from those reforms associated with the new strategic plan; significant efforts and resources were dedicated in support of the members' participation at the work of the Western and Central Pacific Fisheries (WCPF) Commission. The WCPF Commission had its first full cycle of meetings in 2005 with the Science Committee meeting for two weeks in August; and the Technical Compliance Committee met in Pohnpei, Federated States of Micronesia in the week preceding the second meeting of the Commission in December. The second meeting of the Commission exceeded original expectations by agreeing to a range of management measures, which appear in the main to be satisfactory to the members of the FFA.

This annual report will document in greater details, the main achievements and challenges of the agency for the year under report, from January to December 2005. However, in this introductory part of the report, an overview of the main achievements and challenges of the agency and its members are briefly outlined to provide a feel for the year in question.



MAIN ACHIEVEMENTS

The main achievements for 2005 may be outlined in the succeeding paragraphs.

THE FFA STRATEGIC PLAN 2005 – 2020

The inaugural annual ministerial FFC meeting in 2005 adopted a new FFA Strategic Plan 2005 - 2020. This is a significant document that sets out the high level strategic directions for the agency for the next fifteen years. The development of a new strategic plan was sanctioned by FFC at its annual meeting in May 2004. This coincided with the directive by the Pacific Islands Forum Leaders for greater ministerial oversight of regional fisheries issues and their call for increased economic return for the people of the Pacific from the sustainable exploitation of their fisheries resources. The Strategic Plan 2020 outlines high level and long term strategic directions and objectives for the agency and its members. The vision of the member of the agency calls for the "enjoyment of the highest level of social and economic benefits for their people through the sustainable development of their fisheries resources". The mission of the agency is to "support and enable members to achieve their vision".

The Strategic Plan 2020 further outlines two strategic programs that now become the core functions of the agency. These are the Fisheries Management program and the Fisheries Development program. The programs will be implemented through a detailed business planning framework, with clear goals, outcomes and outputs, together with performance measures.

The plan's new governance structure for the FFA formalizes the requirement for a ministerial segment of the annual FFC meeting. This will ensure greater ministerial oversight of regional fisheries issues and the work of the agency. With ministerial involvement, the profile of the decisions of the FFC is elevated, along with the work of the agency.

The plan is designed to be a living document that will be subject to regular scrutiny and review to ensure its relevance through annual report to FFC on its performance.

THE NEW FFA BUSINESS PLANNING FRAMEWORK

The FFA Business Plan 2005 – 2007 was also adopted in conjunction with the Strategic Plan 2020 by the annual ministerial FFC meeting in 2005. The fact that the business plan and the strategic plan were adopted in the one meeting was a significant achievement and testifies to the transparent and inclusive development process for the two planning documents.

The new business planning framework introduces a three year rolling planning framework that set out clear goals, outcomes and outputs, together with performance measures for the implementation of the two strategic programs, and the corporate support program. The business plan is reviewed every year, which allow members an opportunity to provide guidance on the services and assistance they require support from the Secretariat within a three year time horizon. The framework also provides for forward planning

and budgetary projections for the second and third year of the business plan. The activities earmarked for the first year of the business plan form the basis of the annual work program and budget for that given year.

ANNUAL MINISTERIAL FFC MEETING

The inaugural ministerial level session of the annual FFC meeting in June 2005 was held in direct response to the directive by the Pacific Islands Forum Leaders at their 2004 meeting for greater ministerial oversight of regional fisheries issues, and the call for Forum Fisheries Ministers to meet with the FFC.

Although the FFC, as a matter of practice, has been meeting at officials' level, there is nothing in the FFA Convention that prevents the FFC meeting at ministerial level. In fact, prior to the inaugural annual ministerial FFC meeting in 2005, there were two other occasions when FFC met in special sessions at ministerial level. The ministers have now agreed to meet on an annual basis and a ministerial segment of the annual FFC meeting will now be an annual feature.

The involvement of ministers will lift the profile of the FFC and its decisions, and reflects the importance and significance the region attaches to the sustainable management and development of the region's fisheries resources.

NEW ORGANISATIONAL STRUCTURE

A new organisational structure for the FFA Secretariat was also adopted by FFC. The new structure is designed to better equip the Secretariat with the appropriate expertise and personnel to deliver on the new Strategic Plan 2020. It involves the establishment of four new divisions, the Fisheries Management division, the Fisheries Development division, the Fisheries Operation division and the Corporate Services division.

The new divisions are headed by Divisional Directors and the executive posts of the Secretariat are re-designated as Director-General and Deputy Director-General.

NEW FFA FUNDING ARRANGEMENTS

A series of new funding arrangements were adopted by the FFC in 2005. These include an increase in member government contributions of 55% and the introduction of cost recovery measures for the services and program support provided by the Secretariat. A change in the financial year was also

agreed, with the new period to run from 1st July to 30th June the following year, replacing the previous calendar year. This will better align the FFA budgetary processes with the timing of the annual meeting of the FFC, usually held in May of each year.

The new funding arrangements and the commitment made by the members in increasing their member contributions and other funding reforms have engendered a renewed confidence and commitment by donors that has undoubtedly contributed to significant increases in funding support by both NZAID and AusAID.

OUTCOMES OF THE SECOND WCPF COMMISSION MEETING

The second meeting of the WCPF Commission was held in December, 2005 in Pohnpei, Federated States of Micronesia. It was preceded by the meeting of its Scientific Committee in August in Noumea, New Caledonia and the Technical and Compliance Committee in Pohnpei, the week before the Commission meeting.

The second commission meeting was generally successful from the FFA member perspective. Apart from the administrative and organizational matters it had to consider, the Commission agreed on several management and conservation measures including measures on turtle; management of bigeye and yellowfin; by catch; Northern Pacific Albacore; Southern Pacific Albacore; Capacity; and Seabird. The extent and scope of these management and conservation measures are elaborated further in the report. Their adoption, in only the second meeting of the Commission, reflects well on the effectiveness and success of the Commission so far if compared to other regional fisheries management organizations which have existed for much longer and who are still struggling to resolve such conservation and management measures.

OFFICE RENOVATION AND NEW CORPORATE IMAGE

A major renovation of the FFA Headquarters at Honiara was undertaken in mid 2005. This has resulted in maximum use of office space and provided for a more professional working environment.

A new corporate image, including a new logo, was approved by FFC in 2005 and was launched together with the FFA Strategic Plan 2020 and the Business Planning Framework at the margins of the Forum Leaders meeting in Port Moresby, Papua New Guinea in October, 2005.



FFA Director General, Mr Feleti P Teo

MAIN CHALLENGES

These achievements brought with them a number significant challenges, as outlined in the succeeding paragraphs.

DEVELOPMENT OF THE FFA STRATEGIC PLAN 2020

The development of the new strategic plan commenced soon after the 2004 FFC meeting. The initial working draft of the plan was developed through inputs from a group of experts, and further refined through discussions at special FFC meetings. A special ministerial FFC meeting was also convened to coincide with the inaugural meeting of the WCPF Commission, to consider a draft Strategic Plan. The ministers directed that a small working group be convened to further review the draft in light of the comments of the Ministers. The small working group was convened in February, 2005. It reviewed the draft in light of the comments of the ministers and produced a revised draft that was submitted to the annual FFC meeting and approved by the Ministers, with minimal revision.

Enormous efforts and resources were dedicated to the development of the plan and it was gratifying to see its adoption by the Ministers. The challenge that now lies ahead is its implementation.

DEVELOPMENT OF BUSINESS PLANNING FRAMEWORK

Whilst the FFA Strategic Plan was being developed, the Secretariat took the initiative to initiate work on the development of a business planning framework to support the implementation of the strategic plan. A consultant was engaged to assist the Secretariat to develop a business planning framework to support the strategic plan under development. This was a challenging task, but the inclusive and participatory process that involved the FFC and other stakeholders, meant the business planning framework was developed with confidence that the final design and substance of the strategic plan would not substantially differ from the advanced draft versions.

The new business planning framework was adopted at the same FFC session as the Strategic plan.

DEVELOPMENT OF NEW ORGANIZATIONAL STRUCTURE

The adoption of a new strategic planning framework for the FFA, necessitated a review of potential organizational structures for the Secretariat. This task needed to be handled with some sensitivity because whatever new structure was approved there would inevitably be an impact on some staff and their current contractual arrangements. A consultant was

engaged to review possible organizational structures that best equipped the Secretariat to deliver on the strategic plan.

The executive of the Secretariat and the rest of the professional staff were kept engaged on the development of the organizational structures option developed through the work of the consultant. The option eventually adopted by the FFC is a more streamlined one and closely aligned with the Strategic Plan 2020. The new organizational structure has four divisions replacing the previous six.

Under the new organizational structure several staff positions were affected. Some positions were downgraded, and others deleted from the establishment list. The understanding, cooperation and professionalism of those staff affected by this exercise has been remarkable and the support of staff through this difficult transitional process has been greatly appreciated by executive management.

PREPARATIONS FOR WCPF COMMISSION MEETINGS

The year 2005 involved a full cycle of WCPF Commission meetings, including the Scientific Committee meeting held in Noumea, New Caledonia in August; and the Technical and Compliance Committee meeting held in Pohnpei, Federated States of Micronesia in December, the week before the second meeting of the Commission. Preparations for these meetings required a concentration of resources and time not only of the Secretariat and its consultants, but also of the members themselves. Negotiating Briefs were prepared for the three meetings. The FFA Science Working Group was activated to serve as a briefing and caucusing forum for members attending the Scientific Committee meeting.

A Management Options workshop was convened in October at the FFA Secretariat to workshop issues likely to feature on the agenda of the second meeting of the Commission. The outcomes of the workshop provided an excellent basis for the development of the Negotiating Briefs for the TCC meeting and the second meeting of the Commission. Several management and conservation measures that were eventually adopted by the Commission were initially discussed and developed at the management options workshop. A special pre-Commission FFC meeting was convened in Pohnpei to consider the negotiating briefs for the two meetings in Pohnpei in December prior to the meetings. The FFC remained in session at the margins of the TCC and Commission meetings, to caucus on key issues.

It was gratifying to witness the high level and effectiveness of participation by the FFA members in the meetings of the Commission and its main subsidiary bodies.

CONDUCT OF FFC MEETING

The annual FFC meeting in 2005 was the busiest and highest profile for many years. Apart from the fact that it was the first annual ministerial FFC meeting, the meeting was presented with a challenging agenda with major reforms being proposed. With such a challenging agenda, preparation of meeting papers and material were quite intense and resource consuming. The meeting materials were completed in time for distribution to members in accordance with the time frame prescribed by the FFC Rules of Procedures. For the first time, the secure area of the FFA website was utilized for the distribution of FFC papers.

The cumbersome logistics of hosting a FFC meeting, for the first time including an annual ministerial session, was handled with skill and efficiency by the host government of the Republic of the Marshall Islands.

THE PALAU ARRANGEMENT VESSEL DAY SCHEME

The initiative by those FFA members who are parties to the Palau Arrangement on the Management of the Purse Seine Fishery, to develop a Vessel Day Scheme (VDS) attracted a lot of attention and was a major activity in 2005. The proposed scheme has been in the final stages of development for the last two years. The parties met several time in 2005 to further discuss and refine it in light of new developments and information. The parties efforts for the year culminated in the special ministerial session of the PNA that was convened at the margins of the second meeting of the WCPF Commission, primarily to consider the VDS. A memorandum of understanding to facilitate the adoption of the scheme was considered and opened for signature by the PNA ministers. The scheme will replace the current vessel number limit under the Palau Arrangement and is expected to be launched at the annual meeting of the members of the PNA in 2006. The scheme was acknowledged and approved by the WCPF Commission as a management and conservation measure for the management of the purse seine fishery in its management and conservation measures for bigeye and yellowfin tuna. ■



Inaugural Annual Ministerial FFC meeting, June 2005 at Majuro, Marshall Islands



PART 2 FISHERIES MANAGEMENT

This part of the report documents the activities of the FFA and its members in the year under report in the area of fisheries management at national and regional level. The activities are grouped into the areas of ecosystem approach to fisheries management, monitoring control and surveillance and treaties and sub regional fisheries arrangements.

Ecosystem Approach to Fisheries Management

In the past ten years there has been a worldwide shift to incorporate more holistic forms of management for natural resources. This change has been particularly evident within marine systems, and has been most commonly focused on fisheries management where the concept is known as Ecosystem Approach to Fisheries Management (EAFM).

The FFA has been undertaking a project to introduce EAFM as the key approach to tuna fisheries management amongst FFA members. Our general knowledge of the complex marine ecosystem in this region is limited, and the ways in which tuna fisheries affect it is poorly understood, so the EAFM approach is a long-term undertaking for FFA member countries in our efforts to reduce uncertainty in the decision making process for the sustainable developments of the regions tuna resources.

The overall objectives of the project are to develop an effective fisheries management regime that is consistent with the EAFM concept that can be implemented in the fisheries of FFA member countries and to train FFA staff who will conduct workshops in member countries on the use of the EAFM Guide for Fisheries Management.

To date we have completed a number of critical steps in this process. Using the Australian National ESD Framework and other materials as a basis, a first draft of a user-friendly guide for undertaking EAFM suitable for use in South Pacific Countries was developed by the consultant, Dr Rick Fletcher. This draft was generated using examples from Australia and therefore needed to have significant input from FFA member countries to ensure that the material was relevant and identifiable for use in the Pacific region, with a particular focus on tuna fisheries. The draft was later circulated to various experts for their inputs. This consultation was done electronically

amongst the consultant, the experts and FFA Secretariat staff.

EXPERT CONSULTATION COFFS HARBOUR: JULY 13-14, 2005

A draft guide was circulated to a steering group for the provision of written comments. This was followed by a 2 day meeting of this group to discuss the draft, add to the written comments and provide suggestions as to what needs to be clarified, altered and preferably how to improve it.

The steering group consisted of invited experts from FFA members, SPC and the Secretariat. The specific EAFM issues of the member countries were discussed and included in the draft for consideration by the meeting. There was also a discussion of how the framework could relate to the decision-making processes of the Commission.

One of the more useful steps was to have the group apply the framework to a few real examples. This included generating component trees for tuna fishing that covered the retained species, bycatch species, the broader ecosystem and socio-economic issues.

SECOND REVIEW AND TRAINING, HONIARA, SOLOMON ISLANDS: OCTOBER 2005.

This activity was to train a number of FFA member representatives and staff so that they can run EAFM workshops in member countries. This training course was to also serve as a case study to see if the package works effectively. Consequently, the course should also involve representatives from one or preferably two countries who would provide the case study fisheries for assessment. The final activity undertaken by the workshop was to explain, in detail, the EAFM process to a number of Heads of Fisheries and senior staff from FFA members Fisheries Agencies including Federated States of Micronesia, Palau, Cook Islands, Nauru, Tonga, Samoa, PNG, Tokelau and Vanuatu to ensure that it was a suitable activity to be undertaken within the WCP region and in particular, at the national level.

NATIONAL FISHERIES MANAGEMENT ARRANGEMENTS

FFA MEMBERS TUNA FISHERIES MANAGEMENT PLANS

One of the major activities during 2005 in this regard was the review of the Fiji Tuna Management Plan

(TMP), completed in December 2005. The TMP is now with the Ministry of Fisheries to complete internal processes before its implementation. The Plan is for a period of five-years 2006-2010, with an annual public assessment of performance.

Other activities included the finalization of the Samoa TMP in early 2005 and involvement to progress TMPs for Tokelau, Nauru and the Marshall Islands.

Western Central Pacific Fisheries Commission

A number of meetings related to the Western and Central Pacific Fisheries (WCPF) Commission were held during the year. The first meeting of the Scientific Committee was held in Noumea, New Caledonia from 8 - 19 August 2005 under the Chairmanship of Dr. Sung Kwon Soh of Korea. The first meeting of Technical and Compliance Committee under the Chairmanship of Mr Apolosi Turaganivalu of Fiji was held in Pohnpei from 5 - 9 December. The second session of the Western and Central Pacific (WCPF) Commission met in Pohnpei from 12 - 16 December. The Secretariat provided a Negotiating Brief for all three meetings.

The second session of the WCPF Commission agreed to a number of Resolutions and Decisions as follows:

- Conservation and Management Measures for bigeye and yellowfin tuna in the western and central Pacific Ocean;
- Conservation and Management Measures on South Pacific albacore;
- Conservation and Management Measures on North Pacific albacore;
- Resolution on the reduction of overcapacity;
- Resolution on the incidental catch of seabirds;
- Resolution on non-target fish species; and
- Resolution to mitigate the impact of fishing for highly migratory fish species on turtles.

Monitoring and Compliance

REGIONAL AERIAL SURVEILLANCE AND MCS WORKING GROUP MEETINGS

The 8th meeting of the MCS Working Group took place at Honiara, Solomon Islands in early April

2005, immediately following the 14th meeting of the Regional Aerial Surveillance Agencies at the same venue. Three days of the 4-day meeting were devoted to a workshop designed to assist FFA member delegations prepare for the first regular meeting of the Technical and Compliance Committee, held from 5-9 December 2005 at Pohnpei, Federated States of Micronesia. Participants also discussed a variety of matters including proposed amendments to the Harmonised Minimum Terms and Conditions for Foreign Fishing Vessel Access and the status of the FFA members' Vessel Monitoring System (FFA VMS).

MCS NATIONAL ASPECTS

During 2005 the Agency's MCS Division provided a wide range of training, workshop and fellowship attachment opportunities to FFA members to enhance their respective human resource capacities.

MCS FELLOWSHIP ATTACHMENTS

During 2005 fisheries and surveillance personnel from Tokelau, Kiribati and Federated States of Micronesia undertook MCS Fellowship Attachments at the FFA Secretariat. These attachments are available to support the participation of MCS Officers from selected FFA members to research and report on MCS matters of particular interest to their respective countries.

Mr Feleti Tulafono, Tokelau's FFA VMS Officer undertook a fellowship attachment at the FFA Secretariat from 13-23 June 2005. During this period Feleti obtained a more complete understanding of the operation of the FFA VMS as it applies to Tokelau and conducted an historical analysis of fishing operations in the Tokelau EEZ since March 1999 based on data contained in the FFA VMS database.

Ms Miorida Thomsin, a Statistics Specialist with the National Oceanic Resource Management Authority (NORMA), Federated States of Micronesia visited the FFA Secretariat from 10-17 July 2005 to undertake an MCS Fellowship Attachment. During the week Miorida spent at the Agency, she studied MCS related to the region's tuna fisheries.

Mr Tiemaua Tebaitongo from Kiribati's Fisheries Division visited the FFA Secretariat from 12-16 September 2005 to study the likely impact of the Western and Central Pacific Fisheries Commission on national and regional fisheries MCS initiatives.





Mr Glenn Jano, Licensing Officer with NORMA undertook an MCS Fellowship Attachment at the FFA Secretariat from 14-18 November 2005. Glenn used this opportunity to study regional and sub-regional tuna fisheries-related treaties and arrangements.

OBSERVER TRAINING COURSES

Outgoing MIMRA Director, Danny Wase and Deputy Director, Glen Joseph officiated at the graduation ceremony for 14 fisheries observers trained at Majuro, Marshall Islands from 24 January to 18 February 2005. Director Wase thanked the FFA Secretariat, SPC and NOAA Fisheries (Honolulu, Hawaii) for providing the three-week training course that included 10 examinations and practical tests.

A three-week national observer training course was held at Pohnpei, Federated States of Micronesia from 19 April to 8 May 2005. Twelve participants from Federated States of Micronesia and two from Nauru were trained to SPC/FFA certification standards.

A national observer training course was held at the Maritime Training Centre, Madang, Papua New Guinea from 11-29 July 2005. The course was designed to increase the number of trained observers in the National Fisheries Authority Observer Programme. Twenty participants were trained to SPC/FFA certification standards.

A sub-regional observer training course was held at Apia, Samoa from 29 August to 16 September 2005. The course was designed to provide observers for the commencement of the Samoa Fisheries Department Observer Programme. Eight participants from

Samoa, two from Kiribati and one from Solomon Islands were trained to SPC/FFA certification standards.

PROSECUTION AND DOCKSIDE BOARDING WORKSHOPS

In 2005, the Surveillance Operations Officer and Fisheries Enforcement Advisor in collaboration with legal staff were heavily involved in the training of officers involved in fisheries law enforcement from four FFA members. The members covered were Cook Islands, Marshall Islands, Solomon Islands and Nauru. A total of 76 officers received Certificates of Attendance to these workshops. Aimed at developing expertise and capacity of officers responsible for fisheries MCS, the workshops covered theoretical and practical aspects of international law, national law, and regional and sub-regional fisheries agreements.

These training courses were made possible through funding from the Japanese Government as Grant Aid to the FFA Secretariat.

From 20 June to 1 July 2005 the Surveillance Operations Officer, Fisheries Enforcement Adviser and the Legal Counsel instructed Cook Islands' officers from the Ministry of Marine Resources (Fisheries), Maritime Surveillance Centre (Police), Customs and Crown Law. A total of 20 participants registered and 17 officers received Attendance Certificates, which were presented by the Minister responsible for Marine Resources Hon. Tupou Faireka.



Participants at prosecutions and dockside boarding workshop, Cook Islands

From 8 to 12 August 2005 the Surveillance Operations Officer, Fisheries Enforcement Advisor and Legal Officer conducted a workshop for Marshall Islands officers from Fisheries, Police, Maritime Police, Customs and Immigration at the Marshall Islands capital, Majuro. Two officers each from Fiji and Nauru Fisheries also attended. A total of 21 participants received Attendance Certificates presented by Mr. Glen Joseph, the newly appointed Director of MIMRA.

The Solomon Islands Workshop was held at Noro, Western Province from 17 to 21 October 2005. The location was selected because of its proximity to the tuna cannery and transshipment activities. Officiating at the opening of this training was the FFA Director-General, Mr. Feleti Teo and Solomon Islands Permanent Secretary to the Department of Foreign Affairs, Mr Barnabas Anga. Both echoed their support in bringing the workshop outside Honiara.

The workshop was conducted by the Legal Counsel, Legal Officer, Surveillance Operations Officer, and the Fisheries Enforcement Advisor. In addition, Jean Gordon from the Attorney General's Chambers, John Cauchi, the Director of the Public Prosecutor's Office and Edwin Oreihaka, Director of Fisheries from the Department of Fisheries and Marine Resources were invited from the Solomon Islands Government to participate as resource persons.

A total of sixteen (16) officers from the Police Department, Maritime Unit, Department of Fisheries and Marine Resources, and one officer from an NGO, Nature Conservancy International (NCI) received Attendance Certificates presented by the Legal Counsel, Dr Transform Aqorau.

Nauru's President Ludwig Scotty was a surprise visitor at the presentation ceremony for an in-country prosecution and dockside boarding workshop held at Nauru from 7 to 11 November 2005. At the ceremony, 19 Nauruan personnel from Fisheries, Foreign Affairs, Police, Justice, and Customs and Immigration received Attendance Certificates from Nauru's Minister for Fisheries, Hon. Godfrey Thoma. Four enforcement personnel from I-Kiribati Fisheries and Police departments also participated and received Attendance Certificates.

NATIONAL FISHERIES OFFICERS' SURVEILLANCE COURSE

After several years' absence due to the political problems in the Solomon Islands, the Australian

Defence Force (ADF) sponsored National Fisheries Officers' Surveillance Course returned to the FFA Secretariat, Honiara for the FFA familiarization component from 5-9 December 2005. This course is considered one of the premier courses in the training regime for the Pacific Patrol Boat Program.

Twelve students from fisheries and surveillance authorities representing 11 FFA members attended the seven-week course. Most of the course was conducted at the Australian Maritime College, Launceston, Australia, with the final week being conducted at the FFA Secretariat, Honiara.

One of the significant benefits of the FFA Secretariat component of the course was the development of a harmonized model for the management of surveillance operations rooms. It is likely that this model will become the standard for the larger regional surveillance operations during 2006.

FISHERIES LAW ENFORCEMENT OPERATIONS

OPERATION BIGEYE 2005

Three FFA Secretariat staff assisted surveillance officials from five participating countries (Papua New Guinea and Kiribati participated as observers) in the implementation of maritime law enforcement "Operation Bigeye 2005", conducted in May 2005. Australian-funded patrol boats from the three Micronesian nations of Palau, Federated States of Micronesia and Marshall Islands completed their fourth major joint surveillance operation over a two-week period.

A total of five vessels from Japan, China and the Philippines were apprehended allegedly violating various regulations within the 200 nm exclusive economic zones of the three Micronesian nations. The operation also involved the navy and coast guard of the United States, and the air forces of Australia and New Zealand. This operation was conducted under the Niue Treaty Subsidiary Agreement between Palau, Federated States of Micronesia and Marshall Islands, with full sharing of vessel positions provided by the FFA VMS.

OPERATION TUI MOANA 2005

Samoa and Cook Islands conducted their first joint maritime law enforcement operation in late July 2005 in which their respective patrol boats conducted surveillance in the EEZs of both countries. Code-



named 'Tui-Moana', the operation was assisted by a Royal New Zealand Air Force P-3 Orion surveillance aircraft, and Australian and New Zealand advisers. This operation was conducted under the Niue Treaty Subsidiary Agreement between Samoa and Cook Islands, with full sharing of vessel positions provided by the FFA VMS.

OPERATION KURU KURU 2005

Operation Kuru Kuru (KK05) was a multilateral maritime surveillance and law enforcement operation that involved Patrol Boats from Fiji, Tonga, Vanuatu and Tuvalu; and Aircraft from NZ and France. This operation was conducted in Fiji from 27 May to 09 Jun 2005,

The operation did not detect any activities that warranted enforcement action against any vessel. A number of other positive developments for the operation should be noted, for example, Tuvalu became the first member to unconditionally offer to share vessel position data from the FFA VMS with her neighbours. This resulted in several counter-sharing offers that are very encouraging from a regional surveillance perspective. One of the main objectives of KK05 was to conduct a greater level of analysis of VMS and surveillance data to achieve a much higher detection of IUU threat areas.

Treaties and Sub-regional Arrangements

MULTILATERAL TREATY ON FISHERIES WITH THE UNITED STATES OF AMERICA

The 17th Licensing Period of the Treaty ended on 14th June, 2005 which marked the end of the second year of extension of the Treaty arrangements since they were extended in June 2003. It also marked the seventeenth year of operation of the Treaty since it was first implemented in June 1988, as well as the start of the eighteenth year of operation of the Treaty on 15 June 2005. The extended Treaty arrangements will continue for the next ten years – that is, until 14 June 2013.

Implementation of the Treaty by the FFA Secretariat in its capacity as the Administrator of the Treaty continued to form part of the major activities of the Secretariat during the period. Distribution of funds under the Treaty based on catches made in the waters of the Pacific Island Parties constituted

the bulk of the activities of the Treaties division. The division has four core staff who are also funded from the Treaty funds.

A further decline in the number of vessels to 17 vessels from a total of 25 vessels in the previous period was experienced during the period. To assist the US Tuna Industry in addressing this situation, the Pacific Island Parties decided at their 17th annual consultation with the United States in March 2005 in Tonga to apply a rebate scheme whereby a fixed licence fee of US\$133,000 per vessel is agreed. Depending on the number of licences issued, any shortfall amount from an annual total of US\$3 million required from the industry would be considered a suspended payment. This will be reviewed during the mid-term review of the Treaty in 2008. As a result of this scheme, three vessels, which would have otherwise left, remained in the United States fleet during the period.

In addition, the period also witnessed the revival of the American Tunaboat Association (ATA) with membership by vessel owners and operators only and authority to deal directly with the Pacific Island Parties and the FFA Secretariat.

At the annual consultation in Tonga, the Pacific Island Parties finally reached agreement on the modified Niue amendment which authorised for an increased total annual amount of the Project Development Fund (PDF) from US\$1.778 million to US\$2.5 million. Further, the Pacific Island Parties and the United States accepted the notification about a revised Closed Area of the Solomon Islands as agreed between the governments of the Solomon Islands and the United States.

A number of achievements in the implementation of the Treaty were made during the period and these included; (i) payments and distribution of funds done in accordance with established schedules; (ii) agreement on a rebate payment approach to assist in the financial difficulty of the industry to meet its financial obligation under the Treaty; (iii) improved compliance with FFA VMS requirements by United States vessels and other reporting requirements and obligations; and (iv) attainment of 28% observer coverage which is above the target of 20% coverage.

These achievements were made as a result of the continued cooperation between the Pacific Island Parties, the United States and the Administrator in the implementation of the Treaty.

Some major challenges were also faced during

the period and these included the following; (i) continued decline in the number of United States vessels; (ii) refund of overpayment by the industry in previous periods; (iii) exceptionally slow progress towards ratification of the outstanding amendments to the Treaty and the Internal Agreement; (iv) management of observer placement with respect to non-possession of US visa; and (v) continued delay in the distribution of additional annual US\$3 million pending ratification of the related amendments to the Internal Agreement between the Pacific Island Parties.

BENEFITS FROM THE TREATY

A summary of the financial benefits to the parties to the Treaty for the 17th licensing period (14 June 2005) is shown in Figure 1. A total of US\$291,461,799.00¹ had been distributed since the beginning of the 1st licensing period up until the end of 2005.

SUB-REGIONAL ARRANGEMENTS

The FFA Secretariat continues to administer the Agreement between the Parties to the Nauru Agreement (the PNA) and the two associated sub-regional Arrangements, the Federated States of Micronesia Arrangement for Regional Fisheries Access (the FSM Arrangement), and the Palau

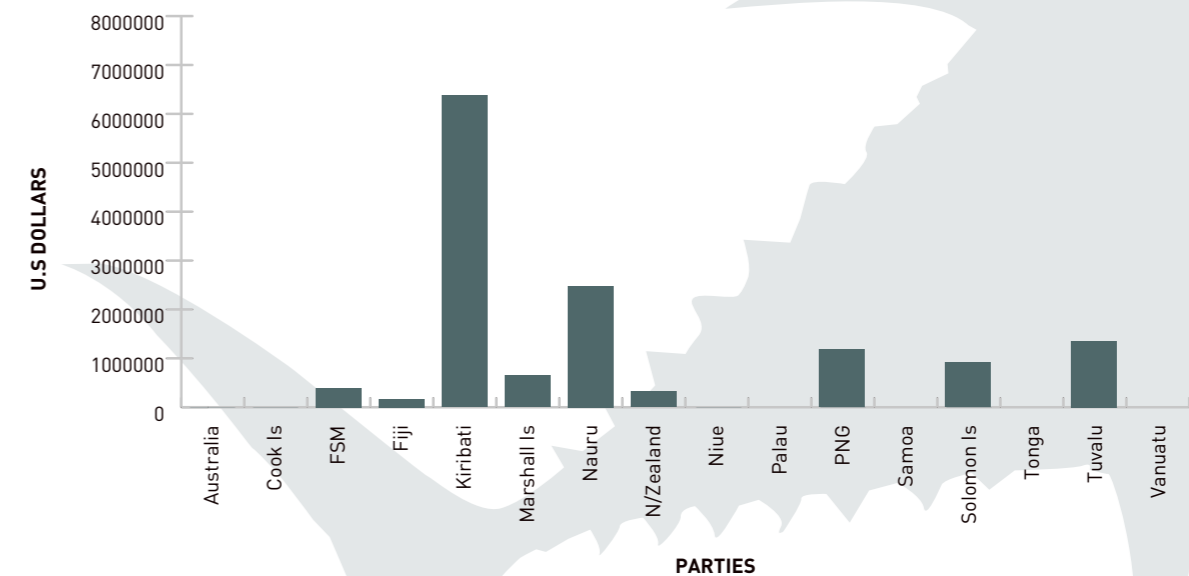
Arrangement for the Management of the Western Pacific Purse Seine Fishery.

PARTIES TO THE NAURU AGREEMENT

The 24th Annual Meeting of the Parties to the Nauru Agreement (PNA24) was held on 31 May 2005 at Majuro, Marshall Islands. The major outcomes of the meeting included agreement on the engagement of the PNA Coordinator on a consultancy basis pending finalisation of the longer term funding support for the position.

A 19th Special PNA meeting (Ministerial Level) was held in Pohnpei, Federated States of Micronesia, on 10 December 2005, to consider and endorse the Palau Arrangement Vessel Days Scheme (VDS). Ministers from all Parties, with the exception of Tuvalu and Kiribati attended the meeting. The Ministers endorsed a memorandum of understanding that purports to facilitate the expeditious adoption of the VDS. The following Parties to the Palau Arrangement, the Federated States of Micronesia, Marshall Islands, Nauru, Papua New Guinea, and Solomon Islands signed the memorandum of understanding on 10th December 2005. Kiribati signed the memorandum in March, 2006 in Honolulu, Hawaii at the margins of the annual consultation of the parties to the multilateral fisheries treaty with the United States.

Figure 1: US Treaty Funds Distributed Shares for the 17th LP (15/6/04 – 14/6/05)



¹ This included the 15% share and PDF allocation for the 18th licensing period which were distributed in June 2005 and included in the bar chart.



PALAU ARRANGEMENT FOR THE MANAGEMENT OF THE WESTERN PACIFIC PURSE SEINE FISHERY (PALAU ARRANGEMENT)

The 10th Annual Meeting of the Parties was held in Majuro, Marshall Islands, from 1-4 June 2005. The main issues discussed in the meeting were the Vessel Day Scheme (VDS) and the Review of the Vessel Numbers under Annex 1 of the Palau Arrangement. The Parties noted the lack of progress on the signing of the MOU for the provisional application of the amendments to the Palau Arrangement which is intended to facilitate the adoption of the VDS once all the Parties have signed the MOU. The Parties agreed to amend the VDS text to provide for the setting of a Total Allowable Effort (TAE) on a rolling three year basis and the establishment of a VDS Committee to oversee the operation of the VDS.

A VDS working Group meeting was held on 7 & 13 October 2005 in Honiara, Solomon Islands, to review the VDS text and to determine the TAE and the Party Allowable Efforts (PAEs) based on the latest available information provided by the SPC Oceanic Fisheries Program (OFFP) at the time. The Parties agreed to base the TAE on the 2004 effort levels.

FSM ARRANGEMENT

The 10th Annual Meeting of the Parties to the FSM Arrangement was held 2-3 June 2005 in Majuro, Marshall Islands. Some of the major decisions

reached by the Parties include agreements: i) that vessels which did not meet the established eligibility criteria should be removed from the register under the Arrangement; ii) to broaden the application of onshore investment; iii) to increase the licensing fees under the Arrangement; iv) to increase the annual observer fee to US\$5,000 per vessel; v) to revise the annual licensing period to October-September period; vi) to monitor the impact of the VDS on the Arrangement; vii) approved an administrative budget of US\$136,525 from which US\$75,00 and US\$37,300 are contributions to the cost of the PNA coordinator post and FFA core fund in return for technical support, respectively; and viii) to apply the revised criteria for eligibility of vessels in the 2005 annual review of all FSMA vessels.

Some of the major achievements made under the Arrangement during the year included the following: i) payment and distribution of the funds were done in accordance with the established schedule; ii) agreement of the parties to contribute to the FFA core fund for FFA services, as well as the increase in licence fees and other levy charges; iii) improvement of FFA VMS compliance by the vessels, as well as with the reporting requirements and obligations; and iv) attainment of 1,503 sea days for 29 vessels against a target coverage of 50 days per vessel.

In spite of the achievements made, some major challenges were also encountered in the implementation of the Arrangement during the period and these included the following: i) slow

progress on ratification of the outstanding amendments to the Arrangement; and ii) continued reliance on foreign investors in the capital cost and expertise needed in the fishing activities.

FINANCIAL BENEFIT FROM THE FSM ARRANGEMENT

A summary of the accrued financial benefits to the Parties for the 11th Distribution Period ending 31st December, 2005 is provided in Figure 2. A total of US\$17,660,333.48 had been distributed to the Parties since 1996. This included all funds distributed as at the end of 2005.

ATTENDANCE AT MEETINGS OF OTHER REGIONAL FISHERIES MANAGEMENT ORGANISATIONS

The FFA Secretariat continued the practice of sending delegations to meetings of other regional fisheries management organisations in 2005. The purpose of these trips is twofold, both to keep abreast of developments within these organisations and to provide FFA members with first hand knowledge of the functions of other tuna commissions. The Secretariat attended the annual meeting of the Inter American Tropical Tuna Commission held at Lanzarote, Spain in June 2005.

The Deputy Director-General, Steve Dunn led the delegation accompanied by a delegation of senior officials from Fiji (Apolosi Turaganivalu, Principal Fisheries Officer, Ministry of Fisheries & Forests), Kiribati (David Yeeting, Permanent Secretary, Ministry of Fisheries & Marine Resources Development) PNG (Dennis Bebegu, Director, Bilateral & Regional Economic Affairs Branch, Department of Foreign Affairs). Whilst en route, the DD-G and the Fiji delegate attended the offices of the North East Atlantic Fisheries Commission in London, and the International Commission for the Conservation of Atlantic Tunas in Madrid for discussions with professional staff.

LEGAL FRAMEWORK AND INTERNATIONAL LAW DOMESTIC LEGISLATION AND COMMISSION MEASURES

A study was undertaken of the status of domestic legislations of FFA members with regards to the implementation of measures agreed to by the

first session of the WCPF Commission. The study was presented to the 59th Meeting of the Forum Fisheries Committee as part of the Secretariat's report on the outcomes of the first session of the WCPF Commission.

DOCKSIDE BOARDING AND INSPECTION

As part of the Secretariat's ongoing endeavours to strengthen the capacity of FFA members to investigate fisheries violations and enforce their fisheries management and conservation measures, a number of in-country dockside boarding, inspection and prosecution workshops were conducted in the Cook Islands, Marshall Islands, Solomon Islands and Nauru. Fisheries Enforcement Officers from Nauru and Fiji also participated in the workshop in the Marshall Islands.

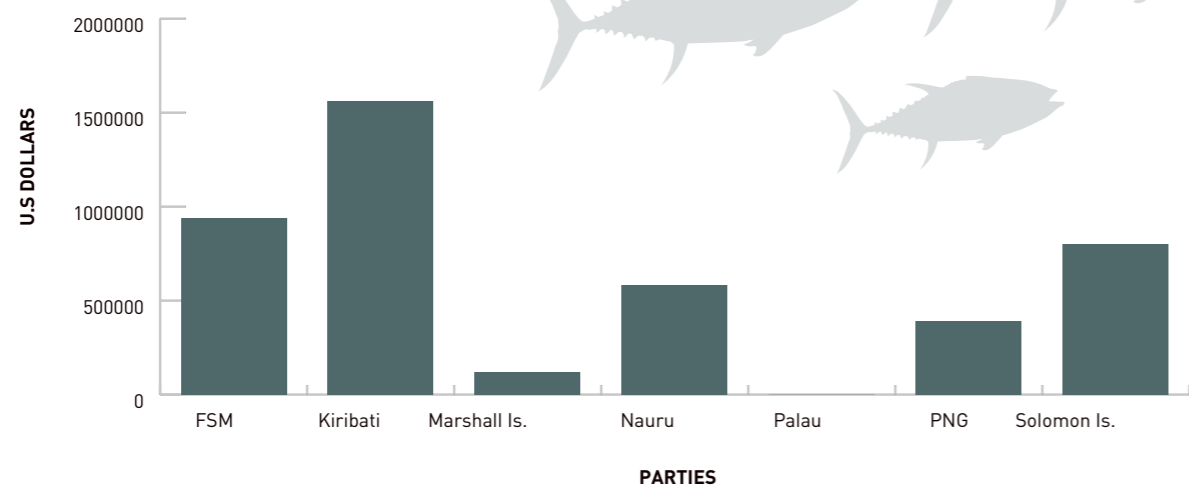
These workshops involve familiarizing the participants with their respective countries fisheries legislations, in particular their powers as fisheries officers, and the extent to which they may board, inspect, arrest and prosecute fishing vessels, captains and crews of fishing vessels. Training is also provided on how to carry out investigations, detecting violations and the procedures in carrying out the arrest of violators.

NATIONAL LEGISLATION

The review of national fisheries legislation continues to be one of the core responsibilities and functions of the Secretariat. In 2005, new fisheries legislations were enacted in the Cook Islands and Vanuatu following technical assistance provided to the Cook Islands and Vanuatu. Technical assistance was also provided to Tokelau in the review of their Marine Rules 2005. This involved the drafting of new Rules to provide a legal framework that would allow Tokelau to license fishing vessels in accordance with obligations under the WCPF Convention.

In an attempt to ensure that the Secretariat's assistance is provided more systematically, the Secretariat organised a meeting of fisheries and legal personnel in Port Vila, Vanuatu from 14 – 16 November to develop a comprehensive programme of assistance of the legal components of the GEF funded Pacific Islands Fisheries Management Project.

Figure 2: FSMA Funds Distributed for 2005 (11th Distribution Period)





ENHANCEMENT OF LEGAL CAPACITY

The Secretariat continues to provide technical assistance to enhance capacity wherever possible. In 2005, a Legal Fellowship was offered to Peter Graham, Legal Adviser of the Cook Islands Ministry of Marine Resources. The Fellowship enabled Peter to observe the FFA MCS Working Group Meeting and also familiarise himself with the work of the Agency. The Secretariat commenced work to update its holdings of fisheries cases and materials. Most of the materials were collected through the Internet as well as provided by FFA members that responded to the Secretariat's request for information on fisheries cases. The materials provide a good resource and aid for precedents for use in the different jurisdictions in the region.

The Secretariat organised a workshop on law of the sea for fisheries and legal officers in Nadi from 19 – 21 September. The workshop covered topics ranging from international fisheries law, fisheries

enforcement and international fisheries trade. The purpose of the workshop was to impart knowledge and information to the participants on the most recent developments in international fisheries law.

ST. JOHNS HIGH SEAS CONFERENCE

In the light of serious concerns about the lack of governance for high seas fisheries, the Government of Canada convened a Conference on High Seas Fisheries Governance in St. Johns, Newfoundland from 1 – 5 May. Representatives from FFA members participated in the Conference. The FFA Director-General, Feleti P Teo and the Legal Counsel, Dr. Transform Aqorau, also attended and Dr Aqorau chaired the Conference Working Group on Overcapacity. The major outcome of the Conference was a Ministerial Declaration that called amongst other things, for RFMOs to strengthen their decision-making processes. ■



Deputy Director-General Steve Dunn presents at IUU conference in London

PART 3 FISHERIES DEVELOPMENT

This part of the report documents activities of the FFA in 2005 that relate to fisheries development. It covers services provided in support of economic development and market support, treaty access and trade negotiations and domestic tuna industry development support.

ECONOMIC DEVELOPMENT AND MARKETING SUPPORT

TUNA MARKET INFORMATION

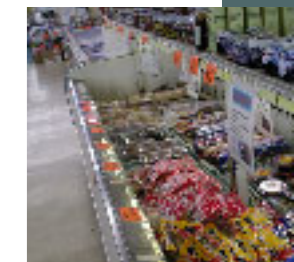
FFA provides regular monthly reports on tuna market conditions for the major tuna products in key markets, as well as an annual summary including an overview of the status of the fishery in terms of catch and vessel activity. These reports are available in full on the FFA website www.ffa.int. Selected fishery and market information is highlighted below.

OVERVIEW OF THE FISHERY

A brief overview of the fishery of interest in 2005 may be summarized as follows:

- A precise estimate of the 2005 purse seine catch was not yet available at the time of writing this report. The 2004 catch was approximately 1,270,000 metric tonnes (mt) and based on the information available, it is expected that total catches in the purse seine fishery for all fleets will once again exceed 1,000,000 mt in 2005, and will likely be higher than in 2004. Provisional data projects an increase in catch for the fleets of Korea and Japan with a relatively unchanged Taiwanese catch. The catch of the fleet comprising vessels operating under the FSM Arrangement is also expected to increase.
- The distant water purse seine fleet operating in the western and central Pacific at the end of 2005 was made up of 14 American, 33 Taiwanese, 34 Japanese, 27 Korean, 2 European Union, 9 Filipino vessels and 9 Chinese, making a total fleet of 128 vessels.
- The total tuna catch in the longline fishery in 2004 was approximately 232,300mt², a slight decline on the 2003 catch of approximately 236,000 mt.
- For Pacific island countries, significant domestic and locally based longline fisheries have been established in the Cook Islands, Federated States of Micronesia, Fiji, Palau, Papua New Guinea,

Samoa, Solomon Islands and Tonga. While catches generally increased in 2004 most of these fleets reportedly contracted in 2005 in response to poor catch rates and high fuel costs. Outside of FFA member countries there was also significant domestic fleet established in American Samoa and French Polynesia.



- The Japanese distant water pole and line catch for 2005 was estimated at 49,900 mt, a decrease of approximately 2,500mt over the previous year. A small fleet of pole and line vessels continues to operate in Solomon Islands supplying the cannery operating in the Western Province.

The main trends experienced in terms of movements of tuna prices in the markets of interest are provided in the succeeding paragraphs.

CANNING MARKETS

Movements of prices in the canning markets for the following three tuna species are as follows:-

SKIPJACK

- Bangkok skipjack prices traded in a wide range during 2005 starting the year at around US\$680-700/Mt range and then trending upwards to reach US\$1020-1030/Mt by mid-August before the trend reversed with prices declining to US\$700-720/Mt by year's end.
- Average Thai import prices for frozen skipjack for 2005 declined by 2 per cent to US\$873/Mt (c.i.f.), while import volumes rose by 31 per cent to 587,868Mt.

YELLOWFIN

- Bangkok yellowfin prices (20lbs and up, c&f) started the year at US\$1250/Mt then trended up over the period to late July to reach US\$1450-1500/Mt before the trend reversed in late August with prices falling to US\$1170-1180/Mt by mid-November and finishing the year at US\$1250-1300/Mt. The 2005 peak was the same as that seen in July 2004 which was the highest price level since 1998.
- Average Thai import prices for frozen yellowfin for 2005 rose 18 per cent to US\$1269/Mt (c.i.f.), while import volumes rose 37 per cent to 105,085Mt.

ALBACORE

- Bangkok albacore prices (10kg and up, c&f) continued to increase in 2005 finishing the year

² Source: SPC Yearbook 2004. A reliable estimate of the 2005 catch was not available at the time of compiling this paper.



in a US\$2650-2700 range, an increase of US\$250 compared with the start of the year. Bangkok albacore prices have been on a steady upward trend since late 2002 when they were around US\$1700/Mt.

- Average Thai import prices for frozen albacore for 2005 rose by 12 per cent to US\$2420/Mt (c.i.f.), while import volumes fell 15 per cent to 27,789Mt.

SASHIMI MARKET

Movements of prices in the sashimi markets of interest are as follow:-

JAPAN - YELLOWFIN

- Prices at 10 major Japanese wholesale markets in 2005 averaged 993JPY/kg for fresh yellowfin, down 1 per cent on 2004, and 642JPY/kg for frozen yellowfin, down 9 per cent. Volumes for fresh yellowfin fell 4 per cent to 16,880Mt while frozen yellowfin volumes rose 7 per cent to 20,587Mt.
- Japanese import volumes of fresh yellowfin continued to decline in 2005 falling 11 per cent to 21,389Mt. Since 2001 imports into Japan of fresh yellowfin have fallen by over 40 per cent. The average price of Japanese imports of fresh yellowfin over 2005 was 759JPY/kg (US\$6.89/kg) (c.i.f.) an increase of 6 per cent (4 per cent in US\$ terms).

JAPAN - BIGEYE

- Prices at 10 major Japanese wholesale markets in 2005 averaged 1201JPY/kg for fresh bigeye, up 1

per cent on 2004 levels, and 841JPY/kg for frozen bigeye, down 8 per cent. Volumes for fresh bigeye fell 8 per cent to 10,229Mt while frozen bigeye volumes fell 1 per cent to 44,910Mt.

- Japanese imports of fresh bigeye were 16,835Mt in 2005 down 11 per cent while the average price rose 5 per cent to 824JPY/kg (US\$7.48/kg) (c.i.f.).

US - FRESH ALBACORE, BIGEYE AND YELLOWFIN

- US import volumes of fresh albacore declined 30 per cent in 2005 to 706Mt while import prices rose 8 per cent to US\$3.37/kg (f.a.s.).
- US import volumes of fresh bigeye declined 27 per cent in 2005 to 5,040Mt while import prices rose 5 per cent to US\$7.58/kg (f.a.s.).
- US import volumes of fresh yellowfin rose 9 per cent in 2005 to 17,064Mt while import prices rose 7 per cent to US\$6.83/kg (f.a.s.).

FISHERY DEVELOPMENT SUPPORT

Following approval of the new organisational structure by FFC59 the Fisheries Development Division was formally created within the FFA Secretariat, although recruitment to the Division was not completed by the end of 2005. Most of the Secretariat's work on domestic industry development during the first half of 2005 overlapped with work on fisheries management plans which is a reflection of the close linkages between these two areas. The major pieces of work

undertaken in this period were the economic study on vessel numbers in the Fijian longline fishery and a review of licensing arrangements to support the fish processing plant in Niue. Fisheries development aspects were also considered in work on the Nauru National Tuna Management and Development Plan, which will be finalised in 2006.

The second half of 2004 was focussed on implementing the EU funded "Development of Tuna Fisheries in Pacific ACP Countries", also known as DEVFISH. Funds for the first Annual Work Plan were released in July 2005 to the implementing agencies (FFA and SPC) while all project personnel were in place by the end of September.

The emphasis of the DEVFISH project during the first year is on the collection of baseline data; review of published and unpublished economic reports; documentation of successful and unsuccessful strategies for fisheries development; formation and strengthening of fish producers' organizations; identification of constraints to increased regional and international trade in tuna products; opportunities for increased investment; and identification of policy obstacles to development.

In November and December 2005 project staff visited Samoa, Tonga, Niue and Cook Islands. to: (i) collect up to date information on the domestic tuna fishing industries of the four countries; (ii) review the economic and policy environment in which they operate in each country; (iii) review the status of fishing associations and mechanisms for consultation between Government and fishing industry and (iv) to identify constraints and possible areas for assistance under the project. It is intended to have visits to all participating countries under DEVFISH completed by the end of June 2006.

The domestic purse seine fleet consisted of approximately 55 vessels at the end of 2005. Vessel numbers increased in Marshall Islands, Solomon Islands and Papua New Guinea with the latter pursuing a rigorous domestication and onshore development policy. The fleet in the Federated States of Micronesia has decreased, while Kiribati has one vessel.

The longline fishery has struggled against an overall background of low catch rates and high fuel prices. Fiji is the only fishery in which management measures to restrict the number of domestic longliners have become necessary. In Samoa the limit has been reached for large vessels, but the formerly active alia fishery has declined, and total catches are down.

In several other countries the locally based longline fleet has contracted significantly in the last two to three years and in most countries some packaging and processing facilities for longline caught fish have closed or are under-utilised.

Developments in onshore processing have largely been focused in Papua New Guinea where the RD cannery is operating close to capacity and is planning to expand its operations. The South Seas Tuna Corporation is operating a loining plant and canning plant in Lae is expected to commence operations in 2006.

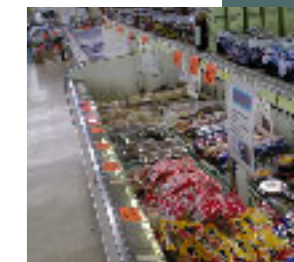
TREATY, ACCESS AND TRADE NEGOTIATIONS

EU MULTILATERAL DISCUSSIONS

Work continued throughout 2005 on the development of a possible Fisheries Partnership Agreement (FPA) with the EU with the Forum Fisheries Committee being briefed at the May annual meeting and the meeting associated with the second meeting of the Western and Central Pacific Fisheries Commission. The approach adopted has been to develop a proposed agreement in the form of a Multilateral Head Agreement signed by all Pacific ACP States, setting out the framework for fisheries access including conservation and management arrangements, fisheries development provisions and market access arrangements. Access arrangements would continue to be negotiated on a bilateral basis.

At FFC60 in December 2005, the Secretariat was tasked to complete the analysis of possible options for the level of fishing access that might be provided to the EU and this analysis will be finalized in the first quarter of 2006. In addition to providing fisheries access for vessels from the European Union, it is anticipated that Pacific ACP States will benefit from trade and development provisions of the agreement, including a liberalisation of the Rules of Origin and a comprehensive package of development assistance for the fisheries sector.

Work to finalise the Agreement will continue in 2006 with a deadline of end December 2007 for its conclusion. Key issues affecting the negotiation of the FPA include the apparent lack of interest by EU vessels in expanding operations in the Western and Central Pacific and the impact of legally binding management measures for albacore, bigeye and yellowfin adopted by the Western and Central Pacific Fisheries Commission in 2005 and any future such measures that might be agreed in 2006.





TRADE ISSUES

Work in this area during 2005 has focused on the initiation of a study to provide Pacific Island Forum Fisheries Agency (FFA) members' fisheries officials have a clear understanding of the rules and requirements of WTO and regional trade agreements, to ensure that fisheries trade is conducted in a compliant manner. In addition, FFA members need to be in a well-informed position to seek accommodation of their concerns regarding WTO rules that have potentially adverse impacts on their fishery sectors. The studies will fulfil the following objectives:

- i) assist FFA members to better understand WTO rules relating to fisheries, particularly tariffs and subsidies;
- ii) assist FFA members to understand the implications of PICTA (including the Rules of Origin) and how this affects fisheries trade;
- iii) assist FFA members to seek accommodation of their trade interests and needs in the negotiation of WTO rules and regional trade agreements;
- iv) identification of trade opportunities for FFA members that may strengthen intra-regional and international trade links; and
- v) evaluation of trade opportunities (in terms of comparative advantage) and development of action plans, taking into account WTO rules and regional trade agreements.

The final report of the study is expected to be completed in June 2006 with a workshop being held to discuss the outcomes.

BILATERAL FISHERIES ACCESS ARRANGEMENTS

Bilateral licensing arrangements with distant water fishing fleets continued to be the main form of licensing in the purse seine fishery in 2005. There were no bilateral new entrants in the purse seine fishery during 2005 and anticipated agreements between the EU and the Federated States of Micronesia and Solomon Islands respectively did not enter into force. The number of EU purse seine vessels were below the limits specified under the Palau Arrangement. However, the number of Chinese vessels increased to 9, one above the limit with the licensing of an additional vessel formerly flagged to Marshall Islands in late 2005.

Access for foreign longline vessels continues to be dominated by fleets from Japan, Korea and Taiwan operating large freezer vessels. Japan has pushed hard for reductions in fishing capacity in recent years and it is likely that vessels numbers for these fleets are declining or will remain at existing levels, although data is not available to confirm this.

The Japanese pole and line fleet is the only fleet operating under bilateral access arrangements with a total of 38 vessels, concentrating their operations in the vicinity of the Marshall Islands EEZ. Total catch by the Japanese distant water fleet totalled approximately 49,900 tonnes in 2005 with approximately 23,000 tonnes in the EEZs of FFA members or adjacent waters and the balance of the catch taken in eastern Japanese waters. Adverse economic conditions, particularly high fuel costs and low market prices are affecting the fleet and numbers are expected to decline significantly in 2006. ■



PART 4 CORPORATE SECRETARIAT MANAGEMENT AND MEMBER SUPPORT SERVICES

This part of the report cover the corporate support activities of the FFA in 2005 in support of its fisheries management and fisheries development programmes and the services rendered in direct support of the members needs. It also includes internal funding arrangements and administrative issues in the year under report.

COMMUNICATION

The dedicated VMS satellite link purchased through Pacific IP services and installed in 2004 continued to provide reliable vessel position reports for the VMS system in 2005. In addition to the position reports, the satellite link provided internet and limited email services over the link. The satellite link was available 99 percent of the time. In April 2005, a planned outage of between 4 minutes to 10 minutes was predicted by the satellite provider. Preparations were made for the down time of the same period and to use the Solomon Telekom leased line if the satellite did not recover. The predicted outage did not occur and operations continued normally.

In November 2005, a 12 hour outage was recorded. This downtime was attributed to the malfunction of the outdoor transmitter. On identification of the fault, FFA staff replaced the transmitter with the spare transmitter that was held on site and operations resumed. The faulty transmitter was sent to Brisbane for repair.

The ADSL connection to Solomon Telekom was trialled in May 2005. This was intended to replace the costly 64 kbps leased line connection. This trial has been going for the whole of 2005. Telekom has however provided a single IP number for the link which does not meet FFA's requirements. FFA owns the ffa.int domain name and has a range of its own IP numbers that is advertised over the leased line. FFA has since requested that Telekom should route all of the IP numbers over the ADSL. As soon as all IP numbers are routed over the ADSL link, FFA will use the new faster and cost effective link and drop the leased line.

A new PABX system was installed in August 2005. The digital NEC system was installed at the completion of the refurbishment of the Secretariat building. The new system supports up to 200 extensions. At

the time of installation a total of 50 extensions were provided. Forty additional extensions were ordered to cater for the increase in number of staff in 2006.

The new PABX system has voice mail facilities which are programmed to operate after hours and on weekends and public holidays. Although voicemail is enabled on working hours, operators will be manning the telephone system.

A new Call accounting system was installed with the PABX system. This system records all calls made out from the PABX from all extensions. It is mainly used internally to recover cost of personal calls. The system is also used to verify charges billed to FFA by Telekom.

In 2005 several reports were made by staff that phones and fax calls to and from mainly Micronesian countries were not possible. Several queries were made to Telekom however local Telekom claim that problems are with the carriers in the countries. FFA is working with Telekom to resolve the problem and to find an alternative mode of communication.

FFA WEBSITE DEVELOPMENT

In 2005 the FFA Information Unit implemented an Intranet to strengthen, expand and preserve the Secretariat's corporate knowledge. The Intranet is an internal Secretariat website that allows staff to collaborate and share fisheries information. The Intranet implementation included helpdesk facilities which have streamlined client support and management for the Library Services Desk, IT Services, Property Maintenance Team and VMS Support Team.

The Secretariat's external online services, hosted as part of the FFA website, assisted in the distribution of meeting papers online. Meeting papers for the MCS Working Group, FFC meetings, WCPFC sub-committees and Management Options Workshop were, and still are, available through the FFA website for FFA members. In addition, the FFA Vessel Register was made available online as was a register of FFA member-based fishing crew.

The Agency's profile in the Pacific was also expanded upon through the publication of frequent press releases to Pacific media outlets. Through the distribution of press releases, the Secretariat heightened the Agency's profile by keeping the Public abreast of upcoming meetings, achievements, staff comings and goings and project developments in regional fisheries management and development.



FFA FUNDING ARRANGEMENTS

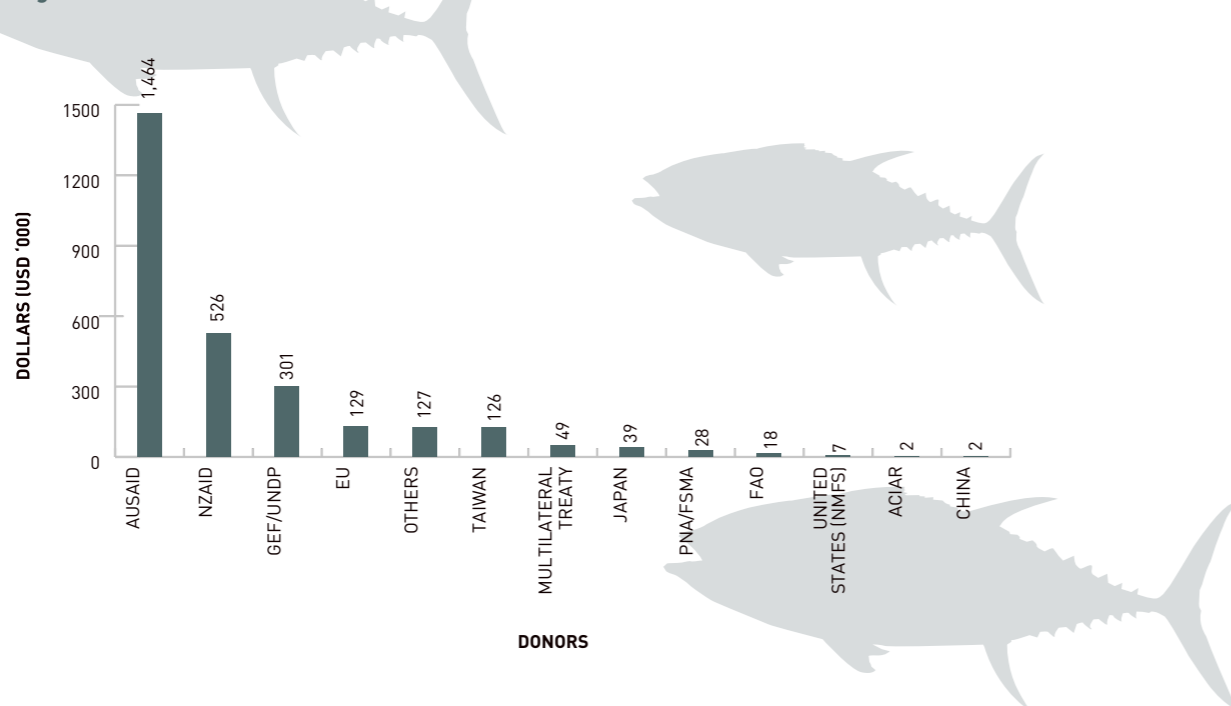
In developing the FFA Strategic Plan 2005-2020, the Agency reviewed its activities and in particular the historic focus on the delivery of services related to FFA VMS activities, the observer program, treaties administration, and meeting and travel support and to a lesser extent on fishery management and fishery development. At the same time the Agency noted increasing costs through inflation, static levels of core funding and concluded that in such a climate inflationary pressures result in lower levels of services, greater dependence on donors, and stagnant planning processes.

Rising costs were also indicating future budget deficits for 2005 and 2006. Therefore, the Secretariat pursued increases in annual revenue to arrest the rising inflationary pressures, address the priority areas in the Strategic Plan and to implement a new asset management program and new governance requirements.

FFC accepted the Secretariat's position that more resources were needed to deliver effectively on the priority areas of the new FFA Strategic Plan and to mitigate the abovementioned effects and approved a comprehensive and integrated funding strategy.

The first step towards implementing the strategy was the merging of the VMS and Regional Register fees into a single vessel register fee that was implemented successfully on 1 September 2005. The six (6) month budget January to July 2006 was amended to reflect the new funding arrangements

Figure 3: Donor Contributions 2005



and members were notified of their new member contribution obligations.

Australia and New Zealand generously increased donor contributions to USD\$1,725,000 (AUD2,300,000) and USD\$2,123,400 (NZD3,000,000) respectively for forward years under 3 year program funding agreements, positioning the Agency well to meet its new priorities. During the period, funds were also finally secured for both the GEF and EU projects.

SUMMARY OF FFA FUNDING ARRANGEMENTS

FFA's funding arrangements consist of member country contributions and donor funding.

Member country contributions are received annually and are used to fund the core business activities of the FFA.

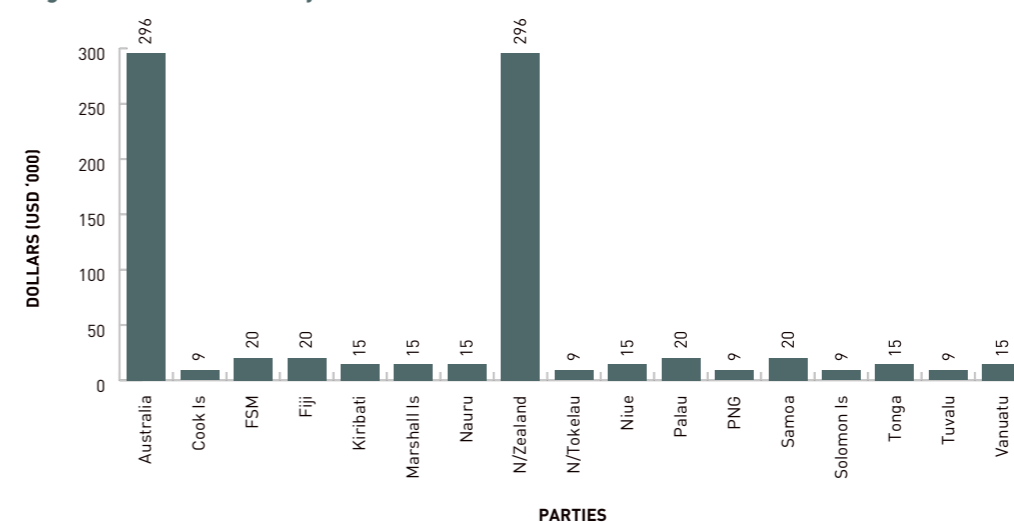
Donor funding is made available from member and non-member countries for specific projects of relevance to the region. FFA relies on donor funding for a significant proportion of its work.

Member and donor contributions are greatly appreciated by the Agency. The figures below illustrate these contributions for the 2005 period.

FUND ADMINISTRATION AND MANAGEMENT

FFA has four operational funds: - the General Fund, the Trust Fund, the VMS Fund, and the Housing Fund.

Figure 4: Member Country Contributions



Surpluses in these funds are transferred to the respective Reserve accounts, being General Fund Reserve, VMS Fund Reserve and Housing Fund Reserve.

Member country contributions and fees from the Regional Registration are held in the General Fund, donor contributions are held in the Trust Fund; the fees generated from the VMS registration of fishing vessels are held in the VMS fund, funds collected from the rental of FFA properties are held in the Housing Fund. Commencing from September 2005 the VMS and Regional Registers were combined to form the FFA Vessel Registration.

In addition to its operational funds, the FFA Secretariat also manages several other funds on behalf of member countries under certain regional fisheries agreements and arrangements.

These include fees collected under the US Treaty from the US Tuna Foundation, Association, and the US Government, license fees collected on behalf of the parties to the FSM agreement, and the Preparatory Conference Organisational Fund set up under the auspices of the WCPT Convention.

SUMMARY OF TOTAL INCOME AND EXPENDITURE IN 2005

Total General Fund income amounted to \$2,085,295. Apart from the member country contributions, other General Fund revenue comprising 61% of the total income were generated from regional registration fees, UST service fee, program support, Australian PDF contribution, transfer from reserves and other income. The total General Fund expenditure for the year amounted to \$2,085,295 resulting in a balanced

net position for the General Fund.

Total Trust Fund income including the donor funding amounted to \$2,837,797 in 2005. The non-donor funds represented 6% of total income, which comprised interest, program support, and miscellaneous income. The total Trust Fund expenditure for the year was \$2,834,165 leaving a net surplus of \$3,632. The surplus was credited to the Reserve Fund account.

Total VMS Fund income amounted to \$965,886 and the total expenditure was \$787,932 leaving a net surplus of \$177,954. The surplus is credited to the VMS Reserve Fund account.

Total Housing Fund income was \$281,263 and the total expenditure was \$127,385 leaving a surplus of \$153,878. Sufficient of the Fund's receipts are treated as income as necessary to meet expenditure and the balance of the Fund is carried forward. The balance carried forward to 2005 was \$153,878 and is treated as Advance Funding in the Balance Sheet.

For 2005 the total General Reserve Fund amounts to \$401,564, the total VMS Reserve fund amounts to \$903,355 and the total Housing Fund Reserve amounts to \$7,967.

THE US MULTILATERAL FISHERIES TREATY

The procedure for the distribution of Treaty payments is set out in Schedule 1 of the Internal Agreement among the Pacific Island Parties. From the total US contribution of US\$21 million received during the seventeenth licensing period³, the Administration budget (as approved annually by the Pacific Island Parties) and Project Development Fund (PDF) are deducted, and the balance is divided as follows: 15%

³ Licensing periods under the US Treaty do not follow the calendar year. They extend from June of a year to June of the following year. The 17th licensing period was from 15 June 2004 to 14 June 2005.



shared equally between the Pacific Island Parties and 85% shared according to the volume of catch reported in the waters of the Pacific Island Parties during a licensing period.

A total of US\$21,557,478 was received from the US as payment for the 17th licensing period⁴, which included bank interest in the amount of US\$557,478. From this amount, the US Government contributed US\$18 million, having the first payment of US\$17,893,800 paid on 16 June 2004 and the balance of US\$106,200 paid on 17 September 2004. The US government requested for a delayed payment because there was insufficient funds in the 2004 economic assistance programme. Due to insufficient notice about the delayed payment coupled with oversights on payment monitoring, the fund was kept in a different FFA account before it was finally transferred to the designated account with appropriate bank interest. Internal financial measures have been taken to address this kind of problem. Distribution of the funds was made based on the current procedures provided in Article 1 of Schedule 1 of the Internal Agreement. The procedures require that a total of US\$18 million is to be distributed, as follows:

- Administration budget is deducted first;
- A total of US\$1.778 million for Project Development Fund (PDF) is also deducted first;
- 15 % from the balance is distributed equally to the sixteen Pacific Island parties; and
- 85 % from the balance is distributed based on the catch made in the parties' waters.

The total Administration budget approved for the period was US\$527,675. However, only US\$508,887 was drawn down from the Treaty funds because a surplus of US\$18,788 from the 15th licensing period was used to fund the balance in accordance with the decision of the parties. The total Project Development Fund (PDF) of US\$1.778 million was distributed equally to the Pacific Island parties in June 2004 through fifteen established individual PDF accounts that are currently administered by the FFA Secretariat on behalf of the parties. Australia's PDF share of US\$111,125 was given back to the FFA Secretariat's core fund while New Zealand's share in the same amount was transferred directly to Tokelau in accordance with standing instructions from New Zealand.

The 15% share allocation (total US\$2,356,966.88) was also distributed equally to the Pacific Island parties in June 2004 as required under the Treaty.

Each of the sixteen Pacific Island parties received a share of US\$147,310.43. The 85% allocation (total US\$13,580,988.02) was distributed to the Pacific Island parties on 15 December 2005 based on the catch, agreed overpayment adjusted cost and in accordance with the requirement under the Treaty.

THE FSM ARRANGEMENT

The procedure for distribution of the payment under the FSM Arrangement is set out in Annex VI of the Arrangement. From the total license fees received, the Administration budget (as approved annually by the Parties) for the implementation of the Arrangement is deducted, and the balance is distributed to each of the Parties based on the sum of the regional catch for each of the Parties, multiplied by the regional price per tonne. The regional catch for a Party means the aggregate catch in each distribution period reported in that Party's exclusive economic zones less the catch made by that Party's sponsored vessels in its own waters.

A total of USD\$4,536,383 was received during the eleventh distribution period⁴, as at the 31 December 2005. This was made up of USD\$4,418,814 as the total license fees received during the period; and USD\$117,569 as interest earned on the fund from the term deposit.

After deducting the Administration budget of USD\$57,502, a total of USD\$4,478,530 is available for distribution to the Parties based on their respective regional catch.

THE PREPARATORY CONFERENCE ORGANISATIONAL FUND

At the final session of the Preparatory Conference in December 2004, the Conference recommended to the Commission that, in order to enable a smooth transition to the Commission regime, the PCOF would continue to operate until 31 January 2005.

The authority of the Chairman of the Preparatory Conference and the Head of the Interim Secretariat to approve disbursements from the PCOF ceased on the 31 January 2005. The PCOF remained open for final receipts and audit during February 2005. Since the Commission had not formally established its bank accounts by February 2005, the balance remaining in the PCOF was transferred, on a temporary basis, to a WCPF Commission General Fund Account at the National Bank of Solomon Islands in accordance

with the decision of the Commission. The signing authority of this account is held by the Commission.

STAFF ISSUES

FFC 59 in Majuro approved a change management program which introduced a new organizational structure for the FFA. The cap on number of staff was also removed and the Director-General was empowered to appoint and maintain staff if necessary and if funding is available. During the second half of 2005, the Agency analysed a number of existing positions, created and job-sized a series of new positions and developed a Strategic Recruitment Strategy. Recruitment action against the new organizational structure began in earnest in late 2005 and will continue throughout the first half of 2006.

ECONOMICS & MARKETING

The position of Project Economist was briefly held by Peter Forau of the Solomon Islands before he accepted the post of Deputy Secretary-General at the Forum Secretariat; the post was subsequently filled by Ms Amanda Hamilton from Australia in June. Ms Hamilton was previously Agricultural Economist/Policy Analyst with the Ministry of Agriculture, Fisheries, and Forests in Samoa.

Under the new DEVFISH project, which is a joint program with the Secretariat of the Pacific Community, two positions were filled in the second half of the year. Mr Teriba Tabe of the Solomon Islands commenced as Project Coordinator in July and Mr Mike Batty started in November as Fisheries Policy Development Specialist. Prior to commencement at the FFA Mr Tabe was the Finance and Administration Team Leader for the UNDP office in Honiara and Mr Batty was working in Namibia as the Adviser, Marine and Coastal Resources Research Centre for the University of Namibia.

In April, the Overseas Fishery Cooperation Foundation seconded Mr Masao Nakada to FFA as a replacement for Mr Minoru Honda as Tuna Industry Adviser.

LEGAL SERVICES

The position of Legal Officer was filled by Dr Manu Tupou-Roosen in August. Dr Tupou-Roosen undertook a series of consultancies for the Food and Agriculture Organisation and the Secretariat of the Pacific Community as Fisheries Legal Consultant prior to commencing with FFA.

MONITORING, CONTROL AND SURVEILLANCE

Two Register Data Operators departed in 2005 in March and August respectively. Ms Tupou Forau resigned to accompany her husband, Mr Peter Forau to Fiji. Mrs Forau's position was filled by Ms Senoveva Mauli in May. Ms Cecilia Navere resigned in August and recruitment for this position was finalized in December with Genia Harold commencing in January 2006.

SUPPORT STAFF CONTRACTUAL ARRANGEMENTS.

Following the decision of FFC to remove the staff cap a number of long term temporary staff were placed on contracts. The staff members were: Mr Walter Maesugea, Mr Alan Teli, Ms Roselyn Maeke, Mr Lemmy Alufurai, Mr Sione Havea, Mr Stenneth Wini, Ms June Kwainarara, and Ms Daisy Kari.

A comprehensive staff list is contained in this report.

MEETING AND CONFERENCE SUPPORT

The 59th annual FFC meeting considered and adopted a series of substantive reforms. These included the FFA Strategic Plan 2005-2020 which provides high level and long term strategic directions and objectives; the 2005-2007 Business Plan that contains shorter term goals and objectives with greater details on how those objectives will be achieved; a new organisational structure and change management; new funding arrangements that saw the increase of member contribution and introduction of full cost recovery measures for all services provided; new governance arrangements that require a ministerial segment to annual FFC meeting; and a review of the FFA Convention and the Rules of Procedure.

The FFC also met in a special 60th session at Pohnpei, Federated States of Micronesia in December 2005 immediately prior to the 2nd meeting of the Western and Central Pacific Fisheries Commission to consider the FFA's negotiating brief on key matters to be discussed at the Commission meeting, and to agree on collective positions and strategies to aid members in their effective participation. The special FFC meeting also endorsed the Annual Work Program and Budget for the 6 month period 1 January 2006 to 30 June 2006.

⁴ Distribution Periods under the FSM Arrangement follow the calendar year.



WCPF COMMISSION

FFA was involved in supporting members at the 1st substantive meeting of the WCPF Commission's Scientific Committee at Noumea, New Caledonia in August 2005; at the 1st substantive meeting of the Technical and Compliance Committee at Pohnpei, and the 2nd meeting of the WCPF Commission at Pohnpei in December 2005. Separate negotiating briefs were prepared for each of these meetings.

MANAGEMENT OPTIONS WORKSHOP

As part of the preparation for the 2nd WCPF Commission meeting, the Secretariat hosted the 2nd Management Options Workshop at Honiara in October 2005. Other activities were organised to coincide with the Workshop, like the ecosystem approach to fisheries management workshop, and an IUU risk management workshop.

PACIFIC ISLANDS FORUM ISSUES

The Director-General and the Director of Corporate Services represented the FFA at the Pre-Forum Officials Meeting in Suva, Fiji from 3 - 5 October. This is the Officials meeting leading up to the Forum Leaders and related meetings in Port Moresby, Papua New Guinea from 25 - 29 October, 2005. The Director-General and the Deputy Director-General attended the Port Moresby meetings.

At the Officials meeting, the Director General presented the 2004 FFA Annual Report and approved FFA Work Programme and Budget for 2005, a requirement under the FFA Convention. The Officials were also briefed on the new FFA Strategic Plan 2020; the new FFA business planning framework;

new organizational structure; new financial arrangements; and the new corporate image that includes a new logo.

An update was provided on the FFA's responses to the Leaders directive of 2004 that called for increased sustainable returns from fisheries resources, including through the increased participation of resource owners in the fishing industry; and the need for ministerial oversight of regional fisheries issues. The Official were advised that ministerial oversight of regional fisheries and the work of the FFA is now assured with the FFC decision for the annual FFC meeting to include a ministerial segment. This is expressly provided in the new Strategic Plan 2020. Efforts to increase sustainable returns from the exploitation of the fisheries resources will be addressed through the two FFA strategic programmes of fisheries management and fisheries development. The Leaders were particularly pleased to note progress made on their 2004 Apia direction and acknowledged the various strategic reforms implemented by FFA.

The Officials also considered a proposal that Palau intended to table at the Leaders meeting calling for a moratorium on deep sea bottom trawling. The FFA and the Oceanic Fisheries Programme of SPC were required by the Officials to provide a background and briefing paper on the issue to inform and guide the discussions of the Leaders on the proposal by Palau. The joint briefing paper was provided to the Forum Secretariat in time for the Leaders discussion on the proposal.

The Leaders in discussing the Palau proposal noted their serious concern on the indiscriminate

impact of the fishing technique of deep sea bottom trawling and agreed to develop an appropriate legal framework to regulate such fishing technique for their consideration at their 2006 meeting. The FFA and SPC were specifically tasked to develop such legal framework. Work has already commenced to progress that directive, taking into account other related developments, in particular the initiative by Australia and New Zealand to establish a new South Pacific Regional Fisheries Management Organization to manage straddling stocks and discrete high seas stocks not managed under any existing regional fisheries management organization.

The Leaders also endorsed the Pacific Plan for strengthening regional cooperation and integration. The implementation of the Pacific Plan will be guided by the Kalibobo Roadmap on the Pacific Plan. The FFA will be principally responsible for the implementation of one of the initiative under the economic growth sector of the plan that seek to maximize sustainable returns from fisheries by development of an eco-system fishery management planning framework; encouragement of effective fisheries development, including value adding activities; and collaboration to ensure legislation and access frameworks are harmonized.

The FFA Strategic Plan and the FFA Business Planning Framework together with the new FFA Logo were kindly introduced and launched by President Note of the Marshall Islands at the Leaders meeting.

CROP ACTIVITIES

The Director-General attended the annual meeting of the CROP Heads hosted by SOPAC and held at the Lagoon Resort at Pacific Harbour, Fiji from 12 - 13 August, 2005. The meeting reviewed the work of the various CROP working group activities. Particular attention was given to the review of harmonization of remuneration undertaken by the Remuneration Working Group.

The meeting noted that the CROP salary scales continued to sit well below those of the Australian and New Zealand markets and above that of the Fiji market. In order to address the widening gap between the CROP salary scale and the reference markets and the negative impact this has on the capacity of CROP to attract and retain qualified staff, the meeting recommended an increase in the CROP salary scales inline with the average movements in the three reference markets and to be implemented by 1st January, 2006. The recommendation was

tabled and approved at the special FFC 60 meeting held in December, 2005 at Pohnpei, Federated States of Micronesia at the margins of the second meeting of the WCPF Commission.

The CROP Heads agreed for the Marine Sector Working Group to continue its work. The Marine Resources division of the SPC was tasked to take responsibility for promoting dialogue between CROP agencies working on ocean issues by whatever low-cost means appropriate.

The CROP Heads also considered their role in the Pacific Plan and acknowledged the key role that the CROP agencies will play in the implementation of the Plan. An integral part of the implementation of the Pacific Plan is the development of an appropriate regional architect for regional organizations. Preliminary work has been undertaken in this regard by Consultant Tony Hughes on the review of regional organizations. The Deputy Director-General represented the Secretariat at the 35th session of the Committee of Representatives of Governments and Administrations held in Koror, Palau in November, 2005.

ASSET MANAGEMENT

The FFA maintains a significant range of assets such as the main office, conference centre, residences, FFA VMS, information technology, library, recreational facilities, and motor vehicles. There has been no long term funding strategy for maintenance and replacement of these assets, with an almost complete reliance on ad-hoc donor funds.

In April 2005, The Howell Facilities Property Management Review was commissioned by the FFA. The Howell Review provided a lifecycle analysis of the FFA's properties including a summary of proposed annual expenditure.

The Howell Review made nine recommendations. In summary the key findings were that the residential properties are aging and are at an uneven level of condition, and unless a major maintenance program is conducted the costs of maintaining the ageing portfolio will outweigh the benefits they provide. Secondly, the business infrastructure (offices and a conference centre) is reaching its mid life point with major renovation being required to halt the declining condition.

FFC59 agreed to the recommendations of the review; firstly that a funding proposal be prepared that can be promoted to donor countries, seeking a lump





sum capital program for a major office renovation including installation of a mezzanine floor, air conditioning and a new roof; and to develop a suite of units or villa style accommodation suitable for single status employees, small families and people on short term contracts.

Secondly that a general provision be made for an annual funding contribution to long term asset maintenance and property management with a policy that assets should be valued and depreciated; short, medium and long term maintenance costed and an annual contribution made from the general fund to a discrete asset management fund established for this purpose.

In November 2005, FFA commissioned a residential property (rent) review. The last such review was undertaken in 2003. The findings of the review were:

- Market rentals have increased significantly over the recent years and well beyond the rents indicated in the 2003 survey.
- A cap is required to mitigate the effects on staff
- FFA investment in new residential housing is critical and should commence as soon as possible.

Progress made since FFC 59 decisions on asset management may be summarized as follows:

- a. Renovations were carried out in the main administration building from May to August 2005. During that period, staff were relocated to the FFA Regional Conference Centre. The administration building now contains new ergonomic furniture arranged in a workstation configuration, new floor tiling, the provision of more robust information technology support and power back up facilities to the Regional Conference Centre, refurbished kitchen and toilet facilities, new storage facilities and extra meeting room capacity in the main building.
- b. The Agency engaged a contractor to carry out major maintenance work to its residential properties as outlined in the Howell Facilities Property Management Review.
- c. A Donor Proposal Strategy has been prepared to present an overview of the current and future infrastructure needs of the Pacific Islands Forum Fisheries Agency (FFA) to potential donors.
- d. Plans have been drawn up for the second stage of the renovations including the construction of

a mezzanine level, offices, and air conditioning to the entire building.

- e. Plans have been developed for two new housing complexes on the FFA site and FFA Executive management have met with representatives of the Solomon Islands Government in an attempt to secure additional land.
- f. Provision has been made for asset maintenance under the revised financial management arrangements approved by FFC 59.
- g. As outlined above the Residential Rental Review was undertaken in November 2005 by Howell Facilities Pty Ltd.
- h. The Agency conducted two very successful tenders (April and October) of surplus office equipment, residential fixtures, furniture and fittings.

VIP VISITORS

Some notable dignitaries visited the Secretariat in 2005 which included:

- A three member delegation headed by the United Nations Development Programme Resident Representative, Richard Dictus, visited the Secretariat on a courtesy call in June.
- A delegation of Japanese Government Fisheries and Industry officials visited the Secretariat in the first week of July, as part of an annual consultation with the Secretariat to hold discussions on a Memorandum of Understanding on the FFA Vessel Register.
- A courtesy call by the United States Ambassador based in Papua New Guinea to FFA Secretariat occurred in early October.
- The Director responsible for the Horn of Africa, East and Southern Africa, Indian Ocean and the Pacific of the European Commission, Anders Enrikson was accompanied by Henry Prankerd, the EU Charge d'Affaires, Honiara. and Francesco Affinito, the Regional Desk Officer in Brussels visited the Secretariat in October, 2005. The purpose of their visit was to be briefed on EU DEVFISH project and the general activities of FFA.
- In late November the Swedish Ambassador to the Pacific, Greger Widgren paid a courtesy call to the Secretariat. ■

PART 5 CONCLUSION

The year 2005 will be remembered as the year the FFA adopted a long term and visionary strategic planning framework. A renewed vision for FFA members calls for "the enjoyment of the highest level of social and economic benefits for their people through the sustainable development of their fisheries resources". The challenge for the Agency is to support FFA members to achieve their vision.

With the ingredients of the new strategic planning and operating framework in place for the agency, with the FFA Strategic Plan 2020 launched and implementation commenced; the business planning framework in place; a new organizational structure implemented; new funding arrangements in operation and renewed donor commitments; and ministerial oversight assured; the agency and its members have the necessary tools to effectively and efficiently progress its two strategic programs of fisheries management and fisheries development.

The regional fisheries management landscape has transformed significantly with the advent of the Western and Central Pacific Fisheries Commission. With the Commission regime in place, and with all FFA members now also members of the Commission, a new suite of obligations and responsibilities are before us as we move into the future. Some of these obligations and responsibilities will require significant resources and technical expertise that the majority of the members, especially the smaller island member states and territory may lack. The FFA Secretariat will place a priority on responding to calls for assistance from members that find themselves in that situation.

It is imperative therefore, that the Secretariat is provided with the financial resources, infrastructure and personnel to support members to discharge their suite of new obligations and responsibilities. The Fisheries Management division and the Fisheries Development division must be appropriately resourced to deliver effective and timely support.

Recruitment for new staff is progressing well with increased donor funding support from Australia and

New Zealand. These divisions will initially be occupied with the development of regional frameworks for fisheries management and fisheries development; and a model legislative framework that will guide members and the Secretariat in the support that they provide members. Members have already been heavily involved in the development of these regional frameworks.

Ministerial oversight of regional fisheries issues and the operation of the FFA is a positive and overdue development. With the ministers now directly involved in the discussion and setting of regional fisheries policies, the profile of those policies will be significantly enhanced, and ownership and understanding of fisheries conservation and management measures will begin to emerge in the highest levels of Government. Everyone in the highest levels of Government must understand that the resource is not an endless bounty but that it can be mined to the point where the very basis of our Pacific Island food security comes under threat. The level of adoption, implementation and compliance with regional fisheries policies, by FFA members, will I pray, now steadily increase with the support of our ministers through their direct involvement in the FFC meetings.

The confidence and support of the donor community for the work of the FFA will be critical for the agency to deliver on its high level and long term strategic objectives and goals under the FFA Strategic Plan 2020. There is already serious competition from all sectors and organizations and entities for the limited donor funding. It is imperative that the agency has the necessary strategic planning framework and organization; appropriate governance structures that guarantee transparency and accountability; and strategic programs designed to make a difference to the life of the people of the Pacific in order to sustain the confidence and commitment of the donor community especially those two members who are also major donors for the agency, Australia and New Zealand. The strategic reforms adopted by the FFC ministers in 2005 provide the underpinning force conducive to fostering donor confidence. The challenge now is to effectively and efficiently implement those reforms.



FFA STAFF ESTABLISHMENT (as at 31 December 2005)

DESIGNATION	NAME	NATIONALITY			
Executive Management					
Director-General ^	Mr F P Teo *	Tuvalu			
Deputy Director-General ^	Mr S Dunn *	Australia			
Executive Officer	Ms N B Hanchard *	Cook Islands			
Personal Assistant – Director ^	Ms A Vave	Solomon Islands			
Personal Assistant – Deputy Director ^	Ms C Murdoch	Solomon Islands			
Information Officer	Mr B Hall *	Australia			
Librarian	Vacant				
Corporate Services					
Corporate Services Manager ^	Ms N Caldwell *	Australia			
Manager Finance	Mr D Rupokets *	Papua New Guinea			
Manager HR & Administration ^	Ms Wendy Ho *	Solomon Islands			
Assistant General Fund Officer ^	Mr L Galo	Solomon Islands			
Accounts Officer	Mr W Maesugea	Solomon Islands			
Assistant Trust Fund Officer	Ms G Haro	Solomon Islands			
Accounts Assistant	Mr A Teli	Solomon Islands			
Assistant Finance Officer ^	Mr J Huta	Solomon Islands			
Accounts Payable Officer ^	Ms R Maeke	Solomon Islands			
Personnel Services Officer ^	Mr G Keketaovia	Solomon Islands			
Accounts Officer – Conference/Travel ^	Mr S Gu'urau	Solomon Islands			
Conference Centre Assistant ^	Mr L Alufurai	Solomon Islands			
Office Services Supervisor ^	Ms D Boso	Solomon Islands			
Office Services Assistant 1 ^	Ms S Oliusukulu	Solomon Islands			
Office Services Assistant 2 ^	Ms E Suri	Solomon Islands			
Tea Attendant/Cleaner ^	Ms I Mae	Solomon Islands			
Driver/Courier ^	Mr A Aratara	Solomon Islands			
Property Manager ^	Mr S Havea	Solomon Islands			
Maintenance Officer ^	Mr J Tommy	Solomon Islands			
Maintenance Assistant ^	Mr K Noda	Solomon Islands			
General Hand ^	Mr D Fiubala	Solomon Islands			
General Hand 2 ^	Mr S Wini	Solomon Islands			
Economics & Marketing					
Manager Economics & Marketing ^	Mr L Rodwell *	Australia			
Market Adviser	Dr C Reid *	Australia			
Project Economist	Ms A Hamilton *	Australia			
Fisheries Management Adviser 1	Mr T Su'a *	Samoa			
Fisheries Management Adviser 2	Vacant *				
Fisheries Development Policy Specialist	Mr M Batty *	United Kingdom			
Project Coordinator	Mr T Tabe *	Solomon Islands			
<i>Tuna Industry Adviser</i>	Mr M Honda *	Japan			
Information Technology & Comm.					
Information & Technology Manager ^	Mr N Kapun *	Papua New Guinea			
Senior Analyst Programmer ^	Mr G Mar *	Fiji			
Database Administrator ^	Mr R Chand *	Fiji			
Network Administrator ^	Mr G Porowai *	Solomon Islands			
Data Quality Officer ^	Mr B Scott *	Australia			
Legal Services					
Legal Counsel ^	Dr T Aqorau *	Solomon Islands			
Legal Officer	Dr M Tupou-Roosen *	Tonga			
Fisheries Law Adviser	Vacant *				
Monitoring Control & Surveillance					
Manager Monitoring Control & Surveillance ^	Mr A Richards *	Papua New Guinea			
Observers Program Manager	Mr K Staisch *	Australia			
Assistant Observer Placement Officer	Vacant				
Observer Data Entry Officer	Ms J Kwainarara	Solomon Islands			
Surveillance Operations Officer ^	Mr L Pawut *	Papua New Guinea			
Fisheries Surveillance Adviser (Guam)	Vacant *				
Register Data Officer 1 ^	Vacant				
Register Data Officer 2 ^	Ms S Mauli	Solomon Islands			
Vessel Monitoring System Support Officer^	Mr K Hurst *	Australia			
Vessel Monitoring System Liaison Officer^	Mr D Koroi	Solomon Islands			
<i>Fisheries Enforcement Adviser</i>	Mr K Painter *	United States of America			
Treaties Administration					
Multilateral Treaty Manager	Mr K Ruaia *	Kiribati			
Project Development Officer	Mr D Papaol *	Papua New Guinea			
Senior Treaties Data Clerk	Ms R Marsh	Solomon Islands			
Treaties Data Clerk	Ms J Inito	Solomon Islands			
Data Clerk	Ms D Kari	Solomon Islands			

^ Denotes General Funded positions.

* Denotes Professional Staff. Out of a total of 28 professional staff, 23 are males and 5 females.

The positions shown in italics (Tuna Industry Adviser and Fisheries Enforcement Adviser) are not FFC established positions.



FFA CALENDAR OF MEETINGS 2005

DATES	MEETING	VENUE
17-25 Jan	Operation "Big Eye" Prep Conference	Koror, Palau
24 Jan – 14 Feb	Marshall Island Observer Training Course	Majuro, RMI
11-12 February	Strategic Plan Working Group Meeting	Brisbane, Australia (Northgate Airport Motel)
14-18 February	MCS/VMS Training – (Group 1)	Canberra, Australia
21-25 February	MCS/VMS Training – (Group 2)	Canberra, Australia
23 February	FFA/New Zealand Talks	FFA HQ, SI, Honiara
7-11 March	FAO Committee on Fisheries Meeting (COFI)	FAO, Rome
14-15 March	4th Meeting of Regional Fisheries Bodies	FAO, Rome
17-18 March	17th Internal Meeting of the Pacific Islands Parties (PIP) to the US Treaty	Nuku'alofa, Tonga
21-23 March	17th Annual Consultation between the Pacific Islands Parties (PIP) and the United States	Nuku'alofa, Tonga
4 April	14th Regional Aerial Surveillance Meeting	FFA HQ, Honiara, SI
5-8 April	8th MCS Working Group Meeting	FFA HQ, Honiara, SI
12 April – 6 May	FSM/Palau/Nauru Sub regional Fisheries Observer Training Course	Pohnpei, FSM
23-27 May	9th Session of the Indian Ocean Tuna Commission (IOTC)	Victoria, Seychelles
31 May	24th Annual Meeting of the Parties to the Nauru Agreement	Majuro, RMI (Marshall Islands Resort)
1-2 June	10th Annual Meeting of the Parties to the Palau Arrangement	Majuro, RMI (Marshall Islands Resort)
3-4 June	10th Annual Meeting of the Parties to the Federated States of Micronesia Arrangement for Regional Fisheries Access	Majuro, RMI (Marshall Islands Resort)
6-8 June	59th Forum Fisheries Committee Meeting "Official Meeting" (FFC59)	Majuro, RMI (Marshall Islands Resort)
9 June	59th Forum Fisheries Committee Meeting "Ministerial Meeting" (FFC59)	Majuro, RMI (Marshall Islands Resort)
10 June	59th Forum Fisheries Committee Meeting "Official Meeting" (FFC59)	Majuro, RMI (Marshall Islands Resort)
20 June – 1 July	In-country Prosecution & Dockside Boarding Course	Rarotonga, Cook Islands
4-6 July	FFA Gender Analysis Training Workshop	FFA HQ, Honiara, SI
11-12 July	Expert consultation for the EBFM Project	Coffs Harbour, Sydney, Australia
13-15 July	FFA Small working group on Ecosystem and Bycatch issues for the WCPFC	Coffs Harbour, Sydney, Australia
11 – 29 July	PNG National Fisheries Observer Training Course	Madang, PNG
8-10 August	Gender Analysis Training Workshop for CROP Gender Focal Points	Forsec Committee B Room, Suva, Fiji

8– 2 August	In-country Prosecution & Port Side Boarding Course	Majuro, RMI
4–5 August	FFA Science Working Group Meeting	SPC, Noumea, New Caledonia
8–19 August	Scientific Committee of the Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean	SPC, Noumea, New Caledonia
11–12 August	CROP Heads Meeting	Pacific Harbour, Fiji
22–24 August	Third Licensing Officers Workshop	FFA Secretariat, Honiara
31 August	GEF Inception Workshop	UNDP Headquarters, Suva, Fiji
6–9 September	Further cooperation talks with Japan	Tokyo, Japan
12–16 September	Seafood Directions	Sydney, Australia
19–22 September	International Fisheries Law Short Course	West Motor Inn, Nadi, Fiji
26–29 September	TEAG (Trade Experts Advisory Group) Sub-Committee on Fisheries	FFA Secretariat, Honiara
3–5 October	Forum Officials Committee Meeting "Pre Forum FOC & Budget/Work Programme"	Suva, Fiji
3–6 October	MCS Working Group/TCC Preparation Workshop	FFA Secretariat, Honiara
	IUU Fishing Risk Management Workshop	
	Ecosystem Based Fisheries Management Workshop	
7–8 October	VDS Working Group Meeting	FFA Secretariat, Honiara
10–14 October	FFA Fisheries Management Options Workshop	FFA Secretariat, Honiara
	Pacific Islands Oceanic Fisheries Management GEF Project 1st Regional Steering Committee	
25 October	Small Island State Leader's Summit	Port Moresby, Papua New Guinea
	Pacific ACP Leaders Summit	
	Official Opening of the 36th Pacific Islands Forum	
26 October	Forum Leader's Summit	Port Moresby, Papua New Guinea
27 October	Formal Session of the 36th Pacific Islands Forum	Port Moresby, Papua New Guinea
28–29 October	17th Post-Forum Dialogue Partners Meeting	Port Moresby, Papua New Guinea
2–4 November	10 Broader Cooperation Talks	San Diego, USA
14–18 November	Ministerial CRGA Meeting (SPC Governing Body)	Koror, Palau
1–2 December	Pre-Commission FFA workshop and FFC60 (PNA Ministerial)	Pohnpei, Federated States of Micronesia
5–9 December	Technical Compliance Committee Meeting	Pohnpei, Federated States of Micronesia
12–16 December	2nd Meeting of the WCPF Commission	Pohnpei, Federated States of Micronesia

FFA FELLOWSHIPS AND ATTACHMENTS

ACTIVITY & DATE	MEMBER COUNTRY	NAME	POSITION
MCS Fellowship Attachment 13-23 June	Tokelau	Mr Feleti Tulafono	VMS Officer
MCS Fellowship Attachment 10-17 July	Federated States of Micronesia	Ms Miorida Thomsin	Statistics Specialist
MCS Fellowship Attachment 12-16 September	Kiribati	Mr Tiemaua Tebaitongo	Licensing Officer
MCS Fellowship Attachment 14-18 November	Nauru	Mr Glenn Jano	Licensing Officer
Legal Fellowship Attachment 7-18 February	Tuvalu	Mr Sa'aga Teafa	Legal Officer
Legal Fellowship Attachment	Cook Islands	Mr Peter Graham	Legal Adviser

SUMMARY OF INCOME AND EXPENDITURE

SUMMARY OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2005 (US\$)

	GENERAL FUND	TRUST FUND	TOTAL
Income			
Member Contributions	808,292	-	808,292
Donor	-	2,646,610	2,646,610
Interest	26,296	20,628	46,924
Programme Support	229,319	121,959	351,278
US Treaty - Service Fee	129,230	48,600	177,830
FSM Arrangement	37,300	-	37,300
PDFund (Aust.)	111,125	-	111,125
Regional Registration Fee	557,500	-	557,500
Conference Centre	4,616	-	4,616
Miscellaneous	35,803	-	35,803
Transfer from Reserves	145,814	-	145,814
TOTAL INCOME	2,085,295	2,837,797	4,923,092
Expenditure			
Executive Management	430,682	394,236	824,918
Monitoring, Control & Surv.	133,289	475,736	609,025
Economics & Marketing	109,167	1,049,817	1,158,984
Legal Services	121,246	259,568	380,814
Corporate Services	929,917	457,626	1,387,543
Information Tech. & Comm.	360,994	197,182	558,176
TOTAL EXPENDITURE	2,085,295	2,834,165	4,919,460
NET SURPLUS	0	3,632	3,632
HOUSING FUND			
Income	281,263	-	281,263
Expenditure	127,385	-	127,385
Net Surplus	153,878	-	153,878
VMS FUND			
Income	965,886	-	965,886
Expenditure	787,932	-	787,932
Net Surplus	177,954	-	177,954

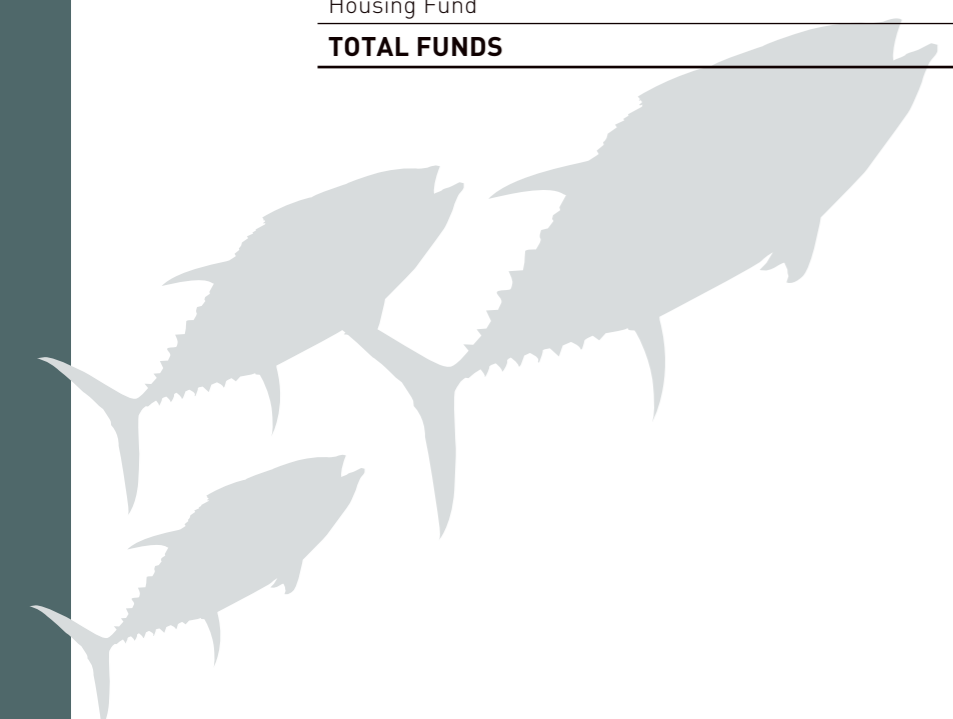




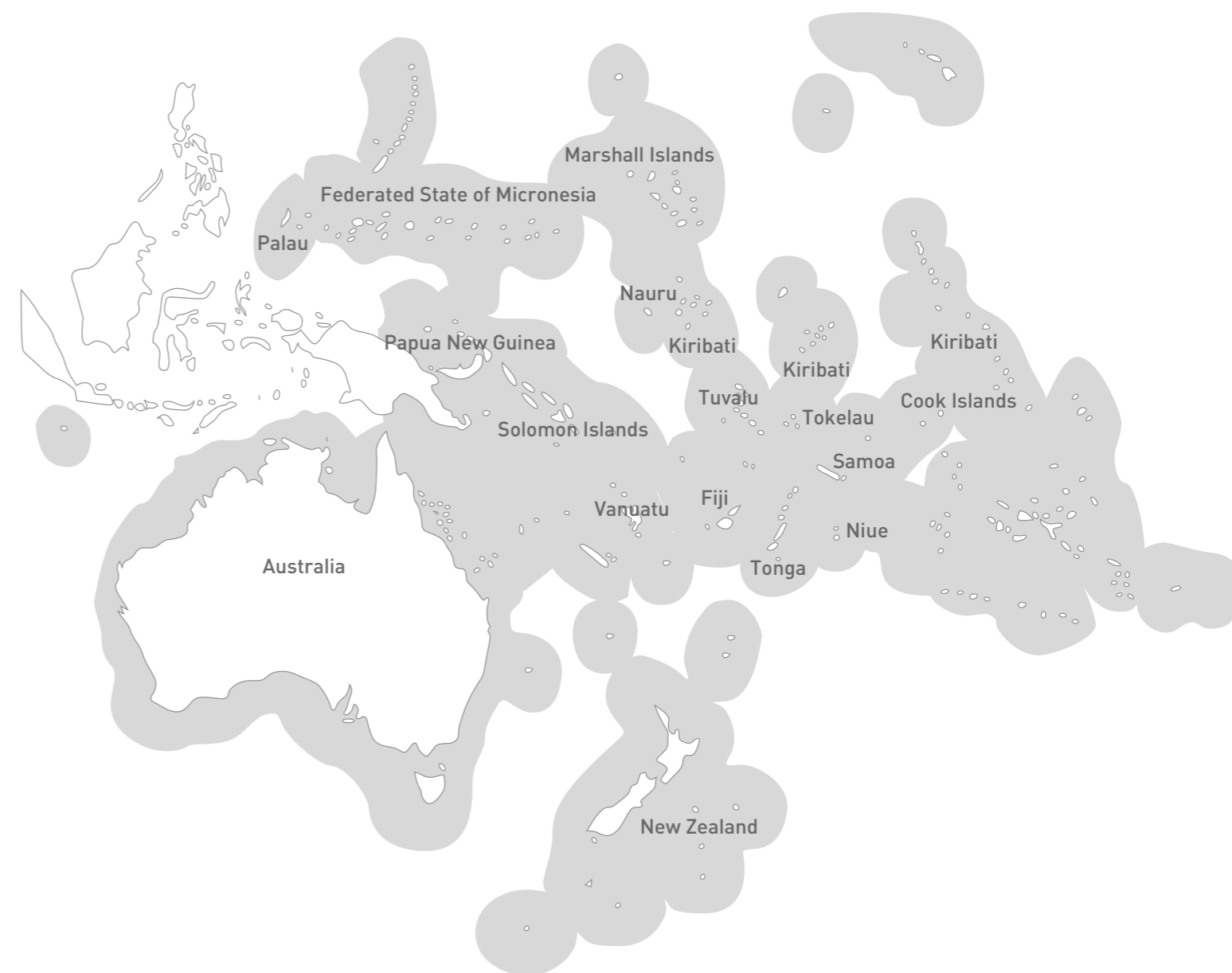
BALANCE SHEET

BALANCE SHEET AS AT 31 DECEMBER 2005 (US\$)

	TOTAL
Current Assets	
Cash	6,489,586
Receivables	25,656
Others	577,417
TOTAL ASSETS	7,092,659
Current Liabilities	
Creditors & Other Liabilities	770,312
Provisions	379,621
Advance Funding	4,629,840
TOTAL LIABILITIES	5,779,773
NET ASSETS	1,312,886
FUND BALANCE	
General Funds	401,564
VMS Funds	903,355
Housing Fund	7,967
TOTAL FUNDS	1,312,886



MAP OF FFA MEMBERS



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