



FFA Annual Report for fiscal year  
1 July 2014 – 30 June 2015

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# Part 1

## Message from the Director - General

(a) Operating Environment

(b) Highlights

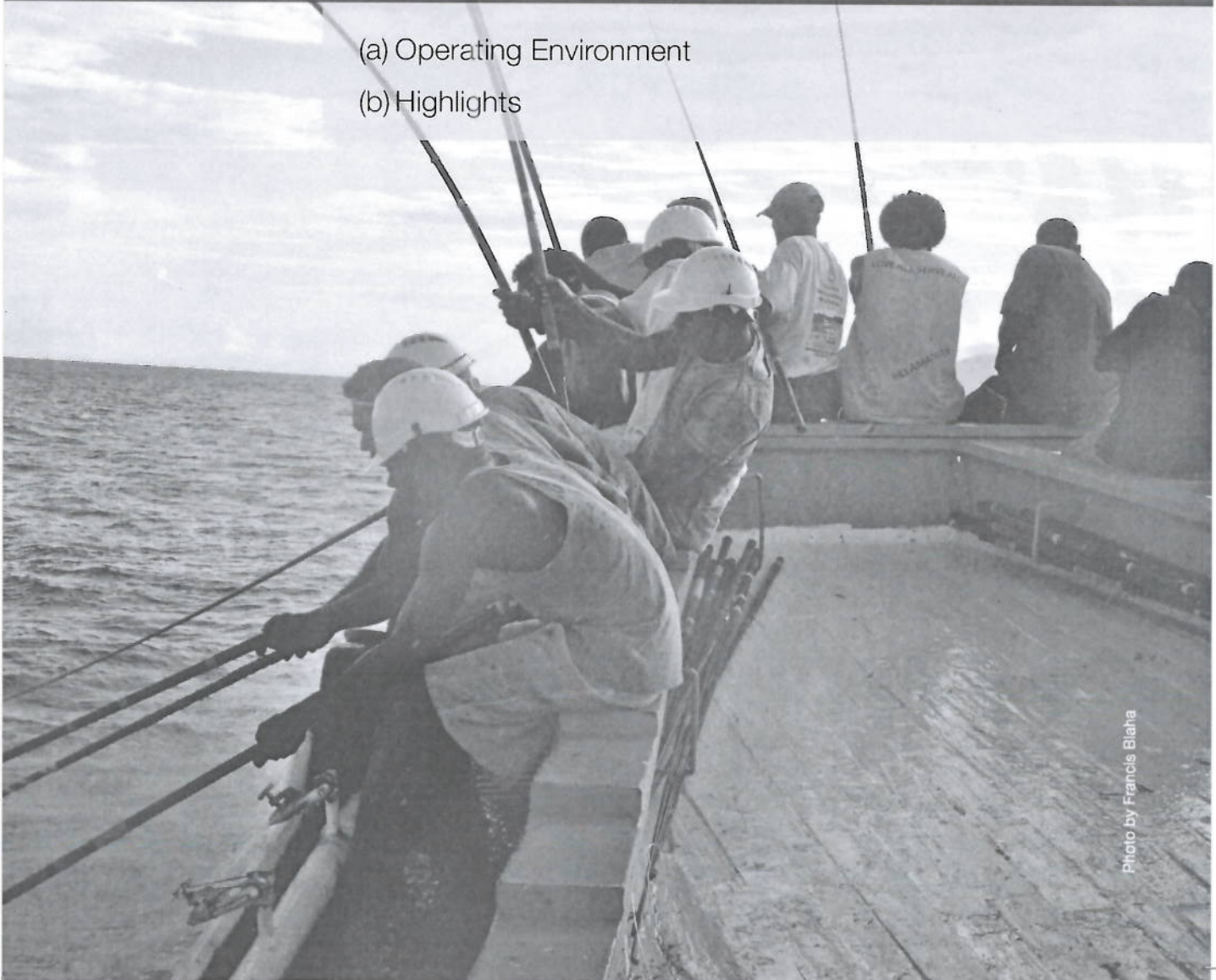


Photo by Francis Blaha

## Message from the Director - General



James Movick  
DIRECTOR-GENERAL

The Annual Report on the performance of the FFA Secretariat is an essential component of our accountability framework. It primarily informs members on performance results and impact of services achieved by the Secretariat during the period 1 July 2014 to 30 June 2015.

2014/15 was a year of transition for the Secretariat and members as it commenced implementation of the revised Strategic Plan 2014-2020, but it was also a year of consolidation of work progressed thus far especially at the regional, sub-regional, national and international levels.

### Operating Environment

The following commentary on the Secretariat's operating environment will provide clarity of context and understanding of developments within the region and more broadly on an international scale.

#### Status of the Stock

South Pacific Albacore; The stock as a whole is not in an overfished state. There is currently no overfishing, but there are significant concerns over the ongoing economic viability of the fishery due to the concentration of fishing effort on particular components of the stock.

- **Bigeye:** The stock is now in an overfished state, and overfishing is continuing. Serious conservation efforts to manage overfishing on this stock are required from all fishing parties.
- **Skipjack:** The stock is not in an overfished state. There is currently no overfishing, but limiting further growth in the fishery is important to maintain financial viability.
- **Yellowfin:** The stock is not in an overfished state. There is currently no overfishing.
- **Bycatch:** Overfishing is occurring for Oceanic Whitetip and Silky Sharks. The stock status of many other bycatch species is unknown.

#### Market Trends and outlook

Economic conditions for the fleets in the WCPO in recent years have been mixed, characterised by highly variable prices for canning material (skipjack and albacore). Changes in the purse seine fishery in 2014 and early 2015 have been driven by large reductions in the price of skipjack tuna for canning. Skipjack dominates the overall value of the catch from Pacific Island waters, which has dropped as a result; and it is estimated that, despite lower fuel costs, profits in the fishery have been severely dissipated.

In contrast albacore prices have recovered and fuel prices have also fallen substantially, providing some improvement of the outlook for vessels in the southern longline fishery – although fishing effort remains high and catch rates low.

In the tropical longline fishery, catches from the WCPO (and globally) continue to decline; and the number of vessels has fallen. The total WCPO longline



fleet has contracted. Exports of fresh bigeye from Pacific Island countries have declined. On a more positive note, there are opportunities in new markets; and again the viability of the fishery has been improved by lower fuel costs.

On a more positive note, there are opportunities in new markets; and again the viability of the fishery has been improved by lower fuel costs.

Nonetheless, member countries have challenges that will continue to intensify. Controlling fishing effort in both the purse seine and longline fisheries in order to sustain catch rates, fish prices and the value of access to the fishery is critical.

Lower cost and more efficient producing centres in Asia are continually challenging the comparative advantages and competitiveness at the processing and international trade levels. The granting of tariff free access for processed tuna into the EU from Philippines (a major competitor) represents a challenge. In addition, increasingly stringent market access measures are being introduced for the EU market.

The following are key parameters of economic conditions of the Western Central Pacific Ocean fishery and its impact on FFA members.

**(i) Global Tuna Production**

Global tuna catch of the four major tuna species rose to 4.61 million tonnes in 2013, one per cent higher than the previous peak in 2012 of 4.58 million tonnes (Fig. 1). The rise from the previous year was driven by a 9% rise in the Indian Ocean and 2.5% increase in the Eastern Pacific catches that more than offset the 1% decline in the WCPO and steady catches in the Atlantic Ocean. Preliminary catch data indicates a further increase in the purse seine catch for 2014. The total annual global catch has been at more than million tonnes since 1999.

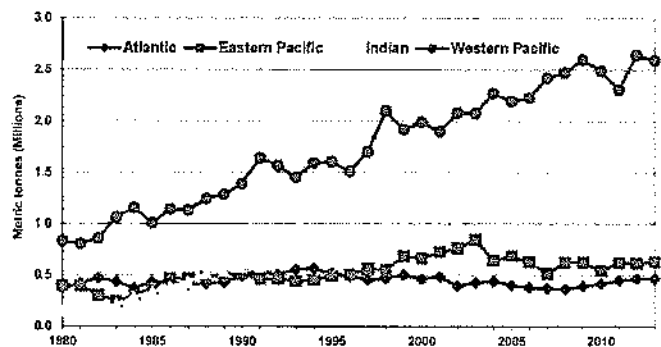


Figure 1. Production trends by ocean area

Sources: WCPO and EPO from SPC (2011), Atlantic Ocean from ICCAT [www.iccat.int/atl.asp](http://www.iccat.int/atl.asp); Indian Ocean from [www.iotc.org/English/data.php](http://www.iotc.org/English/data.php)

**(ii) Prices**

The market for cannery material has been very volatile, with skipjack prices declining to less than US\$1,000 per tonne in early 2015 (back to levels last seen in 2010/11). This reduced the total catch value for 2014.

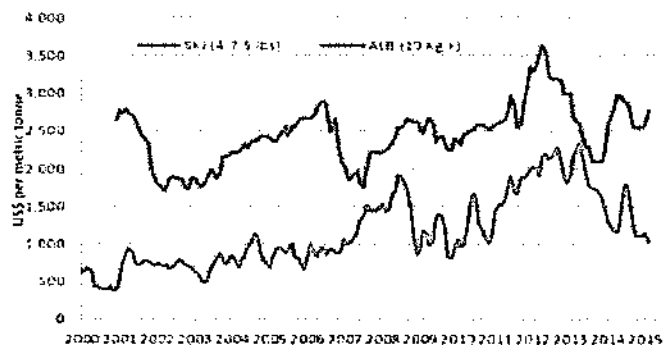


Figure 2. WCP-CA catch and estimated delivered values, all gears, 1997-2012

**(iii) Exports**

The estimates of exports from FFA member countries is based on import data in the three major export destinations - EU, US and Japan. The annual trends show constant growth over the years between 2005 and 2011 followed by substantial growth in 2012 and some decline (6%) in 2013. (Fig. 3).

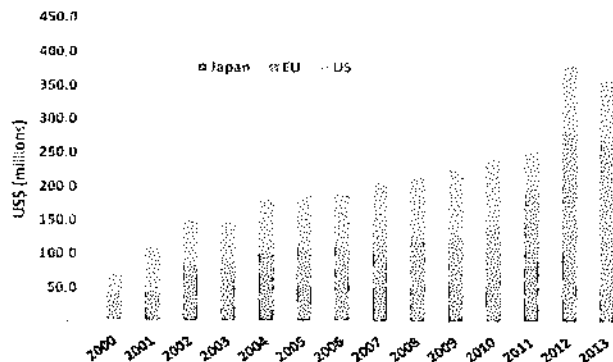
Imports by these countries registered a mixture of performances in 2013 with EU imports growing by 18% following a dramatic increase of 61% the previous year; US imports were stable in 2013 following a substantial 66% increase in 2012; Japan imports declined significantly by 52% in 2013 that follows from an 18% increase in 2012.

**(iv) Employment**

Tuna related employment increased steadily between 2008 and 2013 rising from around 12,000 to 18,000, underpinned by growth in the onshore processing sector employment, which accounts for between 60% and 70% of total tuna related employment. The onshore processing sector is currently employing around 11,000 as compared to less than 9,000 in 2008, with further job creation expected as new processing plants in PNG come into full operation.

**(v) Contribution to GDP**

In 2013, the contribution of the harvest sector to GDP was estimated to be \$300 million, a fall of 15% from the previous year. This decrease was driven by the decline in value of catch underpinned by decreases in both catch volume and fish prices. In real terms, considerable growth occurred in the years between 1997 and 2003 but has since slowed to moderate and even declining trends in some years, including a 12% decline in 2013, driven by declines in the purse seine; but even more so, longline production data. This can be expected to decrease further in 2014 with the decline in skipjack prices. However, this is somewhat balanced by the continued strong growth in the value of access fees that some members are receiving from the fishery. At present this is almost solely attributable to growth in purse seine access value under the PNA vessel days scheme.



**Figure 3. EU, US and Japan tuna imports from FFA member countries, 2000-2013**

Sources: Eurostat; Personal communication, NMFS; [http://www.customs.go.jp/toukei/download/index\\_d011\\_e.htm](http://www.customs.go.jp/toukei/download/index_d011_e.htm)



Photo by FAO Media

## Highlights

The FFA Secretariat delivered on an extensive and ambitious work programme during 2014/15. This required maintaining a sharp focus on priorities and identifying efficiencies in order to balance competing pressures and to effectively sequence delivery of our core services on fisheries management and development policy and Monitoring Control and Surveillance technical and policy advice. Some highlights were:

### For Executive Output, High Level Advice

- Revision of the New FFA Strategic Plan 2014-2020 , to update re-align and refocus to take account of changes and growing complexity in the Pacific and international tuna fisheries
- Securing additional multiyear funding and additional project funding from the Australian and New Zealand governments
- Progressive implementation of the Strategic Budget Review - FFC Min 10 approved a series of recommendations around reducing costs and increasing General Fund revenue. These revenue increases, coupled with a generous additional donation by New Zealand have been instrumental in allowing the Secretariat to rectify many of the trade-offs that had been made in the past to deliver balanced budgets.
- Implementation of the FFC endorsed Regional Fisheries Training Framework and discussions with Pacific educational institutes to accredit FFA fisheries training
- FFA has been selected as implementing agency for the US\$39.87 million World Bank - Pacific Islands Regional Oceanscape Programme (PROP).
- Continued facilitation and advice to members during the US Treaty renegotiation session which successfully resulted in the 2015 US Treaty Statement of Intent and increased funding from the US (from USD63m to USD90m).
- Entry into force of the Niue Treaty Subsidiary Agreement and work towards operationalising this important regional initiative endorsed by the Forum Leaders
- Successful conclusion of the delivery of "Fisheries Negotiations" courses to assist in building the capacity of nationals in negotiation skills
- Strengthened regional information partnerships under the DEVFISH II "Tunanomics" media initiative, and support to members at national level under the FFA Communications strategy.
- Establishment of the Internal Audit function with the successful recruitment of the Internal Auditor.

### For Fisheries Management

- The Tokelau Arrangement for the Management of the South Pacific Albacore Fishery came into effect on 14th December 2014.
- Most FFA members continue to score better than most other CCMs under the WCPFC Compliance Monitoring Scheme;
- WCPFC adopted FFA member proposals for a strengthened shark conservation measure and a formal process for developing Harvest Strategies
- Two major special projects kicked off just before the end of the year: the GEF-funded Second Phase of the Pacific Islands Oceanic Fisheries Management Project (OFMP-II) and the GEF and World Bank-funded Pacific Regional Oceanscape (Fisheries) Programme (PROP).
- A number of national initiatives to improve national tuna fisheries management and the implementation of agreed regional and international obligations were progressed and supported, including National Plans of Action on different bycatch organisms, Tuna Fisheries Management Plan scoping exercises and plan developments, and Institutional Strengthening reviews. Of particular note is the development by the Cook Islands of its Quota Management System. All of these initiatives were driven by FFA members with secretariat support as necessary.

#### For Fisheries Development

- Leading the submission of a joint-CROP COMPFISH proposal for EDF11 funding.
- Member countries achieved good results in addressing the EU IUU regulation with FFA assistance :
  - The yellow cards for Fiji and Vanuatu were lifted in October 2014;
  - Papua New Guinea is well on track to see the yellow card lifted in mid-2015;
  - Assistance with export documentation has been provided to Solomon Islands, while a more comprehensive programme of assistance is being developed for Tuvalu;
  - Other countries in the region that have been inspected by DG Mare have so far been able to avoid yellow-carding, partly as a result of assistance from FFA.
- Two major strategic initiatives were completed during the year: the independent review of the Purse Seine Vessel Day Scheme (VDS review) for PNA members; and a forward looking study of development opportunities in FFA member countries in the tuna industry (Emerging opportunities study)
- In progress is a review of the Future of Fisheries study, which aims to develop clear goals and pathways for the development of a best case future for Pacific tuna fisheries. (Parallel work on coastal fisheries management is being led by SPC);
- Also under the DevFish2 project , moves to establish a regional unit to assist members to meet EU sanitary requirements through a 'regional competent authority' RECAS concept was given a favourable reception by the EU's DG Santé.

#### For Fisheries Operations

- Developed a national Observer Programme cost-recovery model which has been promoted through workshops to six countries to ensure long term sustainability of national programmes. Now fully implemented by one member country while others are working to incorporate within their financial systems.
- Adopted a Pacific Islands Regional Fisheries Observer (PIRFO) Certification Management Committee to oversee audit accreditation standards of all PIRFO training for Observers, Debriefers, Trainers and Managers
- First MCS Foundation Course has been successfully developed and delivered, resulting in the first cohort of 22 competent MCS Officers as the first step to strengthening regional training courses and opportunities, including so that they can attract tertiary qualifications.
- A much anticipated Observer IUU analysis and reporting capability is now in place. In the last fiscal year, a total of 45 cases of observer infringements were identified and referred to members for follow up.
- Information Management System (IMS) portals have been developed and utilized in 7 member countries with four countries having access to national datasets (TUFMAN) in the IMS portal whilst five countries have access to 2 regional datasets (VMS, RFV) in the IMS portal

#### For Corporate Services

- Streamlined Monitoring and Evaluation and medium term planning process implemented
- An unqualified Audit Opinion for FFA accounts.
- Upgrade of the Financial Management System, accompanied by in-house review of financial regulations and processes
- Upgrade of the Payroll system. Upgrade, testing and implementation of the Orange Human Resources Information system.
- Successful reviews/fiduciary assessments by EU, FAO and World Bank
- Review of the Administration Manual and Corporate policies.
- Creation of the Gender Working Group which will review and update the Gender Policy and Action Plan.



# Part 2

## Performance Information

1. Report From Divisions
  - (a) High Level Advice
  - (b) Fisheries Management
  - (c) Fisheries Development
  - (d) Fisheries Operations
  - (e) Corporate Services
2. Assistance to Member Countries
  - (a) Map 1
  - (b) Map 2



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

Strategic Outcome: Regional solidarity is enhanced

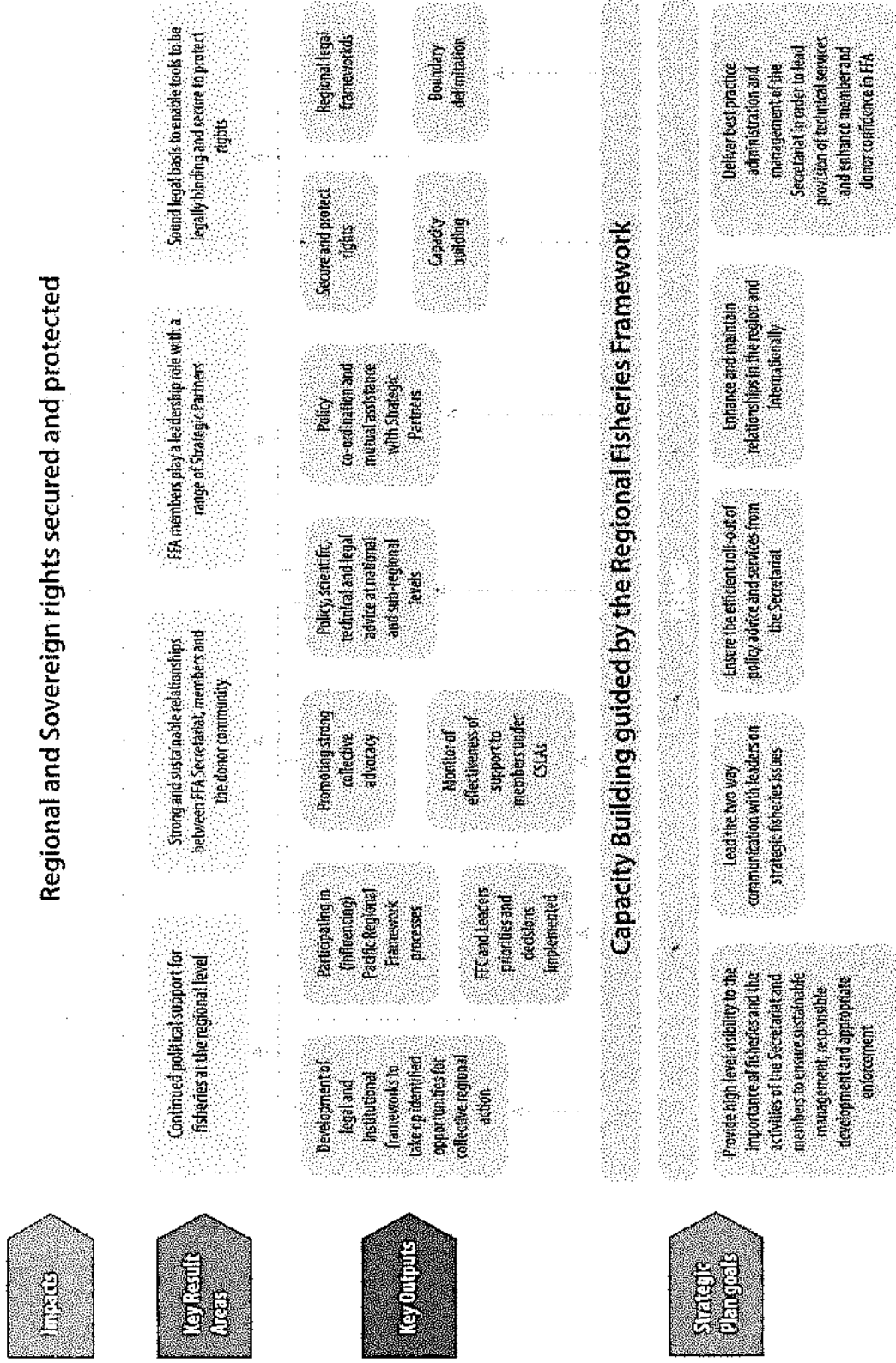




Photo by FFA Media

## A. High Level Advice

### Enhancing regional solidarity

The High Level Advice output comprising the Executive, Directors, Legal Unit, Training, Media and executive support staff are tasked with this strategic goal.

Regional solidarity is a key priority for the Agency and FFA's individual members, not only in ensuring carriage of their internationally promoted views but more importantly security of their rights collectively and as sovereign nations.

Bridging the divide between the very different members with so much disparity in levels of economic development, population makeup, resource base, different sizes of landmasses, exclusive economic zone and historic tuna catch levels is a real challenge. Importantly, maintaining regional solidarity is much more than different countries putting up a united front; as owners of a limited resource it is crucial that they work together.

The growth of sub-regionalism is a process that the Secretariat has supported; on the basis that smaller groups of members with distinct shared interests and capabilities have a greater ability to move issues forward more flexibly. The Secretariat has been mindful though of the need to re-develop the regional framework so that it is capable of forging regional positions and proposals based around the outputs of these sub-regional groupings. The prominent role accorded to the Management Options Committee to seek to coordinate and resolve any conflicts between the different specific fisheries (sub-regional) management arrangements, is a case in point. Furthermore, the Agency devotes a significant proportion of its resources and activities to strengthening of national capacity, in all aspects, recognizing that members need enhanced technical expertise to deal with the growing and more complex body of work required in national, sub-regional and regional fisheries issues and arrangements. This has been successful to date but is a growing challenge, particularly with the growth of substantial support structures for the sub-regional bodies. In particular members and the Secretariat have identified a need for better communication, cooperation and role delineation between the Secretariat and the PNA Office.

FY14/15 was a year of transition to the new FFA Strategic Plan 2014-2020. The results diagram for Divisions, including the one below which depicts the work undertaken by the High Level Advice Output over the year, was developed to reflect the new FFA Strategic Plan and to replace the previous intentions under the Strategic Plan 2005-2020.

#### Summary of Progress

The HLA section consists of two sub-Outputs; being Executive (which includes the Communications and Training units) and Legal Services.

In 2014-15 Executive continued its leadership in providing strategic advice and oversight of the FFA Secretariat.

The FFCMIN10 Outcomes were conveyed to the Forum Leaders meeting, but the FFA Executive did not have the opportunity to brief Leaders collectively at the Forum. This issue was taken up at subsequent CROP Heads meeting and CROP CEOs agreed that greater access to leaders will be facilitated through the implementation of the Framework for Pacific Regionalism that was approved by the 2014 Forum.

The Secretariat also attended the SIDS Conference with the FFCMIN Chair (Tokelau), Incoming Chair (Tuvalu) and previous Chair (Solomon Islands) and presented an FFA statement that laid the foundation for the international recognition of the importance of fisheries to Pacific SIDS, further adding weight to the stand-alone post-2015 Sustainable Development Goal on Oceans.

FFA has partnered with tertiary education providers to deliver accredited qualifications that contribute to new career pathways in fisheries in order to build human skills and strengthen member institutions in fisheries and related disciplines. The Training Unit has commenced implementation and monitoring of key success metrics of the Regional Fisheries Training Framework that include qualifying FFA trainers and entering into agreements with educational institutions for recognition of prior learning and accreditation of fisheries training courses and programmes of study.

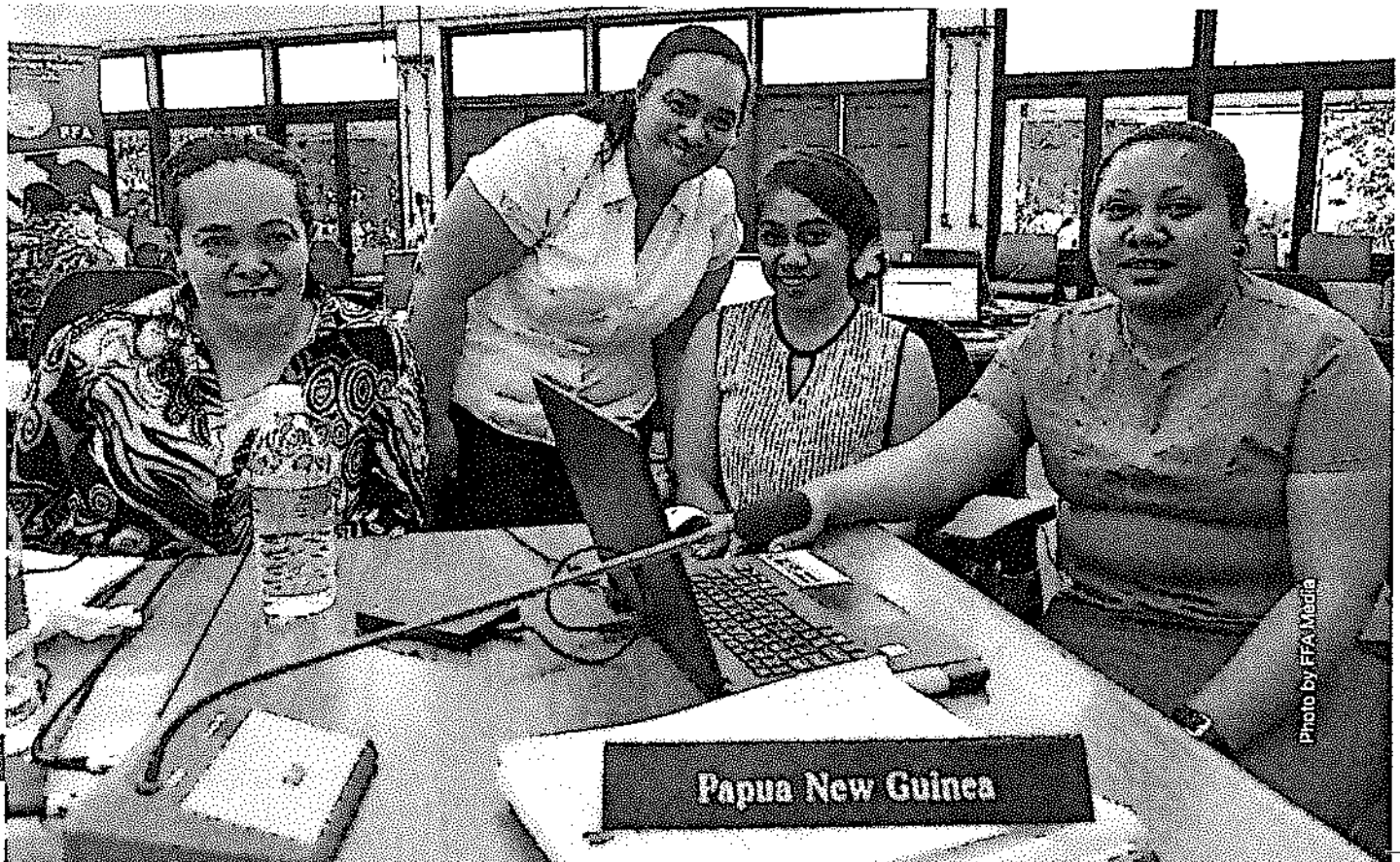
Other achievements during FY14-15 include:

- Securing the continuance of enhanced multiyear programme funding from Australia and New Zealand
- Securing XB funding from NZ
- Signing off on support arrangements for World Bank PROP funding in support of FFA members fisheries institutional capacity building
- Securing GEF-OFMP2 funding (expected to commence in FY15-16)
- Leading the submission of a joint-CROP COMPFISH proposal for EDF11 funding.
- Facilitating small informal ministerial consultations in Honiara to discuss issues of import to the FFA and to members
- Continued provision of policy advice to members at the WCPFC and subregional meetings (PNA, TVM and MSG).

Legal Services also continue to provide high level and technical legal advice to members and the secretariat. They also continue to lead advice on the legislative reviews, maritime boundaries, and Niue Treaty Subsidiary Agreement which entered into force on July 30th 2014. Ratifications have been received from Palau, Cook Islands, Nauru, Tuvalu, Samoa and Vanuatu.

Achievements include:

- NTSA Tabletop workshop, in collaboration with FOD
- First Meeting of the NTSA Parties, in collaboration with FOD
- Fisheries negotiations training
- Inaugural Regional Prosecutors Course
- Lead on the comprehensive review of the Regional Minimum Terms and Conditions for Fishing Access (MTCs) adopted by FFC90
- Lead on drafting texts for the US Treaty Renegotiation Sessions.





## Relationship Management

Ensuring regional solidarity requires strong and sustainable relationships between members themselves and with the FFA Secretariat. FY14/15 saw a high number of high level visitors to the Secretariat. Three small informal ministerial meetings were successful in enhancing relationships between ministers (as they were more freely able to interact informally) and between FFA executive and ministers. Following the meetings there was a greater understanding of prevailing issues facing the FFA and of the need for Ministers to play a more active role in briefing national leaders. The following are the Division's achievements against its four Key Result Areas:

Key Result Areas & Key Outputs	Budgeted activities	Actual Progress
1. Continued political support for fisheries at the regional level:	<p>FFA Governance;</p> <ul style="list-style-type: none"> <li>Reporting to FFC and Leaders</li> <li>Annual Report published at the end of each fiscal year</li> <li>Approved AWPB includes funding of supplementary requirements and new Leaders priorities</li> </ul> <p>Member support;</p> <ul style="list-style-type: none"> <li>At least 5 national visits by executive</li> <li>Raising fisheries profile</li> </ul> <p>Strategic management;</p> <ul style="list-style-type: none"> <li>Review of FFA Strategic Plan 2005-2020</li> <li>Assessing regional strategies</li> </ul>	<ul style="list-style-type: none"> <li>FFC Reports, including the Annual Report, submitted to Annual sessions FFC93, 94 and FFC Min held in Tuvalu.</li> <li>Audit Committee report well received by ministers at the Annual FFCMin10 where institutional matters discussed.</li> <li>National visit budget used for informal ministerial consultations held in Honiara which Fisheries Ministers from 16 countries attended.</li> <li>Strategic Plan approved by FFCMin10 and implementation in progress as of July 2014.</li> </ul>
2. Strong and sustainable relationships between the FFA secretariat, members and the donor community.	<p>Regional Relations;</p> <ul style="list-style-type: none"> <li>WCPFC Committees</li> <li>WCPFC Annual Session</li> <li>CROP meetings</li> <li>Other regional meetings including sub-regional meetings</li> <li>Other regional meetings including Leaders Forum, FEMM, PNA, TVM, MSG</li> <li>Donor Relations</li> <li>High level meetings with ANZAID</li> <li>Annual Consultations with JPF</li> <li>Prospective donor consultations</li> </ul>	<ul style="list-style-type: none"> <li>Executive attendance of WCPFC Annual Session and CROP Heads meeting. FFA representation at other regional CROP meetings and sub-regional meetings.</li> <li>Donor confidence remains high with further multi-year funding and project funding from the Australia and New Zealand governments.</li> <li>Project proposals for regional funding submitted to the EU (EDF11), Japan (JPF), Taiwan and Korea.</li> <li>New funding attracted from World Bank</li> <li>SLA process picking up momentum in discussions at informal ministerial consultations</li> </ul>
3. FFA members play a leadership role with a range of Strategic Partners.	<ul style="list-style-type: none"> <li>Member support;</li> <li>Assessing national level activities</li> <li>Assistance to member donor consultations</li> <li>Members attending international meetings</li> <li>Raising fisheries profile</li> <li>Capacity building – scholarships in Japan</li> <li>Pacific Fisheries Training</li> <li>Training framework development</li> </ul>	<ul style="list-style-type: none"> <li>Support to members attending international meetings including SIDS Conference and CITES.</li> <li>Training Framework approved and implemented accordingly.</li> </ul>

Key Result Areas & Key Outputs	Budgeted activities	Actual Progress
4. Sound legal basis to enable tools to be legally binding and secure to protect rights.	<p>General Legal Advice – national</p> <ul style="list-style-type: none"> <li>• In-country work – provision of legal advice and assistance on national priority needs</li> </ul> <p>General Legal Advice</p> <ul style="list-style-type: none"> <li>• Niue Treaty</li> <li>• Harmonised Minimum Terms and Conditions of Access by Fishing Vessels (MTCs)</li> <li>• US Treaty</li> <li>• WCPFC</li> <li>• Boundary Delimitation</li> <li>• Building Legal Capacity and Prosecution Support</li> </ul>	<ul style="list-style-type: none"> <li>• Successful conclusion of Fisheries Negotiations course</li> <li>• Successful conclusion of inaugural Regional Prosecutors course</li> <li>• 7 legislative reviews</li> <li>• 2 countries provided in-country legislative advice</li> <li>• 5 countries assisted with NTSA briefings</li> <li>• Maritime boundary assistance for 2 countries</li> <li>• Legal and operations briefings for 3 members</li> <li>• 3 legal graduates on attachment</li> <li>• NTSA came into force in August 2014. 6 Parties and 7 signatories</li> <li>• Side session on Annexes for NTSA Parties, March 15</li> <li>• NTSA table top workshop, April 15</li> <li>• First Meeting of the NTSA Parties, May 15</li> <li>• Working towards operationalization of NTSA</li> <li>• Led a comprehensive review of the MTCs adopted by FFC, July 14</li> <li>• Lead on drafting of texts US Treaty related texts and national laws issue</li> <li>• Leading on collective SIDS issues, including push for a fair approach to dealing with SIDS in the Compliance Monitoring scheme process</li> <li>• Paving the path for mapping updated legislated lines onto the FFA VMS, including necessary steps to FFC</li> <li>• Regional Prosecutors Course, December 15</li> <li>• Prosecution Manual, June 15</li> <li>• Fisheries Negotiations Course (2 a year)</li> </ul>
5. Capacity building guided by the Regional Fisheries Training Framework	<ul style="list-style-type: none"> <li>• Development of competency standards</li> <li>• Evaluation of delivery performance standards</li> <li>• FFA training records management</li> <li>• Key success metrics monitored and evaluated</li> </ul>	<ul style="list-style-type: none"> <li>• Competency standards have been developed for the basic MCS Officers' course</li> <li>• Training performance metrics have been standardised for analysis and comparison</li> <li>• Training records centralised on RIMF</li> <li>• Tracer studies commenced for accredited courses that were competency assessed</li> </ul>

## Impact of services

Enhanced relationships and understanding between members and between members and the Secretariat.

Increased awareness, understanding and confidence in the FFA governance and administration leading to enhanced donor confidence and support to the FFA.

Enhanced legal capacity and capabilities of members

## Issues

Sustainable funding is always a challenge, and externalities such as the substantial strengthening of the USD against the AUD, NZD, JPY and EUR, which represent most donor income to FFA, jeopardise the Secretariat's ability to maintain consistent high level service. This has impacted in 2014/15, and had a follow-on effect to the FY2015-16 budget with reduced anticipated revenue.

FFCMIN10's approval of the Strategic Plan led to heightened optimism especially with the recognition that there was a need for the profile of fisheries to be elevated to leaders. The challenge of ensuring that fisheries issues are appropriately placed in front of Forum Leaders each was underscored by difficulties in securing direct access to Leaders at the Palau Forum, although that was a problem shared by most of the CROP agencies. However, active steps were taken late 2014 and early 2015 to ensure improved access to Leaders in the future. The informal Ministerial consultations were used to draw fisheries ministers' attention to the importance of their own role in raising the profile of fisheries to their respective Leaders accordingly.

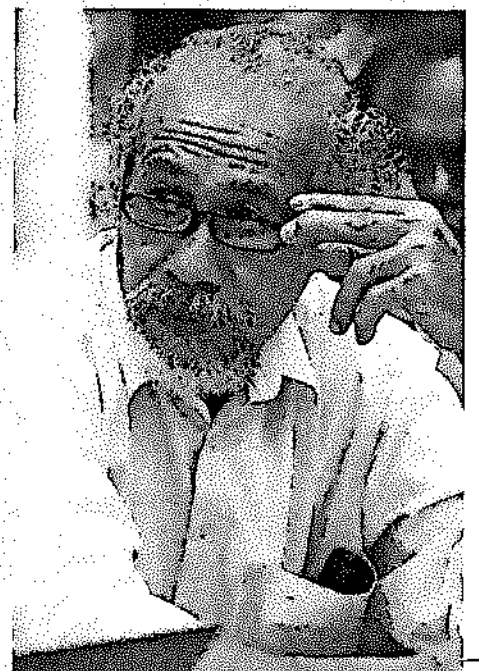
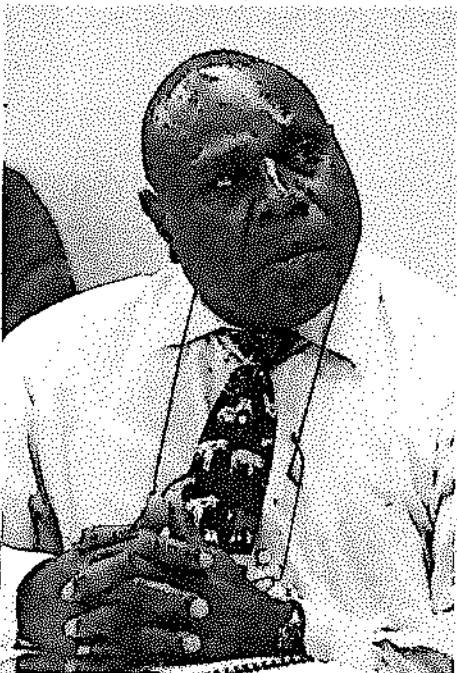
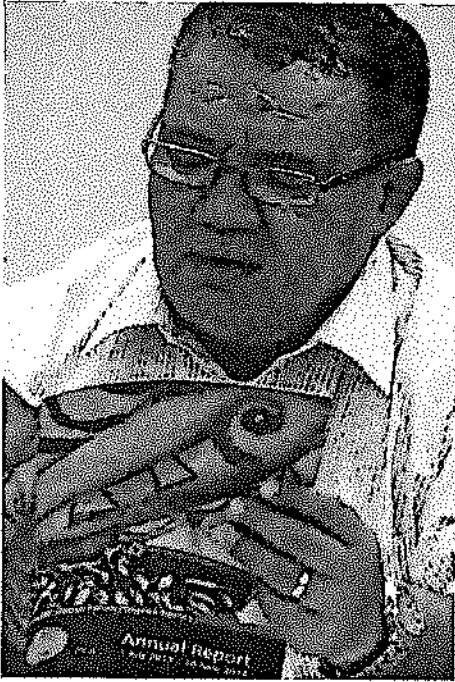
Regional solidarity is complicated at both ends of the spectrum. On the one hand, members have an increased sense of national interest, leading to greater willingness for unilateral and sub-regional action. On the other hand, the growing influence of global agendas threatens solidarity as key players are not necessarily aware of the regional fisheries construct. For example, there is a growing reliance on New York missions, acting on advice from a range of parties to engage in global oceans issues. There is a risk that this level of engagement could overlook important gains by FFA members, including through the WCPFC. Neither focus need reduce solidarity, as long as members (at all levels of government) remain committed to finding ways to cooperate in a meaningful way that embraces differences.

## Opportunities

Sustained member support from Australia and New Zealand has been reflected in the provision of increased funding. In addition to FFA being the first CROP agency receiving 3 years of funding, Australia recently extended this to 5 years with a further addition in annual instalments. Similarly New Zealand, which increased its multiyear funding to 3 years two years ago, also provided much-needed funding for the Secretariat to address its infrastructural issues identified in the Strategic Budget Review.

An enhanced and renewed relationship with PIFS and FFC ministers (resulting especially from the informal ministerial meetings) provides an opportunity for positive gains towards solidarity and enhancing profile of fisheries at leaders' level.

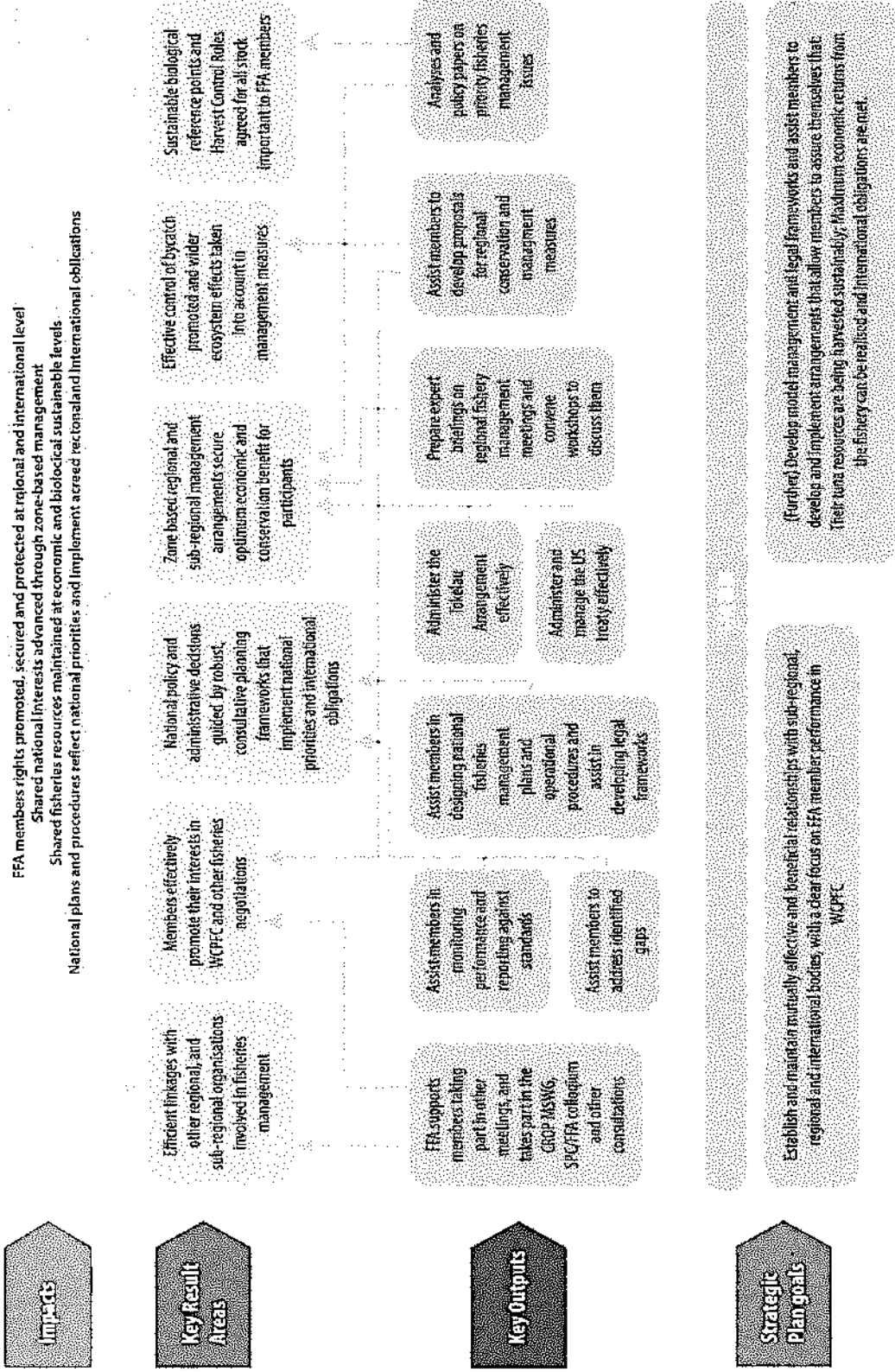
Executive participation in various high level regional events, the UN SIDS3 Conference in Samoa and the Leaders' engagement with France in Noumea, provided the opportunity for FFA to provide fisheries advice and to engage directly with Leaders and ministers in attendance.





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

**Strategic outcome: Effective management regimes in place, developed and supported by member governments, taking account of the view of industry and other stakeholders**





## B. Fisheries Management

FFA seeks to ensure effective fisheries management frameworks are in place, developed and supported by member governments, taking into account the view of industry and other stakeholders. The secretariat works with members to strengthen their institutions, governance processes and frameworks to better manage their tuna fisheries resources.

The Fisheries Management Division, headed by Director Dr. Tim Adams, is made up of two sub-outputs, Integrated Fisheries Management and Treaty Administration. The Integrated Fisheries Management is made up of five internationally recruited Fisheries Management Advisors, and the Treaty Administration is headed by an internationally recruited Manager with two locally recruited staff.

FY15/16 was a year of transition to the new FFA Strategic Plan 2014-2020. The results diagram for Divisions including the one below, which depicts the work undertaken by the Fisheries Management over the year, was developed to reflect the new FFA Strategic Plan and to replace the previous intentions under the Strategic Plan 2005-2020.

### Summary of Progress

At the regional level, the Division again assisted FFA members to play a full and effective part in the work of the Western and Central Pacific Fisheries Commission, including coordinating the development and presentation of 9 formal proposals or position papers to the 11th WCPFC meeting in Apia, and the development of briefings, regional positions and key talking points on each topic of importance to members. Gains included the agreement of a strengthened shark conservation measure and a formal process for developing Harvest Strategies. Failures included the lack of agreement by other Commission members on a region-wide measure to limit the catch of South Pacific albacore tuna. Incremental progress seems to be slowing as WCPFC ends its first decade and enters a more consolidative stage, with CGMs struggling to assimilate and implement all its requirements. There are a number of high seas fisheries not yet under effective control.

At the sub-regional level, divisional support to meetings of the Parties to the Nauru Agreement (PNA) has been reduced as PNAO becomes more self-sufficient in zone-based management of purse-seine fisheries within PNA EEZs, and support will now concentrate on assisting Parties in the implementation of the PNA longline vessel days management scheme (VDS). One major sub-regional development was the development and agreement of a head Arrangement – the Tokelau Arrangement (TKA) – under which to implement a zone-based management scheme for the south Pacific albacore tuna longline fishery. Participants to the Tokelau Arrangement have now adopted a provisional Target Reference Point for albacore. Although WCPFC11 was unable to agree to an overall regional catch limit, TKA Participants will now be able to use the provisional TRP and the agreed zone based limits to drive compatible arrangements for other areas, particularly the high seas.

At the national level, the Division continued to work with member countries on plans and procedures not only to achieve their own tuna fishery management goals but to adapt their national frameworks to the ever-expanding set of regional and international obligations and “voluntary” instruments. National capacity is severely overstretched in many small-island fisheries administrations, whose regional and international fisheries obligations are much the same as large developed countries, particularly when international instruments do not take realistic account of the special requirements of developing States. Despite this, the only WCPFC members to emerge from the Commission’s 2014 compliance monitoring process as “compliant” were 4 FFA members and Canada. The Division continued to assist members with reviews of their capacity to assist in identifying areas for institutional strengthening.

The US Treaty continues to go forward under a series of annual Statements of Intent, and no longer-term renewal had been agreed, despite three meetings between Pacific Island Parties and the USA throughout 2014/15. However the value of the treaty has increased, and agreement in principle has been reached on a flexible allocation of fishing days to the fleet, and a process for de-linking the government development assistance and industry components of the payment – in a way that promises to reduce the divisive effect that the current Treaty has on the FFA membership, due to the fact that some members have major purse-seine fisheries in their zones and others do not. Importantly, the outstanding matter of how and when US vessels comply with Pacific national laws has been resolved to the satisfaction of FFA members.

Two major projects started towards the end of the financial year – the long-awaited GEF 2nd Oceanic Fisheries Management Project, and the World Bank Pacific Regional Oceanscape Programme.

Achievements against Key Result Areas:

Key Result Areas & Key Outputs	Budgeted activities	Actual Progress
1. National policy and administrative decisions guided by robust management frameworks	<ul style="list-style-type: none"> <li>Assistance in addressing regional reporting requirements</li> <li>Reviews of national institutional strengthening requirements</li> <li>Assistance in developing other national management measures and plans of action</li> </ul>	<ul style="list-style-type: none"> <li>WCPFC obligations workshops held in RMI, FSM</li> <li>Institutional reviews or follow-ups in FSM, Tonga, Samoa.</li> <li>National fishery management measures or plans of action supported in Vanuatu, Cook Islands, Tonga, FSM, and Kiribati</li> </ul>
2. FFA members engage effectively with regional fisheries management processes and drive the development of regional measures that achieve their aims	<ul style="list-style-type: none"> <li>Annual WCPFC meeting support (preparation of briefs and convening consultation)</li> <li>WCPFC scientific committee meeting support (preparation of briefs and convening consultation)</li> <li>WCPFC pre-assessment workshop participation</li> <li>WCPFC Technical and Compliance Committee meeting support (joint with FOD and legal unit)</li> <li>WCPFC Northern Committee support (briefings)</li> <li>Convening Annual Management Options Consultation</li> </ul>	<ul style="list-style-type: none"> <li>FFC92 convened to discuss briefs and prepare agreed regional talking points.</li> <li>FFA science working group convened to discuss briefs and prepare agreed regional talking points.</li> <li>Took part in pre-assessment workshop</li> <li>A fisheries management adviser took major part in pre-TCC FFA meeting, and brief preparation</li> <li>WCPFC NC briefs prepared and support to FFA members there</li> <li>MOC10 held and 9 formal outputs agreed by FFC91 for transmission to WCPFC</li> </ul>
3. FFA members engage effectively in sub-regional fishery management arrangements and consultative processes	<ul style="list-style-type: none"> <li>Convention of Tokelau Arrangement meetings and policy support to SC-SPTBF</li> <li>Policy support to FFA members at SPRFMO</li> <li>Policy support to and liaison with members at PNA and associated meetings</li> <li>Policy support to Te Vaka Moana meetings</li> <li>Policy support to Melanesian Spearhead FTAC</li> </ul>	<ul style="list-style-type: none"> <li>SC-SPTBF17 held in Oct 2014 and first TKA meeting held in May 2015</li> <li>SPRFMO3 attended – support not required</li> <li>PNA meeting attended and policy directions coordinated on LL-VDS</li> <li>FDD attended</li> <li>Awaiting notice of meeting, at time of writing.</li> </ul>
4. Major fisheries management project and treaty funds are effectively administered	<ul style="list-style-type: none"> <li>US Treaty</li> <li>GEF Oceanic Fisheries Management Project 2</li> <li>World Bank Pacific Regional Oceanscape Programme – regional components</li> </ul>	<ul style="list-style-type: none"> <li>3 negotiations, PIPs and TDGs held, funds disbursed, data entered, and PDF administered</li> <li>Project inception in May 2015. Manager recruited</li> <li>Programme inception in June 2015</li> </ul>



Key Result Areas & Key Outputs	Budgeted activities	Actual Progress
5. National policy and administrative decisions guided by robust management frameworks	<ul style="list-style-type: none"> <li>Assistance in addressing regional reporting requirements</li> <li>Reviews of national institutional strengthening requirements</li> <li>Assistance in developing other national management measures and plans of action</li> </ul>	<ul style="list-style-type: none"> <li>WCPFC obligations workshops held in RMI, FSM</li> <li>Institutional reviews or follow-ups in FSM, Tonga, Samoa.</li> <li>National fishery management measures or plans of action supported in Vanuatu, Cook Islands, Tonga, FSM, and Kiribati</li> </ul>
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## Impacts

- FFA members continue to drive most of the progress at WCPFC;
- Tokelau Arrangement opens door for south Pacific albacore fisheries to benefit from collaborative zone-based management, in addition to the PNA tropical purse-seine and bigeye/yellowfin longline fisheries;
- Most FFA members continue to score better than other CCMs under the WCPFC Compliance Monitoring Scheme;
- Further progress made towards conservation of key shark species with WCPFC agreement of a strengthened shark CMM that also bans the use of shark lines or wire traces;
- Skipjack, Yellowfin and Albacore stocks remain biologically sustainable within MSY-based reference points;
- WCPFC agrees process leading towards the establishment of Harvest Strategies for key regional stocks.

## Issues

- Further “yellow cards” for FFA members from the European Commission. The EC’s judgment that the national fishery management procedures of these members may potentially allow IUU fish to enter the EU market may require urgent rewriting/updating of national policies and plans in order to satisfy these judgments, even though some of them are based on non-binding instruments and different priorities to those of FFA members.
- The component of the southern albacore stock that supports the TKA longline fishery is not abundant enough to support long-term economically viable catch rates, despite the biological health of the overall stock, and rising levels of fishing capacity and effort by Chinese and Taiwanese vessels are not improving matters. Longline catches need to be limited across the range of the stock in a way that recognizes the economic factors and SIDS special requirements allowed for by the WCPFC Convention and UNFSA.
- The bigeye tuna stock assessed to be overfished for the first time, despite FFA member attempts to tighten up the WCPFC tropical tuna measure in a way that would not add to the disproportionate burden of conservation action shouldered by PNA+ . Action being taken by PNA+ on FAD charging may reduce some of the purse-seine impact on bigeye fishing mortality, but the longline fishery continues to contribute significantly to fishing mortality and no progress has been made on additional measures.



# B. Fisheries Development Output, Results and Outcomes Flow

**Strategic Outcome:** Tuna fisheries are developed to maximise social and economic benefits to members from the sustainable use of our shared fisheries resources

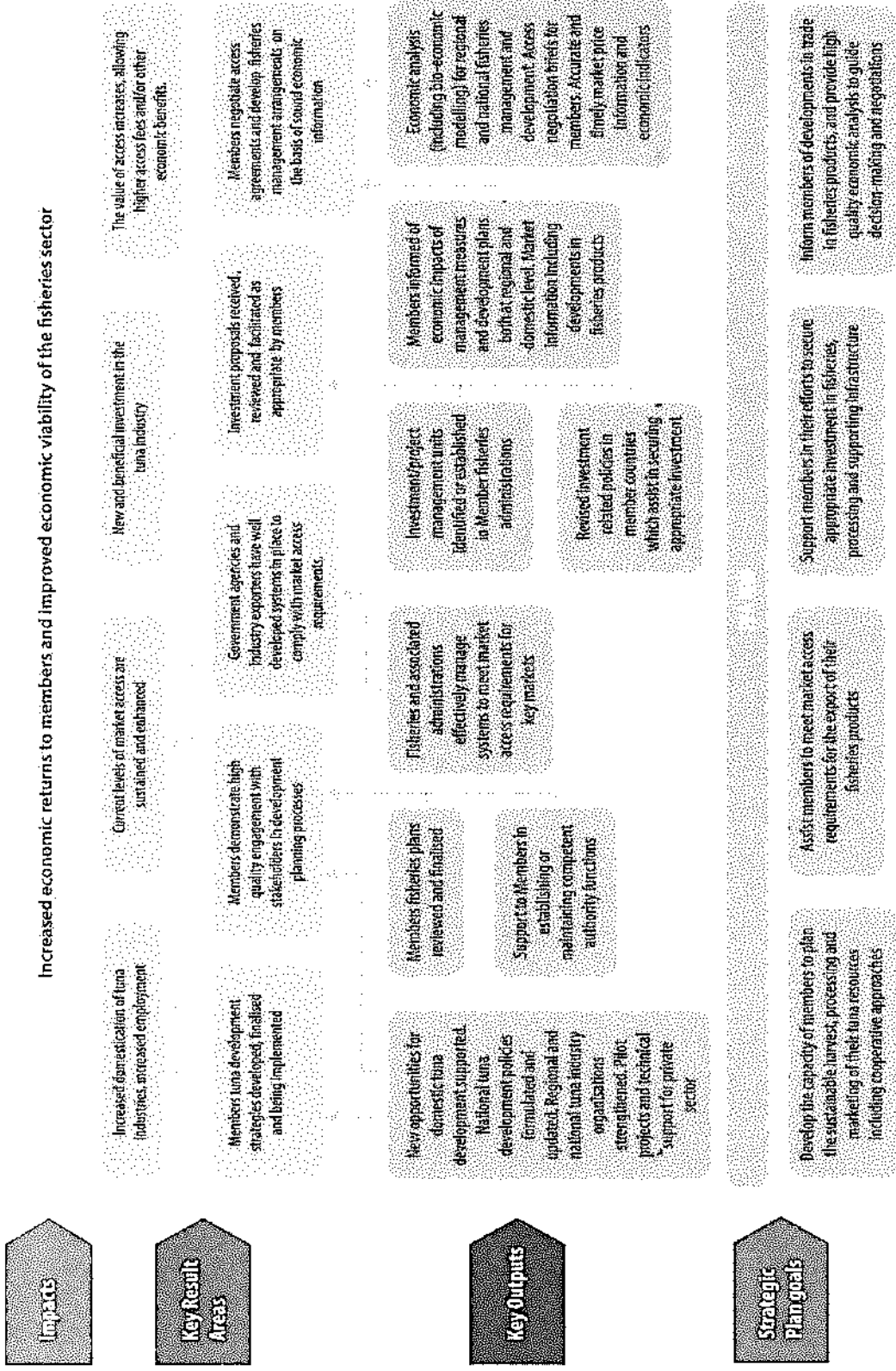




Photo by JFPA Madia



## C. Fisheries Development

FFA is mandated to ensure that Tuna fisheries and related industries are developed to maximise social and economic benefits to members through the work of the Fisheries Development Division.

The Division has four units; Economic Intelligence, Fisheries Development Support, Investment Facilitation and Trade and Export Facilitation. The EU funded DevFish2 project is also managed and coordinated here. The Division is headed by Mike Batty, with a total of twelve internationally recruited staff.

FY15/16 was a year of transition to the new FFA Strategic Plan 2014-2020. The results diagram for Divisions including the one below which depicts the work undertaken by the Fisheries Development over the year was developed to reflect the new FFA Strategic Plan and to replace the previous intentions under the Strategic Plan 2005-2020.

### Summary of Progress

In the area of Economic Intelligence (EI) a range of economic data was collected and analysed. As in previous years, this included monitoring prices for the main tuna products in multiple export markets, developing estimates of the value of tuna catches across the region, and monitoring key economic indicators. For the latter, FFA funds collection agents in 12 countries. During the year the data provided was reviewed by FFA staff and arrangements changed in some cases.

EI staff also contributed to the development of a multi-fishery WCPO bio economic model (with SPC), and provided inputs and comments on models developed for the economics of the purse seine fishery and profitability of vessels developed by PNAO. Economic modeling was used to develop national management advice for several countries; and a training workshop on the bio-economics of the southern albacore fishery was completed.

Fisheries Development Support mainly provides assistance with the production and review of national tuna development plans – support was provided to four countries with two plans finalised. In other work, national reviews of the use of HCFC refrigerant gases are helping inform members on the compliance status of fisheries refrigeration equipment.

Investment facilitation work is demand driven and this year focused mainly on Papua New Guinea with an in-country adviser assisting with various reforms. The development of a fisheries investment policy for one of the Provincial Governments, which will serve as a model for the other maritime Provinces, was also completed. Support to the private sector included energy audits of two tuna processing plants.

In the area of trade, support was provided to fisheries officials engaged in the negotiation of an Economic Partnership Agreement with the EU; and a newsletter on trade and industry issues produced every two months. Market access has assumed growing importance in the Division's work programme. Focused on the EU market, the adviser has had a full programme supporting both the competent authorities for sanitary standards and assisting members meet the certification requirements under the IUU regulation. This work is reported in more detail elsewhere in the report.

The Fisheries Development work programme was generally well resourced during the year, benefiting from funds provided under the Australian Fisheries for Food Security Programme during the first six months of the year, and additional Australian programme funding for the remainder. The DevFish 2 project also received funds promptly, allowing the work programme to be implemented on schedule. Development of an EDF11 concept for a comprehensive fisheries programme has been a priority for potential new funding for 2016 onwards. Project support from New Zealand for investment facilitation and market access was provided during the year and will continue through 2015/16.

The following are the Divisions achievements over the year against Key Result Areas:

Impacts & Key Result Areas	Indicators & Activities planned	Actual Progress
1. Increased domestication of tuna industries – greater employment:	<ul style="list-style-type: none"> <li>• Employment in the sector increased from 16,400 in 2012 to 18,100 in 2013 (the most recent year for which data is currently available)</li> </ul>	<ul style="list-style-type: none"> <li>• Clearly FFA does not directly provide this employment, which is mainly in processing, but various programmes such as market access and observer training have contributed to the growth in jobs.</li> </ul>
2. Members tuna development strategies developed, finalised and being implemented:	<ul style="list-style-type: none"> <li>• Development plans prepared or reviewed for 3 countries</li> </ul>	<ul style="list-style-type: none"> <li>• Plans have been prepared for Marshall Islands, FSM, Tonga and in progress for Tuvalu (the latter two in conjunction with review of the tuna management plans). A provincial development strategy was designed for PNG.</li> </ul>
3. Members demonstrate high quality engagement with stakeholders in development planning processes:	<ul style="list-style-type: none"> <li>• All development plans involve stakeholder consultation at the national level.</li> </ul>	<ul style="list-style-type: none"> <li>• Development planning processes all require stakeholder consultations, and normally include establishment of advisory committees. Support for the regional Tuna Industry Association (PITIA) also provided.</li> </ul>
4. Current levels of market access are sustained and enhanced:	<ul style="list-style-type: none"> <li>• Number of countries (and processing plants) authorized to export to EU remains unchanged from 2012/13 (3 and 9)</li> </ul>	<ul style="list-style-type: none"> <li>• Although good progress has been made with a 4th country, a new approach is need for sanitary standards; the IUU regulation has created new challenges for existing exporters.</li> </ul>
5. Government agencies and industry exporters have well developed systems in place to comply with market access requirements:	<ul style="list-style-type: none"> <li>• No country with a competent authority loses market access; No FFA member is red-carded under the IUU regulation.</li> </ul>	<ul style="list-style-type: none"> <li>• Competent authorities in PNG, Solomon Islands and Fiji received substantial support. Assistance provided to Kiribati. Regional CA study launched. IUU yellow cards lifted for Fiji and Vanuatu. There was little progress in the EPA negotiation.</li> </ul>
6. New and beneficial investment in the tuna industry:	<ul style="list-style-type: none"> <li>• New processing plants and joint venture fishing operations approved; benefits evaluated carefully for new and existing arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• FFA's role in transaction facilitation has declined, but review of benefits of domestic development remains a priority for members.</li> </ul>
7. Investment proposals received, reviewed and facilitated as appropriate by members:	<ul style="list-style-type: none"> <li>• Evaluation and support provided for at least 3 countries per year.</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of economic impacts of existing and proposed investments carried out in FSM and Samoa. Support for existing investor in Fiji.</li> </ul>
8. The value of access increases, allowing higher access fees and/or other economic benefits:	<ul style="list-style-type: none"> <li>• The PNA VDS continues to drive up the value of access in the purse seine fishery. Payments under the UST increased by nearly 50%.</li> </ul>	<ul style="list-style-type: none"> <li>• Countries are not generally requesting assistance with bilateral access negotiations, as a result of increased national capacity.</li> </ul>

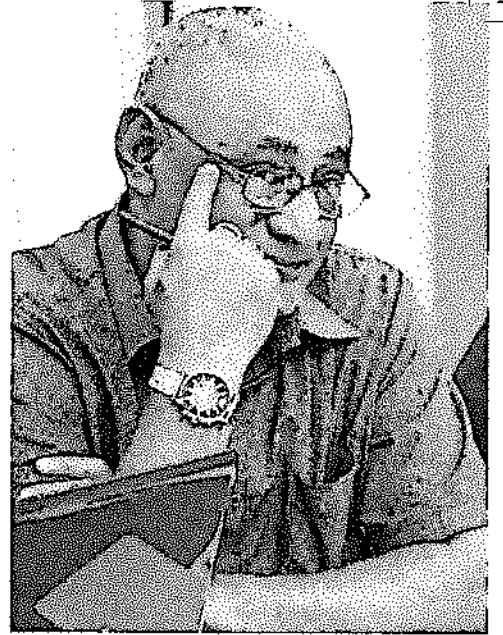
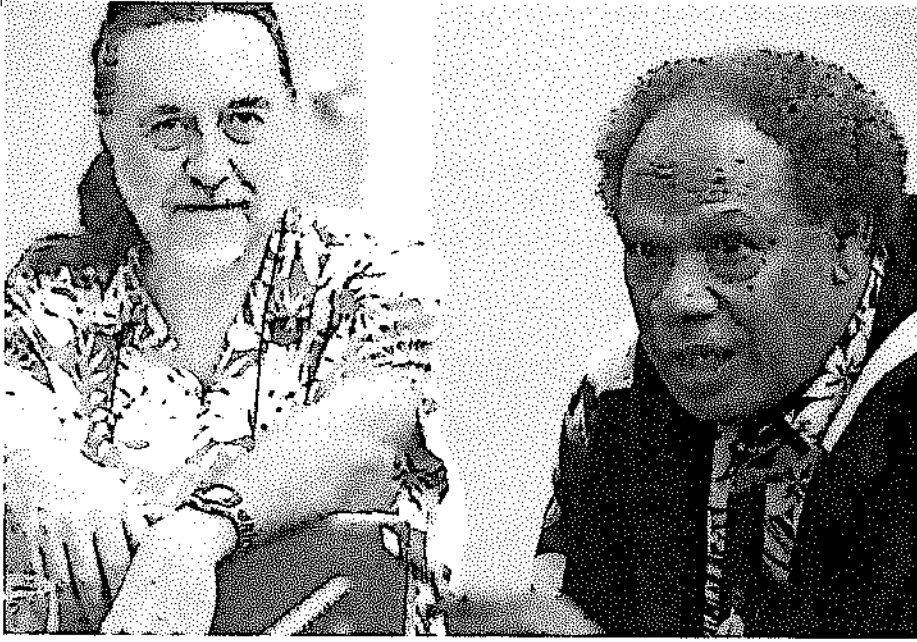
Impacts & Key Result Areas	Indicators & Activities planned	Actual Progress
<p>9. Members negotiate access agreements and develop fisheries management arrangements on the basis of sound economic information:</p>	<ul style="list-style-type: none"> <li>Economic analysis used to develop strategy for access; bio-economic analysis used for national management limits (e.g. in the longline fishery).</li> </ul>	<ul style="list-style-type: none"> <li>VDS review completed for PNA. National advice on longline limits provided for Vanuatu and Tonga.</li> </ul>

### Opportunities

The high value of access to the purse seine fishery creates opportunities to leverage additional development benefits, but there is a need to weigh these carefully against the cost of concessions provided. The Southern longline fishery is benefiting from reduced fuel costs and higher albacore prices, providing some breathing space for local companies, but action to address low catch per unit effort is needed before this fishery can be recommended to investors. The Division's stronger support for market access should open up the possibility of exporting to the EU for several countries that have so far been unable to do so.



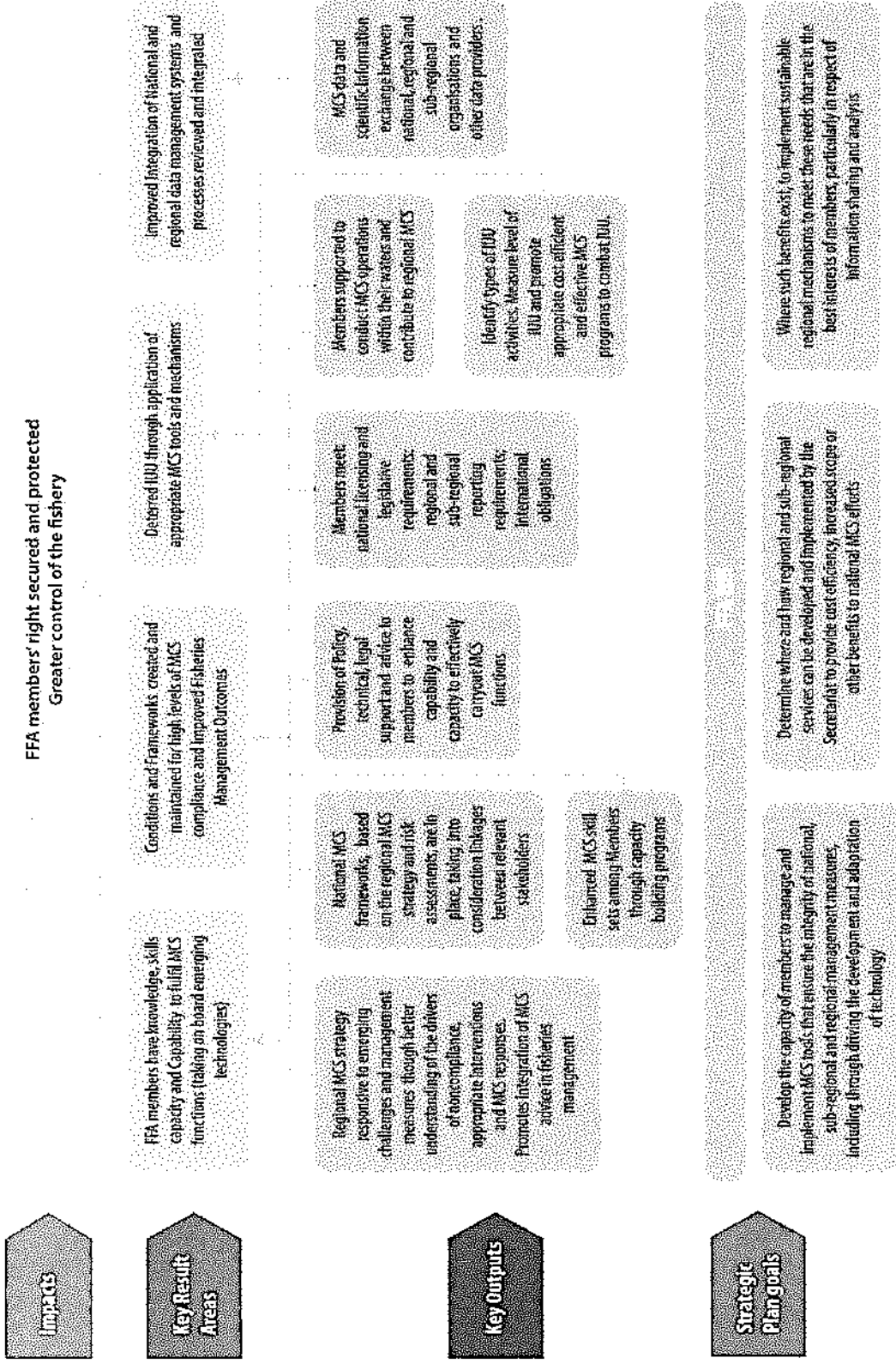
Photo by FFA Mbeke





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

Strategic outcome: Benefits to FFA members from fisheries are reinforced by robust Monitoring, Control and Surveillance in support of fisheries management frameworks



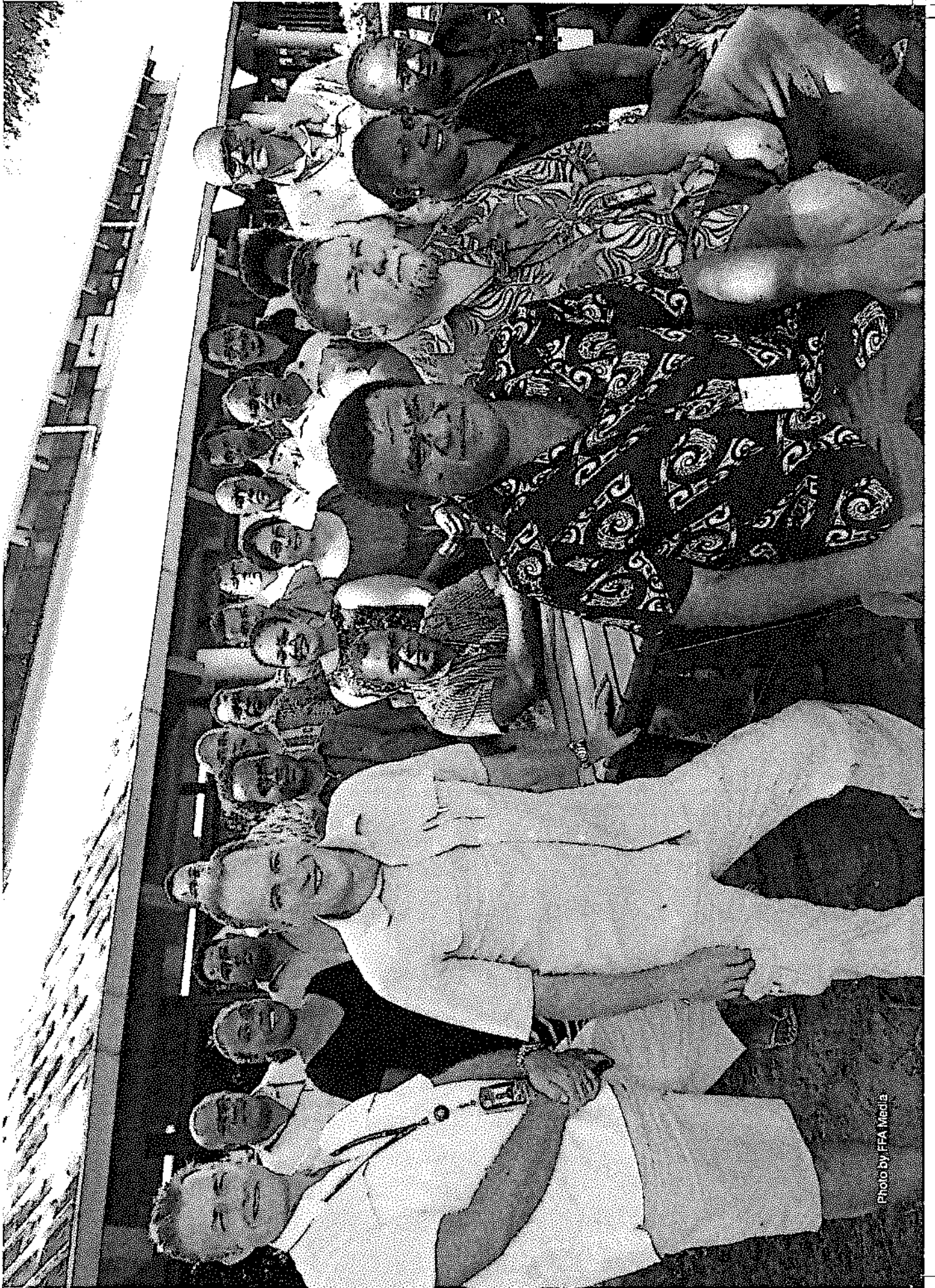


Photo by FFA Media

## D. Fisheries Operations

The Fisheries Operations Division is charged to ensure that the integrity of management measures for tuna and other important fisheries resources is maintained through high level of compliance. Headed by Director, Noan Pakop, the Operations Division is made up of four Units/Sub-outputs, MCS (including the Regional Fisheries Surveillance Centre), the Observer Programme, the Vessel Monitoring System and Information Technology (including the Library). The Operations Division has thirteen internationally recruited staff including two seconded officers from the Australian and New Zealand Defence forces and sixteen locally advertised posts held by Solomon Islanders.

FY15/16 was a year of transition to the new FFA Strategic Plan 2014-2020. The results diagram for Divisions including the one below which depicts the work undertaken by the Fisheries Operations over the year was developed to reflect the new FFA Strategic Plan and to replace the previous intentions under the Strategic Plan 2005-2020.

The medium term Key Result Areas pursued by the Fisheries Operations Division to enable securing and protecting FFA members' rights as well as greater control of the fishery are:

- Building capability of FFA members to fulfil their MCS functions
- Create and maintain conditions and frameworks to enable high levels of MCS compliance
- Application of appropriate MCS tools and mechanism to deter IUU
- Improve integration of national and regional data management systems and processes.

### Summary of Progress

Overall, the Division was able, to a large extent, to deliver the key tasks as required.

Despite starting the year with a number of vacant positions, the filling of those posts internally, including a couple with existing technical staff promoted from Positions Advertised Locally, meant that much of the work progressed smoothly. However, a couple of the positions were not filled for an extended period of time making work in that area an additional burden to existing staff.

### Key Results Achieved

#### **Capacity Building.**

Several interventions were undertaken to address knowledge and skill gaps. The results are listed below;

- 22 MCS Officers trained and achieved competent status under the first MCS Foundation Course. Targeted in-country Dockside Boarding & Inspection workshops, were also carried out at members' request.
- MCS Officers benefitting from trainings at FFA: 24 MCS officers attached to FFA during surveillance Operations, and 16 MCS officers on general MCS attachments.
- For the Observer Program a total of 81 observers were fully accredited during the year, with fifty five(55) being new recruits and thirty one (32) cadets being upgraded to full observer status.

Other developments included:

- The Pacific Islands Regional Fisheries Observer (PIRFO) Certification Management Committee was set up to oversee accreditation standards of all PIRFO training for Observers, Debriefers, Trainers and Managers. This development has enabled PIRFO certification to be on par with other international qualifications.
- Two new training qualifications/programmes were also developed and delivered. These are (1) improving Observer Managers skills through the PIRFO Frontline Manager programme and (2) Assessors workshop to qualify Trainers to become Trainer Assessors

### **Frameworks to enable high levels of Compliance**

Results in this area included the following:

- Full cost recovery mechanism for subregional programmes and national Observer programmes developed and now adopted and fully implemented in one country. Five other countries are incorporating it into their national finance systems before implementation.
- Adoption of the Regional Observers Procedures Manual by members.
- The Secretariat assisted 5 members in developing their MCS Plans, and are now in various stages of development. Due to funding issues, assistance to another 2 members did not eventuate.
- Improved overall compliance to MCS Compliance Matrix. Status to date indicates 7 members have fully completed update, 3 members partly completed and remaining yet to commence. Despite this, 4 FFA members and Canada were the only parties ranked as fully compliant to standards by the WCPFC

Some of the work scheduled to commence in the last quarter of the fiscal year includes the following:

- Review of the Regional Monitoring Control and Surveillance Strategy Review.
- Assisting members in the enhancement of Port State Measures & CDS. Current gaps in Port States Measures and the Absence of comprehensive CDS regimes add to the overall gaps in the series of Measures and tools available to assess risks. It is expected that this work will significantly strengthen national and regional capability in MCS compliance.

### **Deterrred IUU through application of appropriate MCS tools and mechanisms**

Following interventions and results were achieved.

- As of time of this Interim Report three (3) regional MCS operations were conducted with different participating members supported by the 4 Quadrilateral Surveillance Providers.
- A total of 24 national MCS Officers participated in these operations via attachment to the Regional Fisheries Surveillance Center. Overall achievements for these Operations were: 1,583 Sightings, 238 boarding (including 81 in harbor) resulting in 28 infringements or apprehensions.
- A much anticipated Observer IUU analysis and reporting capability is now in place in the Secretariat. In the last fiscal year, a total of 45 cases of observer infringements were identified and referred to members for follow up. Unfortunately, the high level of non-response or follow-up at the national level is allowing many of the suspected IUU practices to go unpunished.

### **Integration of National and Regional data management systems and processes**

There were significant staff movements and vacancies in the IT section throughout the year. IT Manager, Database Administrator, Systems Administrator and Data Quality Officer were all filled through advertisement throughout the year, as were an additional two programming positions. Several positions required multiple advertisements.

IMS portals have been developed and utilized in 7 member countries with four countries having access to national datasets (TUFMAN) in the IMS portal whilst five countries have access to 2 regional datasets (VMS, RFV); in the IMS portal;

Currently six members have ratified the Niue Treaty Subsidiary Agreement and there is ongoing effort to have members electronically populate the available components of the NTIS.



Progress against Key Result Areas

Impacts and Key Result Areas	Indicators & Activities planned	Actual Progress
<p>1. FFA members have knowledge, skills capacity and Capability to fulfil MCS functions (taking on board emerging technologies)</p> <p>a. Enhanced MCS skill sets among Members through capacity building programs</p> <p>b. Provision of Policy, technical, legal support and advice to members to enhance capability and capacity to effectively carryout MCS functions</p>	<ul style="list-style-type: none"> <li>• MCS Compliance Officer Foundation Course - One training course for 20 participants</li> <li>• 80 new accredited observers</li> <li>• 8 accredited national trainers for Observers</li> <li>• 40 new accredited Observer debriefers</li> <li>• VMS Training</li> </ul>	<ul style="list-style-type: none"> <li>• First MCS Foundation Course delivered in 2014 with 22 competent MCS officers trained.</li> <li>• Target of 80 new fully accredited Observers has been met:               <ul style="list-style-type: none"> <li>• 55 new fully trained Observers accredited Observers as at end of 2014</li> <li>• 31 Observer cadets upgraded to full certification</li> </ul> </li> <li>• 20 fully accredited debriefers and 120 pending certification.</li> <li>• 24 MCS officers attached to FFA during surveillance Operations</li> <li>• 16 MCS officers from member countries undertook general MCS attachments at FFA.</li> </ul>
<p>2. Conditions and Frameworks created and maintained for high levels of MCS compliance and improved Fisheries Management Outcomes</p>	<ul style="list-style-type: none"> <li>• Establish a full cost recovery mechanism for subregional programmes, national programmes where warranted</li> <li>• Implementation of cost recovery model</li> <li>• Observer Data Analysis Procedures Manual adopted by Members</li> <li>• Assist development of national Monitoring, Control and Surveillance Plans</li> <li>• Review of the RMCSS</li> </ul>	<ul style="list-style-type: none"> <li>• Developed and delivered a national full cost recovery programme via workshops to six countries.</li> <li>• One country has adopted the cost recovery programme and now implemented in full.</li> <li>• General lack of National MCS Plans in member countries with only 2 members having draft plans.</li> <li>• Formulation of MCS plans commenced in 4 countries and are at various stages of completion. Work in the other remaining two did not proceed mainly due to funding issues.</li> </ul>
<p>3. Deterred IUU through application of appropriate MCS tools and mechanisms</p>	<ul style="list-style-type: none"> <li>• RMCSS is reflected in the national, legal, policy and planning documents of 15 FFA members and 8 national plans being implemented.</li> <li>• Observer IUU analysis and reports</li> <li>• Assistance with partial funding of National VMS Officer costs (50%)</li> </ul>	<ul style="list-style-type: none"> <li>• Four (4) regional MCS operations conducted with different participating members supported by the 4 Quadrilateral Surveillance Providers</li> <li>• Observer IUU analysis and reports generated. To date Reports to members; Kiribati 30 reports, 10 pending legal clearance, Tuvalu 2 cases, 1 decline to pursue, 1 pursued. PNG 6 cases, no response/feedback. Solomon Island 1 Access vessel, 1 bilateral, no feedback. FSM three cases, no feedback, few other pending legal clearance. Marshall 2 cases, no formal response/feedback but told case settled administratively. Other case reported by due to lack of action/response slowed down on analysis and reports to members</li> <li>• Members able to utilise this funding to improve their VMS/MCS staffing requirements in fishing vessel monitoring.</li> </ul>

Impacts and Key Result Areas	Indicators & Activities planned	Actual Progress
<p>4. Improved Integration of National and regional data management systems and processes reviewed and integrated</p>	<ul style="list-style-type: none"> <li>• Development and deployment of new RIMF modules based on requirements of FFA staff and members.</li> <li>• National Information Management System development</li> </ul>	<ul style="list-style-type: none"> <li>• IMS portals have been developed and utilized in 7 member countries with four countries having Access to national datasets (TUFMAN) in the IMS portal whilst Five countries have access to 2 regional datasets (VMS, RFV); in the IMS portal;</li> <li>• Currently there is no nationally captured data accessible in the RIMF yet whilst one regionally captured dataset (VMS) is now available in 5 member national IMS portals;</li> <li>• Currently only six members have ratified the Njue Treaty Subsidiary Agreement whilst there is ongoing effort to have members electronically populate the available components of the NTIS.</li> <li>• Whilst there is some automation available through the RSP and RIMF with associated tools to identify and analyze IUU activities, the same capability needs to be further developed and available in national IMS portals;</li> </ul>



Photo by FFA Media



Photo by FFA Media

## E. Corporate Services

Over the year the Corporate Services Division continued to provide support services to technical divisions as well as continuously reviewing its internal corporate systems and processes to further improve governance as well as efficiency and effectiveness of operations.

Over the reporting period the various Units continued to provide support services in their respective areas:

- Budget formulation and forecasting,
- Budget Monitoring
- Financial Accounting operations and services
- Cash flow management
- Preparation of accounts and regular dissemination of updates
- Policy development and review
- Management advice to Executive and Management on organisational planning, monitoring and evaluation of the Secretariat's work in Member countries.
- Performance Management at the organisational and individual level
- Local Labour Market Survey
- Review of policies and procedures (Administration, Human Resources Management and Development, Housing and Performance and Travel)
- Administration of the Staff regulations, and other related corporate policies and procedures including administration of staff benefits and entitlements.
- Review of Job Descriptions and Job Evaluations
- Recruitment and Selection
- Setting up and managing the Human Resources Information System.
- Gender policy
- Upgrade and maintenance of roads, buildings and fence in the main compound
- Office services support for the Secretariat
- Event management and support for meetings held in Honiara
- Travel arrangements for staff and members duty travel to FFA events

### Results

Results achieved so far included;

- Completion of the Annual Work Programme and Budget for FY15/16 and medium Term forecast – to be tabled in upcoming FFC
- Improved audit turnaround times with unqualified Audited Accounts completed a month earlier than the previous year
- Updated Finance Manual and completed associated trainings on the revised processes and procedures.
- Regular weekly expenditure reports issued to Divisions in addition to monthly reports
- Outcome maps, Theory of Change matrices, Divisional work plans and articulated linkages between the Strategic level, Statement of Intent (Medium term) and Operations.
- Assessment of national activities to follow up on implementation of activities for Country Service Level Agreements. Work in five member countries is planned for the last quarter of the fiscal year.
- Revised and updated Job Descriptions
- 17 new staff recruited 15 internationally and 2 locally.
- Work on the Orange HR Information System commenced in the latter part of the year, with updating of staff details and linking to the payroll and establishing this as the central HR database.



- Successfully completed the 2014 Survey in collaboration with the Solomon Island Chamber of Commerce and Solomon Island National University. A 12% increase in number of participating organisations for the 2014 survey has markedly improved data with results now better reflecting labour conditions in the local market
- Revised staff appraisal process, assessment of Appraisal Results and recommendations to executive. First performance rewards under the SP10 Banding system. The Unit has also been working on further strengthening the Appraisal process to better capture performance and results of team efforts in addition to individual contributions.
- Review of the Gender Policy and development of the Gender Action Plan for FFA.
- General maintenance for the Main Office building as well as road patching and drainage.
- Guardhouses were rebuilt, giving FFA security an improved location to maintain the security of the premises at all hours and in all weather conditions.
- Regular pest control around the office has been greatly welcomed by staff and visitors as we try to limit exposure to malaria, chikunguya, zika virus and other mosquito-borne diseases common in Honiara.
- Throughout the year we have also seen a great number of travel activities, some of which saw events hosted here in Honiara, including MCS Working Group, FFC and JPF Consultations.
- This year we also saw the official certification of FFA as Tax Exempted body for service tax. A certification that had never been officially given but only assumed.

#### Issues

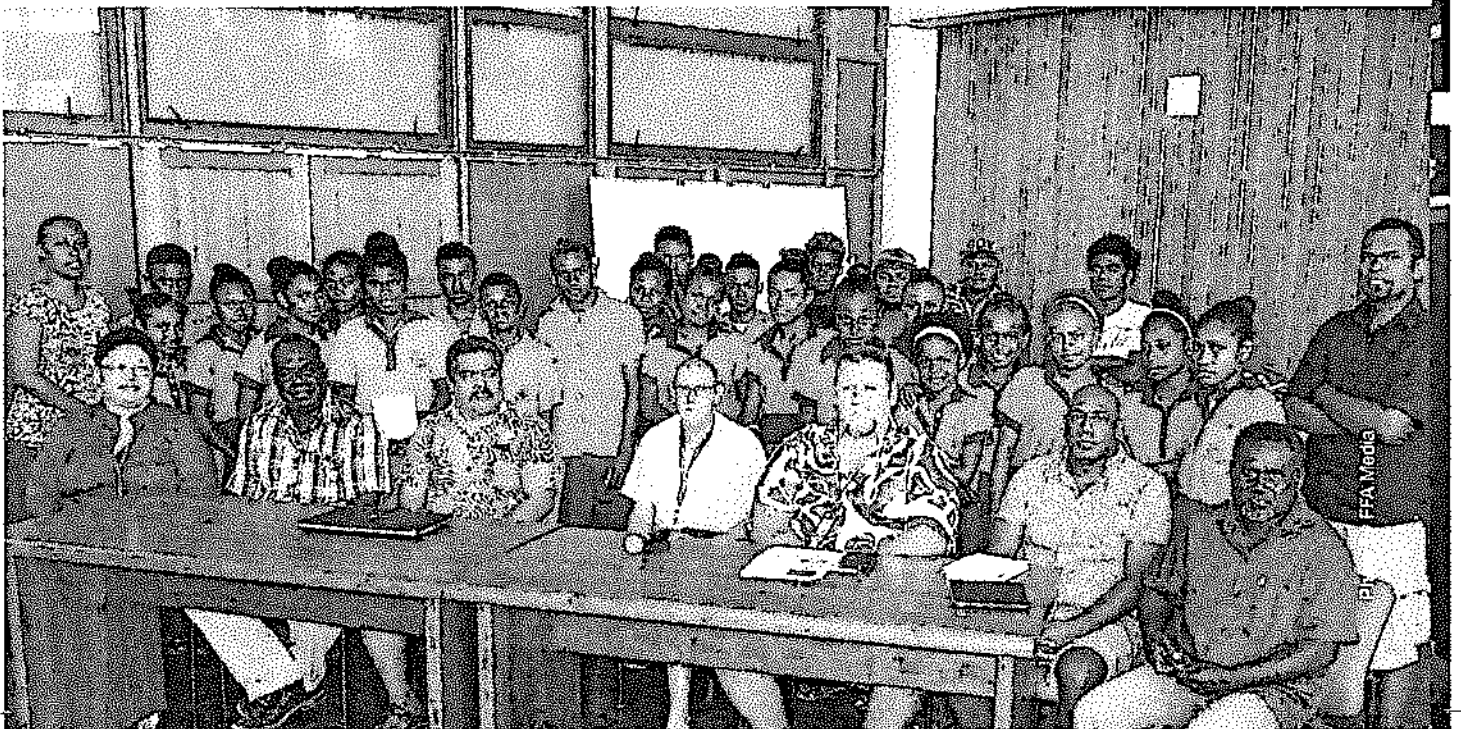
With an ambitious and very welcomed and needed infrastructure development and renovation schedule, logistical setbacks have led to the delay in the delivery of parts of the program. While the majority of the work has been done this fiscal year some outstanding components will be carried over into FY15/16.

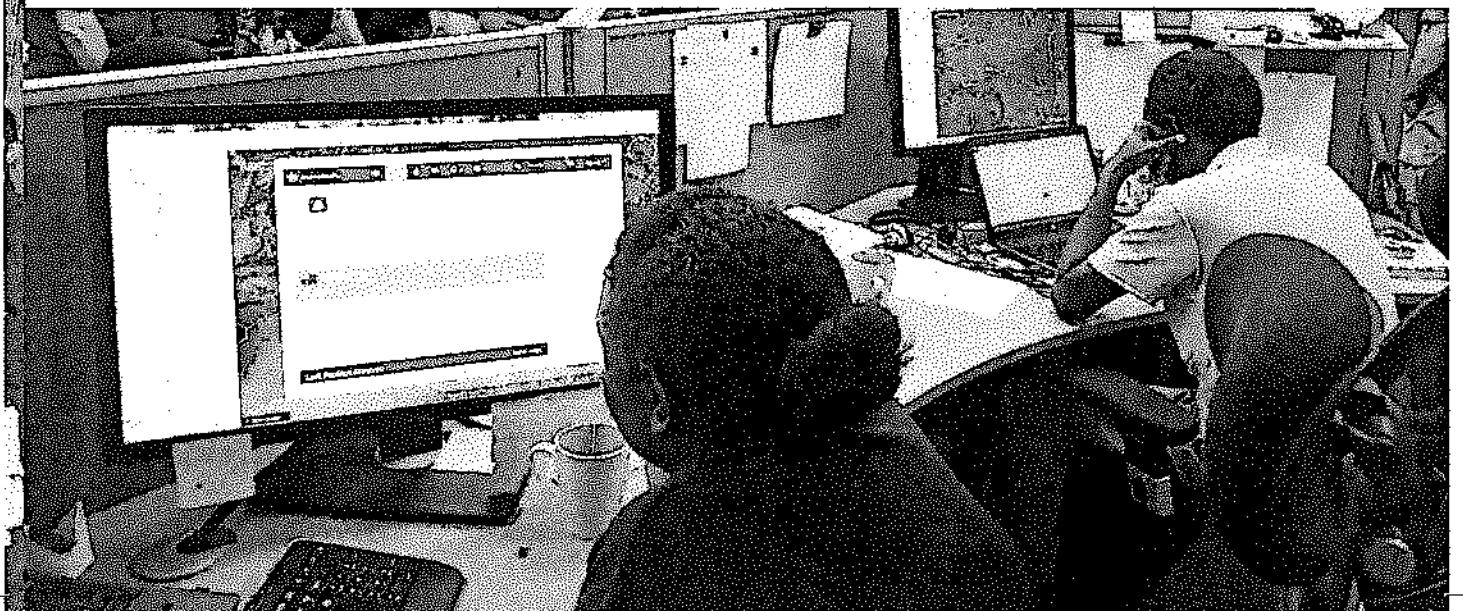
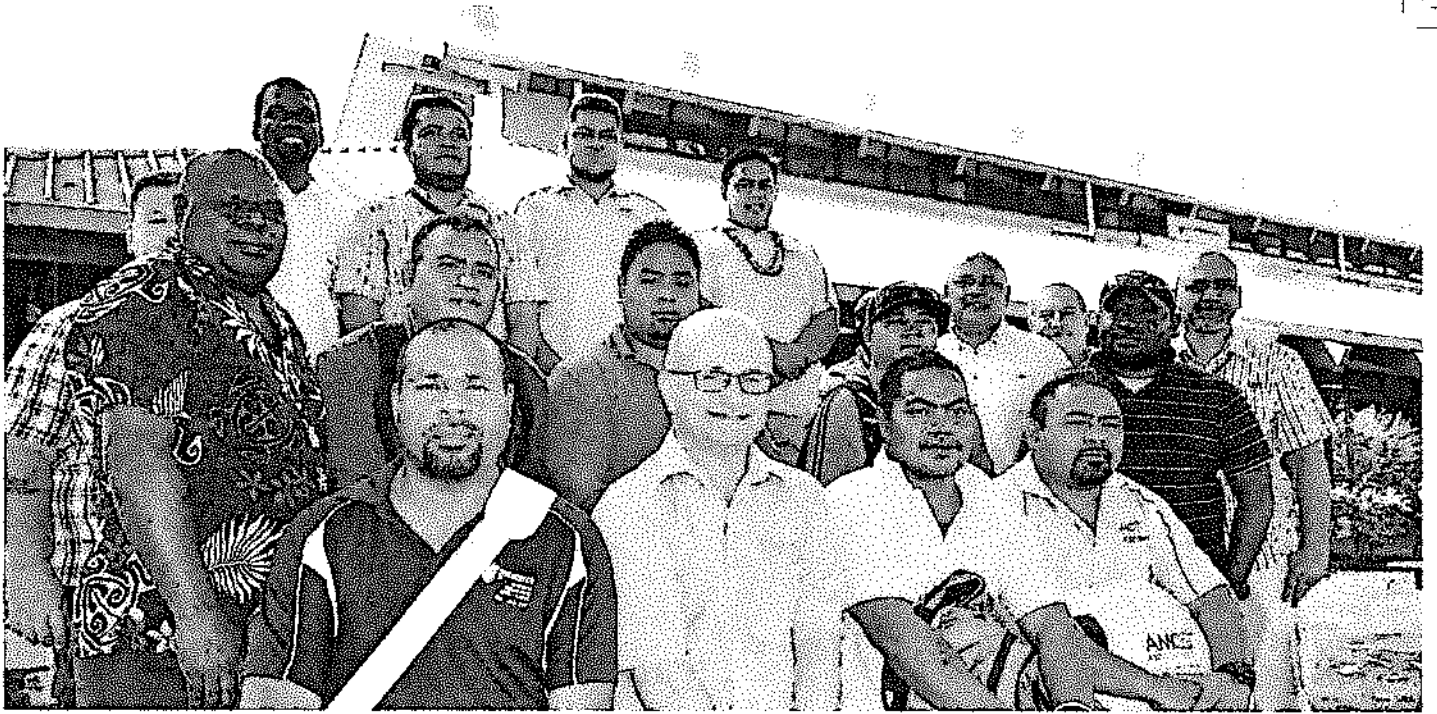
#### Opportunities

FFA is a continuously growing organisation and we are fortunate as we maintain the support of the local government.

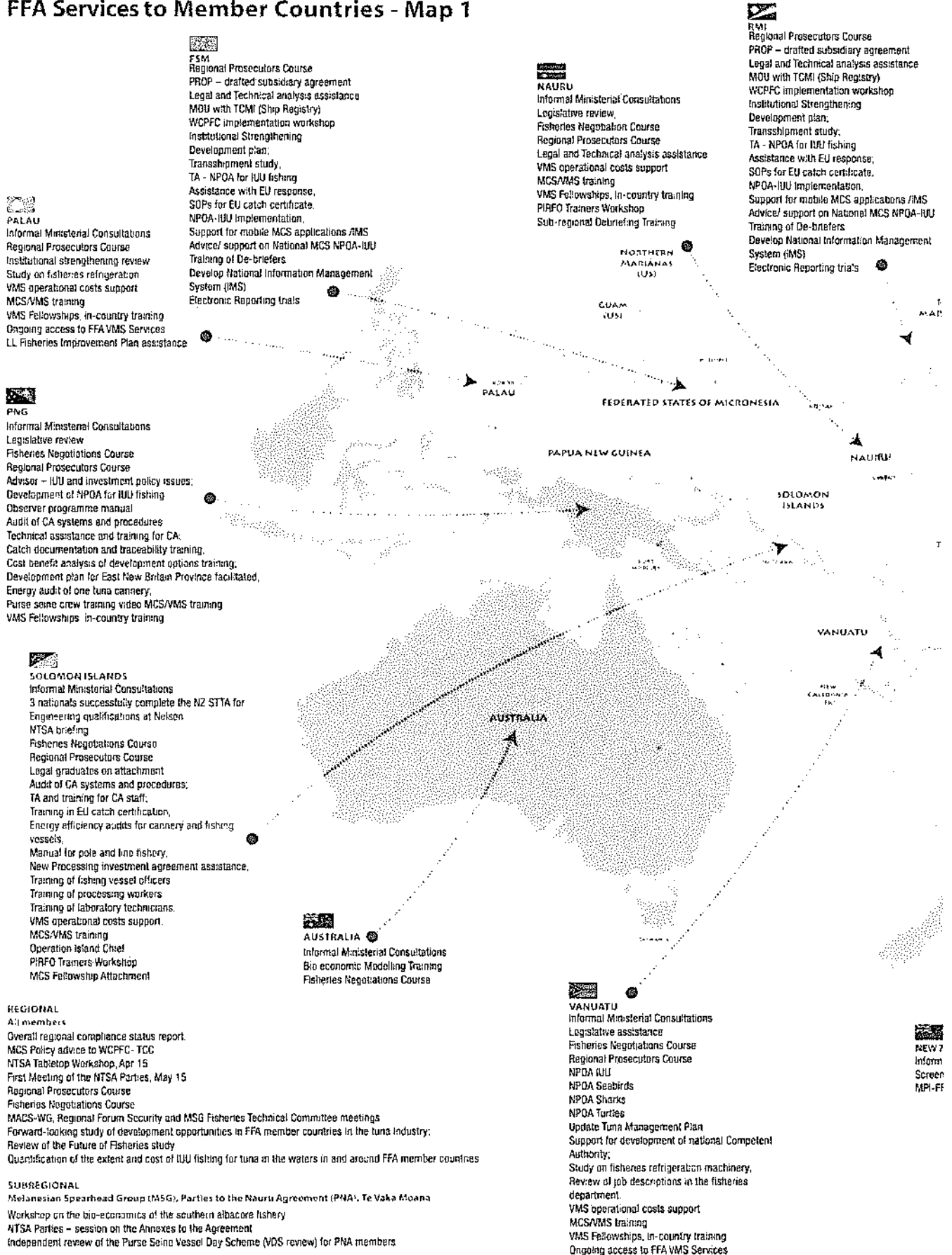
Opportunities for the Agency include building upgrades for archival and information work. This will involve an overhaul of the library to increase public engagement and research access to our substantial information resources covering more than three decades of FFA's work in regional fisheries.

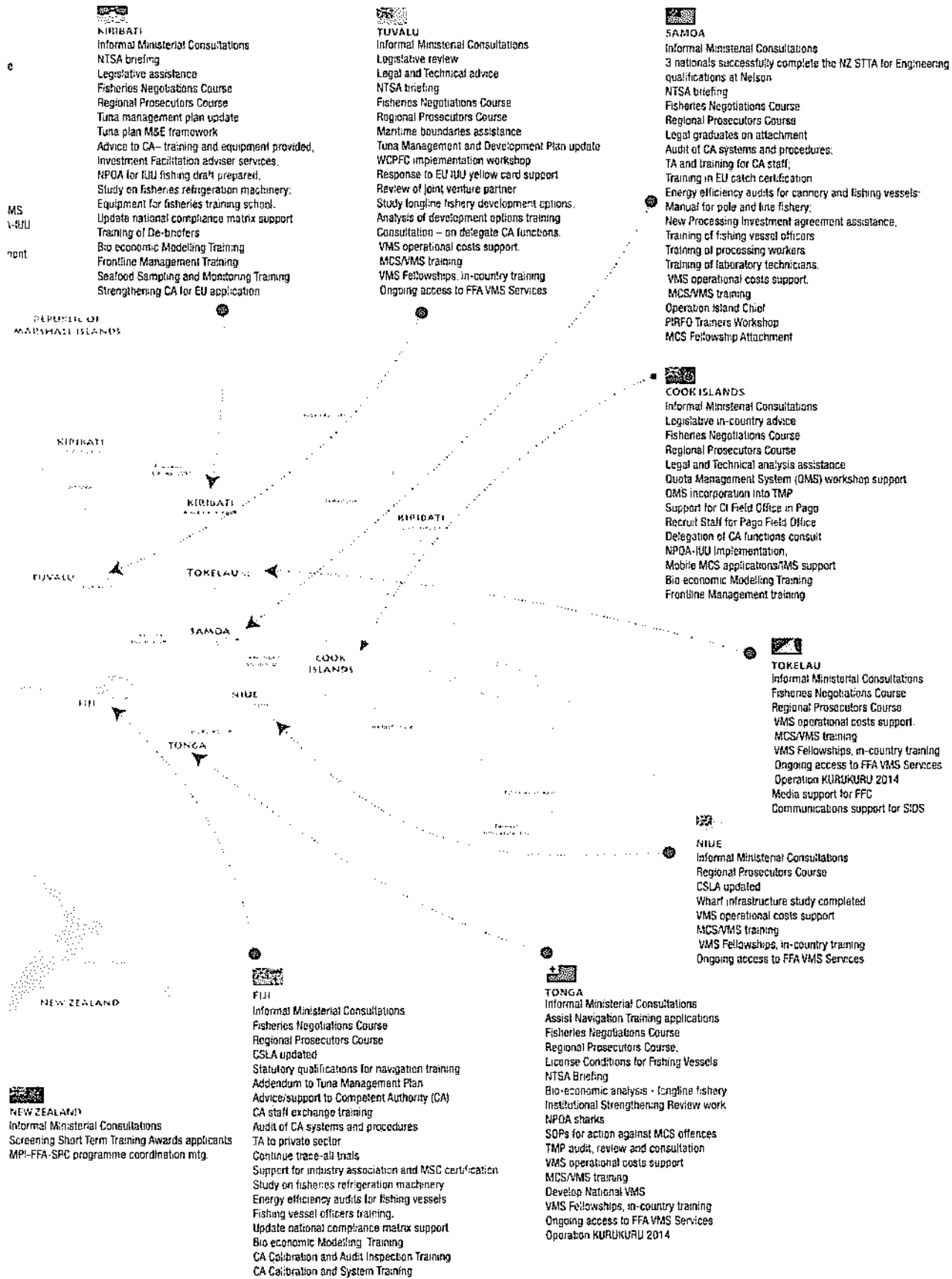
Infrastructural opportunities are also being sought for more storage and parking and current administrative expenditure is under review towards supporting that.





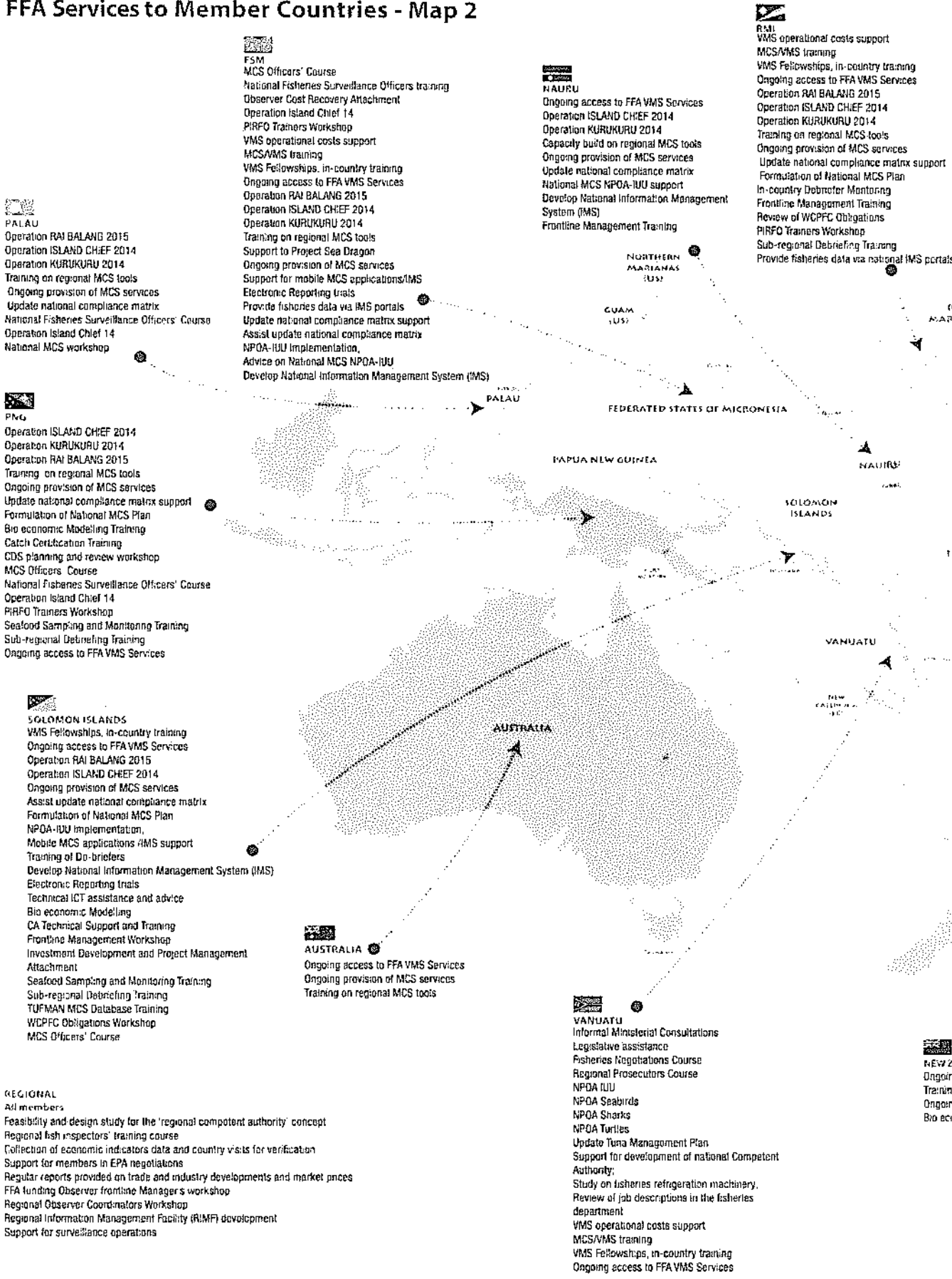
# FFA Services to Member Countries - Map 1







# FFA Services to Member Countries - Map 2



**Palau**  
 Operation RAI BALANG 2015  
 Operation ISLAND CHIEF 2014  
 Operation KURUKURU 2014  
 Training on regional MCS tools  
 Ongoing provision of MCS services  
 Update national compliance matrix  
 National Fisheries Surveillance Officers' Course  
 Operation Island Chief 14  
 National MCS workshop

**FSM**  
 MCS Officers' Course  
 National Fisheries Surveillance Officers training  
 Observer Cost Recovery Attachment  
 Operation Island Chief 14  
 PIRFO Trainers Workshop  
 VMS operational costs support  
 MCS/VMS training  
 VMS Fellowships, in-country training  
 Ongoing access to FFA VMS Services  
 Operation RAI BALANG 2015  
 Operation ISLAND CHIEF 2014  
 Operation KURUKURU 2014  
 Training on regional MCS tools  
 Support to Project Sea Dragon  
 Ongoing provision of MCS services  
 Support for mobile MCS applications/IMS  
 Electronic Reporting trials  
 Provide fisheries data via IMS portals  
 Update national compliance matrix support  
 Assist update national compliance matrix  
 NPOA-IUU Implementation,  
 Advice on National MCS NPOA-IUU  
 Develop National Information Management System (IMS)

**Nauru**  
 Ongoing access to FFA VMS Services  
 Operation ISLAND CHIEF 2014  
 Operation KURUKURU 2014  
 Capacity build on regional MCS tools  
 Ongoing provision of MCS services  
 Update national compliance matrix  
 National MCS NPOA-IUU support  
 Develop National Information Management System (IMS)  
 Frontline Management Training

**RMI**  
 VMS operational costs support  
 MCS/VMS training  
 VMS Fellowships, in-country training  
 Ongoing access to FFA VMS Services  
 Operation RAI BALANG 2015  
 Operation ISLAND CHIEF 2014  
 Operation KURUKURU 2014  
 Training on regional MCS tools  
 Ongoing provision of MCS services  
 Update national compliance matrix support  
 Formulation of National MCS Plan  
 In-country Debriefing Monitoring  
 Frontline Management Training  
 Review of WCPFC Obligations  
 PIRFO Trainers Workshop  
 Sub-regional Debriefing Training  
 Provide fisheries data via national IMS portals

**PNG**  
 Operation ISLAND CHIEF 2014  
 Operation KURUKURU 2014  
 Operation RAI BALANG 2015  
 Training on regional MCS tools  
 Ongoing provision of MCS services  
 Update national compliance matrix support  
 Formulation of National MCS Plan  
 Bio economic Modelling Training  
 Catch Certification Training  
 CDS planning and review workshop  
 MCS Officers' Course  
 National Fisheries Surveillance Officers' Course  
 Operation Island Chief 14  
 PIRFO Trainers Workshop  
 Seafood Sampling and Monitoring Training  
 Sub-regional Debriefing Training  
 Ongoing access to FFA VMS Services

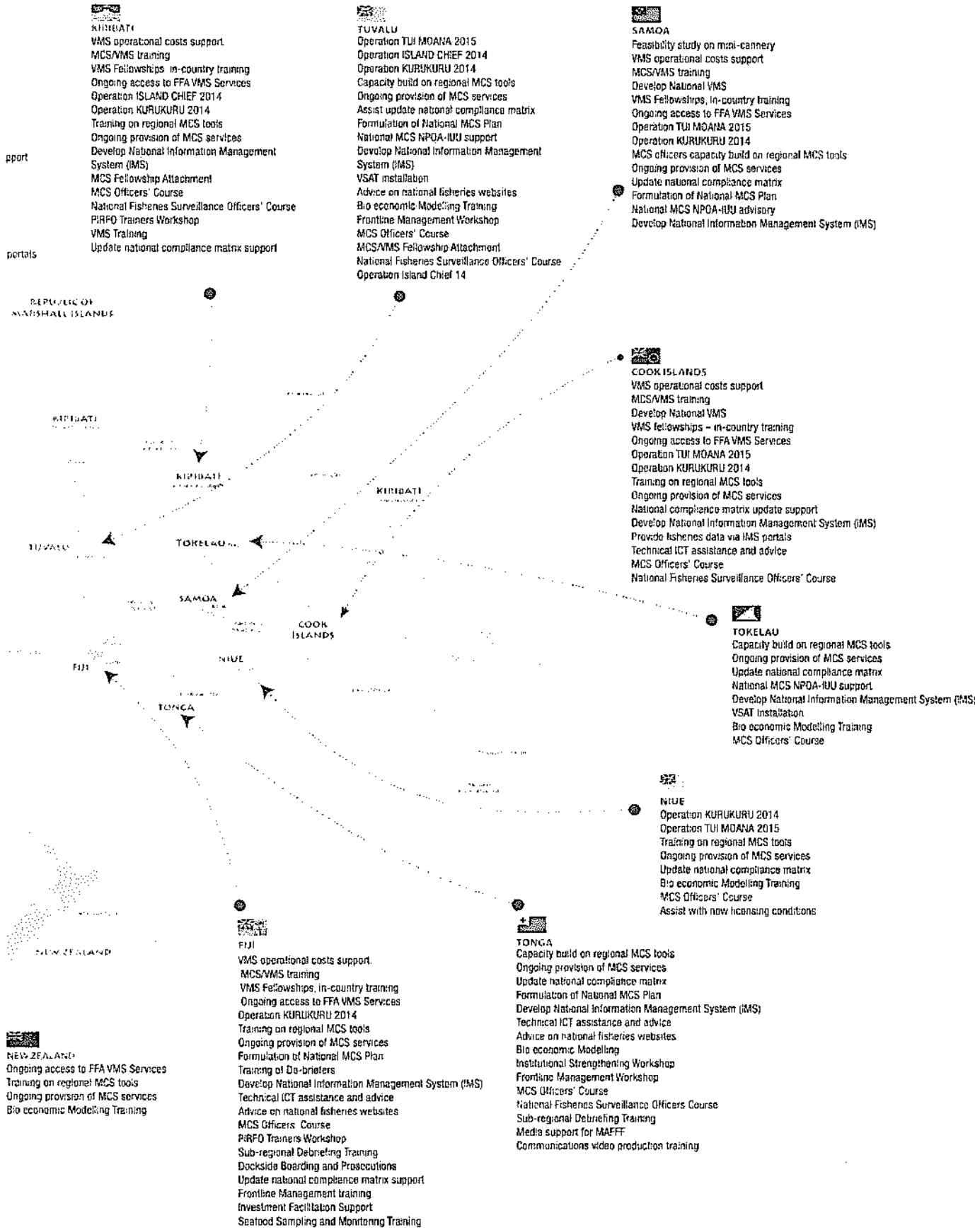
**SOLOMON ISLANDS**  
 VMS Fellowships, in-country training  
 Ongoing access to FFA VMS Services  
 Operation RAI BALANG 2015  
 Operation ISLAND CHIEF 2014  
 Ongoing provision of MCS services  
 Assist update national compliance matrix  
 Formulation of National MCS Plan  
 NPOA-IUU Implementation,  
 Mobile MCS applications/IMS support  
 Training of De-briefers  
 Develop National Information Management System (IMS)  
 Electronic Reporting trials  
 Technical ICT assistance and advice  
 Bio economic Modelling  
 CA Technical Support and Training  
 Frontline Management Workshop  
 Investment Development and Project Management  
 Attachment  
 Seafood Sampling and Monitoring Training  
 Sub-regional Debriefing Training  
 TUFMAN MCS Database Training  
 WCPFC Obligations Workshop  
 MCS Officers' Course

**Australia**  
 Ongoing access to FFA VMS Services  
 Ongoing provision of MCS services  
 Training on regional MCS tools

**Vanuatu**  
 Informal Ministerial Consultations  
 Legislative assistance  
 Fisheries Negotiations Course  
 Regional Prosecutors Course  
 NPOA IUU  
 NPOA Seabirds  
 NPOA Sharks  
 NPOA Turtles  
 Update Tuna Management Plan  
 Support for development of national Competent Authority  
 Study on fisheries refrigeration machinery  
 Review of job descriptions in the fisheries department  
 VMS operational costs support  
 MCS/VMS training  
 VMS Fellowships, in-country training  
 Ongoing access to FFA VMS Services

**New Zealand**  
 Ongoing Training  
 Ongoing Bio-ec

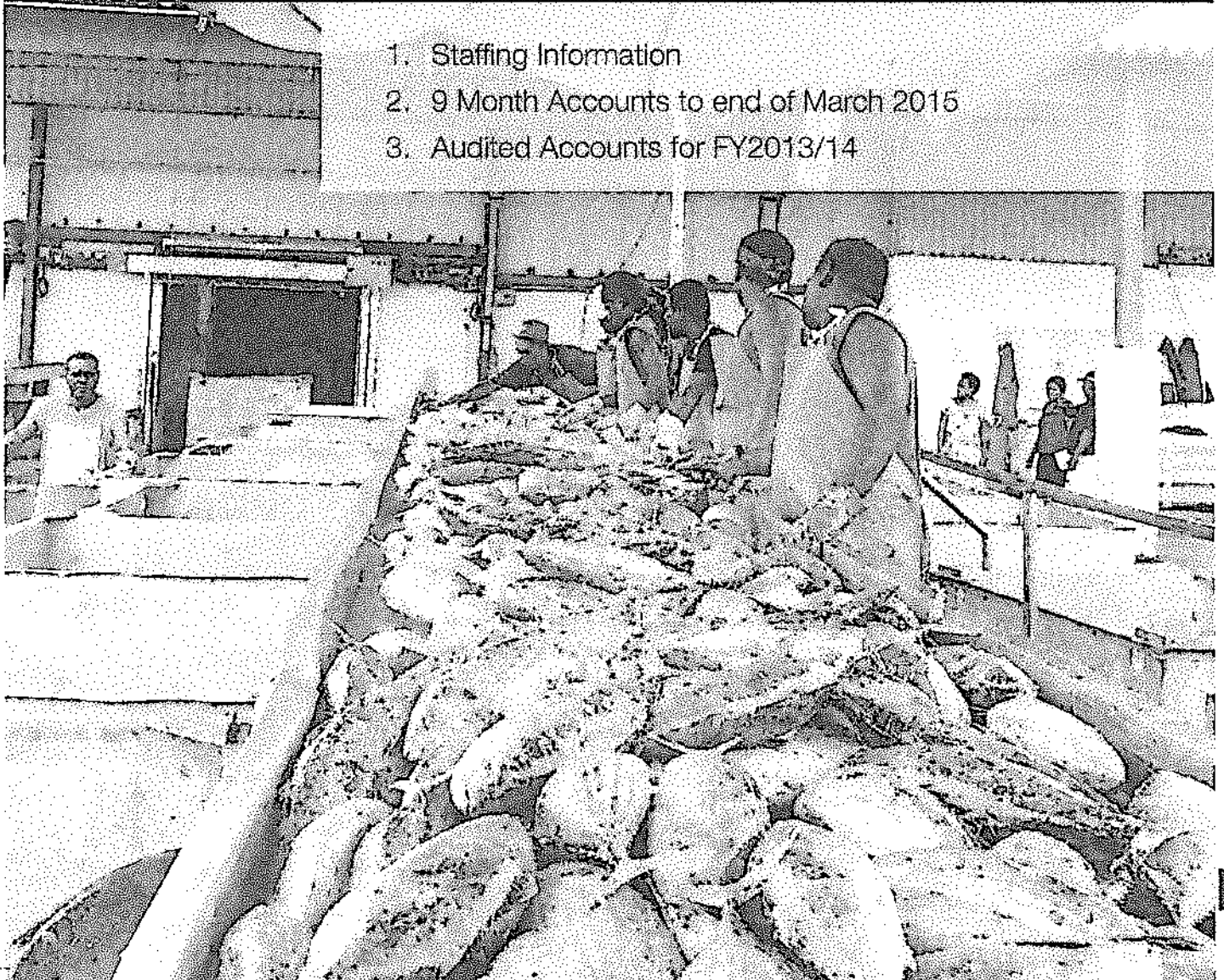
**REGIONAL**  
 All members  
 Feasibility and design study for the 'regional competent authority' concept  
 Regional fish inspectors' training course  
 Collection of economic indicators data and country visits for verification  
 Support for members in EPA negotiations  
 Regular reports provided on trade and industry developments and market prices  
 FFA funding Observer frontline Managers workshop  
 Regional Observer Coordinators Workshop  
 Regional Information Management Facility (RIMF) development  
 Support for surveillance operations



# Part 3

## Staffing and Accounts

1. Staffing Information
2. 9 Month Accounts to end of March 2015
3. Audited Accounts for FY2013/14



## Staffing Information

As of 15 April 2015 a total of 87 staff are employed in FFA. Secretariat staff are recruited from fourteen countries with the majority of staff from the host country of Solomon Islands.



Sadly, two weeks short of 25 years service as Tea Lady, the much loved Ms. Iva Mae passed away after a period of illness. Iva has been a huge part of the FFA family for a long time and in many ways she touched each and every staff member that has worked at FFA during that time – as well as many family members. Her gentle smile and quiet calm as she helped out around the office made a big impact on us all and will be sorely missed.

### New Staff joining FFA;

1. Ms. Martha Mangale – TVM Finance and Administrative Asst. (Solomon Is)
2. Mr. Feral Lasi - MCS Specialist (Solomon Is)
3. Mr. Leonard Rodwell – Fisheries Development Advisor (Australia)
4. Ms. Pole Atanraoi-Reim – Legal Advisor (Kiribati)
5. Mr. Tion Nabau Tion – Legal Advisor (Kiribati)
6. Mr. Paul Duna – Maintenance Asst. (Solomon Is)
7. Ms. Keva Robarobalevu – Internal Auditor (Fiji)
8. Sqnldr R. Logan - Surveillance Planning and Liaison Off. (New Zealand)

### Staff Promotions

1. Ms. Letitia Masaea – Data Quality Officer (Solomon Is)
2. Mr. Kenneth Katafono – Manager IT (Fiji)

### Staff that have left FFA;

1. Mr. Pio Manoa – Legal Advisor (Fiji)
2. Ms. Alena Takacova – Data Quality Officer (Slovakia)
3. Mr. Roseti Imo – Fisheries Economist (Samoa)
4. Ms. Yolanda Elanzo – Project Finance Officer – ROP (FSM)
5. Mr. Timothy Costello – Sub-regional Coordinator – ROP (New Zealand)
6. Cmdr. Mike Pounder – Surveillance Operations Officer 2 (Australia)
7. Ms. Iva Mae – Deceased - Tea Lady (Solomon Is)

### Contract Extensions/Renewals

1. Mr. Henry Salonica – Network Administrator (PNG)
2. Ms. Penny Matautia – Manager HR, Admin and Performance (Samoa)
3. Mr. Maletino Teofilo – Finance Manager (Samoa)
4. Mr. John Tukuvaka – Asst. Finance Officer (Solomon Is)
5. Mr. Lon Livah – Asst. Finance Officer (Solomon Is)
6. Ms. Tamar Kaitu – Data Entry Officer – ROP (Solomon Is)
7. Mr. Peter Terawasi – Fisheries Economic Advisor (Solomon Is)



## Staff List

Designation	Name	Nationality
<b>Executive Management</b>		
Director-General	Mr. James Movick*	FSM
Deputy Director-General	Mr. Wez Norris*	Australia
Legal Counsel	Dr. M. Tupou-Roosen*	Tonga
Legal Advisor	Dr. F. Manoni*	PNG/RMI
Legal Advisor	Ms. P. Atenraoi-Reim*	Kiribati/FSM
Legal Advisor	Mr. T. Nabau Tion*	Kiribati/RMI
Executive Officer	Mr. T. Tupou*	Tonga
Training Advisor, Coordinator	Ms. M. Streeter*	Fiji
Media Officer	Ms. L. Williams-Lahari*	Cook Is
Personal Assistant (DG)	Ms. A. Vave-Erekali	Solomon Is
Personal Assistant (DDG)	Ms. C. Murdech	Solomon Is
<b>Fisheries Development (FD)</b>		
Director, Fisheries Development	Mr. M. Batty*	UK
Manager, Investment Facilitation	Vacant*	-
Fisheries Policy Specialist	Mr. H. Walton*	New Zealand
Fisheries Economic Advisor	Dr. C. Reid*	Australia
Fisheries Economics Officer	Mr. P. Terawasi*	Solomon Is
Fisheries Economist	Vacant*	-
Fisheries Development Adviser	Mr. R. Awira*	Kiribati
Fisheries Development Adviser	Mr. L. Rodwell*	Australia
Tuna Industry Adviser/ JPF Coordinator	Mr. S. Fujiwara*	Japan
Trade Development Adviser	Mr. J. Tamani *	Fiji
Project Coordinator	Mr. L. Paia*	Solomon Is
Investment Facilitation Advisor	Mr. J. Hakini*	PNG
Investment Facilitation Coordinator	Mr. S. Guurau*	Solomon Is
Japanese Investment Facilitator	Mr. M. Nakada*	Japan
TVM – Finance and Admin Asst.	Ms. M. Mangaie	Solomon Is
<b>Fisheries Management (FM)</b>		
Director, Fisheries Management	Dr. T. Adams*	UK
Fisheries Management Adviser	Mr. I. Freeman*	Australia
Fisheries Management Adviser	Mr. M. Kamatie*	Kiribati
Fisheries Management Adviser	Mr. S. Sauni*	Tuvalu
Fisheries Management Adviser	Ms. A. McDonald*	Australia
Fisheries Management Adviser	Ms. P. Maru*	Cook Is
Fisheries Management Adviser	Vacant *	-
Multilateral Treaty Manager	Mr. K. Ruaia*	Kiribati
UST Finance Officer	Vacant*	-
Senior Treaties Data Clerk	Ms. R. Marsh	Solomon Is
Data Entry Officer	Vacant	-

Designation	Name	Nationality
<b>Fisheries Operations</b>		
Director, Fisheries Operations	Mr. N. Pakop*	PNG
Manager, IT	Mr. K. Katafono*	Fiji
Systems Analyst	Mr. F. Lutunaika*	Fiji
Network Administrator	Mr. H. Salonica*	PNG
Data Quality Officer	Ms. L. Masaea*	Solomon Is
ITC Helpdesk Officer	Vacant	-
Librarian	Mr. E. Marahare	Solomon Is
Observers Programme Manager	Mr. T. Park*	Australia
Asst. Observer Placement Officer	Mr. A. Orianiha'a	Solomon Is
Asst. Observer Placement Coordinator	Mr. F. Anii	Solomon Is
Data Entry Officer	Ms. T. Kaitu	Solomon Is
Data Entry Officer	Ms. M. Gamasi	Solomon Is
MCS Specialist	Mr. F. Lasi*	Solomon Is
Surveillance Operations Off. 1	Mr. A. Rahari*	Solomon Is
Surveillance Operations Off. 2	Cmdr. G. Baker	Australia
Surveillance Planning and Liaison Off.	SQNLDR R. Logan	New Zealand
Compliance Policy Advisor	Mr. A. Turanganivalu*	Fiji
MCS Policy Advisor	Mr. P. Graham*	Cook Is
MCS Analyst	Mr. D. Yehilomo*	PNG
Surveillance Operations Asst. /VMS Asst.	Mr. S. Masika	Solomon Is
MCS Asst. 1	Ms. A. Arahauta	Solomon Is
MCS Asst. 2	Mr. F. Aleziru	Solomon Is
Register Data Officer 2	Ms. G. Harold	Fiji
Manager, VMS	Mr. R. Chand*	Solomon Is
VMS Liaison Officer	Mr. D. Koro	Solomon Is
VMS Assistant Officer	Ms. H. Panda	Solomon Is
VMS Administration Assistant	Ms. A. Vavataga	Solomon Is
Data Entry Officer	Vacant	-
Database Administrator	Mr. B. Scott*	Australia
Sub regional Arrangements Off.	Mr. F. Forau	Solomon Islands
Fisheries Enforcement Adviser	Vacant	-
Asst. Finance Officer - VMS	Mr. L. Tavalo	Solomon Islands



Designation	Name	Nationality
<b>Corporate Services</b>		
Director, Corporate Services	Mr. D. Rupokets*	PNG
Manager Finance	Mr. M. Teofflo*	Samoa
Manager HR, Admin & Performance	Ms. P. Matautia*	Samoa
Management Accountant	Mr. R. Rutepitu*	Solomon Is
Financial Accountant	Mr. K. Havea*	PNG
Performance Analyst	Ms. V. Levy*	Samoa
Administration Officer	Ms. A. Riley*	Australia
Finance Officer – US Treaty	Mr. L. Galo	Solomon Is
Finance Officer – FSMA	Mr. F. Sipele	Solomon Is
Finance Officer – GFund &VMS	Mr. L. Kakaluae	Solomon Is
Finance Officer - Trust Fund	Ms. G. Talota	Solomon Is
Asst. Finance Officer - TF	Ms G. Konia	PNG
Asst. Finance Officer – GF Asst. Finance Officer – UST	Mr. J. Tukupaka	Solomon Is Solomon Is
Personnel Services Officer	Mr. L. Livah	Solomon Is
Travel Officer	Mr. E. Vazu	Solomon Is
Office Services Supervisor	Mr. L. Alufurai	Solomon Is
HR Services Assistant	Ms. D. Boso	Solomon Is
HR Officer	Ms. S. Otisukulu	Fiji
Office Services Assistant	Mr. V. Rabuka	Solomon Is
Tea Attendant/Cleaner	Ms. E. Suri	-
Transport and Customs Officer	Vacant	Solomon Is
Property Manager	Mr. A. Aralara	Solomon Is
Housing Fund Administrator	Mr. S. Havea	Solomon Is
Maintenance Officer	Mr. P. Orotaloa	Solomon Is
Maintenance Assistant	Mr. J. Tommy	Solomon Is
General Hand 1	Mr. P. Duna	Solomon Is
General Hand 2	Mr. S. Wini	Solomon Is
Finance Officer, Assets	Mr. H. Tolo	Solomon Is
	Mr. R. Gholomo	







# Unaudited Income and Expenditure Statement as at End of March 2015

	Revised Budget	Total YTD (Actuals + Commitments)	% of Budget
<b>INCOME</b>			
Member contribution	1,639,412	1,405,010	86%
Donor funding	15,501,961	14,977,980	97%
PDF donation (Australia)	301,125	301,125	100%
Vessel registration revenue	3,871,561	3,281,030	85%
Administered funds	3,320,462	3,279,959	99%
UST Levy	157,500	157,500	100%
Program support & admin fees	448,789	199,996	45%
Cost recovery revenue	1,040,224	690,270	66%
Benefit derived from use of assets	95,200	144,829	152%
Housing fund income	1,212,132	844,381	70%
Interest received	79,440	131,218	165%
Foreign Exchange gains/(losses)	0	-1,755,728	-100%
Miscellaneous Revenue	313,001	165,090	53%
Transfer from Reserves	309,614	-	0%
<b>Total income</b>	<b>28,290,421</b>	<b>23,822,660</b>	<b>73%</b>
<b>EXPENDITURES</b>			
Output 1 High level advice	4,664,937	3,142,201	67%
Output 2 Fisheries management	3,854,635	1,693,897	43%
Output 3 Fisheries development	5,680,967	2,945,482	36%
Output 4 Fisheries operations	8,127,022	4,641,542	59%
Overhead – Corporate Services	4,458,601	3,137,016	69%
<b>Total Outputs delivered by FFA</b>	<b>26,786,162</b>	<b>15,560,138</b>	<b>55%</b>
Housing fund expenditures	1,307,780	876,193	67%
Services delivered by third parties	196,480	-	0%
<b>Total expenditures</b>	<b>28,290,422</b>	<b>16,436,331</b>	<b>57%</b>
<b>Net position</b>	<b>0</b>	<b>7,386,329</b>	

**Pacific Islands Forum Fisheries Agency**

**Statement of changes in accumulated funds  
for the year ended 30 June 2014**

	<b>Accumulated funds US\$</b>
Balance at 1 July 2012	2,628,188
Surplus for the year	<u>253,294</u>
Balance at 30 June 2013	2,881,482
Surplus for the year	<u>505,220</u>
Balance at 30 June 2014	<u>3,386,702</u>

The above statement of changes in accumulated funds should be read in conjunction with the notes to the financial statements set out on pages 8 to 25

**Pacific Islands Forum Fisheries Agency**

**Statement of cash flows  
for the year ended 30 June 2014**

	Notes	2014 US\$	2013 US\$
<b>Cash flows from operating activities</b>			
Receipts from member countries contribution	4	1,712,165	1,480,208
Donor funding	5	14,198,823	9,747,722
Receipts from vessel registration		3,884,513	3,495,950
Rents: receipts		27,416	90,278
Receipts from program support		252,752	537,977
Other receipts		73,763	910,699
<i>Inflows from receipts</i>		<u>20,149,432</u>	<u>16,262,834</u>
Payments for staff costs		(8,297,775)	(6,751,250)
Payments for project costs		(7,274,305)	(9,423,238)
Payments for housing fund costs		(2,050,413)	(1,292,961)
<i>Outflows from payments</i>		<u>(17,622,493)</u>	<u>(17,467,439)</u>
<b>Net cash generated by/(used in) operating activities</b>		<u><b>4,526,939</b></u>	<u><b>(1,204,605)</b></u>
<b>Cash flows from investing activities</b>			
Interest received		114,651	85,871
Investment in term deposits		(977,096)	(68,969)
Funds advanced to inter-entities		(68,436)	(148,088)
Repayments by inter-entities		946,498	132,586
Payments for property, plant and equipment		(227,811)	(195,995)
Proceeds from disposal of assets		6,594	33,538
<b>Net cash used in investing activities</b>		<u><b>(205,804)</b></u>	<u><b>(161,056)</b></u>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>4,321,335</b>	<b>(1,365,661)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,733,836</b>	<b>11,099,497</b>
<b>Cash and cash equivalents at the end of the year</b>	20(a)	<u><b>14,055,171</b></u>	<u><b>9,733,836</b></u>

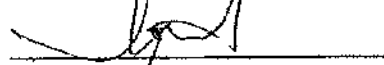
The above statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 8 to 25

**Pacific Islands Forum Fisheries Agency**

**Statement of financial position  
as at 30 June 2014**

	Notes	2014 US\$	2013 US\$
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	9	4 210 909	4 236 370
Other assets	10	66 871	49 751
<b>Total non-current assets</b>		<b>4 277 780</b>	<b>4 286 121</b>
<i>Current assets</i>			
Receivables	11	1 198 018	3 046 233
Other assets	10	741 160	125 770
Term deposits	12	1 046 068	68 969
Cash and cash equivalents	20(a)	14 055 171	9 733 836
<b>Total current assets</b>		<b>17 040 417</b>	<b>12 974 808</b>
<b>Total assets</b>		<b>21 318 197</b>	<b>17 260 929</b>
<b>Accumulated funds and liabilities</b>			
<i>Accumulated funds</i>			
Accumulated funds		3 386 702	2 881 482
<b>Total accumulated funds</b>		<b>3 386 702</b>	<b>2 881 482</b>
<i>Non-current liabilities</i>			
Employee benefits	13	144 364	169 723
Deferred revenue	14	3 856 448	4 097 335
<b>Total non-current liabilities</b>		<b>4 000 812</b>	<b>4 267 058</b>
<i>Current liabilities</i>			
Trade and other payables	15	691 222	700 383
Employee benefits	13	874 824	703 171
Other liabilities	15	12 180 372	8 524 570
Deferred revenue	14	184 265	184 265
<b>Total current liabilities</b>		<b>13 930 683</b>	<b>10 112 389</b>
<b>Total liabilities</b>		<b>17 931 495</b>	<b>14 379 447</b>
<b>Total accumulated funds and liabilities</b>		<b>21 318 197</b>	<b>17 260 929</b>

Signed in accordance with the Financial Regulation of Pacific Islands Forum Fisheries Agency



James Moviok  
Director General

Honiara, 24 November 2014

The above statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 8 to 25



**Pacific Islands Forum Fisheries Agency**

**Statement of comprehensive income  
for the year ended 30 June 2014**

	Notes	2014 US\$	2013 US\$
<b>Income</b>			
Member country contributions	4	1,594,758	1,549,813
Donor funds	5	10,075,268	10,723,228
Vessel registration fees		3,958,708	3,933,007
Housing rental receipts		67,091	76,261
Interest received		6,500	85,866
Program support and cost recovery		232,344	275,493
Australia Project Development Fund donation		390,375	183,125
Benefit from property, plant and equipment		348,620	54,611
Other income		164,293	154,571
<b>Total income</b>		<b>16,834,957</b>	<b>17,046,076</b>
<b>Expenditures</b>			
Output 1: High Level Advice	6	3,623,271	3,176,580
Output 2: Fisheries Management	6	1,146,590	1,284,638
Output 3: Fisheries Development	6	2,602,571	2,964,981
Output 4: Fisheries Operations	6	4,468,858	5,471,184
Output 5: Corporate Services	6	4,488,447	3,878,398
<b>Total expenditures</b>		<b>16,329,737</b>	<b>16,792,781</b>
<b>Surplus for the year</b>		<b>505,220</b>	<b>253,294</b>
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>505,220</b>	<b>253,294</b>

The above statement of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 8 to 25



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

### Report on the Financial Statements

We have audited the accompanying financial statements of Pacific Islands Forum Fisheries Agency ('the Secretariat'), which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes 1 to 21, comprising a summary of significant accounting policies and other explanatory information.

### Directors' and Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Pacific Islands Forum Fisheries Agency as at 30 June 2014 and of its financial performance, its changes in accumulated funds and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

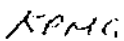
### Report on Other Legal and Regulatory Requirements

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

### In our opinion:

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

21 November, 2014  
Suva, Fiji

  
KPMG  
Chartered Accountants

**Director General's report – continued**

**Director General's declaration**

The Director General declares that

- (a) the financial statements fairly present the financial position of Pacific Islands Forum Fisheries Agency (the Secretariat) and its financial performance and cash flows as at the end of the financial year.
- (b) the financial statements of the Secretariat have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates.
- (c) all relevant financial reporting and accounting standards have been followed; and
- (d) in the conduct of its work, the Secretariat has complied with the requirements of the Financial Regulations.



James Movick  
Director General

Honiara, 21<sup>st</sup> November 2014.

## Director General's report

The Director General of Pacific Islands Forum Fisheries Agency (the Secretariat) is pleased to present the report on the financial statements of the Secretariat which comprises of the General Fund, Trust Funds, Housing Fund and Vessel Register Fund for the financial year ended 30 June 2014. In order to comply with the provisions of the Secretariat's Financial Regulations, the Director General report as follows

### Review of operations and changes in state of affairs

The Secretariat was established in August 1979 by an international convention. The Secretariat's current membership comprises of the governments of sixteen countries and one territory member government, a total of seventeen members. It was established to help member countries maximize benefits from sustainable use of the fisheries resources within their 200 miles exclusive economic zone.

As stipulated in the Secretariat Convention, the functions and responsibilities of the Secretariat are to:

- collect, analyse, evaluate and disseminate to Parties relevant statistical and biological information with respect to the living marine resources of the region and in particular the highly migratory species;
- collect and disseminate to Parties relevant information concerning management procedures, legislation and agreements adopted by other countries both within and beyond the region;
- collect and disseminate to Parties relevant information on prices, shipping, processing and marketing of fish and fish products;
- provide, on request, to any Party technical advice and information, assistance in the development of fisheries policies and negotiations, and assistance in the issue of licences, the collection of fees or in matters pertaining to surveillance and enforcement;
- seek to establish working arrangements with relevant regional and international organisations, particularly the South Pacific Commission, and
- undertake such other functions as the Committee may decide.

The core functions of the Secretariat remained unchanged during the period under review.

During the financial year there was no significant change in the principal activities or state of affairs of the Secretariat other than that referred to in the financial statements or notes thereto. The Secretariat reported a net surplus of US\$505,220 (2013: US\$253,294 surplus).

### Independent audit report

The financial statements have been audited by KPMG and should be read in conjunction with the independent audit report on page 3. Audit fees and non-audit fees are disclosed at Note 7.

### Other information

Pacific Islands Forum Fisheries Agency's registered office and its principal place of business are as follows:

1 FFA Road  
PO Box 629  
Honiara  
Solomon Islands  
Tel: (677) 21124  
Fax: (677) 23995/20092  
Website: <http://www.ffa.org>



## Acronyms

<b>AWPB</b>	Annual Work Program and Budget Summarised in the "Statement of Intent". Presented as a separate agenda document.
<b>CROP</b>	Council of Regional Organisations in the Pacific
<b>CMM</b>	Conservation Management Measure
<b>DevFish</b>	EU funded project implemented by FFA
<b>EEZ</b>	Exclusive Economic Zone.
<b>EU</b>	European Union.
<b>FAO</b>	Food and Agricultural Organisation (of the United Nations)
<b>FFC</b>	Forum Fisheries Committee
<b>GEF</b>	Global Environment Facility.
<b>IUU</b>	Illegal, Unlicensed and Unregulated fishing. A major source of tuna revenue loss for FFA member countries.
<b>KRA</b>	Key Result Area
<b>MCS</b>	Monitoring, Control and Surveillance. A Fisheries Operations sub-output.
<b>NGOs</b>	Nongovernmental Organisations
<b>PIFS</b>	Pacific Islands Forum Secretariat
<b>PNA</b>	Parties to the Nauru Agreement.
<b>RSL</b>	Results Service Logic
<b>SC</b>	Scientific Committee (of the WCPFC)
<b>SPC</b>	Secretariat of the Pacific Community.
<b>SPRFMO</b>	South Pacific Regional Fisheries Management Organisation
<b>SPC/OFP</b>	Secretariat of the Pacific Community's Oceanic Fisheries Programme
<b>SOI</b>	Statement of Intent
<b>TCC</b>	Technical and Compliance Committee (of the WCPFC)
<b>UST</b>	United States Treaty – official name: "Multilateral Treaty on Fisheries between Government of Certain Pacific States and the Government of the United States of America"
<b>VDS</b>	Vessel Day Scheme
<b>VMS</b>	Vessel Monitoring System
<b>WCPFC</b>	Western and Central Pacific Fisheries Commission
<b>WCPO</b>	Western and Central Pacific Ocean

# Glossary of Terms

TERM	DEFINITION
End Outcomes	<ul style="list-style-type: none"> <li>• What we are striving to achieve for our member countries in the long-term.</li> <li>• For our purposes the Strategic Outcomes in the FFA Strategic Plan.</li> </ul>
Intermediate Results	<ul style="list-style-type: none"> <li>• What we need to achieve in the shorter term in order to contribute to our high level results in the longer term.</li> <li>• Concrete objectives that FFA can aim towards in the short to medium term (eg the next 12 months to three years)</li> <li>• We have more influence over these intermediate (even more so for immediate results, immediate impact of our work in the first year) than the high level end outcomes we're aiming for</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• The effect of our activities on member countries. Addresses the question of "what difference are we making?" Impact made up of several levels;               <ol style="list-style-type: none"> <li>1. near term results, immediate impact of our services (within 12 months of delivery)</li> <li>2. intermediate results are medium term changes in member countries' situation, two to three years in future as a consequence of our services</li> <li>3. Longer term impact – changes in member countries situations in the long term ie from 3+ years as a result of our work</li> </ol> </li> </ul>
Impact Indicators	<ul style="list-style-type: none"> <li>• Indicates a change in the community, environment or economy,</li> <li>• Reflect the effectiveness of our services in contributing to Outcomes</li> <li>• Help determine whether anyone is "better off" as a result of services being provided</li> <li>• Will be influenced by more than one organization,</li> </ul>
Effective Performance Measurement	<ul style="list-style-type: none"> <li>• Monitoring &amp; Evaluation system</li> <li>• Of outputs to impact or results – "effectiveness measures" eg "Results Indicators" "Impact Indicators"</li> <li>• Of inputs into outputs – "efficiency measures" eg "Service, Output or Performance Measures or Indicators" Look at how efficiently we deliver our services or output as well as the quality and timeliness of the service delivery</li> <li>• Of resources to inputs – "economy measures"</li> </ul>
Outputs	<ul style="list-style-type: none"> <li>• The means that FFA uses to create impact, i.e. our services. Outputs are also final services provided to external stakeholders eg members. Our outputs include - "High Level Advice" consisting of management advisory services to members as well as the technical core activities undertaken by the core Divisions of Fisheries Management, Fisheries Development and Fisheries Operations. Corporate Services activity costs are Overheads – that is, internal supporting services to the Core Divisions.</li> </ul>
Results (per se)	<ul style="list-style-type: none"> <li>• What FFA is trying to achieve for its members in the short to medium term</li> <li>• They describe what we are trying to achieve through our services</li> <li>• End points to be aimed for, rather than individual activities or strategies,</li> <li>• Will be influenced by a broad range of factors, many of which are beyond our control</li> <li>• The longer away it is on the future the less control we will have</li> </ul>
Sub-outputs	<ul style="list-style-type: none"> <li>• Activities undertaken by Divisions i.e. activities or sub-programs under the main Programs. These were previously known as Sub-programs</li> </ul>
Managing for Results and Accountability	<ul style="list-style-type: none"> <li>• The Secretariat will not be held wholly accountable to the high level result indicators, but will be accountable for managing for its results and for demonstrating that it is making a valuable contribution to the community</li> <li>• Secretariat needs to deliver a mix of services which are reasonably likely to have a positive impact on results (other things being unchanged)</li> <li>• By tracking indicators over time frequently, evaluating assumptions, it will be able to monitor its impact and make service delivery changes where appropriate</li> </ul>