



FFA
PACIFIC ISLANDS
FORUM FISHERIES
AGENCY

2016 - 2017

ANNUAL REPORT



**Pacific Islands Forum Fisheries Agency
Cataloguing-in-publication data**

Pacific Islands Forum Fisheries Agency 2016/17 Annual Report - Executive Summary

- I. International agencies – Oceania
- I. Title II. Pacific Islands Forum Fisheries Agency
- III. Series

ISSN 2224-3887

Annual Report prepared and coordinated by: Performance Management Unit
Layout and Design: Bdub Graphic Solutions Honiara, Solomon Islands
Photos: FFAMedia, Francisco Blaha

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Message from the Director - General



James Movick
DIRECTOR-GENERAL

Overview

I am pleased to provide the Annual Report for the Forum Fisheries Agency (FFA) for the Fiscal Year 2016/17. Overall, the year has again been notable for the high degree of regional cooperation evident in pursuing the key fisheries management and corporate objectives faced by the Agency and its membership. Feedback received from members also suggests also that the FFA has responded in a professional fashion to a heavy workload of requests for assistance in addressing national fisheries agendas. The Independent Review of the Agency completed in mid-2017 will help ensure the FFA continues to deliver this support in the most effective fashion possible.

To refine our focus the Agency convened an informal workshop of our fisheries Ministers at FFA headquarters in March 2017. This resulted in active discussion and sharing of experiences relevant to both national administrations and our regional work. I consider this type of interaction vital to fostering a sustained, shared commitment to our regional fishery. I wish to thank Ministers for their enthusiastic participation in this exercise.

Throughout the past twelve months the Agency has continued to provide strategic advice and direction on emerging regional and international fisheries and oceans management issues – including those embedded within the Sustainable Development Goals (SDGs), the management of Biodiversity Beyond National Jurisdiction (BBNJ) and international initiatives such as the Port State Measures Agreement and the FAO consultations on catch documentation schemes. Embedding the principles of zone-based management has been a constant priority along with pushing for reforms in the management of high seas areas.

The further development and operationalisation of regional fisheries management regimes together with technical assistance to members in implementation has featured heavily in our workload. Our efforts within the Western and Central Pacific Fisheries Commission (WCPFC) and the subsidiary committees has proven challenging with a high level of frustration at the rate of progress being voiced by many stakeholders. In this regard we should not lose sight of the fact that FFA members continue to actively drive the agenda of the WCPFC and most of the specific discussions, which is not a claim that can be easily made by other groups of developing States around the world. Some real progress in areas such as Observer Safety and in the further definition of effective Harvest Strategies has been secured.

We have strengthened our capacity to offer sound economic and policy advice in the development of onshore industries and enhanced employment, tailored to the differing circumstances faced by individual members. We have raised the profile and importance of considering gender issues as integral to this work.

We continue to enhance regional capacity to the challenges posed by Illegal, Unreported and Unregulated (IUU) fishing. While our analysis and experience demonstrates that the Unreported and Unregulated aspects of licensed fishing are heavy priorities, the accelerated intrusion of 'Blue Boats' into the region over the past year reminds us that maintaining vigilant surveillance and enforcement is critical to the health of both offshore and inshore resources.

The Agency has also progressively strengthened its Corporate Governance to ensure the agency can continue to respond effectively to the needs of members. This ongoing work and commitment is reflected in the assessments of our Audit Committee and in the endorsement by the Forum Fisheries Officials Committee of our key budgetary and strategic frameworks and processes. This in turn provides a strong foundation for the Agency as we work to secure the resources needed to serve our membership well into the coming decade.

This 38th Annual report of the FFA, and my fifth as Director General, describes some of the key developments over the past year, and identifies also some of the challenges that will inform our future cooperation and engagement in this vital sector.

The Roadmap and Regional Collaboration

In 2014 Ministers agreed a new Strategic Plan and instructed that we “drive regional cooperation to create and enable the maximum long term social and economic benefits from the sustainable use of our shared offshore fisheries resources.” The adoption in 2015 by Leaders of the Regional Roadmap for Sustainable Pacific Fisheries provided one key example of how the FFA can help deliver on this direction.

Within this Annual Report, I am pleased to describe some of the work the Agency has once again pursued under the Roadmap, including as evidence of our shared commitment to progressing regional cooperation. It should be noted, however, that the Roadmap is not a formal FFA or Secretariat business plan. The overall work of the Agency embodies a broader range of both national and regional member priorities including Roadmap objectives where appropriate.

The Agency has therefore worked transparently with the Pacific Islands Forum Secretariat, the Parties to the Nauru Agreement Office, and the Pacific Community, which maintains responsibility for the inshore component of the Roadmap. We have also worked effectively with industry including the Pacific Islands Tuna Industry Association and within the auspices of the US Treaty negotiations.

Sustainability of Stocks and Key Indicators

Pacific bigeye stock remains overfished and subject to overfishing, although there are some positive indications that may result in improved status in the new stock assessment to be delivered in August 2017. Much of the WCPFC-related frustration relates to the ongoing inability of the Commission to reach consensus on management measures to reduce fishing mortality in a fair and equitable manner that avoids placing a disproportionate burden on small island Developing States. FFA needs to continue to pursue the appropriate balance of measures between the longline and purse seine fisheries and between high seas and EEZs.

Management reform in the south Pacific albacore fishery remains a high priority. While the stock is biologically sound, it is below the interim Target Reference Point (TRP) and for the first time, the 2016 stock assessment raised concerns that continued catch and effort at recent levels could drive the stock to the agreed Limit Reference Point. Yellowfin remains biologically sound, but poses a looming management challenge as catches of small fish continue to increase.

Zone-Based Management

The Tokelau Arrangement’s Albacore Catch Management Agreement is in the final design stage and requires, as ever, some tough decision-making to set meaningful catch limits. This applies equally to the Longline VDS if such limits are to be built into the WCPFC Conservation and Management measures (CMMs) and ultimately add value to the longline fisheries. With the maturation of the PNA-managed purse-seine VDS, the principal focus of FFA in this fishery is assisting national implementation through the World Bank PROP in participating countries. In respect of the PNA Longline VDS, FFA is providing support where requested, particularly in the implementation of electronic reporting and monitoring.

While ZBM is well recognised in WCPFC CMMs in respect of the purse seine fishery, non-FFA members have been resistant to attempts to apply similar measures to the longline fishery. This is at least partly driven by Distant Water Fishing Nations not wanting to set precedents in WCPFC that may disadvantage them in other oceans. The Secretariat has responded by starting to build stronger alliances outside the FFA and to prioritising more aggressively those matters of greatest immediacy.

Market Access, Employment and Investment

The overall export value of tuna from the region continues to reflect the decline in price of tuna for canning between 2012 and 2015. In 2016 prices have recovered somewhat and export values are increasing, although future movements are subject to a range of international factors.

FFA's work on market access has focused mainly on the key EU market. This market access has been sustained for three exporting countries despite the threats posed by EU IUU yellow carding, which have been progressively resolved or are being otherwise addressed with strong support from the Agency. The application of a fourth country for listing for sanitary approval is expected to be agreed by the Commission in June.

Efforts to develop a regional Competent Authority to assist in export certification have been delayed due to funding issues, but again this matter is being actively addressed within the Agency including with the support of alternative donors.

The Agency has worked closely with Papua New Guinea, the region's largest tuna processor, and with other members such as Fiji, to develop strategies and incentives to increase domestic landings and processing. The Agency is also working to improve employment standards and to ensure gender issue are mainstreamed within such development. The issue of limiting high seas transshipment has also been a priority. Further progress on this will be dependent on our collective efforts within the WCPFC and by members own positions within bilateral agreements with the DWFNs.

The Agency provides critical support to members in the development of their national tuna management and development plans. Work in areas such as cost-benefit analysis of fisheries projects, bio-economic modelling, investment facilitation and analysis of joint venture projects are of critical importance and continue to be raised as a priority by several members. Reflecting member requirements, the Agency has strengthened its available expertise and will engage outside expertise where warranted.

The share of catch taken by local fleets and employment in the sector demonstrate growth. Strong access revenues continue to reflect the effective operation of the Parties to the Nauru Agreement (PNA) Vessel Day Scheme.

Combatting Illegal Unreported and Unregulated (IUU) Fishing

The important FFA-commissioned report on IUU in the regional tuna fishery released in 2016 identified that the value of fish taken in conjunction with some form of IUU activity is likely to be around USD 500 million. The study further estimated the actual financial loss to FFA members at around \$150 million. These findings are more robust and more positive than the previously available regional and global estimates that are often quoted. The overwhelming majority of this loss is identified from the licensed vessels particularly through underreporting and misreporting, although it is clear also that effective surveillance is essential to deter and minimise illegal fishing.

The operation of the FFA's Regional Fisheries Surveillance Center (RFSC) at our headquarters in Honiara is now recognised as a world-leading regional response to the threats of IUU. The Center's collaborative nature between the FFA membership, the 'QUADS' and national authorities has been uniformly commended as best-practice. The RFSC has continued to improve the effectiveness of its daily surveillance activities and to facilitate dedicated land, sea and air exercises targeting both sub-regional and region-wide IUU efforts. The exciting prospect of the advent of the new Pacific Maritime Security Program (PMSP) with enhanced aerial surveillance incorporated into the operations of the RFSC has required forward-planning, including in ensuring we have the necessary human resources to fully realise the potential of this enhanced support.

Throughout the year the FFA has devoted considerable attention to ensuring that the data-sharing arrangements in place between the FFA, its membership and the QUAD partners are appropriately defined and updated.

The 'Blue Boats' issue has demonstrated conclusively that maintaining vigilant regional surveillance and enforcement is critical not just to the health of regional stocks like tuna, but also to high-value national coastal fisheries. It was encouraging to note that under FFA leadership and with strong collaboration from the Pacific Community, the region committed at a dedicated meeting in March 2017 to developing uniform and joint strategies to address this and similar IUU threats wherever possible. I commend the membership for this ongoing work.

In support of the region's overall efforts to eliminate IUU the Agency has been also been actively strengthening the Minimum Terms and Conditions (MTCs) including the recommendations arising from the FFA Fisheries Licensing Officers Workshop (FLOW) and the Regional Observer Coordinators Workshop (ROCW). The Agency has sustained progress in improving all fisheries observer programme activities and regional services plans, including those focussed on national programmes. The advent of electronic monitoring (EM) – another FFA priority for member support - will supplement, rather than substitute for human observer coverage of the fishery.

The implementation of the global Port States Measures (PSM) Agreement has been an ongoing challenge to FFA members given the disproportionate burden and breadth of obligations it creates. An FFA-commissioned Gap Analysis Report will now assist members to better implement regional and national PSM solutions. The FFA is also devoting considerable effort to ensure that the Information Technology deployed within the membership is fit-for-purpose, compatible and cost-effective. The outcomes of the 3rd Regional Information Management Systems (RIMS3) workshop provide a framework for this reform. Concurrently, a significant internal focus is to ensure that the FFA maintains world standard security of information held on behalf of members. We are instigating rigorous Information Systems Management Security (ISMS) auditing.

Niue Treaty Subsidiary Agreement (NTSA)

In 2010 Ministers agreed to develop the multilateral Niue Treaty Subsidiary Agreement (NTSA) to enhance the capacity of the region to combat IUU in a unified and interoperable fashion. It is heartening to note that with the most recent ratification of Marshall Islands the total number of Parties to the NTSA is now nine. I urge all other members to consider prompt signing and ratification of the NTSA as required. The emphasis of NTSA work will now also shift to data sharing and implementation with the NTSA providing another avenue in addressing the Blue Boat issue. Good progress has been made with the live version of the Niue Treaty Information System and on a strategy on how to collect, share and use information on persons involved in IUU fishing or 'Persons of Interest.' This latter topic will require careful consideration by all FFA members as it progresses.

US Treaty

Members will recall that the United States and the Pacific Islands Parties (PIPS) reached a landmark agreement on 25 June 2016 to continue the operation of the US Treaty under terms that promote enhanced flexibility and commercial relevance to both sides. It is pleasing to record that the US acted in late 2016 to rescind its formal Withdrawal from the Treaty. Furthermore, the Treaty is now earning enhanced revenues for the PIPs from the regional deployment of US flagged vessels.

The successful renegotiation of the Treaty was a time-consuming and resource intensive exercise made possible through the extraordinary commitment of member representatives working with our dedicated Agency staff. The externally audited annual accounts for the year ending 31 December 2016 show that a total of USD 68,287,827 was delivered to the region under the Treaty.

Aside from the market-leading financial outcomes, the conclusion of the negotiation provides a strong message about the strength of solidarity that exists among FFA members. That the membership was able to work together to overcome seemingly insurmountable challenges, both internally and with the US, speaks volumes about the depth of the relationship between members. I congratulate all the officials and Ministers that made this possible.

Corporate Services and Donor Relationships.

With 100 permanent staff and an annual budget of USD 30 million, there is a clear imperative to ensure that the agency exhibits high quality corporate services and effective corporate governance. It is very heartening to note that the Independent Review of the FFA carried out in the first half of this year reported positively on many of the enhancements made to budgetary, administrative and governance processes over the past year in particular. The ability of the Agency to meet the onerous requirements of the EU-mandated 7-pillar assessment process reflects positively on our corporate governance and lays a foundation for future cooperation with the EU and other donors.

The Secretariat has also put strong emphasis on improving its Statement of Intent, the Annual Work Program and Budget and other key monitoring and evaluation processes. The stronger role of the Corporate Services Division in supporting the Senior Executive in respect of strategic management has given the Agency more dedicated and timely capacity to deliver on all critical elements of our approved annual work program. The work of the Audit Committee in assessing and overseeing such work has been critical and I thank all members for participating in this Committee.

For those areas identified for improvement within the Independent Review, such as the Individual Performance Management system, I can assure the membership that these have in large measure been agreed and work is already underway. We will ensure timely progress on all matters.

I wish to acknowledge the support of our two metropolitan members Australia and New Zealand. Their sustained and enhanced support in the delivery of our work and the flexibility within their Program Funding is crucial to our

operational viability and enables us to leverage other donor support. New Zealand's enhanced Project Funding has been instrumental in our ability to better meet Roadmap objectives and respond to identified member needs including in respect of information management, training and a range of fisheries management objectives. I wish also to acknowledge the funding support provided by the Government of Sweden for the first time, which assisted greatly in our general responsiveness throughout the past year.

The coming year will be the last of the current 10-year program of support provided by Japan via the Japan Promotion Fund through the Overseas Fisheries Cooperation Foundation (OFCF). I wish to record the formal appreciation of all the membership for this commitment and note that we are in the process of negotiating a new phase of the Fund, albeit under reduced parameters.

In respect of our multilateral donors including the UNDP, FAO, the World Bank and prospectively the European Union, we appreciate the opportunity to implement agreed programs to the benefit of our membership. We are confident that the utility and timeliness of such programs will be further enhanced through the use of FFA systems and processes wherever possible, as opposed to duplicated management. This matter has been remarked upon by our Audit Committee and will form an ongoing discussion with the donor community.

I also wish to acknowledge the financial contribution made by our members which from all sources represents around 25% of overall FFA budgetary requirements. This clearly demonstrates strong member commitment to the work of the Agency.

Looking Ahead

Looking ahead the FFA agenda will increasingly involve building and strengthening the partnerships and coalitions needed to sustain effective regional management of our tuna resources. Some of these priorities may be identified as:

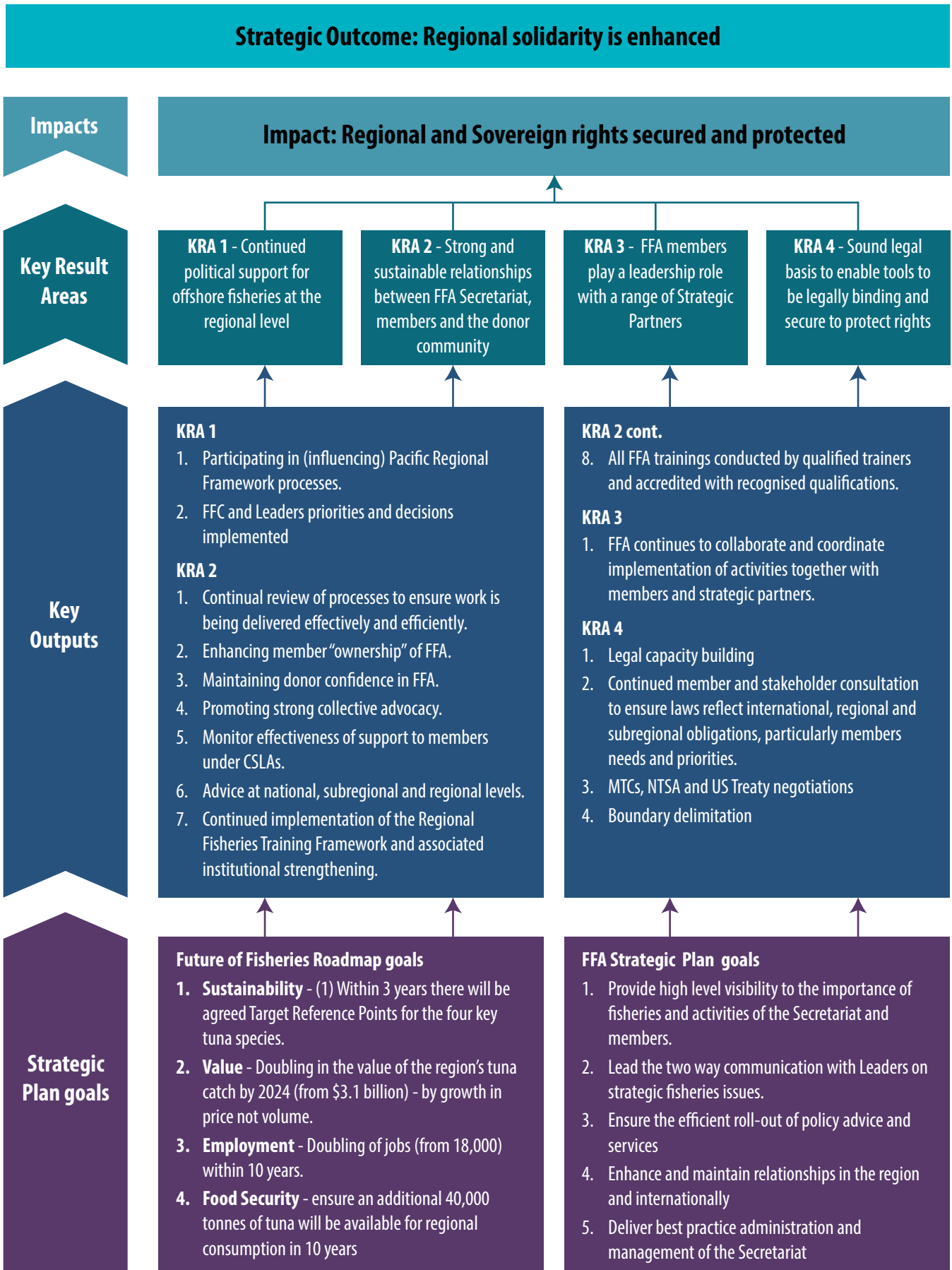
- Strategies to ensure effective implementation of evolving Roadmap objectives.
- Finalising the catch limits and Implementation of the Tokelau Arrangement;
- A fully operationalised Niue Treaty Subsidiary Agreement with strong member participation;
- A fully functioning Regional Competent Authority underpinning full access to foreign markets;
- WCPFC adoption of key measures, including on tropical tunas, needed to underpin sustainable fisheries across all commercial species and the protection of non-target species;
- The implementation and management of effective Harvest Strategies;
- Removal of both formal and informal barriers restricting the full participation of women in the offshore fisheries sector;
- Achieving ISO certification on key FFA management and information security processes.
- The roll-out of the Pacific Maritime Security Program with enhanced aerial surveillance incorporated into the Regional Fisheries Surveillance Centre.
- Stronger regional collaboration between the FFA, its membership and other key players in the regional fishery including the PNA and SPC.
- Strengthened Corporate Governance with enduring donor relationships within the development of the new FFA Strategic Plan required from 2020 onwards.

Conclusion

In conclusion I commend to Ministers the work of the FFA and its staff throughout the 2016/17 year. The dedication and professionalism of both our local and international staff is one of the FFA's great assets and a credit to the region. I believe the Agency remains well positioned to continue to service its membership in effective fashion in the coming year and beyond.

2. Divisional Reports

A. High Level Advice Results Diagram



A. High Level Advice

Description – The High-Level Advice Output comprises of 16 staff, including: the Director-General James Movick, Deputy Director-General Wez Norris, the heads of the four Divisions (Directors), Executive support Unit (Executive Officer, Personal Assistants to the Executive), Legal Unit, (Legal Counsel and three Legal Advisers), Internal Auditor, Media Officer and Training Coordinator.

Overview

The High Level Advice Output continues to demonstrate sustained achievements, with Ministers and senior member officials expressing confidence in the Agency and its work. This includes effective advocacy for fisheries at meetings such as the 2017 United Nations Ocean Conference in New York, and within multiple regional and international forums. Timely regional consultation on issues such as the “Blue Boats” and the successful renegotiation of the US Treaty were also features of the year’s work. The outcomes of the Fisheries Taskforce drew special mention in the Leaders 2016 Communique in advancing the Regional Roadmap for Sustainable Fisheries. Enhanced training outcomes, effective media outreach and strengthened donor relationships have also been delivered. The work of the Legal Unit in advancing and implementing the multilateral Niue Treaty Subsidiary Agreement (NTSA) has been noteworthy.

There are four (4) KRAs in this Output , with progress outlined as follows;

KRA1 Continued political support for offshore fisheries at the regional level

Purpose/Theory of Change - KRA1 is specifically to (1) increase the visibility of oceanic fisheries issues, and their urgency and (2) keep FFA at the forefront of regional attention by influencing and working collaboratively with partner organisations.

Success Indicators - Demonstrated support by political leaders and donor partners of FFA initiatives and offshore fisheries issues.

Assessment of progress – The FFA continues to play a critical, high-profile role in regional fisheries. Some of the key outcomes over the past year include a sustained and pivotal role in the Fisheries Taskforce (comprising of FFA, PIFS, PNAO and the SPC), advancing key Roadmap outcomes where these form part of the Agency’s agreed AWPB, the successful renegotiation of the US Tuna Treaty, high level advocacy for Oceans and IUU-related outcomes, and strengthened engagement and support with donors including from New Zealand, Australia, Sweden, Japan and with multilateral agencies including the World Bank, UNDP and FAO.

At the 2016 Pacific Islands Forum, Leaders recognised the ongoing importance of sustainable management and increasing economic returns from the regional fishery and agreed that fisheries should remain on their agenda as an ongoing regional priority.

Opportunities and Issues

The critical importance of the fisheries sector to the economies of the Pacific Island Countries is well recognised in regional processes as reflected in Leaders statements. Advancing some of the more complex Roadmap objectives such as through greater onshore investment and employment, and maintaining and enhancing market access, will require both sustained technical support and well developed member country economic strategies to help underpin progress. More broadly, the importance of fisheries and efforts to address IUU will require sustained definition with the regional and international processes at play relating to Oceans governance.

KRA2 Strong and sustainable relationships between FFA Secretariat, members and the donor community

Purpose/Theory of Change - KRA2 activities aimed to strengthen the internal institutional capability of the Secretariat to manage its resources and deliver services effectively and in doing so secure donors and members' confidence and support.

Success Indicators – (1) Demonstrated support from members and donors, (2) Public awareness, understanding and ownership enhanced, (3) National priorities addressed effectively and efficiently, (4) Continued relevance of technical and legal advice being provided in a timely manner, (5) All FFA training conducted by qualified trainers and accredited with recognised qualifications.

Activities include; (1) enhancing integrity by strengthening corporate governance and internal oversight measures, (2) increasing member ownership of the Agency by adequate membership and other revenue, (3) improved skills of FFA staff in the delivery of key training, (4) enhanced visibility of Secretariat activities, (5) provision of policy and technical advice to member satisfaction and (6) more effectively addressing national priorities.

Assessment of progress

The successful convening of an informal FFC Ministerial Workshop in Honiara in March 2017 highlighted the strong ongoing high-level membership engagement in the Agency's overall program of work, and a commitment to address common challenges in a way that demonstrates the commitment to regionalism embodied in the 1979 FFA Convention.

A key outcome in 2016/17 was to facilitate the deployment of TORS, procurement, assessment and implementation of the Independent Review of the FFA carried out in early 2017 by an external consultant. While the overall assessment of the Independent Review was positive in terms of FFA performance, those areas identified for possible improvement will be actively evaluated and addressed in the coming year. This work is ongoing with a follow-up paper provided to FFC103 in July 2017 for subsequent action.

With the assistance of Corporate Services Division, the key FFA governance documents including the Annual Work Program and Budget and the Statement of Intent have been noted to be of high quality. Members have commented on a positive trajectory in terms of the clarity and utility of key FFA governance outputs and in the definition and delivery of technical support at both the regional and national level.

With a dedicated budget to promote FFA visibility there has been greater media coverage across multiple platforms to publicise FFA work. A stronger presence in social media continues to build FFA's following.

While national priorities identified under the CSLAs are being addressed through regular country visits which have been positively received, priorities evolve over time due to a dynamic fisheries environment and changing administration priorities.

Relationships with the donor community have been sustained and enhanced as described further under KRA3.

Under the Regional Fisheries Training Framework FFA continues to deliver high level targeted learning outcomes both in its own right and through a range of independent providers. These activities go across the public and private sectors. Specific formal assessments are conducted to ensure appropriateness and sustainability of outcomes.

Opportunities and Issues

A review of how the Secretariat advances the timely upgrading and enhancement of Service Level Agreements will be conducted in 2017/18. This will aim to improve both the utility of the SLA process and the timelines and breadth of support that may be offered. This will be further embedded in the Monitoring and Evaluation processes being progressively strengthened. Stronger strategic engagement with the donor community will be sustained including through a possible donor consultation in the latter half of 2017.

KRA3 FFA members play a leadership role with a range of Strategic Partners

Purpose/Theory of Change - is to play a leadership role in collaborating with strategic partners and other states and therefore influence outcomes to further progress FFA members /secretariat interests, in particular at wider regional and global levels.

Success Indicators – (1) Demonstrated support from strategic partners for members, (2) Policy coordination and mutual assistance with Strategic Partners.

Assessment of progress

The Agency places high store in sustaining an active and transparent relationship with key strategic partners and donors. The Agency hosted the CROP CEOs meeting in early 2017 at FFA headquarters in Honiara. A 2-day trilateral consultation with Australia and New Zealand held in Canberra in March 2017 with an agreed agenda of follow-up actions. The JPF Joint Committee in February 2017 recommended development of a new 10 year program which will be progressed in the coming year. A one-off funding agreement with Sweden was concluded and implemented in October 2016. The pace of OFMP2 implementation increased with the third Steering Committee conducted in May 2017. Ongoing consultations with World Bank on PROP management is occurring. EDF11 negotiations are now gathering pace but have been hampered by protracted resolution of design and compliance issues. The FFA is increasingly engaged in ‘south-south’ fisheries cooperation as demonstrated by DDG participation in a number of international workshops and meetings including from a coastal States perspective within the IOTC, a meeting of West African countries and the International MCS Network workshop to develop a tuna sub-program amongst RFMOs. The purpose of this work is to share the positive experiences of the Pacific in order to assist other groups of developing coastal States in securing similar success, as well as to encourage greater consistency and collaboration when fisheries issues are discussed globally.

Opportunities and Issues

Enhanced donor consultation is envisaged through the hosting of an FFA donor consultation, possibly in November 2017. Further ‘south-south’ cooperation is likely. While sustained and/or enhanced donor funding is essential to the overall operation of the FFA, this must be in respect if agreed FFA program priorities and wherever possible use the systems and processes in place at FFA, rather than duplicate them in inefficient oversight processes. These issues have been highlighted in instruction from both the Audit Committee and by the FFC in May 2017. The Secretariat has invested heavily in corporate reform to meet EU requirements for a new project that will hopefully commence in early 2017 after three years of development. Significant difficulties have also arisen in the management of the World Bank Pacific Regional Oceanscape Project. That project is about to undergo a mid-term review, which may result in significant changes.

KRA4 Sound legal basis to enable instruments to be legally binding where required and to otherwise secure and protect coastal state rights.

Purpose/Theory of Change - KRA 4 covers work of the Legal Unit. The intention is to ensure (1) Robust and modern tuna fisheries legislation is in place at the national and regional level to secure and protect rights (2) Trained, confident nationals able to make informed legal and legislative decisions with less dependence on FFA and other external assistance.

Success Indicators – (1) Up-to-date laws which reflect subregional, regional and international obligations; MTCs are incorporated into the national regulatory framework; Implementation of robust conservation and management measures ;effective legislation underpins market access; progressing case packages with the Fisheries Operations Division for prosecutions or settlements; progressing NTSA ratification, including review of laws and policies to meet NTSA requirements and data security; (2) Trained, confident nationals with graduates undertaking legal attachments and fellowships, especially newly appointed national legal advisors; increased interest and participation in training relevant to the NTSA and NTIS; high interest in the Judicial Conference and the Regional Prosecutors course, and(3) Maritime boundaries solutions for Members, in close coordination and delivery with the SPC Geoscience Division.

Assessment of progress – The Legal Unit’s workplan for FY2016/17 has seen the majority of activities

implemented successfully.

The Legal Unit (Legal Counsel and two Legal Advisors with one pending recruitment) facilitated the Judicial Conference attended by Chief Justices and Judges from nine (9) FFA member countries. This distinguished event was co-hosted by FFA and the Solomon Islands Government, specifically with Solomon Islands Chief Justice Sir Albert Palmer.

There have been several legislative reviews progressed for members during this reporting period. There has been progress in setting up the tools to implement the NTSA, both at regional and national levels. During the reporting period, there has been 1 NTSA Parties meeting, 1 NTSA workshop and 9 in-country sessions for both Parties and non-Parties. The Niue Treaty Information System (NTIS) has become fully operational during this reporting period. Members are now better versed in understanding the opportunities presented by the Agreement, and the requirements to make it work effectively such as the information required to be held in the NTIS, review of laws to ensure the legal basis to support the obligations under the NTSA and ensuring national level data security policies are in place. In addition, there has been a drive to broaden out the approach to IUU fishing from focusing on vessels to also look at information concerning persons that control vessels and may be involved in IUU fishing. To this end, a Persons of Interest Strategy is being developed.

The final Technical Drafting Group for the US Treaty translated successfully into legal text what had been agreed at the last Renegotiation Session. This led to the adoption of the revised Treaty text by the Parties in December 2017.

There was a comprehensive review of the MTCs to include key minimum terms that must be in place to protect observers, which was adopted by FFC Officials at their annual meeting. This work is also reflected in the adoption of the WCPFC observer safety measure - a key achievement for FFA Members. A Regional Prosecutors training workshop was also held during the reporting period to create stronger linkages between prosecutors and fisheries officers, and drive increased awareness of the importance of IUU fishing in the discuss the various technologies in place to support efforts, particularly to combat IUU fishing.

Opportunities and Issues

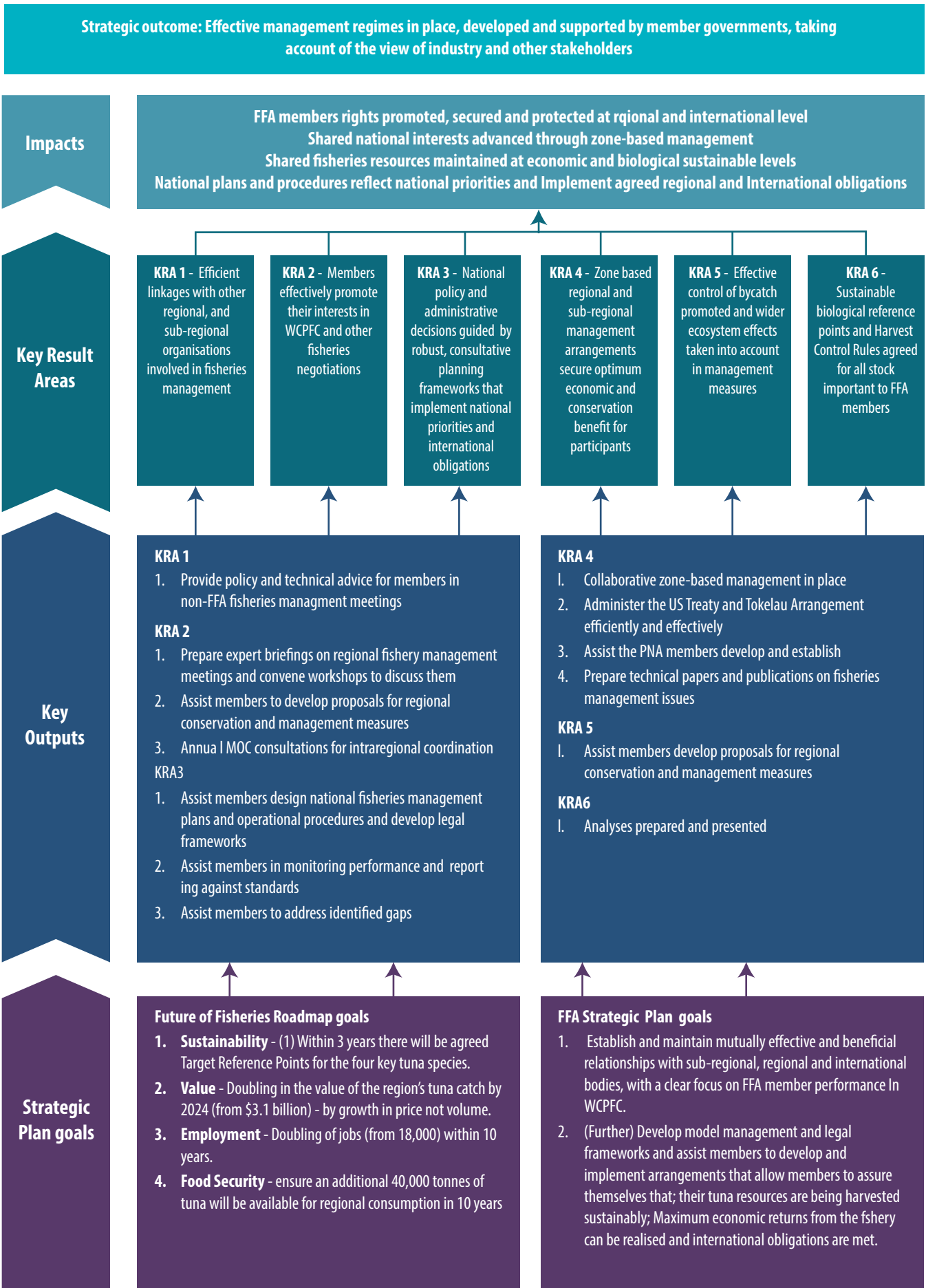
There is a major opportunity for NTSA Parties to fully operationalise this Agreement and enter into cooperative surveillance and enforcement activities. Members must agree effective national data security policies and ensure that the minimum data identified in the Agreement is shared by the Parties. The upcoming Persons of Interest workshop must agree how to operationalise this potentially important tool concerning individuals involved in IUU fishing while cognisant of privacy and other considerations.

Another major opportunity is provided under the NTSA framework whereby information can be shared for broader law enforcement purposes, and vice versa. The issue is to provide a clear process for information sharing with clear data security rules. The Secretariat will work closely with relevant law enforcement agencies to this end.

The WCPFC observer safety measure is not the end game in ensuring the safety of observers. The FFA will advance work on a transparent insurance policy which fully provides for observer needs. A workshop on this specific area will be held.

Another key opportunity is to update the Violations and Prosecutions database which has not been consistently populated. This must be effectively and efficiently updated with relevant information shared amongst the Members.

B. Fisheries Management Results Diagram



B. Fisheries Management

Description – The Fisheries Management Division is comprised of two sections with 11 staff and is headed by the Director Fisheries Management, Dr. Tim. Adams. The two sections are Integrated Fisheries Management – made up of five (5) internationally recruited Fisheries Management Advisers, two (2) internationally recruited regional Project Managers and two locally recruited Project Administrators, and the Treaty Administration Section – made up of the internationally recruited Manager and locally recruited Data Entry Officer.

Overview

Overall, the main Outcome of “Effective fisheries management regime in place, developed and supported by member governments, taking account of the views of industry and other stakeholders” has been successfully progressed over the period under review.

Progress of work for each of the Strategic Plan Key Result Areas and Projects are as follows;

KRA1 Efficient linkages with other regional and sub-regional organisations involved in fisheries management.

Purpose/Theory of Change – Maintaining dialogue and working relationships with other organisations and providing technical and policy advice to members attending non-FFA fishery meetings in the region helps maintain common purpose.

Success Indicator - Collaborative working relationships with other fisheries organisations on issues of common interest

Assessment of progress – Collaborative working relationships continue to be maintained with SPC’s Oceanic Fisheries Programme, the PNA Office and Te Vaka Moana group, including through the implementation of several joint projects and regular dialogue. The participation of the CEO of the PNAO in the FFA informal ministerial in March 2017 was noteworthy and appreciated.

Opportunities and Issues – Five activities were budgeted under this KRA. These were to provide technical support to FFA members attending PNA, TVM and MSG-FTAC meetings, co-chairing the CROP MSWG and attending the annual SPC/FFA Colloquium. Support to PNA included attendance at PNA officials’ meetings held on several occasions throughout the year as well as participation in several issue-specific workshops and the PNA Ministerial meetings in June 2017. FMD has been challenged to realise donor expectations in implementation and reporting of some activities being delivered by third parties, and some redesign of activities may be necessary. The Division’s closest working relationship with SPC remains strong. The annual SPC/FFA Colloquium and review of the MOU will occur later in 2017. The Melanesian Spearhead Group has not recently convened a Fisheries Technical Advisory Committee (FTAC), with its focus more on coastal fisheries and aquaculture, but this may occur in September 2017.

KRA2 Members effectively promote their interests in WCPFC and other international tuna fisheries negotiations.

Purpose/Theory of Change – More effective engagement leads to improved rate of adoption of FFA member proposals, and avoidance of decisions that act against member interests, thus improving the management of the fisheries on which their economies depend.

Success Indicator - Impact of FFA member statements at WCPFC and FFA proposals reflected in WCPFC decisions.

Assessment of progress – The rate of agreement of new measures by WCPFC is slowing down. FFA members are finding it more difficult to ensure greater involvement by coastal States in the management of fisheries in

their own region, and in general for measures which would ensure better conservation, data-provision and compliance, particularly for high seas fishing. FFA members continue to engage and make most of the new proposals going to WCPFC.

Opportunities and Issues – It may be necessary to build stronger alliances outside the FFA membership with certain key fishing states in order to progress much further at WCPFC, although this may necessitate some compromise of principles, and is a strategy also subject to the law of diminishing returns. FFA members may need to concentrate on a highly prioritised agenda, such as the case with the Observer Safety measures and Tropical Tuna measures. Members also need to strategically identify when issues should be progressed outside of the WCPFC, such as the ongoing efforts to fully implement the LLVDS and TKA Catch management arrangement to drive longline fishery reform.

KRA3 National policy and administrative decisions guided by robust, consultative frameworks that implement national priorities and international obligations

Purpose/Theory of Change – has two aims, (1) to strengthen national frameworks through more collaborative approaches and compliant with regional and international standard and (2) build capability to identify gaps and make informed decisions independently.

Success Indicators – (1) WCPFC compliance monitoring process. Reviews of diligence in fulfilling sub-regionally or regionally agreed shared standards such as PNA, TKA, FFA-MTC, (2) Members fully aware of capacity to achieve agreed standards, and able to report appropriately, (3) National capacity able to implement full fisheries framework

Assessment of progress – The national level is where sovereignty, decision-making and enforcement of national measures, regional and subregionally-agreed measures is exercised. The WCPFC Compliance Monitoring Process helps assess national effectiveness of implementing WCPFC measures, and FFA members continue to perform better than non-FFA members on average, in terms of the number of “non-compliant” assessments against the implementation of individual measures. FMD also continues to assist countries with updating national management plans, and FAO-compliant NPOAs for bycatch species.

Opportunities and Issues – In assisting members with national implementation of transboundary regulatory agreements, the Secretariat must take into account national capacity to respond to all obligations – not just WCPFC, but also TKA, PNA etc. – and tailor support programs accordingly. GEF-funded OFMP2 and PROP projects are in place to help countries with WCPFC implementation, and selected countries with VDS implementation, and a new project funded by New Zealand will assist island members with TKA and CMA implementation. An integrated ongoing review of national capacity and progress against all of these management obligations is however needed, and opportunities for achieving this will be explored. As some FFA members grow larger as flag States, they face a growing number of obligations and a larger task to ensure their own implementation and compliance by their vessels.

KRA4 Collaborative zone-based regional and subregional management arrangements secure optimum economic and conservation benefit for participants.

Purpose/Theory of Change – the main aim is to work collaboratively on zone-based fisheries management arrangements to secure tangible rights to fisheries in EEZs, exercise greater control and achieve the best returns for members.

Success Indicators – (1) Collaborative zone-based management in place for all major tuna fisheries and taken into account in WCPFC and international measures. (2) Albacore fishery rebuilding through Southern Albacore Management Scheme and WCPFC comprehensive SP-ALB CMM. (3) US purse-seine fleet fishing in the region accords with treaty and members satisfied with return (4) Extension of US Treaty arrangements on terms acceptable to all parties

Assessment of progress – Of the three main ZBM arrangements, the PNA Purse-seine VDS is mature and FFA FMD is assisting national implementation in participating countries by helping administer the World Bank PROP; the PNA Longline VDS is still in the process of being fully rolled-out by some Parties, and FFA FMD is providing support where requested, particularly in the implementation of electronic reporting or monitoring;

and the Tokelau Arrangement's Albacore Catch Management Agreement is in the final design stage. The US Treaty renegotiation has finally been completed in late 2016 and adopted by all members other than Australia and Fiji, both of which are reportedly nearing completion of their internal processes.

Progress towards agreement of the Target Reference Points (TRPs) at the stock-wide level that will provide the sustainability context within which ZBM regimes has progressed at the WCPFC but is slower than ideal. Overall, the Harvest Strategy Workplan continues to fall behind. A SKJ iTRP is already in place, and a rebuilding timeframe for the BET stock was agreed in December, along with an "agreement to agree" on an SP-ALB TRP in December 2017. However, there has been no work at all on YFT – a stock which is significant to purse-seine, tropical and southern longline and artisanal fisheries alike.

Opportunities and Issues – Both of the longline ZBM arrangements currently have much higher total catch or effort limits than the current catch or effort in the fishery. This will make it very difficult to build them into the WCPFC stock CMMs, and to foster economic sustainability and added value in the longline fisheries. TKA Participants will consult before FFC103 in July 2017 with a view to mutual agreement on the removal of unnecessary latency. In the longline VDS there appears to be a region-wide effort by certain flag states to break off access agreements with countries that are fully implementing the VDS, and to fish on the high seas or in non-VDS EEZs. Concerted action will be needed to counter this strategy.

For the US Treaty, the future will depend on the economic viability of the US purse-seine fleet. For some US vessels this is looking problematic, but higher skipjack prices could assist. It will be critical economically for the US fleet to utilise the flexibility built into the new agreement.

KRA5 Effective control of by-catch is promoted and wider ecosystem effects are taken into account in management measures.

Purpose/Theory of Change – To avoid adverse impact by tuna fisheries on the ecosystem that supports those fisheries, and to take non-fisheries impacts into account in the design of tuna fisheries management measures. And in the long term, to assist intergovernmental agreement on the respective responsibilities of each human impact sector for maintaining WCPO pelagic ecosystem indicators around Ecosystem Target Reference Points, taking ongoing natural change into account.

Success Indicator - Target fisheries are not severely limited because of by-catch or ecosystem concerns.

Assessment of progress – FFA members continue to propose or support reasonable bycatch management measures at WCPFC, but there was limited progress in the past year. The FFA proposal to strengthen seabird mitigation in southern longline fisheries failed, and there was no prospect for regional agreement on a comprehensive shark measure. And further restrictions on FAD-sets – which account for most of the purse-seine bycatch impact – are unlikely while certain Pacific Island EEZs continue to bear a disproportionate burden of conservation action as the result of existing FAD restrictions, compared to high seas fisheries and other EEZs. At the national level FFA assisted several members with NPOAs for bycatch species, and is supporting research on pelagic ecosystems, bycatch, and on LRPs for non-target species, particularly through the OFMP2 project.

Opportunities and Issues – The most immediate improvements in bycatch and pelagic fishery ecosystems management are likely to be made by improving catch data from longline fisheries – in particular through the introduction of electronic monitoring and reporting and better ROP observer coverage, particularly on the high seas. Although some bycatch-mitigation measures have already been agreed, the longline fishery still has very high rates of bycatch, and a much lower overall standard of reported catch composition data than the purse seine fishery. At the national level, the consequences of unloading industrial tuna bycatch onto local markets needs further economic and social investigation. In some cases the benefit of more and cheaper fish may be outweighed by the undermining of the sustainability of local fishing enterprises, particularly in areas where the supply from industrial transshipments or unloading is patchy, or dependent on the state of the ENSO cycle.

KRA6 Sustainable biological reference points and Harvest Control Rules agreed for all stocks important to FFA members.

Purpose/Theory of Change – Implementation of the Precautionary Approach established in the 1994 UN Fish

Stocks Agreement, integrated into the WCPFC Convention and operationalised in WCPFC CMM 2014-06 as the WCPFC Harvest Strategy Approach should through the operation of pre-agreed rules speed up the rate at which effective responses to overfishing occur and through the agreement of Target Reference Points—condition exploitation across the entire range of the stock including the high seas) to bio-economically sustainable levels and thereby provide a firm context for Zone Based Management to operate within.

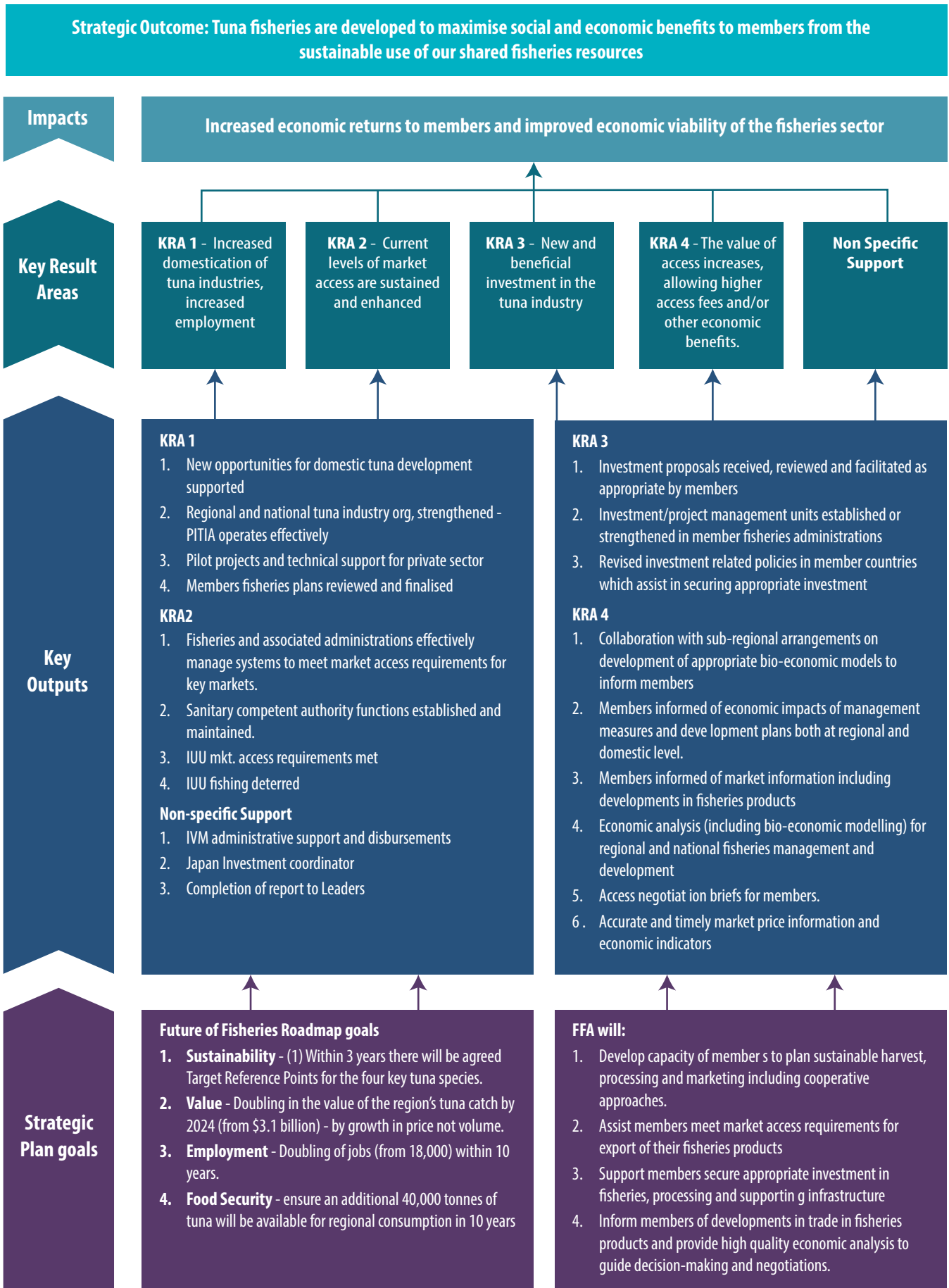
Success Indicators – (1) Full implementation of the Precautionary Approach across all major commercial fisheries (2). Members are fully aware of issues before all subregional and regional discussions on these topics.

Assessment of progress –Limit Reference Points (LRPs) and an interim TRP for SKJ are already in place, and WCPFC13 saw agreement on a rebuilding timetable for BET and on the subject of the acceptable level of risk of breaching LRPs. However, certain elements of the FFA member-proposed WCPFC Harvest Strategy workplan agreed by WCPFC in 2016 are falling behind, including the high-priority element of a TRP for South Pacific Albacore. There was however a decision to finalise an agreement by the end of 2017.

Opportunities and Issues – FFA members are now more aware of the issues, the implications, and the obligations involved in the Harvest Strategy Approach than many non-FFA WCPFC members. It is not yet clear if this non-FFA misunderstanding or rather a negotiating position to delay implementation. The new NZ-funded Management Strategy Evaluation project implemented by SPC with support by FFA will put dedicated resources into extending understanding of these principles not just among the FFA membership but in non-FFA WCPFC developing CCMs.

There is general agreement among FFA members on the utility of WCPFC-wide agreement on limit and target reference points for key tuna stocks. However, there is still uncertainty surrounding the ultimate usefulness of Harvest Control Rules that would apply to an entire stock if the difficult issue of allocation cannot be resolved. Allocation of rights or opportunities, and the division of responsibilities, between parties is a major issue facing both FFA member zone based management arrangements and WCPFC.

C. Fisheries Development Results Diagram



C. Fisheries Development

Description – The Fisheries Development Division and associated staff comprise six (6) Units and up to 12 staff. Eleven (11) positions are internationally advertised posts. The Division is headed by Mike Batty. The different units are; Economic Intelligence, Fisheries Development Support, Investment Facilitation, Trade and Export Facilitation, with the TeVaka Moana Project ongoing pending further consideration of its future sub-regional needs.

Overview

The main outcome sought, “Tuna Fisheries have been developed to maximise social and economic benefits to members from the sustainable use of our shared resources” - has been successfully progressed over the period under review. For some of the KRAs economic data will not be available until later in the year to substantiate impact of new work underway or already undertaken.

Progress of work for each of the Strategic Plan Key Result Areas and Projects are as follows;

KRA1 Main objective - Increased domestication of tuna industries, increased employment.

Activities in this KRA are undertaken by the Fisheries Development Advisory Unit with some input from the Investment Facilitation Unit.

Purpose/Theory of Change –

- Supporting and providing opportunities for domestic tuna development including collaboration with industry incentivises domestication and successful operations.
- Supporting implementation of the FoF Roadmap activities includes work for increasing economic returns and crewing opportunities for regional workers.
- Well prepared Tuna Management and Development Plans strategically developed collaboratively with industry and other stakeholders enhances likelihood of achieving desired results and economic success.
- On hand economic advice, funding and facilities for research and testing of commercial proposals better informs investment decisions.
- Targeted economic advice for other FFA divisions and informing national, subregional and regional issues

Success Indicators – (1) Number of jobs in FFA Pacific Island member countries in the tuna industry will increase by 7-8% from 18,000 in 2013. (2) Number of countries with coherent and up-to-date tuna management and development plans. (3) Number of development plans involving stakeholder consultations at the national level and establishing advisory committees for ongoing consultation.

Assessment of progress – Employment growth in the processing sector continues –although clearly this is not attributable only to FFA support. There has also been some growth in employment of crew. Development plans were revised in two countries with FFA support and a review of stakeholder engagement completed for a third.

Opportunities and Issues –New work on crewing legislation should allow a focus on fleets with greatest potential. As in other areas the leverage of countries working together to secure crewing opportunities needs to be balanced against national aspirations. Development planning work needs more attention to develop consistent national strategies.

KRA2 Current levels of market access are sustained and enhanced.

Purpose/Theory of Change – The tuna industry is primarily an export industry. Supporting the capability of Government agencies and commercial operations at the national level to sustain and enhance market access is essential for development of the industry.

Success Indicators – Value of tuna exports from FFA members to 3 main export markets (EU, US and Japan) increased to US\$358m from the previous year.

Assessment of progress – Work has focussed mainly on access to the EU market. Market access has been sustained for three exporting countries, with threats posed by IUU yellow cards overcome in one of them. One additional country has now received approval for its sanitary competent authority, and two yellow cards remain to be more fully addressed.

Opportunities and Issues – Export values have continued to be negatively affected by the decline in price of tuna for canning since 2012/13, but should pick up for 2016. Efforts to develop a regional Competent Authority (CA) support unit have been delayed due to funding issues, but again this is expected to be resolved in the coming year.

KRA3 New and beneficial investment in the tuna industry.

Purpose/Theory of Change – Strengthening investment framework, policies, strategies and project management units will lead to new investments in the industry. Thorough evaluation of investment proposals ensures that the outcomes are economically and socially beneficial.

Success Indicators – Value of new investment approved >US\$25m during the year on average.

Assessment of progress – FFA is assisting with a number of new investment projects through evaluation to support for implementation where appropriate.

Opportunities and Issues – New project funding and the successful recruitment of an IF Manager is expected to give a new impetus to this work.

KRA4 The value of access increases, allowing higher access fees and/or other economic benefits.

Purpose/Theory of Change – Economic analysis better informs decisions and access negotiations. Linked with KRA 3 there is a growing appreciation of the cost of concessionary access provided to incentivise domestic development.

Success Indicator - Estimated value of access fees collected for the year (aim to at least maintain at 2014/15 levels).

Assessment of progress Estimated access fee revenue again increased from 2014 to 2015 driven mainly by purse seine bilateral arrangements and the US treaty. These gains appear to have been maintained in 2016

Opportunities and Issues – FFA staff supported bilateral negotiations in two countries during 2016, and there are opportunities to extend this to other members. Almost all of the positive increases in access in recent years have been attributable to the purse seine fishery, and are a direct result of the PNA vessel day scheme. The ongoing challenge is to grow the returns from the longline fishery. While these will never approximate those from purse seine, they will represent an important achievement for a wide group of FFA members.

Non Specific Support – Provision of support for ad-hoc needs for economic and development advice, TVM administration, minor projects and programme for increasing economic returns for Leaders.

Success Indicator - FFA members benefit from project activities. Members and other stakeholders are satisfied with services and advice provided under this result area.

Purpose/Theory of Change – FFA needs the flexibility to respond to ad hoc requests for action that may not fit exactly with other KRAs; and can also support members by managing aid funding for subregional

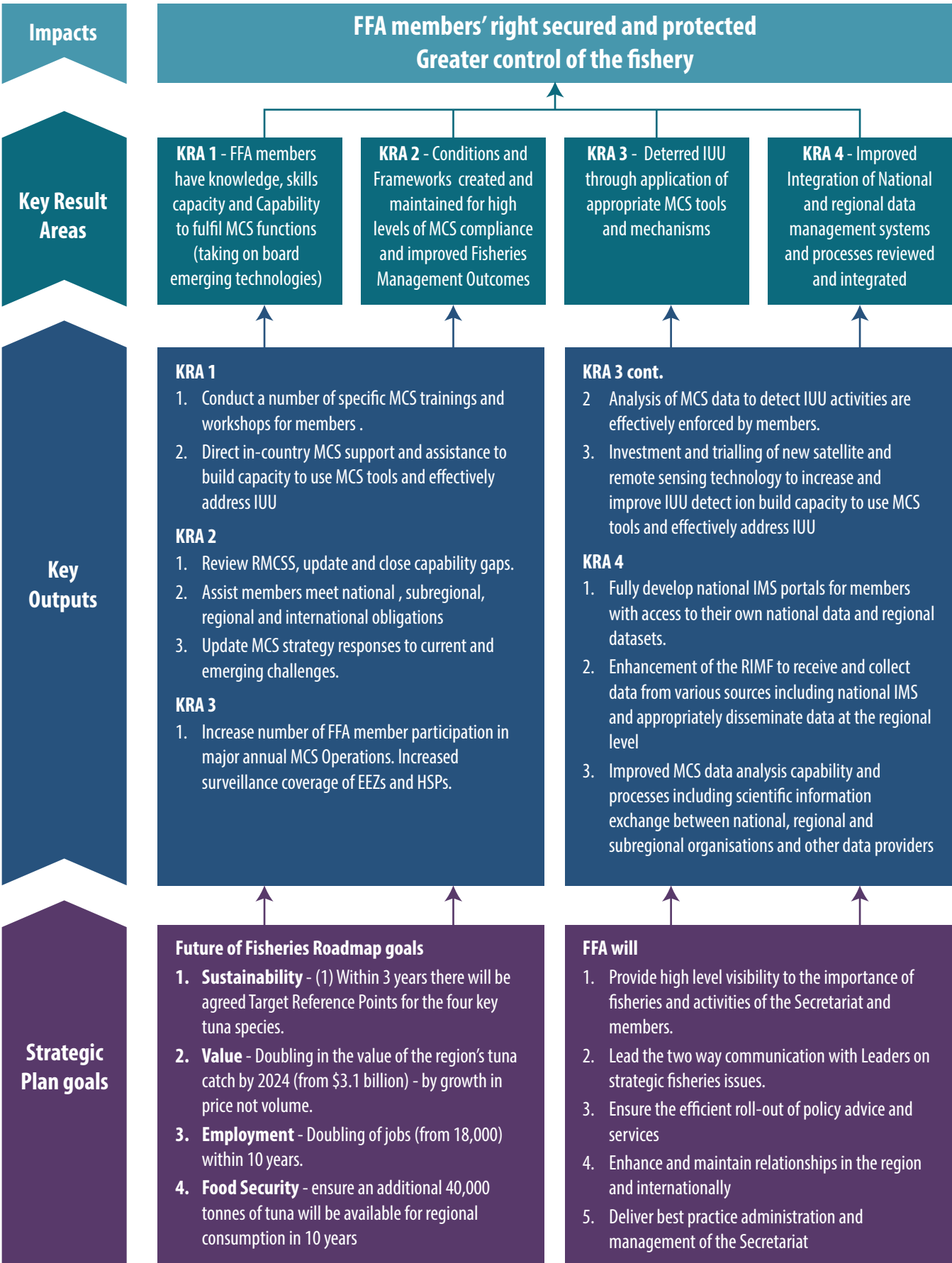
organisations that do not meet donor requirements.

Assessment of progress – A wide range of requests was addressed. The TVM project achieved most of its planned work programme for the period. Reports to leaders were submitted on time and well received, with some follow-up work carried out.

Opportunities and Issues – Uncertainty over future funding for TVM makes it difficult to plan future support, however consultation on this matter is ongoing.

D. Fisheries Operations Results Diagram

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



D. Fisheries Operations

Description – The Fisheries Operations Division is headed by the Director of Operations - Mr. Noan Pakop from Papua New Guinea. There is a total of 30 staff, 15 hold internationally advertised posts and 15 locally advertised positions. There are 4 Units; the MCS Unit, Vessel Monitoring System (VMS) Unit, the Regional Observer Program Unit and the Information Technology Unit. In addition to the above FFA positions, two members from the Australian and New Zealand military services are also seconded on an ongoing basis to the Regional Fisheries Surveillance Centre (RFSC).

Overview

Overall, the main Outcome of “Benefits to members from fisheries are reinforced by robust Monitoring, Control and Surveillance in support of fisheries management frameworks” has been successfully progressed over the period under review.

Progress of work for each of the Strategic Plan Key Result Areas and Projects are as follows;

KRA1 FFA members have knowledge, skills, capacity and capability to fulfil MCS functions (taking on board emerging technologies)

Purpose/Theory of Change – Training and direct support of national staff will improve their capacity to fulfil MCS functions

Success Indicators – Capacity in key MCS areas increased for example, VMS, prosecutions, licensing, dockside inspection, observer training.

Assessment of progress – Training activities delivered by the Secretariat continues to make a positive difference to the MCS capability throughout the region. Working with SPC in developing Observer capability, including in program management is an important part of this work. Over the year, a total of 64 new Observers were trained and certified as well as Debriefers and Debriefers Assessors. Other MCS trainings delivered through the year include Fisheries Licensing Officers Workshop (FLOW), Dockside Boarding, VMS as well as the Foundation MCS Course.

Direct in-country support and assistance to members were also undertaken. A key achievement this year was the development of a specific procedure to address IUU cases referred to members for prosecution by the Secretariat.

KRA1 consists of two components.

The first was to conduct specific MCS trainings and workshops for members. Of those planned one (1) training was not delivered due to changing priorities and funding limitations. Two (2) new training course were developed and delivered, following the identification of needs during the year. A total of 35 activities were delivered including workshops, training and attachments.

Out of these training courses; 64 new Observers were trained and certified; 56 new Debriefers were trained (43 in Part A and 13 in Part C); 10 new Debriefers assessors were trained, 12 newly trained in PIRFO and 12 experienced observers trained in IATTC/WCPFC cross endorsed trips, and 16 PIRFO Debriefers and 14 Fisheries Officers trained in Critical Incident Analysis. A third cadre of graduates from the FFA/USP Certificate IV course in fisheries enforcement graduated.

The second component comprises of direct in-country MCS support and assistance to build capacity to use MCS tools and effectively address IUU issues. A total of 10 countries were covered during the year, including part payment of national MCS Officer wages and communication costs. Other activities include support of MTU maintenance and systems and training by the VMS Unit. These outcomes are achieved through direct in-country technical support and strengthening for National Observer Programme administration focusing on developing Standard Operating Procedures (SOPs) with 6 countries covered and 7 more to be visit by end of 2017. Continue conducting various PIRFO observer training to upskill and increase observer manpower.

KRA2 Conditions and Frameworks created and maintained for high levels of MCS compliance and improved Fisheries Management Outcomes

Purpose/Theory of Change – National MCS frameworks based on the regional MCS strategy and risk assessments to be in place at the national level will ensure a standard and best-practice approach to address IUU risks and ensure compliance to regional, subregional and international obligations. An inclusive approach that promotes integration of MCS advice in fisheries management.

Success Indicators – (1) National MCS frameworks, based on the regional MCS strategy and risk assessments, are in place, taking into consideration linkages between relevant stakeholders. (2) Members meet: national licensing and legislative requirements; regional and sub-regional reporting requirements; international obligations. (3) Regional MCS strategy responsive to emerging challenges and management measures through better understanding of the drivers of noncompliance, appropriate interventions and MCS responses. Promotes integration of MCS advice in fisheries management

Assessment of progress – Updating status of national MCS capabilities has been progressed during the year which are being informed by regional studies on IUU Report, Surveillance Study, ER and EM Cost Benefit Analysis.

There are three components in this KRA.

The first involves the Review of the Regional MCS Strategy (RMCSS) originally developed in 2009/2010. To date, the review has included the Regional MCS Evaluation, desktop analyses of other regional studies (IUU Report, Aerial Surveillance Study, ER and EM Cost Benefit Analysis). National Risk Assessment and Compliance Review workshops have been conducted in two Member countries (Fiji and Samoa) and also regionally in Honiara. Additional consultation on the review of the RMCSS has also been undertaken with QUAD partners and Australia (AFMA and other line agencies).

The second component is developing National MCS Plans. This is in association with the review of the RMCSS. The National MCS Risk Assessments and Compliance Workshops undertaken for Fiji and Samoa which identified gaps and needs for national MCS regimes provided valuable information to inform national MCS plans work for many members. Further, the regional Risk Assessment and Compliance Review Workshop held in Honiara was attended by 12 Member countries and provided clear guidance as to the gaps and needs of members regarding their national MCS plans and strategies.

The third component is Review National Plan of Action (NPOA) IUU. During the period FFA assisted in the development of the NPOA IUU for Tonga. Preliminary work was also conducted with Niue and Nauru.

Opportunities and Issues – Continue the review through engaging with Members individually and regionally. Assist members in developing national MCS plans update national MCS frameworks in line with regional developments and national needs.

KRA3 Deterred IUU through application of appropriate MCS tools and mechanisms.

Purpose/Theory of Change – Application of appropriate MCS tools and mechanisms will deter IUU fishing

Success Indicators – (1) Set in place improved systems and mechanisms including automated tools to identify and measure level of IUU and to identify appropriate MCS approaches to address them. (2) Identify types of IUU activities. Measure level of IUU and promote appropriate cost efficient and effective MCS programs to combat IUU.

Assessment of progress – Overall, the effect of Surveillance Operations undertaken appears to have successfully shifted from detection to deterrence, with non-complying vessels reduced dramatically with the latest operation, Operation Tui Moana 2017 registering none. Vigilance however will be maintained to ensure continuity and ongoing deterrence.

This KRA has 3 components.

The first is to increase number of FFA member participation in major annual MCS Operations, to facilitate increased surveillance coverage off Member's EEZs and HSPs. During the year seven MCS operations were

conducted successfully.

The Operation Island Chief	covered 7 countries
Operation Kurukuru	covered all FFA members
Operation, Rai Balang	covered 7 countries
Operation Tui Moana	covered 4 countries
Support for Operation Ika Moana	covered 4 countries
Support for Operation Tautai	covered 2 countries
Operation Solvan	covered 2 countries.

The second component is analysis of MCS data to detect IUU activities are effectively enforced by members. Analysis of MCS data requires the use of, inter alia, Observer reports, VMS data, Satellite imagery data, Automated Identification data, FFA/Quads Operational data (sightings, boarding, detection) and data from a variety of sources including RFSC/ SPC/Open sources and contact reports etc. - for all members. To date 264 cases/incidents for 10 member countries have been forwarded to members for their information, further analysis, investigation and action.

The third component is investment and trialling of new satellite and remote sensing technology to increase and improve IUU detection. The KIOST project (with support from RoK) has commenced which aims to incorporate new satellite and remote sensing technology data into existing tools. Operation Kurukuru 2016 utilised about 60 high and low resolution satellite aperture radar images in support of its surveillance operations.

Opportunities and Issues - Increased surveillance efforts particularly in the MCS operations has helped curb IUU over the year with a reduction in number of MCS offences during the period reviewed.

The long standing issue of members' not progressing prosecution of IUU incidents will hopefully be significantly reduced with the development of Critical Incident Procedures to guide members to more successfully pursue referred IUU cases.

Further use and access to more sophisticated technology for IUU detection will be available under the KIOST project. The advent of the PMSP Program with enhanced aerial surveillance is also a key development for the coming year to be factored into overall regional IUU efforts.

KRA4 Improved Integration of National and regional data management systems and processes reviewed and integrated.

Purpose/Theory of Change – integration of national and regional data management systems will enable collection and retrieval of related data at both the national level as well as inter-jurisdictional as appropriate.

Success Indicators – Fully functional National IMS and comprehensive RIMF and data integration from different data sources in place.

Assessment of progress – Work planned in this area has been progressively achieved.

For the first component - rollout of the IMS to member countries is now well underway. All members now have national IMS portals and are now progressively assisted to access three national datasets and four regional datasets.

For the second component to enhance the RIMF to receive, collect and disseminate data from various sources including national and regional level, the Secretariat worked with members to clarify RIMF metrics definition, identify target MCS datasets to capture and migrate to RIMF to new platform.

The last component to improve MCS data analysis capability and processes including scientific information exchange between national, regional and subregional organisations and other data providers. All targets are on track to be achieved by end of fiscal year. A key achievement was the ability to develop the NTIS to be operational and used by all parties to the NTSA during the MCS Operation in March 2017.

Assessment

The first component is fully develop national IMS portal for members with access to their own national data and regional datasets. Under this component the three activities are (i) 14 countries implement and adopt

IMS portal (ii) 8 countries with access to 3 national datasets and (iii) 14 countries with access to 4 regional datasets. Progress to date are; (i) All members now have national IMS portals (ii) 50% complete with 4 members having access to 3 national datasets (iii) 60% complete with 9 out of 14 members with access to 4 regional datasets.

The second component is enhancement of the RIMF to receive and collect data from various sources including national IMS and appropriately disseminate data at the regional level. Activities undertaken during the year included clarification of RIMF metrics definition, identify target MCS datasets to capture in RIMF, migrate RIMF to new platform, RIMF industry portal development, Transshipment monitoring and RIMF application (app) development.

The last component is improved MCS data analysis capability and processes including scientific information exchange between national, regional and subregional organisations and other data providers. There are two activities under this component. The first is (i) NTIS is operational and used by all parties to the NTSA during MCS operation. The Secretariat was able to successfully have the NTIS fully operational by the NTSA Parties meeting in March. The NTSA Annex A data standards were also developed. A dedicated NTIS training for NTSA parties was also undertaken. The NTIS was able to be used during the Operation Tui Moana. The second activity is (ii) Integrate new datasets into RSP with additional automated analytical capabilities. The Secretariat has planned to complete the RSP integrated into RIMF by end of the fiscal year as well as additional automated analytical capabilities identified and built into RSP – integrated SAR data.

Opportunities and Issues - With the further progress in completing the RIMF, and greater access by members to the different national and regional datasets, there is greater chance of more successful collaboration. While FFA has delivered results against the metrics outlined above, there are two areas for strategic consideration that need to be addressed before the IMS/RIMF could be classed as fully effective. The first relates to the ability to integrate data and access across systems that are being developed by different organisations. FFA and SPC have an established ability and practice of sharing data across systems, but are yet to integrate physical access. There is little data sharing at the present time between FFA and PNA systems. The second area is to review the design process and modality for IMS modules to improve efficiency and consistency while still respecting national needs. This process was commenced in March 2017 with the development of a single set of data and process standards for licensing modules. This area is one of ongoing executive direction and member and donor consultation to ensure that efficient and effective outcomes are pursued.

KRA5 Effective operation and enhancement of the Secretariat's ICT infrastructure and Services.

Purpose/Theory of Change – Effective operation and enhancement of the Secretariat's ICT infrastructure and services will enable efficient and timely work by staff to economically and effectively address agency and member needs.

Success Indicators – The Secretariat's ICT infrastructure and Services enable staff to perform their work effectively and meet the needs of staff and stakeholders.

Assessment of progress – Great strides have been made in this area with the completion of the FFA internal audit of the FFA ISMS and implementation of the recommendations completed, and a review of the ISMS underway.

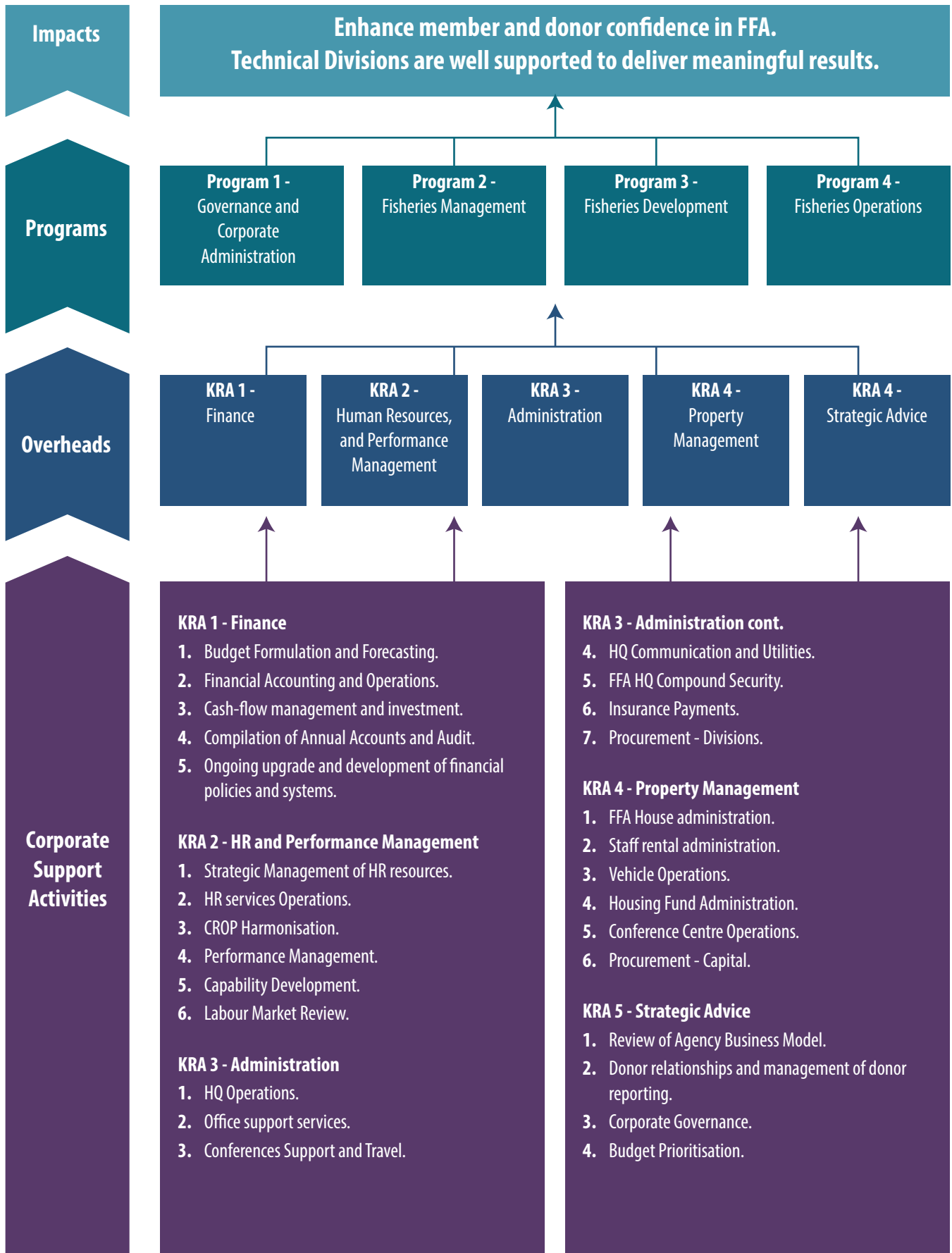
There are 2 components in this KRA.

The first is Operate and maintain a secure ICT environment that is FFA ISMS compliant. The 3 activities are (i) ISMS policy and supporting ICT policy documents available. (ii) FFA ISMS implemented and compliance strengthened and (iii) FFA ICT security enhanced. These have been successfully progressed with FFA ICT Manual now drafted, internal audit of the FFA ISMS completed, and implementation of most audit recommendations undertaken. The FFA ISMS committee has also been established with two meetings held so far. Other activities to enhance ICT security included CISSP training, environmental sensors and cameras installed in server rooms and ICT infrastructure and services security analysis undertaken.

The second component is maintain the effective operation of the Secretariat ICT infrastructure including Disaster Recovery and external sites. Activities undertaken included review of server infrastructure, consolidate virtualisation solution, setup and configure the Disaster Recovery Site infrastructure.

E. Corporate Services Results Diagram

Strategic outcome: Deliver best practise administration and management of the Secretariat



E. Corporate Services

Description – CSD is responsible for the overall financial and human resource management of the Agency. The Director of Corporate Services Division is Perry Head. The two Main Sections are Finance and Human Resources, Administration and Performance Management which has six positions advertised internationally staff and 19 staff in positions advertised locally. In addition to the day-to-day financial and human resource management of the Agency, key outputs from the Division include the Annual Work Program and Budget (AWPB), the Statement of Intent (SOI) and the Annual Report.

CSD also takes on a significant role in assisting HLA with Strategic Management, matching program priorities to resources and participating more actively in donor liaison, corporate reform, reporting and forward-planning processes. Sustaining Corporate Governance is also a key function of the Division.

Progress Report

Progress for each of the Key Result Areas is as follows;

KRA1 – Effective and ethical management of the Agency’s financial resources.

Assessment of progress – The finance and administration teams continued to deliver high quality accounts management often under pressing deadlines. Compliance with Internal controls and Procurement processes was high. The external audit outcome was unqualified, as was the case with several donor-mandated audits including for the FAO, UNDP and World Bank. The resolution of the EU-mandated 7 Pillar process is now in hand with the Agency have passed Pillar Assessments in Internal Controls and Procurement. The implementation of a new Budget Module within the Technology One financial system has permitted more efficient and effective budgeting for the 2017/18 cycle. The Director CSD has worked closely with HLA and the Internal Auditor to progress priority internal assessments and actions. The new FFA Corporate Governance Policy was issued in December 2017 which articulates stronger integrity processes and standards. The commissioning and implementation of a new foreign exchange policy has significantly reduced risk in this area.

The Audit Committee record for the May 2017 meeting reflects strong confidence by the members in the integrity, transparency and clarity of CSD’s papers and publications, underpinning the level of confidence in the overall governance of the Agency.

Opportunities and Issues – Opportunities exist to further improve the efficiency and to streamline the workflows in accounts management. The volatility of international finance markets dictates that attention to foreign exchange practices be sustained with the implementation of a hedging trial and ongoing strategy planned for 2017/18. CSD will revisit previous Internal and External audits to ensure that the follow-up on recommendations is satisfactory. The conclusion of the 7-Pillar EU audit process will permit the future participation of the FFA in new EU programs, however there are outstanding issues to first be resolved in respect of a separate EU Devfish audit undertaken in the 2016/17 year.

KRA2 High performing Human Resources are recruited and managed effectively - underpinned by a sound Performance Management System.

Assessment of progress – CSD completed eight (8) new recruitments (6 PAIs and 2 PALs) in the year and several staff were reappointed under further contracts. This was assisted by the outsourced component of the recruitment process - for advertising, screening and shortlisting. As at June 30 2017 all timelines for contract negotiation schedules have been brought back into agreed parameters.

Good progress was made in completing outstanding individual performance processes including through an internal review of performance management and appraisal processes and the drafting of new formats to apply

from the 2017/18 year. The completion and promulgation of a new Salary Advancement Policy in June 2017 will also underpin this work. CSD implemented an approved outstanding salary increase for staff in Positions Advertised Internationally (the second of two Reference Market Movements from 2012), participated in the 2016/2017 Solomon Islands Labour Market Survey and subsequently implemented a salary increase for staff in Positions Advertised Locally.

The HR and Performance Management Unit in tandem with Fisheries Operations (IT) continued work on the Orange HRIS to enable improved management of staff database, develop self-service capacity and integrate with the payroll and to promote broader interface with the Technology One system.

Opportunities and Issues – Full implementation of the new Individual Performance Management (IPM) System is required. The key objective for 2017/18 is to have all staff (both international and local) operating on the new formats with 100% compliance and more effective monitoring and evaluation of performance between the officer and their supervisor. Linking the IPMs to agreed and enhanced Divisional Workplans and those of smaller work units will be an important component of this work. Overall the better definition of the Agency's Monitoring and Evaluation processes, the ongoing review and improvement of M and E outputs, and enhanced linkages between all phases of the process will be progressed in the coming year.

KRA3 The Agency is effectively administered including in terms of office support, travel and all physical assets.

Assessment of progress – CSD made a major contribution to overall Corporate Governance through the policy development described in more detail in the HLA section of this Annual report. This included a considerable upgrade in the transparency of, and adherence to Procurement policies. Significant progress with FFA infrastructure enhancement was sustained with cost-effective purchase and disposal of assets. The FFA headquarters and Conference Centre was maintained to a high standard and hosted numerous high-level events. Upgrades to the driveways, fuel storage, perimeter fencing and Conference Centre air-conditioning were completed, as was a new building facility designed to support archiving and office services. Internal office IT was enhanced. Travel services were maintained with timely performance and targets met in terms of advance bookings and cost savings.

Opportunities and Issues – The Honiara physical environment is severe and proactive asset management matched to available resources is a constant requirement. An external evaluation of ongoing housing requirements relevant to OH&S standards is underway. In December 2016 an FFA house was destroyed by fire and work has commenced on a policy to govern future building, acquisition or market-based strategies.

KRA4 FFA Property is maintained with high occupancy and optimal revenue flows into a self-funding and sustainable Housing Fund.

Assessment of progress –All FFA houses were regularly maintained and by the completion of the year were 100% occupied by FFA staff and families. This was significantly achieved due to a refit and upgrade made possible due to enhanced donor support, particularly from New Zealand. The Housing Valuation required under IPSAS was completed and implemented, although falling rental prices in Honiara created little change in rental profiles.

Opportunities and Issues –An internal audit report from mid-2016 provided useful guidance on the enhanced management of FFA-owned housing. The recommendations are being progressively implemented where feasible and will be furtherpursued in the coming year, together with the advice obtained in the current review of ongoing maintenance needs. With the closure of RAMSI, and the implementation of a follow-on policing support program, housing prices are expected to increase again as police officers currently housed at the RAMSI base are replaced by officers living in the community.

KRA5 CSD delivers effective Strategic Advice and supports the work of all Divisions, including HLA, through proactive engagement in key business systems and support for policy outcomes where required.

Assessment of progress – CSD continued to materially assist HLA through the completion of timely, prioritised

policy reviews, management of audit processes and engagement in donor, CROP and broader international processes.

During the year reviews and comprehensive updates were issued on Corporate Governance Policy, Staff Travel Policy, Procurement Policy, Salary Advancement Policy, Financial Regulations, Document Storage Policy, Gender Equity Framework, Foreign Exchange Policies, and on Emergency Procedures, Safety and Contingency Planning. The Donor Agreement Payment and Reporting Schedule was actively used during donor consultations and in Divisional consultation. Several new Activity Agreements were concluded and timely progress reports provided to donors. A further comprehensive schedule of work is planned for 2017/18. CSD also implemented a donor funding agreement with Sweden and delivered a prioritised utilisation schedule.

Another key function in the year was to assist HLA with the TORS, procurement, assessment and implementation of the Independent Review of the FFA carried out in early 2017 by an external consultant. This work is ongoing with a follow-up paper provided to FFC103 in July 2017 for subsequent action. In addition a 'Health Check' on FFA Financial IT systems, processes, operations and staffing was completed in two phases in the first half of 2017. This will be assessed and implemented as required in the coming year.

Opportunities and Issues – It is essential that CSD maintain an appropriate balance between 'core' CSD business and those issues falling more directly within this KRA. A broader review of FFA Business Models is underway with the view to provide advice to HLA on improved efficiency and effectiveness of a range of business operations. Stronger strategic engagement with the donor community will be sustained including through a possible donor consultation in the latter half of 2017. Work in implementing the recommendations of the FFA Independent Review and the Health Check processes described above will be sustained.

Services for Member Countries

COUNTRIES	SERVICES PROVIDED
Australia	<ul style="list-style-type: none"> • Pacific Maritime Boundaries Project Workshop • Responded to requests for information on economic contributions of fisheries • NTSA assistance towards ratification
Cook Islands	<ul style="list-style-type: none"> • Identification and assistance with development of policies and tools to support the Quota Management System including <ul style="list-style-type: none"> • Allocation and QMAC policies, • Implementation plan and procedural timing • Scope of Quota Management Systems IMS (Initial Prototype) • Scoping study for development of Penryn Island • Daily MCS coverage of EEZ and High Seas • Observer Sea Safety ToT Training • Observer Critical Incident Analysis training/workshop • IATTC/WCPFC observer cross endorsement training • Debriefing Assessor training • Observer Workbooks and Forms
FSM	<ul style="list-style-type: none"> • Assistance to evaluate economic contribution of JV vessels and develop policy • Assistance with bilateral access negotiations • Assistance with catch and export documentation and procedures • Review of NORMA staffing needs • Proposed regional tuna processing hub feasibility assessment • Transshipment and unloading control options • Draft Seafood Regulation • NTSA Implementation assistance • National Compliance Workshop • Assist in NTSA Legislative and Policy Requirements • Legislative review • Case package to assist with alleged illegal fishing activity • Legal attachment • Funded attachment to SPC Geoscience Division • Health – Evaluation of the Transshipment Authorization System • Status of Seafood Safety Competent Authority • Collection of Statistical Information • Assist Competent Authority and NORMA. • Fisheries legislative review. • National Observer Emergency Action Plan (EAP) • PIRFO Front-Line Management training (FLM) • Debriefing Assessor Training • Observer Sea Safety ToT training • Observer Critical Incident Analysis training/workshop • Support for implementation of World Bank-financed PROP Discussions on possible integration • Testing of Licensing System • Possible integration between iFIMS and FFA • Transshipment & Boarding Inspection Workshop • DDG presentation to PIF leaders on eOps. • Steps required for implementation. • Daily MCS coverage of EEZ and High Seas • MCS attachment training and workshop participation

Fiji

- Study of economic contribution of fishing industry
- Revised Tuna development Plan
- Mentoring and training of CA staff
- Training in Catch documentation
- Proposed regional tuna processing hub feasibility assessment
- Business development advisory support
- Financial performance report for longline vessels operating in Fiji
- Bio-economic analysis for optimal number of longline vessels licenced in Fiji
- External Audit and traceability training
- NTSA consultation and briefing
- IMS Enhancement work
- Legal attachments for 1 legal advisor and 1 law graduate
- Competent Authority Mentoring and Calibration training.
- Assist Fishing Industry and Competent Authority
- Sampling and testing training for fish inspectors
- Meetings with EDF11 Working Group and EU Officials.
- PIFS/WTO Trade Policy Course.
- Financial performance report and bioeconomic analysis
- Collection and verification of statistical data.
- Regional Preparatory Meeting for the UN Oceans Conference
- Assist with National Observer Emergency Action Plan (EAP)
- Observer Sea Safety ToT training
- Assist with Observer Standard Operating Procedures Manual (SOPs)
- IATTC/WCPFC Observer Cross Endorsement training
- Observer Critical Incident Analysis training/workshop
- National MCS Risk Assessment and Compliance Review workshop
- Expanding features of Investigation (INV)
- Training on the MCS data analysis
- Observer Programme Emergency Action Plan
- Daily MCS coverage of EEZ and High Seas

Kiribati

- Technical assistance to SME
- Support with yellow card response
- Legislative review to address EU Yellow Card
- Audit of accredited laboratory
- Evaluation of impact of PIPA
- Commercial artisanal sector support
- In-country VMS training for Fisheries & Maritime Officers
- Review of NPOA IUU
- Traceability training
- Development of Catch certification SOPs
- HACCP Training
- Sampling training
- Preparing Competent Authority for DG SANTE sanction visit
- PNA Ministerial Meeting as FFA observer.
- Update on the data collection work.
- Progress report in addressing the EU IUU Yellow Card.
- Legislative assistance work.
- Boarding and inspection training
- In-Country VMS training for Fisheries & Maritime Police officers
- MCS-related presentations on behalf of FFA
- Yellow card (IUU) mitigation work
- Daily MCS coverage of EEZ and High Seas
- PIRFO Front-Line Management training (FLM)
- Observer Sea Safety ToT training
- Observer Critical Incident Analysis training/workshop
- Debriefer Assessor Training

Marshall Islands	<ul style="list-style-type: none"> • Assistance in bilateral access negotiations • Participation in national Oceans summit • Support with transshipment documentation • Legislative review • NTSA workshop • FFA promotional materials, (pamphlets and publications) • RMI- Evaluating the Potential of Setting. • To familiarise stakeholders with Agreement • Improve MIMRA staff comprehension • Daily MCS coverage of EEZ and High Seas • PIRFO Front-Line Management training (FLM) • Observer Sea Safety ToT training • Subsidising observer trainers for basic national observer training • Observer Critical Incident Analysis training/workshop • Support for implementation of World Bank-financed PROP
Nauru	<ul style="list-style-type: none"> • Advice and analysis of purse seine JV proposal • Legislative Review • Legal attachment • Case package to assist with alleged illegal fishing activity • Scoping and drafting of charter-flagging policy • Daily MCS coverage of EEZ and High Seas • PIRFO Front-Line Management training (FLM) • Observer Sea Safety ToT training • Observer Critical Incident Analysis training/workshop • Debriefing Assessor training • VMS fellowship attachment at FFA for VMS officer
Niue	<ul style="list-style-type: none"> • Advised on proposed Marine Protected Area (in progress) • US Treaty update and assist in ratification of 2016 amendments • Gap analysis of fisheries laws against regional and international obligations • NTSA workshop, assist in the ratification process • Reviews on fisheries legislations and policies • Develop a National Plan of Action • Daily MCS coverage of EEZ and High Seas
New Zealand	<ul style="list-style-type: none"> • Join MPI and SPC facilitate the TVM policy workshop • Responded to requests for information on trade/market access issues • Exchanges of views on fisheries subsidies debate • NTSA assistance towards ratification
Palau	<ul style="list-style-type: none"> • Supported tuna market study with TNC • Facilitated development of Strategic Plan for CA and Industry • Economic evaluation of tuna development options • 12 month MCS consultant on staff • TA to improve security of IT network • Advice on proposal to set up a VSAT unit • Daily MCS coverage of EEZ and High Seas • Reviving the national observer programme • Observer Standard Operating Procedures Manual (SOPs) • National Observer Emergency Action Plan (EAP) • Developing TOR for observer Coordinator • Observer Critical Incident Analysis training/workshop • Providing safety equipment

Papua New Guinea	<ul style="list-style-type: none"> • NTSA consultation • Support to in-country PSMA workshop • Completion of audit of State Agreement • Audit of Sanitary CA • HACCP training for fishing industry and CA • Support for upcoming DG Sante visit • Proposed regional tuna processing hub feasibility assessment • Public investment Program (PIP) transaction facilitation support • Sampling and Monitoring training • NTSA assistance towards ratification • Certificate IV in Fisheries Enforcement and Compliance training Course • Assist with Fish and Fishery Products Standard • WTO/PIFS workshop on Fisheries Subsidies • Fisheries observer programme awareness for media • National Observer Programme Emergency Action Plan (EAP) • Observer Critical Incident Analysis training/workshop • Reviewing Observer Standard Operating Procedures Manual (SOPs) • PIRFO Front-line Management training (FLM) • Observer Sea Safety ToT training • Subsidising Trainer for National Debriefing Assessor training
Samoa	<ul style="list-style-type: none"> • Review of tuna processing plant proposals • Assistance with plans to develop a sanitary CA • Proposed regional tuna processing hub feasibility assessment • ISP consultancy to prepare a strategy for the establishment of a Ministry of Fisheries • Draft Seafood standard and Regulation • Sustainable Oceans Initiative (SOI) and Pacific Ocean Alliance (POA) meeting • Work on charter policy/ legislative framework • Case package to assist with alleged illegal fishing activity • Legal attachment • Funded attachment to SPC Geoscience Division • Broad avenues to strengthen Members' capacity • Risk Assessment and Compliance Review workshop • Progress national IMS development of foreign and domestic vessels licensing • Daily MCS coverage of EEZ and High Seas • PIRFO Front-line Management training • Observer Critical Incident Analysis training/workshop • Observer Safety ToT training
Solomon Islands	<ul style="list-style-type: none"> • Legislative review – draft ER and EM Regulations • Legal attachments for 2 legal advisors and 11 law graduates • Funded participation to boundaries workshop • Audit of sanitary CA with training and mentoring • HACCP training for CA and industry • Support with catch and export documentation and procedures • Proposed regional tuna processing hub feasibility assessment
	<ul style="list-style-type: none"> • US Treaty update and assist in ratification of 2016 amendments • Operational support to apprehension of Vietnamese blue boats • Certificate IV in Fisheries Enforcement and Compliance Training Course • Collect and verify stats from MFMR and Soltuna (Noro) • Daily MCS coverage of EEZ and High Seas • Observer Safety ToT Training • PIRFO Front-line Management training (FLM) • Observer Standard Operating Procedures Manual (SOPs) • National Observer Emergency Action Plan (EAP) • National Observer Programme structure • Observer Programme staff Job Description/TOR • Observer Critical Incident Analysis training/workshop • Support for implementation of World Bank-financed PROP

Tokelau	<ul style="list-style-type: none"> • National consultations on the Tokelau Arrangement • MCS Working Group • Blueboat Strategy Workshop • FLOW workshop • Daily MCS coverage of EEZ • Strategic Planning workshop • Website workshop • Professional Writing workshop
Tonga	<ul style="list-style-type: none"> • Review of tuna development plan • Assistance with development of Stakeholder consultation plan • Development of NTSA SOPs • Certificate IV in Fisheries Enforcement and Compliance Training • implementing the WB Fisheries Sector Plan • Discuss the Catch Management Scheme with Fisheries Division • Fisheries regulations and shark plan. • Legislative and policy reviews • Funded participation to boundaries workshop • Finalisation of Foreign Fishing Licensing Process • Improve understanding of the NTSA • Daily MCS coverage of EEZ and High Seas • PIRFO Front-line Management training • Observer Sea Safety ToT training • Observer Critical Incident Analysis training/workshop • VMS training
Tuvalu	<ul style="list-style-type: none"> • Survey and economic advice for JV proposal • Technical assistance for reform of NAFICOT • Advice on transshipment documentation • Cost-benefit assessment for new joint venture • TA to address Transshipment Authority • EU IUU Mitigation Progress Report • RIMF/IMS and VMS-related works • Daily MCS coverage of EEZ and High Seas • PIRFO Front-line Management training • Observer Critical Incident Analysis training/workshop • Observer Safety ToT Training • IATTC/WCPFC observer cross endorsement training • Debriefing Assessor training • Support for implementation of World Bank-financed PROP
Vanuatu	<ul style="list-style-type: none"> • Scoping study of onshore development options • Review of onshore development of Port Vila • Review of sanitary standards of SINOVAN processing plant • Proposal for restructure of Vanuatu Fisheries Department • IMS enhancement work • Development of NTSA SOPs
	<ul style="list-style-type: none"> • Development of Vanuatu Competent Authority • Charter policy/Regulations, and drafting Crewing Regulations • Case package to assist with alleged illegal fishing activity • Draft National Fisheries Policy • PIRFO Front-line Management training • National Observer Emergency Action Plan (EAP) • Observer Programme Standard Operating Procedures Manual (SOPs) • Observer Critical Incident Analysis training/workshop • IATTC/WCPFC cross endorsement training • Observer Safety ToT Training • WCPFC Obligations workshop and transshipment review

Sub regional

- Development of South Pacific Purse Seine Strategy concept and briefings
- Meetings and Secretariat for the Tokelau Arrangement
- Development of the South Pacific Albacore Catch Management Agreement, including national advice and consultations
- Promotion of domestic tuna industry development
- Observer at PNA Ministerial Meeting.
- New mobile app during vessel inspections.
- Country group VMS training for its VMS/MCS users
- Operation Island Chief,
- Operation, Rai Balang,
- Operation Tui Moana,
- Support conduct - Operations Ika Moana, Tautai and Solvan
- Basic Observer Training
- Observer Debriefing and Assessor training
- Multiple OFMP funded activities for PNAO
- Selected OFMP funded activities for TVM

Regional

- 2016 Regional Trade Policy and Investment Appraisal Training Course
- 2017 Regional Trade Policy and Investment Appraisal Training Course
- World Economic Forum's proposal for a "Global Tuna Process"
- Preliminary discussions on key FFA/SPC agenda items.
- Stock assessment workshop
- Meeting of the CROP Marine Sector Working Group
- Pacific Islands Forum Fisheries Agency Observer Program
- Pre-Scientific Committee Working Group
- Revision of the Regional MCS Strategy (RMCSS)
- Addressing VMS reception issues
- Pre-Scientific Committee (SC) working group
- Remote sensing surveillance system
- MCS Operation Kurukuru
- IATTC/WCPFC Observer Cross Endorsement Training
- Regional Processing Hub Development Strategy
- FFA/FISH 2.0 collaboration on Impact Investment Program
- OFMP funding of MCSWG
- OFMP funding for annual MOC consultation
- NTIS Training
- Blueboat Strategy Workshop
- MCS Working Group
- FLOW Workshop
- Certificate IV - Fisheries Enforcement and Compliance Training
- National Fisheries Policy and Bio-economic data collection
- Data collectors' workshop
- Meeting of partners in the PEUMP Project with EU Delegation
- Economic Indicators Workshop
- Strengthening data collection, Verification and Dissemination
- RIMF OPM and ASM Training for ROCW17 participants
- PIRFO Front-Line Management training (FLM)
- Data Collection Committee meeting
- PIMRIS Steering Committee Meeting (USP)

3. Other Information

A. Summary of Audited Financial Accounts FY2015/16

PACIFIC ISLANDS FORUM FISHERIES AGENCY

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 2016. In order to comply with the provisions of the Secretariat's Financial Regulations, the Director General reports 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 financial year 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 deficit of US\$649,687 (2015: US\$1,359,170 deficit). This was an acceptable outcome noting VMS budgeted to use its reserves of \$602,754 and the balance relates to exchange rate impacts on donor funding and related challenges addressed by managers throughout the year.

Independent audit report

The financial statements have been audited by Ernst & Young and should be read in conjunction with the independent audit report on page 3. Audit fees and non-audit fees are disclosed at Note 8.

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.int>

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 2016 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, 31st October 2016.



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INDEPENDENT AUDIT REPORT

To the members of the Pacific Islands Fisheries Forum Agency

We have audited the accompanying Financial Statements of the Pacific Islands Forum Agency, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of financial position, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Director-General and Management's Responsibility for the Financial Statements

The Director-General and management are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 auditors' judgment, 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 Secretariat's preparation and fair presentation of the Financial Statements 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 Secretariat's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

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

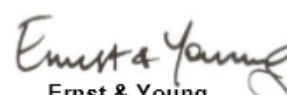
Opinion

In our audit opinion:

- a) proper books of the account have been kept by the Secretariat, so far as it appears from our examination of those books; and
- b) the accompanying Financial Statements which have been prepared in accordance with Internal Public Sector Accounting Standards;
 - I) are in agreement with books of the accounts; and
 - II) to the best of our information and according to the explanations given to us, give a true and fair view of the state of affairs of the Secretariat as at 30 June 2016 and of its financial performance, changes in equity, and its cash flows for the year ended on that date.

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.

Suva, Fiji
31 October 2016


Ernst & Young
Chartered Accountants

PACIFIC ISLANDS FORUM FISHERIES AGENCY

Statement of financial performance for the year ended 30 June 2016

	Notes	2016 US\$	2015 US\$
Income			
Member country contributions	5	1,686,959	1,639,413
Donor funds	6	10,529,173	13,194,410
Vessel registration fees		3,567,671	2,593,281
Housing rental receipts		37,513	92,897
Interest received		26,499	138,918
Program support and cost recovery		120,498	131,999
Australia's UST Project Development Fund donation		156,250	335,625
UST levy		314,075	156,575
Vessel levy		143,707	-
Benefit from property, plant and equipment		333,479	317,987
Other income		92,160	115,183
Total income		17,007,984	18,716,288
Expenditures			
Output 1: High Level Advice	7	3,285,343	4,950,207
Output 2: Fisheries Management	7	1,871,607	1,250,252
Output 3: Fisheries Development	7	2,888,948	4,082,500
Output 4: Fisheries Operations	7	4,338,286	4,127,277
Output 5: Corporate Services	7	5,273,487	5,665,222
Total expenditures		17,657,671	20,075,458
Deficit for the year		(649,687)	(1,359,170)

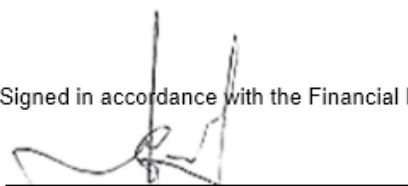
The above statement of financial performance should be read in conjunction with the notes to the financial

PACIFIC ISLANDS FORUM FISHERIES AGENCY

Statement of financial position as at 30 June 2016

	Notes	2016 US\$	2015 US\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	21	10,072,717	9,121,360
Receivables from exchange transactions	10	836,845	825,006
Receivables from non-exchange transactions	11	624,475	151,866
Prepayments	12	189,346	529,330
Total current assets		11,723,383	10,627,562
<i>Non-current assets</i>			
Property, plant and equipment	13	5,609,172	5,924,078
Prepayments	12	78,359	68,269
Total non-current assets		5,687,531	5,992,347
Total assets		17,410,914	16,619,909
Liabilities			
<i>Current liabilities</i>			
Payables and accruals from exchange transactions	14	3,282,368	3,270,416
Payables and accruals from non-exchange transactions	15	6,299,624	4,545,618
Employee benefits	16	860,356	861,538
Deferred income liability	17	333,479	317,987
Total current liabilities		10,775,827	8,995,559
<i>Non-current liabilities</i>			
Employee benefits	16	142,074	150,754
Deferred income liability	17	5,115,168	5,446,064
Total non-current liabilities		5,257,242	5,596,818
Total liabilities		16,033,069	14,592,377
Net assets		1,377,845	2,027,532
Equity			
Accumulated surpluses		1,377,845	2,027,532
Total equity		1,377,845	2,027,532

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



James Movick
Director General

Honiara, 31st October 2016.

The above statement of financial position should be read in conjunction with the notes to the financial statements.

PACIFIC ISLANDS FORUM FISHERIES AGENCY

Statement of changes in equity for the year ended 30 June 2016

	Accumulated funds
	US\$
Balance at 1 July 2014	3,386,702
Deficit for the year	<u>(1,359,170)</u>
Balance at 30 June 2015	2,027,532
Deficit for the year	<u>(649,687)</u>
Balance at 30 June 2016	<u><u>1,377,845</u></u>

The above statement of changes in equity should be read in conjunction with the notes to the financial statements.

PACIFIC ISLANDS FORUM FISHERIES AGENCY

Statement of cash flows for the year ended 30 June 2016

	Notes	2016 US\$	2015 US\$
Cash flows from operating activities			
Receipts from member countries contribution	5	1,667,516	1,693,506
Donor funding	6	12,089,398	6,970,693
Receipts from vessel registration		3,382,828	3,463,395
Rental receipts		32,695	175,764
Receipts from program support		133,466	124,909
Other receipts		721,782	938,932
<i>Inflows from receipts</i>		<u>18,027,685</u>	<u>13,367,199</u>
Payments for staff costs		(6,650,237)	(7,195,062)
Payments for project costs		(8,970,681)	(10,710,848)
Payments for housing fund costs		(1,380,229)	(1,499,759)
<i>Outflows from payments</i>		<u>(17,001,147)</u>	<u>(19,405,669)</u>
Net cash generated by/(used in) operating activities	21(b)	<u>1,026,538</u>	<u>(6,038,470)</u>
Cash flows from investing activities			
Interest received		34,061	155,291
Investment in term deposits		-	1,046,068
Repayments by inter-entities		-	172,330
Payments for property, plant and equipment		(186,544)	(277,883)
Proceeds from disposal of assets		77,302	8,853
Net cash (used in)/generated by investing activities		<u>(75,181)</u>	<u>1,104,659</u>
Net increase/(decrease) in cash and cash equivalents		951,357	(4,933,811)
Cash and cash equivalents at the beginning of the year		9,121,360	14,055,171
Cash and cash equivalents at the end of the year	21(a)	<u>10,072,717</u>	<u>9,121,360</u>

The above statement of cash flows should be read in conjunction with the notes to the financial statements.

PACIFIC ISLANDS FORUM FISHERIES AGENCY

Statement of comparison of budget and actual amounts for the year ended 30 June 2016

	BUDGET				ACTUALS		VARIANCE		
	Approved	Revised	Approved	Revised	2016	2015	Revised Budget less Actual Amounts	2016	2015
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Income									
Member country contributions	1,686,955	1,686,955	1,617,630	1,639,412	1,686,959	1,639,413	(4)	(1)	
Donor funds	13,488,145	13,101,792	15,391,009	15,498,696	10,529,173	13,194,410	2,572,619	2,304,286	
Vessel registration fees	4,273,332	3,925,329	3,867,799	3,871,561	3,567,671	2,593,281	357,658	1,278,280	
Housing rental receipts	1,234,075	1,296,939	1,296,906	1,212,132	37,513	92,897	1,259,426	1,119,235	
Interest received	79,440	30,857	79,440	79,440	26,499	138,918	4,358	(59,478)	
Program support and cost recovery	1,965,404	1,967,206	1,509,152	1,489,013	120,498	131,999	1,846,708	1,357,014	
Australia's Project Development Fund donation	223,750	223,750	301,125	301,125	156,250	335,625	67,500	(34,500)	
UST levy	315,000	315,000	-	157,500	314,075	156,575	925	925	
Vessel levy	255,700	261,700	-	-	143,707	-	117,993	-	
Benefit derived from property, plant and equipment	-	351,483	95,200	95,200	333,479	317,987	18,004	(222,787)	
Other income	809,738	811,121	658,125	850,483	92,160	115,183	718,961	735,300	
Total income	24,331,539	23,972,132	24,816,386	25,194,562	17,007,984	18,716,288	6,964,148	6,478,274	
Expenditures									
Output 1: High Level Advice	4,889,609	4,560,745	4,739,497	4,851,609	3,285,343	4,950,207	1,275,402	(98,598)	
Output 2: Fisheries Management	3,362,235	3,231,650	2,427,745	2,499,048	1,871,607	1,250,252	1,360,043	1,248,796	
Output 3: Fisheries Development	4,441,637	4,250,706	5,567,806	5,687,509	2,888,948	4,082,500	1,361,758	1,605,009	
Output 4: Fisheries Operations	6,255,255	6,398,292	6,458,567	6,463,530	4,338,286	4,127,277	2,060,006	2,336,253	
Output 5: Corporate Services	5,382,803	5,530,739	5,622,771	5,692,866	5,273,487	5,665,222	257,252	27,644	
Total expenditures	24,331,539	23,972,132	24,816,386	25,194,562	17,657,671	20,075,458	6,314,461	5,119,104	
Net	-	-	-	-	(649,687)	(1,359,170)	649,687	1,359,170	

The above statement of comparison of budget and actual amounts should be read in conjunction with the notes to the financial statements.

B. Acronyms

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

C. Glossary of Terms

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



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Strength through Cooperation