



SOLOMON ISLANDS GOVERNMENT

Performance Audit Report

Managing Sustainable Fisheries (Tuna Fishery) in Solomon Islands Fisheries Exclusive Economic Zone

Auditor General
Office of the Auditor General
PO Box G18 Honiara

National Parliament Paper

I have pleasure in presenting this performance audit report of Managing Sustainable Fisheries (Tuna Fishery) in Solomon Islands Fisheries Exclusive Economic Zone.

The audit was conducted in the Ministry of Fisheries and Marine Resources (Ministry), as well as in the extension of government office (Solomon Islands Police Maritime); associated Forum Fisheries Agency (FFA) Headquarters; Educational Fisheries Facilities (Solomon Islands College of Higher Education, School of Marine and Fisheries Studies)

Audit

Fieldwork for the audit was conducted in the period August 2011 to March 2012.

The audit concluded that the management of sustainable fisheries (tuna fishery) is a significant issue in Solomon Islands Fisheries Exclusive Economic Zone and identified a range of matters in the management of fisheries, along with areas for improvement in Ministry.

I have made a number of recommendations to improve the framework the Ministry of Fisheries and Marine Resources has in place and enhance its management of sustainable tuna fisheries in the Solomon Island Fisheries Exclusive Economic Zone.

Acknowledgement

I would like to acknowledge the Permanent Secretary of the Ministry of Fisheries and Marine Resources and his staff; Director SI Police Maritime and his operation officer; the FFA Deputy Director General and its Executive staff, Head of School of Marine and Fisheries Studies and his office assistant, PASAI trainers and their guest speakers; PASAI audit teams for the support provided to the OAG performance audit team that assisted in the production of this performance audit and the report.

I would like to thank my performance audit team for their commitment, including their willingness to travel to Nadi, Fiji to participate in the cooperative audit planning and reporting, and for the conduct of the audit in interviewing key Ministry officials to collect the necessary information.

Edward Ronia
Auditor General
20 August 2012

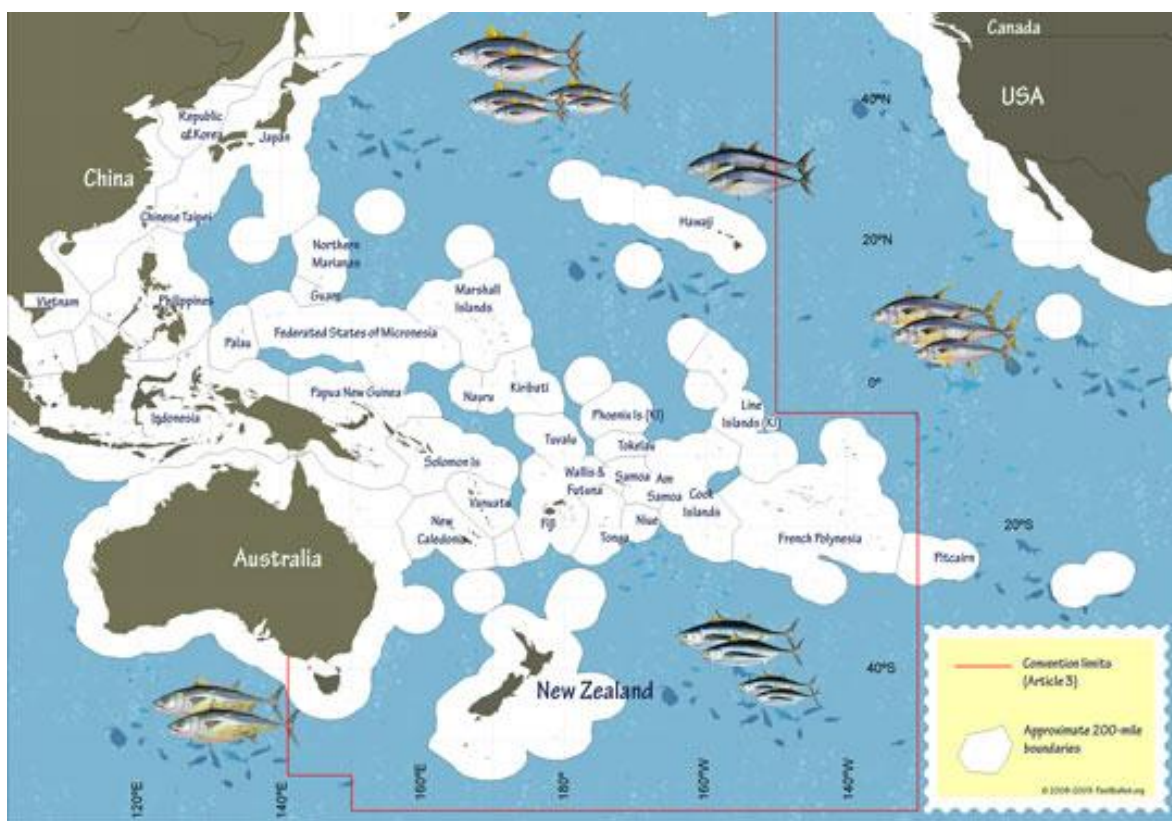


Figure 1: Exclusive Economic Zones of Western and Central Pacific (Ocean) Countries [WCPC]

Audit Team:
Vincent Tapidaka
Wendy Ngodoro

Advisor: Gordon Carey

MANAGING SUSTAINABLE FISHERIES

The Solomon Island Office of the Auditor General has conducted a Performance Audit on Managing Sustainable Fisheries in the Solomon Islands. This is a national performance audit under the mandate of the Solomon Islands Constitution. This audit is part of a joint ADB/IDI/PASAI cooperative performance audit facilitated jointly for Pacific Islands Auditors.

Table of Contents

1.0	EXECUTIVE SUMMARY.....	5
2.0	INTRODUCTION.....	10
3.0	AUDIT OBJECTIVES & SCOPE	13
4.0	AUDIT METHODOLOGY	14
5.0	FINDINGS & RECOMMENDATIONS.....	15
5.1	Key aspects of management of off-shore fisheries are planned.....	15
5.1.1	<i>Fisheries Act 1998 - catering for current and future offshore fisheries developments.</i>	15
5.1.2	<i>Tuna Management and Development Plan 1999.....</i>	16
5.1.3	<i>Monitoring, control, and surveillance strategy for offshore fisheries</i>	19
5.2	Economic returns from offshore access agreements and fishing licenses are appropriate.	27
5.2.1	<i>Licensing policy to manage the operation for licenses issued.....</i>	28
5.2.2	<i>Notifications of approval are provided and fishing licences issued as required by current Fisheries legislation (Fisheries Act 1998).....</i>	29
5.2.3	<i>Fisheries officers' knowledge of the procedures for renewal of offshore fishing licences.</i>	31
5.3	Decision-making for off-shore fisheries is informed by accurate assessments of the fishery; and changes in the status of the fishery are monitored and reported.	35
5.3.1	<i>Databases used in managing fishing activities.....</i>	35
5.3.2	<i>Training for observers.....</i>	36
5.3.3	<i>Communication process for data analysis, monitoring and reporting</i>	37
6.0	CONCLUSION	39
7.0	APPENDICES	40
	APPENDIX 7.1 – MORE DETAILED BACKGROUND INFORMATION	41
	APPENDIX 7.2 – MORE DETAIL ON ILLEGAL, UNREPORTED AND UNREGULATED INVESTIGATIONS	46
	APPENDIX 7.3 – EXAMPLE OF STATISTICS MAINTAINED ON DOMESTIC AND FOREIGN FISHING VESSELS AND GRAPHS PRODUCED FROM SOME OF THE STATISTICS	48
	ABBREVIATIONS AN ACRONYMS	50

1.0 EXECUTIVE SUMMARY

Background

The fishery (tuna fishery) is an important area for development and investment. The need to make an assessment on the management of sustainable fisheries highlights the importance for Pacific countries to co-share the values and developments of their respective fisheries authorities.

The Solomon Islands is the third largest archipelago in the Pacific; its Exclusive Economic Zone (EEZ) covers an area of 1.3 million square kilometres. Total tuna catches in Solomon Island waters reached a record level of over 180,000 metric tons in 2010¹. Tuna is a highly migratory fish species and tuna stocks in Solomon Islands waters are part of a regional resource.

The fisheries sector (almost exclusively tuna) makes an important contribution to the national economy. Licence fees from both domestic and foreign vessels in 2011 provided about SBD\$106 million in government revenue. While this is a significant earner for the government, it is only a low percentage of the catch value. Fisheries also provide a major contribution to the Solomon Islands' Gross Domestic Product. Total fisheries export earnings (tuna products including canned tuna, loining, frozen tuna; and all marine products) for the period January to June 2011 was SBD\$114 million. This is 8.6% of total export earnings for that six month period.

The performance audit of the Management of Sustainable Fisheries (tuna fishery) in the Solomon Islands Fisheries Exclusive Economic Zone (EEZ) is an audit conducted by the Solomon Islands Office of the Auditor General (OAG) in conjunction with other Pacific countries who are members of the Pacific Association of Supreme Audit Institutions (PASAI). PASAI members were assisted by the Asian Development Bank and the INTOSAI Development Initiative (IDI). INTOSAI is the International Organisation of Supreme Audit Institutions of which the OAG is a member.

Audit Objective and Scope

The objective of the audit was to assess the effectiveness of the management of off-shore fisheries (the tuna fishery) by Solomon Islands fisheries authorities in accordance with national fisheries policies and framework, by examining three very important areas:

- Are key aspects of the management of off-shore fisheries properly planned?
- Are economic returns from off-shore fishery licenses and access agreements appropriate? and
- Is decision making concerning off-shore fisheries informed by accurate assessment of the fishery? And are changes in the status of the fishery monitored and reported?

¹ Secretariat of the Pacific Community [SPC] six-month study for the Ministry of Fisheries and Marine Resources, March 2012.

As part of the audit addressing the objective, it also reviewed compliance with relevant legislation and regulations, and Ministry reporting on the management of the fisheries. The administration and enforcement of licensing requirements were also reviewed.

The audit scope covered the period 2009 to 2011. The Ministry of Fisheries and Marine Resources (Ministry) is the primary stake holder for this audit. This Ministry is responsible for implementing the policies in the areas of the audit. Other important stake holders for tuna fishing in the Western and Central Pacific Ocean (WCPO), which includes the Solomon Islands Exclusive Economic Zone, include the Secretariat of the Pacific Community (SPC) and the Pacific Islands Forum Fisheries Agency (FFA).

Audit Mandate

The Solomon Islands Office of the Auditor General (OAG) has the audit mandate to conduct performance audits under the Solomon Islands Constitution, Section 108, and the Public Finance and Audit Act s36(1). These give power to the Auditor General to carry out audit work.

Auditing Standards

This audit has been conducted in accordance with International Auditing Standards, specifically ISSAI 3000, Standards and guidelines for performance auditing based on INTOSAI's Auditing Standards and practical experience².

Overall Conclusion

OAG concluded that the lack of up-to-date legislation and Tuna Management Plan to adequately address Solomon Islands regional fisheries responsibilities and the current western pacific fisheries environment prevented the Ministry from adequately planning the appropriate management of off-shore fisheries.

It is not clear to the OAG that, with the current 1998 Fisheries Act in force, the Ministry has focussed on addressing economic returns to the Solomon Islands from off-shore fishing licences and access agreements, and assessing whether they are appropriate to the value of tuna taken by vessels from the Solomon Islands Exclusive Economic Zone each year. Over the last year the Ministry has participated in a number of negotiations and discussions aimed at increasing the revenue to the Solomon Islands from fishing in the Solomon Islands Exclusive Economic Zone.

The enactment of a new Fisheries Act and approval of a new Tuna Management Plan will consolidate these recent gains and put in place Solomon Islands legislative requirements that reflect sub-regional, regional and international responsibilities.

The Ministry does not have a formal fishing licence policy and guidelines, particularly to appropriately address new developments in the fishery sector, including the Vessel Day

² International Standards of Supreme Audit Institutions (ISSAI), endorsed at the INTOSAI Congress, South Africa, 2010.

Scheme, and to meet its regional obligations. Fishing licenses are not being issued in accordance with the requirements of current legislation, particularly the Tuna Management and Development Plan 1999 under the Fisheries Act 1998. This legislation is recognised as out of date. But until a new Fisheries Act is passed by the Solomon Islands Parliament and a new Tuna Management Plan is approved, the 1998 Act and 1999 TMDP contain and represent the current legislative requirements.

The Ministry has not formalised its procedures for renewal of fishing licences and made them readily available to staff to ensure renewals are processed on time and in accordance with requirements.

In the absence of evidence, at the time of the audit, of appropriate review and assessment of information for off-shore fishing activities in Solomon Islands waters, it is not clear to the OAG how the Ministry decision-making is informed and changes in off-shore fishing activities are monitored and reported. The Ministry provided additional information regarding Solomon Islands participation with regional agencies in monitoring and reporting on fishing activities within the Solomon Islands Exclusive Economic Zone and in the Western and Central Pacific Ocean. This information should be readily available to the Parliament and the Solomon Islands people through more comprehensive reporting in, and more timely reporting of, the Ministry's annual report.

Recommendations

Recommendation 1

OAG recommends that the Ministry progress, as a matter of high priority, the presentation of the Bill for a new Fisheries Act to the Parliament; the Bill should address matters including Solomon Islands sub-regional, regional and international fishing industry obligations and the support structure to assist the Ministry to meet its obligations.

Ministry response: Agree

Recommendation 2

OAG recommends that the Ministry give high priority to the finalisation of the new Tuna Management Plan and formally adopt it in order to more appropriately manage the Solomon Islands Tuna Fishing Industry in accordance with international, regional and sub-regional obligations.

Ministry response: Agree

Recommendation 3

OAG recommends that the Ministry:

- recover the outstanding fines payable from previously completed illegal, unreported and unregulated investigation cases, particularly from 2010;
- assess the effectiveness of its surveillance and enforcement of illegal, unreported and unregulated fishing in the Solomon Islands Fisheries EEZ; and

- implement the Ministry's Corporate Plan 2011-2013 regarding the effective enforcement of Solomon Islands fisheries laws.

Ministry response: Agree

Recommendation 4

The OAG recommends that the Ministry finalise and adopt a formal fishing licence policy and guidelines as a matter of high priority for 2012 in order to appropriately address new developments in the fishery sector, including the Vessel Day Scheme, and to meet its regional obligations.

Ministry response: Agree

Recommendation 5

OAG recommends that all the required approvals from appropriate Solomon Islands agencies should be included in the current Ministry procedures, including to provide assurance that a fishing vessel is appropriately registered, is seaworthy and safe, and approved before being used in Solomon Island waters.

Ministry response: Agree

Recommendation 6

The OAG recommends that the Ministry should formally issue, including date, the procedures for the renewal of fishing licenses and make them readily available to all Ministry staff.

Ministry response: Agree

Recommendation 7

The OAG recommends that the Ministry report periodically, as required, information to stakeholders on fishing activities in the Solomon Islands Fisheries Exclusive Economic Zone, including completing as a matter of priority its outstanding annual reports.

Ministry response: Agree

Summary of Agency Response

The Ministry of Fisheries and Marine Resources considers nearly all the recommendations in the performance audit report to be fair and appropriate. We do not agree with all the conclusions.

Two comments are appropriate at the outset because they impact on many elements of the Audit.

First, tuna are highly migratory species and, therefore, effective management can only be achieved through cooperation with other countries. This is achieved through the regional organisations: Western and Central Pacific Fisheries Commission, Parties to Nauru Agreement, Pacific Islands Forum Fisheries Agency and Secretariat of the Pacific Community. Solomon Islands provides information to these agencies and then works with other countries to make management decisions based on analyses and recommendations from the agencies. Collective decisions are then given effect by the Ministry. Therefore, any audit of the effectiveness of the management of Solomon Islands tuna fisheries must consider the collective nature of management and Solomon Islands' specific responsibilities within the collective approach.

Second, the Audit was conducted based on the assumption that the 1999 Solomon Islands National Tuna Management & Development Plan is operational. In fact, for a number of reasons this Plan was never fully implemented and has not been used in the management of Solomon Islands tuna fisheries for a number of years. It is now very outdated. Rather than assess current management of tuna fisheries against this Plan it is more appropriate to assess it against the Fisheries Act, noting there is no operational Tuna Management and Development Plan.

2.0 INTRODUCTION

The performance audit of the Management of Sustainable Fisheries (tuna fishery) in the Solomon Islands Fisheries Exclusive Economic Zone is an audit conducted by the Solomon Islands Office of the Auditor General (OAG) in conjunction with other Pacific countries who are members of the Pacific Association of Supreme Audit Institutions (PASAI). PASAI members were assisted by the Asian Development Bank and the INTOSAI Development Initiative (IDI). INTOSAI is the International Organisation of Supreme Audit Institutions of which the OAG is a member.

The Solomon Islands is the third largest archipelago in the Pacific; its Exclusive Economic Zone (EEZ) covers an area of 1.3 million square kilometres. Total tuna catches in Solomon Island waters reached a record level of over 180,000 metric tons in 2010³. Tuna is a highly migratory fish species and tuna stocks in Solomon Islands waters are part of a regional resource.

Fisheries is one of the important sectors within the Solomon Islands. It is a source of revenue for the country through collection of fees for fishing licences, observation, and imports. In a response to a Public Accounts Committee in 2011, it was revealed that with the proper infrastructure in place Solomon Islands could be generating \$2.0 billion revenue per annum from fisheries resources. This would make a great difference to the current Solomon Islands Government annual Budget of around \$3.0 billion.

Also fisheries is a source of food security for the country and for the livelihood for the local community. Commercial fishing for tuna in the Solomon Islands began in 1973 and has now expanded to constitute one of the larger domestically-based tuna industries in the Western and Central Pacific Ocean (WCPO).

The fisheries sector (almost exclusively tuna) makes an important contribution to the national economy. Licence fees from both domestic and foreign vessels in 2011 provided about SBD\$106 million in government revenue. While this is a significant earner for the government, it is only a low percentage of the catch value. Fisheries also provide a major contribution to the Solomon Islands' Gross Domestic Product. Total fisheries export earnings (tuna products including canned tuna, loining, frozen tuna; and all marine products) for the period January to June 2011 was SBD\$114 million. This is 8.6% of total export earnings for that six month period.

Direct employment in the tuna industry (harvesting, processing, marketing) provides an important contribution to formal sector employment in the Solomon Islands. In 2009 the total number of employees in the fishing sector was 11,607. This is 5.5% of the total employees in all industries in age group 12 and above for the same period (210,385). The latest employment details for 2012 provided by the Ministry for the two major employers are set out in Table 1.

³ Secretariat of the Pacific Community [SPC] six-month study for the Ministry of Fisheries and Marine Resources, March 2012.

Company	Employees 2012			Employee Benefits
	Male	Female	Total	
SolTuna	249	836	1265	SB\$27.6 million (2012)
NFD			280	SB\$37.8 million (2011)
Total			1,545	SB\$65.4 million

Table 1: Numbers Employed by the Two Major Fisheries Industry Employers, 2012.
(Source: Ministry of Fisheries and Marine Resources)

- Benefits to staff include salaries and housing, education, and travel allowances
- NFD also paid approximately SB\$40,000 to local communities in 2011 for access to baitfish grounds.

The Ministry of Fisheries and Marine Resources (Ministry) is the responsible authority that ensures that fisheries are being properly managed in regard to specified legislation. *The Fisheries Act 1998* (No. 6 of 1998) is the main piece of legislation that guides the Ministry in carrying out its operations and functions to promote conservation, management, and development of the Solomon Islands Marine Resources.

With the local, regional and international support through the provision of manpower and financial assistance, the Ministry is required to ensure the goals of proper control, monitoring and surveillance have been met in accordance with rules, laws and regulations in the dealings towards a better, workable, achievable managing of sustainable fisheries.

Illegal, unreported and unregulated (IUU) fishing and other activities that undermine fisheries management frameworks have the potential to significantly erode the benefits to Pacific Island people associated with the harvest of oceanic fisheries. The loss from IUU fishing in the Western and Central Pacific Ocean (WCPO) region has been estimated to be in the vicinity of 21-46 per cent of reported catch and is valued at US \$0.7 - \$1.5 billion (MRAG, Marine Resources & Fisheries Consultants, University of British Columbia (2008).

The Catch from the EEZs of Pacific Island Countries (PICs) represents around 45 per cent of the total value of catch from the WCPO (Forum Fisheries Agency [2009] WCPO Catch Values Database, unpublished.) Hence, the total value of IUU fish caught in PICs waters could be in the order of US \$300-700 million annually.

International and regional cooperation is required in order to help each country manage fisheries resources. The international agreements and arrangements that Solomon Islands is a party to, include:

- United Nations Convention on the Law of the Sea (LOSC) Declaration, 1978
- Parties to Nauru Agreement (PNA) - Concerning Cooperation In The Management Of Fisheries Of Common Interest, 1992
- United Nations Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1992, relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, 1995
- Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States of America,
- Pacific Islands Forum Fisheries Agency (FFA), and

- FFA Regional Monitoring, Control and Surveillance Strategy 2010-2015.

Domestic legislation and policy in place to complement international requirements includes:

- (Solomon Islands) Fisheries Act 1998, and
- Solomon Islands National Tuna Management & Development Plan, 1999 (advised no longer used at the time of the audit, including the period covered by the audit, 2009-2011).

These agreements, legislation and policy will be addressed in more detail in Chapter 5 on audit findings, conclusions and recommendations.

Previous audit work

In 2003, the OAG carried out an audit of the Ministry of Fisheries and Marine Resources, covering the period from 2001 to 2003, which mainly focused on the collection of revenues from licence and observer fees. The audit identified some serious problems, including breaches of legal requirements concerning tuna fisheries and financial management, poor procedures and practices, and serious weaknesses in internal controls. In particular, the audit revealed that a major part of the fishing licence fees for the years 2001-2003 could not be properly accounted for, including cash payments for licence and observer fees. The 2003 report was one of several special audit reports tabled in the Solomon Islands Parliament during 2005 and 2006 and in 2007 the OAG tabled a summary report based on these audits that made recommendations on how to address poor financial management in a holistic manner.

3.0 AUDIT OBJECTIVES & SCOPE

The objective of the audit was to assess the effectiveness of the management of off-shore fisheries (in particular the tuna fishery) by Solomon Islands fisheries authorities in accordance with national fisheries policies and framework, by examining three key areas:

- Are key aspects of the management of off-shore fisheries planned?
- Are economic returns from off-shore fishery licenses and access agreements appropriate?
- Is decision making concerning off-shore fisheries informed by accurate assessment of the fishery? And are changes in the status of the fishery monitored and reported?

The audit also reviewed compliance with relevant legislation and regulations, and Ministry reporting on the management of the fisheries. The administration and enforcement of licensing requirements were also reviewed.

The audit scope covers 2009 to 2011. The Ministry of Fisheries and Marine Resources (Ministry) is the primary stakeholder for this audit. The Ministry is responsible for implementing the policies in the areas of the audit. Other important stakeholders include the Secretariat of the Pacific Community (SPC) and the Pacific Islands Forum Fisheries Agency (FFA).

4.0 AUDIT METHODOLOGY

In the conduct of the performance audit of managing sustainable fisheries (tuna fisheries) at the Ministry of Fisheries and Marine Resources (Ministry) in Honiara, the field work for each of the three lines of inquiry included:

To determine whether or not the key aspects of management of offshore fisheries are planned,

the audit team:

- obtained and reviewed the relevant international, regional, and sub-regional agreements, as well as appropriate legislation that governed the Ministry;
- interviewed Ministry key people, and at other relevant agencies that play an important role in monitoring, control, and surveillance in the offshore fisheries activities; and
- reviewed the relevant legislation and regulations, and Ministry reporting on the management of the fisheries, including the administration and enforcement of licensing requirements.

To determine whether or not the economic returns from offshore fishery licenses and access agreements are appropriate,

the audit team:

- obtained and reviewed fishing licences documents; and
- interviewed Ministry key people, and looked at the various database systems in place.

To determine whether or not the decision making concerning offshore fisheries is informed by accurate assessment of the fishery; and changes in the status of the fishery are monitored and reported,

the audit team obtained and reviewed documents relating to offshore reports and programs.

5.0 FINDINGS & RECOMMENDATIONS

5.1 Key aspects of management of off-shore fisheries are planned

This part of the report contains OAG findings against the first line of enquiry which looked at three areas:

- The Fisheries Act 1998 and whether it caters for current and foreseeable offshore fisheries developments in the Solomon Islands;
- The Tuna Management and Development Plan 1999 (advised no longer used at the time of the audit, including going back a number of years and prior to the period covered by the audit, 2009-2011) and what provides the necessary framework to guide and manage current and future offshore fisheries activities; and
- Planning for effective monitoring, control, and surveillance of offshore fisheries in the Solomon Islands.

5.1.1 Fisheries Act 1998 - catering for current and future offshore fisheries developments.

OAG looked at the Solomon Islands' framework for the management of sustainable offshore fisheries. Such a framework should give effect to the Solomon Islands Government's international, regional and sub-regional responsibilities for fisheries management, and provide for the administration as well as measurement and enforcement of offshore fisheries' goals and objectives. It should contain short and long term goals, and financial and human resources needed to be put in place to implement it.

The Fisheries Act 1998 (Act) provides for the management and development of fisheries. It states that the objective of fisheries management and development in the Solomon Islands is to ensure the long-term conservation and the sustainable utilisation of the fishery resources for the benefit of the people of the Solomon Islands. It contains several principles that the responsible Minister must have regard to when exercising powers under the Act. The Act also establishes a Fisheries Advisory Council to advise the Minister on matters relating to the conservation, protection and development of fisheries in Solomon Islands.

OAG found that the Act is a key component of the decision-making authority and legal framework for Solomon Islands Fisheries. However, the Act has not been updated to cater for Solomon Islands' obligations under international, regional and sub-regional agreements. Changes, such as the 2007 Vessel Day Scheme (described later in this report) under the Parties to Nauru Agreement, indicate that the Act, with its focus on one year licensing, requires increasing updating to cater for an ever changing offshore fisheries environment and associated international obligations for the Solomon Islands.

The Ministry advised initially that the Act was under review and a Bill for a new Fisheries Act would be presented to Parliament from May/June 2012. OAG understands that a new (rather than revised) Fisheries Act is being progressed due to the extent of changes required to bring Solomon Islands Fisheries legislation up to date and in line with international legislation. The Ministry also advised that the Fisheries Advisory Council (FAC), with an

intended advisory role to the Minister, is not currently operating. Its role in advising the Minister has been considered as part of the development of the current Bill.

The Ministry advised that it seeks advice from the technical advisers within the Ministry to make decisions on fisheries management. This could be seen as a short-term alternative but it does not address and conform to the FAC's role as required by section 5 of the Fisheries Act 1998 on the Fisheries Advisory Council and its functions.

Recommendation 1

OAG recommends that the Ministry progress, as a matter of high priority, the presentation of the Bill for a new Fisheries Act to the Parliament; the Bill should address matters including Solomon Islands sub-regional, regional and international fishing industry obligations and the support structure to assist the Ministry to meet its obligations.

Ministry Comment

The Ministry of Fisheries and Marine Resources advise that the Bill is with the Attorney-General Chambers for final checking before submission to Parliament. The Ministry also advises it is unsure when Parliament will next sit.

OAG Comment

The current Fisheries Act, 1988, is out of date and OAG considers it has been for at least five years. This is reflected in the Ministry's action to develop a replacement Act rather than propose changes to the current Act. Prompt submission, consideration by Parliament and being passed as new Fisheries legislation will contribute to better management of fisheries in the Solomon Islands EEZ, including maximising fisheries revenue to the Solomon Islands.

5.1.2 Tuna Management and Development Plan 1999

The Tuna Management and Development Plan (TMDP) 1999 was adopted for the purposes required under section 7 of the Fisheries Act 1998. The key aspects of the TMDP include:

- Sustainability: regional fisheries management organisation measures, strategies, licensing guidelines/conditions, data collection and monitoring, control, and surveillance;
- Environmental impacts (minimal): By-catch, observers, catch retention, Parties to Nauru Agreement (PNA) measures/initiatives
- Domestic participation;
- Increase of foreign revenue;
- Administration support; and
- Accountability.

The mechanisms in the TMDP for reporting against the performance indicators included:

- Performance indicators and information, which are linked to the strategies and goals. This is included in Part III of the Plan;
- Requirement for annual reporting by the Director of Fisheries, including the need to address the performance indicators and financial issues;
- The consultation framework, which provides links between the Tuna Management Impacts Review, the Tuna Management Committee, and the Minister. It allows feedback and evaluation of strategies, including those relating to broader impacts on Solomon Islands society, culture, gender and the environment.

Set out below in Figure 2 is the decision-making authority and framework established when the Fisheries Act 1998 was passed and Tuna Management and Development Plan 1999 was approved.

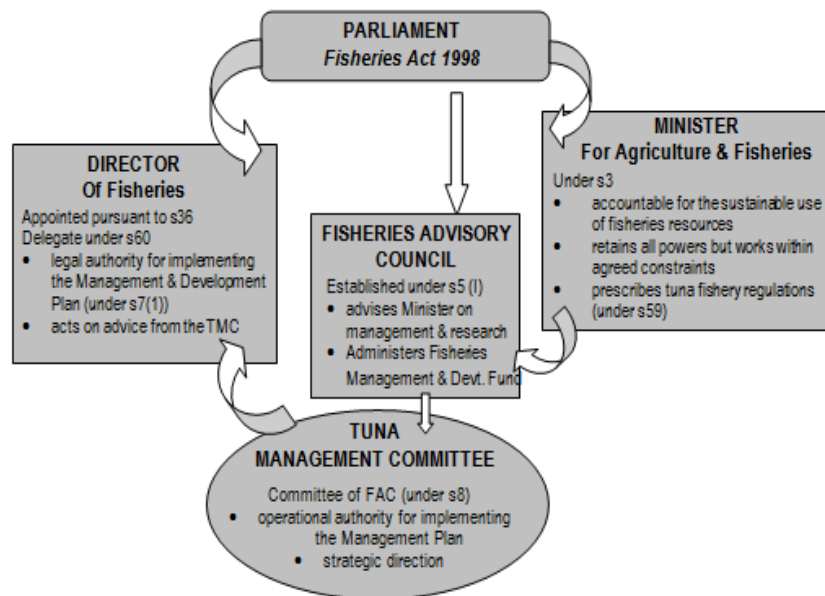


Figure 2: Decision-Making Authority and Legal Framework for Solomon Islands Fisheries.
(Source: Tuna Management and Development Plan, 1999)

Initially, the TMDP 1999 provided guidance to reduce risks to tuna stocks, mostly through application of certain strategies as identified accordingly. An example was guidance on the total allowable catch. The TMDP also provided guidance for the licensing of different fishing vessels including:

- Pacific Islands Forum Fisheries Agency (FFA) Vessel Good Standing Certificate;
- Sea worthiness of the vessel;
- Should be under any access agreement;
- Should be under any association; and
- Vessel Monitoring System (VMS) installation.

The Ministry responsible for Fisheries, initially and over the last 14 years, was the lead agency responsible for the implementation of the Tuna Management and Development Plan, 1999 and the fulfilment of Ministry responsibilities under the 1998 Act and TMDP

1999. The Ministry also has a Tuna Strategy, as derived from the TMDP 1999 , which clarifies strategies needed to achieve the TMDP 1999 as provided for under the Act.

Figure 2 identifies that a Fisheries Advisory Council (FAC) and Tuna Management Committee (TMC) were originally established under the 1998 Act and 1999 TMDP to advise the Minister and the Director of Fisheries. The Ministry advised during the audit that the FAC and the TMC were no longer operating, and more importantly that the TMDP 1999 had not been followed for some years. The Ministry explained that the TMDP 1999 was too detailed to have been of much practical use from the beginning.

The FFA Regional Tuna Management Development Strategy, 2009-2014 encourages FFA members to implement national fisheries management plans based on national tuna fisheries status reports. The Ministry's Tuna Strategy for 2010 to 2012 requires the Ministry to develop a revised Tuna Management Plan that reflects the key elements of the FFA Strategy by February 2011. This has not yet been completed and the Ministry advises that the draft Tuna Management Plan is at its final review stages, awaiting further consultation and approval by the Ministry's management. From discussion with the Ministry during this audit, OAG understands that a revised Tuna Management Plan would not be formally adopted prior to a new Fisheries Act being passed by the Parliament.

The TMDP 1999 provides for the sustainability of tuna fisheries and such sustainability depends on enforcement of the TMDP 1999. Threats and risks to the sustainability of tuna stocks have been identified. The Ministry confirmed that this is dealt with by the Pacific Islands Forum Fisheries Agency (FFA) and the Secretariat of the Pacific Community (SPC) which is referred to in the TMDP as providing a benchmark in this area for the Solomon Islands Government.

To address the threat to sustainability of tuna stocks there are limits placed on the size, number and types of licences issued to fishing vessels. However the Ministry indicated that there are weak adherence provisions in the TDMP 1999 and these only provided for the Director Offshore Fisheries Management and the Minister to use their power. And, as referred to previously, the Ministry has advised that the TMDP 1999 has not functioned as originally intended for a number of years.

The Ministry advised that the Bill for a new Fisheries Act included the widening of powers with decision making to include appropriate consultation so that any final outcome, including any legal action taken, would not result from a concentration of power/authority.

With regards to the structure and content of a new Tuna Management Plan, the Ministry advised the new plan would:

- separate the areas of development and conservation into two different plans;
- be simplified, that is, made shorter with reporting information included in appendices;
- have added features that will encourage and compel adherence - the use of a 'carrot and stick' approach;
- explore various mechanisms to give the plan a legal basis;

- be recognized as an important tool in the teaching of the principles of fisheries management to junior fisheries department staff; and
- simplify the level of English, especially due to its dual purpose of also instructing new staff.

The Ministry also advised that in the first half of 2012 it sought a suitable contractor to assist with preparation of the new Tuna Management Plan. The Ministry has recently agreed with the FFA that the two organisations will work together to complete the preparation of the new Tuna Management Plan. This process began in June 2012, including meetings with stakeholders.

The Ministry reports annually to the Western and Central Pacific (Ocean) Fisheries Commission (WCPFC) on general fisheries matters, including on catches and effort, and on Solomon Islands compliance with WCPFC conservation and management measures. To ensure that accurate and timely data is available for regional management of tuna fishing, the FFA and the WCPFC require that countries in the region, like Solomon Islands, submit their annual report each year to the Commission. The Ministry provided its 2010 Annual Report to the WCPO Scientific Committee Meeting in Pohnpei, Federated States of Micronesia, in August 2011.

Recommendation 2

OAG recommends that the Ministry give high priority to the finalisation of the new Tuna Management Plan and formally adopt it in order to more appropriately manage the Solomon Islands Tuna Fishing Industry in accordance with international, regional and sub-regional obligations.

Ministry Comment

The Ministry agrees with this recommendation. Work on preparing the New Tuna Management and Development Plan is underway with the Fisheries Forum Agency assisting the Ministry.

5.1.3 Monitoring, control, and surveillance strategy for offshore fisheries

OAG looked to see if the Ministry had a monitoring, control, and surveillance strategy for offshore fishing activity and strong communication links by the Ministry with the Pacific Islands Forum Fisheries Agency (FFA) and the Solomon Islands Police Maritime.

The Ministry of Fisheries and Marine Resources (Ministry) has a Corporate Plan 2011-2013. The Plan highlights some important areas of sustainable fisheries that the Ministry aims to address. The Ministry's priorities include:

- Improving the health of SI offshore fisheries resources;
- Grow the economy through sustainable fisheries investment;
- Effective enforcement of SI fisheries laws;
- Increase the skills and knowledge of partners in fisheries development; and

- For Management Systems—the way forward through which the Ministry achieve its goals and strategies was through:
 - fisheries programs for a strategic approach for the Ministry’s work plans, and
 - an organisation structure for an effective and efficient service delivery framework to service the programs.

The monitoring and enforcement system

The Ministry has a Surveillance and Enforcement Unit that looks to ensure that the Solomon Islands Fisheries Exclusive Economic Zone (EEZ) is free from Illegal, Unreported and Unregulated (IUU) fishing activities in Solomon Islands Waters. Also, the Unit is responsible to investigate cases of illegal, unreported and unregulated fishing activities for the onshore and offshore fisheries, and report to fisheries management for further legal action requirements.

The existing monitoring measures to deter; detect and prosecute cases of IUU fishing activities include the:

- Vessel Monitoring System (VMS);
- Solomon Islands Police Maritime (patrol boats);
- Regional Observer Program (ROP);
- Aerial surveillance; and
- Reporting requirements for the fishing vessels after certain hours.

These monitoring measures are outlined in the following paragraphs.

The Pacific Islands Forum Fisheries Agency (FFA⁴) is the regional administrator for the VMS and it is a licensing application condition requirement for every fishing vessel to have a VMS monitoring device fitted. The VMS is accessed by the Ministry and the Police Maritime. The Ministry uses the VMS to monitor fishing vessels’ movement within Solomon Islands Fisheries EEZ.

The Surveillance and Enforcement Unit has two VMS displays it uses:

- the **VMS Original** screen displays pictures of fishing vessels (models) and shows the routes to which the vessel or vessels have taken; and
- the **VMS Google** displays the fishing vessels positions indicated by objects in green colour. Green colour indicates that it is the normal accepted alert. If the green object turns red, that would indicate to the surveillance team that the fishing vessel has some kind of problem. The surveillance team will use their professional judgement to assess the seriousness of the problem.

The VMS features allow for the surveillance unit to check previous recorded positions; and thus a fishing vessel equipped with the VMS monitoring device is at all times under the radar of the surveillance unit.

Solomon Islands Police Maritime advised that, based on their professional judgement, they can carry out their duties (patrol) whenever they see fit, whether or not they are asked by

⁴ See Appendix 7.1 for more detail

the Ministry. Specifically, Police Maritime advised that when they observe ships grouping together, this gives cause to suspect collaboration for illegal, unreported or unregulated fishing could be occurring.

Other means that are currently in use are the weekly reporting and zone (exit, entry) reporting by foreign fishing vessels. There is also the observer program, an alternative means for monitoring and ensuring proper reporting by the industry.

The Ministry does not have an aerial surveillance service. The Ministry relies on engaging the services of other countries such as Australia, France and New Zealand, based on arrangements they establish to cover aerial surveillance of the Solomon Islands EEZ.

Regarding overall data management, control and reporting requirements, the Ministry advised that it is a requirement under the Fisheries Act 1998, as well as a licence condition, that all fishing vessels submit their fishing activities to the Ministry. This data, collected and managed by the Ministry, includes:

- vessel data, collected from the licence application form;
- catch and effort data, obtained from catch log sheets;
- monitoring, control and surveillance data collected from vessels weekly zone reports (telexes);
- VMS data; and
- fish size data collected from observers' reports.

The Ministry advised that in most cases, standard data forms are designed to capture the required information. Such forms are catered for in the provisions of Solomon Islands legislation, being the Fisheries Act 1998 and associated regulations. For instance, one licence condition requires that domestic vessels must submit the required standard form on their catch to the Ministry within 45 days of completion of a fishing trip. Likewise, any foreign vessel that enters or exits the Solomon Islands Fisheries EEZ must report to the Ministry every Wednesday by telex, fax or email.

The monitoring mechanisms are used to identify unusual movements in the Solomon Islands EEZ. For example, the VMS is switched on at all times and any unusual movements are reported by the Ministry for Police Maritime to take action for Illegal, Unreported and Unregulated (IUU) fishing activity in the Solomon Islands Fisheries EEZ.

The Ministry provided details of IUU Investigations conducted and outcomes at the time of the audit. The detail of the cases by year is included at Appendix 7.2. A summary of the number of cases for investigations/reasons, and its outcomes are set out in the following Table 1.

YEAR	NO OF CASES	INVESTIGATION & REASON	OUTCOME				
			PENDING	RELEASE	FINE	AMOUNT (\$SBD)	OUTSTANDING (\$SBD)
2009	4	ALLEGED IN BREACH OF CERTAIN LICENSING CONDITIONS	0	2	2	200 000	-
2010	10	ALLEGED IN BREACH OF CERTAIN LICENSING CONDITIONS	6	0	4	4 000 000	1 000 000
2011	12	ALLEGED IN BREACH OF CERTAIN LICENSING CONDITIONS	2	3	7	9 160 000	0
TOTAL	26		8	5	13	13 360 000	1 000 000

Table 1: Investigation of Cases of Suspected Illegal, Unreported and Unregulated Fishing in Solomon Islands Fisheries Exclusive Economic Zone.
(Source: Ministry of Fisheries and Marine Resources)

Table 1 highlights that cases for investigation have increased during the period 2009 to 2011. If the trend continues the Ministry will need to look at measures to review pending cases more quickly, for example 6 of 10 cases pending from 2010. The Ministry also will need to review whether alternative penalties to fines, such as loss of fishing licence, may be required to deter illegal, unreported and unregulated fishing in the Solomon Islands Exclusive Economic Zone.

During finalisation of this report, the Ministry provided more information on outstanding fines from 2010 by way of a detailed table. This is produced as Table 2 below.

Month	Case	Investigation and Reasons	Summary Outcome	Update
Jan	Nil			
Feb	Nil			
Mar	1. FFV Sun Star and Liao Da Gan 55048 – (Chinese flagged Longline fishing vessels)- Apprehended by RSIPV	- Alleged illegal fishing in Solomon Islands EEZ in January 2010 contrary to section 16 of the Fisheries Act 1998	- AG advised to pay fine \$2.5M – (Fine paid instalment- Lee Kwok Kuen & Company)	- \$2.5M paid
Apr	Nil			
May	Nil			
Jun	1. Ffv LL-Liao Da Gan 55049	- The Letter of Comfort issued by MFMR	Submitted to WCPFC – IUU Provision list after not	DPP- Case pending

MANAGING SUSTAINABLE FISHERIES IN SOLOMON ISLANDS FISHERIES EXCLUSIVE ECONOMIC ZONE
PERFORMANCE AUDIT REPORT

Month	Case	Investigation and Reasons	Summary Outcome	Update
	2. Ffv PS-Xin Shi Ji 101 3. FFV PS-Xin Shi Ji 102 4. Ffv PS-Tai Fu 101 5. Ffv PS-Tai Fu 102 6. Ffv PS-Zhong Tai 1 - (6 Chinese flagged fishing vessels)	Director – in January 2010 and fishing in Solomon Islands waters contrary to section16 of the Fisheries Act 1998	reaching settlement but legal implication. Only FFV LL-Liao Da Gan Yu 55049 accepted in WCPFC IUU Provision List for reason fish before issuance of Letter of Comfort. Case is still not settled and Case is been forwarded to DPP for legal proceeding.	
Jul	Nil			
Aug	Nil			
Sept	1. Ffv Pacific Breeze 2. Ffv Shilla Pioneer	- Fishing during FAD Closer –Breaching regulation contrary to PNA Regulation 3IA - Fishing during FAD Closer – Breaching regulation contrary to PNA Regulation 3IA	PNG EEZ – Not sufficient evidence PNG EEZ – Not sufficient evidence	Cleared Cleared
Oct	Nil			
Nov	1. Chin Kuo Fa 2 2. Ffv Fu Hao 168	- Without lawful cause, refuses to keep records or supply information (Logsheets) – Breaching of her license conditions contrary to section 16 and section 35 of the Fisheries Act 1998 - Fishing on customary reefs in Provincial waters – Tetepari / Rendova/ Roviana Islands group – Breaching of her License Conditions contrary to section 16 of the Fisheries Act 1998	AG advise to pay fine \$100,000.00 AG advice - operator to pay fine \$2.5million (Fine reduced to SBD1.0M)	\$100,000.00 fine paid \$1million fine paid
Dec	Nil			

Table 2: Updated and More Detailed Table of Outstanding Fines, 2010 – Investigation of Cases of Suspected Illegal, Unreported and Unregulated Fishing in Solomon Islands Fisheries Exclusive Economic Zone.
(Source: Ministry of Fisheries and Marine Resources)

In addition to the monitoring, control, and surveillance measures, the Ministry advised OAG of its Harvest Strategy that includes controls to manage risks to tuna stocks. Some of the initiatives in the Harvest Strategy include:

- Gill net size;
- Closure of Fish Aggregating Devices (FADs) for July, August and September each year for the purse seine fishing, with the aim of protecting juvenile tuna fish stocks;
- Closure of high seas pockets between Solomon Islands Fisheries EEZ and other Parties to Nauru Agreement member countries for purse seine fishing
- Regional observer program (ROP) on board fishing vessels - 100% coverage of purse seine fishing vessels since 2009 and 5% coverage on long line fishing vessels;
- Catch documentation scheme (CDS); and
- Catch retention.

The Ministry supports regional and national cooperation with industry parties and non-government organisations (NGOs) through:

- implementation of their policies. For instance, conservation and management policies are implemented by introducing them in Solomon Islands legislations and policies. Management measures set by organisations are implemented through Ministry work programs; and
- consultations, alignment of work plans by these organisations with the Ministry through provisions and sharing of information, meetings, research, help to facilitate the formation of industry groups: Tuna Industry Association Solomon Islands (TIASI)

The reporting mechanisms in place at the Ministry depend on the type of reports to be produced, as follows:

- All fishing reports are collected and processed by the Statistics and Information Unit of the Ministry;
- Licence data are collected by the Licensing Unit and entered into the Solic Database; and
- Compliance data is collected by the Compliance and Enforcement Unit.

Included at Appendix 7.3 is an example of statistics maintained by the Ministry on vessels, by gear type and by year for domestic and foreign fishing vessels. Appendix 7.3 also includes examples of graphs produced from this data.

The OAG found that enforcement of the legislative requirements in the Fisheries Act 1998 is difficult due to the Act needing to be updated in order for Solomon Islands to keep up to date with its sub-regional, regional and international obligations. This issue has been covered earlier in this chapter. The Ministry advised that updated legislation is important to exist first before implementation of Ministry policy and associated operational procedures.

There is slow surveillance and enforcement developments in the areas of need because of slow delivery of reviews conducted in accordance with the Fisheries Act 1998. Furthermore, the Ministry depends on the SIG recurrent and development budgets to appropriately deploy its resources on work programs that address its management, monitoring and enforcement responsibilities to meet Solomon Islands obligations under sub-regional, regional and international agreements.

The Ministry also advised that the development of a new Monitoring and Evaluation (M&E) Program was being undertaken with the Ministry by a consultant. The Program will allow the Ministry to monitor progress and evaluate these programs against performance indicators. The M&E Program was initiated in 2010 but stopped in 2011 because of its complexities. The Ministry advised that it will continue to work on the M&E Program again when the Ministry's Permanent Secretary gives the approval.

The Ministry Corporate Plan 2011-2013.

The Ministry Corporate Plan 2011-2013 includes Priority Five which relates to the effective enforcement of Solomon Island fisheries laws. The Ministry indicated their priority is to develop and enforce appropriate regulations under the new Fisheries Act to provide for the best laws in managing Solomon Islands fisheries resources. This is another area of responsibility not currently addressed by the Ministry as a result of the delay in updating/replacing outdated Solomon Islands legislation.

Recommendation 3

OAG recommends that the Ministry:

- recover the outstanding fines payable from previously completed illegal, unreported and unregulated investigation cases, particularly from 2010;
- assess the effectiveness of its surveillance and enforcement of illegal, unreported and unregulated fishing in the Solomon Islands EEZ; and
- implement the Ministry's Corporate Plan 2011-2013 regarding the effective enforcement of Solomon Islands fisheries laws.

Ministry Comment

The Ministry supports this recommendation. The current status of 2010 tuna fishery-related cases is shown in the updated table provided. It shows that most 2010 cases have been resolved and fines paid. Further action in one case (involving 6 vessels) is dependent on decisions by the Director of Public Prosecutions. Discussions to resolve this have been held with officers from the DPP office, officials from the AG's Chambers and boat owners. In the second week of June 2012, the boat owners took the initiative to come to the Solomon Islands to resolve the matter. Discussions are ongoing whilst we await any advice from the DPP Office. No fines are outstanding from 2010 where fines have been imposed.

The effectiveness of surveillance and enforcement is periodically reviewed by agencies including FFA and the EU in addition to ongoing reviews by the Ministry. The implementation of the Niue Treaty Subsidiary Agreement now in its final drafting stage will enhance the collaborative surveillance further. A further review will be undertaken in the course of developing a Compliance Strategy, scheduled for 2012/2013. Findings from all the reviews will be taken into account when developing the Compliance Strategy. The Ministry is working to implement the Ministry's Corporate Plan 2011 – 2013 (or subsequent versions of the Corporate Plan, as appropriate), including those elements regarding effective enforcement of Solomon Islands fisheries laws.

Conclusion – Are key aspects of management of off-shore fisheries planned?

OAG concluded that the lack of an up-to-date Fisheries Act and a Tuna Management Plan to adequately address Solomon Islands regional fisheries responsibilities prevented the Ministry from adequately planning the appropriate management of off-shore fisheries.

5.2 Economic returns from offshore access agreements and fishing licenses are appropriate.

A majority of tuna fishing in the Solomon Islands Exclusive Economic Zone (EEZ) is made up of international fleets, known as ‘distant water’ fleets. These fleets are an important source of government revenue as they pay access and licensing fees to fish in the Solomon Islands EEZ. The Ministry of Fisheries and Marine Resources (Ministry) indicated that in 2011 it received more than US\$10 million (SBD 100 million) from access fees and fishing licenses for fishing activities within its waters. Fishery is a key component of government revenues, employment, food security and livelihood opportunities for Solomon Islands people.

For foreign fishing vessels chartered to a local company or cooperation and under bilateral access arrangement, the Minister, with the approval of the Cabinet, makes the decision to enter into an access agreement (under the Fisheries Act 1988 and Regulations). The domestic fishing industry is dominated by two companies. These are SolTuna Limited, a fish processing plant that has ceased commercial fishing operations and National Fisheries Development Limited (NFD) a commercial fishing enterprise. NFD supplies fish to SolTuna for processing. The Ministry advised that there are also five other locally registered companies that charter foreign fishing vessels and will be required to land an increasing proportion of their catch for processing at SolTuna or their own processing plants.

All applications for licenses are made to the Director of Fisheries, who may sign and issue the license, or refuse any application. The Director may also suspend or cancel a licence. In cases in the past, the decision of the Director of Fisheries, or delegated officer, was made on advice from the Tuna Management Committee (TMC). The TMC was formed to oversee the Sociological, Economical and Environmental values of the certain species of tuna, particularly regarding new development proposals that have come up from time to time that have some impact on the people of Solomon Islands. The Ministry advised that the TMC is currently not operating. The Ministry also highlighted the importance of the Parties to Nauru Agreement (PNA) and the need for this legislation to be reflected in Solomon Islands domestic law (that is, Fisheries Act) in order to push for these tuna development initiatives.

Types of fishing licences and access agreements

The following types of fishing licences can be issued to allow vessels to fish within the Solomon Islands EEZ:

- local fishing vessel licence issued under section 14 of the Act
- locally based foreign fishing vessel license issued under section 16 (8) (b) of the Act. and
- foreign fishing vessel license issued under section 16 of the Act. All foreign fishing vessels are now required to fish under an access agreement, unless they qualify as ‘locally based’. These vessels must be registered in flag states (that is, countries like Japan, Korea and New Zealand) that take specified measures to enforce the terms and conditions of Solomon Islands licenses and the Act.

For foreign fishing vessel licences, there are two types of access agreements, namely:

- foreign fishing vessels under a bilateral agreement (for examples, Korea, Japan, Taiwan, European Union, New Zealand), and
- those that are recognised under a multilateral agreement (currently only the United States) administered by the Pacific Islands Forum Fisheries Agencies (FFA).

As a member of the Parties to the Nauru Agreement (PNA), Solomon Islands has also introduced the Vessel Day Scheme (VDS) for purse seine fishing, which restricts/reduces tuna catches over the year, and increases the rate of return from fishing activities from access fees paid by distant water fishing nations. VDS already works well, and it has increased the revenue for the Solomon Islands from fishing. The Ministry is continuing to look at options to maximise revenue from access fees and fishing licences with the number of days allocated for each fishing vessel managed under the VDS.

5.2.1: Licensing policy to manage the operation for licenses issued

Section 13 of the Fisheries Act 1998 provides for the Director of Offshore Fisheries (Director), in consultation with the Fisheries Advisory Council (FAC), to draw up licensing guidelines for endorsement by the Minister.

OAG found that there are no formal licensing guidelines to guide relevant Ministry staff in applying the required licensing procedures, in accordance with section 13 of the Fisheries Act 1998. The Ministry confirmed that there are no licensing guidelines.

The Ministry's ability to manage its fisheries in a sustainable manner is dependent upon its effective control of fishing activities through licensing, guided by its policies. Proper licences policy (framework) also supports the Ministry in its aim of gaining a reasonable economic return from the fisheries. The Ministry advised that developing a license policy was a target in the 2012 work plan, but this has not yet progressed to any great extent due to other competing Ministry priorities. OAG considers that having in place an appropriate fishing licence policy, that addresses developments in the western and central pacific region, should be a high priority for the Ministry.

The Ministry issues fishing vessels with a licence valid for one year. Until recently these licences did not have any limits on the amount of fish that could be taken. This had the potential for high catches in the fishery. As a result the Vessel Day Scheme (VDS) for purse seine fishing was implemented by the FFA in the region in December 2007, with the aim of limiting the number of days a purse seine vessel can fish to the number of days offered and paid for by the vessel. Ultimately the aim of the VDS is to restrict tuna catches by each vessel and increase the rate of return from fishing activities of Distant Water Fishing Nations (DWFN). The Ministry also advised that the expected implementation of the longline VDS will enhance the Ministry's control in the Solomon Islands EEZ.

OAG considers that there is possible inconsistency between the annual licences issued by the Ministry in the absence of a formal licence policy and the operation of the VDS, which limits the number of days a vessel can fish in Solomon Islands EEZ using its annual licence. The Ministry advised it is continuing to look at options to maximise revenue from access fees and fishing licences with the number of days allocated for each fishing vessel managed under the VDS.

Section 6 of the Fisheries Act 1998 requires that 50% of revenue from foreign fishing vessel licence fees and related charges be placed in the Fisheries Management and Development Fund (FMDF) for the management and development of fisheries in the Solomon Islands. The Act specifies how money from the fund can be spent, including for:

- fisheries development projects;
- research in provincial waters and of small-scale commercial fisheries; and
- assistance to provincial governments with fisheries management and development plans.

OAG questioned whether 50% of revenue was being placed in the FMDF for the intended development projects, research in provincial waters and assistance to provincial governments with fisheries management and development plans. The Ministry confirmed that 50% of revenue does not go into the Fisheries Management and Development Fund and that no funds have been paid into to the FMDF. This non-payment of revenue into the Development Fund is in contravention of the Fisheries Act 1998, specifically section 6.

Recommendation 4

The OAG recommends that the Ministry finalise and adopt a formal fishing licence policy and guidelines as a matter of high priority for 2012 in order to appropriately address new developments in the fishery sector, including the Vessel Day Scheme, and to meet its regional obligations.

Ministry Comment

The Ministry supports this recommendation. Licencing policies are contained in the Director's decisions, however these must be developed into formal policies and Licensing Guidelines. This work will be undertaken in the context of preparing the new Tuna Management and Development Plan. However, since 2010 a Licensing Committee was established. All applications (inshore and offshore fisheries) were screened by the Committee and recommendations made to the Director for further discussion and endorsement by the Director, Undersecretary and Permanent Secretary. Upon agreement the Director issues the licence.

5.2.2 Notifications of approval are provided and fishing licences issued as required by current Fisheries legislation (Fisheries Act 1998)

This part of the audit addresses the licence procedures in place, including the approvals of relevant Solomon Island agencies, and whether fees are paid before a licence is issued.

The Ministry of Fisheries and Marine Resources has:

- license procedures for foreign fishing vessels chartered to a local company or cooperative;
- license procedures for foreign fishing vessels under a bilateral access agreement, and
- notifications required from Solomon Islands agencies as set out in the Tuna Management and Development Plan (TMDP) 1999. However, as referred to earlier in this report, the Ministry has advised that the TMDP 1999 is out of date and it has not

been followed for some time. Also as commented previously, OAG considers that this leaves a gap in the Ministry's management of fishing operations within the Solomon Islands EEZ in accordance with Solomon Islands legislation requirements.

The OAG checked if the Ministry's license procedures had:

- established criteria for offshore fishing licenses with the necessary number of formal legal notifications required that all applications go through before securing a license, and
- licensing criteria that address each of the foreign fishing vessels and local fishing vessels.

The OAG found that there are two sets of Ministry approved procedures for foreign fishing vessels under a bilateral agreement, namely overseas and charter. Within those two procedures there are some very important formal notifications, which are required to be present with the application and must be met before a fisher's application can be processed and a licence issued. The OAG reviewed samples of the receipt of the permit. The formal legal requirements (under the Fisheries Act 1998) which act as the license criteria are:

- FFA Good Standing Certificate, and
- Certificate of Nationality and Safety.

These documents are required to be provided with an application before approval is given. Whereas for local fishing vessels there should also be evidence of registration of their company as well as the vessel being registered before proceeding to their fishing activities, as discussed.

Under the now no longer used Tuna Management and Development Plan (TMDP) 1999 the above requirements were included as well as additional notifications/approvals required before tuna fishing licences could be issued, as follows:

- Forum Fishery Agency (FFA) - Good Standing on Regional Register and registration of Vessel Monitoring System (VMS).
- Marine Division – Certificate of Nationality and Safety;
- Investment Board - approval of applications from foreign companies;
- Labour Division - Work Permit for foreigners requiring them;
- Immigration Division - Port Arrival;
- Surveillance Force - Notification of Presence of vessel;
- Solomon Islands Port Authority - Port arrival;
- Customs - Export duty, bank guarantee, paid up arrears;
- Commissioner of inland Revenue - Withholding tax; and

The TMDP 1999 also required that a checklist based on the above approvals was completed and signed off before each type of fishing licence could be issued. Applicants were required to attach the relevant notifications/approval letters to their application to the Ministry, and the Ministry use the checklist before a licence could be issued.

As The TMDP 1999 has not been effectively followed by the Ministry for some years, OAG found that the Ministry was not using this checklist at the time of the audit. It was not clear to OAG whether this could mean that all the required approvals may not be provided before a licence to fish in Solomon Island waters is issued.

The OAG considers that as part of the development and approval of a new Tuna Management Plan, the Ministry should identify what licence requirements are required and these should be included in a checklist. The checklist should be completed and signed off with relevant documentation of approvals obtained attached to the checklist. The Ministry advised that a new Tuna Management Plan is currently being prepared with assistance from Forum Fisheries Agency (FFA). OAG notes that this is another area where Ministry requirements, guidelines or procedures are not being followed while waiting for a new Fisheries Act and Tuna Management Plan. This appears to have been the situation for a number of years.

Recommendation 5

OAG recommends that fishing licenses should only be issued in accordance with the requirements of current legislation, including being cross-checked against a signed checklist as evidence that the appropriate approvals have been obtained from the relevant Solomon Island agencies.

Ministry Comment

The Ministry supports this recommendation. Fishing licenses should only be issued in accordance with the requirements of the current legislation. Cross-checking against a signed checklist is appropriate. The agencies on the checklist should be those required by legislation, not those listed in the 1999 Tuna Management and Development Plan.

OAG Comment

OAG understands the situation the Ministry is currently faced with, including outdated Fisheries Act 1998 and out of date (and no longer used) Tuna Management and Development Plan 1999. OAG considers that when the new Fisheries Act is passed by the Parliament and a new Tuna Management Plan is approved, the Ministry should ensure that revised policy, guidelines and procedures are prepared, approved and readily available for staff. The approved Ministry guidelines and procedures should include a fishing licence checklist of agency approvals required and signed off including, to provide assurance that a fishing vessel is appropriately registered, is seaworthy and safe, and approved before being used in Solomon Island waters.

5.2.3: Fisheries officers' knowledge of the procedures for renewal of offshore fishing licences.

In addition to the procedures for the issue of offshore fishing licences covered in the previous section, the Ministry has a process for renewal of a fishing licence to ensure that when a license is due to expire, vessel owners send their renewal application on time in order for the Ministry to process renewal of licenses on time. The Ministry has previously

targeted renewal of fishing licences for processing in November and December. However due to processing delays, the Ministry has changed its target period to only November in order to process all the applications on time. The Ministry advised that at times licence application renewals have been delayed previously due to a lot of applications coming in for renewal in a short space of time with only limited staff to do the work. Such delays in future may impact the implementation of the Vessel Day Scheme being introduced based on one year licensing.

While a fishing license is being processed by the Ministry, the authorised fisheries officer can issue what is called a 'permit issuance'. This permit can be provided to the fishing vessel to enable fishing to continue whilst waiting for the Ministry Licensing Section to renew/issue a fishing license. When the renewal licence is issued, the owner of the fishing vessel is responsible to get the actual fishing licence to its fishing vessel. Alternatively, the Ministry can make arrangements to give the licence to the fishing vessel if/when the vessel is within the reachable berthing area, i.e. during transshipment of the fishing vessel.

OAG looked to see if the Ministry process for renewal of fishing licences was being followed and officers had sufficient knowledge of the required process in order for fishing licences to be renewed on time.

OAG found that procedures for the renewal of off-shore fishing licences could be produced on request by senior Ministry staff. However these procedures did not have evidence of being formally issued within the Ministry and was not dated. These procedures did not appear to be readily available to staff responsible for renewing fishing licences. Therefore it was not clear to the OAG that the required procedures were known and understood by the staff who needed to know them. This could result in either a delay in the renewal of fishing licences, as has occurred previously, or renewal of licences not in accordance with requirements.

Recommendation 6

The OAG recommends that the Ministry should formally issue, including date, the procedures for the renewal of fishing licenses and make them readily available to all Ministry staff.

Ministry Comment

The Ministry supports this recommendation. The procedures for issuing and renewing licences will be formally issued and made available to all Ministry staff. Further note that all licences are uploaded onto the FFA website for public viewing.

Conclusion – Are economic returns from off-shore access agreements and fishing licences appropriate?

It is not clear to the OAG that, with the current 1998 Fisheries Act in force, the Ministry has focussed sufficiently on addressing economic returns to the Solomon Islands from off-shore fishing licences and access agreements, and assessing whether they are appropriate to the value of tuna taken by vessels from the Solomon Islands Exclusive Economic Zone each year.

Ministry Comment

The Ministry advised that while always a work in progress, the following factors support our view that MFMR has – at least over the last year – focussed on addressing economic returns from offshore licences and access agreements:

- *Discussions on mechanisms for maximising returns have been held with MoFT in the context of that Ministry's work on returns on natural resources.*
- *A detailed strategy was prepared for the October 2011 negotiations with bilateral partners for 2012 fisheries access. This was developed with the support of FFA. A Cabinet paper setting out the key elements of the Negotiating Strategy was approved prior to the negotiations.*
- *MFMR is cooperating with other PNA Parties to implement a minimum fee for VDS fishing days of USD5,000*
- *In the October 2011 negotiations returns from fishing access (licences and VDS fishing days) resulted in substantial increases in fees for fishing days and moderate increases in fees for longline licences.*
- *Bilateral partners have been advised that fees for observers, permits, and MCS will be reviewed using the "user-pays" principle and they would pay full costs for these services from 2013.*
- *An economic analysis of the different longline vessel fleets was commissioned by MFMR in late 2012. This has provided valuable information with which MFMR can identify opportunities to increase to longline licence/fishing day fees.*
- *MFMR is working with other MSG countries to investigate establishing a minimum fee for licences/fishing days in the longline fishery.*

The Ministry does not have a formal fishing licence policy and guidelines, particularly to appropriately address new developments in the fishery sector, including the Vessel Day Scheme, and to meet its regional obligations. Fishing licenses are not being issued in accordance with the requirements of current legislation, particularly the Tuna Management and Development Plan 1999 under the Fisheries Act 1998. This legislation is recognised as out of date, but until a new Fisheries Act is passed by the Solomon Islands Parliament and a new Tuna Management Plan is approved, the 1998 Act and 1999 TMDP contain the current legislative requirements.

As such it is not clear that all the required approvals from appropriate Solomon Islands agencies are obtained before a fishing licence is issued. As a result there is currently limited assurance that a fishing vessel is appropriately registered, is seaworthy and safe, and satisfies necessary approvals before being used in Solomon Island waters.

This Ministry advised regarding the two issues that:

- *MFMR does have licensing policies in the form of decisions by the Director. These have not been developed as formal Licensing Guidelines because this requires input from the Fisheries Advisory Committee – which is not currently active, and*
- *We agree licences are not being issued in accordance with the 1999 TMDP but note again that the 1999 TMDP is not in use. We do require evidence of vessels being on the FFA good standing register and evidence of vessel safety from the relevant flag state agency.*

The Ministry has not formalised its procedures for renewal of fishing licences and made them readily available to staff to ensure renewals are processed on time and in accordance with requirements.

The Ministry advised that it agrees with the conclusion about the lack of formal procedures.

5.3 Decision-making for off-shore fisheries is informed by accurate assessments of the fishery; and changes in the status of the fishery are monitored and reported.

Introduction

The Ministry's Offshore Fisheries Management Unit has a Monitoring, Control and Surveillance Section that is responsible for enforcement of the Solomon Islands Exclusive Economic Zone (EEZ) and management of fishing within that Zone.

As part of the enforcement of the Solomon Islands EEZ, the Ministry has database systems currently in use as follows:

- SOLIC – licensing, revenue collection and recording, and marine export data;
- TUFMAN – recording of tuna catch reports; and
- VMS – Vessel Monitoring System provides a means of tracking fishing vessels in the Solomon Islands EEZ.

Data entered into SOLIC includes licence applications, telegraphic transfers from bilateral fishing companies, transshipment forms and export permits.

TUFMAN data entry includes:

- log sheets;
- weekly reports showing entry of the vessel into the Solomon Islands EEZ, highlighting vessel stays of more than a week;
- departure information when the vessel leaves the Solomon Islands EEZ; and
- trip completion report when the vessel returns to a port to unload.

The Monitoring, Control and Surveillance Section checks the log books of a vessel when it arrives in port. An Observer (a Ministry employee, whose function is addressed in the next section of this report) is on board a vessel during its fishing trip to ensure consistency of information reported by the vessel.

5.3.1 Databases used in managing fishing activities

The OAG looked to see how the Ministry used the databases to manage the information collected on fishing activities in the Solomon Islands EEZ as part of its enforcement of that Zone, and how this information is reported and used, including to report against Solomon Island fisheries obligations in the region.

The Ministry advised that Tuna reports based on data stored in Fisheries Database (Tufman) and historical data stored at SPC, include the following, as examples:

Tufman Database:

- Annual report to Commission Part 1: Information on Fisheries , Research and Statistics (2011)
- Status of the Tuna Fishery of Solomon Islands 2010
 - National Tuna Fishery report of Solomon Islands (2007), and

- Besides that we also provide small adhoc data for consults. Tuna catch summary.

Solic Database:

- Status of Beche de mer (Press release 2011)
- Tables on Marine Products export trend.
- Number of fishing vessels by gear type
- Revenue collected (receipted at MFMR), and
- Marine Products purchased from Provinces 1991 – 2012.

Additional reports can be generated or query according to need.

In the absence of the information requested during the OAG fieldwork and subsequently, it was not clear to the OAG that the Ministry used the current database systems to appropriately manage and report on its administration of fishing in the Solomon Islands Exclusive Economic Zone, including to report against Solomon Islands regional obligations.

5.3.2 Training for observers

The role of the Observer is to travel on board a fishing vessel and keep an independent record (to that of the vessel) of the fishing activity on board using their work book to record data. An Observer can be on board a vessel for up to three to four months and they are required to send weekly reports to the Ministry of Fisheries and Marine Resources.

The Ministry employs the Observers and is responsible for the placement of Observers on fishing vessels. The Ministry has one certified trainer and debriefer under the Pacific Regional Fisheries Observers (PIRFO) Standards to train Observers in this very important role.

The OAG assessed whether there was:

- adequate training for employees, responsible for debriefing observers, on effective techniques for collecting and reporting data; and
- a process for communicating/reporting the analysed data, to ensure changes in the status of the fishery are monitored and reported to inform decision makers.

The OAG fieldwork found that the Ministry has one observer trainer and debriefer. The Ministry observer trainer/debriefer trains the observers on how to observe, record required data, summarize and report independent data on board for the Ministry. The observers are selected following assessment against extensive selection criteria. However; the challenges faced by the Ministry, and in particular the observer coordinator, include:

- sufficient debriefers to train observers
- language barriers
- ethical problems and behaviours, and
- suggestion of possible collusion between the vessel master and an observer.

The Ministry advised that the main issue is that the regionally recommended ratio of debriefers to observers is 1:5 with an interim target of 1:10. Solomon Islands currently has 1 debriefer for approximately 80 observers. At the time of finalising this report, The Ministry also advised that more observers are being trained to be debriefers, however, ensuring there are sufficient numbers of debriefers available for training the important role of ‘Observer’ is an ongoing challenge.

The OAG did not see evidence of the Ministry assessing the effectiveness of the Observer Program as one element of its management information and reporting system to ensure sufficient and appropriate information is available on which to make management decisions, including to fulfil regional off-shore fisheries obligations.

5.3.3 Communication process for data analysis, monitoring and reporting

The Vessel Monitoring System (VMS) tracks fishing vessels entering and leaving the Solomon Islands Fisheries EEZ. The role of the Ministry Statistics Unit is to collect, compile, process and disseminate information to stakeholders on tuna catches, the sale of and export of local marine products, revenue records and fishing licences.

The stakeholders receiving the information include fisheries, international bodies such as the Food and Agricultural Organisation (FAO) regionally, the Tuna Commission and local stakeholders, including Government Statistics, investors and students’ research information. This information is used by the fisheries’ management for decision making and annual reporting, and by others including for bilateral negotiation.

The OAG looked to see how the Ministry reviewed and analysed the data it received, and reported the information to stakeholders.

The OAG did not see evidence that the Ministry appropriately reviewed and analysed the data it received and reported the required information to stakeholders.

In addition, the Ministry’s annual reports are still in draft for 2009 to 2011. The Annual Report is considered an important document because the Ministry reports its milestones of its fisheries management, enforcements, and achievement. In the absence of this key document, and more frequent reporting referred to above, stakeholders such as the fishing companies, the fisheries officers, the general public, the government, non-government organizations and so forth, may not be able to know about the fisheries progress and developments. The comments and feedback on such reports can enable better achievement of fisheries management services delivery.

Recommendation 7

The OAG recommends that the Ministry report periodically, as required, information to stakeholders on fishing activities in the Solomon Islands Fisheries Exclusive Economic Zone, including completing as a matter of priority its outstanding annual reports.

Ministry Comment

The Ministry supports this recommendation. The Ministry currently reports annually to the WCPFC on fishing activities in the Solomon Islands EEZ. We will investigate options for making this information available to all stakeholders.

Conclusion – Is decision-making concerning off-shore fisheries informed by accurate assessment of the fishery and are changes in the status of the fishery monitored and reported?

In the absence of evidence, at the time of the audit, of appropriate review and assessment of information for off-shore fishing activities in Solomon Islands waters, it is not clear to the OAG that Ministry decision-making is informed and changes in off-shore fishing activities are monitored and reported.

Ministry Comment

The Ministry does not agree with the conclusion.

The Ministry advised that the important point is that most of the review and assessment of information for Western and Central Pacific (WCP) tuna fisheries (including the Solomon Islands components of the fisheries) is undertaken by regional agencies on behalf of Solomon Islands and other relevant parties. There are extensive programmes to collect fishery catch and effort data and this is analysed every year. Fishery-independent research is also undertaken. There is 100% observer coverage in purse seine fisheries and increasing coverage in longline fisheries. All information is presented to parties at various forums (Forum Fisheries Agency, Parties to the Nauru Agreement, Western and Central Pacific Fisheries Commission) and decisions are made on conservation and management measures. Solomon Islands is an active participant in all relevant management forums. All of this is extensively documented. While there are always challenges, independent assessments of management of WCP fisheries have been positive.

Solomon Islands obtains national level information both from regional agencies and from its own systems (including Vessel Monitoring System and licensing). All available information is taken into account in a range of fisheries management activities, including licensing decisions, negotiations on bilateral access, amending fisheries regulations, and setting licence conditions.

OAG Comment

This additional information clarifies the role of the Ministry and regional agencies in monitoring and reporting on fishing activities within the Solomon Islands Exclusive Economic Zone and in the Western and Central Pacific Ocean. The OAG considers that the Ministry should be including this information in its annual reports to Parliament and ultimately to the public. This would then better inform those who make decisions about the resources to be provided to the Ministry, for it to be able to appropriately manage fishing in the Solomon Islands Exclusive Economic Zone, including for the Ministry to make informed accurate assessment of off-shore fisheries and changes in their status over time.

6.0 CONCLUSION

OAG concluded that the lack of up-to-date legislation and Tuna Management Plan to adequately address Solomon Islands regional fisheries responsibilities and the current western pacific fisheries environment prevented the Ministry from adequately planning the appropriate management of off-shore fisheries.

It is not clear to the OAG that, with the current 1998 Fisheries Act in force, the Ministry has focussed on addressing economic returns to the Solomon Islands from off-shore fishing licences and access agreements, and assessing whether they are appropriate to the value of tuna taken by vessels from the Solomon Islands Exclusive Economic Zone each year. Over the last year the Ministry has participated in a number of negotiations and discussions aimed at increasing the revenue to the Solomon Islands from fishing in the Solomon Islands Exclusive Economic Zone.

The enactment of a new Fisheries Act and approval of a new Tuna Management Plan will consolidate these recent gains and put in place Solomon Islands legislative requirements that reflect sub-regional, regional and international responsibilities.

The Ministry does not have a formal fishing licence policy and guidelines, particularly to appropriately address new developments in the fishery sector, including the Vessel Day Scheme, and to meet its regional obligations. Fishing licenses are not being issued in accordance with the requirements of current legislation, particularly the Tuna Management and Development Plan 1999 under the Fisheries Act 1998. This legislation is recognised as out of date. But until a new Fisheries Act is passed by the Solomon Islands Parliament and a new Tuna Management Plan is approved, the 1998 Act and 1999 TMDP contain and represent the current legislative requirements.

The Ministry has not formalised its procedures for renewal of fishing licences and made them readily available to staff to ensure renewals are processed on time and in accordance with requirements.

In the absence of evidence, at the time of the audit, of appropriate review and assessment of information for off-shore fishing activities in Solomon Islands waters, it is not clear to the OAG that Ministry decision-making is informed and changes in off-shore fishing activities are monitored and reported. The Ministry provided additional information regarding Solomon Islands participation with regional agencies in monitoring and reporting on fishing activities within the Solomon Islands Exclusive Economic Zone and in the Western and Central Pacific Ocean. This information should be readily available to the Parliament and the Solomon Islands people through more comprehensive reporting in and more timely reporting of the Ministry's annual report.

7.0 APPENDICES

Appendix 7.1 – More Detailed Background Information

Policy Framework

The Ministry has a ‘Solomon Islands National Offshore Fisheries Policy’. This policy is not dated; its executive summary refers to the January 2008 Government policy goal for fisheries and marine resources as *‘The development and sustainable utilization of sea and marine resources to benefit and contribute to the well being of Solomon Islands’*. This is a good indicator of the timing of the release of this policy.

The Offshore Fisheries Policy identifies a number of institutional arrangements in the strategic framework of Solomon Islands fisheries, namely:

- Fisheries Management Advisory Council – advise the Minister on matters relating to the conservation, management and development of the fisheries, including any update information that the Minister need from time to time;
- Provincial government that caters for the negotiation led by the Ministry with land owners to open up local based fisheries development opportunities;
- Collaborate with NGOs, investors and interested parties as bilateral or multilateral understandings/arrangements to accommodate the policy of sustainable development and utilization of our offshore fisheries;
- Closer cooperation with companies that facilitates local based fishing vessels within Solomon Islands waters; and
- The country’s Division of Offshore Fisheries under the Ministry of Fisheries and Marine Resources that exclusively deals with technical support and program delivery and secretarial work therein.

The Offshore Fisheries Policy identifies that the Solomon Islands has legal obligations and responsibilities to meet under a number of international conventions and treaties that directly or indirectly have some bearing on offshore fisheries. These international conventions and treaties include:

- UN Convention on the Law of the Sea and Fish Stocks Agreement;
- Convention on Biological Diversity;
- International Convention to Regulate Whaling;
- Food and Agriculture Organisation of the UN (FAO) Code of Conduct;
- FAO Compliance Agreement;
- FAO International Plans of Action;
- World Summit on Sustainable Development (WSSD) Fisheries Targets; and
- Pacific Islands Forum Fisheries Association (FFA) Convention.

The Policy states that under these international conventions and treaties Solomon Islands has obliged to carry out necessary requirements for the betterment of the offshore fisheries involvement and development for the Solomon Islands people. In addition, the Policy also states that the valuable offshore fishery is shared with a number of other Pacific Island countries, thus a common approach to its sustainable management, utilization and development is necessary. This includes:

- to ensure that Fisheries and the environmental impacts are managed and developed sustainably beyond the Solomon Islands EEZ; and

- to protect Solomon Islands economic opportunities from events occurring outside the Solomon Islands EEZ.

In addition to the international obligations, the Solomon Islands Offshore Fisheries Policy also identifies Regional Fisheries Management Organisations (RFMOs) that have been instrumental in managing offshore resources and who the Solomon Islands works with to accommodate its regional obligations. These include:

- Secretariat of the South Pacific (SPC);
- South Pacific Forum Fisheries Agency (FFA);
- South Pacific Regional Environment Programme (SPREP);
- South Pacific Geoscience Commission (SOPAC); and
- Various United Nations agencies – Food and Agriculture Organisation (FAO). United Nations Development Programme (UNDP) and United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

As part of its regional obligations, Solomon Islands is party to a number of treaties and agreements relating to the management of regional fisheries. These include:

- Harmonised Minimum Terms and Conditions for Foreign Fishing Vessel Access;
- Treaty on Fisheries Between the Governments of Certain Pacific Island States and the Government of the United States of America;
- Wellington Convention for the Prohibition of Fishing with Long Driftnets in the South Pacific;
- Niue Treaty on Cooperation in Fisheries Surveillance and Law Enforcement in the South Pacific Region;
- Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Concern;
- Federated States of Micronesia (FSM) Arrangement for Regional Fisheries Access; and
- Palau Arrangement for the Management of the Western Pacific Purse Seine Fishery.

Western and Central Pacific Fisheries Commission

The Western and Central Pacific Fisheries Commission (WCPFC) was established by the Convention for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPFC Convention) and was established on 19 June 2004. The Convention was concluded after six years of negotiation which commenced in 1994. The period between the conclusion of the Convention and its entry into force was taken up by a series of Preparatory Conferences that laid the foundations for the Commission to commence its work. The WCPFC Convention draws on many of the provisions of the UN Fish Stocks Agreement [UNFSA] while, at the same time, reflecting the special political, socio-economic, geographical and environmental characteristics of the western and central Pacific Ocean (WCPO) region.

The WCPFC Convention seeks to address problems in the management of high seas fisheries resulting from unregulated fishing, over-capitalization, excessive fleet capacity, vessel re-flagging to escape controls, insufficiently selective gear, unreliable databases and insufficient multilateral cooperation in respect to conservation and management of highly

migratory fish stocks. A framework for the participation of fishing entities in the Commission which legally binds fishing entities to the provisions of the Convention, participation by territories and possessions in the work of the Commission, recognition of special requirements of developing States, and cooperation with other Regional Fisheries Management Organizations (RFMO) whose respective areas of competence overlap with the WCPFC reflect the unique geo-political environment in which the Commission operates.

Member of the WCPFC are Australia, China, Canada, Cook Islands, European Union, Federated States of Micronesia, Fiji, France, Japan, Kiribati, Korea, Republic of Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Chinese Taipei, Tonga, Tuvalu, United States of America, Vanuatu. There are also participating territories, namely, American Samoa, Commonwealth of the Northern Mariana Islands, French Polynesia, Guam, New Caledonia, Tokelau, Wallis and Futuna. Lastly there are cooperating non-members who are Belize, Ecuador, El Salvador, Indonesia, Mexico, Senegal, Vietnam, Panama, Thailand.

Secretariat of the Pacific Community

Secretariat of the Pacific Community (SPC) is an international organisation that works in public health, geoscience, agriculture, forestry, water resources, disaster management, fisheries, education (community, TVET, quality and standards for all school levels), statistics, transport, energy, ICT, media, human rights, gender, youth and culture to help Pacific Island people achieve sustainable development. SPC's members are the 22 Pacific Island countries and territories that are the beneficiaries of its services, along with four of the original founding countries.

The South Pacific Commission, as SPC was formerly called, was founded in Australia in 1947 under the Canberra Agreement by the six 'participating governments' that then administered territories in the Pacific: Australia, France, New Zealand, the Netherlands, the United Kingdom and the United States of America. They established the organisation to restore stability to a region that had experienced the turbulence of the Second World War, to assist in administering their dependent territories and to benefit the people of the Pacific.

In 1962, Samoa was the first island nation to become an independent state and in 1965 was the first to become a full member of SPC. Other island nations in turn became independent or largely self-governing and in 1983, at the 23rd South Pacific Conference in Saipan, all 22 Pacific Island member countries and territories were recognised as full voting and contributing members of SPC.

The Saipan decision, which followed a long period of Pacific leaders taking greater ownership of the organisation, marked SPC's coming of age with its now comprehensive regional membership and equal vote for all members regardless of their political situation. The decision also reaffirmed SPC's status as a non-political body. Despite this status, many of the Pacific's best-known leaders – such as Ratu Sir Kamisese Mara of Fiji – took a deep interest in SPC's affairs and contributed strongly to its evolution.

The name, South Pacific Commission, was changed to the Pacific Community at the 50th anniversary conference in 1997 to reflect the organisation's Pacific-wide membership. Now, in 2010, SPC's 26-strong membership includes the 22 Pacific Island countries and territories along with four of the original founders (the Netherlands and United Kingdom withdrew in 1962 and 2004 respectively when they relinquished their Pacific interests).

The Conference of the Pacific Community, which is held every two years, is the governing body of SPC with each member entitled to one vote on decisions. However, debates are usually resolved in the Pacific way by consensus. The Committee of Representatives of Governments and Administrations (CRGA) meets annually, and in the years that the conference does not meet, is empowered to make decisions on the governance of SPC.

Pacific Islands Forum Fisheries Agency

The Pacific Islands Forum Fisheries Agency (FFA) strengthens national capacity and regional solidarity so its 17 members can manage, control and develop their tuna fisheries now and in the future. Based in Honiara, Solomon Islands, FFA's 17 Pacific Island [members](#) are Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.

FFA was established to help countries sustainably manage their fishery resources that fall within their 200 mile Exclusive Economic Zones (EEZs). FFA is an advisory body providing expertise, technical assistance and other support to its members who make sovereign decisions about their tuna resources and participate in regional decision making on tuna management through agencies such as the [Western and Central Pacific Fisheries Commission](#) (WCPFC).

Since 1979, FFA has facilitated regional cooperation so that all Pacific countries benefit from the sustainable use of tuna – worth over \$3 billion a year and important for many people's livelihoods in the Pacific.

Approximately 80 staff at the regional FFA headquarters in Honiara support their national contact points in departments of foreign affairs and fisheries in each member jurisdiction. FFA focuses its work on:

- Fisheries management – providing policy and legal frameworks for the sustainable management of tuna
- Fisheries development – developing the capacity of members to sustainably harvest, process and market tuna to create livelihoods
- Fisheries operations – supporting monitoring, control and surveillance of fisheries as well as treaty administration, information technology and vessel registration and monitoring, and
- Corporate services - supporting the organisation's work through administration, human resources, budgeting and other corporate functions.

The founding document of the Agency is the South Pacific Forum Fisheries Agency Convention. The [Forum Fisheries Committee](#) meets annually to consider regional policies and the budget and work programme of FFA.

The Vessel Day Scheme (VDS) is a scheme where vessel owners can purchase and trade days fishing at sea in places subject to the [Parties to the Nauru Agreement](#) (PNA). The purpose of the VDS is to constrain and reduce catches of target tuna species, and increase the rate of return from fishing activities through access fees paid by Distant Water Fishing Nations (DWFNs). The total allocation of fishing days is set and apportioned between Pacific Island members for one-year periods up to three years in advance.

The VDS is implemented as part of the [Western and Central Pacific Fisheries Commission](#) (WCPFC) *Conservation and Management Measure for Bigeye and Yellowfin Tuna in the Western and Central Pacific Ocean* (CMM2005-01). The VDS replaces the purse seine vessel number limit of 205 vessels under Annex 1 of the *Palau Arrangement for the Management of the Western Pacific Purse Seine Fishery* ([Palau Arrangement](#)).

Since 1992 the countries of Solomon Islands, Tuvalu, Kiribati, Marshall Islands, Papua New Guinea, Nauru, Federated States of Micronesia and Palau, commonly referred to as the [Parties to the Nauru Agreement](#) (PNA), have worked collaboratively to manage the tuna stocks within their national waters. The collaborative arrangement under which these countries have worked is the “Palau Arrangement for the Management of the Western and Central Pacific Purse Seine Fishery” or Palau Arrangement. The Palau Arrangement is a multilateral treaty governing the operation of purse seine vessels in the national waters of the PNA. Its primary purpose is to place a limit on the number of vessels operating in the waters of the PNA.

Under the VDS Management Scheme the PNA set the total number of days that can be fished in their waters combined and the apportionment of the total number of days between each country. These allocations of fishing days are set for 12 month periods and can be set up to 3-years in advance. The most recent stock assessment information on the target species of Skipjack (*Katsuwonus pelamis*), Yellowfin (*Thunnus albacares*) and Bigeye (*Thunnus obesus*) tuna and economic information relating to the maximization of economic returns and optimal utilization of the resource is used to assess the allocations of fishing days.

Appendix 7.2 – More Detail on Illegal, Unreported and Unregulated Investigations

Illegal, Unreported and Unregulated (IUU) Investigations cases noted as advised by the Ministry.

- ⊙ In 2009—in the month of August, two cases were noted and investigations on reasons revealed (on provided) documentation that there were alleged breach of certain licensing condition. Both cases were fined each for SBD\$ 100,000.00 each.
- ⊙ In September of the same year—there were two cases noted for the same reasons; however, they were released without paying fine.
- ⊙ In 2010—in the month of March, two Chinese flagged Longline fishing vessels were apprehended by RSIPV. The investigation on the reason that the two boats were alleged to be doing illegal fishing in SI EEZ in Jan 2010. This is in contrary to section 16 of the Fisheries Act 1998. **Foreign fishing vessel licences.**

16. (1) Subject to subsection (2), no foreign fishing vessel shall be used for fishing or related activities in Solomon Islands waters without-

- (a) a valid foreign vessel licence under this section; or
- (b) a regional fishing licence issued in accordance with an arrangement or agreement entered into under section 15.

15. (1) The Minister may with the approval of the Cabinet -

- (a) enter into agreements with other States on a bilateral or regional basis providing for the allocation of fishing rights in the waters of those States to Solomon Islands fishing vessels; and
- (b) enter into agreements with other States and with associations representing foreign fishing vessel owners or charterers, on a bilateral or regional basis, providing for the allocation of fishing rights in Solomon Islands waters to vessels from those States or associations.

The outcome of the case was the Attorney General, advised to pay fine of \$2.5M—(Fine was paid for by instalment—Lee Kwok Kuen & Company)

In the month of June of 2010—six Chinese flagged fishing vessels were issued with the letter of comfort by MFMR Director. This is following Jan 2010 fishing in SI Waters in breach of section 16 of the Fisheries Act 1998. Case still not settled, pending DPP for legal proceeding.

In the month of September 2010; two cases were noted for fishing during Fish Aggregating Device (FAD), in breach of contrary to Parties to Nauru Agreement Regulation 3IA. The outcomes were: PNG EEZ –no sufficient evidence.

In the month of November of 2010; two cases were in breached of Licensing Condition section 16 of the Fisheries Act 1998. The first case of these two cases; was also in breached of section 35 of the Fisheries Act 1998 which specifies on records. This particular vessel refused to keep record and supply information. For this case the Attorney General advised the operator to pay a fine of \$100,000.00. For the second case, the Attorney General advised the operate to pay a fine of \$2.5M (However; a fine of SBD\$1.0M was paid)

Jan 2011—two cases were noted in breached of licensing conditions for fishing and supplication of false information contrary to Section 16 (12) and Section 35 of the Fisheries Act. Each vessel was fined SBD 1,000,000.00 each, thus a total of SBD 2.M was paid.

March 2011—two cases were noted for allegedly ceasing to report on the VMS whilst fishing in SI EEZ and in breached of s.57 of the Fisheries Act 1998.

Of these two cases, the first case paid a fine of SBD 500,000.00 and the second case paid a fine of SBD1.5M

April 2011—one reported case of alleged illegal fishing—PNG &Australia (2010) contrary to s56 of the Fisheries Act. s56 specifies illegal import of fish etc. The case outcome was for SBD5.1M (However; this has not been settled and the case continues)

August 2011—two cases were noted for alleged breach of s16 (1) the Fisheries Act 1998 and Licensing Conditions. The outcomes for both cases, is currently pending.

September 2011—a case was reported on an alleged breach of licence condition contrary to s16 of the Fisheries Act 1998 (this is transshipment in High Seas with Western and Central Pacific Fisheries Commission Long Line fishing vessels). The outcome of the case is with the Attorney General and Director of Public Prosecution for vetting (released without fine)

November 2011—three cases were noted of alleged breach of licensing conditions (suspect transshipment at H/Sea for the two cases, and the other no original licence on board). For the case no licence on board, a fine of SBD30, 000.00, the other two cases, were not noted of any fines paid.

December 2011—one case of alleged breach of Licensing condition—no original licence on board. A fine of SBD30, 000.00

Appendix 7.3 – Example of Statistics Maintained on Domestic And Foreign Fishing Vessels and Graphs Produced from some of the Statistics

Licence Data Are Entered Into Solic Database And Below Is An Example Of Statistics On Vessels By Gear Type By Year For Domestic And Foreign Fishing Vessels.

		Foreign Vessels							Domestic Vessels					
Year	Total	PS	LL	PL	Carriers	Others	Sub Total	% F/vessel	PS	LL	PL	Others	Sub Total	% Domestic
2004	104	54	0	0	38	0	92	88%	3	0	9	0	12	12%
2005	245	97	82	2	50	1	232	95%	4	0	9	0	13	5%
2006	332	86	162	21	49	1	319	96%	4	0	9	0	13	4%
2007	375	115	190	2	62	0	369	98%	5	0	0	1	6	2%
2008	398	113	213	20	47	0	393	99%	4	0	0	1	5	1%
2009	383	114	235	14	8	1	372	97%	8	1	1	1	11	3%
2010	370	117	227	15	5	1	365	99%	5	0	0	0	5	1%
2011	397	108	259	15	2	6	390	98%	4	0	3	0	7	2%
2012	265	98	142	6	4	7	257	97%	5	0	3	0	8	3%

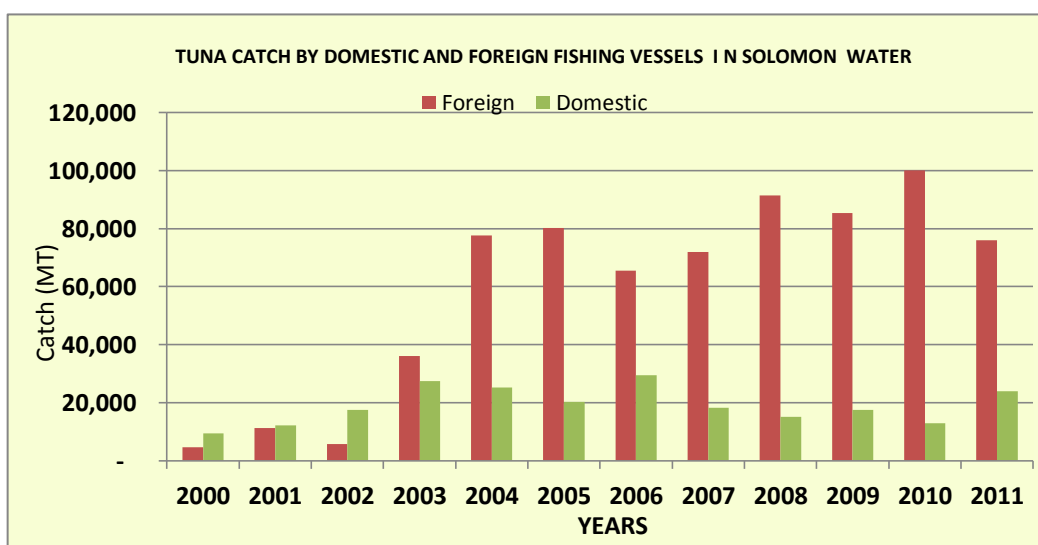
PS – Purse seine; LL – Tuna Long Line; PL – Pole and Line

The tables shows that foreign fishing vessels dominated the tuna fleet (88% - 99%) and the domestics fleet ranges from 1% - 12%.

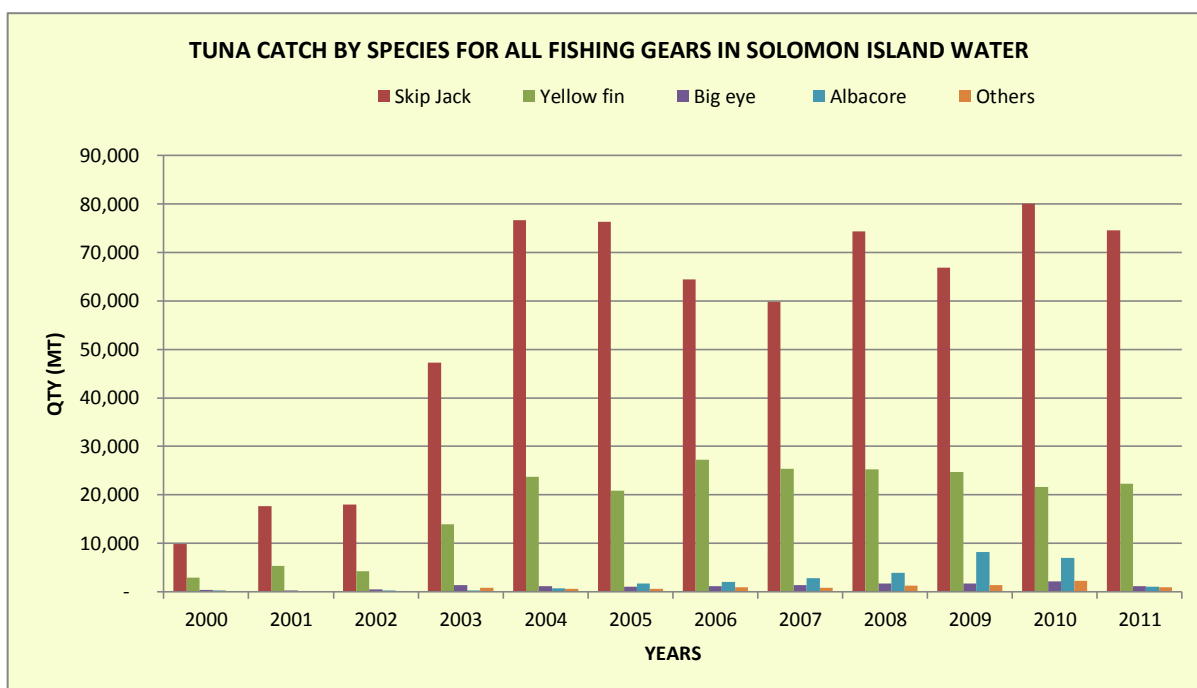
The Tuna Database Management system (TUFMAN) was introduced in 2007; before that MFMR used CES (Catch and Effort System) provided by the Secretariat of the Pacific Community in addition to the original Tuna database, which is no longer in use.

TUFMAN can present reports in Maps – showing the areas fish are caught in Solomon waters by gear type (purse seine, pole line and long line). It also can generate catches by fishing fleet by gear type.

The graph below shows the total catch by all gears by foreign and domestic vessels of which the foreign fleet caught 75% and the domestic fleet caught 25% of total catch over the 12 years, 2000-2011.



The graph below shows the catch by species as from 2000 – 2011. From 2000 – 2003 was the tension period so there was less fishing activity in Solomon waters except for Foreign boats. As from 2003 – 2011, there was increase in number of vessels that contributes to increase in catches. Purse seines (84%) followed by Long line (9%) and Pole and line fleet (7%) of the total the catch. Tuna Catch composition over the twelve-year period was: Skipjack (71%), Yellowfin (23%), Albacore (3%), Bigeye and Others (1% each).



Abbreviations an Acronyms

Act	Fisheries Act 1998
ADB	Asian Development Bank
AG	Attorney General
CDS	Catch Documentation Scheme
DPP	Director of Public Prosecutions
DWFN	Distance Water Fishing Nations
EEZ	Exclusive Economic Zone
EU	European Union
FAC	Fisheries Advisory Council
FAD	Fish Aggregated Device
FAO	Food and Agriculture Organisation
FFA	Pacific Forum Fisheries Agency
FMDF	Fisheries Management and Development Fund
IDI	INTOSAI Development Initiative
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
IUU	Illegal, Unreported and Unregulated
LOSC	United Nations Convention on the Law Of the Sea
M&E	Monitoring and Evaluation
MFMR	Ministry of Fisheries and Marine Resources
Ministry	Ministry of Fisheries and Marine Resources
MoFT	Ministry of Finance and Treasury
NFD	National Fisheries Development limited

NGO	Non Government Organisations
OAG	Office of the Auditor-General
PASAI	Pacific Association of Supreme Audit Institutions
PIC	Pacific Island Countries
PIRFO	Pacific Island Regional Fisheries Observers
PNA	Parties to Nauru Agreement
PNG	Papua New Guinea
ROP	Regional Observer Program
SBD	Solomon Islands Dollar
SI	Solomon Islands
SIG	Solomon Islands Government
SPC	Secretariat of the Pacific Community
TIASI	Tuna Industry Association Solomon Islands
TMC	Tuna Management Committee
TMDP	Tuna Management and Development Plan
UN	United Nations
USD	United States Dollar
VDS	Vessel Day Scheme
VMS	Vessel Monitoring System
WCP	Western and Central Pacific
WCPC	Western and Central Pacific Countries
WCPFC	Western and Central Pacific (Ocean) Fisheries Commission
WCPO	Western and Central Pacific Ocean
WSSD	World Summit on Sustainable Development