

# NEW ZEALAND'S PACIFIC FISHERIES STRATEGY 2006-2010

## Summary

1 The Pacific Fisheries Strategy is intended to guide officials in New Zealand government agencies in their work and interactions on Pacific fisheries issues. It has a particular focus on the highly migratory tuna fisheries that are a key economic resource for Pacific Island countries, as well as a significant resource for New Zealand.

2 Pacific tuna fisheries are valued at US\$2 billion per year, but most of the catch is taken by foreign fishing vessels. The landed value of catch taken by vessels based in Pacific Island countries is growing and now totals around US\$380 million per year. Pacific countries could, however, be receiving a greater share of the economic benefits that flow from the resource. Key stocks are not currently over-fished, but will need close monitoring and management to ensure that this remains the case.

3 The Key Outcome New Zealand seeks is '**Sustainable development of Pacific fisheries resources**'. This outcome seeks to maximise the economic, social and environmental benefits to Pacific Island countries, including New Zealand, from the ecologically sustainable utilisation of those resources. This key outcome feeds into the intermediate outcomes sought by the New Zealand Government (as expressed in New Zealand Government Agencies' Statements of Intent), including:

- Protecting and enhancing the Pacific aquatic environment
- Deriving economic value from the fisheries resource, contributing to the elimination of poverty in the Pacific
- Deriving economic value from the fisheries resource, contributing to economic growth and innovation in New Zealand
- Strengthening the rules-based system of international fisheries management
- Promoting stronger and deeper regionalism
- Fostering security and good governance in our neighbourhood.

4 A range of Ministers and their officials are involved in Pacific fisheries issues. Agencies involved include MFAT, MFish, NZAID, NZDF and MOD, and to a lesser extent, DOC and MfE.

5 The following operational priorities have been identified to address the key outcomes (they will be the focus of the Pacific Fisheries Strategy for the next five years):

- Getting the best outcomes for the Pacific and for New Zealand from negotiations in the Western and Central Pacific Fisheries Commission (WCPFC), including the setting of sustainable catch levels, addressing the issue of allocation and establishing sound, enforceable management measures

- Strengthening the Forum Fisheries Agency (FFA), to consolidate gains of the past two years and ensure effective ownership of the FFA by its members and delivery by the Agency of effective policy advice on fisheries management and development
- Engaging with Pacific Island countries to assist the development of their inshore and oceanic fisheries and aquaculture by improving their governance, management and enforcement regimes
- Combating illegal, unregulated and unreported (IUU) fishing through better regional and bilateral regimes for fisheries compliance and enforcement, including surveillance
- Advancing New Zealand's fisheries interests for tuna in the Pacific, both within the EEZ and beyond the New Zealand EEZ.

6 While these will be the priority areas, there are many other issues that will continue to require ongoing attention (the "business as usual" issues), including assessment and mitigation of the environmental impacts of fishing, addressing trade-based incentives for over-fishing including in the WTO, and improving scientific knowledge on tuna stocks.

7 The strategy will be implemented through continuing close working cooperation between Ministers and between Ministries/Agencies, and through fostering and building open and constructive relationships with Pacific Island countries, Australia, distant water fishing nations and other interested states, as well as regional organizations.

### Scope

8 The Pacific Fisheries Strategy is focused on the interactions between New Zealand and Pacific Island countries on fisheries issues. Therefore the strategy primarily deals with issues surrounding the management of the Pacific's highly migratory tuna species, a key economic resource for Pacific Island countries. International fisheries law places specific obligations on coastal states and fishing nations to cooperate to ensure the sustainable management of highly migratory fish stocks, and in the Pacific these obligations have given rise to two regional fisheries organisations – the WCPFC and the FFA. New Zealand is a member of both organisations.

9 New Zealand has less direct involvement in the coastal fisheries of Pacific Island countries although NZAID does provide funding for the SPC, a portion of which is directed towards their coastal fisheries programme. The strategy extends to coastal fisheries to the extent that New Zealand provides, primarily via NZAID and to a lesser extent MFish, bilateral assistance to Pacific Island countries on coastal fisheries management as part of general fisheries related cooperation and capacity building work.

10 The planned establishment of a Regional Fisheries Management Organisation (RFMO) to cover non-HMS species in the high seas parts of the South Pacific Ocean falls outside of the intended scope of this strategy, but will be a factor in our engagement with the Pacific Island countries on fisheries work.

### Pacific fisheries: the context

11 Fisheries in the Pacific comprise oceanic fisheries, coastal fisheries and

aquaculture. The oceanic fisheries resource includes four main highly migratory tuna species: bigeye, yellowfin, skipjack and albacore, and is valued at around US\$2 billion per year, of which US\$800-\$900 million is taken in the waters of Pacific Island countries and around US\$380 million taken by vessels based in Pacific Island countries. Most of the tuna fishing is done by Distant Water Fishing Nations using either purse seine or long line vessels, although the proportion of the catch caught by vessels flagged to or based in Pacific Island countries is steadily increasing.

12 The Pacific's tuna stocks remain the last in the world not to be over-fished. Skipjack and albacore tuna are not under threat of over fishing at this stage. However, current fishing effort for both bigeye and yellowfin tuna are nearing maximum sustainable levels and it will be necessary to limit fishing of these species in the near future. Pacific tuna fishing does have some impact on species caught as 'by-catch' such as sharks, turtles and sea birds, some of which are endangered.

13 The tuna fisheries are a major economic resource for Pacific Island countries, especially in Micronesia, and in Papua New Guinea and Solomon Islands. The revenue returned to Pacific Island countries from access fees is around US\$60-70 million, with additional benefits from servicing foreign vessels. Several Pacific Island countries are also successfully developing their own commercial fishing fleets and/or domestic processing operations. Development of domestic fishing and processing industries has been uneven: these are high-risk and subject to physical and economic fluctuations. Capacity of the local private sector appears to be the significant factor in determining whether a domestic industry will develop. Pacific countries have also developed joint venture and charter arrangements which attempt to build local capacity in fishing as well as generate economic rents, but which have often created real enforcement problems for those countries, not to mention unanticipated social impacts (such as increased incidence of HIV/AIDS and prostitution).

14 Coastal fisheries (inshore and reef fisheries) are vital for communities' food security and income. Pacific Island countries are among the world's highest per capita fish consumers. The value for food of this resource was estimated at US\$180 million in the 1990s, and the value of coastal fisheries products such as beche-de-mer (sea cucumber), aquarium fish and live reef fish is around US\$50-80 million. There are, however, significant concerns about the sustainability of some inshore fisheries in some Pacific Island countries, arising from factors like the impact on the environment of land-based pollution and the over-harvesting of certain species.

15 The fisheries sector is also an important source of employment for Pacific Island countries. This employment can vary from deep-sea fisheries, coastal fisheries, and those workers involved in subsistence fishing. Development of the sector in Pacific Island countries can therefore have important benefits to the local communities through higher levels of employment, human capital development and skill acquisition. The benefits from higher levels of employment will depend on the sector development policies and general economic policy settings.

16 Aquaculture is a small but growing industry that is already of economic significance in some countries including the Cook Islands and French Polynesia. Species farmed include black pearls, seaweed and prawns.

17 New Zealand has a sizeable tuna fishing industry within our own EEZ that includes

a purse-seine fishery for skipjack, a troll fishery for albacore, and a mixed species longline fishery that catches yellowfin, bigeye, albacore, Pacific bluefin and Southern bluefin tunas. New Zealand's EEZ sits at the tail end of the migratory path for these tuna species and is therefore directly affected by developments in the wider Pacific, both in terms of stock levels and management regimes.

18 New Zealand longline vessels are moving to develop fisheries on the high seas around New Zealand, and some are venturing further north to fish in the waters of South Pacific countries such as Niue, Fiji and the Cook Islands. New Zealand also has a small distant water fleet of four purse seine vessels that fish in the tropical waters of the Pacific – primarily in the zones of Pacific Island countries under industry-to-government access agreements. The industry group representing our distant water interests – the New Zealand Far Seas Tuna Fishers Association – participates actively in bilateral and regional fisheries meetings. Other New Zealanders are involved as crew or employees of fishing vessels flagged to other countries, and in domestically flagged fishing enterprises and onshore fisheries activities in Pacific countries.

19 New Zealand's fishing industry is finding it increasingly difficult to operate in the Pacific. Principal causes are increased competition for access with fleets that are benefiting from, subsidies and tied aid payments by some DWFNs on behalf of their fleets, and New Zealand's tax structures, both of which place New Zealand industry operations in the Pacific at a considerable disadvantage to their competitors.

20 The Pacific region has been successful in working collectively on fisheries issues, as evidenced by the negotiation and agreement of the US Tuna Treaty and the Western and Central Pacific Fisheries Convention (WCPFC). Collective effort began with the establishment of the Forum Fisheries Agency (FFA) in 1979 to provide policy advice and technical support on national and regional fisheries issues. The FFA runs several regional services such as a vessel register and vessel monitoring system. Fisheries issues are considered annually at the Forum Fisheries Committee and have featured in Forum Leaders' annual communiqués for many years. Fisheries issues are now being considered within the mainstream of Pacific economic and development discussions, including in the context of the Pacific Plan. The Secretariat of the Pacific Community (SPC) in Nouméa provides the region's pre-eminent science capacity, including stock assessments of the key tuna stocks in the region.

21 Pacific Island countries have been involved in the development of international frameworks, including the United Nations Convention on the Law of the Sea in 1982 (UNCLOS), the UN Fish Stocks Agreement in 1995 (UNFSA) and most crucially, the Western and Central Pacific Fisheries Convention, finalized in 2000. Coastal states' rights, as enshrined in these international legal instruments, are enjoying increased recognition: the WCPFC is the newest RFMO (and the first to be agreed following the UN Fish Stocks Agreement) and is therefore considered progressive in international legal terms.

22 IUU fishing in the Pacific is estimated to be worth up to \$400 million per year, although methods for estimating and monitoring IUU fishing remain weak. IUU fishing comprises some 'pirate' vessels, which are not licensed, as well as vessels that are licensed but may be fishing outside the area or terms of their licenses. There are also 'Flags of Convenience', or 'open registries', operating in the Pacific where the 'beneficial ownership' of vessels is with a country other than the flag state, giving rise to further enforcement issues – particularly on the high seas.

23 New Zealand assists Pacific countries to target IUU fishing both through the FFA and by providing aerial surveillance by the Royal New Zealand Air Force. There are efforts for increased trilateral cooperation on maritime surveillance between France, Australia and New Zealand. The Niue Treaty on Fisheries Surveillance and Enforcement (1992), agreed under the auspices of the Forum Fisheries Agency, provides an overarching framework for cooperation to combat IUU fishing. Bilateral subsidiary agreements under that treaty provide the legal basis for cooperation on enforcement.

### Key emerging trends, challenges and risks

24 Tuna stocks around the world are declining, especially in the Atlantic and Indian Oceans. World demand for tuna is rising, so pressure on the stocks in the Pacific will increase with bigeye and yellowfin stocks being the most vulnerable. The consequences of failing to implement robust management measures for the Pacific's tuna fisheries are potentially huge, with fisheries arguably being the single most significant economic resource for Pacific Island countries.

25 The nature of the fishing industry in the Pacific is changing. The USA has a declining Pacific fleet due to their older vessels, higher labour standards, increasing cost per unit effort, the sharp increase in international oil prices, and resultant lower overall profitability. Newer players such as Taiwan, China and the EU are building bigger vessels, and are finding ever more efficient ways to fish. The current limited management of fishing within Pacific EEZs (foreign fishers paying an access fee per boat with an overall limit set for the number of purse seine vessels) will be insufficient to sustainably manage the stocks in future as vessel size, and catch per unit effort of newer vessels continues to increase.

26 The WCPFC will be faced with some major challenges as it moves to implement management measures for the region's tuna stocks. The requirement for key decisions on issues such as allocation to be made by consensus means that countries will need to be willing to compromise their own short-term economic interests for the sake of long-term sustainable outcomes. The Commission will also be faced with the physical challenges of establishing the necessary compliance and enforcement mechanisms for effective fisheries management in a region comprising multiple developing countries and characterised by poor existing infrastructure and governance.

27 Pacific countries need to consider new ways to add value to tuna products and/or generate revenue from tuna, as the emergence of factory ships reduces the need to process tuna in the Pacific and thus draws into question the viability of investment in processing factories. There are a number of factors that can impede domestic development of the fisheries sector in Pacific Island countries, including: accessibility to a reliable and cost efficient air freight service; reliability of communications for both safety and coordination of fishing support services; reluctance of banks to accept fisheries-related assets as security for loans; reluctance of financial underwriters to provide cover for some Pacific country-based assets; lack of fish catch history, inadequacy of fisheries institutions' capacity and capability to support development, and tax and regulatory frameworks.

28 Fishing in the Philippines and Indonesian EEZs (including small-scale and artisanal fishing) is having a major impact on tuna stocks in the Pacific, particularly as this is where juvenile tuna are found. Pacific countries will need to work closely with the Philippines

and Indonesia to implement effective data collection and management measures.

29 The nature of relationships with Distant Water Fishing Nations (DWFNs) is changing. While the USA has locked in its access to PIC EEZs since the late 1980s via a multilateral, transparent treaty, albeit one where ODA money is still explicitly linked to fishing access, other DWFN partners (EU, Japan, China and Taiwan) are now also moving to establish access arrangements that include broader cooperation and development elements, meaning the linkages between fisheries access, ODA and Government subsidies are becoming increasingly opaque.

30 Subsidised access perpetuates over-capacity in the fishing industry by moving excess vessel capacity from fisheries that have been over-fished into fisheries in the Pacific where subsidies provide them with an unfair advantage over others. This is of particular concern given the imperfect nature of regulation, fisheries management and enforcement across the region. Competition between DWFNs for access may initially provide higher returns to Pacific Island countries by maximising revenue from licenses and tied aid payments, but at the possible cost of overall poorer fisheries management and a reduction in the total value of the fisheries resource over time.

31 The lack of transparency around access arrangements tied to subsidies or aid weakens governance standards in fisheries management in the region. This can influence decision making around management of the fisheries resource and creates an environment which is conducive to corruption. International agreements such as the Paris Declaration on Aid Effectiveness place responsibilities on both recipient governments and donors to ensure the transparency of financial management and aid disbursement. Access arrangements that promote transparency, decouple aid payments, and promote the equitable opportunity to compete for access, are likely to increase the longevity of the fisheries themselves, provide opportunity for equitable participation by Pacific Island fishing industry groups, and increase certainty for investment and the development of the local industry.

32 As management measures become more sophisticated, there will be increased incentives for vessels to fish illegally, or fish outside the provisions of their licenses. And, as control over vessel registers around the world tightens, smaller countries in the Pacific are likely to be targeted as 'flags of convenience' because unscrupulous fishers know they will struggle to enforce their flag state responsibilities, especially over vessels fishing on the high seas.

33 The threat posed by tuna fishing to non-target or by-catch species such as dolphins, whales, sharks, turtles and sea birds is expected to get increasing levels of international attention, with some environmental groups seeking to ban longline fishing altogether. Fishers and governments will need to acknowledge these concerns and take measures to reduce the impact of tuna fishing on these species.

34 While there is currently no major bottom-trawling fishing being carried out in the waters of Pacific Island countries, the impacts of fishing on marine biodiversity, and in particular on the benthic environment, are of particular interest to Pacific Island countries who are keen to ensure sensitive deep-water fisheries and environments in the temperate waters of the Pacific are adequately protected from the use of destructive fishing methods.

## Key outcomes sought by New Zealand in Pacific Fisheries

35 New Zealand seeks 'Sustainable development of Pacific fisheries resources' as an overall outcome. This outcome seeks to maximise the economic, social and environmental benefits to Pacific Island countries, including New Zealand, from the utilisation of those resources. This will be achieved by focus on the following intermediate outcomes (as expressed in New Zealand Government Agencies' Statements of Intent). Performance measures are given for each outcome:

- a) **Protecting and enhancing the Pacific aquatic environment:** New Zealand must help ensure that the region's fisheries are managed sustainably, and in a manner that protects and preserves the marine ecosystem and ensures conservation of other marine species.

The key areas for focus in delivering on this outcome will be:

- Advocating the implementation of effective conservation and management measures for tuna and other highly migratory species in the Western and Central Pacific Fisheries Commission
- Supporting the SPC and FFA's work to develop sustainable ecosystem-based fisheries management and development programmes for both oceanic and coastal fisheries and aquaculture in Pacific Island countries
- Supporting national level fisheries management and development measures in Pacific countries which protect and enhance the aquatic environment
- Prevent, deter and eliminate IUU fishing
- Ongoing attention to the impact of fishing on non-target species such as whales, dolphins, sharks, sea birds and turtles and continued international advocacy for the conservation of protected and endangered species
- Input into the ongoing development of the Pacific Islands Oceans Policy that is being coordinated by the Pacific Forum Secretariat in Fiji.

The following indicators will measure the degree of success of this outcome:

- The biomass of each managed stock remains at or above the level that will produce its maximum sustainable yield ( $B_{msy}$ )
- A reduction in the incidence of IUU fishing and incidental mortality of non-target species
- A strengthening of global high seas governance and management frameworks for marine protection particularly for protecting high seas biodiversity and addressing the threat to seamounts and other vulnerable underwater structures from bottom trawling.

- b) **Assist Pacific countries to develop their fisheries resources, contributing to poverty elimination in the Pacific:** New Zealand seeks to work with Pacific countries to secure greater returns from their fisheries and

aquaculture, within sustainable limits, based on actual market value, and to translate these developments into growth and poverty reduction.

The key areas for focus in delivering on this outcome will be:

- Supporting the introduction of fisheries management measures in the Western and Central Pacific Fisheries Commission that help fulfil Pacific Island countries' economic and development aspirations with an emphasis on addressing the issue of allocation of access to fishing opportunities in the region by Commission members
- Supporting regional agencies - the Forum Fisheries Agency (FFA) and the Secretariat of the Pacific Community (SPC) - in their work to assist Pacific Island countries develop capacity in oceanic fisheries, coastal fisheries and aquaculture. These programmes are aimed at helping communities improve economic returns from fisheries as well as addressing food security and related economic, social, cultural, environmental and health issues
- Bilateral partnerships with Pacific Island countries to work on fisheries development and management, with the aim of improving capability and capacity to develop their fisheries, including through establishing clear policy and regulatory frameworks that encourage investment and remain stable over time
- Prevent, deter and eliminate IUU fishing
- Advocating in the WTO for fairer trade in fish.

The following indicators will measure the degree of success of this outcome:

- Access arrangements that are transparent and based on fair value
- Increased returns to Pacific Island countries from the use of the resource
- Increase in the value of Pacific Island countries' fisheries exports (increased value-adding by Pacific Island countries would assist in the sector's development)

The development of policies within the Commission that are consistent with the aim of increasing economic returns to Pacific Island countries.

**Deriving economic value from the fisheries resource, contributing to New Zealand's growth and innovation:** New Zealand seeks regional management measures for Pacific tuna fisheries that will protect the ongoing viability of the tuna fishery that exists within our EEZ. We also seek to advocate for the interests of our fishing industry, both domestic and distant water, in negotiations over allocation of access to Pacific fisheries resources in the context of the WCPFC, especially as allocation decisions will have a direct bearing on fishing opportunities available to our industry within the New Zealand EEZ.

The key areas for focus in delivering on this outcome will be:



- Advocating New Zealand's fishing interests, both domestic and distant water, in the Western and Central Pacific Fisheries Commission, including the right to a reasonable share of future development
- Actively explore fisheries access arrangements that are a model of best industry practice and transparency for New Zealand vessels operating in the Pacific

The following indicators will measure the degree of success of this outcome:

- Access rights for the New Zealand fishing industry to the Western and Central Pacific ocean's fisheries resources are enhanced or at a minimum maintained
- Allocation decisions within the WCPFC that are commensurate with New Zealand's coastal and flag state rights and interests
- Maintaining tuna stocks in the Western and Central Pacific Ocean above  $B_{msy}$  (to ensure the ongoing viability of tuna fisheries within our EEZ).

- d) **Strengthening the rules-based system of international fisheries management:** New Zealand seeks fisheries arrangements which are based on sound management principles, which protect and promote the rights of coastal states under international law and which are enforceable.

The key areas for focus in delivering on this outcome will be:

- Work within the context of the Western and Central Pacific Fisheries Commission to establish mechanisms that protect and enhance the rights of coastal states while ensuring cooperation on sustainable management of fish stocks throughout their range
- Supporting FFA efforts to improve Pacific Island countries' capacity to engage in multilateral negotiations
- Supporting clear and transparent rules on fisheries trade, including on subsidies
- Advocating for transparency and a decoupling of access fees from development assistance payments in the granting of fishing licenses
- Advocating best practice in regional fisheries frameworks based on sound management principles, incorporating the precautionary principle.

The following indicators will measure the degree of success of this outcome:

- Increased transparency around access arrangements where government assistance, either in the form of development assistance payments to PICs or subsidies to their own fishing fleets, is declared
- Increased recognition and protection of the rights of coastal states in fisheries agreements, including within WCPFC.

- e) **Promoting stronger and deeper Pacific regionalism:** We seek to strengthen solidarity amongst Pacific Island countries and territories, in line with the agreed priorities of the Pacific Islands Forum, and as part of the Pacific Plan, on the basis that working together creates opportunities and reduces risks for otherwise small, isolated and vulnerable states.

The key areas for focus in delivering on this outcome will be:

- Supporting Pacific solidarity in the Western and Central Pacific Fisheries Commission (WCPFC), other RFMOs and multilateral agreements
- Supporting the work of regional agencies — FFA and SPC — to foster regional solidarity and to develop regional approaches where appropriate (eg. regional capacity for fisheries science, regional VMS and vessel register)
- Promoting regional cooperation in the management of the region's highly migratory tuna stocks as essential for ensuring the effective management and long-term sustainability of those stocks.

The following indicators will measure the degree of success of this outcome:

- Presence of a strong and united Pacific Island voice within WCPFC on areas of common interest, while acknowledging that on some issues there are different interests among Pacific Island countries that will need to be recognised and taken into account
- Consensus among FFA members in their policy and decision-making processes (this is critical if they are to retain bargaining power with DWFNs on fisheries issues, including within the WCPFC).

- f) **Fostering security and good governance in our neighbourhood:** New Zealand promotes the development of sound national and regional systems for fisheries governance that increase the accountability of resource managers, reduce opportunities for corruption, and effectively combat IUU fishing and related transnational crime.

The key areas for focus in delivering on this outcome will be:

- Encouraging appropriate support from the FFA for effective fisheries management regimes and support on compliance policy and implementation
- Forging effective bilateral fisheries partnerships with Pacific countries, including the provision of advice and assistance to strengthen fisheries management institutions and legal regimes to reduce opportunity for corruption

Prevent, deter and eliminate IUU fishing via the adoption and implementation of effective measures in the WCPFC, provision of technical assistance and surveillance, and advocacy on the need for effective follow up when offences are detected.

The following indicators will measure the degree of success of this outcome:

- The implementation of transparent and effective fisheries management rules in the Pacific based on best practice, good governance structures and supported by scientific advice
- Development of compliance regimes and improved compliance with fisheries management rules in Pacific Island countries' EEZs and within WCPFC and other RFMOs
- Closer coordination and cooperation on maritime surveillance with Australia and France
- Increased cooperation between Pacific Island countries to support maritime surveillance of the region's fisheries.

### ***Monitoring and evaluation***

36 The success indicators provide a means of gauging progress against the strategy, and can be used to assess the extent to which key issues are still relevant and whether or not the focus of the fisheries strategy needs to be maintained or shifted. Although the indicators provide individual measures of success, we have not developed a framework in which these indicators could be collectively assessed, ie. evaluating the overall impact on measuring success in the desired outcome if one indicator improves but another declines. The indicators are a mix of qualitative and quantitative measures that do not lend themselves to aggregation. Even if these measures were converted to indices in some way there would still be the issue of relative weightings and the impact this would have on the overall assessment of performance in each outcome.

37 A distinction needs to be made between high-level indicators, that are beyond New Zealand's direct influence but are fundamental for assessing the overall environment and improvement of desired outcomes (e.g. the rules for fisheries subsidies set by the WTO), and micro-level indicators that are directly under the control of New Zealand, or even a particular New Zealand agency. In many regards, since fisheries management, particularly in international waters, is about managing the "commons", this is a collaborative effort that depends on the agreement and actions of many countries.

38 The over-arching nature of this strategy means that success indicators listed above are primarily high-level ones. Lower-level, specific success indicators will be developed in the context of projects or sub-strategies dealing with a particular issue (e.g. addressing conservation concerns with respect to bigeye tuna, or institutional strengthening work with a national fisheries agency in the Pacific).

### ***The relationship between the key outcomes:***

39 The Pacific fisheries strategy is an umbrella strategy intended to provide guidance on our high-level objectives for engagement on Pacific fisheries issues. The objective of this strategy is not to establish a hierarchy of New Zealand's interests but rather to identify the range of intermediate outcomes that contribute to the overall key outcome of sustainable development of Pacific fisheries. It is expected that ways can be found to advance all of New Zealand's key interests in Pacific fisheries, while allowing that in some

specific cases trade-offs or compromises between some of the intermediate outcomes, for example, between the development interests of Pacific countries and New Zealand's own economic interests - may be necessary. These will be dealt with on a case-by-case basis between agencies, and Ministers when appropriate or required, within the context of the framework provided by this strategy.

40 Each of the agencies involved in Pacific fisheries work will have areas of particular focus, and will be involved to differing degrees in the various work areas outlined in this strategy. This strategy does not provide a blueprint for all work on Pacific fisheries issues. Nor does it provide an explicit framework for the resolution of tensions or conflicts that might arise in the course of implementing the strategy.

41 Delegation briefs to regional fisheries meetings (e.g. WCPFC, FFA, SPC Head Office fisheries meeting) should reference the strategy, as should project plans or strategies dealing with more specific issues.

## Who is involved?

### *New Zealand agencies*

42 The **Ministry of Foreign Affairs and Trade (MFAT)** promotes New Zealand interests in Pacific fisheries within its overall policy for Pacific engagement, which includes strengthening bilateral relationships with Pacific Island countries, and strengthening and deepening Pacific regional cooperation, Pacific good governance and economic development. MFAT is the centre of expertise on international oceans policy, and provides the New Zealand Government's advice on international fisheries and oceans law. MFAT has oversight of New Zealand's international environment negotiations of which fisheries and the marine environment are integral components.

43 The **Ministry of Fisheries (MFish)** is the centre of New Zealand's expertise on fisheries management, in New Zealand and internationally. MFish is the repository of fisheries policy, research and technical expertise in fisheries science, compliance and enforcement, and on domestic fisheries management laws and regulations. In addition, MFish has recently received additional government resources for fisheries capacity building work with Pacific Island countries - an area where MFish will work closely with NZAID.

44 The **New Zealand Agency for International Development (NZAID)** is focused on eliminating poverty through development partnerships with recipient countries. The Agency is engaged in further developing policy in the region and is a major resource provider to Pacific Island countries and Pacific regional agencies. With respect to fisheries development, it has a strategic partnership with the FFA, through a memorandum of arrangement that sets out the relationship between the two agencies and the NZAID funding levels for 2006-08. NZAID has fisheries programmes with Pacific Island countries, aimed at working with governments to strengthen the marine resource management institutions. In addition to providing funds through its assistance programmes, NZAID engages with Pacific Island and New Zealand government agencies to encourage effective development engagement and coherent policy development.

45 The **Ministry of Defence** and the **NZDF** are involved in Pacific fisheries through provision of aerial maritime surveillance and surface patrols to deter and detect IUU

fishing and other sea-borne transnational crime. RNZAF maritime patrols into the Pacific currently stand at 320 hours per year, which represents a quarter of all P3 Orion flying time. The majority of this time is spent on fisheries surveillance, which costs \$2.2 million per year (excluding personnel costs). The P3 Orions are about to undergo a \$350 million upgrade that will significantly increase their surveillance capabilities. There will also be two new offshore patrol vessels that will come into service under Project Protector; these vessels will provide further support to fisheries surveillance in the Pacific.

46 The **Ministry for the Environment** and the **Department of Conservation** have some involvement in Pacific fisheries issues as part of New Zealand's environmental and conservation policy. **Maritime New Zealand** has an interest in related maritime issues, including security.

#### ***New Zealand's key relationships on Pacific fisheries issues***

- Pacific governments and communities
- Australia
- Pacific regional organisations, including the Forum Fisheries Agency, the Secretariat of the Pacific Community and the Forum Secretariat
- Distant Water Fishing Nations such as China, Japan, Korea, Taiwan, the USA, and the EU
- Likeminded coastal states such as France (in respect of its territories)
- New Zealand fishing industry (both within the New Zealand EEZ and beyond)
- Civil society groups, e.g. conservation NGOs.

#### **Key Areas for Focus 2006-2010**

47 The key outcomes of this strategy have been described in detail in para 32. The operational priorities that follow are proposed to enable the delivery of these outcomes over the next five years.

#### ***Western and Central Pacific Fisheries Commission (WCPFC)***

48 The Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean was negotiated from 1996 to 2000 and entered into force in June 2004. The Convention establishes the Western and Central Pacific Fisheries Commission (WCPFC), which had its first meeting in December 2004 in Pohnpei, Federated States of Micronesia. The WCPFC is one of the most modern Regional Fisheries Management Organisations, having been negotiated after the entry into force of the UN Fish Stocks Agreement.

49 The seven Preparatory Conferences from 2001 to 2004 set the groundwork for the establishment of the Commission, including designing its structure, budget and rules of procedures, and choosing its office holders and executive appointments. These aspects are now mostly agreed. However, the core fisheries management tasks, such as setting of the total allowable catch and/or total allowable effort for tuna stocks, allocating this among Commission members and cooperating non-members, and the building of strong

management and enforcement systems, for the most part remain to be accomplished.

50 Drawing on the intermediate outcomes sought through engagement in Pacific fisheries, our medium term strategy for the WCPFC in the period 2006-2010 should be to advocate for management options which:

- Ensure sustainable harvests of all tuna species and minimise harm to by-catch species
- Advance Pacific economic interests, leading to poverty reduction
- Advance New Zealand's fisheries interests, both domestically and in the wider Pacific region
- Protect Tokelau's unique interests according to its constitutional status
- Establish useful legal precedents for protecting New Zealand and Pacific countries' interests and for governing RFMOs
- Consolidate Pacific regional solidarity
- Allow for effective enforcement and deterrence of IUU fishing.

51 To achieve this, we must build support for:

- Implementation of effective management options, in a timely manner, including tackling the issue of the allocation of the fishery amongst members, and the issue of the Commission's jurisdiction vis-à-vis the jurisdiction of coastal states over their EEZs
- The building of the Commission's fisheries management systems and infrastructure including the vessel record, vessel monitoring system, observer programme, port state measures and data management systems
- Sound, robust and politically neutral science
- Sensible compliance decisions that will deter IUU fishers, consolidate flag state responsibility and which can realistically be implemented by small Pacific countries, including the timely establishment of the Commission vessel record and vessel monitoring system
- Effective resourcing for the Commission, appropriate rules of procedures and merit-based appointment of office holders and of Secretariat officials.

52 We will do this by:

- Establishing clear New Zealand positions on key issues, consulted well in advance of meetings including with Ministers as appropriate
- Consolidating our relationship with Australia, Pacific Island countries and with the FFA and SPC, both during Commission meetings and throughout the year, including the involvement of posts
- Consolidating our relationships with Distant Water Fishing Nations and other interested states parties and cooperating non-parties, fostered during Commission meetings and throughout the year, including through posts.

**Regional Agencies: the Forum Fisheries Agency (FFA) and the Secretariat of the Pacific Community (SPC)**

53 The FFA was established in 1979, and in its earlier years was a leader in Pacific fisheries development. By late 2003, however, it had become clear that the FFA's performance had significantly deteriorated as the result of underfunding, staffing gaps, the poor security situation in Honiara, inadequate governance and oversight by members, a lack of strategy and few linkages to broader economic development discussions in the region. The FFA also had poor definition of its role, with delivery of technical services having taken prominence over the provision of policy advice.

54 In 2004 and 2005, New Zealand Government agencies made efforts to get the FFA back on track, and can now claim a measure of success: the FFA now has an agreed 15-year Strategic Plan which sets out the FFA's primary role as a provider of policy advice. New funding has been agreed, along with a new organisational structure. The FFA will also have regular Ministerial oversight with annual meetings of the governing body, the Forum Fisheries Committee, to be held at Ministerial level from 2006. These new developments will, however, need ongoing support if they are to be consolidated and deliver benefits for members. NZAID has a programme of support for the FFA of \$NZ9 million over 2005/06 to 2007/08, provided for in a Memorandum of Arrangement between the two agencies.

55 Our policy priorities for the FFA in the period 2006-2010 should be to:

- Work for continued greater ownership and leadership by members over the FFA's strategy and activities
- Demonstrate continued support for the FFA's efforts to focus on providing targeted, effective, proactive and timely policy advice on fisheries management and fisheries development, including placing broader economic issues at the centre of the Agency's work, and a consequent continued reduction in focus on administrative issues
- Bring about sensible and cost-effective management of regional services such as the FFA VMS, regional vessel register and treaty administration, including outsourcing if appropriate
- Encourage continued support for re-investment in the institutional capacity of the FFA by its members, including through more NZAID investment.

56 We will do this by:

- Establishing clear New Zealand positions on FFA matters, consulted well in advance of meetings including with Ministers as appropriate
- Consolidating our relationships with FFA members both at FFA meetings and throughout the year, including by MFAT's posts
- Consolidating our relationship with the FFA Secretariat, including via the NZHC in Honiara
- Developing the relationship provided for in the NZAID-FFA Memorandum of Arrangement, including through annual talks between the two agencies

- Moving NZAID funding to a programme-based approach based on FFA Strategic and Business Plans, rather than a project-by-project basis.

57 The Secretariat of the Pacific Community (SPC) - formerly the South Pacific Commission - is based in Noumea. It has 23 member countries and territories, and complements the Forum Secretariat's policy role with a comprehensive range of development programmes. SPC's Marine Resources Division's Oceanic Fisheries Programme (OFP) develops and supplements members' science and data management capacity and carries out stock assessments of the primary tuna species in the region. It also has a small fisheries development programme that looks at technical ways to develop and improve tuna fisheries. The Coastal Fisheries Programme (CFP), also run by the SPC, covers a wide range of elements including coastal fisheries management planning, live reef fish trade, aquaculture and safety at sea.

58 The SPC underwent a period of institutional reform in the late 1990s and is now considered to be well managed and directed. NZAID has a programme of support for the SPC of around \$NZ19 million over 2004 to 2006. SPC's governing body has agreed with NZAID that around \$1.3 million of this annually will be spent on delivering marine resources programmes. SPC has a biennial Heads of Fisheries meeting that provides a useful opportunity to discuss oceanic fisheries, coastal fisheries and aquaculture issues with Pacific countries and territories.

59 Our policy priorities for the period 2006-2010:

- Policy engagement with the SPC on fisheries to ensure that its development programmes are well targeted and effective
- Continued close involvement with the SPC's programme of tuna science and stock assessment, including the work to be done by OFP on behalf of the WCPFC.

60 We will do this by:

- Ongoing dialogue between NZAID/MFAT/MFish and SPC on how to improve the institutional capacity of the SPC, and which addresses the region's priorities and member country needs. These matters could be taken up in annual talks between SPC and NZAID, as per the memorandum of arrangement between the two agencies.
- Attendance at the Heads of Fisheries meeting when possible, as well as appropriate fisheries briefing for general SPC meetings
- Continued close cooperation between MFish Science and SPC's science team.

### ***National fisheries development and management in Pacific countries***

61 Pacific countries need to strengthen national governance over fisheries if they are to secure long-term economic benefits from the resource. A 2003 study by the FFA and AusAID noted substantial progress in reducing inappropriate government involvement and protective policies, but listed a range of governance-related constraints including policy instability, taxation, immigration, investment insecurity, administrative blockages, corruption and poor government-industry dialogue.



62 In Pacific countries, there are also weaknesses in fisheries legislation, regulations and policies, and in civil service capacity to implement these frameworks and to coordinate policies and responses. This frequently leads to major problems in managing stocks sustainably, dealing consistently and transparently with DWFNs, the domestic implementation of WCPFC decisions, identifying and combating IUU fishing, collecting and analysing scientific data, and in national capacity to engage in future fisheries negotiations.

63 New Zealand is periodically asked to help Pacific neighbours with fisheries management issues, including through partnerships between our Ministry of Fisheries and its Pacific counterparts. Regional agencies also play a role in supporting national-level fisheries development and management.

64 Through NZAID bilateral development partnerships, fisheries are often identified as a priority area for cooperation. NZAID has Institutional Strengthening Programmes in place with the Cook Islands and the Solomon Islands. These countries will remain priorities for the medium term, and we will seek opportunities to assist other Pacific Island countries as appropriate.

65 MFish is also now resourced to carry out capacity-building initiatives with Pacific Island countries' fisheries administrations and is in the process of scoping out its work in this area, with a focus on building ongoing partnership relationships with its counterparts in the Pacific.

66 Assessment of these initiatives will be based on the following criteria:

- Identification of fisheries development as a priority by the partner country
- Willingness of the Pacific country to engage in institutional and legislative reform
- Potential contribution of fisheries to development and poverty elimination.

67 When working directly with Pacific countries on fisheries issues, our policy priorities for the period 2006-2010 should be to seek to develop national fisheries management frameworks that:

- Return the highest possible level of economic benefit, translating into poverty reduction gains, while ensuring resource sustainability
- Are as simple as possible to adopt and implement on an ongoing basis
- Are enforceable, with adequate oversight to ensure that opportunities for corruption are minimised.

68 Engagement with Pacific partners in national fisheries development will take into account past experience in supporting fisheries development in the region. We will pursue this engagement through:

- Building strong partnerships with Pacific governments
- Considering fisheries development in annual high-level development consultations
- Strengthening fisheries institutions to achieve governance, management and development objectives

- Paying special attention to fisheries development needs of the smallest Pacific countries with which we have the closest constitutional links (Cook Islands, Niue, Tokelau, and to a lesser extent, Samoa)
- Working closely with other donors and regional agencies.

### ***Combating Illegal, Unreported and Unregulated fishing in the Pacific***

69 IUU fishing in the Pacific is estimated to be worth up to \$400 million per year, with an unknown impact on stock sustainability and the marine environment. A unique feature of IUU fishing in the Pacific is that states have expansive EEZs, with little or no domestic capacity to monitor compliance in their zones.

70 IUU fishing is expected to increase as management measures tighten access to the resource, with the effect of reducing the fish available for legitimate fishers. IUU fishing undermines Pacific countries' economic development by plundering their resources. It also undermines good governance, as IUU fishers tend to seek corrupt means of avoiding prosecution. The prevalence of IUU fishers in the Pacific undermines efforts to keep New Zealand's EEZ, as well as the Antarctic waters, free from illegal fishing.

71 Combating IUU fishing is a key element of our WCPFC and FFA engagement as well as our efforts on a bilateral basis. There is much that developed nations can do, e.g. by providing surveillance. However, it is important that Pacific countries 'own' the IUU fishing problem, and give priority to effective measures at the national level to combat it. It is also important that Pacific countries are adequately supported, e.g. by the FFA and WCPFC Secretariat, in designing and implementing their compliance regimes, and that regionally-agreed measures are designed with adequate consideration for effective practical implementation by small countries.

72 Policy priorities for the effort to combat IUU fishing in the Pacific in the period 2006-2010 should be:

- Ensuring Pacific countries' ownership of the problem, and strengthening their efforts and capacity to detect and combat IUU fishing
- Making best use of existing resources for fisheries surveillance (e.g. the P3 Origin surveillance programme), and improving the coordination between surveillance providers and also between providers and Pacific countries (e.g. the new Offshore Patrol Vessels)
- Improving the legal regime and infrastructure for enforcement through the WCPFC, bilaterally under the Niue Treaty and at national level
- Discouraging the use of Flags of Convenience by vessels operating in the region, including those flagged to Pacific Island countries operating Open Registries, if those countries are not able to exercise effective control over those vessels.

73 We will do this by:

Working with the NZDF to improve fisheries surveillance in the region

- In partnership with Pacific countries, identifying areas of concern (e.g. the paucity of information on IUU fishing, poor interagency coordination, weaknesses in the management of vessel registers, use of Flags of Convenience, poor use of national compliance assets) and follow up through prosecutions
- Identifying areas for technical assistance using, for example, NZAID or MFish resources or the Pacific Security Fund
- Working with the FFA to strengthen the FFA's capacity to help its members combat IUU fishing in general and to coordinate surveillance in particular
- Strengthening trilateral cooperation with France and Australia, including regular trilateral meetings, while encouraging the United States to recommit to Pacific maritime surveillance
- Identifying opportunities - e.g. in WCPEC and FFA meetings - to strengthen the regional regime against IUU fishing, and advocate for compliance measures which are effective and able to be implemented by Pacific countries
- Implementation of key FAO Compliance principles, e.g. over control of nationals
- Using intelligence and identifying lessons learnt from IUU cases in other RFMOs
- Fostering better sharing of information between surveillance providers and Pacific countries
- Giving consideration to bilateral subsidiary agreements under the Niue Treaty on Cooperation on Fisheries Enforcement and Surveillance.

#### ***Advancing New Zealand's fisheries interests in the Pacific***

74 We will seek to advance New Zealand's fisheries interests in the Pacific in a manner that is consistent with our obligations and endeavors in relevant multilateral fora. New Zealand has a direct economic interest in the highly migratory tuna species of the Pacific Ocean. All of the key tuna species pass through and are fished within the New Zealand EEZ. Given our EEZ is at the bottom end of the migratory path of these tuna species the availability of fish within our EEZ is directly affected by the way the stocks are managed and fished elsewhere in the Pacific.

75 In addition to our domestic fishery, there is the potential for further development of the tuna fishery in the high seas waters adjacent to the New Zealand EEZ (primarily longline, targeting albacore, yellowfin, bigeye and Pacific bluefin). As outlined above, a small number of New Zealand vessels (usually less than 10 in annual terms, which includes four purse-seine vessels) also fish further north in the Pacific including within the zones of Pacific Island countries, generating economic benefits for both New Zealand and the Pacific Island countries in whose waters they fish.

76 Ensuring that New Zealand's fisheries interests in the Pacific are protected and advanced is a key priority for New Zealand's engagement in Pacific fisheries issues and should be carried out in a manner that is consistent with the other key outcomes New Zealand seeks from Pacific fisheries. Our policy priorities in this area for the period 2006-2010 should be:

- Resolving the issue of allocation of access rights to the tuna fisheries managed by the WCPFC in a manner that provides for NZ's fisheries interests, including the ability to further develop those fisheries to a reasonable extent, within the NZ EEZ and beyond
- Ensuring that management measures adopted within the WCPFC are effective in addressing sustainability concerns, and that the burden of such measures is fairly distributed across the membership, taking into account past behaviour and compliance history
- Promoting clear and transparent access arrangements by foreign fishing vessels, including New Zealand fishing vessels, that ensure compliance with national and WCPFC rules and regulations, and are based on fair market value
- Arguing for rules on fisheries subsidies within the WTO that enhance the ability of coastal states to compete on a level playing field with large industrialised fishing nations
- Pursuing the reduction of tariff barriers and ensuring that the mechanism for achieving this allows for appropriate levels of special and differential treatment.

77 We will do this by:

- Engagement in that WCPFC to progress the allocation of and effective management measures for Pacific tuna stocks
- Direct government engagement, where appropriate, with Pacific Island countries on access arrangements for fishing in their EEZs by New Zealand flagged vessels
- Engagement in WTO on rules governing fisheries trade
- Consulting with NZ fishing industry interests on Pacific fisheries issues on a regular basis, particularly in advance of key regional meetings.

#### ***Other areas for ongoing attention in Pacific fisheries***

78 New Zealand will also work in the following areas in relation to Pacific fisheries:

- Pacific countries involvement in the South Pacific RFMO for non-tuna species in the high seas areas of the southern Pacific Ocean
- Support for human resource development in fisheries in the Pacific
- Continued advocacy of conservation of the marine environment, including interim protection measures for seamounts such as the establishment of high seas marine protected areas, and efforts to limit the impact of fisheries on endangered by-catch species such as turtles and sea-birds
- Advocacy of fairer trade in fish, including through reduction in fish subsidies under WTO rules.

#### **Operating principles for New Zealand Government Agencies**

79 New Zealand government agencies working on Pacific fisheries issues will operate

in accordance with the following broad principles:

- Interagency fisheries coordination meetings held regularly will include discussion of Pacific issues. Specific WCPFC and FFA working level coordination meetings will be held periodically throughout the year between MFAT, MFish and NZAID
- Key issues for Pacific fisheries meeting briefs will be discussed in advance, with responsibility for briefing shared between agencies with an emphasis on interagency consultations in the preparation of detailed positions
- Delegation composition should not include an expectation that all Ministries or Agencies will be represented at all meetings, rather, during meetings and negotiations, all officials continue to be responsible for representing the range of NZ interests as set out in this strategy
- Reports of key meetings will be prepared no later than two weeks after the meeting, and consulted closely between agencies

Ministry of Foreign Affairs and Trade  
Ministry of Fisheries  
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