



PNA STRATEGIC PLAN 2019–2025





Parties to the Nauru Agreement Strategic Plan: 2019 – 2025

Foreword

The Nauru Agreement was developed and executed in 1982 as a platform for the Parties to collaborate more closely to develop common fishery management approaches and increase their level of participation in tropical tuna fisheries in the Western and Central Pacific. The Agreement has served as the figure head instrument since that time, including through substantial amendments in 2010 that signalled a “new era of PNA”, with a renewed commitment to that close collaboration and the creation of a dedicated office to serve the interests of the Parties. Parties continue to hold the core ideal that these common pool resources can only be managed sustainably and economically as a collective, and remain committed to that end.

Since 2010, Parties have forged a path toward greater participation in and control of the tropical fisheries that has opened opportunities for significantly increased economic returns to all Parties, and variable, but very positive additional development opportunities such as development of domestic fleets, including through joint venture arrangements, greater inter-Party trading of vessel days, on shore processing, servicing vessel activity, crew placement and employment of observers. These successes have been enjoyed as a result of dedication, hard work and commitment by the Parties themselves and a highly competent Office as well as unwavering support of partners such as the Forum Fisheries Agency and the Pacific Community.

“PNA” operates in an incredibly complex management and institutional environment, through numerous binding and non-binding legal instruments, many of which have their own governance arrangements that need to be fine-tuned for efficiency and to meet the collective interests of the Parties.

In 2018, the second PNA Leaders’ summit was held in the Republic of Marshall Islands. PNA Leaders provided specific direction on the future of the organisation through the Delap Commitment. This Strategic Plan provides the basis for responding to our calls in the Delap Commitment, including through the development of specific Business Plans to guide the operational work of PNAO and PNA Officials.

The development of this Strategic Plan in response to the Leaders’ call has highlighted that the management environment has changed substantially since 2009 when the PNAO was formed under the Bikenibeu Declaration from when the previous Strategic Plan was agreed in 2011. At that time, Parties were capturing very little rent from the purse seine fishery and it was considered necessary to enter into “PNA business ventures” to ensure that Parties were able to secure greater returns in line with the value of raw material being sourced from EEZs. By 2018, PNA has demonstrated the capability of extracting very high rents *from the catching sector* through application of the longline (LL) and purse seine (PS) Vessel Day Schemes (VDS) in partnership with industry. That has changed Parties’ perspective on the “commercial focus” for PNA from direct engagement to one of enabling Party engagement, as described more fully below.

Parties have identified an urgent need to strengthen and formalise much of their work as a collective and within the PNAO in order to consolidate and build on the substantial gains achieved so far. This Strategic Plan will guide cooperation amongst the Parties and the technical work of the PNA Office in the five years from 2019 to 2025 that will be accompanied by comprehensive business plans to guide implementation over that period.



Honorable F. Umiich Sengebau
Minister for Natural Resources, Environment & Tourism,
Chair of the Parties to the Nauru Agreement
31 May 2019

¹ Parties include Federated States of Micronesia, Republic of Kiribati, Republic of Marshall Islands, Republic of Nauru, Independent State of Papua New Guinea, Republic of Palau, Solomon Islands and Tuvalu. Since 2012 Tokelau has also participated closely in the work of PNA.

PNA Vision

Ecologically sustainable fisheries, tightly controlled and managed through PNA cooperation generating diverse maximum economic and social benefits to the Parties.

Values and Principles

The following values and principles will guide the way that PNA makes decisions, interacts with one another, oversees PNAO's mandate and functions and builds relations both internally and externally:

- **Ecologically Sustainable Fisheries Management:**

PNA supports and promotes the need to ensure sustainable fish stocks and healthy ocean ecosystems and commits to implement a precautionary approach to the management of their fisheries as the fundamental starting point to pursuing economic returns.

- **Cooperation and Collaboration on zone-based management:**

PNA interests are best served by leveraging the collective strength that comes from ownership of large-scale fisheries resources that support the world's largest tuna fishery. PNA cooperation will be based on using that strength to develop and implement measures for the control and management of those owned resources and avoiding internal competition or external division.

- **Mutual Benefit:**

Cooperation and collaboration cannot come at undue cost to one or some Parties – there must be elements of gain across the whole range of cooperation for all. It is important to note that this does not mean that every Party must gain from every action taken by PNA, but that every Party must be better off by being part of PNA than they would acting alone.

- **Respect and Integrity:**

- o Parties will treat each other with respect and courtesy, even in the event of disagreements, so as to pursue mutually beneficial cooperation and maintain solidarity.

- o PNA will forge and maintain productive working relationships and partnerships with relevant stakeholders.

- **Good Governance and Transparency:**

Decision making by Parties and direction, oversight and operation of PNAO will be based on a robust governance structure with sound management and administrative arrangements.

- **Mutual support and assistance:**

In accordance with PNA Resolution 2010-01, PNA will continue to unanimously and unconditionally support each other in seeking to achieve their individual and collective sustainable fisheries development opportunities and aspirations.

- **Independence:**

ensure the PNA strength in decision-making is politically and economically independent from any influence that may compromise it.



Basis for Cooperation

Under this Strategic Plan, there are three main foci for Parties to cooperate with each other through PNA. These flow from the Vision determined by the Parties:

- 1. Maintaining Strengths and addressing weaknesses:** PNA interests are well served by the “PNA Instruments” and programs already in place (most obviously the purse seine VDS). PNA will continue to focus and invest strongly in strengthening those instruments and enhancing the way that Parties cooperate in managing them.
- 2. Commercialisation:** As described in the Foreword, the commercial emphasis of PNA has shifted from “direct commercial engagement” to one of creating an enabling environment that allows individual or groups of Parties to seize new opportunities *throughout the fisheries value chain*. This may or may not involve the formation of business ventures between some or all Parties. Where there are PNA business ventures they will be subject to stand-alone management (own Governance Board, management, finances etc), as is now the case for Pacifical.

- 3. Representation and Advocacy:** PNA share numerous values, positions and aspirations as well as facing similar risks and opportunities. PNA will continue to cooperate so as to present joint views and proposals (internally and at fora such as FFA meetings and WCPFC) that promote their interests, and mitigate risks.



Role of PNAO

Originally the PNAO was established in part, to be the “commercial arm of the PNA.”

The shift of commercial focus for the Parties described above will necessitate a critical evaluation of the expectations that Parties have for and from the PNAO. These are considered against the three bases of cooperation.

1. Maintaining Strengths and addressing weaknesses: The PNAO will:

- a. enhance the cost-effective management and administration of PNA Instruments;
- b. assist Parties in difficult decision making, including by playing a facilitation and mediation role where there are disputes or conflicts; and
- c. under the strict direction of Parties to the relevant PNA Instruments, continue to purchase fisheries services on behalf of members, administer those contracts and actively ensure that Parties interests are enhanced and not undermined by ensuring that business models for the provision of these services are developed.

2. Commercialisation: PNAO will assist Parties in their renewed focus on cooperating to create an enabling environment for commercial development including the establishment of property rights by:

- a. assisting Parties to identify national fisheries sector opportunities based on international and national competitive advantages);
- b. supporting the evaluation of opportunities for some or all Parties to enter into competitive cooperative commercial arrangements, which may or may not involve direct business ventures with each other and/or external stakeholders; and

- c. facilitating the uptake of opportunities by Parties either individually or collectively, including through assistance with development of governance structures and financial procedures for any standalone PNA commercial ventures that are established by Ministers.

3. Representation and Advocacy: PNAO will continue to assist Parties in their cooperative efforts by:

- a. providing detailed policy analysis and briefings on matters of PNA interest;
- b. identifying opportunities for advancing PNA interests through policy interventions either internally (new or enhanced PNA instruments) or externally (FFA and WCPFC proposals);
- c. forging positive relationships and public stance, including providing media commentary that is sensitive to the positions and relationships of the Parties; and
- d. assisting Parties to implement PNA conservation and management measures nationally.



² “PNA Instruments” refers to the full suite of instruments that Parties have implemented including (but not limited to):

- The Nauru Agreement and its supporting instruments and measures (Implementing Arrangements, benchmark price, Resolution 2010-01, Pacific Association etc);
- The Palau Arrangement and its supporting instruments (LL/PS VDS, pooling and transfer arrangements); and
- The Federated States of Micronesia Arrangement and its supporting instruments (PNA Observer Agency)

³ At this time PNAO purchases services on behalf of Parties for management of the FSMA observer program and in respect of fisheries information management.



Objectives

This Strategic Plan is based around three core Objectives – a stronger PNA, growing PNA influence on tropical tuna management, and PNA being able to identify and capture additional opportunities. The Strategic Plan simply identifies each Objective and lists some candidate Outcomes that would contribute to the achievement of that Objective. PNAO and PNA Officials will work together to produce specific business plans for each Objective, which will incorporate the candidate Outcomes in a SMARTER framework.

1. Stronger PNA:

- a. Governance of PNA is based on best practice, ensuring that decisions are well supported, justifiable, consistent and transparent, supported by a fit-for-purpose conflict/dispute resolution process.
- b. Parties' expectations from PNAO are clear, and stable budgetary resources are identified so that PNAO can meet those.
- c. Management and administration of the PNAO is underpinned by strengthened or enhanced:
 - administrative policies and standards, including financial management and reporting systems;
 - business and work plans;
 - information management and decision support systems and processes;
 - organisational and personal performance management, including processes to review PNAO capacity (resource and human) against Parties' expectations; and
 - communications between PNAO and Parties.
- d. Parties and PNAO assume joint responsibility for planning and reporting frameworks including regularly assessing PNA-wide performance (including through the PNA Compliance Process).
- e. Relationships and inter-linkages between PNA instruments, arrangements and processes are well understood and efficient.
- f. PNA builds strong cooperative relationships with key partners for mutual benefit.
- g. Comprehensive independent reviews of the performance of PNA are undertaken periodically to consider issues such as:
 - o Progress against Performance Indicators and Outcomes specified in the Business Plans;
 - o Improvements in the efficient and transparent functioning of the Office;
 - o General Party satisfaction;
 - o Economic and biological state of important PNA resources; and
 - o State of PNA relationships.



2. PNA influence on sustainable management of tropical tunas is maintained and grown:

- a. PNA continue to use the leverage of their tuna resources to set high standards and secure outcomes that promote maximum economic returns to PNA from sustainable regional tuna management.
- b. The VDS is continually reviewed and strengthened so that it remains the central arrangement in the management of the regional purse seine fishery and continues to provide the basis for WCPFC measures and for national value such as through capitalisation.
- c. PNA, with like-minded partners, have a common strategic understanding of the opportunities and risks surrounding the longline fishery and are committed to compatible measures to sustain and benefit from those tuna stocks.
- d. PNA continues to drive the development of wider conservation and management measures within FFA (such as negotiation and operation of the US Treaty and Harmonised Minimum Terms and Conditions) and WCPFC (with a focus on ensuring that compatible measures are implemented in other areas). In turn, such measures reflect and promote PNA interest.
- e. PNA conservation and management measures (and others as necessary – WCPFC and FFA measures) are fully implemented and monitored by all Parties.
- f. PNA understands the risks that climate change poses to the management and economics of the WCPO tuna fishery and implements medium to long term planning that mitigates, responds to or compensates for those risks.

3. Socio-economic opportunities throughout the fisheries value chain are identified and like-minded Parties cooperate to capture them:

- a. PNA conservation and management measures continue to focus on ensuring tight control of fisheries access in PNA waters and limiting opportunities for, or forging cooperation with, fishing elsewhere, particularly the high seas.
- b. Parties are well prepared and represented in international negotiations that impact on fisheries development opportunities such as climate change, and trade and market access negotiations.
- c. Parties know where their own opportunities and comparative advantages lie throughout the market chain and this drives clear expression of aspirations so that PNAO and other partners can assist Parties to:
 - o pursue national opportunities; and/or
 - o cooperate to leverage complementary comparative advantages.
- d. PNA business ventures are managed as corporate entities outside of the PNAO according to robust governance arrangements.
- e. Existing ventures (MSC certification and Pacificall) are continually reviewed and strengthened so that they represent the best interests of the Parties to engage in market opportunities not otherwise available.

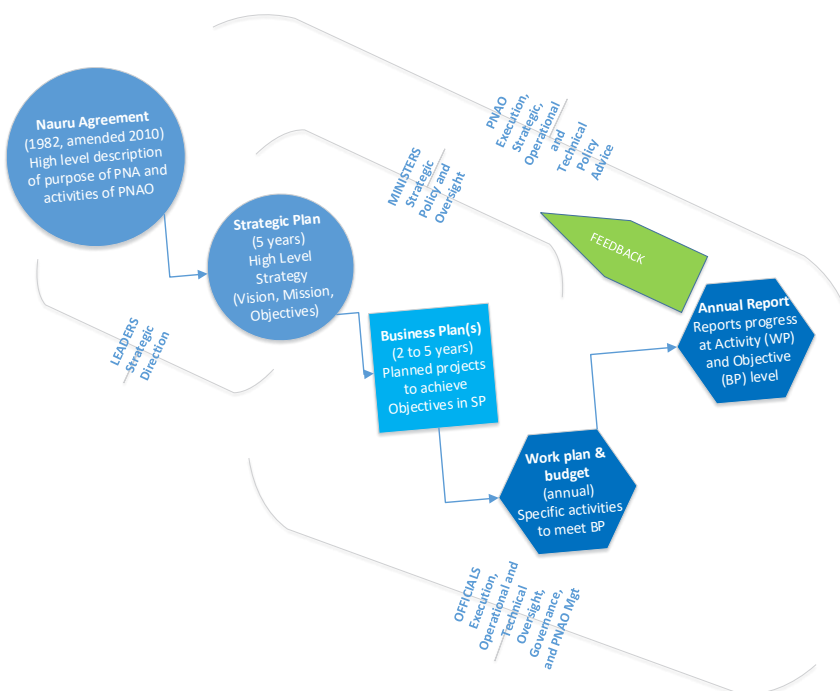
⁴ Specific, Measurable, Achievable, Relevant, Timebound, Evaluated, Reported



PNA's Planning, Monitoring and Reporting Framework

As part of the Business Plan to deliver against Outcome 1c above, PNA will develop a more formal planning framework.

This will not only provide strategic and tactical guidance to the Parties and to PNAO but will also help to clarify roles and responsibilities. In particular, the planning framework will assist in identifying the delineation of the functions undertaken by PNA Leaders, Ministers, Officials and the Office in order to ensure that each group is positioned to add maximum value in accordance with their particular comparative strengths. PNA benefits from being able to act flexibly and rapidly, so this framework must not be overly burdensome. The following framework will be used as a guide for development.







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