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OPP Implementation in the WCPO

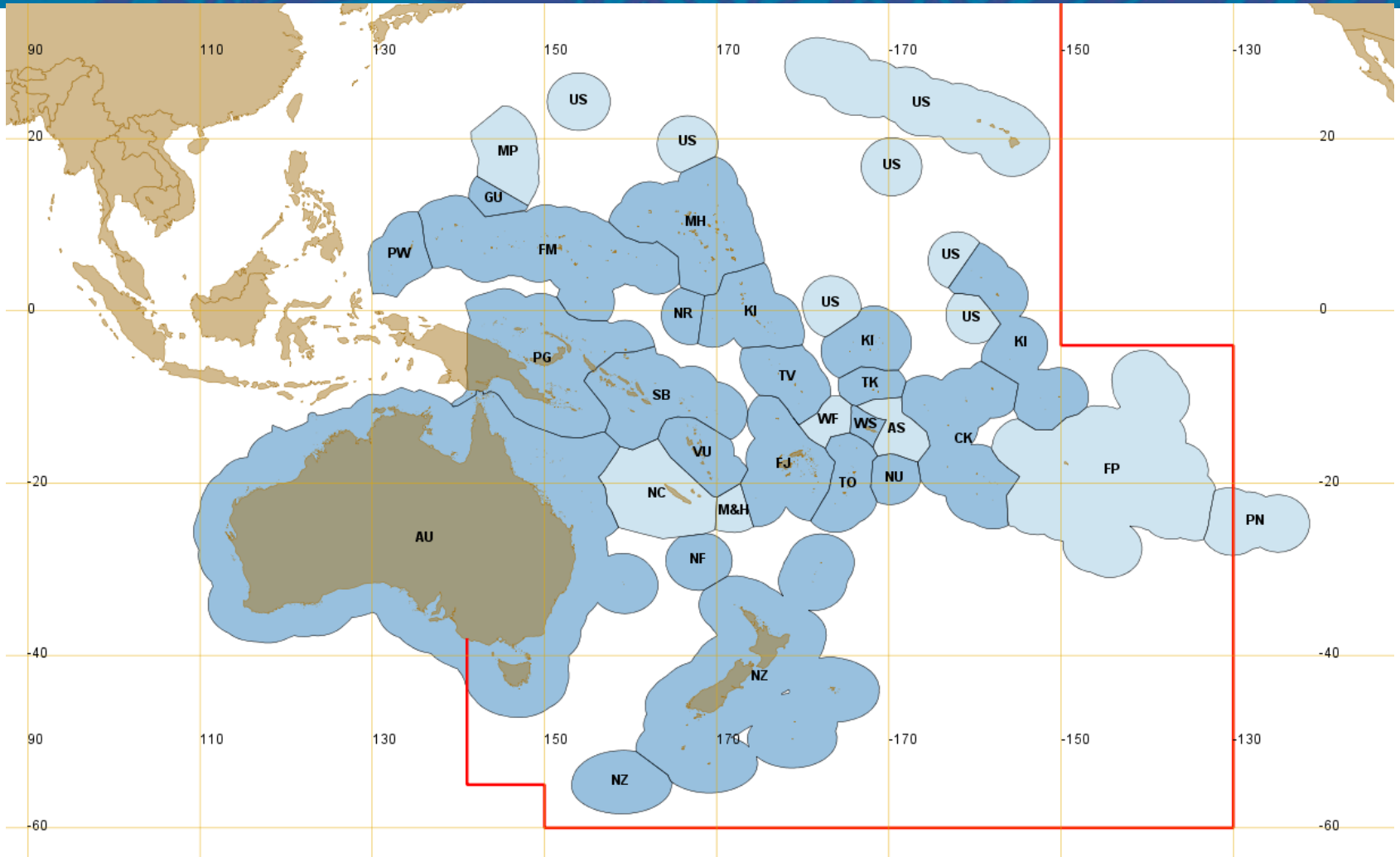
NAAFE Forum 2017

La Paz, Southern Baja California, 22-24 March 2017



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WCPO and FFA waters





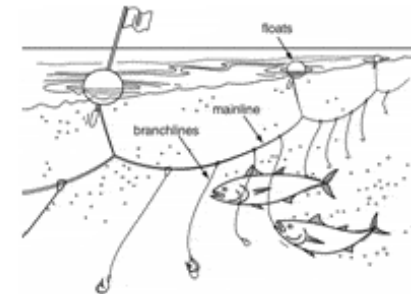
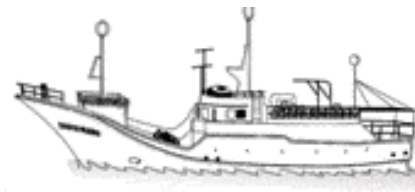
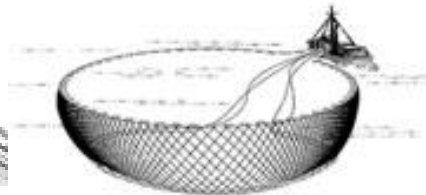
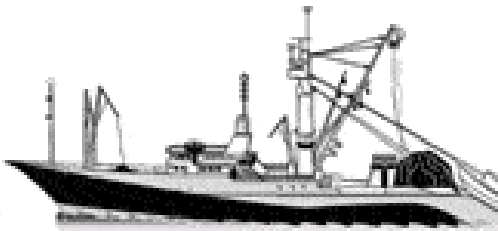
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Key facts about WCPO Fishery

- 2014 total tuna catch 2.86m mt (worth USD5.8b) representing about 60% of global tuna catch
- Around 60% of WCPO catch from FFA waters (1/3 global catch by volume).
- 4 key tuna species - Skipjack, Yellowfin, Bigeye, Albacore



- Main fishing methods Purse seine, Longline





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Economic opportunities



- Access fees, more than 40% of Govt. revenue in 5 countries
- Purse seine VDS implemented by PNA has seen access revenues increase from \$60m in 2010 to \$400m in 2016.
- Longline VDS now in implementation
- 22,000 jobs in fishing and processing
- JV fishing operations
- Onshore processing
- Food security

The Parties to the Nauru Agreement (PNA) are eight Pacific Island countries that control the world's largest sustainable tuna purse seine fishery supplying 50 percent of the world's skipjack tuna. They are Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands, and Tuvalu.



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Economic challenges

Globally and in the WCPO there is little scope to increase catches, but only 30% of fish caught in member EEZs is taken by local fleets, and only 15% is landed for processing.

- Market access
- Lack of infrastructure
- Transportation and utility costs
- Low labour productivity
- Land tenure
- Often weak Government investment frameworks
- Ensuring that domestication generates net value addition for the host economy and society



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PROP overview

- **Series of Projects:** A series of IDA grants and credits and GEF grants to participating countries and regional grant to FFA (support to PNAO, PIFS, SPC)
- **Development Objective:** To strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend.
- **Participation:** All 11 Pacific Island member countries of World Bank are eligible, with FSM, TUV, RMI, SOL in first six year phase.
- **OPP:** being implemented in parallel with PROP, with largely allied objectives.



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OPP Business Case Development

Parties to the Nauru Agreement – FAD Management

- As many as 50,000 fish aggregating devices (FADs) likely in use in WCPO, many with sonar and satellite tracking capability – >100/ PS vessel.
- Managers lack sufficient information on FAD use, but FAD impacts are major concern – juvenile bigeye tuna.
- PNA Ministers have mandated exploration of PNA taking control of FADs in PNA waters – for better resource management and revenue.



OPP Business Case Development

OPP support to PNA to:

- Review FAD use – numbers, design, ownership, distribution.
- Identify costs of manufacturing, deployment and maintenance to industry, and of monitoring by industry and public agencies.
- SWOT analysis of PNA implementing a management/monitoring scheme.
- Develop a business case for a FAD or tracking buoy lease scheme.
- Review legal issues around FAD ownership and management.



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OPP Business Case Development

Wagang Tuna Port PPP

- Up to 20% of the global catch of skipjack from PNG's waters.
- A significant tuna processing sector – six processing plants, 13,000 jobs, 80% female workers.
- Plants we established under “access for investment” policy.
- But none of the plants are operating to capacity and operators are shipping 70% of catch to Asian processing hubs.
- Processors face numerous constraints, with wharf and cold store infrastructure major barriers to full production.
- GoPNG is tightening controls and seeking to improve infrastructure.



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OPP Business Case Development

OPP support to PNG National Fisheries Authority:

- Pre-feasibility on tuna port development and PPP financing options – in collaboration with International Finance Corporation.
 - industry demand study
 - scope scale and design of tuna port
 - scope supporting infrastructure required for best practice catch documentation, sanitary and IUU compliance.
 - explore PPP financing potentials
- Subsequent advice on operations for fisheries improvement.



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OPP Business Case Development

Purse Seine Vessel Service Complex

- Established business in major tuna transshipment port plans to develop PS service and transshipment base – dock, net yard, fuel bunker, engineering, transshipping services, fish reduction, katsuobushi, cold storage, and crew facilities.
- Potential to move transshipping to shore – providing jobs, catch documentation, sanitary and IUU compliance, pollution control, and value-add to catch (sorting and containerisation).
- Estimated capex investment - \$33 m.



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OPP Business Case Development

OPP will:

- Support business planning to bring the development to “investment ready” stage, and advise on incorporating fisheries improvement provisions.
- Liaise with IFC and other FIs re financing options.