

**GEF II PROJECT:
NATIONAL PROJECT PREPARATION REPORTS
NAURU**

Foreword

This brief report was prepared by Dr. Tony Lewis and Esaroma Ledua during a visit to Nauru from 2nd to 5th June 2004. It aims to assemble information relating to Nauru necessary for the preparation of the GEF SAP II Project.

The main aims of the report are:

- To make an assessment of the implications of the WCPF Convention for Nauru
- To identify possible interventions to support implementation by Nauru of the WCPF Convention
- To make an analysis of the incremental costs to Nauru of activities related to the Convention
- To undertake an analysis of stakeholders in Nauru with interests in the regional oceanic fisheries resources
- To identify relevant consultative mechanisms in Nauru for the GEF SAP II Project
- To collect information relating to available indicators of performance in areas related to the WCPF Convention and to the financial sustainability of Nauru's participation in the Commission and implementation of the WCPF Convention

The report is based on available published information and information provided in the consultations with stakeholders listed in Annex 3.

1. Background

1.1 Status of Oceanic Fisheries

Nauru, situated at 0^o30'S and 165^o56'E, has a small but periodically productive zone (320,000 km²) surrounding the single island (21 km²) that constitutes the Republic. Foreign fishing under access agreements is the main element of the tuna fishery in Nauru waters. This primarily involves purse seine vessels of most DWFNs active in the region, with intermittent fishing by Japanese pole-and-line vessels, and minor amounts of longlining. Catches in the EEZ have generally varied between 10,000 and 40,000t, but exceeded 100,000t in 2002. The great variation in these annual catches is driven largely by ENSO events

Nauru currently has no flag vessels which fish beyond its EEZ, and the lack of a commercial harbour and shoreside facilities generally preclude large scale unloading or transshipment. There is substantial subsistence fishing for tunas and other pelagics around deployed FADs, by trolling and midwater handlining, and the Nauru Fisheries and Marine Resources Authority (NFRMA) operates an experimental longline vessel. There is potential for the development of a small locally-based longline fishery for air-freight export of sashimi quality fish.

1.2 Oceanic Fisheries Management

The major objectives of tuna management and development policy set out in the Nauru Fisheries and Marine Resources Authority Act (1997) and the Fisheries Act (1997) are to:

- (a) *manage, develop, conserve and protect the fisheries and marine resources of Nauru in such a way as to conserve and replenish them as a sustainable asset for future generations*
- (b) *promote the sustainable utilization of fisheries and marine resources of Nauru to achieve economic growth, improve social standards, improved nutritional standards, human resource development, increased employment and a sound ecological balance*
- (c) *to pursue effective strategies for managing the fisheries and marine resources of Nauru so as to maintain the integrity of marine ecosystems, to preserve biodiversity, to avoid adverse impacts on the marine environment, and to minimize the risk of long-term or irreversible effects of resource extraction operations*
- (d) *to enhance the administrative, legal, surveillance and enforcement capacities of the Republic for the management, development, conservation and protection of the fisheries and marine resources of Nauru*

The Minister, on the advice of NFRMA, may determine a TAC for the territorial sea and EEZ. NFRMA (see below) may then develop a Fishery Strategy for any given fishery, taking into account this TAC. No Fishery Strategy is currently in place, but Nauru intends to develop a Tuna Management Plan in the near future.

1.3 Oceanic Fisheries Institutional Arrangements

Under the Fisheries and Marine Resources Authority Act of 1997, the Nauru Fisheries and Marine Resources Authority (NFRMA) has been established as a statutory corporation. The Authority is the primary agency responsible for oceanic fisheries management, with secondary roles for the Ministries of Foreign Affairs, Justice, and Island Development and Industry. All revenues for the sector are accrued to NFRMA. Access fees of around A\$6 million p.a. have been received in recent years.

NFRMA sets policy for approval by Minister, through a Board of Directors, comprising five Directors appointed by Cabinet who are not Members of Parliament.

The Authority has a staff of 120 (permanent, expatriate and temporary) and an annual operating budget of around A\$1.5 –2 million. Within the Authority, there are four operational Divisions as below, with responsibilities for oceanic fisheries undertaken mainly by the first two of these.

- Oceanic Division
- Administration
- Research and Development Division
- Operations Division

Overall, oceanic fisheries management is a major focus of the work of the Ministry, although few of the overall staff are directly involved in OFM activities.

Other government agencies involved in oceanic fisheries are:

- Ministry of Island Development and Industry (including Environment)
- Ministry of Justice
- Ministry of Foreign Affairs

Consultation with stakeholders is currently on an ad hoc basis, though the anticipated Tuna Management Plan will provide for a more formal consultative mechanism. There is an Environment Consultative Committee which meets to address environmental issues, often of a terrestrial nature. The former Nauru Fishermen's Association is not longer active.

1.4 Other Oceanic Fisheries Management Issues

Other oceanic fisheries management issues which arose in the mission to Nauru include:

- Compatibility of current legislation with the Convention is uncertain – assistance may be needed to verify this.
- Possibility of joint sea patrols with RMI, which may be extended to include adjacent high seas areas

2. Nauru and the WCPF Convention

2.1 Overview

With a tuna fishery based on foreign access, Nauru's primary aims in the MHLC and Prep Con process have been:

- i) to ensure that Nauru secures at least a fair share of access to the region's tuna resources
- ii) to ensure the application of measures to ensure the sustainability of the region's tuna stocks and fisheries.

Key elements of this for Nauru have been:

- implementing controls on the impact of purse seine fishing on juvenile bigeye and yellowfin

- limits on purse seine capacity, which continues to expand

As a Member of the Commission and a Party to the WCPF Convention, Nauru sees three major short term implications, as follows:

- possible legal reforms to ensure existing legislation is compatible with the Convention. This will need to be assessed
- awareness raising of the Convention and its implications for Nauru
- full and effective participation in the processes related to the Commission, including involvement of non-government organisations.

Nauru has the capacity now to implement legally decisions adopted by the Commission, but in the longer term, may need to strengthen its fisheries management capacity to apply any more sophisticated management measures.

2.2 *Implications of the Convention*

2.2.1 *Legal*

Although Nauru has had a suite of fisheries legislation in place since 1997, it is uncertain if this includes all necessary powers for implementation of the UN Fish Stocks Agreement and the WCPF Convention. This needs to be ascertained.

The National Environment Act governs environmental activities (?). The table below summarises the status of Nauru's adoption of relevant international legal instruments and declarations.

Instrument	Status
WCPF Convention	Ratified
UN Convention on the Law of the Sea	Ratified
UN Fish Stocks Agreement	Ratified
FAO Code of Conduct	Not ratified, but principles incorporated in the Regulations
WSSD fisheries targets	Not formally adopted
Convention on Biological Diversity	Ratified
FAO Compliance Agreement	Accepted (check??)
FAO International Plans of Action	Not implemented
FFA Minimum Terms & Conditions	Implemented
Driftnet Convention	Ratified

Nauru has substantial legal capacity in the Ministry of Justice, but needs assistance for major technical initiatives.

Policy/Institutional

The NFRMA, as Nauru's principal fisheries agency is well organized, with a secure funding base. Although it is empowered under the Act to develop a Tuna Management Plan, as the key instrument of oceanic fisheries policy and consistent with the UN Fish Stocks Agreement, this has yet to be done. It is expected to occur in the near future and will include necessary mechanisms for comprehensive stakeholder consultation

The Nauru Government sees a continuing need for capacity building in fisheries management and policy making, particularly in areas related to the work of the WCPF Commission to enable Nauru to:

- Identify appropriate strategies and options for oceanic fisheries management

- b) ensure that Nauru participates effectively in the work of the Commission, including being able to ensure that Nauru's interests are taken into account in this work; and
- c) build support among stakeholders for the effective implementation of decisions of the Commission

The cost of financial contributions for Nauru to the WCPF commission is expected to be in the range of US\$6,000 per year once the Commission is fully established, although it may be more in the first year or two if major fishing states delay becoming Members of the Commission.

2.2.3. Compliance

Compliance activities in Nauru are limited, as is capacity in the areas of enforcement and surveillance. Apart from some aerial surveillance flights carried out intermittently by Australia and NZ as part of regional coverage, little else is in place, involving either the Police or NFRMA. The FFA Regional VMS appears not to be functional all of the time, and there is a need to develop capacity in this area as a priority. Nauru doubts if it will be able to implement the forthcoming VDS in early 2005, and appears to have a significant problem with the existing bandwidth for most telecommunication purposes.

There are ongoing discussions with adjacent RMI concerning the possibility of utilizing its patrol vessel for surveillance in the Nauru EEZ and adjacent waters.

As there is no transshipment and landing/offloading in Nauru (although there has been some transshipment in the past), there are no inspection programmes in place.

Flag State Responsibilities

Probably nil – Nauru has no flag vessels operating beyond its EEZ.

2.2.4 Monitoring

Nauru has some monitoring capacity in place. Features are:

Logsheets: All foreign and domestic licensed vessels are required to provide catch and effort information at the operational level on approved logsheets. Vessels are required to provide entry and exit reports, although the level of reporting is not known. Logsheets coverage of the longline (and pole-and-line) fleet is considered high (approaching 100%). There is probably not full capacity at present to able provide verified estimates of annual catch by species, gear and fleet in the EEZ.

Port sampling: There is currently no port sampling activity, as there has been no transshipment for some years.

Landings: No landings data are collected.

Observers: Nauru has some trained observers, and an observer fee is levied in access agreements. There has been some coverage of purse seine fleets in the past, including USMLT vessels, but no coverage of FSM Arrangement vessels. If observers will be required in the future, training and some supporting structure will need to be provided.

Nauru thus has only modest monitoring capacity, in line with the minimal amount of direct contact with licensed vessels fishing in its EEZ. The major assistance needed in the future will be for training for observers, possibly port samplers and statistical staff. It is clearly not viable for Nauru to establish its own training programmes for the small numbers involved, and Nauru sees itself continuing to rely on the regional organisations for this function.

2.2.5 Scientific Analysis

Nauru is very supportive of regional stock assessment and ecosystem analysis, recognizing that it does not have the capacity to undertake such work itself, and relies fully on the regional programmes for necessary information. NFRMA would however like to improve its ability to interpret and apply scientific information provided at regional level to its national situation. With the purse seine catch in its EEZ strongly influenced by ENSO events, Nauru is keen to receive predictive information on these events, and supports the continuation of work on this issue.

3. Potential Contribution of SAP II Project

Potential areas in which the SAP II Project could contribute to assisting Nauru in the implementation of national activities related to the WCPF Convention are summarised in the table below.

Activity	Incremental Actions	Possible Interventions
<i>Legal</i>		
Revise Legal framework	Check compatibility of Act and Regs with Convention	Legal consultancy
Support Commission participation	Provide legal advice and training in selected areas	Regional Legal Workshops
Implement Commission decisions	Provide legal advice, change regulations, licences	In-country awareness workshop
<i>Policy</i>		
Participate in regional policy formulation	Commission financial contributions Commission meeting participation	Regional Fisheries Management Training/Consultations Attachments
<i>Compliance</i>		
Increase IUU deterrence in-zone	Improve licensing, vessel register Secure RMI patrols Develop inspection, investigation, prosecution capability Regional VMS	Regional MCS Working Group participation In-country Inspection, VMS staff training Enhance capacity, additional staff
<i>Monitoring</i>		
Improve at-sea data	Establish observer programme	Ongoing in-country training of port samplers by SPC and observers by FFA/SPC
Improve catch composition data Provide data to the Commission	Initiate port sampling if transshipment occurs Annual verified catch estimates and reports	Statistical training
<i>Science</i>		
Improve interpretive capability	Capacity building of selected staff	Scientific training

ANNEXES

Annex 1 Incremental Cost/Co-financing Analysis

Annex 2 Stakeholder Inventory and Analysis (including consultative mechanism inventory)

Annex 3 Record of Stakeholder Consultation

Annex 4 Indicator Availability

Annex 5 Sustainability Analysis

Annex 1 Incremental Cost/Co-financing Analysis

Summary

Theme	Total 2005-2009 Baseline	Total 2005-2009 Incremental
		(A\$ 000)
1 Law	?	?
2 Policy/Management	1025+	115+
3 Compliance	175	100
4 Monitoring	175	50
5 Science	125	50
Total	1500+	315+

Nauru has relatively modest obligations under the Convention, but wishes to initiate to all necessary action to ensure that it is able to participate fully in the work of the Convention, and is able to meet these obligations under the Convention.

Co-financing cost estimates based on:

Law: Participation in Commission activities and regional workshops; possible legislative review

Policy/management: Participation in Commission activities, annual contribution, raising national awareness

Compliance: Increased surveillance through cooperation with adjacent states

Monitoring: Expanded monitoring programmes

Science: Participation in regional science activity and training

Donor Funding (A\$ 000)				
Theme	Donor	Project	Total 2005-2009 Baseline	Total 2005-2009 Incremental
Compliance	OFCF	N/A		Not applicable

Base Data

Institution	Programme	Theme	2004 Budget	%OFM	2004 OFM Budget
NFRMA	Administration	Policy/Mgmt	1,400,000	15%	210
NFRMA	Oceanic	Monitoring/licensing	40	100%	40
NFRMA	Oceanic	Port sampling/ Observers	40	100%	40
NFRMA	Oceanic	Statistics	30	100%	30
Justice	AG	Law	?	10%	?
ForAff		Policy/Mgmt	?	10%	?
Total					320+

Details

Theme	Institution	Programme	2004 OFM budget	2004 WCPF Increment	2004 Non-WCPF Baseline	2005-2009 Baseline	New WCPF Increment					Total Incr	
							2005	2006	2007	2008	2009		Total
1 Law	AG	Law	?	?	?	?						?	?
2 Policy/Mgmt*	NFRMA	Admin	210	5	205	1025	18	18	18	18	18	90	115
	Foreign Aff		?	?	?	?						?	?
3 Compliance	NFRMA	Compliance	40	5	35	175	15	15	15	15	15	75	100
4 Monitoring	NFRMA	Port sampling/observers	40	5	35	175	5	5	5	5	5	25	50
5 Science	NFRMA	Stats	30	5	25	125	5	5	5	5	5	25	50
			320+	20+	300+	1500+						215+	315 +

*includes Commission contribution of US \$ 6,000 p.a. for 2005-2009, @ US\$ = A\$0.70

Annex 2 Stakeholder Inventory and Analysis (including consultative mechanism inventory)

Country: Nauru

Date: 2nd and 3rd June, 2004

Data Recorder: Tony Lewis (alewis9@bigpond.com)

Stakeholder	Representative/ post	Contact details	Description of Interests [factors that may influence participation]	Stakeholder analysis and preliminary participation plan		
				1 ^o s/holder [role in decision- making]	2 ^o s/holder [2-way flow of information]	Other [Keep informed]
Nauru Fisheries and Marine Resources Authority (NFRMA)	CEO Anton Jimwereiy	Tel: 488 3997	National oceanic fisheries authority	X		
Ministry of Island Development and Industry (MIDI)	Secretary Joseph Cain	jc@eenpacnet.net.nr	Responsible ministry, policy formulation GEF Focal Point	X		
Ministry of Justice	Principal Legal Officer Lionel Aingimea	lr_angimea@yahoo.com			X	
Minster for Justice and Fisheries	Russell Kuhn			X		
Foreign Affairs	Pyon Deiye				X	
Police	Superintendent	Norio Tebouwa			X	
Nauru Insurance Co.	Manfred Depaune					X
Buada Lagoon Owners Association	Nelson Temakin					X
Small scale fishers			fishing		X	

Annex 3 Record of Stakeholder Consultation

GEF SAP II Country Mission

Republic of Nauru

Tuesday 2nd - Wednesday 3rd June, 2004

Stakeholder Consultation

The Mission held an initial primary stakeholders consultation at the Nauru Fisheries and Marine Resources Authority (NFRMA) on Tuesday 2nd June, to discuss the development of the SAP II project, and a more public consultation the next morning (Wednesday 3rd June) at the same location. An informal dinner was held on the evening of Wednesday 3rd with the Minister and others.

Those present at the various consultations were:

Anton Jimwereiy, CEO, NFRMA; Joseph Cain, Secretary, MIDI and GEF Focal Point; Hon. Russell Kuhn, Minister for Justice and Fisheries; Lionel Aingimea, Principal Legal Officer, Ministry of Justice; Pyon Deiye, Foreign Affairs; Norio Tebouwa, Superintendent of Police; Nelson Temakin, Buada Lagoon Owners Association; Manfred Depaune, Nauru Insurance; Bryan Star, MIDI; Cyril Buramen, A/Chair, NFRMS Board, plus NFRMA staff. :

Peter Jacob, R & D Manager; Allan Debao, Nick Depaune, A/SFO Oceanic; Ace Capelle, Data Officer; Samuel Teabuge, Licensing Officer; Gaelyn Dekarube, Clerical Asst/Data Asst; Karlick Agir, Publisher, PR

The combined consultation combined a detailed presentation on GEF processes and project background, with a general awareness presentation about the Convention, current tuna fishery management in the WCPO, and implications of the Convention for Nauru, then a detailed needs assessment for Nauru.

Issues raised during the primary stakeholders' consultation included:

- The need to analyze the current legislation, to check for compatibility with the UNFSA and the Convention; the need for legal assistance with revising existing Nauru legislation if model regional legislation does not exist
- The need to develop a Tuna Management Plan as soon as possible, with assistance from FFA/SPC, and including mechanisms for stakeholder consultation
- The need for capacity building in relevant areas, notable legal and policy making.
- Plans to use the RMI patrol vessel for surveillance in Nauru waters and surrounding, if this can be arranged
- Training and financial support for observer programmes and port sampling, especially if transshipment is to occur again.
- The need to raise awareness of the Convention and Commission and support for effective Nauru participation in the work of the Commission.

Other one-on-one consultations held were with:

NFRMA: Anton Jimwereiy, CEO, and selected staff

Subsequent contact was also made with the GEF Operational Focal Point Joseph Cain, who attended the primary Stakeholders Consultation.

Media coverage of the Convention and oceanic fisheries management generally was limited, given the lack of any formal media structure on the island.

Annex 4 – Availability of National Indicators

Indicator	Availability	Current Value, if easily available
1. Coverage of:		
a) catch and effort logsheets: locally-based fleet		N/A
b) catch and effort logsheets: foreign access fleet	✓	High
c) port sampling	✓	N/A
d) observers: domestic fleet	✓	Nil (previous programmes)
2. Levels of budgets and staffing for these programmes	✓	
3. Levels of fleet capacity and fishing effort	✓	
4. Catch of target species,	✓	Unverified
5. Levels of mortality of related species, including bycatch and seabirds	×	

Note: This analysis does not include a range of national indicators which are known to be available for all countries such as status of legislation, undertaking of national reforms etc.

Annex V - Sustainability Analysis

Annual Government Revenue from licensing, access fees, export taxes,
 USMLT and FSM Arrangement fees : A \$ 5.0 – 6.0 million (recent years)
 Annual In-Zone Catch Value: Variable but usually A\$50 million plus
 Annual Domestic Catch Value: not known
(Data above to be estimated by FFA)

Annual Production Value (including value of processing): A\$?
 Expected Annual Commission Contributions: US\$6,000
 Estimated Annual Government Incremental Costs: