

**REVIEW OF INSTITUTIONAL REFORM AND  
INSTITUTIONAL STRENGTHENING IN PACIFIC  
FISHERIES:  
EXPERIENCES AND LESSONS LEARNED**

**FINAL REPORT**

**MARCH 2008**

**Report prepared for Pacific Islands Forum Fisheries Agency  
under the GEF Oceanic Fisheries Management Project  
by Robert Ferraris, RADPAC Pty Ltd**

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**Disclaimer.** While every effort has been made to reflect the views accumulated through the consultative process undertaken, the contents of this Paper remain the sole responsibility of the author.

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## ABBREVIATIONS

ADB	Asian Development Bank
AFMA	Australian Fisheries Management Authority
AFMC	Australian Fisheries Management Commission
AFS	Australian Fisheries Service
AMA	Aquaculture Management Act (Tonga)
AusAID	Australian Agency for International Development
CBFM	Community based fisheries management
CEO	Chief Executive Officer
CF-MAC	Commercial Fisheries Management Advisory Committee (Samoa)
CPP	Central Pacific Producers Ltd (Kiribati)
DAFF-A	Department of Agriculture, Forestry and Fisheries Australia
DFID	Department for International Development
DFMR, DoFMR	Department of Fisheries and Marine Resources (PNG, Solomon Islands)
DoF	Department of Fisheries (Tonga)
DoFWA	Department of Fisheries Western Australia
DPI	Department of Primary Industries
DPIE	Department of Primary Industries and Energy
DPM	Department of Personnel Management (PNG)
DWFN	Distant Water Fishing Nations
EEZ	Exclusive Economic Zone
ENGO	Environmental Non-Government Organisation
ESD	Ecologically/environmentally sustainable development
FAO	Food and Agriculture Organisation
FCC	Fisheries Co-management Council
FFA	Pacific Islands Forum Fisheries Agency
FFC	Pacific Islands Forum Fisheries Committee
FIA	Fisheries Industry Association (PNG)
FMA	Fisheries Management Act (Tonga)
FMAC	Fisheries Management Advisory Committee
FSM	Federated States of Micronesia
GDP	Gross Domestic Product
GEF	Global Environment Fund
HRD	Human Resources Development
IDP	Integrated Development Project or Program
IMF	International Monetary Fund
INGO	Industry Non-Government Organisation
IR	Institutional Reform
IRP	Institutional Reform Project or Program
IS	Institutional Strengthening
ISP	Institutional Strengthening Project or Program
MAC	Management Advisory Committee
MAF	Ministry of Agriculture and Fisheries (Samoa)
MAFF	Ministry of Agriculture, Fisheries and Forests (Fiji)

MAFFM	Ministry of Agriculture, Forestry, Fisheries and Meteorology (Samoa)
MD	Managing Director
M&E	Monitoring and evaluation
MFA	Micronesian Fisheries Authority (FSM)
MIMRA	Marshall Islands Marine Resources Authority
MMR	Ministry of Marine Resources (Cook Islands)
MoF	Ministry of Fisheries (New Zealand, Tonga)
MOU	Memorandum of Understanding
NFA	National Fisheries Authority (PNG)
NFC	National Fisheries Corporation (FSM, Nauru)
NFMRA	Nauru Fisheries and Marine Resources Authority
NGO	Non-Government Organisation
NORMA	National Ocean Resource Management Authority (FSM)
NSW	New South Wales
NT	Northern Territory
NZ	New Zealand
NZAID	New Zealand Agency for International Development
OD	Organisational development
OECD	Organisation for Economic Co-operation and Development
OFMP	Oceanic Fisheries Management Project
PARC	Planning and Reporting Cycle (Cook Islands)
PIC	Pacific Island Country
PNG	Papua New Guinea
QDPI	Queensland Department of Primary Industries
QDPIF	Queensland Department of Primary Industries and Fisheries
QFMA	Queensland Fisheries Management Authority
QFS	Queensland Fisheries Service
RAMSI	Regional Assistance Mission to Solomon Islands
RMI	Republic of the Marshall Islands
SARDI	South Australia Research and Development Institute
SMA	Statutory Management Authority
SPC	Secretariat of the Pacific Community
STD	Sexually Transmitted Disease
SWAP	Sector wide approach program
TA	Technical assistance
TEFA	Tonga Export Fishing Association
TFP	Tonga Fisheries Project
TMPAC	Tuna Management Plan Advisory Committee (Vanuatu)
UNCLOS	United Nations Convention on the Law of the Sea
UNDP	United Nations Development Program
WCPFC	Western and Central Pacific Fisheries Commission
WTO	World Trade Organisation

## EXECUTIVE SUMMARY

There have been various reform and restructuring activities in fisheries administrations in the Pacific as a consequence of the change of core business direction from production and development to management and conservation in recent years:

- externally supported interventions through donor loans or grants with Marshall Islands, PNG and Tonga fisheries administrations as examples;
- opportunistic change in Samoa, Vanuatu and the Cook Islands fisheries administrations as a consequence of a larger government reform and rightsizing program supported by the IMF; and
- gradual change internally driven such as that in the Fiji Department of Fisheries.

The important candidates for institutional reform and strengthening are those Pacific fisheries administrations that have yet to change their business approach. Some of the questions for these administrations in considering structural change are:

- What model to adopt – department, a separate Ministry, or Authority and why?
- If part of a public sector rationalization, whether to merge or demerge Ministries?
- What management mode – functional (eg, resource management, compliance, licensing, corporate services) or by fisheries sub-sector (eg, offshore, coastal, aquaculture)?
- Retention of services (research, extension, supplies) versus core business?

The **review methodology** involved an examination of literature and consultation through workshops and at meetings with personnel from fisheries administrations, regional agencies, donors, and consultants that had experienced reform or were involved in executing, implementing or reviewing institutional reform and strengthening activities. The review draws on experiences of Pacific Island Countries (PICs) and Australian and New Zealand fisheries administrations.

**Institutional reform** can be defined as changes to the rules of the game and improving the capabilities of the players of the game. Reform usually involves strengthening.

The essential functions of effective fisheries administrations are:

- collection of detailed information on fisheries and on social and economic characteristics of each fishery;
- analysis of relevant information to identify trends to allow appropriate adjustments to management strategies;
- consideration of all relevant information in a decision making process that includes participation by key stakeholders (developing the rules);
- monitoring, control and surveillance (implementing the rules)

**Departments** exist to support a Minister in pursuing Government objectives and delivering services. Activities include policy development, coordination, implementation and regulation. There is a direct reporting relationship between the Head of a Department and the responsible Minister. Departments usually have minimal financial autonomy. Governments closely control priorities and resources of departments.

**Statutory authorities** are established by statute. They:

- are usually constituted as a body corporate;
- have a responsible Minister;
- usually have a Board of Management;
- have functions and powers defined by statute.

The CEO of an Authority usually reports to a Board, and the Chairman of the Board to the Minister. For accountability reasons, appointment of the CEO (and other staffs) should be made by the Board, though governments may choose to have the CEO appointed by the Minister.

**Fisheries management models** in the Pacific region cover a continuum between the autonomous authority model and the merged department. Authorities such as PNG NFA and Australia AFMA are autonomous; MIMRA, NORMA and NFMRA have lost financial autonomy. AFMA and NORMA have responsibility for one fishery sector (commercial and oceanic respectively); the NFA, MIMRA and NFMRA mandates cover all fisheries. The NZ Ministry of Fisheries and Cook Islands MMR are stand alone Ministries; the Western Australia Department of Fisheries is a stand alone department. Most of the administrations reviewed are departments within ministries. All have strong stakeholder engagement or are moving to strengthening the role of stakeholders in fisheries co-management.

The following **principles in choice of organisational design** from NZ are presented to guide model choice of fisheries administrations:

*Effectiveness and efficiency* – organisational design choice should best achieve government's outcomes (effectiveness) and lowest cost production of outputs (efficiency).

- commercial activities should be assigned to organisations with commercial objectives;
- non-commercial activities should be assigned to a commercial organisation only if the net cost of these activities is explicitly funded by the Government;
- there is a presumption in favour of making contestable the activities of commercial organisations and non-commercial service delivery activities that do involve the exercise of significant statutory powers;
- functions which conflict for constitutional or commercial reasons should be assigned to separate organization. In other cases, the costs and benefits of functional separation should be considered, and a decision to co-locate or separate the functions made on the specifics of each case; and
- where an agency is to be asked to undertake potentially conflicting functions, there is a presumption in favour of the departmental form.

*Risk management* – organisational design choices should be made to best manage the risks posed for government by the activities to be undertaken by a public sector organisation:

- if an activity represents a high level of strategic risk, then the departmental form may be preferred;

- if an activity poses significant risks associated with poor contestability, there is a presumption in favour of the departmental form;
- if the choice between a departmental form and a non-departmental form is not clear cut, there is a presumption in favour of the departmental form.

*Constitutional conventions* – organisational design choices should be made to best protect established constitutional arrangement and conventions:

- where constitutional considerations indicate a need for close Ministerial oversight, or for direct Ministerial responsibility, there is a presumption in favour of the departmental form; and
- if an activity must be, and must be seen to be, undertaken free of political interference, and there are no compelling reasons for close Ministerial oversight, the non-departmental form may be preferred.

An Australian inquiry concluded that statutory authorities appear to have been most successful where their responsibility is for single-sector fisheries and where there is a clear client group that can be targeted for cost recovery and least successful where required to manage waters subject to multi-sector fisheries and of high value for non-fishing uses.

In PNG the Authority model was retained because of its flexibility and selective independence from public service regulations and control that allowed substantial rightsizing and restructure to better focus on management of fisheries and facilitate private sector development with greater accountability and transparency. In Vanuatu the departmental model was retained to better service all fisheries stakeholders.

**Issues for governments in creation of a statutory authority** include:

- determining the role, function and structure of the authority;
- determining the role of and relationship with the Minister;
- legislative arrangements;
- Board structure and membership;
- funding arrangements and
- accountability processes

**Experiences and lessons learned from institutional reform and strengthening** activities in the Pacific are detailed by country in the text; some donor perspectives are also presented.

Among the more notable findings are:

- Institutional change is long term; it requires commitment from leaders and political support to commence the process and to be maintained during implementation so that resistance to change is managed. Getting real participation is necessary. Reform lends itself to a process approach where outputs are defined more clearly as development proceeds.
- Reform and restructuring should be preceded by proper analysis of context in which the sector and its institutions operate nationally, regionally and internationally. Institutional development must start from and be constantly informed by current

social, political and cultural realities. This involves understanding different groups' incentives, whether for change or for retaining the status quo. Changing incentives of powerful groups may be the most effective mechanism of institutional change.

- Obtaining participation of stakeholders to counter opposition from vested interests and from those who do not understand the rationale is a desirable strategy. Widespread stakeholder participation should develop a shared understanding of what needs to be changed and why, how to bring change about, and acceptance of new “rules”, which need to be widely disseminated and well understood. The process should be inclusive and enabling to ensure long-term sustainability of the change.
- Co-management of fisheries resources is an accepted strategy for all fishers and fisheries; cost recovery is applied to varying degree by departments, and usually according to ability to pay. Regardless of administrative model, increased stakeholder input into management of fisheries is a prime consideration
- There is a need to ensure that the reform process is meeting its objectives; whether institutional change is facilitating achievement of desired outcomes. Accountability will be heavily dependent on a regular flow of information. Monitoring and evaluation is important.
- Early PNG NFA experience indicates the need for careful crafting of legislation to ensure accountability of the Authority to Parliament and stakeholders, whatever the level of Ministerial or Board control. This does not protect the Authority if governance as a whole becomes a national problem.
- PNG experience shows that unforeseen externalities affect implementation of institutional reform. These externalities include political change, coordinating and reaching agreement with central agencies for autonomy in financial and personnel management, and timely release of funds.
- The authority model was considered by most Pacific fisheries ministries or departments undertaking recent reform, but the departmental models were retained (though restructured) in all cases to better deliver their mandate to service, manage and develop subsistence, artisanal and semi-commercial coastal and inland fisheries as well as the commercial sector. The Authority model was seen as specific to commercial fisheries and interests.
- Should ministries or departments be merged or demerged? The Cook Islands MMR is the only stand alone ministry or department among the PICs reviewed. Tonga's Ministry of Fisheries has recently merged into a department within a larger natural resources ministry. The response of commercial stakeholders to Tonga's merger was that the sector had lost representation and the ability to influence decision makers. Government rationale for merger is on grounds of efficiency in administration and facilitation of integrated management of natural resources.
- There has been rationalization of services towards core functions in strengthened and restructured departments to varying degrees, depending on availability of alternative service providers.
- Accountability is a major consideration:
  - The relevant Act setting up the institution should delegate power for effective decision making and include engagement of stakeholders in decision making on fisheries management.

- The regulatory framework should consider which entity should have the power to issue licenses. A public register of license holders is recommended.
  - Regional and national norms for transparency and providing information should be established, eg, annual reports.
  - Good institutional reform requires good legislation. Some desired characteristics of good legislation are:
    - Should be based on ESD principles;
    - Must identify consultative structures and processes to support co-management;
    - Must provide a strong framework for issues of or refusal of licenses;
    - Must provide prescribed penalties;
    - Must provide for flexible delegation of fisheries management arrangements;
    - Must provide power to enter into institutional arrangements.
- Drafting good legislation does not necessarily resolve problems; legislation and regulations have to be implemented. The need is to get all sector institutions to implement regulations.
- Projects or defined program elements operating at the authority or department level can only be effective if critical elements are in place, eg, government ownership of the process, donor coordination, capacity enhanced, institutional accountability and a clear coherent strategic plan endorsed by all major stakeholders.

### **Conclusions.**

Any model can be satisfactory. Considerations are national priorities in fisheries, funding and how best to resource the institution. Pacific fisheries statutory authorities and fisheries departments cover a continuum in terms of governance, functions, fisheries managed, structure and stakeholders. The distinction between an Authority and a Department in Pacific fisheries is often blurred since there is similarity and overlap in stakeholders and service delivery. In a number of authorities there is no longer autonomy of financial and personnel resources that was a feature of the Authority model. In some departments with performance based management, remuneration may be above the public service scale.

In some PICs the institutions extend to state or province fisheries administration. The authority or departmental model services these institutions in the Pacific to varying degrees with the exception of NORMA in FSM whose focus is solely oceanic fisheries.

An Authority model in the Pacific context provides greater flexibility and may facilitate securing funds, decision making, focusing on core business and accessing services. Conversely, examples show that the Authority model can lose financial autonomy, and lose its focus on core business in attempting to meet its mandate to service multiple stakeholders and government development priorities.

Scale and complexities of governance arrangements will differ according to the model selected.

Management mode can vary. Organisations may be structured according to functions (resource management, compliance etc) or to fisheries (oceanic, coastal etc) or elements

of each. Where one fishery is involved, a functional management mode is suited. Management mode may be determined by priorities or mandate set when developing strategic and corporate plans.

Institutions should include all fisheries in their mandate. If capacity is limited, the focus should be on the fisheries with highest economic returns.

Core functions should include compliance and enforcement based on ESD principles, policy and planning, research and monitoring capability. Access to legal expertise is required and an industry development section for assessing viability of and facilitating new initiatives is desirable.

Service delivery can be done by private sector including NGOs if capacity exists in country. The determinant for whether services are delivered by public or private sector should be cost effectiveness.

# **REVIEW OF INSTITUTIONAL REFORM AND INSTITUTIONAL STRENGTHENING IN PACIFIC FISHERIES: EXPERIENCES AND LESSONS LEARNED**

## **1. INTRODUCTION**

### **1.1 Background**

There has been a shift in fisheries laws and policies from a focus on fisheries development to a focus on fisheries management and conservation. UNCLOS 1982 Article 61 requires that states manage their marine resources in a sustainable way:

‘The coastal State, taking into account the best scientific evidence available to it, shall ensure through proper conservation and management measures that the maintenance of the living resources in the exclusive economic zone is not endangered by overexploitation’.

The institutional implications of this duty are explicitly stated in the voluntary FAO Code of Conduct for Responsible Fisheries (para 7.1.1) that requires:

‘States and all those engaged in fisheries management should, through an appropriate policy, legal and institutional framework, adopt measures for the long term conservation and sustainable use of fisheries resources’ (FAO 2006).

This focus on management and conservation is reinforced for Pacific oceanic fisheries by the Western and Central Pacific Fisheries Convention (UNDP FFA 2004).

Reform and strengthening of fisheries programs and institutions is an essential element in the development of sustainable fisheries to meet obligations under the WCPFC and increasing the contribution of fisheries towards achievement of broader development goals (UNDP FFA 2004; OECD 2006).

There have been various reform and restructuring activities in the Pacific as a consequence of this imperative to change core business direction. Clark (FFA 2007a) noted:

- externally supported interventions through donor loans or grants with Marshall Islands, PNG and Tonga fisheries administrations as examples;
- opportunistic change in Samoa, Vanuatu and the Cook Islands fisheries administrations as a consequence of a larger government reform and rightsizing program supported by the IMF; and
- gradual change internally driven such as that in the Fiji Department of Fisheries.

The important candidates for institutional reform and strengthening are those Pacific fisheries administrations that have yet to change their business approach. Some of the questions for these administrations in considering structural change are:

- What model to adopt – department, a separate Ministry, or Authority and why?
- If part of a public sector rationalization, whether to merge or demerge Ministries?
- What management mode – functional (eg, resource management, compliance, licensing, corporate services) or by fisheries sub-sector (eg, offshore, coastal, aquaculture)?

- Retention of services (research, extension, supplies) versus core business?

The Institutional Reform sub-component of the overall Oceanic Fisheries Management Project (OFMP) sets out to provide support to South Pacific Forum Fisheries Agency (FFA) member countries to reform and realign their fisheries administrations and arrangements for inter-departmental liaison relating to oceanic fisheries, and to establish or strengthen consultative processes with stakeholders. Priorities identified by the national missions for this sub-component included institutional restructuring and strengthening reviews, typically responding to new policy directions set out in national management plans.

The intended outcome of the Institutional Reform sub-component of the OFMP is:

- Public sector fisheries administrations reformed, realigned and strengthened;
- Capacities of national non-governmental organisations to participate in oceanic fisheries management enhanced; and
- Consultative processes enhanced to promote a more integrated approach to fisheries management and administration that encourages coordination and participation between diverse government and non-government stakeholders.

## **1.2 Purpose of report**

As part of the GEF funded Pacific Islands Oceanic Fisheries Management Project (OFMP), the FFA is implementing the project activity reviewing experiences in reform and strengthening of fisheries management agencies of FFA members; viz., *Activity 2.3.1.1 Prepare a review of experiences and best practices in institutional reform (UNDP FFA 2004).*

The aims of the review of institutional reform and institutional strengthening in Pacific Islands Fisheries Management are to:

1. Evaluate rationale and strategies for the reform, realignment and strengthening of institutions and their administrations for enhanced management of aquatic resources, and protection of aquatic biodiversity;
2. Assess the lessons and achievements of sectoral institutional reform and strengthening activities outcomes as defined during design and modified during implementation (including consideration of achievement in oceanic fisheries management key results for institutional reform and of aligning with country development priorities); and
3. Assess the impact of the activities on the people, sector(s) and areas designed in the activity design.

This document presents the findings of a desk study reviewing literature (published and unpublished) and from consultations on institutional reform and institutional strengthening activities undertaken in the Pacific region. While there is reference to the status of fisheries administrations of all FFA member states (see Table 1), the review focused on those administrations that had undertaken reform and strengthening.

### **1.3 Methodology**

A review of literature in the public domain or documentation accessed from donors was undertaken. Most of the literature dealt with institutional reform and institutional strengthening experiences in Pacific (including Australia and New Zealand) fisheries, though experiences with organisational change in other sectors or regions was not excluded if considered to add value.

FFA facilitated a two-day workshop on experiences and lessons learned in institutional reform and institutional strengthening in Honiara in May 2007 (FFA 2007a). Participants included people from FFA, SPC, fisheries administrations, a donor and consultancy companies experienced in design, implementation, execution or review of reform and strengthening activities.

Information from various Pacific fisheries administrations and donors was collected from informal interviews and conversations with participants at the Officials Forum Fisheries Committee Sixty-Fourth Meeting in Wellington, New Zealand held in late May 2007.

The Review Report does not include the experiences of industry, community and other non-government stakeholders. This wider scope of experiences would have involved consultations in a number of countries. The information already provided on industry and community perspectives of reform through the consultations in Honiara and Wellington and from the reviewed literature was substantial and satisfied objectives. Further research would involve diminished benefit: cost. Aim 3 of the Review given in section 1.2 above has therefore not been fully covered.

## **2. DEFINITIONS**

### **2.1 Institutions**

Institutions can be defined as the "rules of the game". Institutions govern individual and collective behaviour. They may be formal - legal systems, property rights, enforcement mechanisms; or informal – customs, traditions. They may operate at different levels – international (eg. WTO rules), national (eg. laws, constitutions), social (eg. norms of conduct, status of women), family (eg. inheritance rules). They may nest within larger institutions – eg. village-based collective institutions nested within the policy institutions of government. A widely used definition of Institutions is that used by North (1990 cited in DFID 2003). They "...consist of formal rules, informal constraints - norms of behaviour, conventions, and self imposed codes of conduct - and their enforcement characteristics". The constraints provide a structure for political, economic and social interactions (Reddy, M. and Duncan, R. 2005).

or,

"Institutions are the humanly devised constraints that structure human interaction. They are made up of formal constraints (rules, laws, constitutions), informal constraints (norms of behavior, conventions, and self imposed codes of conduct), and their enforcement characteristics. Together they define the incentive structure of societies and specifically economies" (North 1993 cited in AusAID and Government of Samoa 2003).

The rules of the game shape the incentives that drive behaviour and performance, and expectations about rights and obligations. They have a major influence on economic development, and on the success and sustainability (or lack of it) of specific projects and programmes (DFID 2003).

An OECD (1997 cited in FAO 2006) definition of an institution is:

‘simply the set of rules actually used by a set of individuals to organise repetitive activities that produce outcomes affecting those individuals and potentially affecting others’

or, better for a fisheries context:

‘An institution is not only the rules themselves, it includes the process and organisations (public and private, formal and informal) that develop and implement the rules (management measures) affecting use of the fishery resources’.

As pointed out in FFA (2007a), institutional issues do not always occur at national level. In countries such as PNG and FSM there is provincial or state government administration of fisheries as well as national. Together with the private sector and other stakeholders, these make up the institutions in the sector.

## **2.2 Organisations**

Organisations are groups of players who come together for a common purpose or to achieve specific objectives. They adapt their tactics and organisation according to externally defined rules and regulations - the ‘rules of the game’. They play to, but are not the same as, those rules. For example, it is a rule of the game that football teams comprise a goal-keeper and ten outfield players; but the configuration, position and tactics of the outfield players are decided by the team as an organisation. Organisations encompass political bodies, such as political parties or parliaments; economic bodies, such as firms or businesses; and social bodies, such as churches and schools. They usually have discrete boundaries, a budget, and a structure (DFID 2003).

## **2.3 Institutional Reform = Institutional Development**

**Institutional reform** includes rules, incentives and enforcement mechanisms.

Institutional reform (reforming the rules of the game) promotes enforcement of formal and informal roles. Experience with organisational development suggests that with many government departments the rules of the game will have to be changed for there to be a meaningful shift in the way they fulfill their mandates. Reform basically means a set of policy shifts and the development and deployment of an integrated range of policy instruments to give this effect.

## **2.4 Institutional Strengthening = Organisational Development**

Institutional strengthening (or OD) involves change in the structure, people and/or processes of an organisation.

**Organisational development** (players of the game) includes capacity building eg skills development, structures, processes, resources; and relates to improvement of the four inter connected forms of capital:

- i) Tangible** capital – land, research stations, libraries, laboratories, offices, equipment and financial assets;
- ii) Human/Intellectual** capital – the skills, professionalism, motivation, creativity and degree of problem orientation of the staff;
- iii) Organisational** capital – the appropriateness of the institution’s mandate, the quality of its internal management procedures, and its policies and decision making procedures assessed in terms of their contribution to the creation and improvement of outputs;
- iv) Social or Political** capital – the political and economic support the institution is able to muster, which in turn is largely a function of its reputation and prestige in the eyes of the stakeholders (DFID 2004).

## ***2.5 Distinction between institutional reform and institutional strengthening or organisational development***

The terms “institution” and “organisation” are often used interchangeably, for example, by talking about “institutional weaknesses” when organisational ones are meant, ie, weaknesses in the structure, people and/or processes of an organisation. Understanding organisational reform is of course important, but the bigger institutional picture, which includes rules, incentives and enforcement mechanisms, is important too (DFID 2003). This aspect of organisational development was picked up in a review of institutional strengthening projects in Samoa (AusAID and Government of Samoa 2003). In the conceptualisation of Institutional Strengthening Projects (ISPs) in Samoa, the term ‘institutions’ was used synonymously with ‘organisations’ and, more specifically, with ‘public sector organisations’. There is however another perspective on ‘institutions’ that is particularly relevant to strengthening Samoa’s capacity to lead and manage the Australian bilateral aid program. This is North’s definition of institutions not as organisations but as the formal and informal ‘rules of the game.’ Re-conceiving “institutional strengthening” beyond organisational strengthening to encompass changing the ‘rules of the game’ that govern Australia’s bilateral aid program in Samoa would be an important step towards greater Samoan self-reliance and would help build capacity in every significant sense of the word.

Both types of development are of course concerned with the process and content of change. Dolman (K.Dolman pers. comm. 2002) noted that institutional reform may involve incremental or transitional change. The literature shows disagreement regarding the best approach. Transitional change is questioned by those who prefer emergent change through a continuous process of experiment and adaptation aimed at matching an organisation’s capabilities to a changing or uncertain environment. Transitional change generally involves moving a department out of the civil service to a semi-independent government agency to manage its own finances and its own employment conditions, with accountability to a board of directors.

Development interventions are more likely to succeed if they promote improvements in wider institutional competencies as well as in technical competencies. There are real limits to the extent to which sustainable reform can be advanced without advances in both. Improvements in technical competence need the institutional changes to allow technical improvements to work.

Capacity development at whatever level needs to take account of both the institutional and organisational context.

### **3. FISHERIES INSTITUTIONS**

Fisheries institutions in the Pacific have adopted either the Department or Authority model. However, there is no hard and fast delineation between a statutory authority (or authorities) and a Department. Agencies will lie somewhere along a continuum (DoFWA 2006).

#### ***3.1 Institutional features essential for effective fisheries management:***

A fisheries management authority is the legal entity which has the mandate within the State to perform specified fisheries management functions. Commonly a national fisheries management authority would be in the form of a Ministry, a Department within a Ministry or an agency. While many fisheries management agencies are government bodies, they could be government, parastatal or private.

The fisheries management authority should have the capacity for or recourse to services which provide the following functions:

- the collection of detailed information on the fishery, including: data on catches such as total landings and discards and the species composition of these and the size or age structure of catches; data on the nature, timing and distribution of fishing effort; and information on the social and economic characteristics of each fishery and its sub-units;
- the analysis of the relevant information to identify trends in the resources and ecosystem, and in the performance of the fishery to allow for the appropriate modification of the management measures to ensure that the objectives for the fishery are being achieved;
- consideration of all relevant information in a decision making process, which must include appropriate participation by the key stakeholders, in order to select appropriate management measures and ensure effective sustainable management (developing the rules);
- monitoring, control and surveillance, designed to ensure compliance with the management measures and, where necessary to enforce the regulations (implementing the rules) (FAO 2006).

#### ***3.2 Departments***

Departments essentially exist to support a Minister in pursuing Government objectives and delivering services. They are typically responsible for a range of activities, including

policy development, coordination, implementation and regulation. Any commercial activities are normally incidental to the Department's primary function.

There is a direct reporting relationship between the head of the Department and the responsible Minister. Departments are generally responsible to only one Minister, but may provide support or advice to other Ministers.

Departments usually have minimal financial autonomy and are normally dependent on the Consolidated Fund for their operation and viability. This enables the Government to closely control the priorities of and resources allocated to organisations.

In addition, departments of State are normally characterised by a need or desire for their staff to be employed principally under equivalents of a Public Sector Management Act (DoFWA 2006).

### **3.3 Authorities**

Every state sets up agencies which are competent in dealing with one particular matter. This is set up within the agency's charter. Authorities are usually created by special legislation and are run by a board of directors and exercise autonomy in certain matters. They are also usually required to be self-supporting through property taxes or other forms of collection of fees for services (Wikipedia 2007).

Statutory authorities are established by statute and have the following general features:

- Usually constituted as a body corporate.
- Have a responsible Minister.
- Usually have a board of management.
- Have functions and powers defined by its statute (DoFWA 2006).

Whereas the CEO of a Department reports direct to the Minister, the CEO of a statutory authority reports to a Board. The Chairman of the Board reports to the Minister. However there may be instances where the CEO is employed by the Minister and therefore also has a reporting relationship with the Minister (DoFWA 2006).

Clear lines of accountability suggest that appointment of the CEO of a statutory authority be made by the Board with other staff also appointed by the Board. However, there are many instances where governments have chosen to have the CEO appointed by the Minister as an added measure to maintain Ministerial control of the authority and responsiveness to the Government of the day.

A statutory authority may also comprise a single statutory officer, or the Portfolio Minister. If a single officer only, then the authority may have an advisory board (DoFWA 2006).

### **3.4 Engaging stakeholders**

The move in regional administrations from policies aimed at production and development to management and conservation for sustainability of aquatic resources means greater

reliance on collaboration and cooperation by stakeholders including industry, communities and the non-government organisations, that is, co-management. The engagement of stakeholders when developing ‘the rules’ requires their input into decision making if implementing ‘the rules’ is to be successful.

According to preliminary findings of the FFA commissioned governance review in fisheries, political stakeholder engagement is low in the sector (FFA 2007a and b) and there is a need to raise awareness and the profile of fisheries administrations and issues within government circles (FFA 2007a).

Clark (AusAID 2006b) points out that actions that improve policymaking and strengthen the role and capacities of the private sector are priorities in accelerating the development of sustainable domestic commercial fisheries. Ensuring government fishery agencies engage with stakeholders, particularly from the private sector, is a key element in enhancing such development.

#### **4. SAMPLE FISHERIES MANAGEMENT MODELS IN THE PACIFIC AND THEIR STAKEHOLDER ENGAGEMENT**

This section includes stakeholder engagement under the different institutional models examined because stakeholder participation by diverse groups of government and non-government stakeholders is emphasised by FAO (2006) and the GEF Oceanic Fisheries Management Project (UNDP FFA 2004). Government, in its stewardship role, must engage with stakeholders and encourage community involvement in fisheries management. Stakeholders must be assured that their views were sought and considered fully. Government then has the responsibility to make decisions. This model is essential in natural resource management - whether through a Department or a statutory authority. It is best practice (DoFWA 2003).

The fisheries sector is complex, and interacts and has significant linkages with a number of cross-Agency or whole-of-Government issues including biodiversity, food safety, tenure systems. Fisheries administrations deal with a complex environment:

- internal, coastal, sovereign and EEZ waters;
- international agreements; and
- state, federal, economic and joint authorities.

The Pacific fisheries administrations cover a continuum of institutional models. Examples are:

Table 1. Fisheries management models in the Pacific region (FFA member states and territories).

**Authorities models**

<b>Country</b>	<b>Name</b>	<b>Mandate</b>	<b>Governance</b>	<b>Autonomy</b>	<b>Reports to</b>	<b>Prior to reform</b>
Australia	Australian Fisheries Management Authority (AFMA)	Oceanic (commercial) fisheries but States manage nearly all fisheries in the EEZ under the Offshore Constitutional Settlement. Policy, international negotiations and strategic issues administered by DAFF-A. Research outsourced	Expertise-based Board	Autonomous decision making on management of fisheries under AFMA jurisdiction. Funded by government.	Parliament  Reports to Department of Environment and Water Resources on ESD aspects	Australian Fisheries Service (AFS), a Division of the Department of Primary Industry and Energy (DPIE).  Expected change to Commission in 2008 to better implement government policy
Federated States of Micronesia	National Ocean Resource Management Authority (NORMA) Responsible only for oceanic fisheries management in the EEZ. Branches: statistics, licensing and information; research and data analysis; management,	Commercial oceanic fisheries; States manage coastal and inland fisheries to 12 nm limit. Technical services and support for	5-member "Board" with representatives from national and 4 states appointed by the President  Board appoints CEO and approves licenses	Autonomous Agency but in practice weak financial autonomy. Budget by Congress.	President and Congress	Formerly Micronesian Fisheries Authority. Restructured with revision of MR Act to include conservation and management.

	administration and finance.	development and management through Department of Economic Affairs				Capacity development and review of functions and structure proposed
Nauru	National Fisheries and Marine Resources Authority (NFMRA) Statutory Corporation. Operational departments: oceanic; coastal; finance/administration; and operations and infrastructure	All fisheries. Mandate includes commercial activities (NFC)	Board appointed by Cabinet, Board appoints CEO. CEO approves licenses and reports to Board	Partial Autonomy (no financial autonomy)	Minister to Parliament Act mandates NFMRA on marine conservation. Cooperation with Environment	Formerly Department of Fisheries and Marine Resources. Proposed institutional strengthening awaiting donor funding.
PNG	National Fisheries Authority (NFA) Non-commercial statutory authority. Groups: Fisheries management; control and surveillance; provincial and industry liaison; licensing and information; finance; corporate services	Act mandates all fisheries, but coastal and inland fisheries managed by provinces under New Organic Law. Minister is responsible for policy direction.	Board representing various stakeholders. CEO appointed by National Executive Council, reports to Board. Board approves licenses on recommendation of CEO via Licensing Committee	Autonomous including financial autonomy	Board reports to Cabinet	Department of Fisheries and Marine Resources until 1998.  NFA further reformed after 1998.

Republic of the Marshall Islands	Marshall Islands Marine Resources Authority (MIMRA) 2 operational divisions: oceanic fisheries and industrial affairs, and coastal fisheries and community affairs	All fisheries	Board (5 members). Board approves licenses	Partial autonomy – Minister chairs Board; weak financial autonomy.	Board reports to Parliament Conservation function under MIMRA Act	MIMRA established under US administration. Reform of Authority followed 1988 independence.
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### Department models

Country	Name	Mandate	Reports to	Licensing	Limits to mandate	Reform activities
New Zealand	Ministry of Fisheries (MoF)	Stand alone Ministry. All fisheries	Minister	Yes	Marine conservation is managed through a different agency	
Cook Islands	Ministry of Marine Resources (MMR). 5 Divisions: Offshore Fisheries Development; Pearl Industry Support; Inshore Fisheries and Aquaculture; Policy and Legal, and Corporate Services.	Stand alone Ministry All fisheries	Minister	Yes	Conservation through Department of Environment	Current external assistance for Institutional Strengthening
Western Australia	Department of Fisheries (DoF). 4 outputs: commercial fisheries; recreational fisheries; pearling and aquaculture; and fish	Stand alone Department All fisheries except those under AFMA	Minister	Yes, limited entry for mature fisheries	Marine conservation is managed through a different agency	Internal restructuring to meet ESD and integrated fisheries management

	and fish habitat protection					policies.
Fiji	Department of Fisheries (DoF). 5 Divisions: Resource Assessment including Research; Technical Services; Fisheries Development; Aquaculture; and Oceanic Fisheries Management Services.	Department within Ministry. Mandate covers all fisheries	Minister	Yes. Licensing Committee recommends on licenses	Conservation through Department of Environment	Internal restructuring and strengthening especially of oceanic fisheries.
Kiribati	Division of Fisheries (DoF). Fisheries Division deals with marine resource development and management	Division within Ministry. All fisheries	Minister	Yes through President and Cabinet.	Conservation through Dept Environment and Conservation	No recent activity. Institutional Strengthening assessment planned. Mooted capacity development mainly for oceanic management.
Niue	Department of Agriculture, Forests and Fisheries (DAFF). Fisheries Division deals with inshore fishery and the tuna and billfish fishery	Department within Ministry All fisheries	Minister	Control of vessels in Niue waters is managed under access agreements. In future, Niue needs to move towards direct control of fishing vessels through appropriate Regulations and	Environmental management conducted by Department of the Environment	No recent activity. Capacity development mainly for oceanic management is a recognised need.

				licence conditions.		
Palau	<p>Bureau of Marine Resources (BMR) within Ministry of Resources Development is mandated to manage pelagic resources within the EEZ. Includes Fisheries Development Branch, Fisheries Management Branch, Aquaculture and Mariculture Branch, and Marine Conservation and Protected Areas Program</p> <p>Inshore resources management system is partitioned between national government and states.</p>	Department within Ministry of Resources Development	Minister	<p>Yes.</p> <p>Licenses issued to foreign vessels only in accordance with specific fishing agreements.</p> <p>Fisheries regulations enforced by Division of Marine Law Enforcement of Ministry of Justice.</p>	<p>Conservation oversight by Office of Environmental Response and Coordination and the Environmental Quality Protection Board.</p> <p>The Palau Fisheries Advisory Committee is government driven and recommends to Minister and President on national fisheries policies and implementation.</p>	<p>Palau Maritime Authority (or Agency) recently abolished.</p> <p>Identified need for institutional strengthening and capacity building</p>
Samoa	<p>Department of Fisheries (DoF): Fisheries assessment; and management, community fisheries; commercial fisheries</p>	Department within Ministry. All fisheries	Minister	Yes	<p>Conservation function through the Department of Environment.</p>	<p>Externally assisted strengthening and capacity development projects in Department and</p>

						Ministry
Solomon Islands	Department of Fisheries and Marine Resources (DoFMR). Research and resource management; Licensing, surveillance and enforcement; Provincial Departments and extension services; Aquaculture; Statistics and information	Department within Ministry. All fisheries. Fisheries Advisory Council advises Minister	Minister	Director of Fisheries approves	Conservation through Environment	Externally assisted institutional strengthening project has commenced
Tonga	Department of Fisheries (DoF). Policy advice and planning, fisheries management, applied research, extension services, compliance and enforcement	Department within Ministry of Agriculture, Food, Forests and Fisheries. All fisheries	Minister	Yes, Secretary approves	Conservation through Department of Environment.	Externally assisted institutional strengthening project completed. Recent government initiated merging of the Ministry as a Department into 'super-ministry'
Tuvalu	Fisheries Department is responsible for the control, management and development of fisheries.	Department within Ministry of Natural Resources and Lands	Minister	Yes	The Department of Environment is responsible for broader aspects of environmental	No recent activity. Identification of strengthening and capacity

	The National Fishing Corporation (NAFICOT) is responsible for commercial fisheries development				management, including marine pollution	development needs
Vanuatu	Department of Fisheries (DoF) Resource assessment, management and information; Rural fisheries development; Administration and finance	Department within Ministry. All fisheries	Minister	Yes, Director issues; TFMAC oversights	Conservation through Environment	Restructuring and reform as part of whole of government reform program
Tokelau (NZ Territory)	Department of Economic Development & Environment & Planning & Monitoring has the primary responsibility for oceanic fisheries management and the sustainable development of fishery resources	Department within Ministry for Economic Development, Natural Resources and Environment	Minister (Council of Faipule = Cabinet)	Yes	NZ Ministry of Fisheries collaboration	No recent activity. Identification of strengthening and capacity development needs

## **4.1 Some Australian Models**

Descriptions of the Australian fisheries institutions are mostly taken from DoFWA (2006).

*The key points of Australian fisheries institutional models are:*

- *A majority of State fisheries agencies are incorporated into other, larger Government Departments*
- *Currently one State, Western Australia, has a stand-alone Department.*
- *The Australian Fisheries Management Authority is the only fisheries statutory management authority in Australia.*
- *The Queensland Fisheries Management Authority (QFMA) was disbanded in July 2000 and the functions previously undertaken by QFMA and the fisheries policy group in Queensland Department of Primary Industries (QDPI) were merged into the Queensland Fisheries Service, now the Queensland Department of Primary Industries and Fisheries.*
- *Two States (Queensland and Tasmania) have created Fisheries Authorities within the last two decades and subsequently disbanded them.*

*Additionally, all state jurisdictions have a Director responsible for administering and managing programs; all agencies are within economic development departments; marine conservation is managed through different agencies; formal consultative bodies exist in all jurisdictions to support co-management; single stock management is an objective; constitutional agreements exist between State and Federal governments; there are limited entry policies for commercial fishing licenses in mature fisheries; full or part cost recovery is a feature of commercial fish management; and non-commercial fisheries are regulated.*

*Research may be done by some jurisdictions but all outsource research to achieve required outcomes of*

- *Evidence based decision making;*
- *Management plans for each fishery*
- *Regular communication of scientific data and information in an understandable form as an essential for good governance*
- *An adequate level of compliance based on risk assessment (FFA 2007a).*

### **Commonwealth fisheries institutional model**

Since 1992, day to day management of fisheries under the jurisdiction of the Commonwealth has been the responsibility of the Australian Fisheries Management Authority (AFMA) – the only fisheries statutory authority in Australia. Broader fisheries policy, international negotiations and strategic issues are administered by a smaller group within the Department of Agriculture, Fisheries and Forestry–Australia (DAFF-A). Research and most compliance activities are outsourced to a variety of agencies. AFMA principal responsibility relates to commercial fisheries. Commonwealth fisheries legislation does not extend specifically to recreational fisheries management or to

aquaculture. In 2008 AFMA will become the AFM Commission with a reduced number of Board members (Commissioners). The change will allow AFMC to implement aspects of government policy that were outside the brief of AFMA (FFA 2007b).

The 2000-2001 AFMA Annual Report summarises the AFMA model as follows: “AFMA was created as a professional statutory body, at arm’s length from government, that could undertake the government’s responsibilities for fisheries management in an open and accountable manner, and provide sound long-term natural resource management. This is a significant departure from fisheries management under a minister/government department framework. The main elements of the AFMA model include the organisation’s day-to-day independence from the Minister, a strong partnership approach with key stakeholders, specific accountability requirements and rights-based management arrangements. Together these elements provide effective, transparent and publicly defensible management of Commonwealth fisheries”.

***Stakeholder engagement.*** AFMA cooperates with community, industry, government agencies, fisheries managers and scientists. Partnerships include Management Advisory Committees, Resource Assessment Groups, and close working relationships with other agencies. AFMA purchases research services from external providers.

## **Western Australia**

Fisheries management currently rests with a stand-alone Department of Fisheries. This arrangement has been in place since 1985. The State fulfils its statutory responsibilities through the identification, provision and integration of necessary research, management, compliance and administrative services towards one outcome – conservation and sustainable development of the State’s fish resources. This is achieved through four outputs: commercial fisheries; recreational fisheries; pearling and aquaculture; and fish and fish habitat protection.

***Stakeholder engagement.*** Stakeholder groups are diverse and include those who do not fish and their involvement is essential to meet the State’s fisheries management objectives. The indigenous sector is an emerging stakeholder and must be incorporated into management processes.

Management of the State’s fisheries resource is currently based on the premise that Government is the ultimate custodian of essentially a community based natural resource and through ‘co-management’ or ‘participatory decision making’ resource users need to become directly and formally involved in management decision-making processes. The WA Government has specifically recognised the importance of the Management Advisory Committees (MACs) as a source of advice to the Minister for Fisheries and an effective consultative mechanism for fisheries management. The Department currently supports 30 committees established under fisheries and pearling legislation. A number of structural changes to MACs may be required as a result of current initiatives in the area of integrated fisheries management.

## Queensland

After July 2000, fisheries and aquaculture in Queensland's marine and inland waters was managed by the Queensland Fisheries Service (QFS), a division of the Queensland Department of Primary Industries (QDPI), and formed by the merger of the functions of the previous Queensland Fisheries Management Authority (QFMA) and the QDPI Fisheries.

Now, fisheries and compliance are managed by the Fisheries Business Group of the Queensland Department of Primary Industries and Fisheries (QDPI&F) through Fisheries Resource Management, Policy and Sustainability, Fisheries and Aquaculture Development, and Resource Protection units and the Queensland Boating and Fisheries Patrol (responsible for compliance).

*Stakeholder engagement.* Fisheries research and development is handled by QDPI&F and involves extensive collaboration with other agencies through cooperative agreements and partnerships that extend research capabilities. Seven Management Advisory Committees have been formed. QDPI&F cooperators include the Fishing Industry Development Council, the Queensland Seafood Industry Association, Australian Seafood Industry Council, seven aquaculture industry organisations, recreational and sport fishing groups, and conservation through the Australian Marine Conservation Society and the Queensland Conservation Council.

### 4.2 Papua New Guinea

During the late 1990s and early 2000s there was substantial restructuring of PNG fisheries administration under an ADB loan (ADB 2003). The old Department of Fisheries and Marine Resources (DFMR) was downsized and reoriented from fisheries research and extension work, particularly in the provinces, to providing services for large-scale commercial fisheries. It became a self-funding (through access and license fees), non-commercial statutory authority, the National Fisheries Authority (NFA) established and operating under the Fisheries Management Act 1998. The Minister of Fisheries has responsibility for policy direction. A Board representing stakeholders (relative government departments, industry representatives and a representative of NGO and of resource owners) governs the NFA and approves licenses on recommendation from the Managing Director. A Licensing Committee appraises applications. The Managing Director is appointed by the National Executive Council and reports to and receives policy and strategic direction from the Board. The Board reports to Cabinet (FFA 2007a, b).

NFA provides advisory services and financial support to Provincial Governments that manage the inshore fisheries, inland fisheries, and aquaculture fisheries. About 40 staff were employed in work related to Provincial fisheries prior to reform and NFA (1999) pointed out that "the lessons of NFA's rural development experience are that it cannot operate cost-effectively at that level" and further "Recent changes to the law and current moves to improve the administration of provincial and local-level government have now helpfully clarified what NFA should do in this area. Provincial and local-level government will be responsible for field activities, including fisheries development and

extension work. The role of NFA will be to provide high-level professional support in identifying issues and opportunities, helping to design projects and programmes and mobilise financial and technical services.” This support is provided by a team that is based in Port Moresby through Regional managers also based in Port Moresby.

In the PNG situation, where the responsibility for tuna fisheries lies with the national government, but the concomitant effects in related areas include health, welfare and the environment fall to provincial authorities, coordination between levels of government is extremely important. While some responsibilities related to tuna fisheries, for example, compliance and the inspection of tuna vessels, has been devolved to provinces, capacity has been a problem. Provincial government fisheries departments have been starved of resources for some years, and have not been reoriented from extension services to deal with industry in the same way as NFA staff. General improvements to government administration at the provincial level and better coordination between provincial governments and the national government are also necessary (Barclay and Cartwright 2006). Recognising the capacity constraint of provinces, NFA initiated an operational framework where maritime provinces receive budgetary support from NFA in areas of service delivery, and maintenance of assets, locally-based fisheries management, observers and enforcement as an effort to participate in decision-making and policies development at the provincial level (Manieva 2003).

The research function is to recommence in NFA with the commissioning of a new aquaculture research facility.

***Stakeholder engagement.*** The Department of Environment and Conservation is responsible for environmental management. Industry, NGO and resource-owner representation was secured on the Board of the NFA. Surveillance is coordinated and funded with Defence. Consultation between NFA, government departments, industry and NGOs on tuna policy matters is dealt with through the Tuna Consultative Committee and Tuna Stakeholders Group (FFA 2007b). Since 1991, PNG has had an active Fisheries Industry Association (FIA), which has participated as a stakeholder in policy forums. PNG has correspondingly had fewer of the problems other PICs have in terms of misunderstanding private-sector needs and priorities by the government (Gillett 2003 cited in Barclay and Cartwright 2006). Nevertheless, the relationship between industry and government is not as healthy as it could be. For example, managers of some fisheries companies said they felt unable to complain about inadequate government services for fear of being targeted by people in positions of power (Barclay and Cartwright 2006). NGOs are mainly involved with inshore fisheries and community based management and policy. NFA does support NGO projects with technical assistance (FFA 2007b).

### **4.3 Federated States of Micronesia**

The main legislation dealing with fisheries in FSM is Title 24 of the Code of the Federated States of Micronesia ([www.thegef.org](http://www.thegef.org)). FSM oceanic fisheries administration has been restructured with the revision of the Marine Resources Act (2004) and renaming of the Micronesian Fisheries Authority (MFA) as National Ocean Resource Management Authority (NORMA). FSM's main fisheries bodies are:

- NORMA, the primary agency responsible for oceanic fisheries management in the EEZ, with activities directed by a Board. The five 'Board' members comprise a representative of the national and four state governments (note: there is no provision for a Board in legislation) and appoint the CEO. There is no Minister and NORMA reports to the President and Congress. Revenue from fees reverts to Treasury. The Marine Resources Division has a coordinating role, provides training and foreign assistance to state entities. NORMA has no commercial activities;
- the National Fisheries Corporation (NFC) was established in 1984 and is responsible for promoting the development of pelagic fisheries and industries;
- the Sustainable Development Unit of the National Government Department of Economic Affairs which provides national and state governments with technical services and support for development and management of marine resources. The Section also administers the National Aquaculture Centre;
- the Maritime Surveillance Wing of the Department of Justice, which is responsible for surveillance and enforcement (FFA 2007b; [www.fao.org](http://www.fao.org) Apr 2007).

FSM has focused mainly on fisheries access fees as the means of securing benefits from the EEZ.

Various government and semi-government departments at the state level are involved in marine resource use and management of territorial sea and inland waters:

Pohnpei State: Office of Marine Resources Conservation and Management; Economic Development Authority; Department of Resource Management and Development; Economic Planning Commission; Conservation Society of Pohnpei (NGO);  
 Kosrae State: Marine Resources Division; Fisheries Development Division; Fisheries Management Division; Kosrae Island Resource Management Program;  
 Chuuk State: Department of Marine Resources; Environmental Protection Authority;  
 Yap State: Marine Resources Development Division; Yap Fishing Authority; Yap Institute of Natural Science.

The four states have management strategies that range from centrally-administered open-access regimes to traditionally controlled reef tenure systems. Coastal resource management issues are dealt with differently by the states. Each state has agencies that do some coastal fisheries research.

***Stakeholder engagement.*** The national government provides management assistance to the states on request, but there is little contact other than through the coordinating Marine Resources Division. Major stakeholders in FSM tuna fisheries comprise domestic parties and foreign fleet operators. Preparation of the FSM tuna management plan involved stakeholders through a national Steering Committee. The University of Micronesia conducts research in coastal fisheries ([www.fao.org](http://www.fao.org)).

#### **4.4 Marshall Islands**

Fisheries in Marshall Islands are governed by the Marshall Islands Marine Resources Authority (MIMRA), which was established in 1988 under the MIMRA Act (1986, revised 1997). The powers and functions of the Authority are vested in and exercised by a Board of Directors, chaired by the Minister. The Board approves licenses. The Authority manages fisheries resources to ensure their conservation and long term

sustainability (FAO 2007). It has the responsibility to collect license fees and disburse surplus to government but the government allocates fisheries revenues according to priorities. As an Authority it follows the Public Service Act and government financial regulations and independent audit requirements but can hire and fire staff. There are two operational sections in MIMRA: oceanic fisheries and industrial affairs, and coastal fisheries and community affairs. There was an extensive review of Marshall Islands fisheries policy and institutions under an ADB loan in the mid to late 1990s. As part of this, a national fisheries policy was drafted and adopted by the Cabinet in 1997, and was followed closely by MIMRA. The development of Majuro as a service centre for transshipment fleets was one of the more significant outcomes from this reform effort. Due to the government policy to focus on gaining wealth from distant water fishing via transshipment supply and servicing and processing rather than a domestic fishing industry, no industrial-scale domestic fishing industry has existed in the Marshall Islands since the 1990s (FFA 2007b; Barclay and Cartwright 2006). A recent review (FFA 2004) recommended strengthening of oceanic fisheries management.

MIMRA's Tuna Management Plan promotes development of a domestic industry and external investment. The Coastal Fisheries Management Plan promotes community based resource management and identification of marine protected areas. Other plans cover turtle mitigation, shark management, and national observers.

***Stakeholder engagement.*** The MIMRA interacts with the Attorney-General's Office, Police Sea Patrol, Foreign Affairs and Environmental Protection Agency. It supports a training centre for the local industry. There is no commercial fisheries industry association in Marshall Islands. Larger companies such as PM&O Processing and the Marshall Islands Fishing Venture were members of the Chamber of Commerce, and there was an association for tourism-related charter boats (Gillett 2003 cited in Barclay and Cartwright 2006). Coastal fishers are serviced by MIMRA through a Coastal Management Advisory Council comprising government, NGOs and the College of the Marshall Islands. MIMRA trains extension officers for local governments.

#### **4.5 Nauru**

In 1997 the Nauru Fisheries and Marine Resources Authority Act established an Authority (NFMRA) as an entity with the powers and functions to regulate and develop activities relating to Nauru's fisheries and marine resources. Formerly the Department of Fisheries and Marine Resources, the government of the day established an Authority to better manage and conserve resources and to negotiate their sustainable exploitation. The Authority is responsible for the management of offshore fisheries, coastal fisheries and aquaculture; as well as owning the Nauru Fisheries Corporation (NFC) which acts as the commercial arm of the Authority. The Authority has four operational departments: oceanic; coastal; finance/administration; and operations and infrastructure. NFMRA is governed by a Board of Directors whose duties are set out in the Act. Directors carry out the functions, manage the affairs and exercise the powers of the Authority. From 2006, Treasury determines the Authority budget allocation and application of funds, where previously NFMRA received license fees, developed its budget and paid surplus to the Government of Nauru (FFA 2007c).

**Stakeholder engagement.** The Nauru Tuna Fishermen's Association was re-established in 2005 to assist with food security. NFMRA helped develop the Association's Constitution but Association input into decision making is not developed. Finalisation of the Tuna Management Plan will require the participation of the Association as a stakeholder (FFA 2007c). The Nauru Island Association of Non-Government Organisations membership includes the Tuna Fishermen's Association and the Buada Aquaculture Association. There is no active relationship between NFMRA and the NGO.

The Coastal Fisheries Department of NFMRA is consulting with Department of Environment and communities and developing draft community fisheries legislation with external expertise as the basis for community based resource management planning. The Department of Commerce, Industry and Resources manages the food security program and NFMRA conducts research and extension for community aquaculture. NFMRA interacts with the Department of Women's Affairs programs through the Coastal Fisheries' community programs (FFA 2007c).

Apprehension and prosecution of non-complying fishing vessels is the responsibility of the NFMRA with cooperation of Police and Justice, but to date Police have not been involved with boardings; nor is there a collaborative mechanism with search and rescue. NFMRA provides fisheries awareness raising and training to Department of Education schools and supports the Ministry of Youth Affairs' Work Skills Development Program for Youth.

#### **4.6 Cook Islands**

The Ministry of Marine Resources (MMR) was established in 1984 under the Ministry of Marine Resources Act (1984) and is the government department responsible for most aspects of fisheries management. In 2005, a new marine Resources Act was promulgated, repealing the previous Marine Resources Act 1989. The MMR's duties include: data collection; monitoring control and surveillance; observer programs; infrastructure development; extension services and training programs; disseminating information; and liaising with industry and other stakeholders including investment agencies and government departments (Chapman 2001 cited in Barclay and Cartwright 2006; FFA. 2007). MMR is structured into 5 Divisions: Offshore Fisheries Development; Pearl Industry Support; Inshore Fisheries and Aquaculture; Policy and Legal, and Corporate Services. The MMR together with the Maritime Division of the Police Department conducts maritime surface surveillance. Aerial surveillance is conducted by the RNZAF and France.

**Stakeholder engagement.** MMR has played an important role in liaison and information dissemination between industry, government agencies and the general public. Government consultation across agencies seems to work better in Cook Islands than in some other PICs. MMR works with the Cook Islands Environment Service and other related departments such as Transport. A cross agency task force was created to manage the International Waters project in the Cook Islands (Barclay and Cartwright 2006; FFA 2007).

The Cook Islands Tuna Industry Association was formed in 2005. There are organisations representing small scale fishers and sports fishing interests. The on-going Cook Islands Marine Resources Institutional Strengthening Project is assisting MMR to further improve relationships with other organisations (eg, the Ministry of Health, the Police Department, the Cook Islands Environmental Service, the Cook Islands Ministry of Transport and Cook Islands Maritime Limited – Shipping registry). Close working relationships will be fostered with NGOs involved in land and water management under the ISP (NZAID 2004).

#### **4.7 Fiji**

From being a Division of the Ministry of Agriculture, Fisheries and Forests (MAFF) over the last forty years, Fisheries became a Department in October 2001 in the new Ministry of Fisheries and Forests ([www.fisheries.gov.fj](http://www.fisheries.gov.fj)). The ministry title has reverted to MAFF. The Fisheries Department is responsible for aspects of fisheries management. The existing structure was based on the initial role of the Fisheries Division, which was specifically conservation and management of marine resources, as outlined in the Fisheries Act 1942 (with revisions) and Marine Spaces Act Cap 158A, 1978. Additional responsibilities over the years such as applied research; aquaculture and development were funded by donor agencies at the initial stages. When donor support was withdrawn, most of these activities were picked up by the Department and added on to the existing staff tasks under three Divisions. The structure changed in 2005 to 5 Divisions: Resource Assessment including research; Technical Services; Fisheries Development; Aquaculture; and Oceanic Fisheries Management Services. Management Services include the Tuna Management Unit which deals with national, regional and international matters, has licensing and enforcement responsibilities, with accountability overseen by a Licensing Committee that recommends on all license applications for oceanic fisheries. Since the internal reform, there is a transparent licensing procedure and the fleet has been rationalised to levels considered to meet sustainability requirements (FFA 2007b). MAFF interacts with the Office of the Solicitor General, Navy, Police, Foreign Affairs and External Trade, and Environment.

**Stakeholder engagement.** According to Barclay and Cartwright (2006) the level of industry participation in governance was higher than for other PICs covered by their study. Fiji's fishery managers were aware of the importance of consultation with industry and had developed the Tuna Management and Development Plan (with FFA and SPC input) with a schedule of consultations with tuna company managers. Women's groups were some of the stakeholders consulted in generating the Plan. Not all players consider they own the plan. Industry-government consultation has been very active in the last few years with a Tuna Association and local associations. Since 2002 industry players have been consulted through meetings more than once a year in order to set up management measures from available options under the legislative framework for the following licensing period. However, one comment (FFA 2007b) considers the ability of lower-level-government fisheries institutions to participate is not developed because they are excluded from institutional planning. Wider institutional strengthening benefits are required to engage these institutions that interact with communities.

## **4.8 Tonga**

In 2006 the Ministry of Fisheries was subsumed as the Department of Fisheries (DoF) into the Ministry of Agriculture and Food, Forestry and Fisheries as part of the Government reform programme. Restructuring of the new Department of Fisheries is on-going, but it will continue to be mandated by the Fisheries Management Act 2002 and Aquaculture Management Act 2003. The Department will continue to provide policy advice and planning, fisheries management, applied research, extension services, compliance and enforcement; less certain are services such as boat repair, market management and ice making (FFA 2007a, b).

***Stakeholder engagement.*** Defence and Police collaborate with Fisheries in compliance and enforcement activities. The Fisheries Management Act (FMA) has strong provisions for the involvement of stakeholders with a particular interest in the fishery being managed. The Fisheries Management Advisory Committee (FMAC) has a broader stakeholder representation but its advisory role is rather poorly defined. The FMA makes it mandatory for the Minister to refer any consideration of the designation of a Coastal Community to the FMAC, likewise any allocation of fishing rights need to be first considered by the FMAC. Interestingly there is no requirement for Fisheries Management Plans or licensing to be considered by the FMAC. Given the name of the FMAC this would appear to be an oversight. Unlike the FMA the Aquaculture Management Act (AMA) requires the Aquaculture Management Plan to be considered by the Aquaculture Advisory Committee (AAC) and to make recommendations to the Minister. The AMA prescribes that two Farmer Association members be appointed to the AAC whereas the FMAC composition specifies the sectorally narrower representation by the Tongan Export Fishing Association (TEFA). TEFA represents the interests of tuna longline fishers, deep bottom fishers and aquarium exporters. The Secretary of Fisheries chairs the national Tuna Management Committee that includes representatives of TEFA, the snapper fishery, Game Fishing Association and a range of government departments and NGO representatives. Fisheries Management Committees have been formed for Tuna and Seaweed Fisheries to monitor the effectiveness of the management plans.

Small scale and artisanal fishers are poorly organised, though the DoF has assisted the establishment of fishers groups in the islands, and coastal communities are beginning to organise Special Management Areas with DoF help.

The Tonga Commercial Fisheries Conference (DoF 2007) was successful in bringing DoF and stakeholders together and allowing an accounting of DoF performance (FFA 2007a, b).

## **4.9 Samoa**

The Ministry of Agriculture, Forestry, Fisheries and Meteorology was recently restructured to the Ministry of Agriculture and Fisheries. The Fisheries Division (under MAFFM) is mandated under the Fisheries Act 1988 to conserve, manage and develop Samoa's fisheries and drives policy in consultation with stakeholders. Some elements of fisheries administration are funded through cost recovery. The Division has partitioned fisheries into two main management systems: village based and commercial. Other

involved agencies are Maritime Police, Foreign Affairs, Office of Attorney General, and Ministry of Natural Resources and Environment.

**Stakeholder engagement.** Stakeholder representation is through the Commercial Fisheries Management Advisory Council that includes the Samoa Fish Exporters Association, other private sector, environment groups and relevant government departments. Associations for artisanal fishers are less active. There are plans for an association to represent Alia (type of long line vessel) fishers. At the community level, many villages have Fisheries Management Committees.

#### **4.10 Vanuatu**

The Department of Fisheries was reformed by the Fisheries Act 55 2004 that required greater stakeholder participation and sustainable resource development. The Department is under the Ministry of Agriculture, Quarantine, Forestry and Fisheries and has four Divisions: Aquaculture and Research; Policy and Finance; Capture and Development; and Compliance. Enforcement is done by the Police Maritime Unit; prosecution by the Department. The government's Comprehensive Reform Program considered an Authority model but the Department model was retained since this would allow rural fishers to be serviced without meeting onerous charges for cost recovery. The reform process cut staff numbers by 50% and introduced full cost recovery for the commercial sector. Non-core functions were divested and extension services moved to a fisheries development program. The Director, rather than the Minister, is empowered under the Act to issue licenses with oversight by a Tuna Management Plan Advisory Committee (TMPAC) that includes government legal and enforcement representatives and private sector for accountability (FFA 2007b).

**Stakeholder engagement.** Besides the TMPAC, there are fishers associations at provincial and island level. These engage with the Department through programs developed at community and provincial level. The Maritime Training College vessel is used by development officers to advise on program implementation.

## **5. EXAMINATION OF STATUTORY AUTHORITY COMPARED TO DEPARTMENTAL MODEL**

In the Pacific region the outcome is important, not the way it is delivered. Either the authority or departmental model may be appropriate (FFA 2007a).

Much has been written and said about the statutory model versus the Departmental model in relation to fisheries resource management. This section provides an overview of the experiences in a number of mostly Australian jurisdictions and to glean the advantages and disadvantages of each approach. The discussion draws mainly upon the review by the West Australian Department of Fisheries (DoFWA 2003).

### **5.1 Design principles in model selection**

New Zealand's State Service Commission employed the following design principles when undertaking machinery of government reviews (cited in DoFWA 2003):

**Effectiveness and efficiency** – organisational design choices should be made to best achieve government’s desired outcomes (that is, effectiveness) and the lowest cost production of outputs (that is, efficiency). In this regard:

- commercial activities should be assigned to organisations with commercial objectives;
- non-commercial activities should be assigned to a commercial organisation only if the net cost of these activities is explicitly funded by the Crown;
- there is a presumption in favour of making contestable the activities of commercial organisations and non-commercial service delivery activities that do involve the exercise of significant statutory powers;
- functions which conflict for constitutional or commercial reasons should be assigned to separate organization. In other cases, the costs and benefits of functional separation should be considered, and a decision to co-locate or separate the functions made on the specifics of each case; and
- where an agency is to be asked to undertake potentially conflicting functions, there is a presumption in favour of the departmental form.

**Risk management** – organisational design choices should be made to best manage the risks posed for government by the activities to be undertaken by a public sector organisation:

- if an activity represents a high level of strategic risk, then the departmental form may be preferred;
- if an activity poses significant risks associated with poor contestability, there is a presumption in favour of the departmental form;
- if the choice between a departmental form and a non-departmental form is not clear cut, there is a presumption in favour of the departmental form.

**Constitutional conventions** – organisational design choices should be made to best protect established constitutional arrangement and conventions:

- where constitutional considerations indicate a need for close Ministerial oversight, or for direct Ministerial responsibility, there is a presumption in favour of the departmental form; and
- if an activity must be, and must be seen to be, undertaken free of political interference, and there are no compelling reasons for close Ministerial oversight, the non-departmental form may be preferred.

*Western Australia review of Departmental versus non-departmental institutional forms*

In June 2001, the Machinery of Government Taskforce reported on a review of Western Australia’s machinery of government. The Taskforce addressed in some detail the structure of the public sector in Western Australia and departmental versus non-departmental institutional forms. General findings showed:

The case for non-departmental models	The case for departmental models
<p><b>Non-departmental institutions</b> (eg. statutory authorities) tend to be favoured when:</p> <ul style="list-style-type: none"> <li>• there is less need (or political pressure) for frequent ministerial involvement because activities must be, and must be seen to be, undertaken independently of Ministers. This may be because the government itself may be bound by decisions or because it is important to signal publicly that an activity is carried out free from political interference;</li> <li>• the government has a more limited purchase interest (because the activities undertaken are not sufficiently risky); or</li> <li>• there are fewer problems in specifying and measuring organisation outputs.</li> </ul>	<p>Departmental status tends to be the preferred option when a high level of Ministerial responsibility is deemed appropriate.</p> <p>The <b>departmental form</b> is better suited to organisations undertaking activities that:</p> <ul style="list-style-type: none"> <li>• are not readily contestable due to problems either in specifying the nature of the outputs required or in assessing performance on the delivery of the outputs, or where it is likely that the outputs required will need to be re-specified frequently;</li> <li>• are “material” because they are of high strategic relevance to government or society, and the risks associated with them would be managed more effectively if the provider were subject to direct and close Ministerial oversight; or</li> <li>• involve the use of significant coercive power (for example, policing or tax collection), so the principle of political accountability requires Ministers to have direct oversight and responsibility.</li> </ul>

The Taskforce therefore recommended that a statutory authority should be established only if its proposed functions could not be performed by a department or it would be inappropriate for them to be performed by a department.

## ***5.2 Country reviews of fisheries statutory and departmental models***

### **Australia**

There has been much institutional reform and institutional strengthening in Australia in the last 15 years. The basis for much of the reform was ecologically sustainable development – the using, conserving and enhancing of the community’s resources to maintain ecological processes and resources. The desired outcomes were:

- Enhancement of individual and community wellbeing and welfare; and
- Intergenerational equity (FFA 2007a).

### **Commonwealth fisheries**

Commonwealth fisheries were managed by the Australian Fisheries Service (AFS), a Division of the Department of Primary Industry and Energy (DPIE). Following a review

of the advantages and disadvantages of alternative models for fisheries administration, in 1989 the Commonwealth released a comprehensive Commonwealth fisheries policy statement which, among other things, addressed in some detail the most appropriate structure for Commonwealth fisheries administration, and established the Australian Fisheries Management Authority – a statutory authority responsible for day-to-day Commonwealth fisheries management. The discussions and ultimate decisions were taken within the context of

- (1) Commonwealth fisheries management having historically being placed within a (broader) Department of Primary Industry and Energy and
- (2) Commonwealth fisheries management being limited largely to commercial fisheries without specific broader responsibilities in relation to recreational fishing, aquaculture and fish habitat protection.

The review reported highlighted a number of difficulties of the AFS being placed within DPIE. Those of particular relevance include:

<b>The case for an Authority model</b>	<b>The case for a Department model</b>
<p><i>Conflicts of purpose</i></p> <ul style="list-style-type: none"> <li>• The responsibilities of the Department in servicing the Government of the day had detracted from the primary function of natural resource management.</li> <li>• Two organisational units were required to achieve the two separate goals – one being a traditional public service arm of the Department and one being either a Bureau or Statutory Authority (but not a Division of the Department) to achieve the one clear goal of fisheries management.</li> </ul>	<ul style="list-style-type: none"> <li>• In a national context, a Department would undertake broader fisheries policy, international negotiations and strategic issues.</li> </ul>
<p><i>Priorities, Practices and Procedures</i></p> <ul style="list-style-type: none"> <li>• The priorities, practices and procedures of the Department often did not coincide with those of AFS and may have adversely affected AFS.</li> <li>• A statutory authority would have responsibility and accountability to achieve a clear and unitary goal</li> </ul>	
<p><i>Accountability</i></p> <ul style="list-style-type: none"> <li>• It was considered that the then Government policies on statutory authorities would result in enhanced accountability.</li> </ul>	
<p><i>Culture</i></p> <ul style="list-style-type: none"> <li>• A stand-alone authority would achieve a culture of commitment to excellence</li> </ul>	

<p>with a single focus on fisheries management.</p> <ul style="list-style-type: none"> <li>• This culture would be the drive to “internalise” the benefits and costs of management within the organisation and result in a more commercially oriented focus.</li> </ul>	
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The review concluded that ‘a statutory authority would have advantages arising from its public accountability requirements, the clear identification of Ministerial and authority responsibilities in the enabling legislation, more opportunity for industry involvement in decision making, and increased pressures for cost efficiency.’ Some risks were also highlighted in relation to ‘duplication and additional levels of bureaucracy resulting from the split of functions between a statutory authority and DPIE....’ (DoFWA 2003).

## Tasmania

### *Marine fisheries*

In 1977 the responsibility for marine fisheries management in Tasmania was transferred from the then Department of Agriculture’s Sea Fisheries Division to a new body – the Tasmanian Fisheries Development Authority.

A review in 1984 recommended on the desirability or otherwise of effecting changes to the administrative structures and procedures, including consideration of reconstituting the present Authority as a Department. The review report also gave consideration to aspects of the Report of the Review of Tasmanian Government Administration (“the Cartland Review”) which dealt with general problems and principles relating to organisation and structure, administration and performance, and relationships involving responsibility and accountability

<b>The case for an Authority model (1977)</b>	<b>The case for a Department model (1984)</b>
<ul style="list-style-type: none"> <li>• Better develop the potential of the sea fishing industry given the over dependence of the industry at that time on established fisheries;</li> <li>• A statutory agency with overall responsibility for the development of Tasmania’s commercial sea fisheries would be the most appropriate organisation to undertake this work considering the specialised nature of the fishing industry.</li> </ul>	<p>Problems with the Authority include:</p> <ul style="list-style-type: none"> <li>• the ambiguous nature of its original structure,</li> <li>• a lack of clear corporate planning and policy formulation</li> <li>• inadequate internal organisation and communication.</li> </ul> <p>A Department is most appropriate for implementing policy and sea fisheries management.</p>

The review concluded that a separate Government Department would be the most appropriate structure for implementing future government policy for the fishing industry and that this should replace the Fisheries Development Authority. The responsibility for

marine fisheries in Tasmania subsequently reverted to a new Department of Sea Fisheries in 1985. A Departmental structure has been retained for sea fisheries management; now the responsibility of the Department of Primary Industries, Water and Environment

*Inland Fisheries*

A review in 1996 of the Inland Fisheries Commission highlighted a number of issues: including the Commission’s inadequate funding base and lack of integration or formal relationships with other natural resource management and environmental agencies.

<b>The case for an Authority model</b>	<b>The case for a Department model</b>
	<p>The Commission had an inadequate funding base, a Department would be funded from consolidated revenue. The lack of financial resources resulted in senior management having to be continually focused on financial viability;</p> <p>The Commission lacked integration or formal relationships with other natural resource management and environmental agencies, resulting in</p> <ul style="list-style-type: none"> <li>• a growing complexity in, and overlap of agency responsibility for, natural resource management;</li> <li>• being left out, bypassed or overridden by larger management agencies;</li> <li>• little sharing of information with other Government agencies; and</li> <li>• limited ability to access specialist resources such as information technology, communications and legal advice (DoFWA 2003).</li> </ul>

Since early 2000, inland fisheries has been the responsibility of the Inland Fisheries Service, a stand alone part of the Department of Primary Industries, Water and Environment, that is, the Service is not part of the Department but reports to the same Minister.

**Western Australia**

Fisheries management in Western Australia has always rested within a Department, although there have been a number of structural changes over the years. Since 1985, fisheries management is done by a stand-alone Department of Fisheries.

In 1994, a review of the fisheries portfolio considered options for the structure of the Department including replacement of the Department by a statutory authority directed by

a representative board. Particular cognisance was taken of the issues of public accountability as espoused by the **Commission on Accountability**.

<b>The case for an Authority model</b>	<b>The case for a Department model</b>
<ul style="list-style-type: none"> <li>• Increased discretion and flexibility for the agency</li> <li>• Stronger partnerships with industry.</li> <li>• Clarity of purpose and a more business-like approach.</li> <li>• Greater accountability.</li> <li>• A more accountable, focused and skilful management of fisheries under the guidance of an expertise based Board.</li> <li>• A stronger and better defined policy framework for fisheries management (which includes conservation values and equitable access to resources) through the separation of Government policy setting from policy implementation.</li> <li>• Greater industry involvement in fisheries at both the management and operational levels and greater incentives for industry to participate as partners in achieving effective and efficient fisheries management.</li> <li>• The establishment of a management culture and operational environment which is responsive to the expectations of industry as a major funder of services.</li> <li>• Smoother transition to full cost recovery and more cost-effective management on behalf of Government</li> </ul>	<ul style="list-style-type: none"> <li>• Retention of Departmental independence from sectional interests</li> <li>• Retention of a direct reporting relationship between the chief executive and the Minister</li> <li>• Ministerial accountability is maintained</li> <li>• The need for Ministerial control and access to information was stressed by the Commission on Accountability.</li> <li>• The strictest level of accountability would stem from an entity which has a departmental structure reporting to the Minister.</li> <li>• The broader public interests and a whole of Government perspective could be brought to all the functions included within the role of a Government agency</li> <li>• Problems associated with the potential transfer of control of fisheries management from the Minister to a Board of Directors and the potential imbalance in power between the broader public interest on the one hand and sectoral interests on the other.</li> <li>• The Fielding Review of the Public Sector Management Act in 1996 stated that <b>statutory authorities</b> “should only be created or retained where there is a clear requirement for independence from government with specified powers to be exercised independently”. The view was that <b>departments</b> are to be preferred because they give more flexibility and greater scope for government direction.</li> <li>• The specific issue in Western Australian fisheries of having to maintain a balance of operations and activities across a diverse stakeholder group (as opposed to the Australian Fisheries Management Authority where</li> </ul>

	<p>the focus is substantially on the management of large commercial fisheries).</p> <ul style="list-style-type: none"> <li>• The need for final accountability to rest with the Minister rather than a transfer of responsibility to a board or public official.</li> </ul>
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The WA Fishing Industry Council’s submission noted risks of a move to a statutory authority if the authority was not given a comprehensive mandate to manage fisheries in the State. The need for the authority to have sufficient scope and responsibility for all major management functions, the appointment of an expertise-based Board, a skilful executive and appropriate supporting legislation was highlighted. Given the potential benefits and risks, a thorough review of the benefits, risks and costs of establishing a statutory authority was required prior to any decision being made to change the current arrangements.

Ultimately, the Departmental model was retained, although the Department was restructured on a program basis coupled with a stronger focus on regionalisation.

### **Queensland**

In May 1999, the Queensland Minister for Primary Industries noted that there was ongoing confusion over who does what when it comes to the responsibilities of the QFMA and the Fisheries Section of QDPI. In May 2000, the Primary Industries Minister announced new arrangements for fisheries management in Queensland, including:

- disbanding the QFMA and QDPI Fisheries from 1 July 2000.
- amalgamating the staff and functions of the QFMA and QDPI Fisheries.
- forming a new, single body for fisheries management in Queensland – the Queensland Fisheries Service.
- appointing a non-statutory “expertise”-based board to advise the Minister and Department on fisheries management.
- creating a direct link between the three areas of management, research and enforcement.

The then head of QDPI Fisheries and QFMA board member, commented: “Fisheries now has a clear mandate to create a new unified organisation that integrates all of our functions that make up good fisheries management and development.”

### **Victoria**

A recent Victorian inquiry into fisheries management reviewed current and past statutory fisheries authorities in Australasia. The committee received a number of submissions providing opinions about the statutory authority model for Victorian Fisheries.

<b>The case for an Authority model</b>	<b>The case against an Authority model</b>
<ul style="list-style-type: none"> <li>• improvement in relationships between</li> </ul>	<ul style="list-style-type: none"> <li>• the need to get an expertise based board</li> </ul>

<p>Government, commercial and recreational fishers and environmental organizations;</p> <ul style="list-style-type: none"> <li>• may lessen lobbying by interest groups of the Minister;</li> <li>• transparency of processes and procedures and accountability to the community;</li> <li>• improved industry focus on development and sustainability issues;</li> <li>• stakeholders encouraged to become more involved in fisheries management;</li> <li>• increased accountability to the various stakeholders, the community and the Parliament; and</li> <li>• improved ability to achieve legislative reform.</li> </ul>	<p>driven without domination by sectoral interests;</p> <ul style="list-style-type: none"> <li>• loss of flexibility by Government in allocation of resources as well as a loss of control of decision making;</li> <li>• possible requirement for a significant capital contribution by Government towards the authority;</li> <li>• possible tax implications for the State;</li> <li>• possible increased cost to industry if the structure is not well designed and mandate clear;</li> <li>• Government may lose contact with its constituency;</li> <li>• accountability and transparency may be reduced;</li> <li>• staffing and industrial impacts;</li> <li>• potential for client capture;</li> <li>• difficulties in dealing with cross-sectoral conflict and balancing competing interests;</li> <li>• inability to reconcile competing demands of various client groups;</li> <li>• little incentive to consider the broader 'public interest'; and</li> <li>• possible research and development issues with respect to priority setting.</li> </ul>
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Ultimately, the Victorian inquiry found, among other things, that:

1. Statutory fisheries management authorities appear to have been most successful where their responsibility is for single-sector fisheries and where there is a clear client group that can be targeted for cost recovery.
2. Statutory fisheries management authorities appear to have been least successful where required to manage State waters subject to multi-sector fisheries and of high value for non-fishing uses.
3. That a single statutory authority not be established to manage Victoria's fisheries.

### **South Australia**

The authority model was reportedly discarded by South Australia on findings that included:

- the government lost control of community assets to the commercial sector; and
- authorities were only concerned with extraction and did not apply the eco-system approach (FFA 2007a).

### Key Points from the Australian experiences

*The Commonwealth experience points to management of Commonwealth fisheries being more efficient and effective if delivered by a statutory authority rather than a division of a larger Government Department. The Department formulates policy.*

*Tasmania has in the past managed both its inland fisheries and sea fisheries through statutory authorities, but has now reverted to Departmental models for both.*

*Past Governments in Western Australia have not supported a statutory model principally given accountability issues.*

*Queensland has recently reverted from a statutory to a Departmental model given issues around lack of clarity on roles and responsibilities, accountability and communication.*

*A recent Victorian inquiry concluded that statutory authorities appear to have been most successful where their responsibility is for single-sector fisheries and where there is a clear client group that can be targeted for cost recovery and least successful where required to manage State waters subject to multi-sector fisheries and of high value for non-fishing uses (DoFWA 2003).*

## **Papua New Guinea**

The Authority model (NFA) was adopted in PNG fisheries as a reformed alternative to an ineffective Department of Fisheries and Marine Resources and to:

- create a more conducive investment climate for the private sector,
- provide financial accountability and autonomy,
- maximise benefits from access, and
- focus on impact areas (ADB 2004).

NFA at establishment was self-funding and self-governing. Before institutional reform and restructuring of the NFA by an Institutional Reform Project funded under an ADB loan in 1998, several technical assistance (TA) capacity-building projects had been implemented, eg, higher fees were secured from the DWFNs, and the concept of fisheries plans had been established. None contributed greatly to improvement of the performance or project implementation capacity of NFA, or of DFMR, its predecessor organization (ADB 2004). At IR project commencement NFA was an overstaffed, inefficient bureaucracy with poor management, low morale, and a reputation for corruption and nepotism. Revenue from licenses was being lost. NFA offices were on four floors of a decrepit building with poor communication among staff (ADB 2004; FFA 2007a). ADB's Country Operations and the Government's Medium-Term Development Strategies emphasised a commitment to downsizing and improving the efficiency of government agencies, economic growth, and promoting greater domestic benefits from exploitation of natural resources, and decentralising commercial activities for the provinces (ADB 2004).

By project completion, NFA had been transformed into a small, focused agency that could concentrate on and perform its core functions with great efficiency and professionalism. NFA occupied new, productive office facilities. Communication among staff was better. A computer local area network facilitated effective information sharing. In financial performance, NFA's annual operating account changed from a net

loss of K2.5 million in 1999 to a surplus of K35 million in 2002. The PNG fishing industry has positively supported the changes (ADB 2004; FFA 2007a).

The institutional reform process introduced a number of new concepts, practices, and systems into NFA, many of which differed radically from PNG public service practices at the time. With the loss of the champion of reform through the political process, some innovations that characterized the reformed NFA slowed but never reverted to levels at the start of reform. So far the systems have been resilient.

#### Key points

*An Authority model was considered most suitable for reform of the predecessor department that was ineffective and unreliable. Because of poor governance, reform did not eventuate despite adopting the Authority model until the Government championed and demanded improvement in governance and the enabling environment.*

*The Authority model was retained in the reform process because of its flexibility and selective independence from public service regulations and control that allowed substantial right sizing and restructure so as to better focus on management of fisheries and facilitate private sector development by greater accountability and transparency.*

## **6. ISSUES FOR GOVERNMENT IN CREATION OF A STATUTORY AUTHORITY**

The following text is taken from DoFWA (2003) in advising the Western Australian government on various models for management of state fisheries. The issues apply to any government considering reform of fisheries.

### **a) Role and Function of a Statutory Authority**

If a fisheries statutory authority is to be established, careful consideration must be given to its role and function and relationships with, for example, the Minister and broader Government policy functions.

Under a fisheries statutory authority model, the authority's level of delegated power over the management and regulation of the State's fisheries could be at any point along a continuum between the pure departmental form and the statutory authority form. For example, the Minister could have various levels of control over matters such as:

- size and composition of the Board including appointments.
- size and detail of the annual budget.
- level of reporting and accountability requirements.
- approval of fisheries management plans.

These powers would be defined in legislation.

The degree of Ministerial direction to the Board would also have to be determined as well as its transparency. Under the AFMA model, for example, all such directions are published in its Annual Report.

Decisions would also have to be made about how areas of disagreement between the Board and the Minister are dealt with. This is of particular importance should the Board have a degree of independent regulation making power.

It has also been common practice in the establishment of fisheries statutory authorities in Australia (eg., AFMA and QFMA) to separate the day-to-day operational role from the broader policy role, although experience in these same jurisdictions point to the lines often being blurred. This relationship would need to be considered as part of the determination of role and function of any fisheries statutory authority.

### **b) Structure of a Statutory Authority**

Section 3 has considered various Authority structures.

The main structural differences between Departments and statutory authorities are:

- **Departments** essentially exist to support a Minister in pursuing Government objectives and delivering services. They are typically responsible for a range of activities, including policy development, coordination, implementation and regulation. Any commercial activities are normally incidental to the Department's primary function.
- There is a direct reporting relationship between the head of the Department and the responsible Minister. Departments are generally responsible to only one Minister, but may provide support or advice to other Ministers.
- Departments usually have minimal financial autonomy and are normally dependent on the Consolidated Fund for their operation and viability. This enables the Government to closely control the priorities of and resources allocated to organisations.
- Often, departments of State are normally characterised by a need or desire for their staff to be employed principally under a public sector management act.

**Statutory authorities** are established by statute and have the following general features:

- Usually constituted as a body corporate.
- Have a responsible Minister (note FSM is an exception).
- Usually have a board of management.
- Have functions and powers defined by its statute.

The fundamental difference is a Department is usually created under a public sector management act, while the Statutory Authority has a specific piece of legislation setting out its functions and powers (DoFWA 2003).

If a statutory authority is to be created and if it is to have a Board, careful consideration must be given to the **structure of the Board**. Options include a representative and/or expertise based structure. The Auditor General (1998 cited in DoFWA 2003) found that governing Boards or committees with members appointed as representatives of external stakeholders are exposed to potential conflicts of interest. Accordingly, the preferred model is for Board membership to be expert based.

AFMA has an expert based Board, established under the Commonwealth Fisheries Administration Act 1991. The Board consists of eight members including a Chairperson, Government Director, Managing Director and five nominated directors. Importantly, no more than two directors can be currently engaged in fishing or fish processing. Directors, other than the Managing Director, are appointed by the Minister. The five nominated directors are recommended by a selection committee established under the Act on the basis of expertise in areas such as natural resource management, the fishing industry, finance, conservation and research. The Board is assisted by a Finance and Audit Committee, a Research Committee and an Environment Committee. Despite an expertise base, there is a need to ensure that mechanisms are in place to ensure that particular interest groups do not dominate the authority.

Boards of fisheries authorities in the Pacific are generally representative based (FFA 2007a, b).

### **c) Enabling legislation and powers**

Any change in the institutional arrangements governing fisheries management generally requires legislation. A number of existing and past legislative models in the Pacific could be used to assist in the framing of appropriate legislation for a statutory authority. Unless given high priority, Pacific experience is that Parliamentary and implementation processes for any new primary legislation (for fisheries or other sectors) are likely to take years (eg, ADB 2003).

### **d) Accountability**

Under a statutory model, the authority would have considerable delegated powers over the management and regulation of national fisheries. Therefore appropriate accountability processes should exist to facilitate public scrutiny of decision-making. The Pacific statutory authorities provide examples of accountability processes.

Accountability measures include:

- Accountability to the Minister (and Parliament). For example, reporting to the Minister, oversight of authority strategies by the Minister, or scrutiny by public audits office;
- Accountability to the Public (and fishing industry sectors) by annual reports and public meetings.

### **e) Funding arrangements**

For many Pacific countries, there are gaps in funding for inshore or inland fisheries since users have little capacity to pay for services or access licenses. Often this is a criterion for retention of the Departmental model (eg, Vanuatu), though PNG NFA for example, applies revenue from oceanic fisheries rents to support services to coastal and inland fishers (FFA 2007b). There are also funding issues around development of the aquaculture sector and fish and fish habitat protection including the creation and management of fish habitat protection areas and marine reserves.

These funding issues will exist under either a Departmental or statutory model. The establishment of an authority will also generate funding requirements in relation to the

establishment of the Board and associated support structures and processes. The funding principles and options under an authority model need careful consideration, particularly in light of the growing fisheries management pressures and a tightening of Government financial support in most Pacific countries.

*Key Point*

*Specific issues for Government in the creation of a Statutory Management Authority include:*

- *determining the role, function and structure of the authority;*
- *determining the role of, and relationship with, the Minister;*
- *legislative arrangements;*
- *Board structure and membership;*
- *funding arrangements; and*
- *accountability processes.* •

## **7. EXPERIENCES AND LESSONS LEARNT FROM INSTITUTIONAL REFORM AND INSTITUTIONAL STRENGTHENING ACTIVITIES IN THE PACIFIC**

### **7.1 General findings**

Marriott (1997) considered institutional reform is best achieved through autonomous or semi-autonomous agencies carrying out the main functions of the fisheries ministry, including fishery management. The ministry should concentrate on policy and development and develop a knowledge based organisation that makes information productive and profitable. The examples of reform and strengthening activities presented below show that this separation of functions does not necessarily hold in the Pacific. For one thing, having an authority and a Ministry or department is beyond resources of smaller island nations.

DFID (2003) experience with organisational development in general (but applicable to fisheries institutions) suggests that with many Government departments the rules of the game will have to be changed for there to be a meaningful shift in the way they fulfill their mandates. This basically means a set of policy shifts and the development and deployment of an integrated range of policy instruments to give this effect.

Institutional development (institutional reform) is a complex process which needs to draw from and build on local realities. The institutional environment is a living, changing one: both the problems and the opportunities to address them can change over time. Institutional development is not a simple linear process. This presents a challenge to the traditional concept of the project cycle with its essentially linear approach of identification, design, appraisal, implementation, monitoring and evaluation. With institutional development, interventions have to be informed by experience and developed as they go along. In addition, institutional development is often long term, requiring a willingness to maintain involvement over a decade or more. It thus lends itself to a process approach where, within agreed overall objectives for institutional

change, outputs and the activities and inputs required to achieve them are defined more clearly as development proceeds. This requires particular attention to monitoring, to provide a framework for adapting interventions to take account of progress and of changing conditions (DFID 2003, FFA 2007a).

Technical interventions that leave unsatisfactory institutions intact will probably achieve nothing. Successful institutional development is very dependent on real commitment from stakeholders, especially those at senior levels. It is usually not worth proceeding if this commitment is not there (DFID 2003, FFA 2007a).

The achievement of broader development objectives may hinge on institutional development. If there is for the moment no prospect of bringing that development about, these objectives will have to be put on hold (DFID 2003).

## **7.2 Key principles underlying Institutional Reform and Organisational Development (Institutional Strengthening)**

**Outcome focus** “What are we trying to do and why?” Change must be driven by a focus on desired outcomes. Often this will be improved service delivery, and/or more equitable access to services.

**Timeframe** “How long should it take?” Changing the “rules of the game (reform)” - familial, communal, social, or collective - takes time. Unrealistic change processes and timeframes will fail. Getting real participation is vital, and especially time-consuming.

**Context** “Where do we start?” Institutional development must start from and be constantly informed by current social, political and cultural realities. This involves understanding different groups’ incentives, whether for change or for retaining the status quo. Changing incentives of powerful groups may be the most effective mechanism of institutional change. The precise entry point will need to take into account the overlapping nature of institutions at different levels (local, national and international).

**Participation** “Who do we work with?” Changing the “rules of the game” will meet opposition from vested interests and from those who do not understand the rationale. Widespread stakeholder participation should develop a shared understanding of what needs to be changed and why, how to bring change about, and acceptance of new “rules”, which need to be widely disseminated and well understood. The process should be inclusive and enabling to ensure long-term sustainability.

**Accountability** “When will we know we have accomplished the task?” There is a need to ensure that the reform process is meeting its objectives. Is institutional change facilitating achievement of desired outcomes? Are poor people getting the intended benefits? Accountability will be heavily dependent on a regular flow of information. Monitoring and evaluation is important (DFID 2003; FFA 2007a).

## **7.3 Marshall Islands experience**

Government systems in the Republic of Marshall Islands (RMI) at independence were ineffective. In 1988 there was a whole of government effort to restructure administrative agencies under an ADB loan.

Before undertaking reform, the Marshall Islands Marine Resources Authority (MIMRA) with assistance from external consultants, looked at where the opportunities were and what was the Marshall Islands' comparative advantage. MIMRA recognised that RMI did not have a significant fishery but RMI was centrally located to productive fishing zones. There was good anchorage, wharfing and significant fuel storage facilities. The decision was taken to develop the service function, rather than a fisheries function for the Marshall Islands. There was a whole of government approach to fisheries sector reform and to creating an enabling environment. Legislation was reviewed and revised, incentives were provided to local fishers to develop a purse seine fleet (that later failed), fuel taxes were reduced (now reinstated), and entry procedures for foreign crew were streamlined after risks assessed. This led to increased sales of fuel that are a major contributor to GDP, increased revenue from visiting crews, and greater airline capacity for export and passengers. RMI now services much of the Pacific fleets and improved economic conditions led to investment in a loining plant by private sector (FFA 2007a; FFA 2007b).

Usual implementation processes were conducted: legislative review and revision; development of corporate and strategic plans after intensive analysis of options; organisational restructure of MIMRA with reduction in staff numbers compensated for by capacity development of remaining staff. MIMRA has a continuing HRD program and includes 10 graduates on staff. Staff numbers have since increased from 20 to 50 to accommodate development aspirations, and will increase further. MIMRA assists capacity development of local government to provide extension services.

ADB rated the technical assistance to MIMRA a success (FFA 2007b).

The Marshall Islands is now developing a domestic fleet to counter increasing demand for access from other nations. A clam hatchery is in the process of being privatised.

#### *Lesson learned*

- Comprehensive analysis of country context and examination of comparative advantage allowed formulation of a successful development strategy that was closely followed.
- A quality lead adviser contributed greatly to the success of the restructure, and the advisory team was effective.
- There was whole of government support for institutional reform and development. Stakeholders were mobilised by a campaign of information and awareness raising, a regulatory framework and economic or financial initiatives that provided an enabling environment for industry investment and institutional reform. The sector reform was accompanied by support and capacity development of MIMRA. The improved MIMRA was able to attract better people on its staff.
- Revenues increased and economic development was facilitated through changes to the enabling environment that favoured investment and development of transshipment facilities.

- Disadvantages of the reform process were mainly social. The influx of foreign fishing crews led to an increase in prostitution and the incidence of STDs that had to be mitigated by awareness and health programs (FFA 2007a, b).

#### **7.4 Federated States of Micronesia**

Change in the FSM fisheries authority since independence was a consequence of a large public sector reform program. The former Micronesian Fisheries Authority was restructured as the National Ocean Resource Management Authority (NORMA). NORMA was reviewed under an ADB Technical Assistance but few of the recommendations have been implemented. Those that were implemented were done without external assistance. NORMA has only 10 staff and given the new responsibilities under WCPFC and other agreements there is need for a review of functions since a staff increase is unlikely. Current positions need to be audited and responsibilities re-aligned (FFA 2007b).

#### **7.5 Papua New Guinea**

PNG had a large fishery and a large Authority (National Fisheries Authority) that was dysfunctional and returned little in license fees to the government. The policy and governance environment discouraged investment and these were issues also for the Madang cannery. A reforming PNG Government initiated reform in the sector and in NFA (through an ADB loan in 1998) so as to improve policy and the environment for investment. A master plan was developed for PNG fisheries that covered all resources including the least exploited. The plan has been revisited and further developed (FFA 2007a).

NFA reform involved restructuring and retrenchment of staff, improvement to the working environment, review of legislation and development of a new Act, and capacity development. The powers of the Minister were diluted, particularly for issuing licenses. These powers passed to the Board. A Licensing Committee appraises applications. Prior to reform the NFA had a staff establishment of 330 of which 220 were filled; this was cut to 40 through retrenchment, and has since increased to 94 (FFA 2007a, b). New headquarters and improved terms and conditions for personnel lifted morale and work attitudes (FFA 2007a, b).

NFA's focus became the commercial marine fisheries. Research functions were dropped and extension services were cut to a small Provincial Liaison Unit to advise and assist provinces manage coastal and inland fisheries and develop capacity. Provinces provide extension services, observers and enforcement under an MOU. Aquaculture research is to recommence in NFA with the commissioning of a new research facility (FFA 2007b).

Industry representatives considered the NFA administrative reforms had a positive influence on tuna business development in that policies became more transparent and therefore reliable. For example, the introduction of transparent licensing procedures encouraged their investment. Gillett (2003 cited in Barclay and Cartwright 2006) also found that improved fisheries governance in PNG over this period was one of the factors causing the growth in domestic tuna industries.

Change in government by political process weakened the reform environment. Barclay and Cartwright (2006) mention that some managers from tuna industries cited corruption as one of the constraints on development of their industry. Decline in governance since 2002 added to uncertainty about costs and reliability of government services, uncertainty about resource sustainability and distorted the domestication policy that saw such dramatic improvements in the GDP generated from PNG's tuna resources from the mid 1990s to 2002. NFA's governance problems included:

- Licenses came to be approved 'in principle' without going through the recently established transparent NFA licensing procedure;
- Politicians pressured NFA to issue licenses for foreign purse seine vessels in contravention of NFA's rationale for licensing taking into consideration regional efforts to limit purse seine effort;
- The NFA Board, which governed the operations of NFA, including license approvals, and was supposed to be a safeguard for governance reforms, was 'dysfunctional' by the end of 2003;
- The stakeholder meetings that had helped keep NFA in tune with various stakeholder perceptions as well as disseminate information from NFA became infrequent and irregular; and
- Concerns about fisheries governance at the most senior level of the NFA and cabinet led the major donor in the sector, the ADB, to withhold funds in 2003 and 2004 (Barclay and Cartwright 2006).

Nevertheless, fisheries administration at the national level in PNG was still much better resourced and organized than in some other PICs. The National Tuna Management Plan has been used extensively as a guide to tuna industries development and management, and revised and amended to suit changing opportunities and conditions.

#### *Lessons learned*

- The reform was considered successful. It was rapid, with the bulk of changes occurring in the first 12 months before vested interests could slow or disrupt change. Project implementation was flexible (FFA 2007a).
- Institutional strengthening is a process, and should be reinforced periodically.
- The most important factor in the **implementation of reform** was high-level political support, but it is difficult to secure. This type of backing was extremely valuable, and probably protected the Project from the interferences and obstructions that face other projects (FFA 2007a, b).
- Support from politicians and senior government officials continued because the reform program communicated options that informed decision makers. Sister agencies (especially central agencies) needed to be supportive of reform and were involved and informed through interagency working groups (FFA 2007a).
- The reform could progress because funds were available to pay for the retrenchment program. Incorporation of funds to cover retrenchment costs is crucial in the successful implementation of institutional strengthening (ADB 2003).
- Improved working conditions helped retain a competent nucleus of staff and attract quality people. Changing the structure and funding mechanisms of the department meant the department could offer better pay incentives and provide adequate

equipment (such as computers) for employees, both of which boosted fisheries administration greatly (FFA 2007a, b).

- The ability for NFA staff to access external advisers and mentors was important (FFA 2007a, b).
- Changes have endured with some petering off due to political processes rather than lack of capacity within NFA (FFA 2007a, b).
- One factor contributing to the weakened governance may have been a lack of consistency in leadership over a period of major change. Since the late 1990s the NFA had no less than seven different managing directors, each with a distinct management style that altered the way the organization functioned. There was a need to develop and maintain a consistently strong senior management team within NFA to ensure stability and well-developed policies for sustainable management and development of the fisheries sector (Barclay and Cartwright 2006).
- Some of the managing directors were non-nationals and were effective in sustaining positive reform and organizational change when political and other processes were less favourable. Imported executives should not be discriminated against if equivalent local leadership and managerial capacity is not available (FFA 2007a). Ideally, non-nationals should develop local capacity to succeed them.
- Administrative improvements in one sector may be limited if governance as a whole remains problematic. Improved profitability in the fisheries sector and NFA's revenue raising capacity unfortunately meant that political interference became visible in tuna fisheries soon after the change of government in 2002.

From ADB (2003) comes the following evaluation of experiences and lessons on **implementation of the PNG fisheries development project**. Positive changes at NFA involved numerous delays because of unexpected obstacles and changes of course and made the restructuring of NFA a far larger job than anticipated in the final project design. Issues were:

(i) **Politics.** A change in the PNG government just as the Project began. The minister for fisheries changed twice, and the MD of NFA, three times in the following 6 months. Although all individuals involved supported the Project, their differing views, priorities, and management styles made project implementation challenging in the first few months, and led to changes in focus of some project activities.

(ii) **Organizational status.** Changing the status of NFA from a government department to the autonomous, self-financing organization envisaged in the project design was administratively complex. Change in NFA status required the approval or agreement of several government departments, including the Department of Personnel Management (DPM), Department of Treasury, Department of Finance, Office of the Attorney General, Salaries and Conditions Monitoring Committee, and Central Agencies Coordinating Committee. Before securing such approval, it was necessary to demonstrate that NFA had in place satisfactory internal systems of financial control, personnel management, and a budget management procedure. Development of those conditions took time. None of the main agencies wanted to be first to agree to the change. As a result, although the project design envisaged NFA autonomy by about mid-2000 autonomy was not achieved until early 2002.

(iii) **Retrenchment.** The new organizational structure proposed a staff of 65, down from 220, which was sufficient to undertake the tasks identified. The loan included funds for retrenchment, so the retrenching of existing staff and then recruiting or rehiring to fill the 65 new positions should have been straightforward. But delays were significant, mainly because of DPM's apparent inability or unwillingness to reconcile the retrenchment entitlements of NFA staff, to communicate this information to NFA, and to arrange financial compensation for retrenched staff.

(iv) **Financial management.** The Project discovered that NFA's financial affairs were in a confused state only after engagement of the expatriate senior adviser. Expenditures were made with little or no formal procurement procedures or record-keeping. The accounts had not been reconciled for years. NFA's financial disorder offered many opportunities for unauthorised and fraudulent use of funds. The Project found it necessary to commission a forensic audit of NFA's financial management system before being able to rectify its deficiencies.

Key points of Pacific fisheries authority models

*Of the four PICs with fisheries statutory authorities discussed in this report, two (FSM and RMI) had the Authority model at independence and two (PNG and Nauru) subsequently adopted it as a reform measure to improve agency effectiveness. All have representative members of various kinds on the Board rather than an expert-based Board, possibly because of lack of expert capacity in country.*

*The FSM NORMA is the one Authority solely focused on management and conservation of commercial oceanic fisheries; the other authorities have a much wider fisheries management mandate under the relevant Acts, similar to the rationale for the departmental model. They provide non-core services, support other service providers or outsource to deliver their mandate. MIMRA and NFMRA have commercial arms.*

*The PNG NFA is the only authority with financial autonomy, able to fund its budget and set staff terms and conditions of employment. The other authorities have ceded all or part of financial autonomy and have budgets allocated by Government because of fiscal constraints in the economy that require fisheries revenues to be allocated according to government priorities. They now adopt public sector management regulations for staff and financial management, though they retain the right to hire and fire.*

*Early PNG NFA experience indicates the need for careful crafting of legislation to ensure accountability of the Authority to Parliament and stakeholders, whatever the level of Ministerial or Board control. This does not protect the Authority if governance as a whole becomes a problem.*

*MIMRA and NFA have had externally supported institutional reform and strengthening projects since becoming authorities; with recognised improvement in strategic management and economic development. All four authorities have either provided training opportunities for staff development or had short term capability development from various providers.*

*PNG experience shows that unforeseen externalities affect implementation of institutional reform. These externalities include political change, coordinating and reaching agreement with central agencies for autonomy in financial and personnel management, and timely release of funds.*

*PNG is best placed in terms of human capital to meet treaty and WCPFC obligations.  
Capacity development is seen as a need by the other authorities.*

## **7.6 Vanuatu**

Reform within the Department of Fisheries (in 1997) was part of the larger government Comprehensive Reform Program. The organisation was restructured, staff numbers were reduced from 45 to 30 positions, with a further 50% cut in 1999 through redundancy, non-core functions were dropped, subsidies to rural fishers were stopped, stakeholder engagement was increased and their participation in development of the fisheries sector introduced. Performance based management was introduced. Extension services were reformed from facilitating fishing to fisheries development working with provincial programs, and fisheries development officers were put on higher pay (FFA 2007b).

The new Act allowed foreign flagged vessels to operate alongside the domestic commercial fishery of joint venture local and foreign interests. Formulation of the Tuna Management Plan led to changes in policy and organisation (by setting up a tuna management unit) that resulted in improved performance and benefits from the Vanuatu flag fleet and from licensing vessels.

Since the reform, departmental effectiveness has improved, revenue and investment by private sector has increased. Revenue flows to government; the Department's budget is usually constrained but has increased significantly, budgeting is based on programs and allocations can vary accordingly, rather than a lump sum allocation as in the past. Current staff numbers have increased to 52 and can be justified from new initiatives following increased revenues. Officers receive increased pay while still under Public Service rules (FFA 2007a, b).

### *Lessons learned*

- Reform and restructure was driven as part of a wider whole of government reform and therefore had government and Ministerial support.
- Department of Fisheries leadership was committed to the reform process.
- The departmental model was retained rather than adopting an authority model. Services to communities were to be continued and could be done better with a departmental model. Under an authority model rural fishers would be charged for services as a cost recovery measure but their ability to pay, and therefore access to services, would have been low.
- Restructure and right-sizing was possible because funds were available to pay out redundant staff.
- The enabling environment for investment was improved. Legislation was reviewed, and together with strategic policy and institutional development, offshore fisheries activity expanded and revenues increased.

## **7.7 Fiji**

Change in the Fiji Department of Fisheries is undertaken through an in-house reform program that commenced with preparation of a Tuna Management Plan in 2002 (Aldous 2002) and is continuing and involves structural change and capacity development. The

Department contracts trainers or uses FFA and SPC facilities on an ad hoc basis as needs are identified or arise. Management of Fiji's offshore fisheries has gone through a process of institutional and policy reform and strengthening. A major change was a more transparent licensing process.

An Authority model was considered but rejected. With a national fisheries authority the whole of license fees would be managed by the authority instead of going into consolidated revenue. It would thus be important to have systems in place to ensure transparency and accountability. In addition, revisions to the Fisheries Act and the Marine Spaces Act would be needed to enable the creation of a Fiji National Fisheries Authority (Government of Fiji 2002 cited in Barclay and Cartwright 2006).

#### *Lessons learned*

- Change in an institution can be more easily managed in-house if the change is incremental or gradual.
- Ministerial and other government agency support facilitate Fisheries' reform and strengthening activities and are as important for gradual change as a transitional or radical change strategy.

## **7.8 Cook Islands**

The Cook Islands Marine Resources Institutional Strengthening Project is a consequence of a national public sector reform and right-sizing program supported by the IMF. The Project purpose is mainly capacity building; it does not have a strong reform agenda (FFA, 2007a, b). The Cook Islands Public Service introduced a Planning Action and Reporting Cycle (PARC) to assist ministries to prepare business plans, annual plans, budgets, and to report on the implementation of programs and activities. The Project is supported by New Zealand.

#### *Lessons learned*

Experiences and lessons of the ISP from a donor perspective are summarised in section 7.11. Some lessons are common to donor and partner perspectives.

- A long lead time from commencement of scoping to implementation required flexibility by partners to update and vary the design.
- The ISP has an initial three year term with a review built in but absorptive capacity within the MMR is being challenged in the current time frame.
- There was a need to consider country context and take into account cultural processes, eg., community based resource management was excluded from the new Act since traditional management would continue.
- Introduction of reforms such as performance based management and measurement is hindered if tangible rewards are not part of the process or are withheld by central agencies.
- The presence of a Project within the Ministry caused other capacity development providers to consider charging for technical assistance previously given without cost.
- Industry capacity development is part of the larger sector approach by the ISP (FFA 2007a, b).

## 7.9 Tonga

The Tonga Fisheries Project (TFP) commenced January 2002 to assist the Ministry of Fisheries (MoF, now the Department of Fisheries, DoF) develop capacity for sustainable management and development of marine resources. It had a four-year duration, was extended one year and has one component further extended to 2008. TFP had its progress and effectiveness affected by a number of unforeseen externalities:

- Temporary withdrawal of some donor funds that required deferment of the community fisheries development activity and subsequent need to extend the Project to ensure a level of sustainability in community based coastal fisheries resource management within the Department and in the pilot communities (FFA 2007a, b);
- Interrupted leadership in the then Ministry of Fisheries. There were three Secretaries in the time of the Project and intervening periods without a Secretary were as long as one year. This was at a time when the Government of Tonga was initiating a whole of government reform program and strong leadership was needed to drive the reforms within the Ministry against opposing voices and to maximise the advantage of an ongoing institutional strengthening project that could assist in introducing and institutionalizing the reforms. Certain reforms such as performance based management have yet to be institutionalised (FFA 2007b);
- There was also weak implementation of the reform program by government. Objectives were never clearly communicated to public service workers leading to confusion and resistance to change. The extended Public Sector strike that resulted affected progress of the Tonga Fisheries Project from loss of counterparts and Ministry operating funds that were diverted to pay increased salaries. This required the Project to fund some Ministry operations that were Project priorities (FFA 2007b);
- The recent restructuring that subsumed the Ministry to a Department resulted in a 30% loss of staffs through voluntary redundancy and consequent loss of capacity that had been developed with Project help. Compliance capability was worst affected. The Ministry has moved to multi-skilling of remaining staff until replacements are recruited. The voluntary redundancy programme went through a prolonged gestation period and as a result was very disruptive to the functioning of the Ministry due to a high degree of uncertainty and a normal depression in morale to such gross changes (FFA 2007a, b).
- The slow progress through government processes in passing legislative changes and new subordinate legislation was a real problem to the implementation of many needed reforms including fees to support DoF activities (FFA 2007b).

Despite setbacks in the project's operating environment, capacity in MoF was developed at institutional level; some will now have to be rebuilt because of staff losses from redundancy. A major project achievement is the assistance to MoF in introducing community based resource management. The new DoF provides an opportunity for the Project to assist the establishment of a smaller more targeted fisheries agency (FFA 2007b).

### *Lessons learned*

- Change in the external environment (delayed funds, missing counterparts, prolonged absences of Secretaries and leadership, a weakly implemented government reform program, a prolonged public sector strike) affected efficiency and effectiveness of implementation. These problems were managed by flexibility on the part of government, agency, donor and contractor.
- The comment was made that some decision makers in government saw the whole of government reforms as a threat to their positions or agenda and actively hindered the process. Contrast this with the supportive reform environment in PNG that allowed the NFA institutional reform process to proceed rapidly before any opposition was organised (FFA 2007a).
- Strong supportive leadership is critical for change.
- Capacity building at both individual and organisational level takes many years.
- Reinforcement of learning is essential for all aspects of capacity building.
- Unavailability of some senior counterparts on extended leave or overseas training reduced effectiveness of adviser inputs. This was inadequately addressed at project inception.
- Tongan fisheries officials are given considerable access to training funded by donors. This often results in long term absences for training that may not always be directly relevant to a person's job or career. Training courses should be directly relevant to a person's job and be able to be applied to have any real value.
- Major public sector changes will, if prolonged, affect the work of a project even when capacity building efforts appear to have been institutionalised.
- Projects can provide some stability during a period of lack of leadership or immense change but there are risks for the project. Project staff and advisers have to tread a fine line between providing a source of guidance, consistent high-quality policy advice and proactive engagement in emerging issues, and at the same time avoid becoming regarded as taking over the functions and responsibilities of senior counterparts in the partner agency. It is important that the project and its advisers are not seen to be doing the work of counterparts.
- Informal, ongoing coaching and encouragement by advisers was effective in building capacity and progressing organisational changes.
- The development of capacity for community-based management of coastal resources requires sustained support and can take a very long time, particularly in communities where traditional associations and community responsibilities for management measures for local marine areas have been lost or are attenuated. For the TFP this was compounded by the need to develop NGOs as service providers to supplement the limited number of MoF field staff and operational resources.
- Incentives play a key role in encouraging the adoption of community based approaches (eg. fish aggregating devices, ice making facilities, Special Initiative Funds for small community and business projects) (FFA 2007a, b).

Not all stakeholders were pleased with the restructure of the Ministry to a Department of Fisheries. According to industry, Tonga's tuna industry now has potentially less representation due to Tonga's MoF becoming a department in a 'super' agency. Industry expressed concern at the amalgamation of the former MoF into a new Ministry of Agriculture & Food, Forest and Fisheries. Government had thereby downgraded the

importance of the sector and compounded the problem of getting an efficient and responsive fisheries administration in Tonga. Industry commented that the current state of the industry indicated an urgent need for greater accountability and action, not less, and asked that the government give serious consideration to the establishment of a Fisheries Authority with governance through a Board with strong stakeholder representation. This had been the successful approach adopted in PNG and other countries where their fishing industries were stagnating through maladministration (DOF 2007).

## **7.10 Samoa**

Fisheries administration is a Division within the Ministry of Agriculture and Fisheries (MAF, formerly Ministry of Agriculture, Forests, Fisheries and Meteorology, MAFFM). The Fisheries Division has had two ISP activities in the last decade: the Samoa Fisheries Project from 1999 to 2002 and the MAFFM (now MAF) Institutional Strengthening Project (2001-2005). As well, staff of the Division was involved in biosecurity/ border control/ export quality training under the Samoa Quarantine Improvement Project (2001-2004).

The MAFFM ISP was carried out in the context of a wider whole of government reform programme that involved ISPs in most government Ministries. The Departments of Forests and of Meteorology were not transferred to the Ministry of Natural Resources, Environment and Meteorology until the MAFFM ISP had been completed. The transfer was part of the general restructuring of the public service.

The **Fisheries Project** key outputs were the establishment of well managed, efficient and productive fisheries in both the commercial and subsistence (village) sectors. A well-resourced and goal-orientated Fisheries Division was an integral part of achieving these aims.

### *Lessons learned (Fishery Project)*

- The key to the significant development and management of the tuna fishery that occurred was the involvement of fishery industry stakeholders. This was achieved by the formation of a Commercial Fisheries Management Advisory Committee (CF-MAC). CFMAC meetings continue to be held regularly. Economic benefits (mostly from industry initiatives rather than the project) were substantial but have varied over the years.
- At project end, the Community-Based Fisheries Management (CBFM) programme included 64 villages with Village Fisheries Management Plans; of these, 52 had community owned Fish Reserves (Marine Protected Areas). CBFM has proved sustainable and has provided environmental, financial and social benefits in many participating communities.
- High levels of stakeholder and community involvement should be included in the design of all projects involving the exploitation and management of natural resources. Regardless of legislation or enforcement, the responsible management of marine resources will be achieved only when fishing communities and fishers themselves accept it as their responsibility rather than that of the government. Community and

fishing industry involvement and eventual ownership of fisheries management actions and regulations have resulted in higher levels of compliance and sustainability.

- A corollary to the above is that it is unreasonable to expect communities of subsistence fishers to adopt conservation measures, which will (in the short term) reduce present catches of seafood even further, without offering alternatives. Any measures taken by communities (or governments) to reduce the use of destructive fishing methods, set minimum size limits on fish, and declare no fishing areas, will cause immediate reductions in fish catches before the situation improves.
- Alternative sources of seafood for rural communities engaging in conservation actions can include the development of village-level aquaculture and the targeting of under-exploited species beyond the reefs. A programme of community-based fisheries management which excludes the promotion of such alternative sources of seafood is likely to fail.
- Extension services require considerable operating funds to be effective service providers. Funds may not always be available (FFA 2007b).

The **MAFFM ISP** worked with all divisions. Its contribution to the Fisheries Division (and other divisions) was in the areas of leadership, strategic management, administration, policy and planning, outputs and outcomes work planning and performance measurement, and involvement of stakeholders in planning (though Fisheries was already ahead in this area from the earlier project). The Fisheries Act was revised by Fisheries and stakeholders. Financial systems, budgets and personnel management had uniform and interrelated systems throughout the Ministry. Capacity of senior and middle management was built in these areas. Most importantly, it integrated senior management so that divisional planning and resource allocations followed the objectives of the Samoa Development Strategy by adhering to the MAFFM Corporate Plan and MAFFM Strategic Plan.

The Division of Fisheries consultations indicated that the changes introduced by the ISP have made MAFFM more efficient and effective, a view supported by stakeholder analysis and an independent project completion review. However, Fisheries would have liked to have had capacity developed further in technical areas, and is seeking such assistance. FFA and SPC have provided training or capability in certain areas, but the needs that Samoa fisheries outlined to GEF-OFMP coordinators are still relevant. A full ISP follow-up is unlikely to be required, but selective capacity development mainly in technical skills is a need expressed by Fisheries (FFA 2007b).

#### Key points of reformed or strengthened Pacific departmental models

*Reform and restructuring in the Pacific fisheries departments reported in this section came about in various ways:*

- *Tonga, Samoa and the Cook Islands fisheries administrations had externally supported interventions by donor grants;*
- *Samoa, Cook Islands and Vanuatu fisheries administrations change interventions were part of a larger government reform and rightsizing program; the Government of Tonga commenced a whole of government reform program during the term of the Ministry of Fisheries ISP; the Tonga Ministry of Fisheries has*

*recently merged with other economic ministries as a department in a super ministry.*

- *Fiji's Department of Fisheries had internally driven gradual change that is continuing.*

*The authority model was considered by most administrations but the departmental models were retained (though restructured) in all cases to better deliver their mandate to service and manage subsistence, artisanal and semi-commercial coastal and inland fisheries as well as the commercial sector.*

*There has been rationalization of services towards core functions in strengthened and restructured departments to varying degrees, depending on availability of alternative service providers.*

*Co-management of fisheries resources is an accepted strategy for all fishers and fisheries; cost recovery is applied to varying degree by departments, and usually according to ability to pay. Regardless of administrative model, increased stakeholder input into management and development of fisheries is a prime consideration.*

## **7.11 Some Donor Perspectives**

### **DFID experience with Institutional Reform (DFID 2004)**

The DFID experience of institutional reform covers a range of activities in its rural livelihoods programme, and projects often had a poverty alleviation agenda. A number of activities involved fisheries administrations.

In general, the more autonomous the organisation, the easier it is to reform. The most difficult organisation in which to initiate significant reform is a government department because so many of its rules are set at a higher level and cannot be changed unilaterally. The semi-autonomous agency/institute has relatively more freedom. The autonomous public sector organisation (eg university) has a great degree of self government. A self-governing body (eg NGO) has greatest degree of organisational autonomy.

*Key lesson for 'better practice'*

- *Aligning a project with an apex international organisation and engaging as a national consultant an influential and highly respected 'champion' to promote new institutional values and concepts within national organisations (eg Ministry of Fisheries) which is supported by a concurrent communications strategy integrated into the programme represents the best opportunity to ensure sustained institutional reform and organisational change using the project approach. This must be linked to a higher level public service reform process.*

*Lessons learnt*

- *The above better practice lesson is unique to an organisation such as a national research institute that has obvious links with other national or international research institute(s) and may not be relevant for wider institutional reform of other government sectors. This type of link strengthens the potential to reform by having access to an institutional reservoir of knowledge and experience.*

- The appraised projects endorsed the well known fact that decades of development through projects principally concerned with infrastructure development and capacity building (mostly formal training) cannot be transformed into vehicles of change to the 'rules of the game' without support at higher levels of government and macro level policy reformation.
- Incremental change has its value and has delivered benefits, but if more substantial institutional change is required then the transitional change approach is appropriate.
- High level exposure is important by setting communications as a project output and integral part of project activities, but it does not necessarily lead to sustained macro level policy reform.
- More thought has to be given to the means of communicating findings to policy makers, eg, very short 2 page briefs in local language aimed at busy decision makers. High level policy makers normally have an informal advisory group and it is important to create linkages to them.
- It is advantageous to engage strategic research and development institutions for specific guidance on influencing policy processes in primary theme areas. The role of these institutions and how best they might be supported to bring about change needs to be part of the design process.
- Given the sensitive issues surrounding questions of national sovereignty it is essential to be clear by what is meant by 'policy influence'. Policy analysis, communicating the findings of this analysis and encouraging policy dialogue may all be legitimate objectives of a project, but a requirement to sway national policy formulation is not. This is related to openness with the strategic planning agenda.
- Opportunities may suddenly open for initiatives to be adopted (a policy window). Such windows occur due to changes in the political stream but can close quickly. It is crucial that a project (i) can identify such a policy window and (ii) have ideas and proposals in place to solve the problem well in advance of the window's opening. Projects and programmes must have inbuilt flexibility to respond to these windows.
- Although the validity of many policy narratives is questionable, they persist because they simplify complex development processes, and thus often form the basis of policy decisions. Projects should all have good stories to tell. Good strategic communication of these stories is essential.
- Policy networks can be useful to participants to build alliances, share discourses and construct consensual knowledge from which policy change advocates can work. Care must be taken to engage a wide range of stakeholders, encourage more openness in the dialogue process, provide easy exit routes for participants and establish early an institutional home for a network or forum if sustainability is intended.

#### *Way Forward (applying the lessons)*

- If projects located within government departments are to be effective in bringing about institutional reform and organisational change then a national level committee headed by the Minister should be established as a minimum requirement to provide guidelines for strategic reform and reorganization, eg, a National Fisheries Committee headed by Minister of Fisheries. For projects that have a policy and strategy development agenda clear links must be made to this committee and the key role of a 'champion' is to build links between the two.

- Internal policy analysis units within government departments must be established to implement National Committee directives for policy change and institutional reform. These units may draw on the best of internal staff, national policy think tank units and top grade external implants. Greater involvement of strategy research and development institutes may supplement the activities of these units.
- New and novel ways of working at the departmental level must be sought. Projects or defined program elements operating at the department level can only be effective if critical elements are in place, eg, government ownership of the process, donor coordination, capacity enhanced, institutional accountability and a clear coherent strategic plan endorsed by all major stakeholders. For example projects coordinated through multi-donor and government liaison located at the department level could function as a program element supporting an integrated macro level reforming initiative.
- If a more holistic approach were to be taken, whether through programmes, SWAP (sector wide approach) or the IDP (integrated development programmes) this should lead to more attention being given to the processes that have made the greatest differences over the past 25 years: (a) improvements in the regulatory environment (b) access to inputs, equipment and credit for beneficiaries and (c) improved functioning of the market system.
- The reform agenda can only be driven by key individuals that understand the need for reform, articulate a strategic vision and are able to implement the reform process. The intellectual capital building process is essential at all key levels of public administration linked to the creation of new positions for institutional and human resource development specialists.
- Empowerment of grass roots organisations and local government for community development through a decentralisation process should start with small incremental changes to ensure the capacity building process for skills, knowledge, attitudes and resources maintains pace with change and expectations of outcomes.
- Gearing up for organisational development and institutional reform takes time. The best short to mid term project approach is through a program of empowering clients or the poor to demand better services but this must be structured around activities that raise returns to labour.
- A radical overhaul of monitoring systems must complement the institutional reform and organisational development process. A more standardized and uniform process and participatory monitoring approach would generate improved feedback on stakeholder outcomes and can become empowering for beneficiaries rather than extractive.
- Interagency collaboration improves service delivery but this needs to have ways to develop win-win or pull relationships rather than push ones cemented with money.
- Donors need to integrate their funding cycles and policy priorities to provide the necessary momentum for change, optimise policy window opportunities and coordinate programs across the wider policy stakeholder matrix targeting all tiers of government.
- Although support to local government should be a focus, the benefits delivered to the poor will only be sustained if their natural resources are effectively sustained and managed. In a country where inland and marine resources are facing threats, the

oversight roles of coordination, planning, monitoring, regulation, research and management cannot be addressed piecemeal through the patchwork of local government. There are differing institutional roles to be allocated and support provided (especially through strategic planning mechanisms) must be carefully targeted vertically and horizontally across the sector and minimize capacity imbalances within institutional frameworks.

## **NZAID support for Institutional Strengthening**

The New Zealand International Aid and Development Agency (NZAID) has not funded institutional reform programs but may assist in associated activities at partner request. Reform programs are big and complex and need to be led by national forces. A donor cannot demand change in say, the legislative framework. Institutional reform has to face vested interests in the status quo.

Institutional strengthening activities are being supported in the Cook Islands and the Solomon Islands fisheries administrations. Earlier interventions in fisheries by the Agency were based on ad hoc technical assistance that was evaluated as only partly successful for fisheries management. NZAID is now moving to the project form of assistance using managing contractors to implement the ISP. The preference on effectiveness grounds is for the recipient government to implement projects where capacity exists.

Emerging issues and lessons learned from the Cook Islands Ministry of Marine Resources Strengthening Project and the Solomon Islands Fisheries Strengthening Project include:

- The Pacific context is challenging and realistic objectives and a long term commitment are necessary.
- Customary systems and legal systems should interact. Where a customary system provides the community with better representation, even if less democratic, then the legal system should not over-ride it.
- A tendency to drift from the ISP model to the TA model is noted: (i) there is a problem with advisers becoming in-line when in country. This develops relationships but hinders capacity development. The ISP should support the partner to have local capacity in place; and (ii) the Cook Island IS Project provides opportunities for training and engagement with Environment and Health agencies but this extends the Project mandate.
- Twinning arrangements with a sister agency in New Zealand are being considered as a means of sustaining institutional strengthening achievements and capacity development after project completion. Twinning is new to the Cook Islands and will need to be owned and driven by the partner agency, not NZAID or the NZ twinning partner. It is expected that NZAID will contribute to the in-country support of advisers in a twinning arrangement, avoiding having MMR or DoFMR allocate scarce funds for adviser maintenance.
- Capacity development through a twinning arrangement needs to be carefully structured to ensure that it is appropriate to the Cook Islands or Solomon Islands

context, and that technologies, procedures and processes are not simply imported from the partner country.

- The NZ Ministry of Fisheries is providing technical expertise to the managing contractor for MMR ISP. There were early problems regarding the communication on rationale for advisers and scheduling of advisers.
- Short term advisory inputs deliver capability building and long term inputs capacity development. There is a need to distinguish between the two. Short term advisers are useful for maintaining or providing carry-on capacity.
- Training of trainers is appropriate if there is capacity and willingness to act as trainers. Often people within an organisation are focused on their core activity. The alternative is a local training provider if required skills are available.
- The Solomon Islands country context has external drivers of change (RAMSI) as well as local champions, and it is necessary to assess what interventions are feasible and have a chance of success and what to avoid. The Department of Fisheries has weak capability and capacity with some sections without staff; recurrent funding for human resource development is an issue.
- There are already indications that the Solomon Island ISP has contributed to an increase in license revenues. The external partner (ISP) may raise the perception of transparency that had been weakened by earlier events.
- A project presence may result in lost development opportunities. The Solomon Island Ministry of Agriculture, Forests and Fisheries has strengthened ability to coordinate and source funds from donors, but the DoFMR can miss out on funds for development activities because of the NZAID presence. The perception in the Ministry is that DoFMR has resources from NZAID.
- There is competition for counterparts from other donors and regional bodies that affects ISP implementation and needs to be managed.
- Experience is that strengthening of fisheries associations is generally unsuccessful when demand driven; it needs to be top down. Associations in many developing countries have not yet developed a strong voice.
- In areas such as compliance and enforcement stakeholders need to be aware of regulations and systems if they are to be implemented.
- Civil society is a key factor in creating demand for good governance by an institution and they should be developed as part of the ISP strategy. Commercial operators have a different program.
- NGOs with mature social programs are being encouraged to work with recipient agencies as service providers.
- Monitoring and evaluation (M&E) systems based on the partner agency should be simple and flexible if they are to be useful to agency staff. M&E is generally donor driven or from senior management and works against a demand driven process.

Important determinants of a successful and sustainable ISP activity are considered to be:

- Proper analysis during design. This includes a full appreciation of the institutional context in which the institution operates. An ISP will fail if there is no enabling environment. Analysis needs to consider what makes the system work to achieve outcomes;
- Participatory planning in formulating the intervention strategy;

- Strong executive leadership and strong heads of sections to support the leadership and introduced change; and
- Succession planning and multi-skilling of lesser skilled people is required in Pacific departments because of high staff turnover and absences for training or attendance at fora (FFA 2007a, b).

*Key points on experiences with fisheries institutional models in the Pacific*

*Any model can be satisfactory. Considerations are national priorities in fisheries, funding and how best to resource the institution.*

*Pacific fisheries statutory authorities and fisheries departments cover a continuum in terms of governance, functions, fisheries managed, structure and stakeholders. The distinction between an Authority and a Department in Pacific fisheries is often blurred since there is similarity and overlap in stakeholders and service delivery. In a number of authorities there is no longer autonomy of financial and personnel resources that was a feature of the Authority model. In some departments with performance based management remuneration may be above the public service scale. In some PICs the institutions extend to state or province fisheries administration. Both models service these institutions to varying degrees.*

*An Authority model in the Pacific Island context provides greater flexibility and may facilitate securing funds, decision making, focusing on core business and accessing services. Conversely, examples show that the Authority model can lose financial autonomy, and lose its focus on core business in attempting to service multiple stakeholders and government development priorities.*

*Scale and complexities of governance arrangements will differ according to the model selected.*

*Management mode can vary. Organisations may be structured according to functions (resource management, compliance etc) or to fisheries (oceanic, coastal etc) or elements of each. Where one fishery is involved, a functional management mode is suited. Management mode may be determined by priorities or mandate set when developing strategic and corporate plans.*

*Institutions should include all fisheries in their mandate. If capacity is limited, the focus should be on the fisheries with highest economic returns (or social return if that is the priority).*

*Core functions for either model should include compliance and enforcement based on ESD principles, policy and planning, research and monitoring capability. Access to legal expertise is required and an industry development section for assessing viability of and facilitating new initiatives is desirable.*

*Service delivery can be done by private sector including NGOs if capacity exists in country. The determinant for whether services are delivered by public or private sector should be cost effectiveness (FFA 2007a, b).*

*Accountability is a major consideration:*

- *The relevant Act setting up the institution should delegate power for effective decision making and include engagement of stakeholders in decision making on fisheries management and development.*
- *The regulatory framework should consider which entity should have the power to issue licenses. A public register of license holders is recommended.*

- *Regional and national norms for transparency and providing information are necessary, eg, annual reports.*

*Good institutional reform requires good legislation. Some desired characteristics of good legislation are:*

- *Should be based on ESD principles;*
- *Must identify consultative structures and processes to support co-management;*
- *Must provide a strong framework for issues of or refusal of licenses;*
- *Must provide prescribed penalties;*
- *Must provide for flexible delegation of fisheries management arrangements;*
- *Must provide power to enter into institutional arrangements.*

*Drafting good legislation does not necessarily resolve problems; legislation and regulations have to be implemented. The need is to get all sector institutions to implement regulations.*

*Projects or defined program elements operating at the authority or department level can only be effective if critical elements are in place, eg, government ownership of the process, donor coordination, capacity enhanced, institutional accountability and a clear coherent strategic plan endorsed by all major stakeholders.*

## **CONCLUSIONS**

### *Rationale for institutional reform or strengthening*

Fisheries administrations have been reformed or strengthened to meet international obligations and the need for more effective and efficient fisheries that return greater revenue. In the last decade, the obligations in moving from development and production to management and conservation have required more resources for monitoring, analysis and stakeholder involvement.

PNG NFA was targeted by the government for reform. Reform of MIMRA and the Marshall Island's fisheries sector involved a major alteration to national fisheries strategic direction as the sector moved to a service function for foreign flags. Most other reform and strengthening activities reviewed were to improve management and administration of resources on a sustainable basis and to increase revenue. The Vanuatu and Cook Islands Departments' strengthening was part of a whole-of-government reform process. Tonga MoF strengthening activities were donor funded on a bilateral basis, though Tonga was later caught up in a whole of government reform process.

There is continuing interest in institutional reform or strengthening in Pacific fisheries as countries face up to management and conservation priorities under treaty obligations such as WCPFC membership.

### *Authority or Ministry/Department?*

The review indicates that there is no preferred model in the Pacific region. Any model can be satisfactory. Considerations in model choice are national priorities in fisheries, funding and how best to resource the institution. Model choice should best achieve government's desired outcomes (effectiveness) at lowest cost of outputs (efficiency) to best manage risks posed for government by the activities to be undertaken by a public

sector organisation (risk management) and to best protect established constitutional arrangements and conventions.

Departments give more flexibility and greater scope for government direction; authorities increase discretion and flexibility for the agency.

Experience indicates that statutory authorities appear to have been most successful where their responsibility is for single-sector fisheries and where there is a clear client group that can be targeted for cost recovery and least successful where required to manage waters subject to multi-sector fisheries and of high value for non-fishing uses.

Commercial fisheries are therefore suited to management through an authority. The federal systems of Australia and the FSM have a national authority responsible for commercial and oceanic fisheries, respectively, and state departments managing various fisheries under arrangement with the central authority. PNG NFA has a commercial fisheries focus but is expanding its management or oversight of other fisheries and provincial fisheries, and re-entering research; areas all covered by its mandate. RMI's MIMRA and Nauru's NFMRA manage all fisheries. The mandates of NFA, MIMRA and NFMRA are similar in scope to those of fisheries departments of other PICs.

It could be concluded that a statutory authority should be established only if its proposed functions could not be performed by a department or it would be inappropriate for them to be performed by a department. In this case, fisheries administrations in the Pacific could all adopt the Department model. Many of the stated advantages of authorities such as greater independence and flexibility, stronger stakeholder input into decision making and ownership, and greater accountability can be achieved under a department model with appropriate enabling legislation, as shown for Vanuatu. Only one PIC authority reviewed, PNG's NFA, has managed to retain its autonomy, the others because of government fiscal issues have reverted to public sector arrangements for financial and personnel management, and in that respect operate as a department. Board representation is often dominated by government representatives, and in one case is chaired by the Minister, with reduction in independence and flexibility.

In most Pacific countries fisheries administrations are responsible to a range of stakeholders for management and conservation of all fisheries. Unless countries have a separate department for policy and coordination (or else have state/provincial departments responsible for inshore and inland fisheries), Authorities in the Pacific will, and do, necessarily manage all fisheries and thus lose the focus on one fishery that is one of their stated attributes.

The rightsizing/downsizing in personnel and focus on core business that accompanied reform of a number of administrations has weakened under pressures to widen the scope to better fulfill mandates and service clients, or else to meet treaty obligations. PNG NFA and Vanuatu Fisheries Department have increased staff numbers since rightsizing to meet new demands.

*Approaches to institutional change*

Specific issues for Government in the creation of a statutory management authority include:

- determining the role, function and structure of the authority;
- determining the role of, and relationship with, the Minister;
- legislative arrangements;
- Board structure and membership;
- funding arrangements; and
- accountability processes.

The legislation establishing an Authority provides the mandate for the institution. If the scope encompasses all fisheries within the EEZ, then the Authority will necessarily perform as a Department/Ministry. If the Board is representative rather than expert based, then the Authority can be biased by the sector interest on the Board or by government agendas. While an Authority generally has financial autonomy, this is rare in the Pacific as fisheries revenues are necessarily applied to national priorities because of fiscal constraints in government.

Significant rightsizing or downsizing such as done by NFA and Vanuatu Department of Fisheries requires funds for redundancy payouts. Most governments will need to rely on loans or grants to achieve efficient administrations through this approach.

Whether authority or ministry/department, engagement of stakeholders in planning and conservation is increasingly important to gain compliance and cost efficiencies. New or revised legislation should include the stakeholder aspect of management.

To merge or demerge? The Pacific experience varies with country context. PNG and Nauru's fisheries authorities were stand alone departments before reform to an authority model; now the Cook Islands MMR is the only stand alone ministry or department among the smaller PICs. Australian states' experience is for reversion from Authority to fisheries department, and if a stand alone department then generally to merge with other economic or natural resources departments, whereas at the national level the authority model persists, though policy is formulated through a department. The rationale for changes to the institutional models is presented in this review report and condenses to what model is considered most appropriate for the functions required and context. The most recent institutional change among the PICs is the merging of Tonga's Ministry of Fisheries into a department within a larger natural resources ministry. The response of commercial stakeholders to MoF's merger was that the sector had lost representation and weakened ability to influence decision makers, and that an authority model should have been considered. Government rationale for merger is usually on grounds of efficiency in administration and facilitation of integrated management of natural resources.

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