



The PNA Vessel Day Scheme

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Presentation Outline



- Introduction – (Les)
- Background to PNA– (Sangaa)
- PNA Purse Seine Vessel Day Scheme
 - Objectives
 - TAE
 - PAEs
- Vessel day prices and revenues– (Les)
- Issues

Introduction: Reporting on the VDS



- *“Fees from fishing licences are delivering stronger than expected revenues in the smallest Pacific countries, according to the Asian Development Bank's latest Pacific Economic Monitor. It is the second year in a row that Kiribati, Marshall Islands, Nauru and Tuvalu have done better than they expected and it is all a result of the Vessel Day Scheme put in place by the 8 tropical tuna countries that are Parties to the Nauru Agreement”*
- *“arguably the largest and most complex fishery arrangement ever to be put in place”*
- *“there is equally great concern that the PNA does not have the political will necessary to make the VDS effective as a management tool for the WCPFC tuna fishery” (2010)*
- *“PNA’s ‘vessel day scheme’ is proving to be a masterstroke”*
- *“PNA nations, for example, drove the price demands in the treaty talks with the US that saw the US agree last year to triple access payment from \$21 million to \$63 million annually.”*



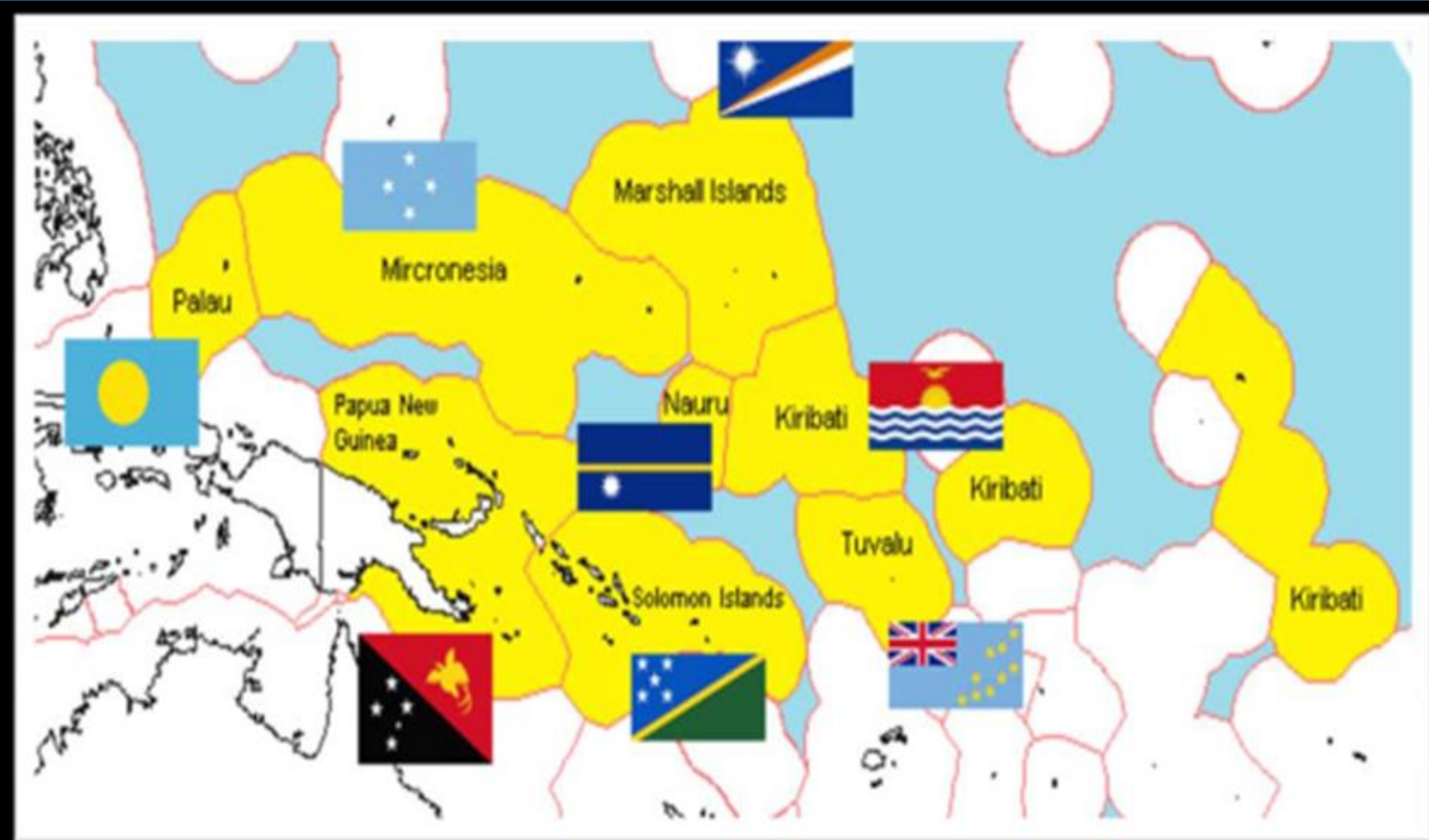
- *“Since 2007, the value of a fishing day has increased dramatically. the rate of return on licensing fees has increased on average from 5-6% of catch value to 8–13%.”*
- *“EU –Pacific relations over VDS remain tense”*
- *“he told the EU at the WCPFC meeting in Cairns that if they did not want to recognize PNA’s Vessel Day Scheme, they should pack up and leave the Pacific”*
- *“Some zones in the region are extremely close to being fished out in terms of days and others are approaching this rapidly. The price of days has been increasingly dramatically, ... rising to as much as USD8000 but even close to 10,000 being now demanded by some PNA countries” (2 weeks ago, on the recent tuna price recovery)*
- *“Pacific island nations ratcheted up the fees they charge tuna fishing boats to enter their waters by a hefty 33 per cent Friday as they accused foreign fleets of not doing enough to conserve stocks. This would increase annual revenue to \$354 million ” (3 days ago – vessel day price rise from \$6,000 to \$8,000)*

Background on PNA



Parties to the Nauru Agreement

– FSM, Kiribati, Marshall Is., Nauru, Palau, PNG, Solomon Is., Tuvalu



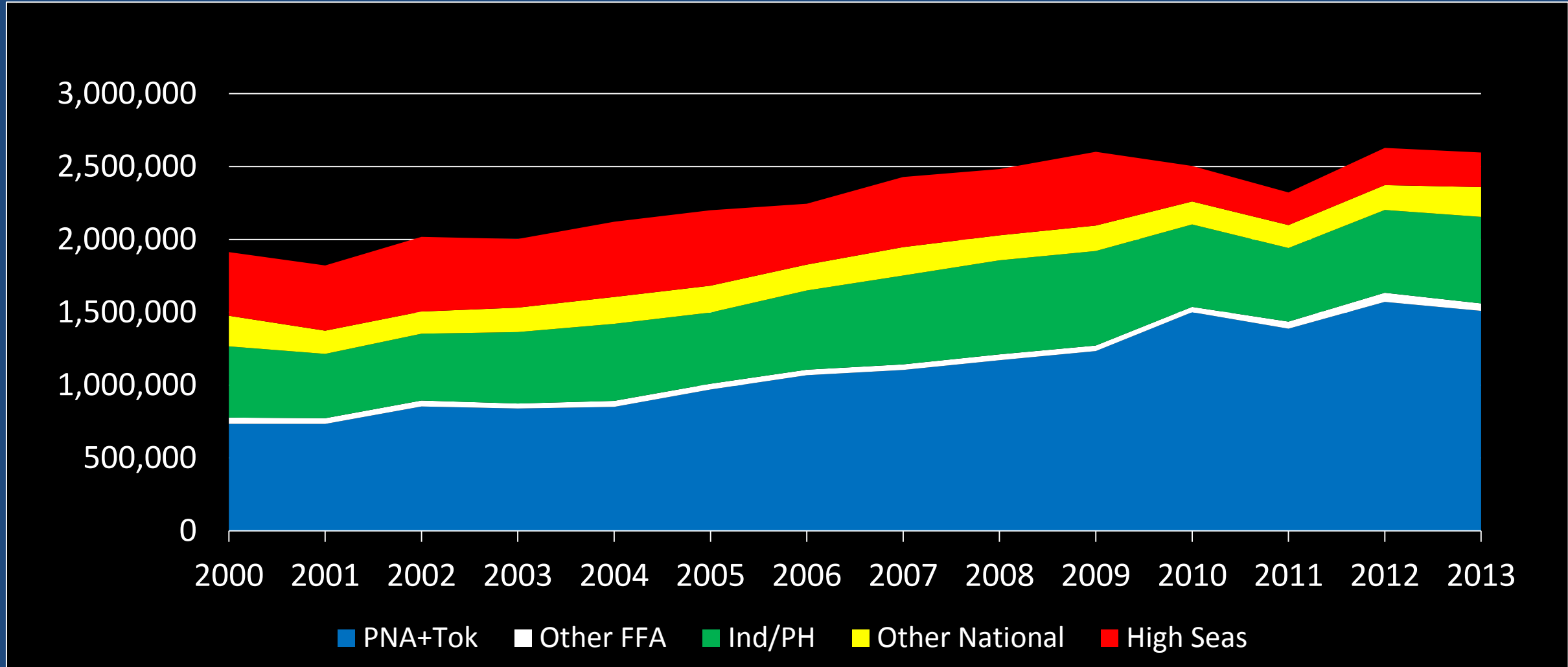
– PNA Office based in Majuro, Marshall Islands since 2010

➤ Focus- implementation of the VDS

– Major purse seine fishing: 1.4 million tonnes catch

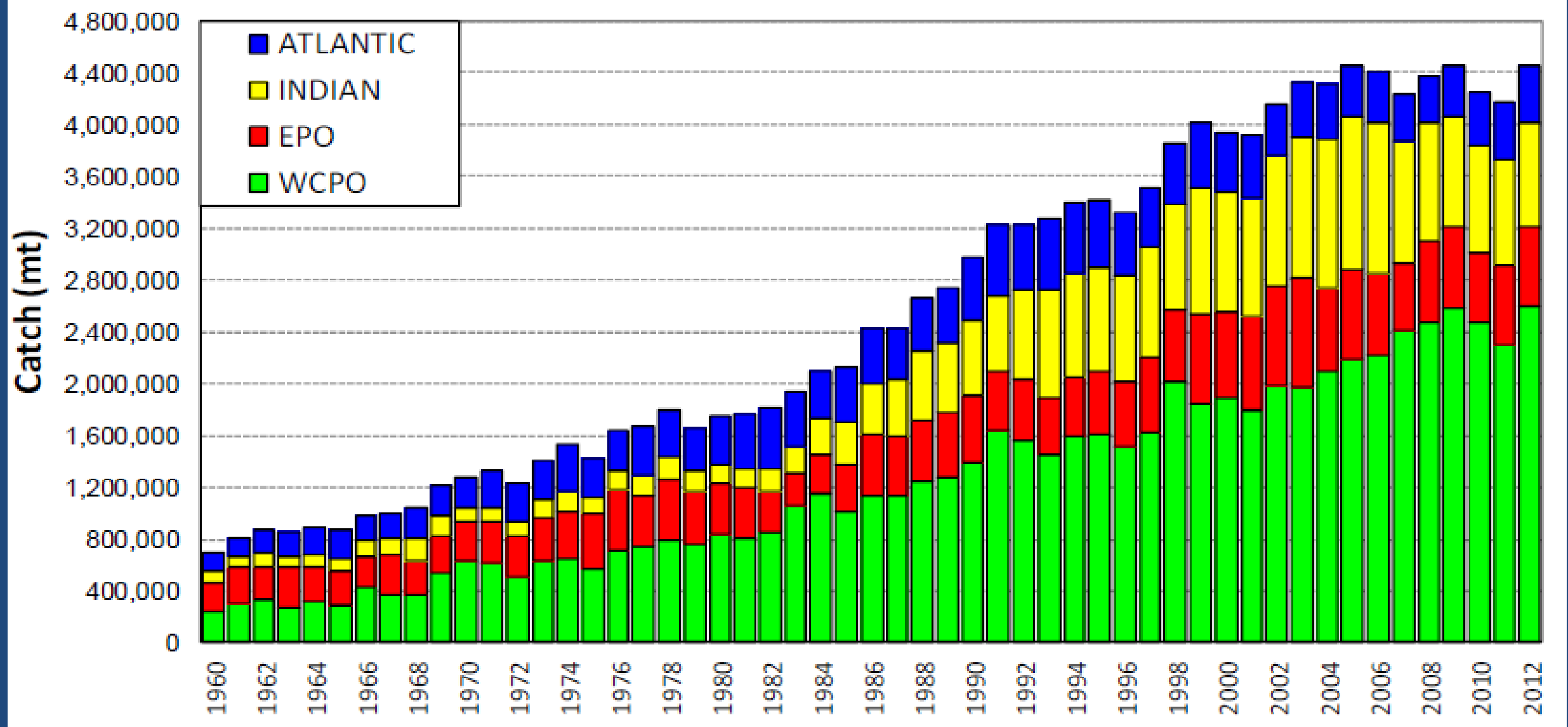


PNA Catch of 1.4 million tonnes = 58% of WCPO Tuna Catch
50%+ of global tuna supplies for canning



Global Tuna Catches

WCPO: 2.6 million tonnes (58%)



The PNA Vessel Day Scheme



Objectives:

- To conserve tuna resources
- To make access scarce and valuable
- To increase revenue
- To create and increase domestic opportunities and benefit in the tuna fishery

The PNA Vessel Day Scheme?

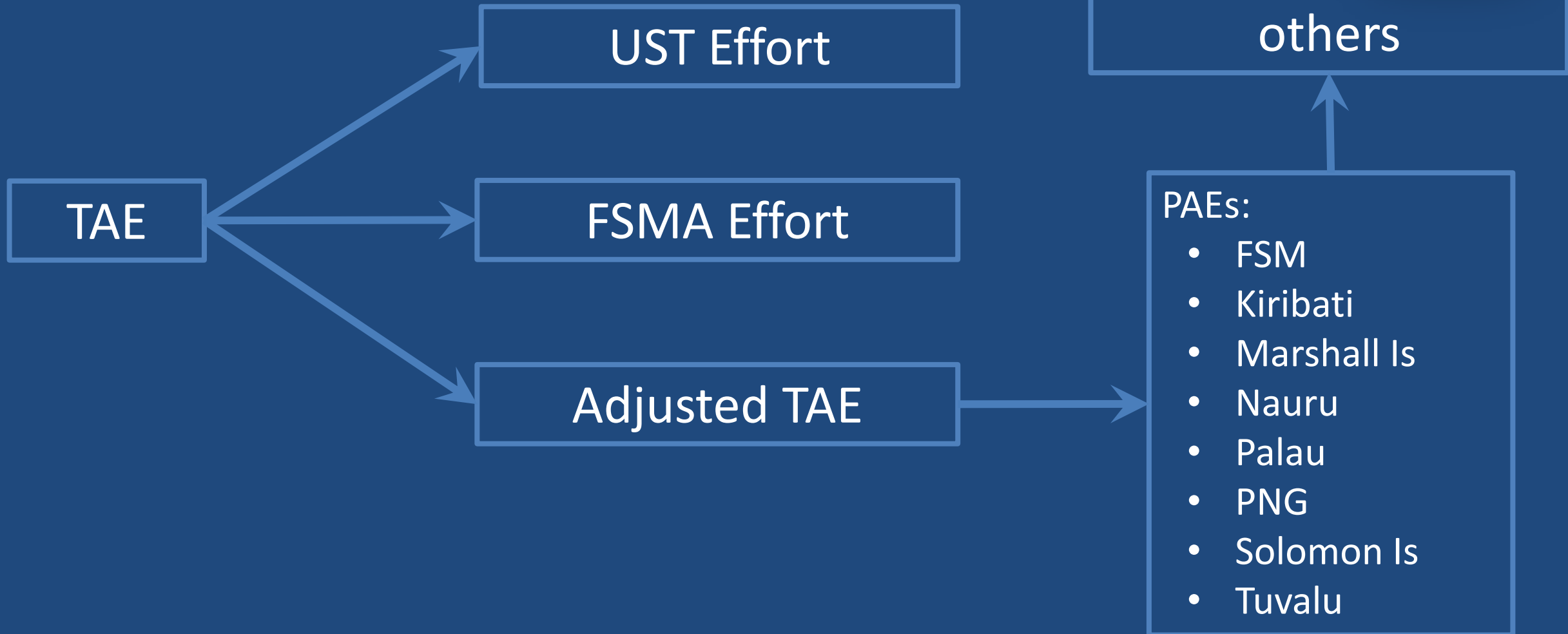


- System of tradable fishing effort (days) allocated to the 8 Parties
- Limit on total effort (the TAE) ~ 45,000 days
- The TAE is allocated to Parties based on zonal biomass and historical effort as PAEs (Party Allowable Effort)
- Fishing days are sold to fleets for fishing in each EEZ
- Minimum benchmark price for VDS days sold to foreign vessels
- Fishing days monitored by satellite based Vessel Monitoring System (VMS)
- VMS monitoring is supported by observers on board all vessels
- Parties monitor/manage their PAEs by a Fisheries Info Management System (FIMS)
- Days are tradable between Parties
- Scheme costs are financed by levies on vessels



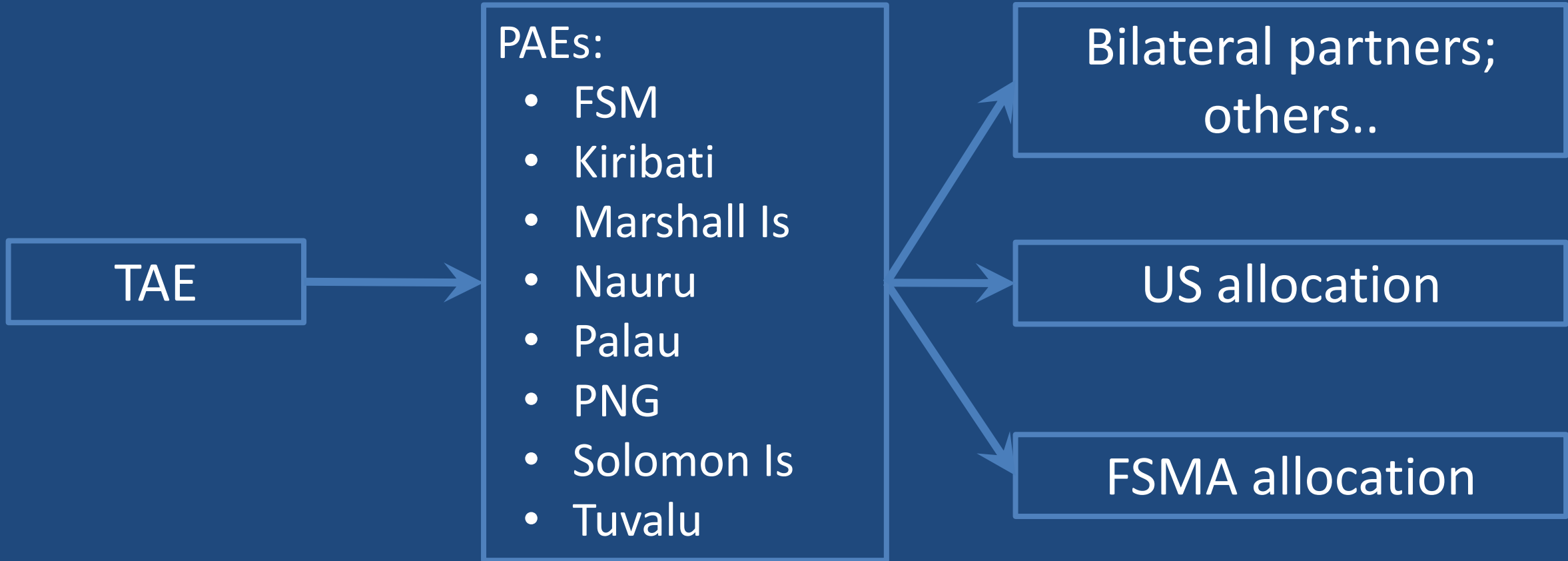
- Applies to PS vessels in EEZs, not archipelagic waters (PNG, SI)
- A fleet of around 280 vessels
- Covers a catch of over 1 million tonnes with a value of around \$3 billion
- Tokelau also participates in the VDS

TAE and PAEs

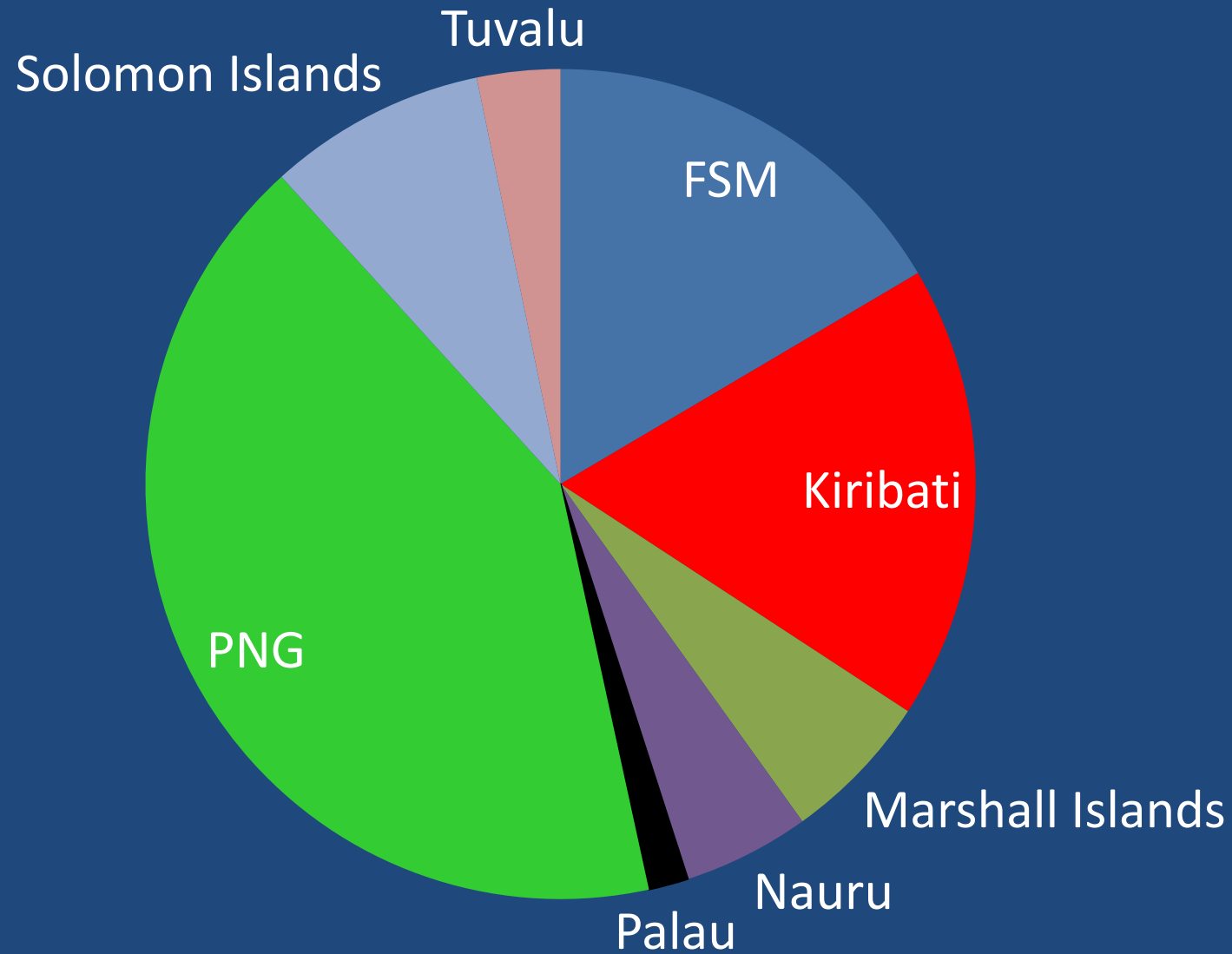




Future TAE & PAEs



Party Allowable Efforts (PAEs)

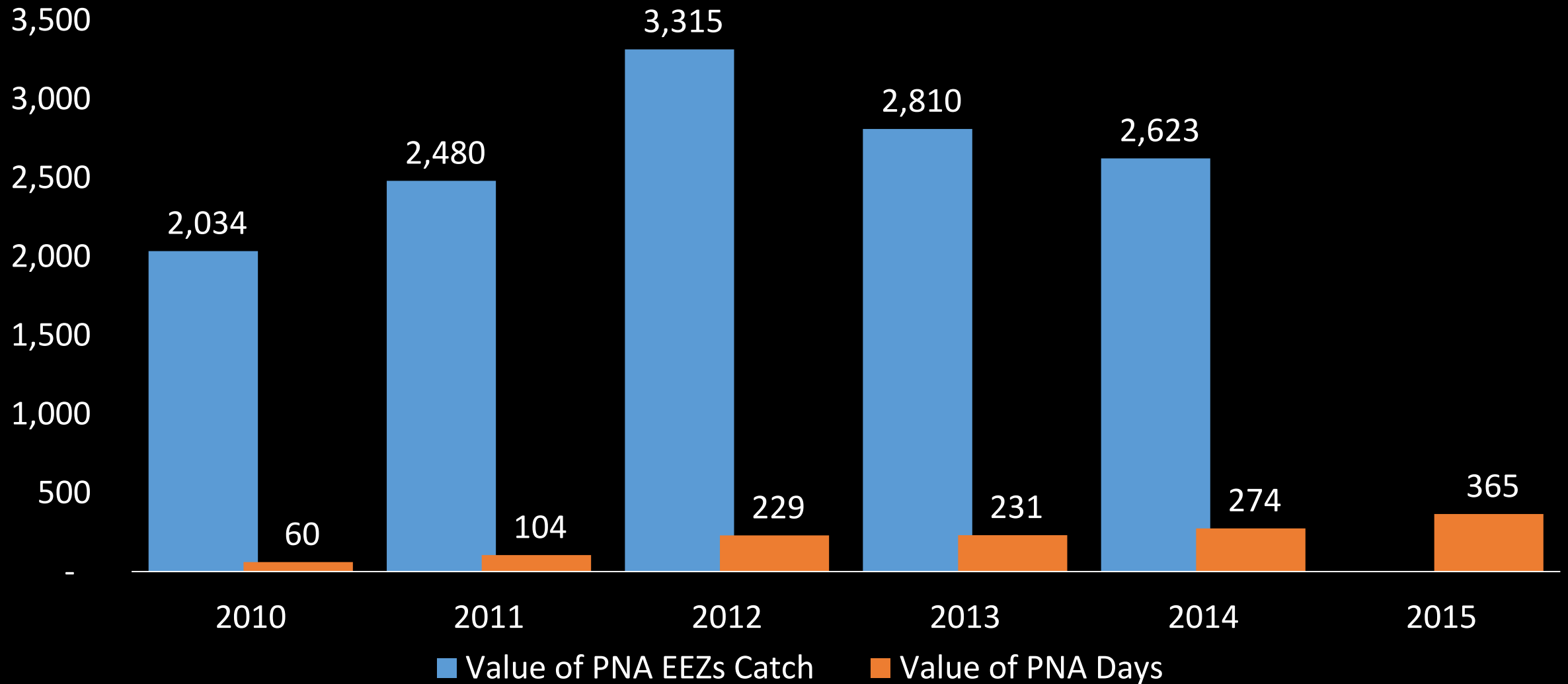


Vessel Day Prices and Revenue



- \$1,200 - \$2,500 from 2008 to 2011
- \$5,000/day minimum benchmark for foreign vessels from 2012
- \$6,000/day benchmark in 2014, with bilateral sales at \$7,000 and traded days sold at \$8,000 to \$10,000
- Set at \$8,000/day from 2015
- annual US Treaty fee \$21m to June 2013 now increased to \$63m until December 2014
- PNA fisheries revenues being reported as more than doubling with additional increases coming
- Revenue \$60m 2010, \$200m+ 2013-2014, maybe \$300-350m in 2015

Value of the PNA Purse Seine Fishery (US\$m per annum)



Issues



- The need for more competitive processes – tendering/auctioning
- Dealing with increasing vessel fishing power
- Country-driven exercise in self-reliance - supported by FFA and SPC, little direct donor support
- The sub-regional element
- The PNA Office – (why) did PNA have to set up outside the existing regional organizational structure?
- Sharpened fees/domestic development trade-off
- Why did it take so long?
- Contradiction of substantial bodies of technical advice
- Policy incoherence
- Sustainability