

Asia-Pacific: Phoenix Islands

Reverse Fishing in the Phoenix Islands, Kiribati

Dr. Greg Stone, Vice President for Global Marine Programs, New England Aquarium
Peter Shelley, Esq., Vice President, Conservation Law Foundation
Dr. Eduard Niesten, Conservation Economics Program Director, Conservation International
Tukabu Teroroko, Director, Phoenix Islands Protected Area Office

Abstract

The Phoenix Islands Protected Area (PIPA) is a unique conservation partnership between the Republic of Kiribati and two non-governmental organizations, the New England Aquarium (NEAq) and Conservation International (CI). Initially, the New England Aquarium led the scientific surveys of the Phoenix Islands and formed the conservation relationship with key Kiribati officials. NEAq is now helping coordinate the implementation team, fundraising, and the future research agenda for the project. Conservation International, directly through regional staff and indirectly through an implementation grant from CI's Global Conservation Fund, has been instrumental in coordinating and staffing the implementation stages of the project and supporting World Heritage recognition of the site. The core mechanism underlying the PIPA is a unique "reverse fishing license" financing program by which Kiribati will be reimbursed for the amount that they would have otherwise received from selling fishing licenses to foreign fishing operations in the PIPA. A statutory trust will be created under Kiribati law to hold the trust funds and to distribute funds from the trust to pay for the "reverse fishing license," the terms of which will be established under a conservation contract between Kiribati and the PIPA Trust. The trust will be administered to ensure the long-term sustainability of this remarkable place.¹

Project Overview

Agreement Mechanism

The Phoenix Islands and the surrounding 200-mile Kiribati Exclusive Economic Zone (EEZ) are sovereign territory of the Republic of Kiribati. The Phoenix Islands Protected Area (PIPA), which comprises most of this area in the central Pacific Ocean, will be managed pursuant to the terms of a conservation contract executed between Kiribati and a new statutory trust organization, the PIPA Trust, created under Kiribati law as a non-for-profit corporation. The "conservation contract" with the government will define the management obligations and performance metrics to ensure the long-term protection of the terrestrial, coral, and oceanic natural resources as well as any cultural resources within the PIPA. The conservation contract has been referred to as a "reverse fishing license" by the Kiribati officials, because the government will be reimbursed by a third party for foregoing fishing in the PIPA instead of the usual arrangement of being reimbursed for authorizing fishing access. In return for satisfactory performance under the contract, the Trust will make periodic payments to the government from income earned on the Rawaki Trust, a fund that will be established with private and public contributions. The term of the conservation contract has not been set yet but the conservation partners expect that in the early years a 5-10 year term may be reasonable.

In order of priority, the Rawaki Trust will be capitalized at a level sufficient to produce an income stream to cover the operating and management costs of the trust, the operating and management costs of the PIPA, and the foregone revenues from fishing associated with the closure or restriction of activities within the PIPA, i.e. the conservation license fee. Kiribati will have representation on PIPA Trust Board but will

¹ The Phoenix Islands Protected Area. Accessed online, April 3, 2008, at: <http://www.phoenixislands.org/index.php>.

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not have a controlling interest. The New England Aquarium and Conservation International will hold other mandatory Board seats. The Rawaki Trust will be professionally managed by a private third party.

The goal of the trust mechanism and conservation payments to Kiribati is to allow Kiribati to create the PIPA for the benefit of future generations of Kiribati citizens and the world without producing negative impacts on current national expenditures for health, education, and social welfare. The long term goal is to use the PIPA as a platform for appropriate ecotourism and research that will produce additional revenues and employment opportunities in Kiribati.

A resource valuation has been conducted that is being used as a basis for discussions with the government on an appropriate level of compensation for closing the current fisheries in the PIPA, which are primarily distant water fishing nation (DWFN) pelagic tuna fisheries. Challenges faced in conducting the valuation included current license fee structures and confidentiality issues due to Kiribati's concerns about undercutting their negotiating strategies for fees from distant water fleet nation tuna fleets seeking access elsewhere in Kiribati's extensive EEZ. There are also a number of inconsistencies in the data sets that have required extended analysis.

Context

The direct effect of the PIPA conservation initiative is to restrict significant fishing activity in a "least developed" nation state that relies on fishery access fees from the DWFN fleets for 30% to 45% of its annual operating budget. Foreign fishing revenues are the single most significant source of national revenues. DWFN fishery access is also linked indirectly but implicitly—if not explicitly—to foreign aid and in-kind construction services provided by various nations that have improved port facilities, roadways, health services and other national benefits in an otherwise resource-constrained coral atoll nation.

This project was born from a personal connection made between Dr. Greg Stone of NEAq, who was one of the first people in recent times to conduct a comprehensive scientific survey of the Phoenix Islands, and the then-new President of Kiribati, Anote Tong, who is a visionary leader. President Tong's interests in creating PIPA are complex and multifaceted. They include a sincere personal belief in the importance of conservation and the protection of some of Kiribati's atoll nature for nature's sake alone; a desire to put Kiribati, which is at high risk from sea level rise associated with climate change, on the world stage; and an interest in exploring new development models for Kiribati's natural resources that are less dependent on resource exploitation and consumption.

The goal of the conservation contract and the trust fund is to make the transition economically and thus politically neutral to the government. The viability of this discussion with the government for the conservation partners is aided by Kiribati's positive experience with the benefits of trust funds, arising from settlements for historic phosphate mining on several Kiribati atolls before independence in 1979. Kiribati has grown these "phosphate funds" through careful investments and funds management into a sizable endowment that produces significant income every year to help support the national budget.

The viability of this project has also been aided by the fact that the Phoenix Islands are essentially unpopulated and have never had significant settlements, although there are several archeological sites that bear exploring. Furthermore, the unsuccessful fate of several recent efforts to re-settle I-Kiribati people onto two of the Phoenix atolls, even with substantial subsidies from the central government, has reinforced the government's recognition of the limited conventional opportunities for development of the Phoenix group.

Process & Issues

Decision-making and Implementation Process

The PIPA started from ground zero. The legal framework for marine area conservation did not exist in Kiribati and little was known about the Phoenix Islands, even by the government. The Phoenix Islands were not well known, if known at all, by either government officials or the I-Kiribati people. Early discussions by Dr. Stone exploring the possibility for some form of conservation protection led to the coining of the term “reverse fishing license” by the Fisheries Minister at the time, the Hon. Tetabo Nakara, which has remained the shorthand for the conservation concept.

The early stages of this project consisted of four elements:

1. Public education in Kiribati about the Phoenix group through the production and wide distribution of a high quality DVD, translated into the Kiribati language;
2. Relationship development with key officials and bureaucrats within the government of Kiribati;
3. External networking, including particularly the early partnership with Conservation International, who provided both expertise in working in the Pacific and implementation funding; and
4. Development of a Phoenix Islands database that collated all that was known about the eight atolls.

Other key relationships were established during this time with the Australian and New Zealand governments.

Implementation funding allowed the project team to launch a PIPA Office within the environmental ministry on Tarawa (the capital atoll in Kiribati), which provided official status for the effort, and to hire a resource economist to develop the science, cultural, and natural resource database for the Phoenix Islands. The presence of significant early funding also allowed the project team to hire the senior bureaucrat from the environment ministry when he reached mandatory retirement at 50, thus creating a powerful link between the external conservation groups and the government and a Kiribati “champion” for the project. The project team also recommended creation of the Phoenix Islands Conservation Steering Committee, a senior government and NGO management committee that is used both as a sounding board for implementation strategies and as a mechanism to enhance buy-in across the various involved agencies on PIPA.

The next stage of the project was to secure the political commitment to the project by drafting legislation that would authorize the protection of both the land and marine resources of the Phoenix Islands. This was a fairly complicated and somewhat unpredictable exercise with multiple legislative packages being prepared for Cabinet approval and action by the Parliament. Early bills contained explicit recognition of the PIPA but the final legislation created a generic mechanism for creating protected areas anywhere in the country with approval authority on specific sites delegated to the Cabinet. Elimination or modification of protected areas created by this Cabinet process, however, requires supermajority action by the Parliament.

The project team then developed and moved a regulation through the Cabinet, recognizing the PIPA and declaring it to be a legal protected area. Under the terms of the declaration, no development activity could take place on the land or reef systems without a permit from the environmental agency. Current offshore tuna fishing was not disturbed until the PIPA trust fund is in a position to cover any lost fishing revenues. The declaration also required the development of a PIPA management plan, which is now underway.

To continue building momentum for the project, the project team was alert to opportunities to publicize the effort through various formal announcements by the government at international meetings, such as the Eighth Conference of the Parties to the Convention on Biological Diversity (Brazil 2006). A web site--<http://phoenixislands.org>--was created to expand public exposure. Finally, funding was secured to help

the Kiribati government develop the necessary documentation to include the PIPA in Kiribati's World Heritage nomination dossier.

Work has now begun on the final pieces needed to fully implement the plan: gaining World Heritage status, drafting and enacting legislation for the statutory trust, finishing the management plan for PIPA, reaching agreement with the government on the resource valuation, and fundraising for the statutory trust.

Lands and Resources

The original conservation focus of PIPA was the terrestrial and near-shore marine resources of the eight atolls comprising the Phoenix Islands. The original proposal was to extend a 60nm ring around each of the atolls, primarily to create an enforcement buffer area around the reefs. Further research indicated the possible presence of several yellow fin tuna spawning areas in the Phoenix Islands EEZ and a number of potentially important sea mounts and submerged reefs. On the basis of this new information and in an effort to simplify enforcement issues, three alternative, larger configurations were presented to the Kiribati Cabinet. The Cabinet selected the largest configuration of approximately 410,500 square kilometers, comprising most of the EEZ around the Phoenix Islands, for enhanced conservation management. The specific conservation objectives for the resources within these PIPA boundaries are to be developed through the PIPA Management Plan using a marine zoning approach akin to the Great Barrier Reef approach. Creation of a tuna conservation zone in the PIPA will be phased in as the endowment fund grows and can support additional payments for lost tuna revenues. Most DWFN tuna access permits are annually renewed; a multilateral treaty governs the US tuna fleet with Pacific island nations and lasts for ten years. It is set to expire in 2013.

Threats

Under current Kiribati law, the terrestrial resources of most of the atolls in the Phoenix group are closed to access for conservation purposes. There are a number of invasive species (rats and rabbits primarily) that were either introduced or landed during shipwrecks on the reefs. There is subsistence fishing on the reefs of Abariringa (Kanton atoll) associated with the small port-of-entry government community that is located on the island. Foreign tuna boats are prohibited within 12 nautical miles of the eight Phoenix atolls and purse seine tuna boats are prohibited within 60 nautical miles of Abariringa to prevent conflicts with the domestic subsistence fishing.

The primary threat to the reef resources is sanctioned (and unsanctioned) shark finning. Because of the species abundance and richness, fishing for other reef resources for the aquarium trade or the live fish trade in the Far East may be possible although the logistics are challenging and to a large extent financially prohibitive. There have also been periodic inquiries to the government by private entrepreneurs exploring the possibility of securing exclusive private access to the reefs for bone fishing and high-end trophy fishing.

The reefs are also vulnerable to coral bleaching associated with seawater temperature spikes. A recent bleaching event caused significant damage to the corals but recovery has been much more rapid than expected, possibly because of the absence of any other negative anthropogenic factors.

Long term, the range of potential threats to the PIPA will magnify as demand for fish and reef resources expands. Piracy and unauthorized exploitation of marine resources in the PIPA will continue to be threats that will challenge PIPA managers and the government of Kiribati. The project partners believe that the development of appropriate ecotourism will provide better site surveillance on the reefs but the ultimate solution to these threats will require cooperation between nations and multi-lateral response mechanisms to the larger problem of illegal, unreported, unregulated (IUU) fishing and resource exploitation.

Organizational and Partner Capacity

The strong and personal interest of President Tong in protecting the Phoenix Islands opened a number of conversations with ministry officials that may have otherwise been difficult, since PIPA promises primarily future, not present, benefits to the country. The recruitment of an effective Kiribati “champion” to head up the PIPA project on Tarawa has been another key factor in maintaining momentum with the project. NEAq chose to work with CI and GCF because they had expertise in both the development of conservation contracts and the Pacific Islands. The early relationships developed with consular staff from Australia and New Zealand have produced multiple unanticipated benefits in the form of technical assistance in invasives eradication and financial assistance for implementation. Further work with these governments and the US government will be critical for the enforcement aspects of PIPA’s long-term success as Kiribati has extremely limited law enforcement capabilities at sea. With efforts to enhance protection of neighboring atolls such as Howland and Baker to the north (controlled by US Fish & Wildlife Service) as well as Palmyra to the east, there may be efficiencies in air or satellite surveillance and conservation monitoring that should be explored.

The fundamental partnership responsibilities between Kiribati, the NEAq, and Conservation International were spelled out early on in a detailed Memorandum of Understanding that was executed by the heads of each of the NGO organizations and by the Environmental Minister on behalf of the Kiribati Cabinet. This MOU was critical in keeping the discussions moving forward productively over time and became the constitutional template for the project.

Legal Framework

The Republic of Kiribati has full sovereign ownership over the atoll resources in the PIPA and sovereign control over the PIPA EEZ. There are no indigenous rights to the terrestrial or marine resources by historic settlements. There is some anecdotal information that individuals may have been given some property rights in one of the atolls during one of the re-settlement schemes, but there are no documents to support that story and the government denies that there are any third-party rights.

The conservation contract will be enforceable under the domestic contract law of Kiribati and is specifically identified as an appropriate mechanism in the generic protected area legislation that was enacted in 2008 under which the PIPA is declared. Since relief in the nature of specific performance is unlikely in the event of a breach by the government of its obligations under the conservation contract, the trust fund’s conservation payment into the country’s general fund must be sufficient to create incentives for voluntary compliance. Over time, the development of appropriate eco-tourism in PIPA will provide other stakeholders vested in achieving and maintaining the conservation objectives.

Socio-economic Considerations

The creation of the PIPA was dramatically simplified by the fact that there are no tenure rights associated with traditional settlements on the atolls or any other private property rights. The development of additional PIPA management and research capacity on Abariringa will be a benefit to the existing group of government employees who are settled there, who feel relatively isolated. The project is expected to benefit Kiribati people with a science interest and business people through employment opportunities associated with the eco-tourism and research facilities that are expected to develop in PIPA over time. Additional benefits will be realized to Kiribati by restoration of the World War II-era runway on Abariringa. The runway will help unite the country across its vast central Pacific reaches by providing a refueling site between Tarawa in the Gilbert Islands in the west and Kirimati Island in the Line Islands in the east.

Outreach

The primary stakeholders are the representatives of the government of Kiribati: the President, the Ministers of the various agencies with either a present stake (mostly Fisheries) or a future stake (Tourism and Environment) in the PIPA. The key ministerial people have been included and will continue to be included in both the process of creating the PIPA as well as in the process of managing it over time. Every effort has been made to reduce or eliminate political costs associated with supporting the effort, although there has been and likely will continue to be a tension between those who promote the PIPA as the economic development strategy for the Phoenix Islands and the Ministry of Fisheries, who will continue to see a marine resource that is not being harvested. Interestingly, both the politically appointed ministers and the top civil service agency heads rotate frequently among the various ministries so there are fewer vested ideological positions in the agencies than found elsewhere.

Funding

There were substantial costs associated with early stages of the project, particularly with the logistical expenses of traveling and staying on Tarawa. Also, because of the lack of any functional central library or country database, significant efforts had to be made to collect all the published information about the Phoenix Islands from other sources throughout the Pacific. One of the side benefits of the PIPA project was the creation of an extensive, searchable electronic database -- but that product took more than a year of dedicated effort. Funding for this and other activities was provided through an implementation grant provided by CI's Global Conservation Fund. Additional funding for preparation of the World Heritage nomination dossier was provided from government sources. Funding and in-kind services were also provided by Australia (for information exchanges and a workshop with Great Barrier Reef staff) and by New Zealand (for invasives eradication).

The major challenge now is raising the endowment funds. The project partners have estimated that an initial target of \$25,000,000-\$30,000,000 will be needed to establish core protections and to implement baseline management functionality.

Conclusions

Opportunities

CI has used similar approaches with conservation contracts on land to protect forest resources but this is the first application of this approach in the marine environment.

Scale

This project is working at a regional sea scale, which presents significant management, administrative, enforcement, and financial challenges. One of the most important tasks of the management planning process will be to identify priorities within this large system.

Complementation

As noted above, there are a number of other atolls in the central Pacific under US ownership and others under private ownership that are already protected or are being considered for protection. PIPA partners have not yet had discussions with representatives from these sites but it is logical to assume that there may be a number of efficiencies associated with sharing certain tasks such as enforcement and monitoring.

Lessons Learned

Relationships, relationships, relationships. The early and candid conversations with Kiribati officials, including specifically the President, have helped to shape this as a true partnership with the government. This is particularly true of the meeting between President Tong and Greg Stone after the first research expedition. The President noted approvingly that the NEAq was the first research team to the Phoenix Islands who ever took the time to come to Tarawa to report the results of their expedition. There have been some tensions associated with the valuation process but nothing unexpected. There is a good foundation of trust that will smooth bumps in the road as they emerge.

The project team also got lucky in securing such a competent and respected civil servant to lead the effort on Tarawa when he retired. This connection continues to provide excellent access to the government and also brings the conservation effort into the heart of the government.

Finally, the project benefited greatly by the expertise brought to the discussions by Sue Taei, who works for Conservation International in the Pacific. Having someone who is knowledgeable about Pacific etiquette and protocols helped the project team avoid numerous gaffes.

Another lesson is the value of remembering constantly that marine resources are inherently public resources over which governments (national and local) exercise dominion and control. The project team worked hard to make PIPA a true partnership with the government. Success has been defined as a project that works fiscally and politically for Kiribati and as a project that produces true conservation benefits for the NGO partners. Shortcuts or easy answers that jeopardized any of those objectives were avoided.

Recommendations

The global conservation community needs to recognize the specific fiscal and political circumstances faced by a least developed or under developed nation and develop conservation strategies, including conservation payments where appropriate, that work well for the affected government, the affected indigenous people, and the ecosystem.