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Meeting Summary

5th International Forum on Illegal, Unreported and Unregulated Fishing

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The Context

Illegal, unreported and unregulated (IUU) fishing continues to pose serious threats to the world's fisheries by contributing to the overexploitation of fish stocks, hindering the recovery of fish populations and ecosystems and leading to a loss of economic benefits. By its very nature, the extent and cost of IUU fishing are difficult to estimate. Even data on the volumes, value and location of legal catches can be patchy and, where they exist, are not always reliable. Also, it is important to note that grouping together illegal, unreported and unregulated fishing activities may neglect the fact that the drivers and policy response for each of these sets of activities can be quite different.

Bearing these caveats in mind, a recent global assessment of illegal and unreported catches estimates fishing losses worldwide to amount to between US$10 bn and US$23.5 bn (11 and 26 million tonnes) annually. Such activities are especially prevalent in nations with weak government, making developing countries particularly vulnerable. Yet IUU fishing is not a problem confined to the developing world. In a number of EU fisheries, IUU fishing accounts for one-third to one-half of all catches, which – according to an estimate by the Pew Environment Group – could result in over €10 billion of lost catches by 2020, over €8 billion of lost stock value in 2020, and over 27,000 lost jobs in fishing and processing industries.

The *5th International Forum on IUU Fishing* brought policymakers, researchers, industry representatives and civil society groups together to discuss the latest initiatives, regulations and research in the area of fisheries governance and trade in illegal fish products. The sessions focused on the new EU IUU fishing regulation, the economic implications of IUU fishing, addressing IUU fishing in Africa and the Asia-Pacific region, controlling and monitoring IUU fishing and fisheries governance. This report summarises the main points of discussion at the meeting.

Implementing the EU IUU fishing regulation: Challenges ahead

The European regulation to prevent, deter and eliminate illegal, unregulated and unreported fishing is set to enter into force on 1st January 2010. The regulation aims not only to combat IUU fishing in European waters, but also (and primarily) to close the European market to illegally caught fish from overseas. It does so by requiring all fish importers to submit a catch certificate issued by the competent authority of the flag state to certify that the catch was made legally. The regulation also outlines a range of enforcement measures for European authorities to ensure compliance with the provisions. The regulation is supplemented by more detailed implementing guidelines which elaborate on certain aspects of the regulation (such as a simplified catch certificate for small-scale vessels).

While many have welcomed the new regulations as an important step forward in the fight against IUU fishing, serious concerns have started to surface regarding the practicalities and timeframe of implementation:

- Awareness and understanding of the regulation is still limited, in particular in third countries. With less than three months until the entry into force of the new regulation, the implementing guidelines and handbook have yet to be published.[1]

- Many EU and third countries are unlikely to be ready to fully implement the regulation by January 2010. For instance, no EU member states have so far advised the EU which competent authorities will administer the imports. Also, as of 26 October 2009, only 47 flag states had submitted complete notifications of their competent authorities and conservation measures.[2]

[1] Note: The guidelines and handbook were published subsequent to the meeting and are available on the European Commission website: http://ec.europa.eu/fisheries/cfp/external_relations/illegal_fishing_en.htm.

[2] These notifications are required before catch certificates issued by the flag state are accepted by EU member states. A number of other countries have submitted notifications but have been asked for additional information.

- Questions have been raised whether the European Commission's acceptance of the flag states' notifications is simply an administrative procedure or whether the Commission assesses the effectiveness of the flag states' conservation and enforcement measures related to illegal fishing. It is also unclear on what basis the European Commission accepts that notifications are complete, whether the Commission will review these notifications on a regular basis, and which countries have submitted incomplete or no notifications at all.

- The complexity of trade flows can make compliance with the certification requirements cumbersome, costly and time-consuming for the fishing industry. Catches from large factory vessels, for instance, may be distributed among various transport vessels and processors, requiring a large number of catch certificates that need to be shared among numerous actors along the supply chain.

- Developing countries are likely to find it particularly challenging to comply with the regulation. Capacity building activities have been limited, other than a series of regional seminars organised by the Directorate-General for Maritime Affairs and Fisheries (DG Mare).

- Particular emphasis will need to be placed on enforcement of the regulation, given weak compliance with existing EU regulations and sophisticated methods for smuggling illegal catches into the EU.

- It is unclear how the new regulation will impact "domestic-based foreign fishing vessels" which are an integral part of the domestic fisheries in the Pacific island states. While these vessels are foreign flagged, their fishing activities are wholly based in the host country, with little or no connections with the flag state.

- The IUU fishing regulation could undermine the EU's aims to promote economic development and poverty reduction in African, Caribbean and Pacific (ACP) countries by introducing administrative hurdles that ACP countries will find difficult to meet and thus prevent them from taking full advantage of the EU's preferential market access arrangements.

- The experience of the Directorate-General for Health and Consumers (DG Sanco) with ensuring compliance with EU health and safety standards highlights the risks of devolving certification of compliance with the regulation to the flag state. Indeed, field surveys have shown that not all vessels that are certified as complying with EU standards by the flag state's competent authorities meet such standards.

European vessels will not have to submit a catch certificate provided that the catch is not exported to a third country and then re-exported to the EU. These vessels instead fall under the control scheme of the EU's Common Fisheries Policy. Revisions to the control scheme, which will enter into force on 1st January 2010, will introduce new and strengthen existing inspection, monitoring, traceability and enforcement provisions. It remains unclear whether the application of different legal requirements for EU and non-EU vessels could amount to discrimination between domestic and foreign producers in contravention of World Trade Organization rules.

While the European Commission has stressed that the January deadline will not be postponed, a more pragmatic approach may be required in the initial months to avoid serious disruptions of fish imports. Moreover, additional capacity building activities will be needed to help developing countries meet their obligations under the regulation. Compliance could also be facilitated by allowing for regional cooperation among groups of developing countries. Implementation of the regulation will need to be monitored on a regular basis to ensure that its objectives are met.

Regional Perspectives: Africa, Asia and the Pacific

IUU fishing is a serious concern in African, Asian and Pacific waters. High profitability and low risks, combined with growing seafood demand around the world, mean that IUU fishing continues to be a lucrative business in these regions. The actual scale of IUU fishing is difficult to estimate and the associated social and environmental impacts are poorly understood. In the Asia-Pacific region, losses could be as high as 16 percent of total catch, amounting to around US$5bn per year for the region as a whole.

Fisheries management arrangements tend to be underdeveloped. Where regulations exit, weak monitoring, control and surveillance (MCS) capacities – including limited staff, training, technologies and control boats – have allowed vessels to continue to fish in contravention of the rules. Also, limited alternative employment opportunities have made it difficult to induce illegal fishers out of the sector. In Sierra Leone, for instance, industrial vessels commonly fish within the 5-mile Inshore Exclusion Zone that is reserved for local fishers. In Malaysia, a government policy to maximise fisheries production by tonnage has served as an incentive to boost fish catches.

Countries in these regions have moved to strengthen regional cooperation to curb IUU fishing. The Southern African Development Community's Marine Fisheries Ministerial Conference to Stop Illegal Fishing held in 2008 provides a useful example of such cooperation. Building on this process, African fisheries minsters are set to meet in Ethiopia in early 2010 to discuss opportunities for jointly tackling this issue. In the Asia-Pacific region, the threat IUU fishing poses to the region was recognised at the Ocean-Related Ministerial Meeting in 2005. However, to date, there has been no central coordination of regional efforts or agreement on priorities or best practice approaches. Rather, IUU fishing still appears to be largely unchecked and of low political priority with limited subregional success in addressing the problem.

Beyond IUU fishing: Strengthening fisheries governance

To effectively combat IUU fishing, it will be crucial to improve fisheries governance more broadly across the different areas and levels of policy-making. Achieving sustainable fisheries is not a challenge for fisheries ministers alone, but necessitates integrate responses across ministries and agencies, involving governmental and non-governmental actors from diverse disciplines, such as fisheries, environment, business, employment, education, customs, trade and legal. The timeframe for the necessary reforms is likely to be considerably longer than the political timeframe. Thus, it will be imperative to find solutions that are robust enough to survive political change.

Examples of possible areas of reform include:

- Strengthening fisheries governance will require a better understanding of the political economy of decision-making, including economic incentives both within and outside the fisheries sector, such as monetary gains from corruption and impacts of changes in the system on who carries the costs and who receives the benefits.

- A better understanding is also needed on how to manage fisheries in a way that maximises and equitably shares economic rents in a sustainable manner. The World Bank estimates that as much as $50 billion in potential net benefits are lost annually in global fisheries. Highlighting the economic gains from effective fisheries governance can play an important role in mustering the political will necessary for fundamental reform.

- In addition to strengthening national measures, regional cooperation can help combat IUU fishing through sharing of resources and information, setting up regional MCS systems, joining forces to fight foreign IUU vessels and managing transboundary fish stocks.

- National and regional action will need to be linked to global ambition and cooperation. The experience with IUU vessel lists used by regional fisheries management organisations (RFMOs), for instance, highlights that regional approaches can help to address IUU fishing, but will need to be complemented with international action to avoid displacement of the problem.

- International cooperation can also be an important means to share experiences and best practices with fisheries governance reform and measures to combat IUU fishing. The UK, for instance, has gained practical experience in MCS through refining its system over the years which could benefit other countries that are in the process of setting up and strengthening their MCS capacities. China's internal traceability system for fish products can also provide some useful lessons for countries with a sizeable fish processing sector.

- The recently agreed Port State Measures Agreement – once formally adopted by the UN Food and Agriculture Organization Conference and ratified by 25 states to enter into force – marks an important step in the international fight against IUU fishing. The success of the agreement will depend on its broad adoption and implementation based on clear technical guidelines, effective coordination on inspections and information sharing among countries, and the provision of funds to help developing countries comply with its provisions.

- Efforts will also need to focus on how to improve aid delivery to promote effective fisheries governance. For instance, while Africa received US$4.6 billion in fisheries aid between 1973 and 2001, fisheries performance remains weak. According to ongoing research by IDDRA, there is a disconnect between project level success and sectoral failure. The recent shift in aid focus from 'fisheries development' to policy reform and institutional capacity building may be a promising development in this regard.

- The use of subsidies that contribute to fleet overcapacities and overfishing continues to be widespread. The University of British Columbia estimates that of the $30 billion in global fisheries subsidies, around two thirds contribute to capacity enhancement. In addition to reducing harmful subsidies, subsidy programs that aim to enhance stocks and/or reduce capacity could be improved to maximise sustainability benefits. The University of British Columbia, for instance, found that research spending in developing countries was only half as effective as in developed countries.

The agenda, powerpoint presentations and a video recording of the opening session are available online here: *http://www.illegal-fishing.info/item_single.php?item=event&item_id=149&approach_id=8*