
ON ESTABLISHING A QUOTA ALLOCATION SYSTEM FOR THE MAIN TARGETED SPECIES IN THE IOTC AREA OF COMPETENCE

Submitted by the European Union

Version: 3rd February 2012

Background

The IOTC Resolution 10/01 taken in its plenary session, states the adoption of a quota allocation system, or any other relevant measure, for the management of the main targeted species falling under the IOTC competence. A technical committee meeting shall be held in February 2011 to discuss allocation criteria and to recommend a quota allocation system. In order to keep coherence, the quota allocation criteria and allocation system will be addressed in parallel.

This proposal recognises the legitimate rights and aspirations of both coastal states, in particular small island developing coastal states and territories and small and vulnerable economies; and, distant water fishing nations that have historically fished and invested in an area.

The Indian Ocean Tuna Commission (IOTC)

RECOGNISING that based on past experience in the fishery, the potential production from the resource can be negatively impacted by excessive fishing effort;

TAKING INTO ACCOUNT the available scientific information and advice, in particular the IOTC Scientific Committee conclusions whereby the yellowfin and bigeye tuna stocks might have been over or fully exploited in recent years;

RECOGNISING that IOTC Resolution 10/01 requires the development of a quota allocation system for yellowfin and bigeye tuna stocks;

FURTHER RECOGNISING that the tuna artisanal fisheries sector needs strengthening in terms of catch statistics reporting in order to more closely follow the catch situations and notwithstanding improvement in the industrial fishery catch statistics reporting requirements;

NOTING the importance of applying the precautionary approach for the management of the tropical tuna and swordfish stocks;

ADOPTS, in accordance with the provisions of Article IX, paragraph 1 of the Agreement establishing the IOTC, the following:

Main principles

1. A Total Allowable Catch (TAC) will be decided - for one or several years - by IOTC, notably according to scientific data and the recommendations of the Scientific Committee. A TAC will be established for the main targeted species that IOTC Members judge necessary for conservation and sustainability purposes and according to the best available scientific advice.
2. An allocation quota system setting fishing possibilities per flag State will be adopted for the period defined for the TAC application.

3. All IOTC CPCs, other coastal States and any other State with proved fishing interests in the Indian Ocean in the last 10 years will qualify to receive quota allocations according to the criteria defined herewith.
4. The baseline for allocation will be fixed on the average of historical catches for all eligible participants of the last [10 years].
5. IOTC Members shall set aside a range of 3 - 5% of the TAC per species.
6. An additional pool of fishing opportunities will be created by the application of the correction factors described in paragraph 8.
7. The global set aside (sum of 5 and 6) will be redistributed to CPCs having a fleet development plan, developing coastal States and Territories and new entrants, according to the criteria defined in the paragraph 11.

Correction factors

8. Some correction factors, namely based on compliance, will be applied to the individual allocation baseline.
 - a) Excluding factors:
 - Flag States and or fishing entities that are, at the moment of the implementation of an IOTC TAC and Quota system, neither Contracting parties nor Cooperating non-contracting parties¹ are ineligible (0%) for any individual quota.
 - No IOTC fee payment for 3 or more years.
 - b) Limiting factors:
 - Cooperating non-contracting parties (80%).
 - c) Negative factors, reductions (percentage) applied to individual quota baselines:
 - Non compliance with IOTC requirements (in order of priority):
 - data/catch reporting (...%);
 - freezing capacity (...%);
 - IUU Vessels (...%)
 - VMS (...%);
 - observer programme (...%),
 - transshipments (...%).
 - Delay to pay IOTC fee (...%).

The correction factors mentioned in a) and b) will be deducted from individual quotas and added to the global set aside.

d) Positive factors:

- Compliance status as defined by the Compliance Committee and agreed by the IOTC (...%).
- Clear improvement regarding IUU listed vessels situation as defined by the Compliance Committee and agreed by the IOTC or actions taken to scrap or permanently reassigned IUU vessels for purposes other than for fishing activities (...%).

¹ Exception will be represented by Chinese Taipei, which is also invited to voluntarily contribute to the IOTC budget in a form which would be legally acceptable within the IOTC context.

- Implementation of scientific programs or funds provided for scientific research in support of the IOTC scientific activities (...%).

The positive factors will only be used to correct negative factors, they can be applied directly to individual quotas. An individual quota calculated after the application of all correction factors cannot exceed the individual allocation baseline.

9. Once all individual quota allocation is decided, the negative and positive correction factors will be applied 2 years following the initial allocation. After this period the corrective factors will be recalculated [every two years/yearly], notably on the basis of the Compliance performances of each IOTC's CPC against the criteria established in point 8 (Ex.: if the quota system is agreed at the 2012 IOTC Plenary, the "compliance" correction factors will be applied firstly at the 2014 IOTC Plenary).

New corrective factors could be added to the system according to the IOTC decision.

Set aside redistribution

10. The set aside generated by factors described in a) and b) of the paragraph 8, not compensated by factors described in c) of the same paragraph would be added to the possible set aside as described in paragraph 5.
11. The global set aside will be attributed to i) CPCs states having implemented concretely their fleet development plans in accordance to the programme of implementation presented to IOTC, and reviewed by the Compliance Committee, ii) to developing coastal States or Territories according to a set of criteria to be agreed by IOTC, including GNI, the catch taken in the EEZ, the contribution of the fishing sector to the overall economy of the given State, the length of a coast line and iii) to new entrants following IOTC decision. If any set aside quota remains, it will be redistributed equally among all full compliant Members. The status of compliance of each individual Member will be established by the Compliance Committee and proposed to the IOTC for approval.

Voluntary transfers of quota

12. A Contracting Party or Cooperating non contracting Party (CPC) may partly or fully transfer a quota to another Contracting Party or Cooperating non contracting Party. A CPC intending to make a transfer shall make a prior notification to the IOTC Executive Secretary. The Executive Secretary shall forward this notification to all CPCs for information.

Reporting/Payback/Monitoring Implementation

13. Once all individual quotas are agreed and allocated, IOTC Members and Cooperating Non Members are to provide to the IOTC Secretariat estimated catches of targeted species which are subject to the TAC and Quota system on a quarterly basis, within thirty days of the end of last month of the relevant quarter. The IOTC secretariat will then immediately circulate such estimated quarterly based catches, aggregated by flag State, to all CPCs.
14. A payback penalisation for overfishing will be decided for implementation the first year this allocation system enters into force.

15. The Compliance Committee meeting held prior to the Commission Plenary Session in 2012 will discuss any additional requirements that are necessary to administer and monitor this quota allocation system over and above the current mandatory requirements for reporting against IOTC conservation and management measures. CPCs are encouraged to submit proposals one month prior to the meeting.

ALLOCATION CRITERIA

Total Allowable Catches (TAC)	To be decided by IOTC Plenary namely on the basis of science	
Set aside	Percentage of the TAC to be decided by IOTC Plenary	
Total baseline allocation	TAC – Set aside	
Individual quota	% of the total baseline allocation fixed individually on the basis of historical catches of the last 10 to 15 years (total Flag State catches/Total IOTC catches)	
Excluding factors:		
1. No IOTC membership	100 % reduction	
2. No IOTC payment for 3 or more years	100 % reduction	
Limiting factor:		
3. Cooperating non-contracting parties	Reduction of 20 % of the individual quota	
Correction factors to be applied individually. Negative factors:		
4. Freezing capacity/fishing effort limitation	Reduction (%) to be defined	
5. VMS	Reduction (%) to be defined	
6. Observers	Reduction (%) to be defined	
7. Transhipments	Reduction (%) to be defined	
8. IUU vessels	Reduction (%) to be defined	
9. Delay on the IOTC fee payment	Reduction (%) to be defined	
Positive factors (only applicable to compensate negative criteria):		
10. Compliance status	Criteria and increase (%) to be defined	
11. Improvement regarding IUU	Criteria and increase (%) to be defined	
12. Scientific research	Criteria and increase (%) to be defined	
Total Correction	Sum of the correction factors per member	
Corrected allocation	Individual quota x individual total correction factor	
Extra contribution to the set aside	Base line allocation - sum of individual corrected allocation	
Total set aside	Initial set aside + extra contribution to the set aside	
Final allocated individual quota	For CPCs with concretely fleet dev. plans + developing coastal States + new entrants: Corrected allocation + total set aside individually allocated + A minimal quota will be defined	For other States: Corrected allocation