



# Allocation Principles for Fishing Opportunities in IOTC

*The EU proposal*

# The need for a consensus

The European Union has been actively engaged since the beginning of the discussions

The European Union remains committed to reaching a consensus outcome on allocation criteria that would be acceptable for all CPCs

In the end, this issue can only be resolved if all parties are ready to compromise

# Important questions that will need clear answers to allow a gradual transfer of fishing opportunities to developing coastal states



**To whom the fishing opportunities will be transferred:** fishing opportunities shall be allocated to States with actual fishing interest and in line with their plans to develop their fisheries

**How much of existing fishing opportunities should be transferred:** the transfer of fishing opportunities shall not prevent States to exercise their legitimate right under international law to fish in the High Seas.

**At what pace will the fishing opportunities be transferred:** the transfer of fishing opportunities shall be gradual to leave enough time for all sectors to adapt, either to a reduction or an increase of fishing opportunities

# Main objectives of the EU proposal

Design an allocation criteria that apply to Members in a **fair** and **equitable** manner and that ensure the long-term sustainability of the stocks covered by the IOTC agreement

Ensure **coherence with international agreements** such as the UN Convention of the Law of the Sea (UNCLOS) and the Agreement for the Implementation of the provisions of UNCLOS relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (UNFSA) both in terms of obligations and rights

Ensure a **balance** between the rights of coastal States to the exercise of their sovereign rights within their EEZ and the right for all States for their nationals to fish on the High Seas

# The EU proposal

## The building blocks of the proposal

- General principles
- Initial baseline allocation
- Complementary allocation
- Correction factors
- New entrants allocation
- Final allocation
- Provision on transferability

# General Principles



The allocation criteria apply to all Members, Cooperating Non-Members and long-term participating non-Contracting Parties (para 2)

To avoid serious economic disruption any final allocation that results in a reduction in excess of [10]% of the of the average catches in the last 10 years or the precedent quota, if a quota was already established, shall be implemented gradually (“relative stability”) (para 16)

The allocation shall be determined by a blended formula that takes account of several components, see next slide

To incentivise compliance reporting of nominal catch data and the compliance score should affect allocation to a degree to be negotiated (para 4-6)

# The EU proposal

## Allocations Components

[80 %] of the TAC

An **initial baseline allocation** of the TAC amongst CPCs based on historical catches covering an agreed reference period including an agreement on attribution of catches in EEZ (para 8)

10% of the historical catches taken within an EEZ shall be allocated to the coastal State and 90% of those catches shall be allocated to the flag state of the fishing vessel

[12 %] of the TAC

A **complementary allocation** to accommodate special requirements of the developing states in line with Article 24 UNFSA (para 9)

- ½ to the Least Developed Countries
- ¼ to Small Island Developing States
- ¼ to Coastal developing States

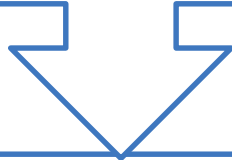
[7 %] of the TAC

**Correction factors** based on development and social factors and on fishery-related issues and trade factors (para 12-13)

Interests of artisanal, subsistence and small-scale coastal fisheries; dependence to the fisheries sector; real fishing interest; dependence to exports; etc.

# Why historical catches?

The relevant principles of allocation may be derived from **Article 11 UNFSA**, which regulates the right of access of new member states to an RFMO or new entrants to a regulated fishery.



Deciding the rights of new entrants inevitably involves decisions on the rights of states with established rights.



# Article 11 UNFSA

In determining the nature and extent of participatory rights for new members ..., States shall take into account, inter alia:

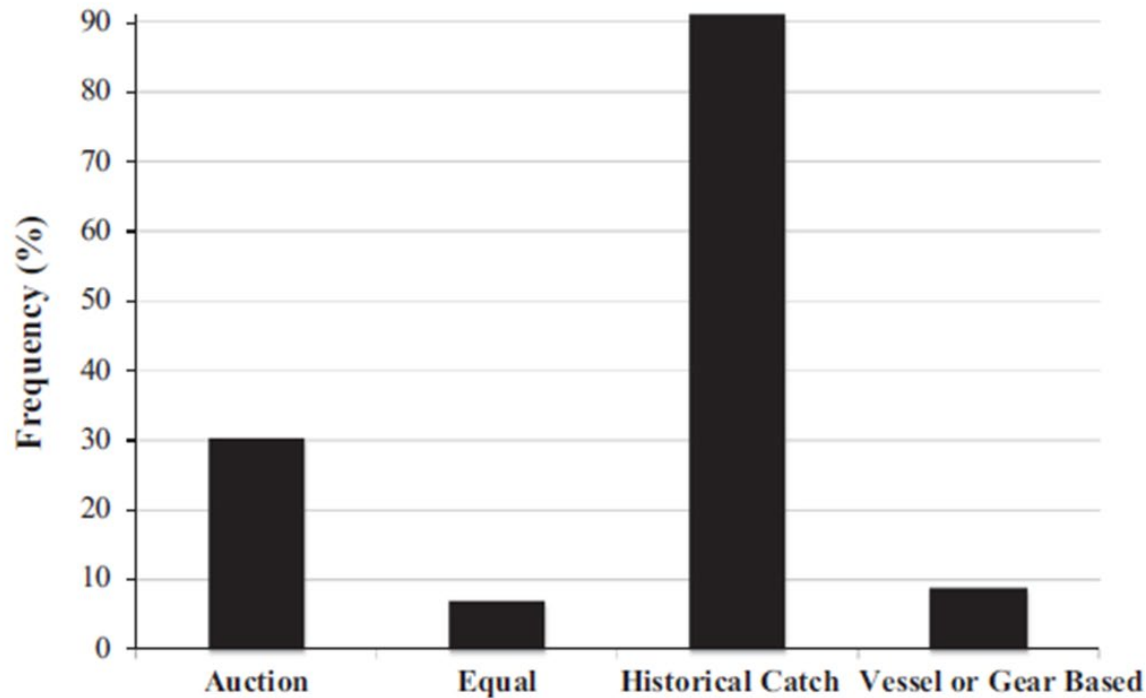
- a) the **status of** the straddling fish **stocks** and highly migratory fish stocks and the existing level of fishing effort in the fishery;
- b) the **respective interests, fishing patterns and fishing practices** of new and existing members or participants;
- c) **the respective contributions** of new and existing members or participants **to conservation and management of the stocks**, to the **collection and provision of accurate data** and to the **conduct of scientific research** on the stocks;
- d) the **needs of coastal fishing communities** which are dependent mainly on fishing for the stocks;
- e) the **needs of coastal States** whose economies are overwhelmingly dependent on the exploitation of living marine resources; and
- f) the **interests of developing States** from the subregion or region in whose areas of national jurisdiction the stocks also occur.

# Determining allocations in practice

The reality on the ground is however that the majority catch shares in world fisheries are allocated using historical catch records:

- According to 2009 OECD Discussion Paper historical catches provide the basis for allocations in most of the RFMOs
- Historical catch is also easy to quantify objectively, compared to more subjective criteria such as those relating to the special interests of developing States
- Same conclusion by John Lynham in an article in Marine Policy in 2014.
- Based on estimates obtained using the database, 54% of the major catch share fisheries in the world allocated all or nearly all shares on the basis of historical catch, 37% used a combination of methods, 6% used equal sharing rules and 3% used auctions.

# Catch share allocation by frequency



**Fig. 2.** Catch share allocation methods by frequency: 91% of the fisheries in the database allocated some fraction of the TAC on the basis of historical catch, 30% used auctions, 9% used vessel- or gear-based rules, and 7% used equal sharing rules.

# The EU proposal

## New entrant and final allocation

### New entrants allocation

- 1 % of the overall TAC shall be reserved for allocations to new entrants (para 14)

### Final allocation

- The sum of the initial allocation, the complementary allocation, the allocation for new entrants, plus the correction factors shall constitute the final allocation for the five-year period (para 15)
- Any decrease of more than 10% of the allocation from the preceding period for any CPC shall be implemented progressively over the following 10 year period (para 16)

### Transfers to be authorised

- No CPC shall trade or sell its quota allocation or a part thereof unless authorised to do so by the Commission (para 20)

Thank you!

