

PROPOSAL A

DRAFT PROPOSAL ON IOTC QUOTA ALLOCATION

PROPOSED BY: JAPAN, 26 SEPTEMBER, 2012 (REVISED: 16 JANUARY 2013)

1. Basic principles

- (1) Transparency
 - Objective figures should be used as much as possible in the criteria
- (2) Predictability
 - Players need to predict what will happen in the medium to long term under the new criteria
- (3) Progressiveness
 - Radical change should be avoided
- (4) Sustainable fishery development
 - Due consideration should be given to sustainable fishery development of developing countries

2. Factors to be considered in allocating quota

Category A (main factors)

- (1) Historical catches of members and cooperating non-members (CPCs)
- (2) Fishery development plans of developing CPCs

Category B (adjustment factors)

- (3) Legal status (member or cooperating non-member)
- (4) Degree of compliance with conservation and management measures
- (5) Degree of compliance with financial contribution
- (6) Degree of contribution to research and data collection
- (7) Degree of allocation utilization

3. How to allocate

- (1) Total Allowable Catch (TAC) will be established based on scientific recommendation of the Scientific Committee.
- (2) The share of each CPC will be decided based on its historical catches on a flag basis. The past ten years will be used as base years.
- (3) 3% of TAC will be reserved for fishery development of developing CPCs and new entrants (hereinafter called "Development Reserve").
- (4) TAC minus Development Reserve will be allocated among CPCs in accordance with shares. This allocation will become "a basic allocation".

- (5) The basic allocation of each CPC will be adjusted by multiplying the following percentages:
- (a) Member or cooperating non-member
 - Member: 100%
 - Cooperating non-member: 95%
 - (b) Number of non-compliance with conservation and management measures
 - Zero: ~~10~~50%
 - One or more (except for overharvest of allocation): 95%
 - 90% will be applied to any overharvest of allocation in addition to payback.
 - (c) Financial contribution
 - Allocation will be cut half if a CPC's arrear is greater than the amount equal to the most recent two years' financial contribution unless otherwise decided by the Commission.
 - (d) Contribution to research and data collection
 - ~~More than 100,000 US dollars~~ Contribution authorized by the Scientific Committee in money or kind: less than 105%
 - ~~Less than 100,000:~~ 100%
 - (e) Utilization of Unused allocation
 - Less than 50% utilization of the ~~previous each~~ year's allocation for three years: 90%
- (6) 50% of the reduced portion as a result of (a) to (e) above will go to Development Reserve. The remaining 50% will be kept unused. The use of this 50% will be decided by the Commission, taking into account scientific advice.
- (7) The Commission will decide allocation for each year at annual meetings in accordance with the above process.

4. Fishery Development of Developing CPCs

- (1) The percentage of Development Reserve (3%) will be increased by 1% every year until it reaches 12% (in 9 years). Further increase will be subject to decision of the Commission.
- (2) If TAC increases, 30% of the increased portion will go to Development Reserve. 70 % of the increased portion will be allocated on a pro rata basis.
- (3) A New entrants who can utilize Development Reserve will be limited to developing coastal countries in the Indian Ocean. ~~Such a new entrants needs~~ to become a CPC and submit its fishery development plan. The maximum use of a new entrant should be limited under 100 tonnes.
- (4) ~~If a new entrant does not become a formal member after utilizing Development Reserve for five years, such a new entrant shall comply with all management and conservation measures adopted by the Commission. If such a new entrant does not ensure compliance with them, its~~ utilization will be suspended until it becomes a formal member.
- (5) Allocation of Development Reserve among developing CPCs will be decided by ~~themselves~~ the Commission, taking into account fishery development plans.

5. Temporary transfer of allocation

- (1) Any transfer of allocation from one CPC to another CPC will be subject to approval of the Commission.

- (2) Only formal members can transfer its allocation to others.
- (3) Temporary transfer of allocation will not affect shares.