

## Approaches to allocation criteria in other tuna Regional Fishery Management Organizations

Prepared by the Secretariat

### Background: The basic process of management

In pursuing the overall goals of a sustainable utilization, the IOTC follows a basic management framework shared by other RFMOs

- 1.- Establish a **catch or fishing capacity limit** that would ensure sustainability. Following the advice of the Scientific Committee concerning the status of the stocks and the health of the ecosystem, the Commission establishes a fishing capacity limit or a catch limit that would safeguard the sustainable utilization of the resource.

Once a limit is agreed upon, the **allocation question** needs to be addressed next:

- 2.- Establish who should be allowed to participate in the fishery, and how many fishing opportunities should be allocated within the limit to each of the participants. In this context, fishing opportunities can be interpreted as input controls such as fishing capacity or fishing effort, or output controls such as catch limits (also referred to as quotas or TACs, Total Allowable Catch) for each participant in the fishery.

In earlier years, IOTC Members have agreed to limit fishing capacity to the levels of 2006/2007 depending on the species. In attempting to freeze fishing capacity, the IOTC Members adopted the *status quo* of those years (in itself an implicit form of allocation) while allowing for Fleet Developing Plans to be presented to the Commission until now.

But it was clear that limiting fishing capacity, especially when Fleet Development Plans were considered, might not be sufficient to maintain the resource at target levels. Therefore, the Commission decided to adopt additional measures in 2010, including time-area closures. The debate included also consideration of a catch limit for three species, but the Members did not favour the possibility of an unallocated catch limit, on the grounds that it would create a race to fish, and, in addition, the countries with important artisanal fisheries would face difficulties in reporting the catch with the promptness required to estimate precisely the date in the year when the catch limit would be reached.

For this reason, the Members agreed to a process to consider further measures in 2012, following a special technical meeting on allocation criteria. In preparation for this meeting, the Government of India requested that the Secretariat provided information about the approaches taken by other tuna RFMOs in dealing with allocation of fishing opportunities.

This document is based on consultations with the other Tuna Regional Fishery Management Organizations: CCSBT, IATTC, ICCAT and WCPFC.

### **Commission for the Conservation of Bluefin Tuna (CCSBT)**

CCSBT does not have any particular procedure for allocating catch limits adopted yet, but it has agreed to start discussion on quota allocation rules which may be used from 2012. CCSBT also has a draft Strategic Plan that also identifies that principles should be established for allocation to its Members following Article 8(4) of the Convention. Options should be developed (based on Convention text) for long term allocation arrangements for all Members, including new members, and apply to TAC increases or decreases.

Article 8.4 of the CCSBT Convention specifies that:

*“4. In deciding upon allocations among the Parties under paragraph 3 above the Commission shall consider:*

- (a) relevant scientific evidence;*
- (b) the need for orderly and sustainable development of southern bluefin tuna fisheries;*
- (c) the interests of Parties through whose exclusive economic or fishery zones southern bluefin tuna migrates;*
- (d) the interests of Parties whose vessels engage in fishing for southern bluefin tuna including those which have historically engaged in such fishing and those which have southern bluefin tuna fisheries under development;*
- (e) the contribution of each Party to conservation and enhancement of, and scientific research on, southern bluefin tuna;*
- (f) any other factors which the Commission deems appropriate.”*

Some discussion of TAC allocation principles occurred at CCSBT 11 (2004), where it was agreed that:

*“44. The Extended Commission noted that decision rules for allocating the TAC derived from the management procedure need to be agreed prior to the introduction of the management procedure. The Extended Commission agreed that rules shall take into account the allocation principles reflected in the CCSBT 1 Mutual Understanding.*

*45. The Extended Commission decided that agreement on these rules should be developed through intersessional contact and decided by CCSBT 12.”*

However, no decision was reached intersessionally, this issue remains unresolved. Nevertheless, prior to introduction of the management procedure (MP), it remains important to agree on the allocation rules/formulae that will apply when the MP recommends TAC changes.

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### **International Commission for the Conservation of Atlantic Tunas (ICCAT)**

ICCAT does not have an adopted procedure for the allocation of quota or other fishing opportunities. Instead, ICCAT Members engage in a process of allocation involving a direct negotiation between the Parties.

The negotiations are guided by the principles adopted by ICCAT Members in the Recommendation 01-05, is listed in Appendix I, following a process that lasted over three years and several meetings of a special group of ICCAT, until agreement was reached in all the principles.

The allocations agreed are valid for a period of three-years. Quota rights gained through this allocation process are not transferable, and the non-utilization of the quota allocated to a Member could result in the loss of rights to future quota allocation. Note that the re-negotiation of the quota rights at three-year intervals allows for an adjustment as situations in the fishery changed and for consideration of new entrants in the fishery at that time.

### **Inter-American Tropical Tuna Commission (IATTC)**

Historically, the IATTC has not adopted an agreed system for allocating quotas amongst member countries. On the other hand, as far back as the late 1960's, the Commission has agreed on a global annual TAC for yellowfin tuna without specific allocation to the members. Instead, when the IATTC Director established a date when the quota would be reached and the fishery would be closed, estimated on the basis of the catch landed and the situation at sea. After that, no more purse seine fishing was allowed. In spite of the system working well, countries with small fleets consider it unfair that that their vessels had to stop fishing early in the year.

This situation led to negotiations to establish a country-based allocation system, that extended over several years the mid-1970's. The allocation criteria discussed were largely based on historical catches inside the 200-mile zones; the amount historically caught outside the 200-mile zone (approximately 50%) was not allocated. Part of the proposal contemplated a regional licensing scheme which provided access throughout the region to vessels participating. Finally, the negotiations reached a total impasse and collapsed, mainly because there was no agreement on the amount to be allocated to coastal states, at which point Mexico and Costa Rica withdrew from the Commission. Mexico did not join again until some ten years later.

In recent years the IATTC countries have favored alternative management measures, such as a time and area closures season, and have not pressed for allocations. In any case, the IATTC Secretariat was asked to explore an allocation system and report at the next annual meeting.

## Western and Central Pacific Fishery Commission (WCPFC)

The WCPFC Members have not yet adopted a formal procedure to allocate fishing opportunities to all its Members. However, there are provisions in the text of its Convention that sets the basic principles that any such proposal should follow:

More specifically, Article 10(3) of the said Convention reads:

*3.- In developing criteria for allocation of the total allowable catch or the total level of fishing effort the Commission shall take into account, inter alia:*

- (a) the status of the stocks and the existing level of fishing effort in the fishery;*
- (b) the respective interests, past and present fishing patterns and fishing practices of participants in the fishery and the extent of the catch being utilized for domestic consumption;*
- (c) the historic catch in an area;*
- (d) the needs of small island developing States, and territories and possessions, in the Convention Area whose economies, food supplies and livelihoods are overwhelmingly dependent on the exploitation of marine living resources;*
- (e) the respective contributions of participants to conservation and management of the stocks, including the provision by them of accurate data and their contribution to the conduct of scientific research in the Convention Area;*
- (f) the record of compliance by the participants with conservation and management measures;*
- (g) the needs of coastal communities which are dependent mainly on fishing for the stocks;*
- (h) the special circumstances of a State which is surrounded by the exclusive economic zones of other States and has a limited exclusive economic zone of its own;*
- (i) the geographical situation of a small island developing State which is made up of non-contiguous groups of islands having a distinct economic and cultural identity of their own but which are separated by areas of high seas;*
- (j) the fishing interests and aspirations of coastal States, particularly small island developing States, and territories and possessions, in whose areas of national jurisdiction the stocks also occur.*

These are guidelines similar to those from ICCAT, but the WCPFC is a unique case in that they are included in the basic Convention text, to be utilized in developing further allocation arrangements.

Furthermore, there is a scheme to control fishing effort, the Vessel Day Scheme (VDS) is a scheme where vessel owners can purchase and trade days fishing at sea in places subject to the Parties of the Nauru Agreement (PNA). Since 1992 the countries of Solomon Islands, Tuvalu, Kiribati, Marshall Islands, Papua New Guinea, Nauru, Federated States of Micronesia and Palau, commonly referred to as the Parties of the Nauru Agreement (PNA), have worked collaboratively to manage the tuna stocks within their national waters.

The purpose of the VDS is to constrain and reduce catches of target tuna species, and increase the rate of return from fishing activities through access fees paid by Distant Water Fishing Nations (DWFNs). The total allocation of fishing days is set and apportioned between Pacific Island members for one-year periods up to three years in advance.

Under the VDS Management Scheme the PNA set the total number of days that can be fished in their waters combined and the apportionment of the total number of days between each country. These allocations of fishing days are set for 12 month periods and can be set up to 3-years in advance. The most recent stock assessment information on the target species of skipjack, yellowfin and bigeye tunas and economic information relating to the maximization of economic returns and optimal utilization of the resource is used to assess the allocations of fishing days.

To prevent or constrain technical changes in fishing power and efficiency that may lead to maintaining or increasing catches as a result of the implementation of the VDS, a fishing day under the VDS has been apportioned based on vessel length, with larger vessels being deducted more days fishing for each day actually at sea.

The apportionment between vessel length and a fishing day can effectively be modified over time to account for changes in fishing power and efficiency. This modification of the relationship between vessel length and fishing capacity, in addition to the ability to change the total number of days that can be fished over time provides the ability to change catch effort relationships.

When apportioning fishing days under the VDS, specific allocations have been made for regional fishing arrangements to which the PNA are a Party. These regional arrangements are the States of Micronesia Arrangement for Regional Fisheries Access (FSMA) and the Multilateral Treaty on Fisheries between the Governments of certain Pacific Island States and the Government of the United States of America (US Treaty).

WCPFC is now considering the development of a similar scheme of apportioning effort in the high-seas.

## **Conclusions**

The process of allocation is essentially a political process that will only be successful if it manages to provide equitable opportunities to all participating countries. The simple fact that there are many different expectations and aspirations amongst the Members of an RFMO complicates the political process of negotiation. In this respect, when comparing the approaches adopted by each RFMO, consideration should be given to the peculiar situation of each RFMO. Not all solutions will be workable across RFMOs. For a technical example, an unallocated quota system is only feasible when industrial fisheries constitute an important part of the fisheries, as they are more likely to be able to report in nearly in real-time, thus making the estimation of the moment when the quota is reached more precise.

Also, the scenario will be different in areas where the majority of the catches comes from the waters of the coastal Members, as is the case of the Pacific Islands States. In comparison, in other oceans, such as the Indian Ocean, the importance of the high seas catches is much greater.

An important point to consider for any future allocation mechanism is whether transferability of the allocated rights will be allowed amongst the participants. Not all RFMOs allow for allocations to be transferable, in spite of the economic literature frequently listing transferability of rights as a way to increase efficiency in the utilization of the resource, and the pros and cons of the two models need further study.

This comparison should be considered preliminary given the short time available for its completion, and possibly, deserves further development in the future. The Secretariat would like to acknowledge the contributions of the Secretariats of the other RFMOs.

# ANNEX 1

## ICCAT CRITERIA FOR THE ALLOCATION OF FISHING POSSIBILITIES

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### ICCAT CRITERIA FOR THE ALLOCATION OF FISHING POSSIBILITIES

#### I Qualifying Criteria

Participants will qualify to receive possible quota allocations within the framework of ICCAT in accordance with the following criteria:

- 1 Be a Contracting or Cooperating non-Contracting Party, Entity or Fishing Entity.
- 2 Have the ability to apply the conservation and management measures of ICCAT, to collect and to provide accurate data for the relevant resources and, taking into account their respective capacities, to conduct scientific research on those resources.

#### II Stocks to Which the Criteria Would be Applied

- 3 These criteria should apply to all stocks when allocated by ICCAT.

#### III Allocation Criteria

##### A Criteria Relating to Past/Present Fishing Activity of Qualifying Participants

- 4 Historical catches of qualifying participants.
- 5 The interests, fishing patterns and fishing practices of qualifying participants.

##### B Criteria Relating the Status of the Stock(s) to be Allocated and the Fisheries

- 6 Status of the stock(s) to be allocated in relation to maximum sustainable yield, or in the absence of maximum sustainable yield an agreed biological reference point, and the existing level of fishing effort in the fishery taking into account the contributions to conservation made by qualifying participants necessary to conserve, manage, restore or rebuild fish stocks in accordance with the objective of the Convention.
- 7 The distribution and biological characteristics of the stock(s), including the occurrence of the stock(s) in areas under national jurisdiction and on the high seas.

##### C Criteria Relating to the Status of the Qualifying Participants

- 8 The interests of artisanal, subsistence and small-scale coastal fishers.
- 9 The needs of the coastal fishing communities which are dependent mainly on fishing for the stocks.
- 10 The needs of the coastal States of the region whose economies are overwhelmingly dependent on the exploitation of living marine resources, including those regulated by ICCAT.
- 11 The socio-economic contribution of the fisheries for stocks regulated by ICCAT to the developing States, especially small island developing States and developing territories<sup>14</sup> from the region.
- 12 The respective dependence on the stock(s) of the coastal States, and of the other States that fish species regulated by ICCAT.
- 13 The economic and/or social importance of the fishery for qualifying participants whose fishing vessels have habitually participated in the fishery in the Convention area.

<sup>14</sup> In this document the term « territories » refers only to those territories of States which are Contracting Parties to the Convention as those territories.

- 14 The contribution of the fisheries for the stocks regulated by ICCAT to the national food security/needs, domestic consumption, income resulting from exports, and employment of qualifying participants.
- 15 The right of qualified participants to engage in fishing on the high seas for the stocks to be allocated.

#### **D Criteria Relating to Compliance/Data Submission/Scientific Research by Qualifying Participants**

- 16 The record of compliance or cooperation by qualifying participants with ICCAT's conservation and management measures, including for large-scale tuna fishing vessels, except for those cases where the compliance sanctions established by relevant ICCAT recommendations have already been applied.
- 17 The exercise of responsibilities concerning the vessels under the jurisdiction of qualifying participants.
- 18 The contribution of qualifying participants to conservation and management of the stocks, to the collection and provision of accurate data required by ICCAT and, taking into account their respective capacities, to the conduct of scientific research on the stocks.

#### **V Conditions for Applying Allocation Criteria**

- 19 The allocation criteria should be applied in a fair and equitable manner with the goal of ensuring opportunities for all qualifying participants.
- 20 The allocation criteria should be applied by the relevant Panels on a stock-by-stock basis.
- 21 The allocation criteria should be applied to all stocks in a gradual manner, over a period of time to be determined by the relevant Panels, in order to address the economic needs of all parties concerned, including the need to minimize economic dislocation.
- 22 The application of the allocation criteria should take into account the contributions to conservation made by qualifying participants necessary to conserve, manage, restore or rebuild fish stocks in accordance with the objective of the Convention.
- 23 The allocation criteria should be applied consistent with international instruments and in a manner that encourages efforts to prevent and eliminate over-fishing and excess fishing capacity and ensures that levels of fishing effort are commensurate with the ICCAT objective of achieving and maintaining MSY.
- 24 The allocation criteria should be applied so as not to legitimize illegal, unregulated and unreported catches and shall promote the prevention, deterrence and elimination of illegal, unregulated and unreported fishing, particularly fishing by flag of convenience vessels.
- 25 The allocation criteria should be applied in a manner that encourages cooperating non-Contracting parties, Entities and Fishing Entities to become Contracting Parties, where they are eligible to do so.
- 26 The allocation criteria should be applied to encourage cooperation between the developing States of the region and other fishing States for the sustainable use of the stocks managed by ICCAT and in accordance with the relevant international instruments.
- 27 No qualifying participant shall trade or sell its quota allocation or a part thereof.