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EX-ANTE EVALUATION

of the Proposal for a Council Regulation on the conclusion of the Protocol defining, for the period 3 December 2003 to 2 December 2007, the fishing opportunities and the financial compensation provided for by the Agreement between the European Economic Community and the Government of Mauritius on fishing in the waters of Mauritius

{COM(2004)197 final}

Introduction

An evaluation of the proposal to conclude a new Protocol, for the period 3 December 2003 to 2 December 2007, to the Fisheries Agreement between the EC and Mauritius has been carried out by the DG Fisheries on the basis of information gathered by the DG Development, the Delegation of the European Commission in Port Louis and the Indian Ocean Tuna Commission (IOTC).

The actors and parties involved are presented below.

Presentation of actors taken into account

| Actors and interested parties | Responsibilities and area of interest |
|-------------------------------------|--|
| 1. European Commission | Administration of the Fisheries Agreement with Mauritius, responsibility in monitoring the issue of licences and the declaration of catches and, generally, in the respect of all the provisions of the Agreement and protocol; Payment of financial compensation to Mauritius; Administration of technical assistance and other programmes of assistance to Mauritius (by other DGs). |
| 2. EU fishing operators | Payment of licences for fishing in Mauritius EEZ; Operation of fishing fleets in Mauritius EEZ. |
| 3. EU fishing industry | Import, processing and distribution of fish and fishery products from Mauritius. |
| 4. EU fishermen | Members of crews of European vessels fishing in Mauritian waters . |
| 5. Mauritian Government expenditure | Expenditure linked to fisheries and fishery programmes and projects in Mauritius; Policies: infrastructure and organisation of the fishing industry in Mauritius; Representation of Mauritius at regional (IOTC) and international level; Activity report to the EC and expenditure under EC-Mauritius Fisheries Agreement. |
| 6. Mauritian Government revenue | Financial compensation paid by EC and licence payments. |
| 7. Mauritian fisheries sector | Primarily small-scale fishing; Processing (smoking) and local distribution; Limited processing activities (packaging, freezing) for export to Europe. |
| 8. Port services in Mauritius | Port services (repairs, food supplies, fuel supplies, cold storage) |

1. Needs to be met (short, medium and long-term)

The Fisheries Agreement with Mauritius is source, in the Community and Mauritius, of important economic activities, which are linked not only to the exploitation of the tuna resources but also to the development of associated activities.

For each actor, the following needs have been identified in connection with the Fisheries Agreement:

Needs of the different actors/parties

| Actors/Parties | Short-term needs | Long-term needs |
|-------------------------------------|---|---|
| 1. European Commission | Continuity in strategy and actions vis-à-vis the interests of European fisheries; Continuity in strategy and actions vis-à-vis Mauritius. | Continued influence and dialogue with the interests of European fisheries; Responsible fisheries and sustainable development of tuna resources in the Indian Ocean; Political influence on Mauritius. |
| 2. EU fishing operators | Access to Mauritian EEZ; Availability of tuna at a competitive price. | Investment promotion policies so as to continue fishing activities in the Mauritian EEZ. |
| 3. EU fishing industry | Availability of tuna. | Long-term guarantee of availability of tuna in Mauritian waters; Policies and measures encouraging private investment in Mauritius in infrastructures connected to fishing activities. |
| 4. EU fishermen | Employment by European fleets. | Continuation of fishing operations of EU fleet in Mauritius. |
| 5. Mauritian Government expenditure | Details of new agreement to be administered to permit allocation of the budget and associated staff; Details of activities to be financed in the fisheries sector. | EU fisheries policy guidelines in the long term. |
| 6. Mauritian Government revenue | Payment of the financial compensation by the EC; Payment of licences by private operators. | Long-term expectations as regards revenue from fisheries operators and from the EC. |
| 7. Mauritian fisheries sector | Maintaining tuna stocks; Access to coastal waters; Protection against fraud; Wider involvement in secondary activities (services for vessels, processing). | Maintaining tuna stocks; Access to coastal waters; Protection against fraud. |

| | | |
|--|---|---|
| 8. Port services in Mauritius | Wider involvement in fishing activities | |
| 9. Control and surveillance in Mauritius | Setting up of a VMS | Monitoring of the fishing activities of foreign fleets operating in Mauritius EEZ |

The short-term needs correspond to existing ones which must be taken into account in any Fisheries Agreement. The long-term needs are those which will determine the evolution and development of the fishing sector in Mauritius over the next five to ten years.

2. Objectives to be achieved, expected results and indicators needed to measure them

The Agreement with Mauritius, which is part of a network of tuna agreements in the Indian Ocean, aims to maintain a presence of the Community fleet in the region and thus to protect the interests of the European fisheries sector.

The Protocol annexed to the Fisheries Agreement expired on 2 December 2002. It has been extended for one year. The proposed Protocol aims to allow Community ship-owners to continue fishing in the exclusive economic zone (EEZ) of Mauritius for the period 3 December 2003 to 2 December 2007.

This new Protocol should reinforce our fisheries relations with Mauritius promoting the responsible and sustainable fishery in the Indian Ocean and stressing the need of an efficient control and surveillance system.

The proposed Protocol must take account of the following general objectives:

Objectives to be taken into account in the new Protocol

| Actors/ Parties | Objectives | Results | Indicators |
|-------------------------|--|---|---|
| 1. European Commission | Conclusion of a new Protocol with Mauritius; Establishment of a financial Protocol. | New series of arrangements with Mauritius; New rules for European operators. | Protocol signed; Financial transfers made. |
| 2. EU fishing operators | Continued access to Mauritian EEZ at reasonable licence rates; Availability of port services in Mauritius if necessary | New series of arrangements for licences; Increase in use of Mauritius port facilities. | Number of vessels operating in Mauritian waters; Catches recorded; Licences paid; Turnover of port services. |
| 3. EU fishing industry | Continued availability of fish at a competitive price; No unfair competition from unlicensed fleets; Clearly demarcated EEZ. | Tuna available. | Volumes and value of tuna landed in Europe from Mauritius. |

| Actors/ Parties | Objectives | Results | Indicators |
|--|---|--|--|
| 4. EU fishermen | Safeguarding of jobs. | Number of posts maintained. | Returns for European employers. |
| 5. Mauritian Government expenditure | Maintaining and developing Mauritius' fishing industry: - assistance to small-scale fishermen; - development of port facilities; - training of administrators; - improvement of health and hygiene standards; Participation in regional forums; Minimise illegal fishing. | Measures adopted (through EC financing or licence payments): - training of fishermen - improvement of cold-storage capacities - improved administration of ports and fisheries - conformity of health and hygiene standards in the fume chambers and other fishing installations with European standards; Influence of Mauritius in international for a; Elimination of illegal fishing. | Number of individuals trained; Construction of physical and institutional infrastructure; Minimal reports of illegal fishing activity. |
| 6. Mauritian Government revenue | Maximise revenue from licences; Receipt of financial compensation from EC. | Licences and compensation actually paid out, received and distributed. | Government statistics and reports on the use of funds. |
| 7. Mauritian fisheries sector | Stronger participation in fishing activities; More value-added; Increase in revenue from fishing activities. | Increase in revenue; Increase in employment; Transfer of technology and know-how. | Enquiries and research in the local fishery; Employment statistics. |
| 8. Port services in Mauritius | Maximise involvement in and revenue from activities related to fishing. | Increase in revenue; Increase in employment; Transfer of technology and know-how. | Enquiries and research Employment statistics. |
| 9. Control and surveillance in Mauritius | Setting up of a VMS | Monitoring of the fishing activities of foreign fleets operating in Mauritius EEZ | Fines and other sanctions; Suspension of fishing licences; Boarding of vessels. |

3. Added value of Community involvement

A lack of political initiatives at EU level, aiming to guarantee, in the long term, a sustainable fishery of the Community long distant waters fleet, would lead to the gradual reduction of the Community fleet. This would occur probably by a change of flag, and in particular a change to a flag of convenience and/ or an increase in private fishing arrangements.

In cases where private licenses are sold to operators, there is no guarantee that the financial counterpart benefits the fisheries industry and their employees in the third country in the way that the Community targeted actions do.

This situation should be avoided, since it would result in a substantial reduction of the role of the EC external fisheries policy and the disappearance of the European long distant waters fleet and subsequently by reducing the ability of the Community to honour and implement its commitments taken in an international level.

4. Risks and alternative options

The introduction of a new Protocol necessarily involves a certain degree of risk. The following table sums up the risks and proposes measures to introduce to try to control them.

Risks linked to the proposals and alternative options

| Risks | Alternative options |
|--|--|
| Fraud: Mauritius' revenue (payments for targeted measures and ship-owners' payments) is not allocated as agreed. | Improve EC monitoring of revenue and expenditure; Introduce an annual (or pluri-annual) programming followed by analysis a posteriori of the results). |
| Chinese and Korean fleets continue to ignore licences and other controls. | Improve control activities by patrols or by air and setting up a Vessels Monitoring System; Enforce the laws and rules by prosecution, fines, confiscating equipment. |
| Small-scale fishermen continue to be marginalised, no increase in their share of catches and revenue. | Financing of measures in their favour. |
| Lack of investment (local or foreign) in local value-added operations. | Encourage foreign fleets to use local port facilities; Review laws and initiatives in favour of investment; Review cost factor (water, electricity, etc.). |

Responsibility for these options will largely rest with the EC and the Mauritian Government.

5. Lessons drawn from previous experience

In the case of Mauritius, the ex post evaluation shows that during the period 1992-2003, the utilisation of the available fishing possibilities in terms of licences by Community ship-owners for tuna fishing was satisfactory: it increased gradually from 52,4 % to 84,2 % (see following table).

**Utilisation of the Community/Mauritius Fisheries Agreement
(based on number of vessels)**

| Category | Fishing opportunities available | Utilisation | | | |
|--------------------|---------------------------------|---------------|-------------|-------------|-------------|
| | | 1999/2000 | 2000/2001 | 2001/2002 | 2002/2003 |
| Tuna seiners | 43 | 28 | 33 | 32 | 33 |
| Surface longliners | 40 | 15 | 21 | 31 | 36 |
| TOTAL | 83 | 43 | 54 | 63 | 69 |
| % | | 51,8 % | 65 % | 76 % | 83 % |

In respect to the utilisation of the fishing possibilities in terms of catches, overall, catches fell short of the reference weight, but increased in 2000 and again in 2002 as the following table shows:

**Utilisation of the EC/Mauritius tuna-fishing agreement
Declared annual catches of seiners and longliners (in tons)**

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Spain | – | 1.244 | 20 | – | 1.058 | 100 | 60 |
| France | 402 | 1.888 | 94 | 156 | 3.010 | 1.657 | 3.768 |
| Portugal | – | – | – | – | – | – | – |
| Italy | – | – | – | – | – | 50 | – |
| United Kingdom | – | – | – | – | – | – | – |
| Total | 402 | 3.132 | 114 | 156 | 4.068 | 1.807 | 3.828 |
| Reference tonnage | 6.000 | 7.500 | 7.500 | 7.500 | 5.500 | 5.500 | 5.500 |
| Catches in % of the reference tonnage | 6,8 | 41,8 | 1,5 | 2,1 | 74 | 32,9 | 69,6 |

Concerning the state of the stocks, it is to be noted that all the highly migratory species in the Indian Ocean are managed by the Indian Ocean Tuna Commission (IOTC). Following the opinion of its Scientific Committee, the IOTC adopts resolutions applicable to all members. The EC and Mauritius are members of the IOTC and therefore bound to any resolution adopted by this Commission.

There is no resolution presently developed by the IOTC concerning tuna or any other highly migratory species. Also, there are no TACs and quotas for the tuna species in the Indian Ocean, since the state of the stocks is in good shape.

If you consider that total catches in the Indian Ocean for the year 2000 were 393,000 tons for skipjack tuna, 304,000 tons for yellowfin tuna and 131,000 tons for bigeye tuna (828,000 tons in total), which are the most commonly caught species, it is

evident that a reference tonnage of 5,500 tons per year in the Mauritian Exclusive Economic Zone (as fixed by the protocol 1999-2002) does not have any negative impact to the state of the resources neither at a national nor at a regional level (source: report of the 5th session of the Scientific Committee of the IOTC, Seychelles, 2-6 December 2002).

Finally, the *ex post* evaluation stressed the need of an efficient control and surveillance system, in order to combat illegal fishing and to promote a responsible and sustainable fishery in the Indian Ocean.

The elements modified or inserted in the new protocol following the *ex post* evaluation are presented hereafter.

– **“Classical” elements**

Fishing opportunities, reference tonnage, financial compensation, fees, licences and other technical measures are included in all the fishing protocols the Community concludes with third countries and are subject to negotiations with its partners:

- Reference tonnage: it has been increased from 5.500 tons to 6.500 of tuna per year. It involves a 12 % increase after four years (1999-2003), which may be considered moderate and the outcome of a reasonable negotiation. It has to be noted that under the protocol 1996-1999 the reference tonnage was 7.500 tons of tuna per year, fact that was used as a benchmark by the Mauritian authorities and influenced the result of the last negotiation. Besides, scientist advice shows that catches in the Mauritius Exclusive Economic Zone shall increase. Finally, the increase has no negative impact to the state of the resources.
- Fishing possibilities: following the increase of the reference tonnage, the new Protocol grants fishing possibilities for 41 tuna seiners and 49 surface longliners, against 43 and 40 respectively in the expiring Protocol.
- Financial compensation: € 487,500 per year, composed by € 292,500 to be paid to the public Treasury of Mauritius and € 195,000 to finance targeted measures. The allocation of the amounts has been decided according to the needs and priorities of the Mauritian national policy. In the previous protocol the financial compensation was € 412,500, equally allocated to the public Treasury and targeted measures.
- Ship-owners fees and advance payments:
 - the fee paid by the ship-owners for each tonne of tuna caught in the Mauritius fishing zone is fixed to € 25, as it is provided to all the agreements concluded by the EC in the Indian Ocean;
 - the advance payments have been increased in respect to the previous protocol:

- For tuna seiners: € 2,000 (instead of € 1,750 in the previous protocol) per year per tuna seiner, equivalent to the fees for 80 tons (instead of 70 tons) of annual catches within the waters of Mauritius.
- For surface longliners: € 1,550 (instead of € 1,375 in the previous protocol) per year for surface longliners of more than 150 GRT and € 1,100 (instead of € 1,000) for surface longliners of 150 GRT or less. These amounts correspond respectively to the fees due for 62 tons (55 previously) and for 44 tons (40 previously) of annual catches in Mauritian waters.
- For vessels fishing by line: licences shall be valid for three, six or twelve months. The fee shall be fixed in relation to the GRT as follows: 80 Euro per year per GRT *pro rata temporis* (remains the same as in the previous protocol).

– **New elements**

In line with the concept of responsible and sustainable fisheries and in order to better monitoring the EC fleet operating in the Mauritian waters, the following new elements have been introduced:

- i) duration of the Protocol 4 years instead of 3 up to now;
- ii) exclusive clause prohibiting any private licence or other arrangement;
- iii) obligation for the Community fleet operating in the Mauritian waters to embark local seamen and to apply the social clause;
- iv) fishing outside 15 miles from the coast instead of 12 previously;
- v) obligation for the Community vessels to communicate any transshipment in Mauritius, and
- vi) sanctions for non-compliance with the Protocol and the relevant Mauritian legislation.

– **Targeted measures**

Concerning the realisation and implementation of the targeted measures provided for in the protocol, after examination of the annual reports, it results that the competent Mauritian authorities made satisfactory use of the amount earmarked for targeted measures in the extended Protocol for 2003.

To support the fisheries sector in Mauritius the Community financed several projects (budget € 197.566). The following projects are currently under way:

- construction of a fish landing station at Mer Rouge, Roche Bois of an approximate area of 76 sq.m, including construction of a leaching field,

construction of a septic tank, supply and lay tarmac paving for marking area with Kerb around;

- dredging of boat passages at Le Morne and at La Passe Vacoas (Trou d'Eau Douce) – these passages across the coral reef are provided with a view to facilitate access by local fishermen to navigable waters of the high sea. Boats often have difficulties in crossing the reef particularly at low tide. The areas under consideration are partially exposed to low tide, are narrow, shallow and obstructed by basaltic rocks and boulders.

A request for financing the setting-up of a VMS, with an estimated cost of approximately € 260.000, is still pending, waiting for its implementation in 2004. This project is very important for the promotion of a responsible fishery in the Mauritius' waters, the island having currently limited means of control and surveillance of the foreign vessels operating off Mauritius.

Also, € 25.000 have been utilised for training and participation in international Organisations and meetings.

Overall, the following lessons can be drawn from the ex post evaluation of the previous Protocol, and were taken into consideration in drafting the new Protocol:

- In anticipation of a better use of the reference tonnage in terms of actual catches, which are not deemed to have a negative impact to the state of the resources, the reference tonnage could be increased by 1.000 tons, taking into account also the interest of the involved parties as manifested in the negotiations. The increase in the financial compensation that results is rather modest (€ 75.000 per year) and seems to be acceptable under cost-effectiveness considerations (see chapter 6 below).
- Concerning the realisation of the targeted measures provided for in the protocol, after examination of the annual reports, it results that the competent Mauritian authorities made satisfactory use of the amount earmarked for targeted measures. However, a better follow-up could be envisaged from their programming phase.
- The control and surveillance measures in the Mauritian EEZ are still not sufficient. The setting up of a Vessels Monitoring System urges.
- The lack of information on fishing in Mauritius makes it difficult to carry out an accurate assessment of the activities and results of the fisheries sector.

6. Elements related to cost-effectiveness

Concerning the cost-effectiveness of the Agreement, the main costs for the EC derive from the payment of compensation by the Community and of licences fees by European vessel-operators in favour of the Mauritian Government and though to the national fisheries sector.

The Agreement is profitable for the Community in that the value of catches far exceeds the cost of the Protocol.

The global unit cost (for the EC and for the ship-owners using the licences) is € 100 per tone of tuna out of which € 75 payable by the Community and € 25 payable by the ship-owners. The financial compensation paid by the EC is calculated by multiplying this unit cost by the reference tonnage: € 75 x 6,500 tons = € 487,500 per year. In the hypothesis that the catches of the EC ship-owners reach 6,500 tons (utilisation 100 % of the reference tonnage) the Community would pay € 487,500 and the ship-owners € 162,500, that is € 650,000 in total.

The average commercial value of tuna is around € 875 per tonne.

Skipjack prices declined sharply during 1999, to reach US\$ 400 per tone in Bangkok. Prices recovered in early 2000, to US\$ 750 per tone.

Yellowfin prices were US\$ 1.000 per tone in 2002. Yellowfin originating from the Indian Ocean or from the Atlantic commands a higher price than yellowfin tuna from the Pacific. However, the price difference has been narrowing in recent years (source: GLOBEFISH Databank, tuna prices – exports – imports – catches – consumptions, 2002).

If, in the case of the previous example, the 6,500 tons were commercialised, they would have reached a price of € 5,687,500 (= 6,500 tons x € 875). It results that the benefit would have been € 5,037,500 per year, that is 88.6 % in respect to the cost of the tuna paid in Madagascar by the Community and the ship-owners together.

In addition to the direct commercial value of the catches of the vessels concerned, there are other benefits from this Agreement:

- guaranteed employment on board fishing vessels for both Community and local fishermen;
- the multiplier effect on jobs for the ports, auctions, processing factories, shipyards, service industries, etc. in the Community and in Mauritius;
- these employment opportunities are in regions where no other opportunities are available;
- contribution to the supply of fish to the Community and to the Mauritian population.

It should be remembered that the guidelines laid down by the Council for negotiating Fisheries Agreements with the ACP countries specify that account must be taken of the Community's interest in maintaining or establishing fisheries relations with the countries concerned.

7. Future monitoring and evaluation

Continuous monitoring was already done for the previous Protocols between the EC and Mauritius and is also foreseen for the new Protocol. The use of licences is closely followed and data on actual catches are regularly collected. As far as the targeted actions are concerned, there is a new provision that foresees the submission of a detailed annual programming by the partner country, including schedule and the

expected objectives of specific actions to be undertaken, before payments are made. In addition, within a joint Committee, meeting at the request of either party, the Community and Mauritius may consult one another on questions relating to the implementation and proper functioning of the underlying Fisheries Agreement.

Regarding the arrangements for future evaluation, before the Protocol is renewed in December 2007, the entire period which it covers (3 December 2003 to 2 December 2007) will be evaluated, measuring indicators relating to results (catches, values of catches) and impact (number of jobs created and maintained, relation between the cost of the Protocol and the value of catches). In order to guarantee sustainable fisheries in the region, this evaluation will be carried out prior to any renewal of the protocols in the future.

Conclusions

- Although from the budgetary and catch weight point of view the agreement remains relatively modest, it is very important for the Community ship-owners because it forms part of a network of tuna-fishing agreements in the Indian Ocean, made necessary by tuna's highly migratory nature. The Community has concluded similar agreements with Seychelles (the largest, for 45 000 tonnes of tuna), Madagascar and the Comoros. An equivalent agreement is due to be concluded soon with Tanzania, and the Commission plans to open negotiations with Kenya.
- The Agreement is equally vital for the Mauritian economy; tuna fished in its Exclusive Economic Zone is a national resource generating foreign currency. Also it provides employment for local fishermen and in the processing sector.
- Fishing activities in Mauritian waters are to some extent unsupervised, particularly in the case of illegal fishing of tooth-fish by Asian fleets. As long as this situation prevails, the Mauritian Government will continue to lose revenue and will run the risk of overexploitation and destruction of its fish stocks. It is, therefore, not only in the Government's interest but it is also incumbent upon it to take steps to impose stricter controls on fishing activities. The EC could provide through the Agreement the necessary measures for the strengthening of the control and surveillance (namely by implementing a Vessels Monitoring System) for a better monitoring of the foreign fleets.

All these factors are interdependent and, therefore, have a shared interest in establishing a new Protocol which recognises the requirements of each.