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COMMISSION STAFF WORKING DOCUMENT

Evaluation

Accompanying the document

Recommendation for a

COUNCIL DECISION

authorising the opening of negotiations on behalf of the European Union for the conclusion of a Sustainable Fisheries Partnership Agreement and a protocol with the Republic of Seychelles

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1. INTRODUCTION

Purpose and scope

Bilateral sustainable fisheries partnership agreements (hereafter - SFPAs) between the EU and third countries are covered by the Common Fisheries Policy (CFP) regulation.¹ SFPAs help to implement the CFP objectives internationally, ensuring that fishing activities of the EU fleet outside Union waters are based on the same principles and standards as those applied in EU waters. SFPAs are based on the principles of sustainability and best available scientific advice, transparency, non-discrimination, solidarity through partnership. All in all, SFPAs contribute to the establishment of a governance framework for external fishing activities.² Furthermore, the EU commitment to promote oceans governance at a global level should be incorporated in newly negotiated SFPAs.

The Council Conclusions on the external dimension of the Common Fisheries Policy adopted on 19 March 2012, calls for an ex-post and ex-ante evaluation to be carried out by the Commission before negotiating a new protocol.³ This stems from Article 31(10) of the Basic CFP Regulation. Ex-ante and ex-post evaluation studies aim to inform decision makers, before the negotiation directives by the Council are adopted.

This staff working document (SWD) presents the results of an ex-post and ex-ante evaluation⁴ of the current Sustainable Fisheries Partnership Agreement between the European Union and Seychelles and of its Implementing Protocol (2014-2020), the latter expiring on 17 January 2020. The study covers the period from the entry into force of the Protocol (18 January 2014) till end of December 2018. For the sectoral support, the period evaluated also covered the previous Protocol from 1 September 2011 to the end of 2014. The ex-post evaluation is made on the basis of assessment criteria: effectiveness, efficiency, economy, relevance, coherence, EU added value and acceptability. For the ex-ante analysis, the focus was on the lessons learned, possible benefits of the new Protocol, available options (renewal or non-renewal of the Protocol) and the associated risks, as well as the added value for the EU.

2. BACKGROUND TO THE INTERVENTION

Description of the intervention and its objectives

To explain the logic of this intervention, it is important to explain the rationale of SFPAs. SFPAs consist of 3 major parts: Agreements, Protocol and Technical Annexes. While once negotiated SFPA Agreements are automatically extended, the Protocols have to be renegotiated before their expiry. SFPAs are rendered operational through implementation Protocols that contain Technical Annexes. It is for this reason that the evaluation study is needed (as explained in the introduction), in order to decide whether it is beneficial or not renewing the Protocol and, if so, under which conditions.

EU concludes fisheries partnership agreements with third countries to enable the EU fleet to fish surplus resources in the exclusive economic zone (EEZ) of partner countries (in this case – Seychelles), in a legally regulated environment and in exchange for a financial contribution by the EU and ship-owners. The EU contribution is made up of two separate financial components: 1) EU access contribution that gives access for the EU fleet to

1 Regulation (EU) 1380/2013 of 11 December 2013 the Common Fisheries Policy (OJ L354, 28.12.2013, p. 22);

2 Overview of SFPA: http://ec.europa.eu/fisheries/cfp/international/agreements_fr;

3 Doc. 7086/12 PECHÉ 66.

4 <https://publications.europa.eu/en/publication-detail/-/publication/5e1b1689-7785-11e9-9f05-01aa75ed71a1/language-en/format-PDF/source-97941423>

waters and fisheries resources of a partner country; and 2) EU sectorial support devoted to the development of the fisheries sector in partner countries. The EU public contribution is complemented by contributions paid by EU ship-owners.

Each SFPA is an exclusive agreement: once in place, EU vessels can only fish under this SFPA, and cannot enter into private agreements with the partner country. The SFPA ensures a level-playing field and establishes minimum standards for sustainable resource management as it includes provisions prohibiting the granting of more favourable conditions to other foreign fleets. The implementation of the Agreement and the Protocol is managed by a Joint Committee, which meets at least once per year, composed of representatives of both parties.

The first fisheries agreement between the EU and Seychelles dates back from 1987. The current Agreement was concluded in 2006⁵ and is tacitly renewed every six years from its entry into force. Under the current Protocol of six years (18 January 2014 till 17 January 2020), the EU fleet is allowed to fish tuna in Seychelles' waters with a reference tonnage of 50 000 tonnes per year. Access is given to 40 purse seiners and 6 surface longliners. In addition to the fees paid by the European fleet, the EU pays a financial contribution of 5 000 000 EUR per year for this partnership, out of which 2 500 000 EUR are earmarked for supporting the local fishing sector in Seychelles and improving fisheries governance⁶. The Partnership with the EU is also contributing to strengthening the fight against Illegal, unregulated and unreported fishing (IUU).

The FPA has overall a significant impact on the economy of the country. Port Victoria is a major hub for the regional fishery sector and it hosts an important cannery processing about 80 000 tonnes per year of raw materials (about one third of the West Indian Ocean purse seiner tuna catch). EU tuna vessels operating under the Agreement during the period 2014-2017 landed an estimated 22% of their regional tuna catches into this cannery at the international market price, playing therefore a relevant role in their supplies. Furthermore, under the Protocol the EU tuna seiners landing in Port Victoria endeavour to supply their by-catches locally at the local market price. Following the introduction by IOTC of the full landing obligations from 2018, all bycatch is also landed to the Seychelles.

Important to note, that bilateral cooperation between the EU and Seychelles should be looked at in a larger context, taking into account synergies in all the actions undertaken under other SFPAs or in the framework of regional cooperation, and coordinated with other EU projects and relevant interventions. To do so, DG MARE works in close cooperation with other Commission services (DEVCO, TRADE, SANTE) and with the EEAS in order to ensure coherence in actions undertaken by different services. Synergies are also sought with other financial donors in the region, in order to ensure complementarity of resources and maximum benefits to Seychelles.

3. METHODOLOGY

The evaluation study was conducted between January and February 2019, under the guidance of an inter-service Steering Group and within the general framework of the Terms of Reference's framework contract. The methodology used in the evaluation included analysis of documentation and data available, and consultation of Seychelles' and EU stakeholders (more information in Annex 2).

The preparation of the evaluation report took into account the guidelines recommended by the EU, including the "Toolbox" on evaluation, in particular on how to assess the

⁵ OJ L290 of 20.10.2006, p.2

⁶ For the last 4 years of the Protocol. For the first 2 years, it was 5 350 000

impacts of EU interventions in third countries, and the methodological elements specific to the external dimension of the CFP, such as those concerning the methods of assessment of the socio-economic benefits of fisheries agreements.

All in all, the contractor respected all the requirements set by the Steering group, and all the meetings were held without delay. There was a very constructive communication between the Steering group and the contractor along the whole evaluation process, and the cooperation was mutually much appreciated.

4. IMPLEMENTATION/STATE OF PLAY

As regards the implementation of the Protocol, a number of areas are identified by the consultant, in order to reflect what the situation was before the intervention started, and how it was expected to develop and other relevant points of comparison.

Utilisation of fishing opportunities

The utilisation of fishing opportunities for tuna purse seiners has been good over the period 2014-2020. An average of 27 EU tuna purse seiners have drawn fishing authorisations (69% out of 40 foreseen in the Protocol), and this represents almost all EU tuna purse seiners active in the Indian Ocean, demonstrating the strategic interest of the access to the Seychelles EEZ for this fleet segment.

For surface longliners, only 1 French surface longliner has utilised the fishing opportunities in 2016 and 2017. This can be explained by the fact that larger vessels in this segment target species in sub-tropical waters to the South, and the Seychelles zone is out of range of most of the smaller vessels based in the EU Outermost Region of La Réunion.

Catches

Annual EU catches under the Protocol amount to around 48 000 tonnes between 2014 and 2018, with two years during which the total catches were higher than the reference tonnage. The average catch by purse seiner is of around 1725 tonnes per vessel.

Scientific cooperation

The scientific exchanges between the Parties have mainly taken place in the frame of the discussions at the Indian Ocean Tuna Commission (IOTC), for which both the EU and Seychelles are active members, and which have provided sufficient scientific base for the management decisions taken by the Joint Committee.

Technical measures

As regards the support vessels and although the Protocol does not limit their numbers, it is to note that 10 EU supply vessels on average per year were licensed between 2014 and 2018.

Seychelles seamen were embarked on approximately 51% of fishing trips made by EU vessels and operators paid compensation for non-recruitment, when relevant. The reason for non-embarking has been reported to be in numerous occasions the unavailability of qualified seamen.

The observer capacity of Seychelles has been significantly strengthened throughout the period of the Protocol, increasing from 2 initial qualified observer instructors up to a corps of 42 in 2018. The establishment of an effective observer regime for purse seiners is one of the major achievements of the Protocol. This has allowed to consistently

exceeding by a large number the minimum IOTC observer coverage of 5% of trips in the purse seiner sector, on both Seychelles and EU and foreigner vessels.

Sectoral support

With an overall budget of 17 632 015 EUR⁷, the sectoral support program for 2014-2020 has been focusing on 3 priority areas: development and implementation of fisheries and aquaculture management plans, fisheries infrastructure development, and capacity building. The initial financial allocation of the budget by objectives is illustrated in Table 28 of the external evaluation report, with the highest proportion of the budget allocated to fisheries infrastructure development.

In the fishery development area, it is reported that the program has successfully contributed to the monitoring, control, surveillance and enforcement capabilities of the Seychelles, in particular by strengthening the Monitoring Control and Surveillance system. The Satellite Vessel Monitoring System has been extended to national vessels and the Fisheries Monitoring Centre upgraded to cope with the increased level of activity. Significant efforts have focused on the installation of the Electronic Reporting System (ERS), which however, despite the progresses in the last period, is not yet fully operational. In the same area, the programme supported the development of a demersal fisheries management plan and scientific studies, as well as the establishment of the policy, legal and institutional framework for the development of the commercial aquaculture sector.

The fisheries infrastructure development priority is reported to be the central, significant and visible feature of the Programme, with significant upgrades in facilities serving in particular the small-scale fishery sector and improving their sanitary conditions. Some projects, such as the Île du Port investment, has helped the Seychelles to retain its strategic role as the EU fleet's main landing and transshipping port for the tuna in the Indian Ocean.

Finally, the sectoral support clearly contributed to the capacity building of staff, by supporting the scholarships and operation of a long-line training vessel donated to the Seychelles Maritime Training. Furthermore, the activities under the Programme strengthened the sanitary control system for fishery products.

The sectoral support has nevertheless experienced some delays and challenges in the implementation, and there remains room for improvement in program management in several areas.

5. ANALYSIS AND ANSWERS TO THE EVALUATION QUESTIONS

The 2014-2020 Protocol between the EU and Seychelles has broadly met the evaluation criteria for EU interventions of effectiveness, efficiency, economy relevance, coherence, acceptability and EU added value. The current Protocol can be broadly described as a win-win agreement for both parties in that it addresses most of the identified needs of different stakeholders.

Effectiveness. The 2014-2020 Protocol has broadly met the evaluation criteria for EU intervention for effectiveness. It has indeed met the objective of protecting the interests of the EU long distance fleet by providing stable access to an important fishing zone in the Western Indian Ocean. The Protocol is also evaluated as effective. It addresses most

⁷ This budget also included a balance of EUR 2 420 342 from the previous Protocol.

of the identified needs of different stakeholders, and the sectoral support programme has delivered some notable benefits in infrastructure, capacity building and fisheries management and conservation.

The main elements of concern regarding effectiveness have been the low utilisation of surface longline fishing opportunities provided in the Protocol and the initial difficulties of the parties to implement the sectoral support programme according to the foreseen timetable.

Efficiency. The Protocol is evaluated as efficient with an EU financial contribution proportional to the fishing opportunities exploited. The reference tonnage has on average been 96% consumed, with additional payments for excess catches above this amount generated in two years of the Protocol so far.

Economy. The nature and dimensions of the sectoral support programme were commensurate with the needs of the fishery sector, and the EU has disbursed the sector support contributions in a timely manner and consistent with the Protocol. Nevertheless, initial programming and management experienced some challenges.

Relevance. The Protocol is found to be highly relevant to the needs of the key stakeholders concerned. For EU ship-owners, the Protocol provides predictable access to a productive fishing area. For Seychelles, it delivers national economic benefits from tuna resources present in the EEZ that the national fleet cannot at present fully exploit. It has also supported Seychelles to meet its IOTC obligations, especially in relation to the observer programme. Furthermore, the Protocol ensures important supplies to the Western Indian Ocean and contributes to Seychelles key policy objective of maintaining Victoria as the main tuna industry hub of the Western Indian Ocean.

Coherence. The Protocol is coherent with other EU interventions in the Western Indian Ocean, in particular those of the European Development Fund aimed at strengthening fisheries governance and maritime security. Furthermore, it is consistent with the conservation and management measures adopted under the multilateral framework of IOTC, and supports Seychelles' participation in the work of this RFMO and compliance with its measures through the sectoral support component. In addition, it provides greater transparency in coherence with the IOTC resolution.

EU added value. The added value of the EU intervention is high, as this provides more stable access to migratory fisheries resources than could be achieved by private annual arrangements, and supports the implementation of the Seychelles fisheries policy.

Acceptability. The Agreement and its Protocol are considered to have been acceptable to the EU and the Member States, the Government of the Seychelles, as well as to the EU and Seychellois fishery sector operators.

6. CONCLUSIONS

The contractor has fully addressed the evaluation questions and provided the Commission with concrete, reliable and credible results. Based on these observations, the contractor has drawn conclusions based on objective analysis and made specific and relevant recommendations for future negotiations on the new agreement and protocol between the EU and Seychelles.

From all options considered, the renewal of the Protocol at the end of its implementation period (17 January 2020) clearly appears to be in the interest of both parties and as the most beneficial outcome. The evaluation also concludes that it could be in the mutual interest of both parties to consider updating the framework for their cooperation by the

adoption of a new Sustainable Fisheries Partnership Agreement. Any other option would not bring the same benefits, including the option of not renewing the Protocol.

The negotiation of a new Sustainable Fisheries Partnership Agreement would imply reinforcing principles such as on transparency and non-discrimination, as to better align with the general principles set out in the Common Fishery Policy Regulation.

The current Protocol positively addresses the identified needs of the different stakeholders. Therefore, the evaluation recommends retaining a similar technical and financial approach in a future Protocol, with however some adaptations aimed in particular at improving the implementing technical conditions of its access component as well as the management of the sectoral support.

As regards the technical conditions to be improved, the spatial limits of the fishing activities under a future Protocol should take into account possible extensions of the Marine Protected Areas and restrictions within the Seychelles Marine Spatial Plan, which are currently under discussion and which may impact on EU fleet activities. Fishing opportunities for purse seiners and surface longliners may be retained, however a limit on authorisations for supply vessels could be introduced, as to ensure coherence with IOTC Resolution 18/01. The catch data reporting system could be improved through an operational ERS, and the seamen recruitment monitoring system could be reviewed.

With regard to access conditions, the reference tonnage used to establish the financial compensation reflect the historical catches, however in a future protocol it should take into account possible modifications of the fishing zones due to the extension of the Marine Protected Areas.

With regard to the sectoral support component, the evaluation recommends continuing focusing on monitoring, control and surveillance, and in strengthening the Seychelles' capacity to fulfil its obligations under the Agreement and the IOTC. Scientific cooperation should therefore focus on collection, processing, analysis and communication of catch data. Furthermore, it is recommended to put emphasis on supporting improvements of Port State controls, in line with Seychelles' international obligations due to the importance of Victoria for Indian Ocean tuna landings and transshipments, and the implementation of Seychelles' Fisheries Policy.

Programming and implementation of the sectoral support programme could be improved, and, for this purpose, it is suggested to allocate a specific component of the sectoral support to program management. Furthermore, a future Protocol should better ensure the visibility of the sectoral support actions and define a budget for ensuring communication on the results of the programme.

To sum up, the Commission supports in general the conclusions of the assessment made by the contractor.

Annex 1: Procedural information

1. LEAD DG, DeCIDE PLANNING/CWP REFERENCES

Responsible DG: DG MARE – Maritime Affairs and Fisheries/ PLAN/2018/3997

2. ORGANISATION AND TIMING

| Tasks | Time |
|---------------------------------------|--------------------------|
| Signature of the contract | 19 December 2018 |
| Kick-off meeting | 10 January 2019 |
| Report of the Kick-off meeting | 11 January 2019 |
| Submission of the inception report | 21 January 2019 |
| Comments to the inception report | 20 February 2019 |
| Meeting to discuss inception report | n/a (exchanges by email) |
| Submission of the draft final report | 27 February 2019 |
| Meeting to discuss draft final report | 19 March 2019 |
| Submission of the final report | 29 April 2019 |

3. EXCEPTIONS TO THE BETTER REGULATION GUIDELINES

The legal and procedural requirements for the preparation of the renewal of fisheries protocols lead to a tight schedule, which prevents the holding of an open public consultation. Moreover, the impact of SFPA is relatively limited, as they focus on a small number of stakeholders. The consultation strategy excludes open public consultations.

4. CONSULTATION OF THE RSB (IF APPLICABLE)

The Contractor used data provided by DG MARE and DG DEVCO and the interviews with the authorities of Seychelles, EU Member States concerned, representatives or associations of fishing ship-owners, NGOs and civil society.

5. EVIDENCE, SOURCES AND QUALITY

The evaluation process and the final evaluation report was subject to a quality assessment by the Steering Committee.

Annex 2: Stakeholder consultation

Main questionnaire sent to stakeholders

- What is your view on the Protocol approved by the Council and the European Parliament?
- In your opinion, what are the main reasons for the limited interest in the fishing opportunities for Surface Longline Vessels (ES, FR or PT)?
- Are you generally satisfied by the way the European Commission manages the Fisheries agreement with Seychelles?
- Do you face difficulties in the implementation of the following monitoring measures attributed to Member States in the context of this Protocol?
- In the event the Protocol is renewed in 2020, what changes should be made compared to the current Protocol?
- The Government of Seychelles has proposed the establishment of two Marine Protected Areas covering 400,000 km² (see <https://bit.ly/2FoZbhB>) in which purse seine fishing activities will be restricted. Are you aware of this, and what impacts do you consider it may have on fishing by EU vessels?
- Do you have any other comments?

Background

In line with the implementation of the Commission guidelines and the better regulation ‘toolbox’, a consultation strategy has been elaborated by the contractor to support the preparation of the negotiations for the renewal of protocols to the fisheries partnership agreements (SFPAs). The strategy has had to define the best means of achieving relevant stakeholders both in the EU and in the partner country concerned.

Objectives

The aim of the consultation:

1. To obtain stakeholders’ views on the implementation of the previous protocol or ongoing, as well as on the possible renewal of the protocol, including the different options;
2. To use the results of this consultation in the evaluation report.

Approach to consultation of stakeholders

The main stakeholders concerned with the Protocol, which have been consulted in the form of interview or through the form sent, are as follows: 1) Member States flag ships beneficiaries; 2) representatives or associations of ship-owners in the beneficiaries of this Protocol; 3) non-governmental organisations (NGOs); 4) The partner country administrations; 5) the private sector and civil society.

Results of the stakeholder consultation

The views of the organizations are synthesized in the main text of the evaluation report, in particular in the ex-post evaluation chapters of the current protocol and ex ante of a possible

future protocol. The lists of stakeholders consulted are included in Annexes 7 and 8 of the Protocol.

ANNEXE 3:

ANALYTICAL METHODS AND MODELS USED TO DEVELOP THE EVALUATION

Economic analysis

A harmonised methodology has been developed for the economic analysis of tuna fleets, which fish under SFPAs and under RFMOs.

Data used correspond to data provided by the Commission through the EU Member States to the contractor.

The specific methodology applied by the contractor is presented in Annex 5 of the evaluation study. Furthermore, the contractor has also carried out an assessment, under different scenarios, of the EU tuna catches in Marine Protected Areas under the Seychelles Marine Spatial Plan, which is presented in Annex 4 of the study.

Science

The evaluators did not carry out tuna stock assessments as such, but used the latest available scientific advice from IOTC as well as most the recent management measures adopted by IOTC for the tuna fishery.

Data on catches and fishing authorizations

Catch data for EU vessels used in the assessment were taken from the European Commission consolidated catch database, which is updated by Member States. Information on fishing authorizations granted by Seychelles to EU vessels has been extracted from the Commission's database on fishing authorizations as well as on elements provided by Seychelles.