

Assisting Papua New Guinea with the European Union “yellow card” for IUU fishing

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Source: <http://www.franciscoblaha.info/blog/>

In June the European Union (EU) (via DG Mare) enacted two decisions (2014/C 185/02 and 03), warning the Philippines and Papua New Guinea (PNG) that they risk being identified as countries it considers non-cooperative in the fight against illegal, unreported and unregulated (IUU) fishing.

The decision highlights that these countries (in the EU's view) are not doing enough to fight illegal fishing. It identifies concrete shortcomings, such as a lack of a system of sanctions to deter IUU activities or a lack of actions to address deficiencies in monitoring, controlling and surveillance of fisheries.

The decision does not, at this stage, entail any measures affecting trade. Both countries are being given a “yellow card” warning and a reasonable time to respond and take measures to rectify the situation. The European Union has also proposed an action plan for each country to address the shortcomings. Should the situation not improve within six months, the EU could take further steps, which could entail trade sanctions on fisheries imports, as was done recently with Guinea, Belize and Cambodia (IP/14/304).

The decisions follow a long period of informal discussions with the countries in question since 2012. A formal procedure of dialogue with these countries to resolve the identified issues and implement the necessary action plans will now take place.

And as it happens in these cases there is a bigger and longer history behind... PNG and the Philippines have been “fishing bedfellows” for a while now, hence both had to be in the spotlight even if the Philippines carries a much bigger “fault” on this than PNG... they have been quite complacent too.

PNG has a big EEZ and the northern waters are very good tuna fishing grounds, Purse-seining is by far the most significant fishery, accounting for 98% of the total tuna catch (over 700,000 tonnes). Not surprisingly, PNG has an established onshore tuna processing industry with four companies in three locations; these plants collectively employ more than 8,000 workers as well as generating further upstream and downstream benefits.

PNG is an ACP (Africa, Caribbean and the Pacific) country, and as such has tariff-free access to the EU market under the Cotonou Agreement. Duty-free access to the EU market, coupled with the recent Rules of Origin

relaxation under global sourcing provisions, enables PNG to compete against lower cost sites of production for exports to the European Union countries.

Philippine companies were clever and over 12 years ago took an early advantage of this opportunity, and diverted much of its processing capacity and fleet to PNG. And it paid off... (but they took a big gamble, PNG is not an easy place).

In parallel, during 1998/1999 (my first time there) under an Asian Development Bank programme, they came up with a new operating model for its fisheries authority, instead of the usual ministry or department that get its (normally pathetic) operating funds from the Ministry of Finance/Treasury. PNG created an independent National Fisheries Authority (NFA) that directly collects all fisheries-related revenues, covers its budget, and then passes the surplus funds to treasury (a brilliant move).

Fisheries-related income exploded, and as a consequence, NFA has been the best-funded Fisheries Authority I ever worked with... but as we seen before (not only in fisheries) economical expansion and growth need to be accompanied by a parallel development on controls and transparency... and that has not been the case.

In 2013, of the 259 purse-seine vessels authorised to fish and land in PNG, only 15 were PNG-flagged, 43 were PNG-chartered (domestic-based mostly Philippine-flagged vessels) and 201 were foreign vessels fishing under access agreements. Imagine the difficulties arising from managing and controlling such a fishery, particularly when you have various different access agreements and the pressures that distant water fishing nations (with no regards for transparency) can exert.

At the same time, the Spanish-based tuna industry did not like this tuna catching and processing explosion because it relies on foreign-caught whole tuna that it could process there and add value to, hence having that tuna caught and processed by competitors in other places that allowed Spain to enter duty-free their market wasn't part of the idea. They have been on each other case for years now.

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With the introduction of the EU IUU regulation and Catch Certification Scheme, the EU closed its market to fish that cannot be proven to come from legal origins, and that it is the exclusive responsibility of the “flag State” to validate the certificates, saying that the fish were legally caught. So from that perspective, PNG should only deal with the landings of its “own” 15 vessels, but at the same time deal with tons of certificates provided by other countries and deal with “processing and non-processing statements” over these catch certificates.

But the EU points out:

“The PNG authorities confirmed their awareness that information on catch certificates issued by flag States for fish directly landed in PNG for processing are regularly incorrect. This incorrect information in catch certificates is mainly due to the fact that PNG authorities do not share data available to them, in particular Vessel Monitoring Scheme (VMS) and landing declarations, with the flag State, and not even in cases where irregularities are established. Consequently, the flag State authority has to base its catch certificates on the information available to it, which may be incomplete, incorrect and not verifiable. PNG authorities however sign processing statements in full awareness that the catch certificates issued for the catch processed in PNG are incorrect.”

Now this has a few readings: on one side, if the other nations do not have the “the information available to it, which may be incomplete, incorrect and not verifiable” how come they validate their certificates? They should *just not do it* until they get the necessary information. Furthermore, under which authority does PNG become a “policeman” type role where it becomes its responsibility to question the “legality” of these other countries certificates?



Carrying a big yellowfin tuna to the local market (image: H. Walton).

Now this does not exonerate PNG of responsibilities under Port State Measures and it is very clear as well that they have not lived up to their own required standards in terms of monitoring, control and surveillance, and licensing arrangements, where lack of transparency and clarity leads to a confusing situation, particularly with their bilateral arrangements as “special conditions” are applicable to approximately 80% of PNG fishing licenses.

So my job here is to support capacity building of the NFA personnel that may strengthen its role to satisfy their international obligations and the EU’s objections.

Further context

In parallel to all this, PNG is going through a resources explosion bonanza... gas, oil, mining and so on are fueling the economy to an incredible pace, and with that the issues of transparency and the dripping down effect of wealth are major. Added to that, the country pretty much went from a completely fragmented tribal structure to a fully independent nationhood in a period of less than 100 years. Politics are quite complex here (a year ago the country had two parallel governments at once!). Infrastructure is very basic on one side and completely out there on the other (I have seen there the biggest helicopters ever).

And you do not have to dig deep to find that clan structure and traditional beliefs are still very present, almost in your face (if you are a good observer) along the latest mobile phones, late model Land Cruisers, fully fenced compounds, great smiles and full on, in your face violence and danger.

I am not even mentioning the untouched beauty of some of the places and the difficulties of making a nation with over 700 distinctive languages.

I never worked anywhere as challenging and fascinating as PNG, and after so many years I come to work with friends. Yes, they have many issues, but they are doing what they can with the same right to make mistakes the rest of the world has made over 1,000 years without punishing scrutiny.

Disclaimer

The EU made a game changer with the IUU Catch Certificate and the IUU regulation, with all its intrinsic failures it requires countries to upgrade their fisheries control systems and that is a good thing. We just need to make the system better and fairer. Furthermore, while the EU makes the rules (beyond how good they are) they also provide assistance to countries. I’m here via funds from the New Zealand government and a EU-funded programme.