

AID-FOR-TRADE CASE STORY

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Maintaining the Fisheries Sector's Access to the EU Market in Mozambique

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Executive Summary

As a least developed country, Mozambique enjoys duty-free access to the EU under the Everything-but-Arms agreement, a Generalised System of Preference (GSP) scheme. While trade preferences such as these enhance the overall competitiveness of Mozambique in the EU market, it does not guarantee market access.

In early 2006 the EU conducted an inspection of Mozambique's ability to comply with the relevant EU standards and identified a number of problems including legislative gaps, poor policy implementation, inadequate food safety systems, and a low level of awareness of basic food safety guidelines in the fishing industry. These findings had serious implications for the Mozambique's fish exports to the EU and other markets. A rapid response was required to ensure that Mozambique was not removed from the list of countries able to export to the EU.

In response to the FVO mission, in 2007 INIP received an initial grant from the ComMark Trust (a DFID funded programme) to assist INIP to implement a number of standards related projects to ensure continued market access to the European Union for its fisheries products. Following the closure of the ComMark Trust, TradeMark Southern Africa (also a DFID-financed programme) has been able to source further funding directly from DFID for expansion of the laboratory in Maputo, to be completed in June 2011, to create more space and correct the work flow in preparation for accreditation.

As a result of the support received through the two DFID-financed programmes, INIP has been able to install a national data management system to better track export certificates, upgrade its laboratories and train the industry on food safety principles, as well as increase the number of fishing ports it was able to service. In November 2007, the EU returned to Mozambique to gauge the progress the country has made since its last inspection. This mission noted that significant improvements had been made, with more than 90% of the concerns raised during their previous visit having been dealt with.

1. Issues Addressed

Mozambique's export fish and fish products sector can be divided into two main sub-sectors—capture fisheries and aquaculture. Three main broad segments can be distinguished in the capture fisheries sub-sector:

- i) Industrial fishing: this is conducted mainly by foreign vessels which have on-board processing facilities. These foreign vessels concentrate on the tuna and shrimp markets. It is estimated that more than half of the Total Allowable Catch is taken by foreign vessels and sold directly in international markets.
- ii) The semi-industrial fisheries: this segment is concentrated near the main coastal cities, where fish can easily reach the urban markets for consumption or export. The fleet consists mostly of national vessels with on-board holding facilities for shrimp and fish.
- iii) Artisanal: The approximately 9,000 artisanal fishermen sell their catch on the domestic market. While part of the artisanal fisheries catch is consumed within the household, a substantial portion is either processed or sold to mobile fish traders a very small portion of which is classed as Grade One¹.

The Ministry of Fisheries is responsible for all fisheries activities in Mozambique including the regulation of illegal, unreported and unregulated (IUU) fishing and depletion of the national shrimp resources. One of its identified roles is to safeguard the access of Mozambique's fisheries products to its main export markets. In order to administer and monitor the safety and quality of exported fish products, the Ministry of Fisheries established the National Fish Inspection Institute (INIP) in 2005.

As the competent authority INIP is responsible for the development, establishment and enforcement of the necessary legislation as regards the fisheries industry. INIP has laboratories in Maputo, Beira, Quelimane, Inhambane and Nampula and has the authority to licence fishing vessels and on-shore processing plants after they have undergone the necessary evaluation of their hygiene and food safety practices.

As a least developed country, Mozambique enjoys duty-free access to the EU under the Everything-but-Arms agreement, a Generalised System of Preference (GSP) scheme. While trade preferences such as these enhance the overall competitiveness of Mozambique in the EU market, it does not guarantee market access.

In early 2006 the EU conducted an inspection of Mozambique's ability to comply with the relevant EU standards, in particular the special conditions governing imports of fish and fish products originating in Mozambique as laid down in the Commission Decision 2002/858/EC. Several deficiencies were identified by the EU's Food and Veterinary Office (FVO). Problems identified included; legislative gaps, poor policy implementation, inadequate food safety systems, and a low level of awareness of basic food safety guidelines in the fishing industry. These findings had serious implications for the Mozambique's fish exports to the EU and other markets. A rapid response was required to ensure that Mozambique was not removed from the list of countries able to export to the EU as this could have had an impact not only on the producers but also on the thousands of poor people who are dependent on this sector for a livelihood both as employees and as suppliers of primary products to the exporters.

In response to the FVO mission, in 2007 INIP received an initial grant from the ComMark Trust (a DFID funded programme) to assist INIP to implement a number of standards related projects to ensure continued market access to the European Union for its fisheries products. Following the closure of the ComMark Trust, TradeMark Southern Africa (also a DFID-financed programme) has been able to source further funding directly from DFID for expansion of the laboratory in Maputo, to be completed in June 2011, to create more space and correct the work flow in preparation for accreditation.

¹ These are large species and are usually caught by hook.

2. Objectives pursued

In bringing the project into operation INIP was required to:

- i) Employ a suitably qualified fisheries standards expert to provide INIP with the technical assistance to oversee and implements several activities including:
 - a. Overseeing the monitoring of project implementation;
 - b. Assisting INIP to implement a number of recommendations made by the EU's FVO such as the revision of food-safety SPS legislation.
- ii) Oversee the installation of a new database system which would streamline the activities of INIP and service the fisheries sector.
- iii) Oversee the development, approval and printing of three new sets of fisheries SPS legislation and undertake a nationwide publicity campaign to raise industry's awareness of the new legislation.
- iv) Undertake to expand the geographical reach of INIP's service offering to the rest of the country.

3. Design and Implementation

With funding from the project INIP was able to employ a suitably qualified technical expert, who has been able to:

- Install a database system so that INIP is better able to manage its operations and provide a more effective service to the sector.
- Have several pieces of fisheries legislation, regulations and guides crafted and approved by the Mozambique parliament.
- Hold extensive awareness campaigns throughout the country to raise the industry's awareness of the new legislation and food safety requirements.
- Purchase motorcycles for the inspectors in the provinces and purchase computers and laboratory equipment for the Maputo and provincial laboratories allowing INIP to expand its geographical presence to the rest of Mozambique to ensure the availability of services to the other provinces and the traceability of fish originating in areas removed from urban areas.
- Provide extensive training in fisheries food safety of INIP staff, quality control technicians from industry and the artisanal fishermen.
- Make good progress towards laboratory accreditation.

4. Problems encountered

The original FVO mission in 2006 concluded that the system of official controls and of export certification, although adequate in certain respects, could not be considered to be in compliance with the requirements of European Community legislation. Several deficiencies were found in relation to the implementation of the official procedures for auditing, facility approval, inspection, sampling and certification procedures, as well as the assessment of HACCP plans. Concerns were also raised during those visits about the lack of official sampling for environmental contaminants and the analyses of potable water and ice. No major deficiencies were found in listed establishments and vessels authorised for export though several other fishing vessels which were not listed but provide primary products to the listed establishments were not found to be hygienically sound.

The FVO was also critical of INIP's capacity to carry out its responsibilities. Special mention was made of the poor record keeping system of sampling and inspection visits and the

limited resources available to the technical staff to perform their licencing and inspection duties.

All of these issues needed to be addressed through the programme of support provided to INIP.

During implementation, various challenges needed to be overcome, one being the fact that, although communication was conducted largely in English, report writing was a challenge and therefore it was agreed that reports would be submitted in Portuguese. These were subsequently translated into English. As a result of challenges in use of language INIP opted to contract an overseas based accreditation body for its laboratory accreditation.

5. Factors for success

The following factors are considered to have contributed to the success of the project:

- The Director of INIP was both knowledgeable and passionate about taking the necessary corrective action to ensure that Mozambique maintained the required food safety measures in order to guarantee the country's position as an exporter of fish and fish products to the EU and other markets.
- INIP was responsible for drawing up the terms of reference for the technical assistant, interviewing him and appointing him. The technical expert reported directly to the Director of INIP. A very good relationship developed and INIP took responsibility for the expert's performance.
- During the project INIP, collaborated very closely with the Angolan fisheries authorities in particular in the area of training-several joint training sessions were organised. INIP officials were also introduced to officials from analytical laboratories in South Africa with whom they could exchange information.

6. Results achieved

As a result of the support received through the two DFID-financed programmes, INIP was able to install a national data management system to better track export certificates, upgrade its laboratories and train the industry on food safety principles, as well as increase the number of fishing ports it was able to service. In November 2007, the EU returned to Mozambique to gauge the progress the country has made since its last inspection. This mission noted that significant improvements had been made, with more than 90% of the concerns raised during their previous visit having been dealt with.

However, for developing countries, standards compliance is an on-going challenge as requirements change. While Mozambique has retained its right to export to the EU, INIP's attention then focused on working with the fishing industry, and in particular the semi-industrial sector, to help them manage food safety better at a firm level.

The necessary fisheries SPS policy and regulatory framework has been developed enabling the competent authority to deliver an effective service to the fisheries sector.

Mozambique was also able to satisfy the South African authorities' requirements regarding shrimp exports to that country so expanded the number of countries it is able to export to.

7. Lessons learned

While there was a marked improvement in the capacity of INIP officials to perform their functions, enforce the necessary food safety regulations and improve the laboratories analytical capability, these improvements did not necessarily give rise to increased trade. Other factors have to be taken into account. In the Mozambique case the increased costs of

fuel led to a decrease in exports. Secondly, although there was a marked increase in income from inspection services, the costs of providing the service also increased.

It is also clear that the process of accreditation takes a long time and INIP should have set themselves a more realistic time-frame for the accreditation process of the laboratories.

8. Conclusion

The project provided much needed support to Mozambique, which while not being regional in nature has provided a basis to an LDC in the SADC region in the fisheries sector – a sector on which a large poor population depends for its livelihood.