



Recovering the Sunken Billions

Forging the Anchors for Fisheries Reform



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key messages



1. the 'Sunken Billions' provides decision makers with an economic justification for fisheries reform
2. the way forward means turning economic justification into socially and politically acceptable reform pathways
3. it means defining a clear vision for fisheries and working the 'common ground' in a process of reform
4. this requires understanding reform design, change management and the process of consensus building

overfishing + poverty + development assistance

contents



- 1. The Sunken Billions
 - rationale
 - results
 - example

- 2. Recovering the Billions
 - elements
 - principles
 - steps and gaps
 - summary



Sunken Billions – one small step

- build the economic justification for fisheries governance reform
- raise awareness at global and national level targeting ministries of finance, economics and planning
- present the story of the world's depleted and overexploited marine fisheries in economic terms
- complement existing agendas, e.g. ecosystem approach, poverty reduction, climate change

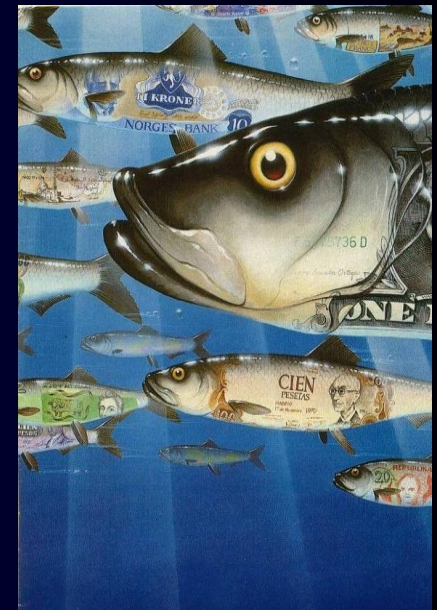
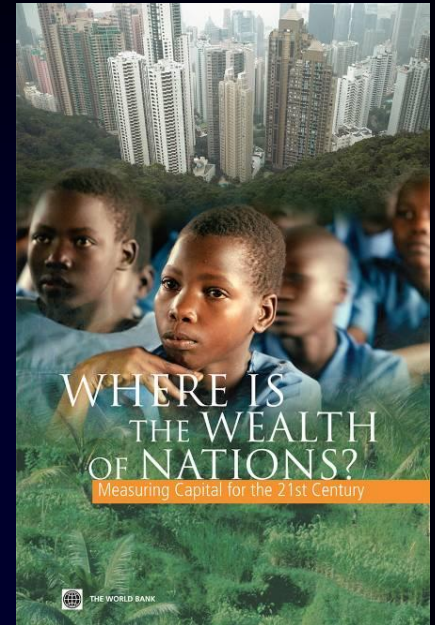


approach

- a global estimate economic losses resulting from ineffective fisheries governance:
 - “*the Sunken Billions*”
 - verifiable, replicable, conservative, commercial harvest
 - costs of transition? post harvest?
- case studies
 - selected case studies at national level
 - extrapolate the case studies / cross-check
 - case studies to foster reforms at national level
- limiting factors
 - funding limits, developing country focus

what does this mean in economic terms?

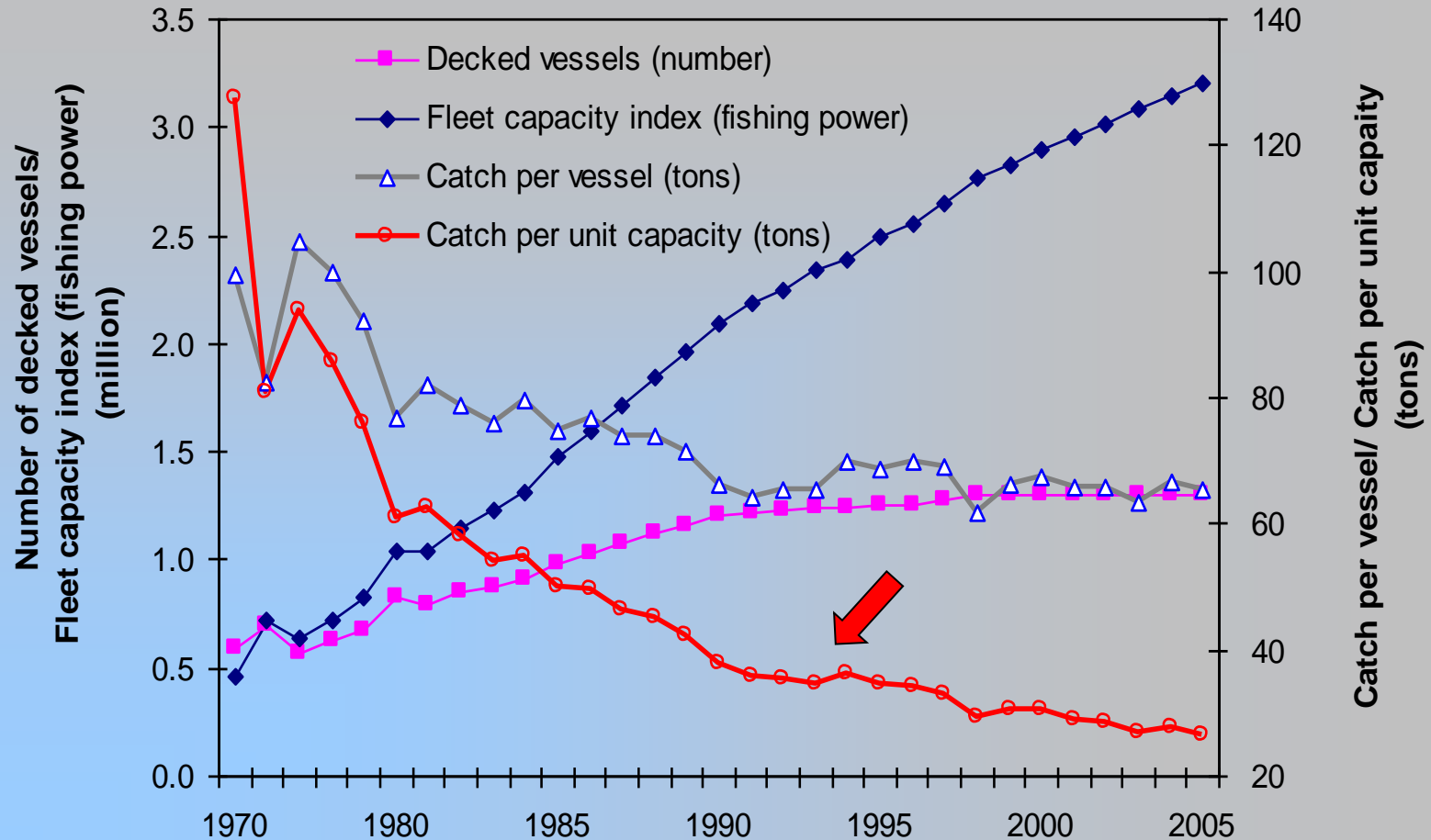
- ~ \$50 billion annual rent drain
- ~ 2 trillion since 1974
- national and global capital depleted
- little accountability at country level
 - lack ‘environmental accounts’ – capital account depletes while current account (GDP) rises
 - weak country-level state of stocks



key trends in global marine capture fisheries

- real fish prices have stayed relatively flat
- input prices have increased or been volatile
- real incomes in fishing have declined
- at global level, profits (if any) are marginal
- weak fisheries management has (on average) nullified any improvements in productivity gains

physical productivity declining despite technical progress



similar pattern - catch per fisher – so incomes declining

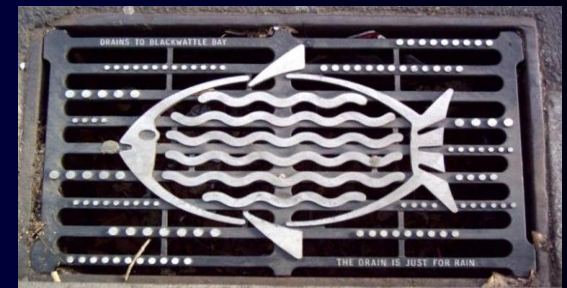
marine case studies

all show substantial rent losses

- Atlantic bluefin tuna
- China: Yellow sea demersal
- Bangladesh hilsa*
- Chile jack mackerel
- Icelandic cod
- Indian Ocean tuna
- Japan coastal squid, Pacific saury
- Indonesia Bali strait small pelagics
- Mauritania octopus
- Norwegian spring spawning herring
- Namibia hake
- Peru anchoveta
- Gulf of Thailand Thai demersal and pelagic
- Vietnam Gulf of Tonkin fishery
- Western Central Pacific tuna

From 'outside Rent Drain Project'

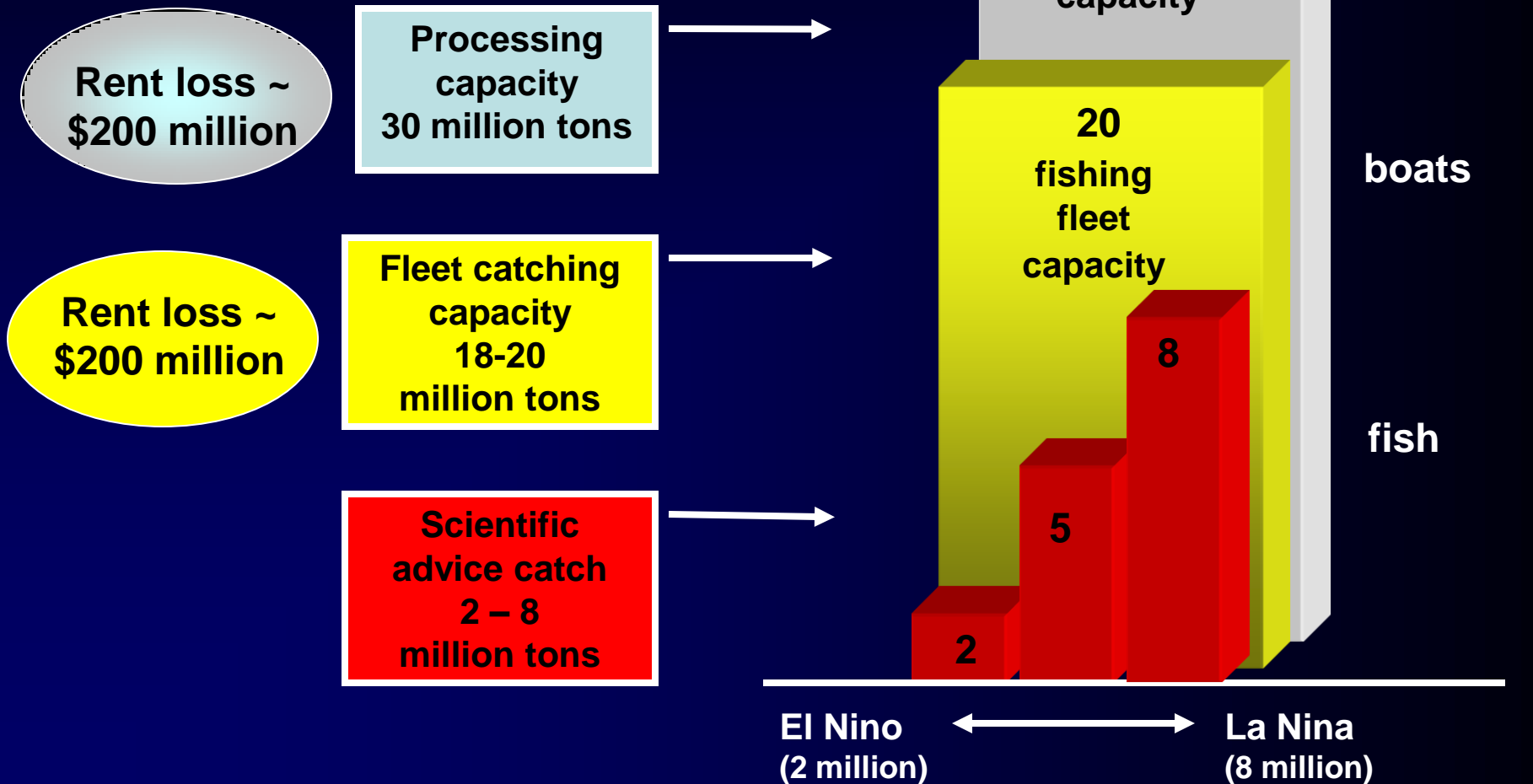
- New Zealand fishery accounts
- Norway and Nordic studies
- Australia G. Carpentaria
- South Africa GDP study
- USA 'global'
- G. Maine groundfish
- G. Mexico shrimp
- Alaska 'reforms'



* UNU/ University of Iceland

Peru: world's largest fishery

'too many fishers and processors chasing too few fish'



PART 2

forging anchors

1. forging anchors
2. accountability
 - *'Rising to Depletion?'*
 - tackling corruption
3. building common ground
4. understanding the reform process



changing the anchor points ...

‘business as usual’



broader governance
framework

- focus on fish
(Johannesburg -restore stocks to MSY by 2015)
- public actors
- little **accountability**
- focus on rules, laws and enforcement



- focus on benefits & incentives
 - limit access, secure tenure
 - incentives driving sustainable use
- public and private actors
 - public private partnerships
 - tackling **corruption**
- building consensus on common grounds

Rising to Depletion?

PROFISH study by Serge Garcia available at: www.worldbank.org/fish

- 90% stocks are under national jurisdiction - majority is under excessive pressure
- countries are responsible and committed to restore stocks by 2015 (WSSD POI) - progress none, slow, unknown
- difficult to assess / compare progress - no global indicator of fishery status at national, regional or global level
- the R2D study is a preliminary effort to build a globally applicable indicator based on publicly available information



Belgium	32
Belgium	32
Germany	32
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United Kingdom	32
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Djibouti	61
Puerto Rico	31
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Colombia	31
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Israel	32
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Oman	61
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United Arab Emirates	61
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Indonesia	61
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Libyan Arab Jamahiriya	61
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Maldives	61
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Martinique	31
Mayotte	34
Mayotte	61
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Morocco	34
Myanmar	62
New Zealand	61
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Nicaragua	32
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the history of fisheries on one page

maybe marrying

check where your country ranks on the Jo'burg scale ...
“recovering fish stocks to MSY level by 2015” ?

Billions
 to Depletion

to give the economic history of fisheries on one page

a typology of corruption in fisheries



Value chain	Corruption character	Actors	Incentives	Possible actions
Science	<p><i>- Não, aqui é do setor de Desvios de Verbas Públicas, venda licenças de pesca é em outro ramal.</i></p>			
Allocation and Access				
Commerce and Trade				
International				
Political dimensions				
Enforcement				

... just focusing on three points – transparency, codes, lists of offenders

Area	Character of Corruption	Actors	Incentives	Possible actions
Science Allocation and Access Political dimensions International Commerce and Trade Enforcement	<ul style="list-style-type: none"> ▪ Misuse of knowledge ▪ Leakage of advice (e.g. prior knowledge of quota changes) ▪ Granting of licenses ▪ Provision of subsidies (state capture) ▪ Quotas grossly exceed scientific advice on TAC ▪ Bribery of customs, fisheries and sanitary inspectors, port police ▪ Auction rings 	<ul style="list-style-type: none"> ▪ Scientific advisors ▪ Fisheries directors or ministers ▪ Industry lobbyists ▪ Politicians ▪ Company officials/ vessels owners ▪ Customs officers, police ▪ Vessel/ sanitary inspectors ▪ Naval officers ▪ Auctioneers ▪ Traders 	<ul style="list-style-type: none"> ▪ Job security ▪ Personal gain ▪ Political gain (including elections) ▪ National pride 	<ul style="list-style-type: none"> ▪ Keep scientific advice and independent ▪ Public dissemination of science findings ▪ <u>Transparency</u> – <u>who gets the benefits public lists of licenses, license holders; corruption hotline</u> ▪ Training / adequate remuneration ▪ Informed / balanced media/ free press ▪ <u>Codes of practice/ & procedures</u> ▪ <u>'Name and shame' lists of vessels or companies</u>

building common ground

Alliance for Responsible Fisheries (ALLFISH)
targeted actions to foster a
responsible fishing industry

- core values of sustainable fisheries are shared by public and private sector stakeholders
- ALLFISH partners: International Coalition of Fisheries Associations (ICFA - secretariat) FAO, World Bank, NEPAD (Africa)
- ICFA commitment to
 - sustainable and socially-responsible supply chains
 - expansion to developing countries industry associations
 - be inclusive of small-scale producers

drive corporate social responsibility along value chains



Clear vision of responsible industry

- codes of industry conduct
- no illegal fish
- fair trade
- combat corruption
- active engagement with public sector

Expand ICFA to developing countries

- support to create common purpose and industry codes (private & dev. assistance)
- active promotion of small producers
- collaborate with ecolabeling bodies

Focus on selected value chains

- sustainable profitable and equitable trade
- 1 per major market as examples:
 - ? Caribbean spiny lobster to US
 - ? Nile perch to EU
- EITI / other links



anchoring fisheries reform

- Vietnam – cutting 40,000 vessels?
 - Political will – yes, mechanics ?
- India – the preoccupation with quantity
 - 2-year dialogue process – 1.9 million fishworkers
- Peru – reforming anchoveta



anchoveta yesterday in Peru



- timing - political
 - pre-election country economic advice by sector
 - followed by environmental policy note
 - key fisheries issues - overcapacity, debt, boom and bust cycles, nutrition, marine pollution, vision of solutions
- timing - private sector
 - private sector dialogue on sustainable fish meal
 - high fishmeal prices and industry consolidation
- design of environmental policy loan
 - rent and social safeguard studies
 - fishing season cut to 60 days / seasonal unemployment
 - increased transparency
- independent scientific advice

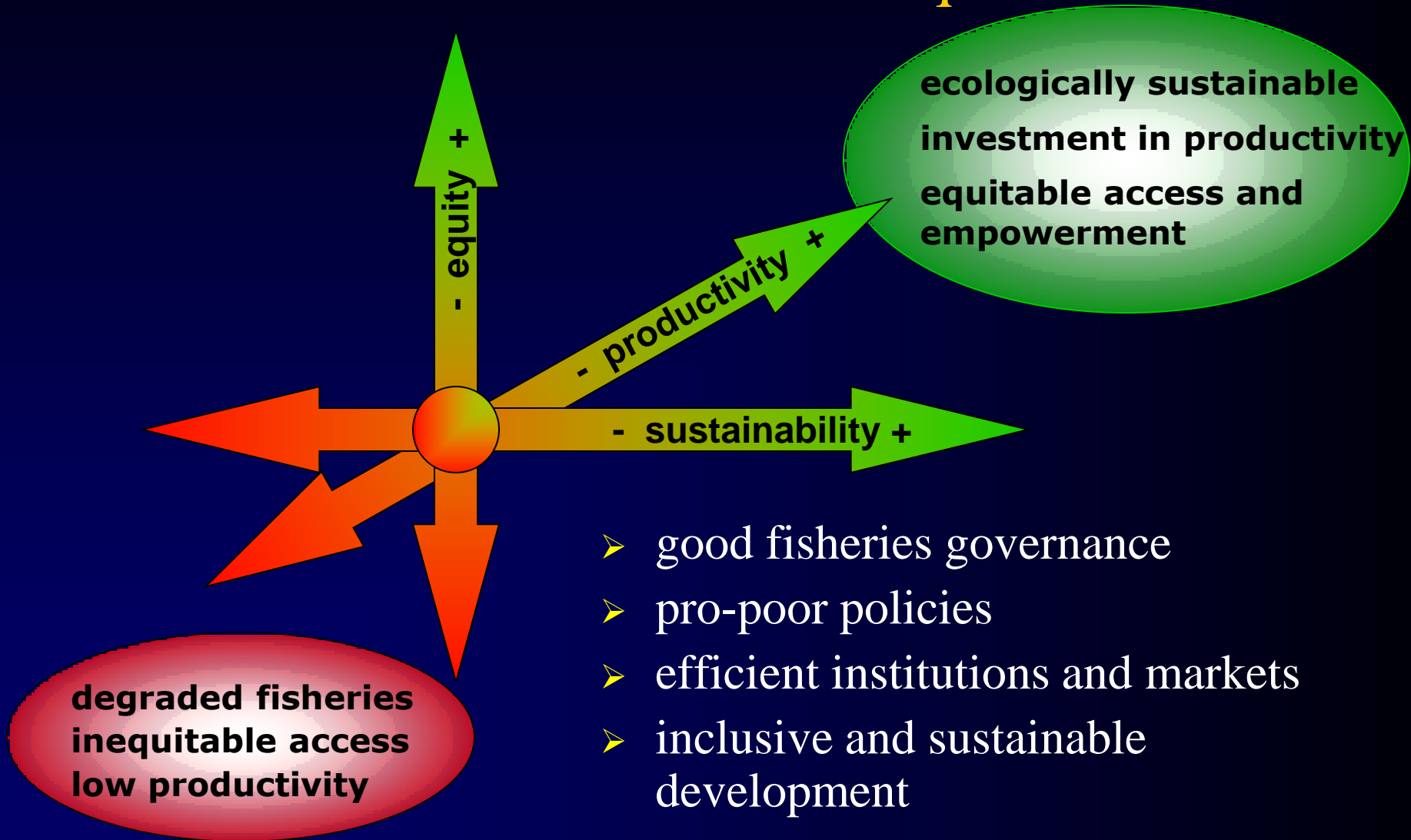
anchoveta today in Peru



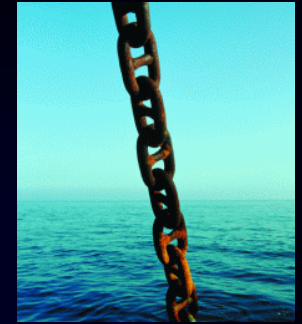
- World Bank environmental policy loan \$330 m (DPL)
 - quota system introduced (not transferable)
 - (new) industry-funded fisher retirement fund established
 - fish meal plant effluent standards adopted .. implementation?
- private sector action
 - independent industry-funded landings monitoring
 - fishing effort reduced 30% (some capacity reduction)
 - anchoveta for human food doubled and profitable for small-scale operators
 - MSC pre-certification under way
- ? still missing – ‘frozen scale’ and ‘Moses’ granary’ .. and guano?

axes of reform

sustainable – efficient - equitable



linking the pieces



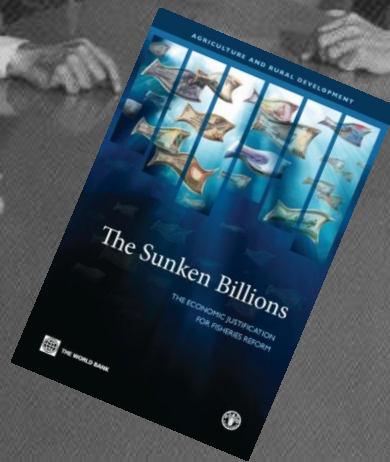
- what may be coming together
 - economic case - now the social case for reform and building alternative livelihoods (WB)
 - transparency - informed stakeholders
 - getting industry on board - ALLFISH
 - science for directions (... if not decisions)
- work in progress / planned
 - supply and demand / production model - Fish 2020 Plus
 - understanding the political economy of rights – PERC plus
 - understanding reform processes – case studies on political economy of reform – models to drive process
- gaps
 - political champions
 - fiscal underpinning of reform
 - ‘green’ accounts at fishery level / stock and ecosystem values in public accounts (including critical habitats)

summary



1. clear positive message – it is worth investing in fisheries reform for economic, social and environmental reasons
2. clear up misunderstandings on fishing rights and tenure, on trade (subsidies), on accounting for ecosystem values, inherent instability
3. on the crisis has been largely treated as a fish issue, rather than a political issue
4. we have bits of the solution – but as with politics – all fisheries are local – specific solutions
5. understanding process - reform design and change management – political opportunities, timescales, sequencing, equity, financing transition
..... and finding champions

Fish don't talk!





Money talks!



thank you



www.worldbank.org/fish

PROFISH Global Partnership for Fisheries



buy an
NGO

get rid of the
small-scale

stop the
polluters

forget fishing,
more money in
aquaculture

more
horsepower

...move to a tax
haven - reflag to ..

... apply for
subsidies

i know the
minister

