

ALLOCATION MODEL FOR TUNA FISHERIES

A proposal for discussion

Stan Crothers & Lindie Nelson
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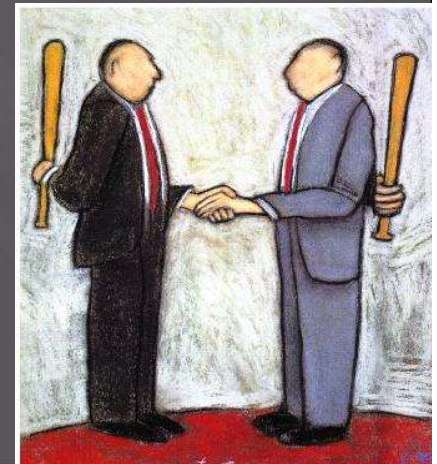
Challenge:

Enhance UNCLOS/UNFSA rights-based management system

Allocation of rights is the key to
sustainable development in fisheries

- incentives for sound business decisions
- provides for developing countries' interests

..... but it's hard



Overcapacity



Major issue

Symptom of failure

Wrong place to start

Only allocation will align business incentives with productivity of fishery

More later

Allocation of rights

Proposal for discussion

Specification
of rights

Allocation
process

Systems
integrity

Developing
countries'
interests

Constraints and assumptions

Consistent with international law

Within UNCLOS and UNFSA

Dynamic allocation

Able to evolve

Sustainable development

Long run efficient resource use

Specification of rights

What rights?

Ownership rights?

Marketing rights?

Participation rights?

Access rights?

Animal/fish
rights?

Catch rights?

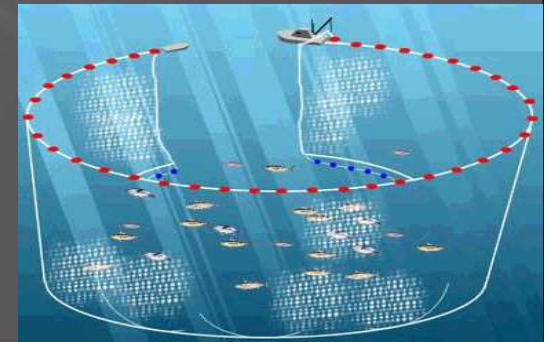
Indigenous rights?

Participation right and catch right

Participation right:
"share" in RFMO



Catch right:
"share" of annual TAC



Rights & obligations

Participation right (%)

Catch right (tonnes)

Rights

- to participate in management decisions
- to receive, annually, corresponding catch rights

Enduring

- to catch fish during 1 year up to the tonnage of the catch right
- to allocate the catch right to fishing fleets

Annual, tradeable

Obligations

- to contribute management fees in proportion to participation rights

- to ensure annual catch taken is within the limit of the catch right
- to comply with rules

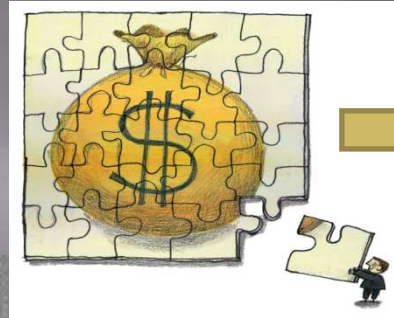
Allocating participation rights

Allocation of participation rights is first step

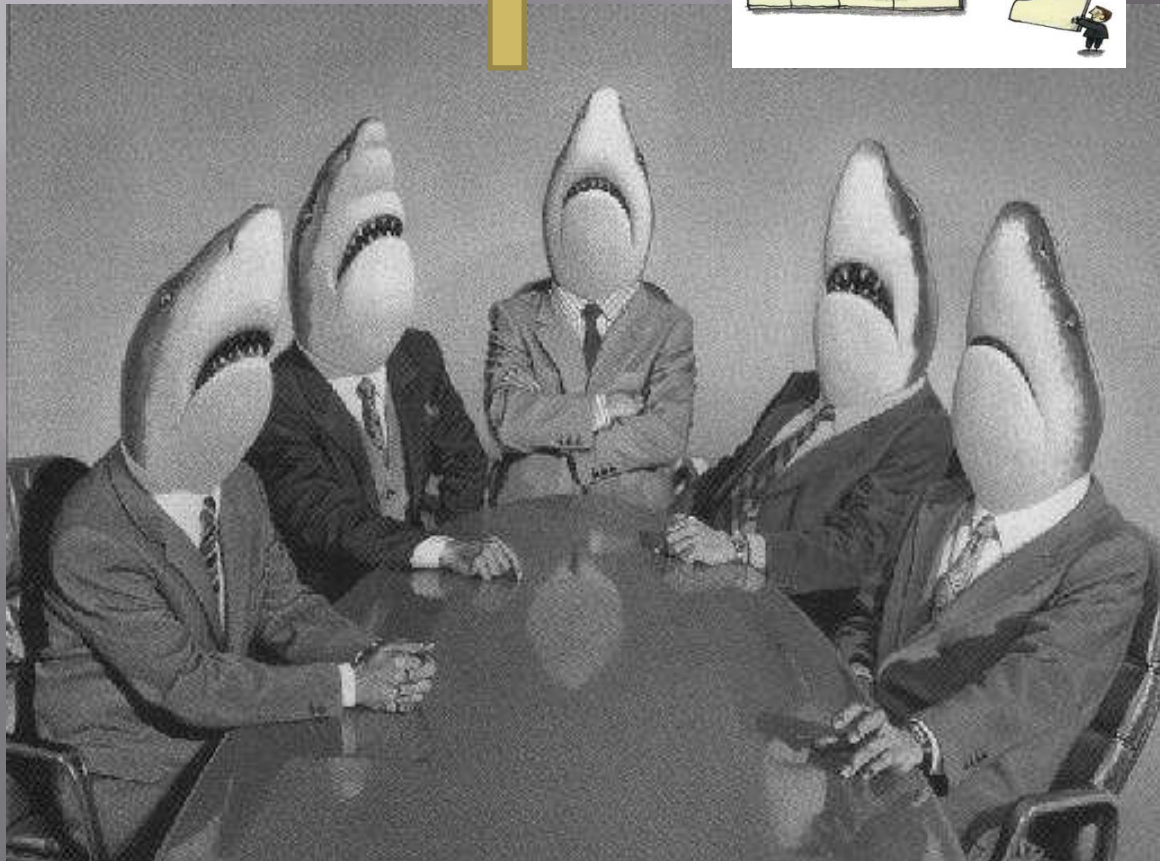
Driven by principle of inclusiveness

Apply UNCLOS/UNFSA criteria and obligations

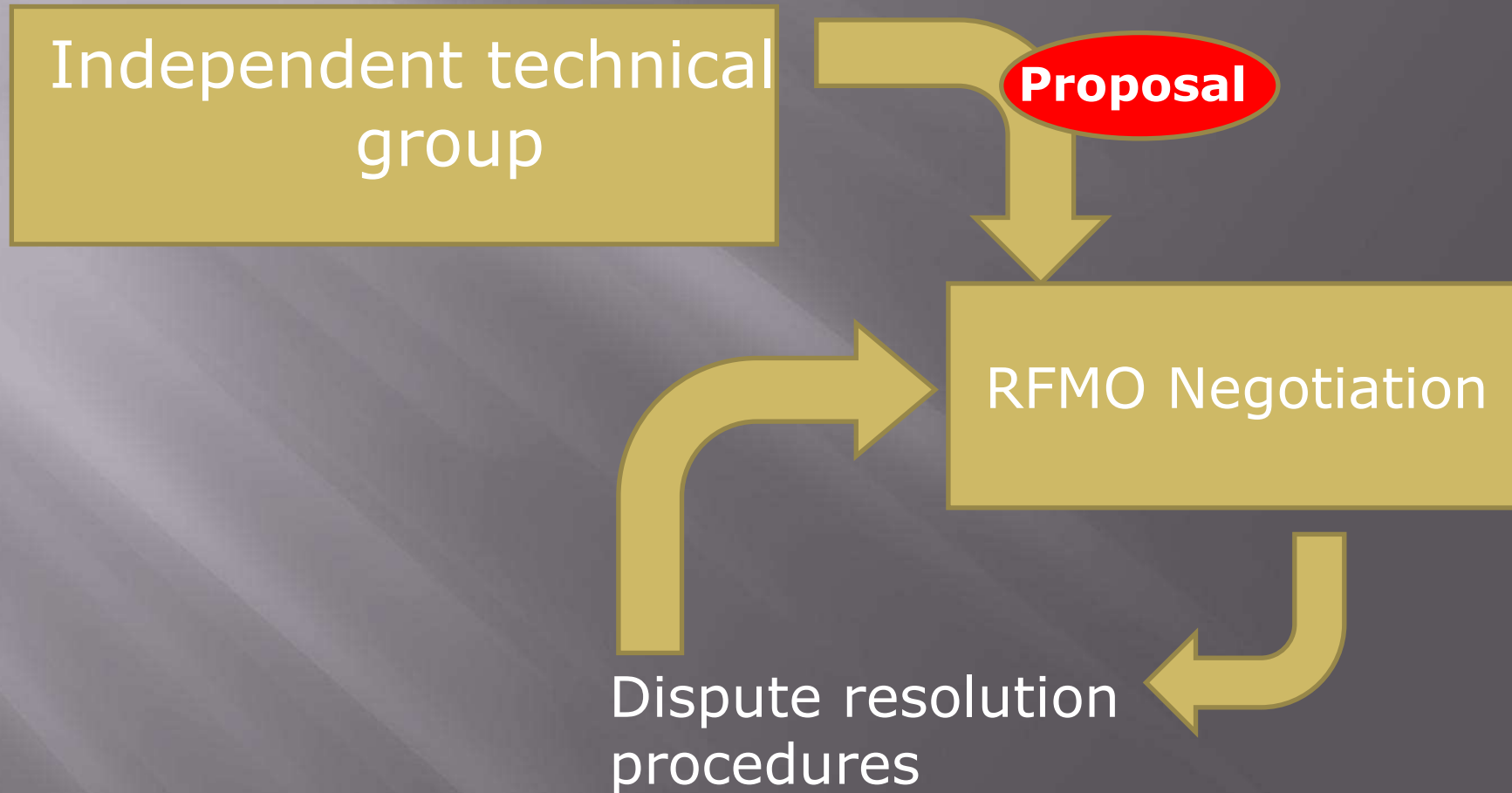
Allocation Negotiations



**Start with a
concrete
proposal**



Initial allocation process



How would new system work?

Socio-economic considerations

Scientific considerations

TAC

TAC x
Participation
share

National catch rights

National fleet

How would new system work?

Socio-economic considerations

Scientific considerations



TAC

TAC x
Participation
share

National catch rights



National fleet

**EXAMPLE:
COUNTRY A**

50,000 tonnes

**Participation
share = 20%**

**Annual catch right
= 10,000 tonnes**

Transferability of catch rights

States may distribute their annual catch rights among their own fleet or offer some (or all) to another member state



A member state obtaining catch rights from another member state assumes responsibility for catch right obligations

System integrity

Governance



Management

Systems/Services aligned

VMS

Observers

**Registry
management**

**Document
management**

**Transshipment
monitoring**

Reporting

CDS

Audit

Inspection

Developing countries' interests

**UNCLOS/UNFSA
obligation**



A place at the table



**Development
opportunity**



Dynamic allocation

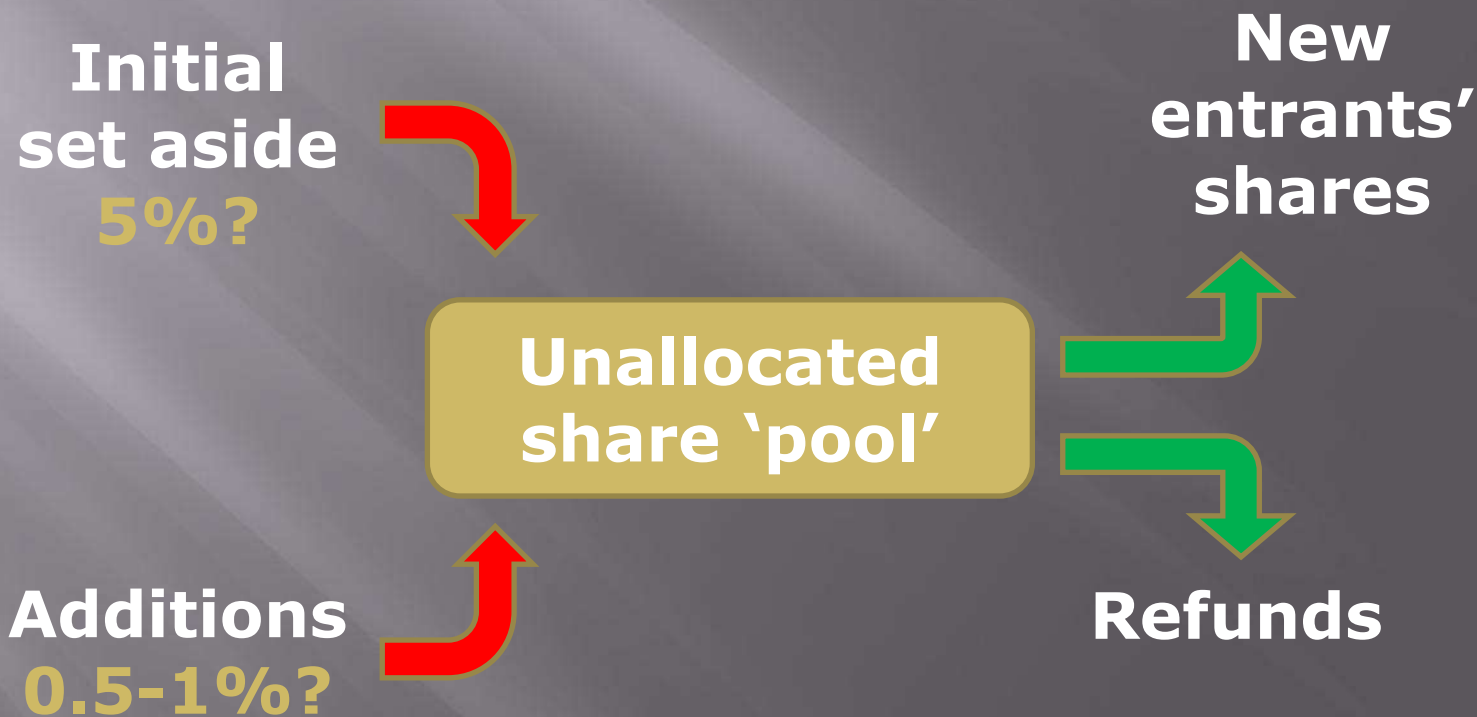
Recognise existing participants & investment

Recognise obligations to developing countries

Provide for predictable change in allocation over time

Dynamic features

If 95% of shares allocated to incumbents.....



Implications for managing capacity

Social and political considerations

Business considerations

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graph TD; A[Social and political considerations] --> C[Nation state decision]; B[Business considerations] --> C; C --> D[Buyback/ decommission?]; C --> E[Buy more catch rights?]; C --> F[Leave capital stranded?];
```

Nation state decision

**Buyback/
decommission?**

**Buy more catch
rights?**

**Leave capital
stranded?**

Conclusion

Great foundation

Information on
state of stocks

Benefits to acting
together



Opportunity to take the road to:

➤ **waste and ruin** X

or

➤ **sustainable development**

