

## **FISHY BUSINESS**

### **ACP-EU FISHERIES RELATIONS: WHO BENEFITS AT WHAT COST?**

#### Part 4

---

#### **WHEN DAVID MEETS GOLIATH:EU-MAURITANIAN FISHERIES RELATIONS**

---

### **The Mauritanian Fisheries Sector**

#### **The Importance of the Sector**

Mauritania has been described as one of the least developed and most highly indebted countries in the world. More than 50% of the population live below the poverty line. Annual population growth is estimated at 3%, while urban migration has resulted in over half of the 2.5 million population now living in towns. Mauritania's foreign debt is 2.5 times its GDP and 4 times its annual export earnings, with debt servicing consuming 20% of total export earnings. Fortunately for Mauritania, in a context where less than 0.2% of the land area is suitable for arable production, the abundance of fisheries resources in its EEZ has in recent years provided a significant source of both government revenue (up to 30%) and export earnings (up to 50%).

The Mauritanian fishery is based on a prolific stock of **pelagic fish** (sardines, mackerel, scad etc.), high priced **cephalopods** (mainly octopus), rich **demersal species** (including black hake and shrimp) and the migratory **tuna**. Indeed a combination of oceanographic, climatic and geographic factors produce an ideal environment for marine life in Mauritania, with the Mauritanian fishery being one of the most productive fisheries in the world. Given the renewable nature of the resource, potentially the fisheries sector could provide the key to successful poverty eradication in Mauritania.

While traditionally only grey mullet were exploited on a subsistence basis by the "Imraguen" indigenous people, in recent years a dynamic export orientated sector has developed. This is largely based on an artisanal exploitation of the cephalopod fishery, serving the Asian market.

However, as fishery scientist Dr. Chérif A. Mahmoud, former Director of Fisheries, has pointed out:

*“Mauritania has at its disposal the means required to fully exploit the maritime resources of the continental plate within the Mauritanian EEZ”*

The development of the Mauritanian artisanal cephalopod fishery, based on the use of strings of plastic pots, which attract the cephalopods, has been important in ensuring that the benefits derived from the exploitation of Mauritania's fisheries resources are widely spread.

#### **Spreading The Benefits**

Since the mid 1980s the number of small scale vessels operating along the coast of Mauritania has increased from 500 to 2,800. This expansion has been based mainly on exploitation of the commercially high value octopus stocks. Between 1985 and 1992 octopus catches by this expanded artisanal fleet rose from 60 tonnes to 8,000 tonnes. From providing a minor source of local protein (Mauritanians are not traditionally fish eaters) the sector now provides direct and indirect employment for some 25,000 Mauritanians and generates 25% of total foreign exchange earnings.

Thanks to recent social reforms, those who have gained employment in the fisheries sector since 1985 have been drawn mainly from the poorest and most disempowered segments of Mauritanian society. Also this type of fishing with pots does not require a high skill level and is easily accessible to the poor in Mauritania.

The small-scale artisanal fishery is closely linked to the local economy. In addition to providing direct employment in fishing activities, it generates employment in processing factories and demand for a considerable range of inputs, from fishing gear to

maintenance services for vessels and outboard motors. The stimulus the development of the artisanal sector has given to the local economy should not be underestimated. This is particularly the case when compared to the isolated enclave exploitation of the fishery that takes place under third country fisheries agreements, including those with the EU. Not only does this third country exploitation of Mauritanian fisheries resources commonly occur in isolation from the wider Mauritanian economy, but it also appears to be taking place on a basis which is heightening the vulnerability of the Mauritanian fishery to serious stock depletion.

Indeed, according to Dr Chérif:

*"The presence of foreign vessels in the fishery for demersal stocks of cephalopods and fish on the continental shelf of the Mauritanian EEZ, which experience an excessive fishing effort, has become incompatible with the sustainable development of a national fisheries sector".*

This is not to imply that EU vessels have no role consistent with the development of a national Mauritanian fishery. As noted by Dr Chérif, at present:

*"Mauritania is not capable of exploiting the small pelagic species, the stocks along the edge of the shelf and those found far out at sea".*

Mauritania is therefore

*"...constrained to appeal to foreign powers via direct agreements with other states or private agreements in order to ensure that full use is made of the value of the fishing stocks that Mauritania cannot itself exploit. Against this background the EU fleet has become an indispensable partner. The schemes planned for developing the Mauritanian fisheries derive from this fact".*

Sadly however, EU Common Fishery Policy (CFP) concerns over securing fishing opportunities for EU fishermen currently outweigh Mauritanian aspirations for the progressive development of a national fisheries sector and growing concerns over the unsustainable nature of the fishing effort being deployed against the most commercially valuable stocks.

This is not to suggest that Mauritania gains no benefits from the current arrangements. Substantial government revenues accrue from the current patterns of foreign, largely EU led, exploitation of the fishery. Indeed, as Dr Cherif has noted, current patterns of exploitation tend to generate higher levels of direct state revenue than alternative models. Rather it is to suggest that current patterns of fisheries exploitation are poorly integrated with sustainable national economic development needs.

Against this background Mauritania, provides a test case of the credibility of the EU's policy commitments on promoting poverty eradication and sustainable development. It also raises important questions about

the EU's commitment to adopting a coherent approach to all aspects of its relationship with developing countries in the fisheries sector. These questions arise, since if a pattern of fisheries sector development is to be promoted which is more sustainable and more closely integrated with the national development needs of Mauritania, then the EU is going to have to radically scale down and restructure its involvement in the Mauritanian fisheries sector.

## THE EXTENT OF EU INVOLVEMENT

*Although other fishing fleets, such as the Japanese tuna fleet and the pelagic fleet of the former Soviet Union have been or continue to be involved in the exploitation of Mauritanian fisheries resources, the EU fleet dominates the fishery.*

*In the pelagic fishery, access is currently granted to 22 trawlers of unrestricted fishing capacity, licensed to catch approximately 50% of the potential yield. In the tuna sector since 1987 between 45 and 53 EU tuna vessels have been allowed access to the Mauritanian fishery.*

*Around 12,000 Gross Registered Tonnes of access has been allowed to the demersal fishery, where Spanish vessels have played a dominant role in trawling for black Hake.*

*4,500 Gross Registered Tonnes of access is also allowed targeting the Mauritanian shrimp fishery. Increasing numbers of EU vessels (25 in 1996 to 50 in 1999) have also been allowed access to the all-important but overexploited cephalopod fishery.*

In exchange for this access the Mauritanian government has been receiving increasing levels of financial compensation. From slightly over 7 MECU per annum in the late 1980s to nearly 10 MECU per annum in the mid 1990s. With this financial compensation largely taking the form of untied transfers to the state budget, a certain budgetary dependency has been built up on income derived from the EU fisheries agreement.

## Increasing Pressure on the Octopus Stock

The most immediate area where action is required is in the cephalopod fishery. The cephalopod fishery accounts for 80% of the value of Mauritanian fisheries exports. It is also the basis of the thriving artisanal fisheries sector. The 1995 opening up of the cephalopod fishery to EU vessels occurred against a background of scientific warnings over the state of the stocks which, in 1992, were estimated to be being exploited at 30% above the optimum level.

The granting of access to up to 50 EU vessels targeting the cephalopod fishery under the most recent fisheries

agreement only served to exacerbate concerns over the future of cephalopod stocks.

Between 1992, when concerns were first expressed and 1996 (one year into the EU fisheries agreement), production of cephalopods fell from 51,000 tonnes to 21,000 tonnes. This occurred despite an increase in the fishing effort deployed from 371,000 man-hours to 540,000 man-hours. It is estimated that the potential for sustainable cephalopod exploitation has declined by 25% in the past 6 years. The resource base of the rapidly expanding Mauritanian artisanal fisheries sector is thus being progressively undermined.

It is not only the scale of EU access that is of concern but also the activities of EU vessels. EU vessels commonly disregard the 2 month closed season for cephalopods, which has a negative effect on stock recruitment. The indiscriminate fishing methods applied also result in massive discards of fish, which are undermining demersal stocks.

The hard reality facing the EU is that European vessels are simply not required in the cephalopod fishery. Stocks are over exploited, recruitment is down and a vicious cycle of decline is in motion. If this cycle of decline is to be halted EU vessels need to be withdrawn from the cephalopod fishery. However, developments elsewhere do not bode well in this regard. Rather than the fishing effort deployed in the Mauritanian cephalopod fishery declining, it could well increase dramatically in the coming months.

The EU's fishery agreement with neighbouring Morocco will be up for renewal at the end of 1999. This agreement currently sees over 120 cephalopod vessels deployed in waters immediately adjacent to the Mauritanian fishery. If this agreement is not promptly renewed illegal fishing by these vessels in Mauritanian waters could greatly increase.

This is a very real prospect given the weakness of the national monitoring and control capability in Mauritanian and the difficulties that have been faced in the past in renegotiating the Moroccan agreement. If this were to occur the consequences for the artisanal sector in Mauritania would be devastating.

## External Pressure

### Unfair Competition

The adverse impact of EU vessels is not restricted to fish stocks. The EU cephalopod fleet sells its catch into the same markets as the Mauritanian artisanal fleet. Sales of octopus by EU operators in Japan have undermined the prices received by the Mauritanian artisanal fishermen.

The fact that EU operators are able to undermine the prices of Mauritanian artisanal fishermen is not a result of the super efficiency of the EU fleet, but is rather a

consequence of the high levels of subsidies made available to EU vessel operators under the CFP.

### THE EXTERNAL IMPACTS OF THE CFP

The experience of Mauritania in its fisheries relations with the EU illustrates the difficulties which can arise for the sustainable development of ACP fisheries sectors. This results from the policy emphasis placed on securing increased fisheries access to third country waters, as a safety valve for reducing the fishing pressure on the EU's own fish stocks.

In 1998/99 the EU budgeted 875 MECU per annum in public aid to the Common Fisheries Policy (CFP). Over half of this money, some 450 MECU, was allocated to restructure the EU fleet. A portion of these funds has been used to finance the transfer of EU vessels to joint venture arrangements established in third countries, like Mauritania.

260 MECU of these EU funds was allocated to subsidise the purchase of fishing rights for EU vessels under fisheries agreements. 10% of this is used to subsidise the purchase of fishing rights in the Mauritanian fishing zone. This money transferred on an annual basis is almost equivalent to the entire EU aid programme in Mauritania. A massive 40% of these funds are deployed each year to finance access for a veritable armada of EU vessels to the neighbouring Moroccan fishery.

The extent of EU financial assistance deployed in support of EU fisheries enterprises operating in West Africa seriously distorts the economics of long distance fishing by EU vessels. If the EU fishing vessel operators had to bear the full capital costs of vessel acquisition and the full costs of securing fishing access in ACP waters, then a far smaller volume of EU fishing effort would be deployed in ACP fishing zones. What is more, the fishing effort deployed would be more responsive to signs of stock depletion, with decreases in catches per unit of fishing effort deployed rapidly translating into a reduction in the number of EU fishing vessels deployed in the fishery.

Even the cost of access to the Mauritanian fishery are carried largely by the EU budget, with only 20% of the direct cost of access being paid by the vessel operators. With these levels of state support it is not surprising that EU operators can undercut the Mauritanian artisanal fisheries sector in Asian markets. Unfortunately for the Mauritanian artisanal fisheries sector this situation is unlikely to be transformed by the forthcoming review of the Common Fisheries Policy. So long as EU boats have access to Mauritanian waters, EU fishermen operating in the fishery will

continue to receive state aids which enable them to enhance their competitive position in the market place.

## The Limitations of Enclave Development

From a poverty eradication perspective the principal problem with EU involvement in the Mauritanian fishery is its "enclave" nature. According to calculations carried out by Dr Chérif, the current pattern of EU involvement reduces potential direct employment in the fishery by around 33%, it reduces the value added in the fishing industry in Mauritania by up to 26% and reduces net foreign exchange earnings by up to 31%. It is these wider effects which need to be set against the higher level of Government revenue derived from the current pattern of exploitation (between 33% and 45% higher).

As a consequence the current pattern of exploitation can be said to be holding backs not only the development of the national fisheries sector but also the wider national economy, given the importance of the fisheries sector to national economic life. Ideally, progressively more and more value should be added to fisheries products in Mauritania prior to export. This would increase employment opportunities in Mauritania and increase foreign exchange earnings from the fisheries sector.

<b>Critical Choices: Development Options for Mauritania's Fishery</b>				
<i>All figures in US \$</i>				
<i>Scenario</i>	<i>FoEx Effect</i>	<i>Added Value</i>	<i>State Receipts</i>	<i>Crew Jobs</i>
Retain EU F.A. No Unloading Locally	176	171	115	12,000
Retain EU F.A. Local Landings	185	181	121	12,000
No EU F.A. or Other F.A.	247	241	87	17,000
Full Mauritanisation Of Demersal Fishery	255	247	89	18,000

*FoEx - Foreign Exchange  
F.A. - Fisheries Agreement*

Source: Dr Chérif A. Mahmoud/Greenpeace

However the major problem with the current and evolving pattern of EU involvement, as we have seen is

not this holding back of national economic development but the extent to which the current pattern of involvement is fundamentally undermining the resource.

Dr Chérif has pointed out how a dramatic reduction in the trawler fishing effort directed at the cephalopod fishery is necessary, if the resource is not to be fished to commercial extinction. Similar problems of stock depletion exist in the shrimp fishery, where Mauritania has the capacity to fully exploit the resource without the involvement of foreign fleets.

## Unleashing the Monsters

In the pelagic sector the issues are somewhat different. The withdrawal of the fleets of the former Soviet Union (FSU) was heralded as opening up possibilities for others to enter the pelagic fishery. However, the recent re-entry of more modern vessels from the FSU has become a cause of concern. It is also of considerable concern that Dutch pelagic fishing operators are constructing "super trawlers", which have been built in contravention of the legal commitment of EU member states to reduce their fishing capacity.

These "illegal" vessels could never be deployed in EU waters alone. Rather they were also intended for deployment in the West African pelagic fishery. Fuelled by the high fixed and recurrent costs of operating such vessels, these "super trawlers" have an insatiable appetite for fish. The appetite of these vessels is a source of concern in Mauritania. Pelagic stocks are prone to wide and unpredictable fluctuations, depending on environmental conditions.

Deploying "super trawlers" with such insatiable appetites for fish is scarcely consistent with ensuring flexibility in the management of a fishery prone to unpredictable fluctuations. The deployment of these types of super trawlers in the Mauritanian fishery could too easily transform abundance into depletion. What is needed is a flexible and precautionary approach to the exploitation and management of the pelagic fishery.

Any process of depletion of the pelagic stock would not directly effect the artisanal fishing sector in Mauritania, which focuses on the octopus fishery. It would however have severe implications for the neighbouring artisanal fisheries sectors in Senegal, Guinea and the Gambia, where the pelagic fishery forms the backbone of the fishery and makes a major contribution to food security.

These vessels have 3 particularly dangerous characteristics: awesome fishing capacity of these vessels, which is coupled with the need to generate a return on the capital invested and pay off their high running costs. The danger is that such a combination of factors will encourage fishing practices which will increase the vulnerability of the pelagic stock to

collapse, particularly if adverse environmental conditions arise.

### UNLEASHING THE DUTCH SUPER TRAWLERS

The new generation of "super trawlers" which have been constructed under the auspices of a group of Dutch pelagic fishing companies are awesome in their fishing capacity. With a storage capacity of up to 4,000 tonnes of frozen fish products, after 15 days of fishing these vessels have been landing up to 3,500 tonnes in Las Palmas. The enormous investment and operating costs of these "super trawlers", however make them a major threat to the sustainable, poverty focused, exploitation of ACP fisheries resources.

In order to operate profitably, these vessels will have to operate continuously to feed their enormous appetite for commercially profitable fish. This appetite is likely to result in only the best fish being retained and high levels of discards (through high grading and bycatch). It is likely to result in fishing operations continued even where signs of stock depletion emerge.

These vessels can operate independently of any on shore services in African countries and will have little or no economic links to the economies of the countries in which they fish. Thereby perpetuating the "enclave" exploitation of ACP fisheries resources.

Significantly these monster trawlers have been constructed despite the failure of the Dutch to meet their fleet reduction targets. There would appear to be a major policy contradiction between efforts to reduce the size of national fishing fleets whilst allowing huge new capacity to be constructed. Also if the EU is unable to regulate the activities of member states' fishing fleets in its own waters, its ability to regulate activities in third country waters will be even less satisfactory. Equally there would appear to be a contradiction between the EU's policy emphasis on encouraging sustainable patterns of development and the deployment of such inflexible forms of resource exploitation.

### The Mauritanian Dilemma

If sustainably managed and more closely integrated with national economic life, the fisheries resources of Mauritania could provide the basis for promoting sustainable forms of poverty focused development in the medium to long term. The potential of the Mauritanian fisheries sector to contribute to sustainable national economic and social development in ways which spread the benefits across a wide range of the population is known. Equally the policy measures

which would need to be set in place are also known. These include significantly transforming the extent and nature of EU involvement in the fishery.

However the Mauritanian Government faces a dilemma.

In the short term the sale of fisheries access rights to third country fishing fleets, particularly the EU, provides an important source of government revenue and foreign exchange to service the external debt. This makes it very difficult for the Mauritanian government to take policy decisions designed to restrict access for third country vessels in the interests of ensuring sustainable management of the fishery, and the progressive integration of fishing activities into national economic life. Unfortunately, processes of stock depletion which are already under way, are likely to continue if these contradictions between short term needs and long term interests is not effectively resolved.

Essentially Mauritania is faced with 3 choices:

1. *to continue to sell off access rights to distant water fleets in the interests of cash inflows to the national exchequer and short term economic stability;*
2. *to reserve Mauritania's rich fisheries resources for exploitation by the national fleet, and to develop the sector in ways which are closely integrated with national economic life;*
3. *develop a "middle way" which seeks to reconcile access for third country vessels with the progressive development of national capacity to catch and process national fisheries resources.*

### A SHARED INTEREST?

While in general the EU is firmly committed to the conservation of fisheries resources, the reality is that when negotiating fisheries access agreements, it tends to place the whole burden of ensuring sustainable exploitation on the developing country partner.

As Dr Chérif has pointed out: "As the main fishing power in Mauritania, the EU is very much concerned by the conservation of marine resources in the region. Mauritania's responsibility as a coastal state does not absolve the EU from being responsible as well. The fact that Mauritania, a heavily indebted country which hardly benefits from the sharing of global resources, makes mistakes in the management of its resources, while attempting to pay its debt and satisfy its vital needs, cannot be used as an excuse by a great economic power such as the EU to avoid its obligations, whether legal, moral or political under the guise of "freely consented economic agreements".

Ideally, a "middle way" should offer a means of reconciling the interests of both parties concerned. In the case of Mauritania, the development of value-added fish processing activities, with very real benefits to the Mauritanian economy would be the objective. In the case of the EU, the objective would be to provide long term supplies of processed fish products to the EU market as well as investment opportunities for the EU fishing industry. This would provide both the EU and the Mauritanian government with an interest in stock conservation and sustainable fisheries development. However, this still leaves the thorny issue of reconciling this with short-term commercial interests.

Even the Dutch pelagic "super trawler" owners have recognised a shared interest with the Mauritanian authorities in ensuring only sustainable patterns of exploitation are developed in the pelagic fishery. However, they refuse to recognise that the deployment of their "super trawlers" in Mauritanian waters is inconsistent with a precautionary approach to fisheries management. This kind contradiction between short-term commercial interests and long term conservation suggests that this "middle way" is likely to be very difficult to develop in practice.

#### **THE NEED FOR A REGIONAL APPROACH**

Pelagic fish stocks play a key role in sustaining the livelihoods and food security of millions of people in coastal and adjacent West African states. Developing a regional approach to management, development and research would appear to be essential if the interests of the fishery dependent communities in one country are not to see the resources on which they depend undermined by developments in fisheries relations with the EU (and other distant water fishing nations (DFWN) in a neighbouring country.

Fishing activities of DFWNs not only pose a threat to resources, but also can pose a threat to markets. In many cases the fish caught off the West African coast are processed and sent back to local markets, where they compete with fish caught by the artisanal sector.

Also, given the common nature of the problems of monitoring and control faced in West Africa and the common nature of the stocks, which recognise no international boundaries, a strong case exists for the adoption of a regional approach to fisheries management. Stock surveys, monitoring and control and even the negotiation of access rights for third country vessels could all best be undertaken within a regional framework.

Issues of sustainability and effective monitoring and control however, must be the foundations of any long-term strategy for Mauritanian fisheries sector development. Resources need to be properly assessed, with access being determined within a precautionary approach to fisheries management. Monitoring and control will need to be significantly strengthened to

ensure that only sustainable levels of fishing effort are being deployed. While this will require major capacity development in Mauritania, it will also require the EU to scale down its demands for access rights for EU fishing vessels and to more selectively promote fishing access with an eye to ensuring full respect for the principles of precautionary fisheries management.

Against this background, a strong case exists for scaling down the level of subsidies the EU provides EU fishing vessel operators in deploying their vessels in ACP waters, so as to reduce economic distortions and bring the level of fishing effort deployed more in line with sustainable limits for the exploitation of ACP fisheries resources. For this to occur however, a fundamental review of the entire EU Common Fisheries Policy and its associated instruments would be required. There are however few indications that such a fundamental review is being considered.

#### **For more information**

**CFFA Secretariat**

**Rue du Midi 165**

**1000 Brussels**

**Phone: 0032 2 513 15 65**

**Fax: 0032 2 513 73 43**

**E-mail: [gilletp@skypro.be](mailto:gilletp@skypro.be)**