

Briefing

Financial compensation, support for development and transparency, the key issues at stake in the negotiation of the EU-Madagascar SFPA

Brussels, 21 April 2020

In this briefing, CFFA¹ highlights several key points for the negotiation of the new Protocol to the Sustainable Fisheries Partnership Agreement (SFPA) between the European Union and Madagascar. The Government of Madagascar has made it clear that it expects to derive greater benefits from its tuna resources through higher financial compensation. If this compensation is coupled with well-directed sectoral support for local fisheries, this could help develop Madagascar's small-scale fishing sector, which provides thousands of direct and indirect jobs and is essential for the food security of the population. Finally, additional efforts of transparency are needed in relation to access by fleets of other nations.

1. Overview

The current Protocol to the Sustainable Fisheries Partnership Agreement (SFPA) between the EU and Madagascar expired on 31 December 2018. This tuna agreement gave access to Malagasy waters to 40 tuna seiners and 54 surface long-liners and provided for a financial contribution of around EUR 1.5 million per year, including EUR 700 000 for the support and implementation of Madagascar's fisheries policy.²

Negotiations for a new protocol are still ongoing, and both sides hope for an agreement in 2020. “The prospects of each party are getting closer,” said Etienne

¹ Since 1998, CFFA-CAPE and its partners have conducted several campaigns to raise awareness of the effects of European fishing in Malagasy waters. CFFA has drafted these comments in parallel with the publication of a long report presenting an overview of small-scale fishing in Madagascar. See Fattebert, Cécile, "Traditional fishing or small-scale maritime fishing in Madagascar: a state of play", April 2020, CFFA-CAPE, available at: <https://www.cffacape.org/publications-blog/traditional-fishing-or-small-scale-maritime-fishing-in-madagascar-a-state-of-play>

² Text of the Protocol 2014-2018 of the EU-Madagascar Sustainable Fisheries Partnership Agreement Protocol. Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22014A1219\(02\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22014A1219(02)&from=EN)

Bemanaja, Director General of Fisheries and Aquaculture at Madagascar's Ministry of Agriculture, Livestock and Fisheries.³ According to him, the points where a compromise has yet to be found concern the importance of access and the amount of fees: “The European Union wants 94 boats to access Madagascar's territorial waters, while the Malagasy side intends to limit this number to 45. Regarding the fees to be paid by ship owners, the European Union has advanced the sum of 80 euros per tonne caught, while the Malagasy government is asking for 120 euros in fees per tonne caught.”

2. The necessity of fair and harmonized financial compensation

One of Madagascar's stated priorities is to derive greater economic benefit from the tuna resources present in its waters for part of the year. The Fisheries Agreement with the European Union is seen as an opportunity to contribute to this objective, in particular through a larger financial contribution.

This is important for all the countries in the region which have a fisheries agreement with the EU. Gathered within the South West Indian Ocean Fisheries Commission (SWIOFC/CPSOOI), they adopted in 2019, Guidelines on Minimum Access Conditions for Foreign Fisheries.⁴ These Guidelines emphasize the need for rational and responsible exploitation of fisheries resources, and the need to share the benefits of this exploitation “in an equitable and fair manner, taking into account the needs of men and women, youth and vulnerable groups, in order to promote economic and social development.” With regard to financial compensation under fisheries agreements, the Guidelines emphasize “the need to standardize and harmonize financial compensation for access to resources of tuna and tuna-like species in waters under their national jurisdiction with a minimum of twelve percent (12%) of the current average market value of the tuna and tuna-like resources.”

This proposal has been on the table and discussed for several years, including by EU stakeholders. Thus, in 2017, the EU Long-Distance Advisory Council (LDAC), composed of representatives of the European industry, trade unions and NGOs, adopted a position on the subject,⁵ stating that it was in favour of an agreement on minimum conditions for the exploitation of tuna. Such an agreement would strengthen regional cooperation, assist the IOTC in fulfilling its responsibilities, and assist SWIOFC coastal states in harmonizing access agreements and monitoring and control of fisheries in their EEZs. Regarding the calculation of financial compensation, the LDAC agrees that participating States should work towards standardization and harmonization of financial compensation, while raising a series of questions on the proposed 12% calculation basis: “Our proposal would be for SWIO coastal States to organize an open discussion on this with operators involved in

³ Press review, Ministry of Agriculture, Livestock and Fisheries of Madagascar, December 2019. Available at: <http://www.maep.gov.mg/articles-dans-la-presse-decembre-2019/>

⁴ See “Final Agreement on Guidelines on Minimum Terms and Conditions (MTCs) for Access for Foreign Fisheries in the SWIOFC Region”, September 2019, available at: <http://www.fao.org/fi/static-media/MeetingDocuments/SWIOFC/WPCCTF/Inf.5f.pdf>

⁵ “Proposal for a LDAC submission to the Commission on the minimum terms and condition for fisheries access within South West Indian Ocean Fisheries Commission (SWIOFC) member states' jurisdiction”, Mars 2017. Disponible via le lien : https://ldac.eu/images/documents/publications/LDAC_EU_Stakeholders_Position_in_Response_to_the_SWIOFC.pdf

fishing in SWIO waters and other stakeholders, in order to achieve fair and harmonized financial compensation.”

3. The urgent need for local development of small-scale fisheries

Fairer and more harmonised financial compensation would undoubtedly be a step forward for a fairer EU-Madagascar SFPA, especially if the better-used sectoral support contributes to the sustainable development of local fisheries. Today, traditional Malagasy small-scale fishing provides several hundred thousand direct and indirect jobs and contributes substantially to the country's food security.

As Cécile Fattebert points out in “Traditional or small-scale maritime fishing in Madagascar: a state of play” that we are publishing this week,⁶ the real needs and opportunities are in the traditional fishing sector and European public aid (through sectoral support) could help to structure it and help it to gain institutional recognition.

The author notes that the fisheries agreements and especially the EU's contribution to the conservation of marine resources and the development of coastal populations of small-scale fishermen through sectoral support seems to be too minimal or used inappropriately, as the urgent problems of food security and stock depletion remain so rampant currently in Madagascar.

These concerns have also been raised by local NGOs, which, during the ex-post evaluation of the EU-Madagascar 2014-2018 Fisheries Protocol, deplored the low local economic impact of the protocol on artisanal fishing communities. These NGOs wish in the future to have regular exchanges with the Malagasy authorities to propose specific actions financed by sectoral support aimed at professionalising and improving the living conditions of fishing communities, and strengthening the local management of marine resources in close collaboration with the various public and private stakeholders and civil society.⁷

4. Transparency efforts are essential

The need to improve transparency in maritime fisheries has been stressed by Malagasy civil society for several years. With regard to fisheries agreements, the fact that the texts of the agreement with the EU are published is appreciated, but NGOs insist on the essential need for transparency of private protocols and statistics of catches by non-EU foreign tuna vessels.

⁶ See Fattebert, Cécile, “Traditional fishing or small-scale maritime fishing in Madagascar: a state of play”, April 2020, CFFA-CAPE, available at: <https://www.cffacape.org/publications-blog/traditional-fishing-or-small-scale-maritime-fishing-in-madagascar-a-state-of-play>

⁷ Caillart, Benoit; Le Grand, Christelle; Defaux, Vincent, « Évaluation rétrospective et prospective du protocole à l'accord de partenariat dans le domaine de la pêche durable entre l'Union européenne et la République de Madagascar », Directorate-General for Maritime Affairs and Fisheries, April 2018. Available at: <https://op.europa.eu/en/publication-detail/-/publication/a48fa492-387b-11e8-b5fe-01aa75ed71a1/language-en>

EU-Madagascar SFPA: key issues at stake for the negotiations

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Cécile Fattebert explains that “since the 1980s, foreign industrial fishing fleets - European, Korean, Thai and Chinese - have been working in Madagascar’s EEZ, without bringing any real benefits to the country”. Indeed, “they rarely show up at Madagascar’s ports, whether they have fishing licences or not, but sail away once they have their catches.”⁸

More recently, in 2018, an investment agreement between Madagascar and a Chinese company, signed under opaque conditions, provided for the deployment of up to 330 vessels in coastal fisheries. Unsurprisingly, this raised the indignation of local Malagasy fishermen and civil society.⁹ This calls for the possible future fisheries protocol between the EU and Madagascar to be based on the full transparency of the Malagasy Government regarding its existing fisheries agreements with other foreign countries and companies.

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⁸ Fattebert, C., 2020. *Ibid.*

⁹ Standing, Andre, “Madagascar agrees to a 10 year fisheries agreement with Chinese consortium”, 22 September 2018, CFFA-CAPE. Available at: <https://www.cffacape.org/news-blog/2018/09/22/2018-9-22-madagascar-gives-10-year-fisheries-agreement-to-chinese-consortium?rq=Madagascar>