

Wealth-Based Fisheries Management and Fisheries Reform

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A presentation for the Meeting of European Fisheries Advisers,
Gothenburg, Sweden

17-18 September, 2009

OUTLINE

1. Background
2. Fisheries Opportunities
3. Significance of 'wealth'
4. Necessary Conditions
5. Current performance
6. Emergent International Best Practice
7. WBFM – key principles
8. Operationalisation
9. Future plans
10. References

1. Background

- DFID / NEPAD Programme for African Fisheries (PAF)
- FAO / SIFAR/ WB Policy Briefs on 'Good Management Practice in Sustainable Fisheries' (2003) (x15)
- DFID / FAO Book on 'Success in Fisheries Management' (2005)
- DFID Study on Fisheries and PPG (2005);
- WB Studies on Fisheries Reform in Maldives and India (2006 – ongoing);
- DFID Study of Fisheries in Sierra Leone (2007);
- WB Study on Political-Economy of Fisheries Reform (2008 ongoing);
- Journal article for Marine Resource Economics (in press)

2. Fisheries Opportunities

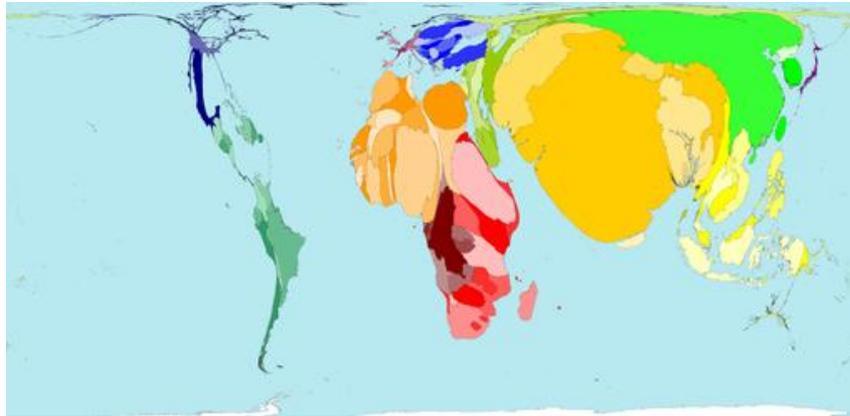
- Fish stocks are a form of natural capital
- African fisheries produce many benefits (employment, food)
- Fisheries policy emphasises direct participation to access benefits
- Well-managed fisheries can produce significant economic returns (resource rent)
- Fisheries benefits can be enlarged and made sustainable

3. Significance of Wealth

- Wealth is having 'assets' that can generate benefits into the future
- Countries with a broad portfolio of 'assets' (natural and man-made) have the potential to increase the welfare of citizens (and reduce poverty)
- Fisheries and other natural resources can be a part of the national asset portfolio
- For many African countries, natural capital is very important (and has the potential to enable the acquisition of other assets);
- However, the true value of fisheries is often overlooked by policy (economic rent is not realised at all)

Africa – wealth growth rate and poverty

www.worldmapper.org



4. Necessary Conditions

- Fisheries will yield full range of benefits (direct and indirect) if:
- Broad Governance conditions are favourable (Policy, Institutions and Processes);
- Specific Management arrangements are in place (to deal with free and open access conditions; to generate sustainable benefits – economic, social and ecological)

5. Current Performance (A)

- FAO biennial review of “The State of World Fisheries and Aquaculture (SOFIA)” - 2009 review suggests World Fisheries in worse condition now than in 1974
- Overexploited, depleted and recovering - 28% (10%)
- Fully exploited - 52% (50%)
- Underexploited and moderately exploited - 20% (40%)

5. Current Performance (B)

- World Bank / FAO study “The Sunken Billions” assesses economic performance of world fisheries
- Estimates that lost resource rents are around \$50 billion per annum (i.e. the return over and above all fishing costs)
- Other studies put the figure even higher because WB study focuses on production efficiency, but need also to consider marketing of fish
- True figure probably between \$50 and \$100 billion per annum, likely closer to the upper end

African fisheries – diverse benefit flows



6. Emergent International Best Practice

- A clear and well-founded policy framework;
- Appropriate institutional capacity; and clear definition of responsibilities within and between organisations;
- Use of holistic fisheries management planning and stakeholder cooperation and participation;
- Placing resource rent (wealth) as the central concept of management;
- Creating appropriate incentives for stakeholders;
- Dealing with complexity and change;

Fisheries management and policy compliance (FAO/UBC 2006)

	High	Medium	Low
Iceland	X		
New Zealand	X		
Namibia	X		
Japan		X	
UK		X	
USA		X	
India			X
Peru			X
Senegal			X

7. WBFM – Key principles (I)

- Unlock the inherent wealth (resource rent) of fish stocks;
- Macro-economic contribution of the sector is recognised; countries that have re-invested rents domestically ensure pro-poor growth;
- Many of existing fishery management ingredients (tools) are used but in a different way;
- Relies on a fishery management planning process, with a focus on generation and equitable distribution of resource rent within each fishery;

7. WBFM – Key principles (II)

- As governance and stakeholder capacity increases, government plays the enabling (oversight) role for private sector expansion;
- the approach is about achieving goals, not setting new ones; it is consistent with existing goals: resource sustainability, economic growth and livelihoods enhancement;
- not prescriptive; provides an approach that can be tailored to the specific conditions and objectives of different countries and fisheries;
- important to develop the right institutions and incentives for successful fisheries;

Resource rent: double jeopardy

- The failure to generate sustainable resource rents from fish resources has two serious consequences
- 1. Not only is the potential contribution to economic growth and social welfare lost
- 2. But also the rents serve to drive the overexploitation that undermines the ecological objective
- A focus of fish resource wealth can achieve economic and ecological goals simultaneously

8. Operationalisation

Goal	Fisheries wealth is generated sustainably and increased over time – contributing to EG, PPG, livelihoods and fish stock conservation
Purpose	Appropriate policy, institutions, processes (mechanisms) established to implement a WBFM approach
Inputs / Outputs	<ol style="list-style-type: none">1. Policy defined, goals, vision;2. Policy coherence;3. Supporting legal framework;4. Definition of pilot fisheries management units;5. Valuation of wealth potential;6. Allocation of wealth between stakeholders;7. Design of management instruments;8. Change management strategy;9. Compensation approaches defined;10. Implementation, evaluation, adapting, scaling-up

9. Future Plans

Under NEPAD / DFID – Programme for Africa

- Establishment of Governance Working Group
- Policy profiling and policy analysis
- Assessment of African fisheries value and benefits (under different governance arrangements)
- Development of a practical approach to improved fisheries governance (focusing on fisheries management systems)
- Identification of possible pilot fisheries
- Communication of results (different formats)

10. References

- World Bank (2005) Good Management Practice in Sustainable Fisheries (15 policy briefs) (available from www.onefish.org)
- Cunningham, S. and Neiland, A.E. (2005) The Role of Fisheries in Economic Growth and Poverty Alleviation: Towards a Wealth-Based Approach to Fisheries Management. Key Sheet prepared for DFID. (www.onefish.org)
- Cunningham, S. and Bostock, T. (2006) Successful Fisheries Management. Issues, Case-Studies and Perspectives. Delft: Eburon.
- Cunningham, S., Neiland, A.E. Arbuckle, M., and Bostock, T. (2009) Wealth-Based Fisheries Management: Using Fisheries Wealth to Orchestrate Sound Fisheries Policy in Practice. Marine Resource Economics (in press, Oct)
- DFID, World Bank, FAO (2007) Sierra Leone: A Proposed Fisheries Sector Strategy Paper (FSSP): Harvesting Renewable Wealth for Sustainable Development. (available on www.iddra.org)