

## Fiscal reforms for fisheries:

***An International Workshop deals with issues and novel ideas to promote growth, poverty eradication and sustainable management.***

An international workshop on fiscal reform for fisheries was conceived and organised by the Support Unit for International Fisheries and Aquatic Research (SIFAR) and subsequently hosted by FAO from 13-15 October 2003 in Rome, Italy. The Workshop brought together 29 participants, from 10 countries and 6 organisations. The primary goal of the Workshop was to exchange of ideas on:

- How to generate maximum value from fishery resources?
- How to ensure efficient revenue collection?
- How best to use fiscal methods to achieve fisheries policy objectives? And also to achieve broader economic, social and environmental objectives?

Mr Grimur Valdimarsson, Director, Fishery Industries Division, FAO, said in his opening remarks that formerly FAO helped fishers to catch more fish; now the focus was on helping countries to reduce fishing effort. He said, "Landings of the 10 most valuable species have declined by 45 percent due to overfishing and reducing effort is proving a difficult challenge. The most promising approach appears to be some kind of system of limited rights coupled with charging for the rights".

Mr Tim Bostock, Coordinator, SIFAR, stressed that an important output expected from the Workshop was the discussion between participants on this important but relatively novel topic. Mrs Nancy Gitonga, Director of Fisheries, Kenya, chaired the first day of the meeting and Dr Y S Yadava, Director, Bay of Bengal Programme, days 2 and 3.

To facilitate exchange of experiences and ideas, the Workshop sessions were organised in a series of phases. Presentations were made by participants of the situation in each country represented at the meeting. Discussions were then organised through thematic sub-groups on the following three themes:

- How to define the mix of fiscal instruments and set the right levels?
- What to do with the resource rent?
- How to manage fiscal reform and negotiate access agreements?

The Workshop came out with the following major recommendations:

- The rationale underlying fisheries management, exploitation and development is beginning to change. Where once the focus was primarily on producing greater quantities of fish, the emphasis is now gradually moving, through concepts such as responsible fishing and sustainable management, towards wealth and revenue generation and their appropriate distribution. This change in focus presents new challenges for fisheries administrations.



*Participants at the Workshop.*

- With the new emphasis on wealth and revenue generation, the issue of resource rent becomes central. Although calculating such rents precisely is a difficult exercise, tools exist to estimate orders of magnitude. Developing and implementing fishery management instruments (such as licences) that allow this value to be revealed in a marketplace will help.
- Where wealth can be generated, choices must be made concerning its distribution. Rent can be left with resource users, or can be extracted by Government on behalf of all citizens. Consideration must be given on how best to use fisheries to meet socio-economic objectives.
- Appropriate fiscal arrangements can also play an important role in fisheries management. First, by helping to control the overall level of effort. Second, by encouraging effort reallocation between fisheries. The challenge is to identify and implement such appropriate arrangements.
- Given the novelty of the approach, which represents a major break with the past, there is a need for extensive communication and discussion of the ideas with all stakeholders.
- In order to achieve fiscal reform, there will be a need to ensure that appropriate institutional arrangements exist and perform well. Capacity will also have to be built up among fisheries managers. Technical assistance in calculating resource rents and in institutional analysis would be of particular interest.
- In order to ensure sustainability, holistic management systems, which integrate all fishing effort, should be developed.
- Where resources are shared on a regional basis, there is a need to ensure effective management and collaboration between partners, including the harmonisation of fiscal arrangements. The Workshop recommended strengthening or establishing regional bodies to play this role.

The full report of the Workshop is available as a FAO Fisheries Circular.