



Ministry of Marine Resources
GOVERNMENT OF THE COOK ISLANDS

Submission to the Purse Seining Special Committee

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SUSTAINABLE FISHERIES PARTNERSHIP AGREEMENT BETWEEN THE COOK ISLANDS AND THE EUROPEAN UNION

EXECUTIVE SUMMARY

The Sustainable Fisheries Partnership with the European Union includes a protocol to fish up to **7,000 tonnes** per annum. This is an equivalent of **156 fishing days**.

An analysis on access agreement shows that the total value of the financial package is **9.6 million dollars** over the four year period. In terms of cost 'paid' by the European Union per kilogram of the expected 28 thousand tonnes the amount is **34 cents per kilogram**. In terms of 'price' paid by the European Union for a fishing day this amounts to **15,505 dollars per day**.

POLICY

Purse seine fishery

Purse seining for skipjack is the main form of fishing in the Pacific region. The skipjack tuna population are healthy and resilient to fishing due to its short lifespan and high levels of reproduction.

The Western Central Pacific Fisheries Commission (WCPFC) the regional body which manages tuna in has assigned the Cook Islands a 2016 purse seine fishing limit of 1,250 fishing days (WCPFC Conservation and Management Measure, 2015-01).

In 2014 the Pacific landed two million tonnes of catch. The Cook Islands fished 330 days and 14 thousand tonnes. It accounts for less than one per cent of the region's total catches and there

remains considerable surplus of fishing days which are not being utilised and which the Cook Islands risk losing if it cannot maintain its catch history.

Strategic Interests and Background to the Agreement

The European Union fleet comprises of three Spanish flagged vessels and 1 French flagged vessel from 340 purse seiners licensed to fish in the region. It is one of the smallest fleets in the region and responsible for just 1.4 per cent of the total catches. The fleet mainly operate in the east of the Pacific in the Line Islands of Kiribati and Tokelau.

There is a common strategic interest between the Cook Islands and EU in forming a fisheries partnership as it would assist in the development of the eastern fishing ground which is emerging as new epicentre for the purse seine fishery.

The Agreement

The Agreement is structured into two main components:

1. A framework agreement establishing the general principles of cooperation in the field of responsible and sustainable fisheries. This framework in itself does not authorise EU vessels to fish in the Cook Island's waters and is a longer term arrangement with an eight year term.
2. A protocol specifying the conditions for access to the Cook Islands waters, including payments. The protocol has been set at a four years term and will have to be renegotiated and agreed by the parties if EU vessels are to continue fishing in the Cook Islands.

The Annex and Appendices to the protocol outlines industry payments and additional details for licensing and monitoring, control and surveillance of the fishery.

The protocol will provide access to seven thousand (7,000) tonnes per year for a financial package of €5.3 million euros or \$9.6 million, over a four year period (Table 1). This is an average of \$2.4 million per annum.

Under the protocol the EU and shipowners will pay \$2.7 million and \$4.4 million respectively as access fees. The EU will also contribute \$2.5 million as policy support for the marine sector. The EU will pay its contributions irrespective of whether fishing actually takes place and the ship owner must make advance payments also as a means to incentives the fleet to utilize the opportunity to fish.

The Ministry will develop guidelines for policy sector support focussing on (1) enhanced compliance and enforcement measures against illegal (IUU) fishing; (2) EU tuna export market accreditation and (3) supporting food security through positive subsidies to local fishermen.

Table 1. Annual payments by the EU and shipowners

Year	EU access payment	Ship-owner access payment (NZD)	EU Sector Policy Support (NZD)	Total Payment (NZD)
Year 1	700,000	980,000	636,000	2,316,000
Year 2	700,000	1,107,000	636,000	2,444,000
Year 3	636,000	1,171,000	636,000	2,444,000
Year 4	636,000	1,171,000	636,000	2,444,000
Total	2,673,000	4,429,000	2,545,000	9,647,000

The 7,000 tonnes fished annually under the partnership is the equivalent of 156 fishing days. This is twelve percent of the Cook Island's 1,250 fishing day quota. Presently there is a surplus of fishing days available to the Cook Islands.

The financial package equates to almost \$16,000 dollars for each fishing day which exceeds other bilateral arrangements including the US Fisheries Treaty package.

APPENDIX

Catch assumptions

Year	Days Fished	Sets	Catch (mt)	Catch/Day
2013	181	104	7,484	41
2014	330	247	12,069	37
2015	201	122	8,325	41
Average	237	158	9,293	40
Forecast				45

The catch data for the past three years indicates an average catch of 40 t per day in the Cook Islands for 2013-2015. The EU vessels are considered to be among the most efficient vessels as they Spanish Captains have a good reputation and the vessels are modern and well equipped. The forecast catch for the EU fleet is **45 t per day**.

Further analysis of financial package

Assumptions	
Tonnes/day	45 tonnes
NZD/Euro	0.6 NZD/Euro
Euro/USD	0.8 Euro/USD
NZD/USD	0.7 NZD/USD
Price SKJ: USD per Tonne	1,400 USD per tonne
Nos of fishing days	
Tonnage	7,000 tonnes
Fishing Days	156 fishing days
Financial returns	
Landed value (NZ cents/Kilo)	231 NZD cents per kilo
Price paid (NZ cents/Kilo)	34 NZD cents per kilo
Return on landed value %	16 per cent return
Price per fishing day	
USD dollars per day	USD 10,933 per day
NZD dollars per day	NZD 15,505 per day

Analysis of price and days from the table above indicates:

1. 7,000 tonnes/45 fishing days = **156 fishing days**
2. NZD 9.647 million dollars divided by 28,000 tonnes (7,000 tonnes x 4 years) = **34 cents per kilo**
3. NZD 9.647 million dollars divided by 156 fishing days = **15,505 dollars per fishing day**