



**forestry, fisheries
& the environment**

Department:
Forestry, Fisheries and the Environment
REPUBLIC OF SOUTH AFRICA

THE PRESIDENCY

REPUBLIC OF SOUTH AFRICA

**SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM (SEIAS)
INITIAL IMPACT ASSESSMENT TEMPLATE (PHASE 1)
REVISED 2021**

The Initial Impact Assessment of the Policy on the Allocation and Management of Fishing Rights in the Tuna Pole-line Fishery: 2021

The Initial Impact Assessment aims to ensure that the policy is on the right track by requiring evaluation of alternative approaches. It should help drafters avoid finalising an inappropriate solution because they moved too quickly to select a strategy without adequately analysing the roots of the problem and considering alternative measures. It should facilitate a brainstorm about issues involved in the problem and full range of alternatives to deal with them.

1. The problem/ Theory of Change

1.1. What is the **social or economic problem** that you are trying to solve?

Section 24 (b) (iii) of the Constitution of the Republic of South Africa, 1996 provides for everyone a right to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that, amongst other things, secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development. The Marine Living Resources Act, 1998 (Act No. 18 of 1998) is the main legislative measure that brings into fulfilment the provisions of Section 24 (b) (iii) of the Constitution of the Republic of South Africa, in terms of marine natural resources. Other measures include, but are not limited to, Marine Fisheries Sector-specific policies, of which the Tuna Pole-line Sector-specific Policy is one of them.

Securing ecologically sustainable development through consistent use of natural marine resources whilst promoting justifiable economic and social development is proving more difficult over time due to the following variable factors (list not exhaustive):

- Marine fish, in nature, are a finite natural resource and quota allocation depends, largely, on standing stock status, where standing wild stock in fisheries is very difficult to predict as it varies in response to environmental forces;
- Due to various factors, including, but not limited to, improved fishing efficiency; Illegal, Unreported and Unregulated (IUU) fishing, poor recruitment and ecosystem

effects, a disturbing trend of declining stock population sizes of numerous commercially harvestable fish species has been noticed.

- The decline of wild marine fisheries stocks warrants a review of the criteria for the allocation of fishing rights, a process that is as competitive as it is litigious, and reducing annual Total Allowable Catches (TACs) and or Total Allowable Efforts (TAEs) for successful fishing rights applicants into smaller, and yet, economically viable quotas, is highly recommended but has proved both difficult to achieve and controversial to navigate through.
- Justifiable allocation of sustainable and economically-viable quotas (e.g. for present and future generations); addressing historical imbalances; ensuring redress and equity without neglecting the interests of well-established and labour-absorbing fishing companies that have made huge investments in the respective marine fisheries sectors, over many years, against a backdrop of fluctuating and declining wild marine fish stocks remains a big challenge for the Department. This makes it extremely difficult for the Department to promote justifiable economic and social development as enshrined in the Constitution of the Republic of South Africa without attracting criticism from various stakeholders within the fishing industry and negative publicity generally, making the Fishing Rights Application Process (FRAP) a very litigious process.

It is against this background that the Department is embarking on a process of reviewing the Marine Fisheries policies, including, but not limited to the Tuna Pole-line Sector-specific policy. This enables the South African Government, through the Department, which has a mandate on fisheries management, to contribute meaningfully towards addressing national priorities that include food security, job creation and economic growth. Furthermore, reviewing Fisheries Sector-Specific policies and cross-cutting fisheries policies (e.g. General Fisheries Policy, Fish Processing Establishment Policy and Fishing Rights Transfer Policy) brings certainty to fishing industry stakeholders, investors and any other interested parties.

In addition to the above, South Africa is a Cooperating Contracting Party to three tuna Regional Fisheries Management Organisations, i.e. Commission for the Conservation of Southern Bluefin Tuna (CCSBT), International Commission for the Conservation of Atlantic Tunas (ICCAT) and the Indian Ocean Tuna Commission (IOTC) and non-utilisation of its allocation would have negative implications on future allocations.

1.2. What are the main causes of the problem? That is why the problem arise and why does it persist?

Identified Problem	Main Causes of the Problem	Why does it persist as a problem?
<p>The resource targeted by the tuna pole-line fishery is not effectively utilised. Only around half of the 163 Right Holders utilise their right and catch Albacore, Yellowfin, Bigeye and Southern Bluefin tuna, the main target species in this fishery. Moreover, around ten percent of the right holders catch more bycatch than target species.</p>	<p>Lack of adequate vessels.</p> <p>Lack of skills to effectively target tuna.</p> <p>Allowing rights in multiple fisheries, causing lack of specialisation.</p> <p>Inadequate and outdated by-catch regulations, allowing to cross-subsidisation of tuna fisheries with linefish species.</p>	<p>Lack of investment into the sector.</p> <p>Lack of funding opportunities for SMME's</p>
<p>Current structure of the tuna pole-line fishery inadequately</p>	<p>Allocation based on historical principles.</p>	<p>Narrow focus on transformation by means of ownership in previous allocations, outweighing other</p>

addresses transformation and equity challenges within the sector.		important considerations such as suitability of vessels, adequate business model, appropriately skilled and empowered personnel, transformed on all levels within the operation and sourced from the local population, i.e. skippers, engineers, Boatswains, fishing masters.
Issuing of large number of rights in excess of what the resource can economically and ecologically sustain.	Socio and economic reliance on tuna pole-line resource.	The idea that everyone must benefit from the Natural Resources.

1.3. Whose behaviours give rise to the problem, and why does that behaviour arise?

Remember that several groups including some in government may contribute to the identified problem. Their behaviour may arise amongst others because the current rules are inappropriate; because they gain economically from the behaviour; or because they are convinced that they are doing the right thing. Identifying behaviours that cause the problem should point to the behaviours that must be changed in order to achieve the desired solution.

Identified Problem	Behaviour giving rise to the identified problem	Groups whose behaviour give rise to the identified problem?	Why does the behaviour arise?
The resource targeted by the tuna pole-line fishery is not effectively	Not interested in investing into the fishery.	The fishing right holders.	Genuine belief that Government should be providing support in

<p>utilised. Only around half of the 163 Right Holders utilise their right and catch Albacore, Yellowfin, Bigeye and Southern Bluefin tuna, the main target species in this fishery. Moreover, around ten percent of the right holders catch more bycatch than target species.</p>	<p>Not being able to invest in skills development and capacity building.</p>		<p>terms of subsidies and rebates.</p>
<p>Current structure of the tuna pole-line fishery inadequately addresses transformation and equity challenges within the sector.</p>	<p>Believing that transformation can only be achieved by just changing ownership profile without considering other factors such as training and skills transfer throughout the company structures.</p>	<p>Government officials Fisheries Interest groups</p>	<p>Inadequate interrogation of transformation profile data. Genuine belief that this problem supersedes all other issues. Seeking to gain political advantage by being seen to support transformation.</p>
<p>Issuing of large number of rights in excess of what the resource can economically and ecologically sustain.</p>	<p>Attempt to create opportunities for job creation without consideration of the finite nature of the natural resource.</p>	<p>Government officials Fisheries Interest groups</p>	<p>Inadequate understanding on the technical and ecological aspects of fishing.</p>

			Genuine belief that there is no real constraint in the resources of the ocean.
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1.4. Please explain why implementation of the existing policies/ laws/regulations or any proposals is not effective in addressing identified problems.

Current policy was developed in 2013 and as such, does not take into account advances made in fisheries management and socio-economic factors over the past seven (7) years.

1.5. Identify the major social and economic groups affected by the problem, and how are they affected. Who benefits and who loses from the current situation? **Be mindful of the vulnerable groups (Women, Youth, Children, People with Disabilities), Low income groups, Rural Households and Small Enterprises.**

Identified Problem	Groups (Social/Economic)	How are they affected by the identified problem?	Are they benefitting or losing from the current situation?
The resource targeted by the tuna pole-line fishery is not effectively utilised. Only around half of the 163 Right Holders utilise their right and catch Albacore, Yellowfin, Bigeye and Southern Bluefin tuna, the main target species in this fishery. Moreover, around ten percent of the	SMMEs	Unable to fully utilise their right and catch Albacore, Yellowfin, Bigeye and Southern Bluefin tuna, the main target species in this fishery. Potential loss of employment and income.	Very few are benefitting. Most of them are losing.

right holders catch more bycatch than target species.			
Current structure of the tuna pole-line fishery inadequately addresses transformation and equity challenges within the sector.	Women, Youth and People with Disabilities.	Less diversified and transformed industry. Not everyone is participating in this fishery.	Noting that the sector is 59% transformed in terms of black ownership, very few are benefitting.
Issuing of large number of rights in excess of what the resource can economically and ecologically sustain.	SMMEs	Unable to fully utilise their right and catch Albacore, Yellowfin, Bigeye and Southern Bluefin tuna, the main target species in this fishery. Potential loss of employment and income.	Very few are benefitting, i.e., the few operators that are currently utilising the right to fish for tuna. Most operators that are not utilising their right to fish for tuna are losing out.

1.6. Which of below Seven (7) national priorities are negatively affected by the identified problem?

National Priority	How is the priority negatively affected by the identified problem?
1. Economic Transformation and Job Creation	Transformation remains shallow, as it is not underpinned by genuine opportunity. Job creation is affected negatively as the companies do not utilise

	their fishing right effectively and therefore are not able to create envisaged jobs.
2. Education, Skills and Health	There is no adequate training to gain technical skills needed to successfully participate in fishing operations.
3. Consolidating the Social Wage through reliable and quality Basic Services	Non-utilisation of rights, resulting in less creation of jobs and employment and less quality of Basic Services.
4. Spatial Integration, Human Settlements and Local Government	N/A.
5. Social Cohesion and Safe Communities	Fishing communities remain disadvantaged as they are relegated to the lowest employment levels: crew, fish processing, etc. as Ownership transformation does not translate into skills development.
6. Building a Capable, Ethical and Developmental State	A capable state hinges on the development of a pool of skills within any profession. The current structure of the fishing rights does not emphasize skills development.
7. A better Africa and World	An effective and fully utilised tuna pole-line fishery, without bycatch promotes sustainable fishing, creates sustainable employment and produces high quality product that generates export revenue.

2. Options

2.1. Describe least three options for addressing the identified problem, including (a) your preferred proposal, and (b) an option that does not involve new or changed regulation (baseline or existing option)

- a) Review the existing Tuna Pole-line policy and only amend those sections that are creating the identified problem
- b) Use the current policy and address identified problems through permit conditions
- c) Extend the current rights (i.e. for another seven years)

2.2. Are the proposed options linked to other existing government laws or regulations and what are the gaps / limitations of those existing ones to address your identified problem?

Government legislative prescripts	Custodian department / units within your department	Areas of Linkages	What are the limitations of existing prescripts?
Marine Living Resources Act	Department of Forestry, Fisheries and the Environment	Achieve optimum utilisation and ecologically sustainable development of marine living resources; Utilise marine living resources to achieve economic growth, human resources development, capacity building within fisheries and mariculture branches, employment creation and sound ecological balance consistent with the	The South African fisheries laws are not adaptive and/or are not easy to amend in order to adapt to the different situations. The MLRA review will only commence in 2022, hence it is out of sync with the rights allocation.

		development objectives of the national government; and Restructure the fishing industry to address historical imbalances and to achieve equity within all branches of the fishing industry.	
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2.3. What social groups would gain and which would lose most from the each of the three or above options? Consider specifically the implications for the households earning less; micro and small business; black people, youth and women; and rural development.

Option	Main Beneficiaries	Main Cost bearers
a) Review the existing Tuna Pole-line policy and only amend those sections that are creating the identified problem.	All interested and affected stakeholders	Stakeholders that have a quasi-monopoly on elements of the value chain (i.e. factories, exporters) might face more competition.
b) Use current policy and address identified problems through permit conditions	All interested and affected stakeholders	Stakeholders that have a quasi-monopoly on elements of the value chain (i.e. factories, exporters).
c) Extend the current rights (i.e., for another seven years).	Current role players, noting that the sector is 59% transformed in terms of black ownership.	Potential new entrants.

2.4. For each option, describe the possible implementation costs, compliance costs and the desired outcomes, listing who would bear the costs or, in case of the outcomes, enjoy the benefits.

Option	Implementation costs	Compliance costs	Desired Outcomes (Benefits)
a) Review the existing Tuna Pole-line policy and only amend those sections that are creating the identified problem.	Administrative and logistical costs incurred by government.	Administrative and logistical costs incurred by government.	Increase in diversification, skills development and deep transformation.
b) Use current policy and address identified problems through permit conditions.	Considerable administrative logistical costs incurred by government.	Considerable administrative logistical costs incurred by government.	Considerable increase in diversification, skills development and deep transformation.
c) Extend the current rights (i.e., for another seven years).	Status quo.	Status quo.	Fishery operates as it currently does, with no additional benefits in terms of diversification of rights.

2.5. Based on the above table on costs and benefits, describe how different options would contribute to or detract from the national priorities. Remember this is a think-tool, so explore the issues freely.

Priority	Option 1	Option 2	Option 3
1. Economic Transformation and Job Creation	The sector would potentially be more transformed. Effective utilisation of rights will by default result in job creation and much needed employment.	The sector would potentially be more transformed. Effective utilisation of rights will by default result in job creation and much needed employment.	Less transformed sector. Non-utilisation of rights, resulting in less creation of jobs and employment.
2. Education, Skills and Health	Potentially, there would be more emphasis on youth and skills development, resulting in improved health.	Potentially, there would be more emphasis on youth and skills development, resulting in improved health.	No adequate training to gain technical skills needed to successfully participate in fishing operations.
3. Consolidating the Social Wage through reliable and quality Basic Services	Effective utilisation of rights will result in job creation and much needed employment and potentially good quality of Basic Services.	Effective utilisation of rights will result in job creation and much needed employment and potentially good quality of Basic Services.	Non-utilisation of rights, resulting in less creation of jobs and employment and less quality of Basic Services.

4. Spatial Integration, Human Settlements and Local Government	N/A.	N/A.	N/A.
5. Social Cohesion and Safe Communities	Potentially good quality of life and food security.	Potentially good quality of life and food security.	Fishing communities remain disadvantaged as they are relegated to the lowest employment levels.
6. Building a Capable, Ethical and Developmental State	Development of skills.	Development of skills.	A capable state hinges on the development of a pool of skills within any profession. The current structure of the fishing rights does not emphasize skills development.
7. A better Africa and World	A fishery that is inclusive of everyone. An effective and fully utilised tuna pole-line fishery, without bycatch promotes sustainable fishing, creates sustainable employment and produces high quality product that generates export revenue.	A fishery that is inclusive of everyone. An effective and fully utilised tuna pole-line fishery, without bycatch promotes sustainable fishing, creates sustainable employment and produces high quality product that generates export revenue.	Less diversified and not much revenue resulting from trade.

2.6. Describe the potential risks that could threaten implementation of each option and indicate what can be done to mitigate the identified risks.

Option	Potential Risks	Mitigation Measures	Comments
a) Review the existing Tuna Pole-line policy and only amend those sections that are creating the identified problem.	Lack of funds, skills, personnel and logistical capacity within government department might lead to delays and/or failure of completion of the option in time.	Fill posts and reorganise the Fisheries Branch to increase effective utilisation of available resources.	Some of the variable operational costs, such as fuel, harbour fees, licencing fees and prices of fishing equipment (fishing gear and vessels) are not under the jurisdiction of the Department.
b) Develop a completely new Tuna Pole-line policy.	Lack of funds, skills, personnel and logistical capacity within government department is likely to lead to delays and/or failure of completion of the option in time. The option is not feasible within the current time frames.	Fill posts and reorganise the Fisheries Branch to increase effective utilisation of available resources.	Not desirable, noting lack of capacity, funds etc.
c) Extend the current rights (i.e., for another seven years).	No additional transformation, nor skills development, ineffective utilisation of South Africa's tuna resources.	Enforce transformation and right utilisation through existing legislation and other means, i.e.	Not desirable, will promote the status quo.

		development of BBBEE codes, enforcement of compliance etc.	
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At this point, if you think the analysis points to a more useful or stimulating set of options, revise the SEIAS. You may find that you would like to combine some of the options, or that the process of discussion around the options has generated ideas that are better than your original ideas. Ideally, the three options considered should all be good ideas-that provides the best test for the final strategy adopted.

3. Summary

3.1. Based on your analysis, as reflected in the discussion of the three options above, summarise which option seems more desirable and explain?

Option 1 - is the most desirable, noting that the current tuna pole-line sector specific policy was last reviewed and approved in 2013. Although some of the current priorities of Government have not been fully addressed, hence the option to review policy to address the identified problems and possible gaps.

3.2. What specific measures can you propose to minimise the implementation and the compliance costs of your preferred option, to maximise the benefits?

The implementation and compliance costs could potentially be minimised by increasing the validity period of fishing rights to a maximum of fifteen years as per the MLRA.

3.3. What are the main risks associated with your preferred option, and how can they best be managed?

Budgetary constraints and human resource capacity limitations within the Department. These could be managed through insourcing in the form of secondment of officials from other divisions and collaboration with other Government Departments and State Owned Enterprises (SOEs).

Not reviewing the policy comprehensively might jeopardize efforts towards deep transformation, skills development and diversification.

3.4. What additional research should you do to improve your understanding of the costs and benefits of the option adopted?

Additional research is needed to improve understanding of the socio-economics of the fishing communities and fishing companies. In addition, Public Comments on draft Tuna pole-line policy would provide useful information.

For the purpose of building SEIAS body of knowledge please complete the following:

<i>Name of Official/s</i>	<i>Qayiso Mketsu, Sven Kerwath</i>
<i>Designation</i>	<i>DD: Large Pelagic and High Seas Fisheries Management; Specialist Scientist: Finfish research</i>
<i>Unit</i>	<i>Fisheries Management Branch: DEFF</i>
<i>Contact Details</i>	<i>021 402 3048; 021 402 3017</i>
<i>Email address</i>	<i>QayisoMK@daff.co.za; SvenK@daff.gov.za</i>

References:

1. Marine Living Resources Amendment Act, 2014;
2. Policy for the Allocation and Management of Fishing Rights in the Tuna Pole-Line Fishery: 2013
3. Department's Information on Economic and Transformation Profiles;
4. Department's Tuna Pole-line catch data;
5. Fishery Performance Reviews: Tuna Pole-line fishing sector.