

THE PAN-AFRICAN FISHERIES
AND AQUACULTURE POLICY FRAMEWORK
AND REFORM STRATEGY: THE BENEFITS OF
FISH-RESOURCE EXPLOITATION IN AFRICA

WHAT IS NEEDED TO REALISE THE
FULL ECONOMIC POTENTIAL OF
AFRICA'S FISH RESOURCES?





Executive Summary



Fish resource exploitation provides a wide variety of benefits to Africans. However, these benefits are currently threatened by the increasing overexploitation of fish resources.



This overexploitation is being driven by the intrinsic wealth of Africa's fish resources. Yet, this same wealth has the potential to make a substantial, perennial contribution to African economic growth. This important source of benefits is currently being missed in most African countries.



Fisheries policies must be designed and implemented around the central issue of fish resource wealth. This is essential if African states are to meet their international commitments to eliminate overfishing and restore fish stocks. It is also essential if they are to make rational decisions concerning the full range of benefits available from fish resources.

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Introduction and Background

Fish resources are a gift from nature. If wisely exploited, this natural capital is a source of sustainable nutrition, sustainable jobs and sustainable wealth.

However, experience over a long period of time and all over the world has shown that the governance conditions under which fish resources may be exploited are critical to achieving these benefits and must be the primary focus of fisheries policy.

Problem Statement

Fisheries policy has always aimed at achieving benefits from fish resource exploitation. But reports from the UN Food and Agriculture Organization (FAO) over the past 30 years show that these benefits are at risk as fish stocks become increasingly overexploited worldwide. Latest estimates from FAO suggest that in Africa, 44% of the stocks are now over fished, 47% are fully exploited and only 9% remain not fully exploited.

Economic theory and empirical evidence from around the world show that the factor driving such overexploitation is, paradoxically, the intrinsic wealth of the fish resource. On the whole, the more valuable a fishery, the more quickly its resource base is overexploited. If overexploitation is to be avoided, it is crucial therefore that the question of fish resource wealth is placed at the heart of fisheries policy. If this is done, such wealth, rather than driving overexploitation, can become one of the key benefits of fish resource exploitation whilst sustaining the other important benefits discussed below.

Approaches and Results

Fish resource exploitation generates a wide range of benefits.



Nutrition

First, there is an important set of benefits associated with the human consumption of fish. Fishery products are a vital part of the diet of billions of people, especially of the poor. An important policy question is therefore how to ensure that adequate supplies are available at affordable prices. At the same time, policy must recognize that the contribution of marine and inland capture fisheries is limited by nature and by the need to ensure the sustainability of fish stocks. (The health benefits of fish consumption are discussed in Policy Brief Number 6: Enhanced Food and Nutrition Security Through Improving Fish Post-Harvest Systems)



Production and employment

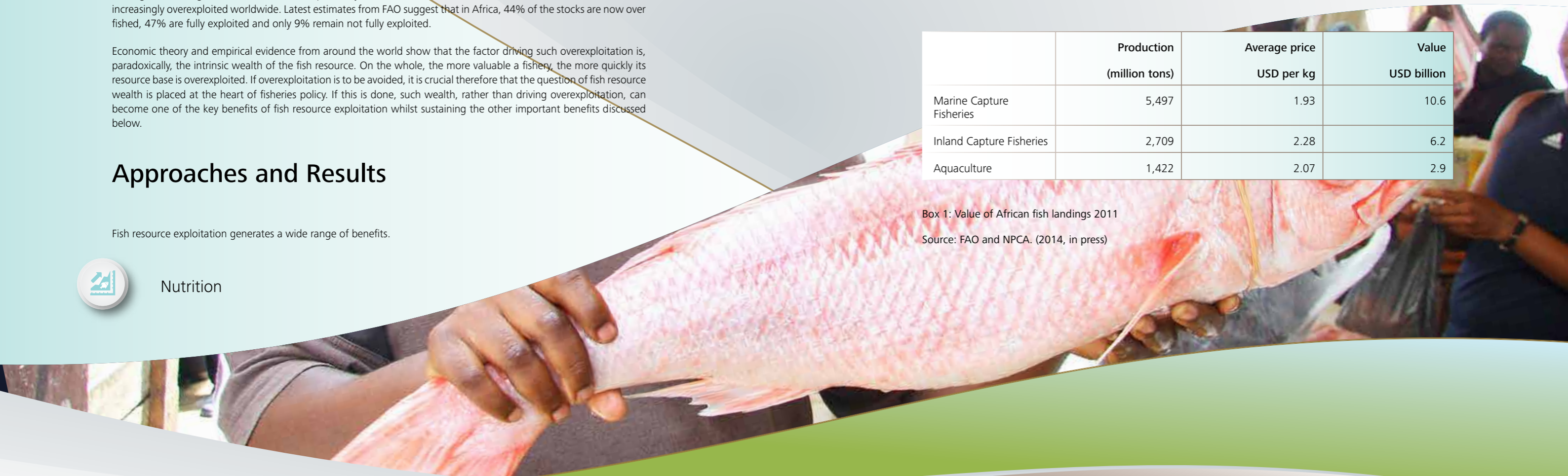
Second, there is an important set of benefits associated with activities involved in catching or producing fish and preparing them for consumption. Such benefits include the value of the fish production and the number of jobs involved.

The most recent estimate (2011) of the value of African capture-fish production is USD 16.8 billion (see Box 1). In addition, aquaculture contributes USD 2.9 billion.

	Production (million tons)	Average price USD per kg	Value USD billion
Marine Capture Fisheries	5,497	1.93	10.6
Inland Capture Fisheries	2,709	2.28	6.2
Aquaculture	1,422	2.07	2.9

Box 1: Value of African fish landings 2011

Source: FAO and NPCA. (2014, in press)



In the case of capture fisheries, this figure is an underestimate, first, because statistical monitoring systems are inadequate generally (and especially for artisanal fisheries in inland waters) and, second, because it excludes illegal fishing.

The figure is important also as an estimate of the value of exploiting African fish resources. But here it is underestimated further because fish caught by non-African-registered fishing vessels are recorded against the non-African Flag States (under the rules of origin).

Producing the fish mentioned in Box 1 creates jobs for 6.1 million fishers (2.7 million in marine fisheries and 3.4 million in inland fisheries). Almost all fishers are male. Aquaculture currently generates almost 1 million jobs.

However, in designing fisheries policy, it is important to consider the economic impact of fish production as it moves through the value chain to the final consumer. Employment and livelihoods in many downstream activities depend on sustainable fish stocks just as much as do those of fishers.

Marine capture fish processing employs 3.6 million people and inland another 1.6 million. Over 59% of these people are women.

Many other jobs and livelihoods also depend on sustainable fish production but no estimate is available of the number of people concerned. Such jobs would include transport, fishing vessel construction and maintenance, fishing gear production, port and beach-based activities, ice-making, and so on.

Moreover, incomes generated from fish-dependent activities create expenditure elsewhere in the economy. Given the nature of fishing, it may be particularly important in certain parts of the local coastal, lakeshore or riparian economies.

Employment is a macroeconomic indicator that requires careful handling in the case of fisheries. Because the vast majority of African fish resources are fully or increasingly overexploited, current employment levels at fisher level may overstate the sustainable benefits from fish resource exploitation.

A policy of employment creation for fishers could well worsen the overexploitation problem and increase the difficulty of fisheries management. If it results in a decline in sustainable fish production, it may result in a reduction in the number of post-harvest jobs.

A more targeted policy to generate more fishing jobs would be to favour those sectors that are labour intensive. However, it is important to consider also that fishing rarely requires labour alone. Usually, there is also a need for capital investment in terms of a vessel, motor and fishing gear and to meet running costs, especially fuel. Where capital is in short supply, extra capital investment in fishing will mean less capital investment elsewhere. And fuel costs, and imports in most cases, may also be increased.

Wealth

The third set of benefits concern the sustainable wealth potential of fish resources. In many ways, this is the most important set since it relates both to overexploitation and economic growth.

Fisheries policy has always been implicitly about wealth creation but on the mistaken assumption that high levels of physical production would automatically lead to high levels of wealth. This focus on physical production is one important factor explaining the excessive investment in the capacity to catch fish that has led to the overexploitation of the fish stocks noted by FAO. More and more resources are devoted to catching fewer and fewer fish. And attempts to create wealth throughout the value chain are also undermined.

The big challenge facing fisheries policy is to reverse this process. If this can be done, the potential payoff is large.

How much is involved? This is a difficult question to answer. One important need is for policy units in African states to address their fisheries in economic terms and begin to generate realistic estimates fishery by fishery.

International experience suggests that reforming the conditions under which fish resources may be exploited can produce economic benefits in two ways. For a given quantity of fish, first the sales value generated increases and second the cost of fishing decreases. Evidence from other fisheries suggests that 30 to 60% of the increased landed value of fish production can be generated as investable wealth.

Where will this wealth appear? It depends on many factors that are discussed in more detail in Policy Briefs #2 (Wealth-Based Fisheries Management) and #3 (African Fisheries and Aquaculture in the Macro-economy). Generally, it will appear as resource rentals to the Government and as a return to holders of use rights or fishing rights. But there is no hard and fast rule.

The interpretation of these wealth benefits is important. In essence, the fish resource is natural capital and, like a bank account, it is capable of earning interest - in addition to, not instead of, the other benefits discussed above. This wealth is sustainable and can be used to generate further growth and development throughout the economy, increasing the fish sector's contribution to social and economic welfare.

Viewing fish resources in this way raises two policy challenges. First, there is a need to improve understanding of the way in which fish resource exploitation leads to macroeconomic benefits (see Policy Brief #2). Second, there is a need to develop processes and mechanisms to ensure that the wealth and other benefits are delivered on a sustainable basis (see Policy Brief #3).

Trade-offs

In seeking to achieve the full benefits that are possible from fish resource exploitation, trade-offs may be needed in two ways. First, the achievement of some benefits may mean that others cannot be achieved. Second, to ensure that benefits are sustainable may mean that some benefits may have to be sacrificed in the short term.

Fisheries policy will have to address these two sets of trade-offs case by case. For the first problem, the number of trade-offs may not be too large. For instance, maximizing the wealth from fish stocks requires an increase in their size and hence contributes to achieving conservation aims. If sustainable fish production increases, the number of jobs throughout the value chain may increase. However, employment at the fisher level may decline. If this happens, it could be addressed in various ways: Governments might insist that employment-creating technologies be given priority in fish resource exploitation or measures might be taken to assist those leaving the sector.

In the second case, the fishery represents an investment problem. Costs in the short-term would receive a large long-term payoff. The policy issue is to decide if the investment is worth making and, if so, who will fund it.



Policy recommendations

Policy makers need to take account of the full range of benefits in developing fisheries policy.

Fish resource wealth must be moved to the center stage in the policy debate, if only to avoid such wealth undermining the achievement of other key policy goals. Ministries need to develop capacity in policy units to understand how wealth may relate to policy proposals.

Measurements should be made of potential wealth in order to inform public debate about fishery policy goals and the cost of achieving certain goals in terms of foregone wealth, where trade-offs may be needed.

Conclusion

Fish resource exploitation provides a wide variety of benefits to Africans. However, these benefits are currently threatened by the increasing overexploitation of fish resources.

This overexploitation is being driven by the intrinsic wealth of Africa's fish resources. Fisheries policies must be designed and implemented around the central issue of fish resource wealth. This is essential if African states are to meet their international commitments to eliminate overfishing and restore fish stocks.

This wealth has the potential to make a substantial, perennial contribution to African economic growth. Countries do not have to take advantage of these benefits but they are currently being missed in most African countries, not from policy choice but due to a widespread failure to consider them in policy. Bringing fish resource wealth into the debate is essential for rational decisions to be made concerning the full range of benefits available from fish resources.

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