



IUMI 2018

“ILLEGAL, UNREPORTED AND UNREGULATED FISHING”

“HOW CAN THE INSURANCE MARKET HELP TO REDUCE THIS PRACTICE?”

PAUL COXON

paul@paulcoxon.co.za

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Introduction



Introduction

- The Oceans provide a valuable resource of food and protein which if not protected will eventually lead to the collapse of the resources and the subsequent loss of an important link in the food chain.
- Catching and processing the resource is an important livelihood for several billion people internationally each year and with the world's population increasing further pressure will be placed on the resources.
- It is our duty to manage and protect the oceans and the fish resources by maintaining responsible and sustainable fishing efforts to protect the livelihood of billions of people and to ensure a continued source of protein being supplied to the table.
- Fish and seafood is probably the most valuable traded commodity worldwide with an estimate of over US\$ 150 billion dollars traded annually as reported by several sources.
- Illegal fishing has caused losses estimated at US \$23 billion per year, according to the Fisheries and Aquaculture Department of the United Nations.

Introduction

- Everyone in the catch, buy and sell chain should play a role in reducing illegal fishing.
- The focus should not only be on compliance with the local fishery regulations but with the financing and insuring of the fishing vessels, fish products and cargoes.
- This is where we as the Marine Insurance Industry should be playing a role.



IUU Fishing definition and background



IUU Fishing definition and background

- IUU fishing is a phrase coined by the Commission for Conservation of Antarctic Marine Living Resources (CCAMLR) in 1997.
- IUU fishing is defined as fishing activities which do not comply with national, regional or global fisheries conservation and management obligations and occurs both on the high seas and inland coastal fisheries.
- IUU Fishing was defined in the International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported, and Unregulated Fishing (IPOA-IUU) adopted by the 25th session of the FAO (Food and Agriculture Organisation) Committee on Fisheries on 2 March 2001 section 3 as;

IUU Fishing definition and background

3.1 Illegal fishing refers to activities:

- 3.1.1 conducted by national or foreign vessels in waters under the jurisdiction of a State, without the permission of that State, or in contravention of its laws and regulations;
- 3.1.2 conducted by vessels flying the flag of States that are parties to a relevant regional fisheries management organization but operate in contravention of the conservation and management measures adopted by that organization and by which the States are bound, or relevant provisions of the applicable international law; or
- 3.1.3 in violation of national laws or international obligations, including those undertaken by cooperating States to a relevant regional fisheries management organization.

IUU Fishing definition and background

3.2 Unreported fishing refers to fishing activities:

3.2.1 which have not been reported, or have been misreported, to the relevant national authority, in contravention of national laws and regulations; or

3.2.2 undertaken in the area of competence of a relevant regional fisheries management organization which have not been reported or have been misreported, in contravention of the reporting procedures of that organization.



IUU Fishing definition and background

3.3 Unregulated fishing refers to fishing activities:

- 3.3.1 in the area of application of a relevant regional fisheries management organization that are conducted by vessels without nationality, or by those flying the flag of a State not party to that organization, or by a fishing entity, in a manner that is not consistent with or contravenes the conservation and management measures of that organization; or
- 3.3.2 in areas or for fish stocks in relation to which there are no applicable conservation or management measures and where such fishing activities are conducted in a manner inconsistent with State responsibilities for the conservation of living marine resources under international law.



Current International Initiatives to combat IUU Fishing



Current International Initiatives to combat IUU Fishing:

Port State Measures Agreement:

- The Agreement on Port State Measures to Prevent and Eliminate Illegal, Unreported, and Unregulated Fishing (Port State Measures Agreement) is the first legally binding instrument addressing IUU fishing and was adopted by the UN FAO Conference in 2009.
- This agreement came into force mid 2016 after 30 ratifications.
- This agreement aims to standardise Port State measures by setting out the minimum requirements for the use of a port by foreign vessels where these designated ports are restricted to be used for 'landing, trans-shipping, packaging and processing of fish'. Entry to the port is by prior application so that a Port State can decide whether to grant entry after considering specified criteria such as the vessel's engagement in IUU fishing.
- The aim of this agreement is to make it difficult for IUU Fishing operators to be able to land their fish.

Current International Initiatives to combat IUU Fishing:

EU IUU Regulation:

- The European Union Regulation on Illegal, Unreported, and Unregulated Fishing (EU IUU Regulation) 2015 aims to prevent, deter and eliminate the entry of IUU fishery products into the European Union market and international waters.
- The EU Regulation endorses the FAO's IPOA-IUU definition of IUU Fishing.
- It goes further by listing conduct presumed to be IUU fishing such as 'fishing without a valid license, authorisation or permit issued by the flag State or the relevant coastal State'.



Current International Initiatives to combat IUU Fishing:

Catch Certification Scheme:

- Further EU Measures included in Article 12 of the EU IUU Regulation include the Catch Certification Scheme which aims to prohibit the trade in IUU products.
- The aim of the Catch Certification Scheme is to ensure that a vessel's catches were made in accordance with “applicable conservation and management rules, as validated by a competent authority of the flag state of the vessel”.
- A validated catch certificate is required to be submitted by the importer to the competent authorities of the Member State in which the product is intended to be imported at least three working days before the estimated time of arrival at the place of entry into the territory of the Member State.

Current International Initiatives to combat IUU Fishing:

The International Forum on Illegal, Unreported and Unregulated Fishing:

- The International Forum on Illegal, Unreported and Unregulated Fishing brings together over 100 leading policymakers, researchers, industry representatives and civil society groups from across the world to discuss the latest initiatives, regulations and research in the area of fisheries governance and trade in illegal fish products.
- The 11th Forum was held in May 2018 in London.
- Each year various topics are discussed including traceability, enforcement and sanctions, transparency and the links between IUU fishing and slavery at sea, amongst others.

Current International Initiatives to combat IUU Fishing:

IMO Cape Town Agreement:

- IMO Cape Town Agreement will be an internationally binding agreement which will facilitate better control of fishing vessel safety by flag, port and coastal States and will contribute to the fight against illegal, unreported and unregulated (IUU) fishing.
- The agreement has still to be ratified and deals with the safety and living standards for the crew which is an issue which is linked to IUU Fishing.



Current Insurance Industry Initiatives



Current Insurance Industry Initiatives:

Marine Sustainability Agreement:

- Several Marine Insurance companies signed a Marine Sustainability Agreement in 2016. One of the aims of this agreement is for Insurers to develop a risk management guide to assist Marine Insurers better address the challenges of IUU fishing. I quote from the agreement:



Current Insurance Industry Initiatives:

The signatories of this Statement therefore agree, to transact relevant marine insurances with the following guiding principles:

- Education and awareness building:

We will encourage the adoption of measures that help to reduce and eliminate IUU fishing.

- Risk management and underwriting:

We will encourage the use of appropriate risk management protocols and effective due diligence procedures to help reduce the risk of insuring vessels or companies that are acting contrary to agreed international governance frameworks and international law covering IUU fishing. Specifically, we will not knowingly insure or facilitate the insuring of vessels that have been officially blacklisted for their involvement in IUU fishing.

Current Insurance Industry Initiatives:

- Marine Insurers have access to a list of blacklisted vessels that have engaged in IUU fishing which has been compiled and has been adopted by nine regional fisheries management organisations, with mandates to manage internationally shared fishing stocks or areas.
- The European Union's list of vessels engaged in IUU fishing includes all vessels in these lists and can be accessed online:

https://ec.europa.eu/fisheries/cfp/illegal_fishing/info

- There are several other websites available which list IUU fishing vessels and parties.

Current Insurance Industry Initiatives:

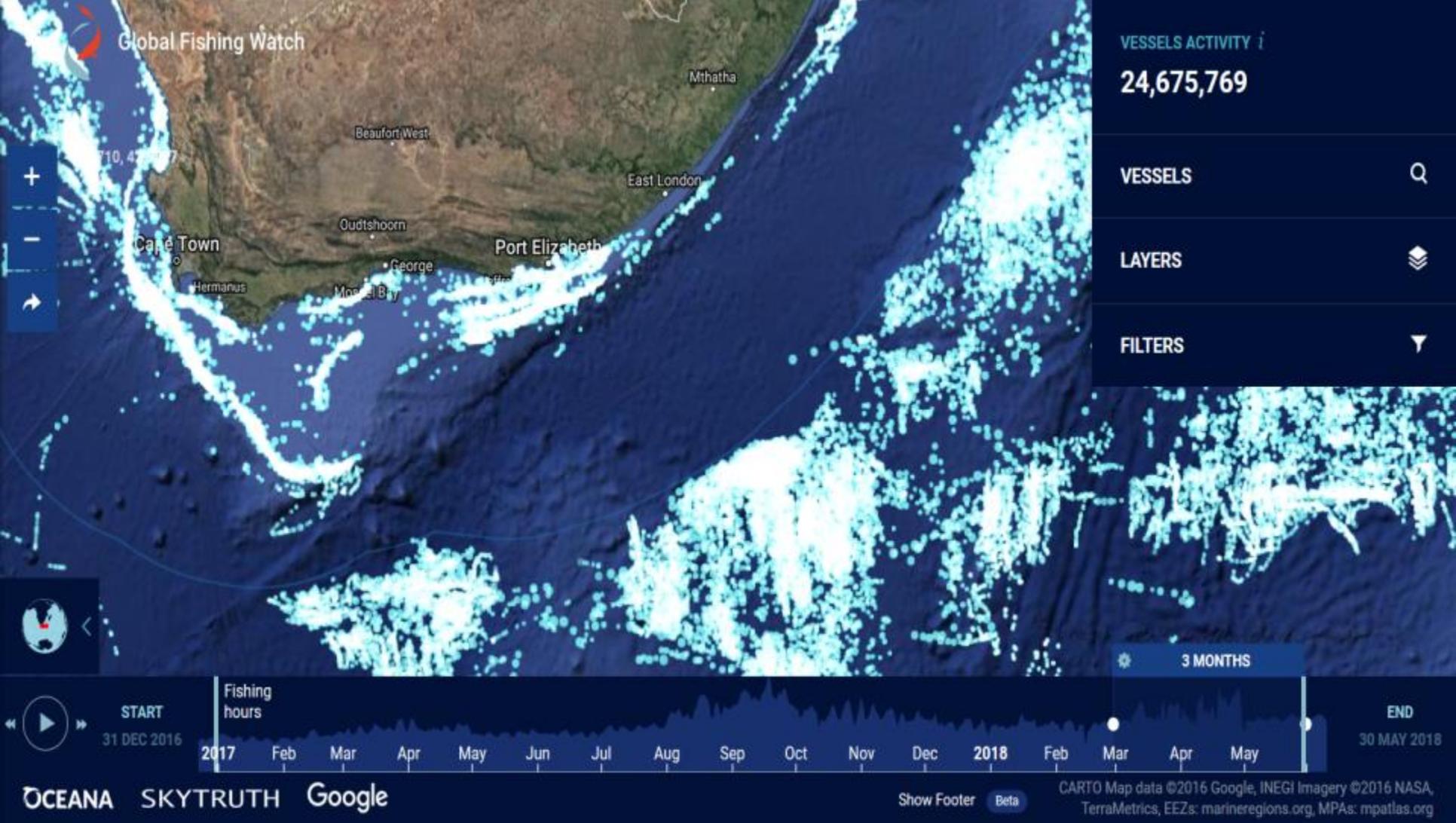
Oceana – Protecting the World's Oceans:

- Oceana is an organisation that is working with and is mobilising the global marine insurance industry in taking action against illegal, unreported and unregulated (IUU) fishing.
- They are working with Marine Insurers in developing a targeted risk management protocol for the marine insurance sector. The aim is to produce a protocol which can be referred to by Insurers for guidance in identifying and avoiding contracts with association to IUU fishing.
- In consultation with Dr Dana Miller of Oceana I have been advised that the guidance booklet is almost ready for print and this will be launched in the very near future.

Current Insurance Industry Initiatives:

Global Fishing Watch

- Originally set up through a collaboration between three partners: Oceana, an international ocean conservation organisation; SkyTruth, experts in using satellite technology to protect the environment; and Google, who provide the tools for processing big data.
- By using AIS tracking data they are able to monitor and track thousands of fishing vessels daily and collate this information to be able to provide freely accessible data that can be used to track and monitor fishing activities internationally.
- This data has been used to track individual vessels and fleets of vessels where the vessels have switched off their AIS devices and have disappeared for periods of time in close proximity to sensitive fishing areas.
- Following is a screenshot of the map that is available for the South African coast and I will discuss some of the interesting information that can be obtained therefrom.
- The information is available at www.globalfishingwatch.org



24,675,769

VESSELS



LAYERS



FILTERS



3 MONTHS

Fishing hours

START
31 DEC 2016

END
30 MAY 2018



IUU vessels, insured or not are a risk:



IUU vessels, insured or not are a risk:

- Several research initiatives have confirmed that IUU vessels are insured by leading Marine Insurers.
- Whilst it is not mandatory to have insurance, fishing vessel operators do insure their vessels in order to potentially limit liabilities that may arise and that could be financially crippling to their operations.
- IUU Fishing vessels are often registered under flags of convenience and operated by shelf companies in tax havens so it is difficult for the Marine Insurer to be able to identify the risk.
- There are several cases where IUU fishing vessels have been insured. Two of the more well known cases are the “THUNDER” and the “VIKING” which were part of a group of six vessels engaged in IUU fishing for many years.
- Both were involved in illegal fishing activities and escaped being apprehended for several years. It has been widely reported that when the “THUNDER” sank after being pursued for many days by the authorities and Green Peace, the Owners attempted to submit a claim for the loss of the vessel.

IUU vessels, insured or not are a risk:

- More recently there has been a successful prosecution in Thailand of the Captains and crewing agent of 7 pelagic long line tuna fishing vessels.
- The 7 vessels arrived in Thailand in November 2016 for repairs and stores. The Command Center for Combating Illegal Fishing (CCCIF) in Thailand decided to inspect the vessels. The vessels were supposedly registered in Bolivia but after checking with the Bolivian Authorities it was found that the vessels were neither registered in Bolivia nor had fishing licences from Bolivia.
- This is a classic case of IUU vessels being registered under a flag of convenience. It is ironic that Bolivia is a landlocked country yet issues fishing licences to vessels under their flag.
- The Captains of the vessels were charged with three main offences being falsification of port in and port out documentation, employing crew with no work permits and human trafficking as the crew were found to be victims of forced labour on board the vessels.
- It is unclear if the vessels were insured.

What can we as the Insurance Industry do?



What can we as the Insurance Industry do?

The Marine Insurance Market can play a role in my opinion in the fight against IUU Fishing by adopting the various initiatives already in place and incorporate wording in their policies that mandate the following:

- Verifying the authenticity of the Owner of the fishing vessel.
- Verifying that the vessel is registered with a reputable Flag and has the necessary fishing licence issued by the Flag.
- Check that the Flag has catch and monitoring agreements for the area in which the vessel will be operating.
- The vessel has the necessary local permits to catch and process the targeted specie.
- Ensure that the vessel complies with the IMO Cape Town Agreement with respect to the safety and living standards for the crew once this agreement has been ratified.
- Confirm that the fishing vessel Insured has a unique identifier number (IMO Number).

What can we as the Insurance Industry do?

- Verify that the vessel is not listed on the Global List (or any of the other lists) of IUU Fishing Vessels.
- Verify that the Owner/s are not listed as individuals on the Global List (or any of the other lists) of IUU fishing.
- Vessel condition surveys could include a section on compliance and suitability to fish in the targeted sector.
- Vessels should be fitted with approved tracking devices and be part of a vessel monitoring system (VMS).
- Check that the vessel carries on board a fisheries monitor or is required to comply with a fisheries monitoring system.
- IUU risk assessments be carried out on all fishing vessels.

What can we as the Insurance Industry do?

With respect to insuring the catch and cargo, there are several ways to ensure compliance namely:

- Verify the authenticity of the Owner of the product.
- Verify that the product to be insured was caught by sustainable means and was caught within the allowable quota for the sector.
- Verify that the product is traceable to the relevant sector/area for which the catching permit was issued.
- Verify that the required permits have been issued for the export/import of a product.
- Verify that the Shipper/Owner is not listed on any Global List of people/companies participating in IUU Fishing or the distribution thereof.
- Only insure fish/product landed and shipped from countries that have ratified international agreements such as the Port State Measures Agreement.

What can we as the Insurance Industry do?

This can be extended to the Insuring of the fish carriers such as reefer vessels especially where;

- They are engaged in transfer of cargoes at sea. It is this practice which is particularly susceptible to abuse and is difficult to monitor.
- Transferring of fish/cargo should only be carried out in a compliant area and with the necessary monitoring and permits in place.
- Transfer of fish must be legal and documented.

What can we as the Insurance Industry do?

Marine Insurers should work alongside the financial institutions by ensuring that they include wordings in their policies to mandate IUU risk assessments and mitigation measures.

By not taking a stance against IUU Fishing Marine Insurers face the risk of being found complicit in IUU Fishing if they knowingly participate in insuring vessels and catches/cargoes that are involved in or are products of IUU Fishing.

CONCLUSIONS:



CONCLUSION

IUU Fishing is a concern for all of us and we need to ensure that we play a role in reducing the problem by;

- Making it difficult for IUU fishers to register and insure their vessels
- Making it difficult for IUU fish to be transported and insured
- Identifying vessels and players in IUU fishing and reporting them to Global Lists
- Improving the verification of fishing vessels, operators and traders to ensure that only compliant entities are insured
- Marine Insurers can sign up to the Marine Sustainability Agreement if they have not already done so
- Marine Insurers can continue to assist organisations such as Oceana to develop methods to reduce IUU Fishing

CONCLUSION

Audience questions

THANK YOU

PAUL COXON

paul@paulcoxon.co.za +27-836306250

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