



# **INTERNATIONAL LDAC/CFFA SEMINAR ON FISHING COMPANIES WITH INVESTMENTS AND OPERATIONS IN THIRD COUNTRIES: AFRICA CASE STUDIES**

## ***WHAT DO AFRICAN COUNTRIES EXPECT FROM JOINT VENTURES IN THE FISHERIES SECTOR***

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**FISHING COMPANIES WITH INVESTMENTS AND OPERATIONS IN THIRD NON-EU COUNTRIES: AFRICA CASE STUDIES**



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# Presentation outlines



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## FISHING COMPANIES WITH INVESTMENTS AND OPERATIONS IN THIRD NON-EU COUNTRIES: AFRICA CASE STUDIES

- Overview of fish production and trade
- Joint ventures and fisheries access agreements
- Current and historical trends in African joint ventures with foreign partners
- Socio-economic benefits of joint venture agreements to African States
- The African Union's Vision for the fisheries joint ventures of the 21<sup>st</sup> Century



# African Union Inter-African Bureau for Animal Resources (AU-IBAR)



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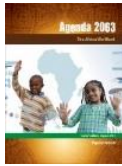
## FISHING COMPANIES WITH INVESTMENTS AND OPERATIONS IN THIRD NON-EU COUNTRIES: AFRICA CASE STUDIES

The AU-IBAR is a specialized technical office of the Department of Agriculture, Rural Development, Sustainable Environment and Blue Economy (DARBE) of the African Union Commission

**Mandate:** *To support and coordinate the sustainable development and utilization of animal resources to enhance nutrition and food security and contribute to the wellbeing and prosperity of the people in the MSs of the AU.*

AU-IBAR intervention in the animal resources sector is largely guided by the following African Union Instruments:

1. Agenda 2063



2. The Policy Framework and Reform Strategy for fisheries and aquaculture in Africa



3. African Blue Economy Strategy



4. Livestock Development for Africa (LiDeSA)



# Fish Production & Trade In Africa

The sector being threatened due to poor governance frameworks, lack of coordination, external threats like climate change, Illegal fishing and generally weak capacity to foster evidence-based reform

- **Employs 12.3 million people**
- **Contributes 1.26 % to Africa GDP**
- **6 % to Africa agriculture GDP**
- **Annual fish production 12 million metric tonnes,**  
(7 % of global fish production)
- **Marine fisheries production: 60 %**
- **Per capital fish consumption : 10 Kg**  
(less than the world average)
- **Annual fish export USD 6.9 billion**
- **Annual fish import is valued at USD 5.6 Billion**



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Industrial fisheries – packaged for export from Joint venture arrangements



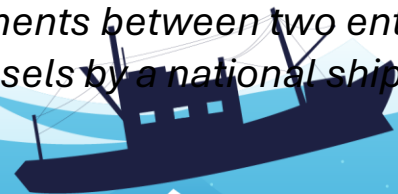
# Joint ventures and fisheries access agreements



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- joint ventures linked with access agreements and thus a sound understanding of the joint venture landscape also requires a basic understanding of fisheries access arrangements
- The United Nations Law of the Sea Convention Coastal States (UNCLOS) grant foreign entities access to the surplus of the fisheries resources of the Exclusive Economic Zone (EEZ) of the Coastal State as these resources are the exclusive property of the Coastal State.
- The Coastal State may impose conditions on access under Law of the Sea Convention (LOSC), **licensing, landing obligations, crew compositions, transshipment, carry observers onboard**, and may receive compensation for granting access usually in the form of licence fees, royalties, support to sector development e.g. artisanal fish landing sites, strengthening MCS (monitoring, control and surveillance)
- The public bilateral fisheries agreement concluded between the flag State and the coastal State – fisheries access agreements; EU refers to this agreement as Sustainable Fisheries Partnership Agreements (SFPA).
- **EU has currently eleven (11) SFPAs protocols in force with African COASTAL countries.**
- *Joint venture arrangements usually involve private agreements between two enterprises (a joint venture between a national company and a foreign ship-owner and the chartering of foreign vessels by a national ship-owner).*



# Access Agreements between the EU and African Coastal States



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AU member states	Expiry date	Type of Agreement; Species	Total EU annual contribution	Support to the fisheries or other related sector
Cape Verde	19.5.2024	Tuna	€750 000	€350,000
Cote D'ivoire	31.7.2024	Tuna	€682,000	€352,000 (2yrs) - €407,000
Gabon	28.06.2026	Tuna	€2,600,000	€1,000,000
Guinea Bissau	14.6.2024	Mixed	€15,600,000	€4,000,000
Madagascar	30.06.2027	Tuna	€1,800,000	€1,100,000
Mauritania	15.11.2026	Mixed	€57,500,000	€3,300,000 (for the entire period)
Mauritius	20.12.2026	Tuna	€725,000	€275,000
SAO Tome	18.12.2024	Tuna	€840,000	€440,000
Senegal	17.11.2024	Tuna + hake	€1,700,000	€900,000
Seychelles	23.2.2026	Tuna	€5,300,000	€2,800,000
Gambia	30.7.2025	Tuna + hake	€550,000	€275,000

# Current and historical trends in African marine fisheries - joint ventures arrangements



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Joint ventures arrangements are in different forms in African fisheries

- Arrangements between a private sector foreign partner or multilateral organization or institution and a State-owned partner as the local partner – **fisheries access agreements are often important here**
- ***Arrangements between a private sector foreign partner and a private sector local partner with no active government assistance, interest or participation; these joint ventures are common in West Africa mainly involving Chinese, Korean fishing companies and local companies***
- At 2023, most African joint ventures are negotiated with companies from China, Korea and Japan with a focus on trawl fishing for shrimp and demersal fish resources (bottom dwelling fish species); few are for cold storage, fish processing, and aquaculture.
- Most coastal states in West and Central Africa (e.g. Ghana, Sierra Leone, Cameroon (for instance, has many such joint ventures with Chinese, Korea companies)
- Most land-based employees are of the local country, but over half the fishermen nationalities of vessel owners; this reflects the difficulty of obtaining enough skilled local fishermen
- In general, joint venture vessels must be registered and licensed locally and must agree to use local goods and services; e.g., use of harbour, bunkering for fuel



Chinese Fishing vessel in joint vessel agreement with Africa coastal state



# Socio- Economic benefits of joint ventures to African Coastal States



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Socio-Economic benefit accrues to the Coastal State from a number of activities:

- Foreign exchange revenue generation through licenses,– earnings by coastal states
- Commitment to support or strengthen the sector e.g. artisanal fish landing site development, strengthening MCS, capacity building in fishing gear technology, fish technology etc
- Ownership of the resources and payments for participation (royalties) by joint venture partners
- Contribution to food security through fish supplies in the market – Thus obligation of local discharge of certain percentage of fish catch
- Obligation to employ local nationals as crew members
- Provision of bunkering, port services e.g. fuel, water, ice,– creating employment and increased revenue to either Government or private sector
- Revenue from vessel flagging and registration payment of dividends to local partners and reinvestment of profits
- Multiplier effects and linkages across associated parts of the economy (contribute to GDP, infrastructure development, schools and hospitals in fishing communities)
- Transfer of skills, knowledge and experience from the foreign partner with spill overs in other areas of the economy (e.g. business enterprise management; financial management; Corporate social responsibility) in addition to the fisheries sector





**The African Union's  
Vision for the fisheries joint ventures  
21<sup>st</sup> Century**

# The African Union's Vision for the fisheries joint ventures of the 21<sup>st</sup> Century-1



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The formation of joint ventures in African fisheries is often based on very limited knowledge of ecosystems, of the state of fisheries resources or of the dynamics of the local fisheries sector. This lack of information, instead of encouraging foreign investors and host country institutions to exercise caution, has often led to investments that are damaging to the conservation of fisheries resources and harmful to the future of the coastal communities that depend on them.

### 1. Regulatory Compliance:

Joint ventures must:

- Adhere to relevant national and international regulations governing fishing activities, environmental protection, labour standards, and other aspects of marine resource management; prohibited fishing areas, seasons; to carry government observer or inspection onboards; complete logbooks and record fishing activities
- Ensure Joint ventures support Coastal State acquisition of information critical for making informed management decisions and implementing sustainable fishing practices (measures to prevent overfishing, protect critical habitats, and reduce bycatch and discards: support Research and MCS
- Establish JV within the context of overall blue economy growth of AU Coastal States



# The African Union's Vision for the fisheries joint ventures (JV) of the 21<sup>st</sup> Century- 2



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## 2. Fundamental principles:

**A clear balance between pursuit of economic interests and the protection and conservation of marine resources.** The most important requirement is a sound estimation of available resources (size or biomass of fish stocks) and what the resources can sustainably yield

- Provision of adequate financial returns to the African partner
- Firm protection of the food security interests of the AU-MS in general and in particular those of local communities that are dependent on the marine resources targeted by the joint venture.
- Social, corporate and ecological responsibility, including minimal impacts on other fisheries in the Exclusive Economic Zone, including small-scale fleets
- Expanding the horizons for equal participation of women in all aspects of fisheries joint venture arrangements and as well as national supply chains, including equal pay and equality of opportunity

## 3. Infrastructure Development:

Joint ventures should:

- build up the capital and infrastructure stock of the AU-MS where the JV is located through development of fishing infrastructure, such as ports, harbors, cold storage facilities, and where relevant high quality processing plants.



# The African Union's Vision for the fisheries joint ventures of the 21<sup>st</sup> Century- 3



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## **4. Technology Transfer:**

Joint ventures should:

- JV should introduce ecologically appropriate fishing gear meeting both high environmental management standards and climate change mitigation objectives, including low emissions and high fuel efficiency.
- Capacity building of ministry personnel, industry personnel in appropriate disciplines

## **5. Market Access:**

Joint ventures aim:

- to provide companies based in the AU-MS with access to markets through the distribution networks and marketing expertise of the international partner.
- Products caught or processed by the JV must therefore meet relevant EU quality standards.
- The African Union would expect that joint ventures would also assist with obtaining key fisheries certifications such as those granted by the Marine Stewardship Council.





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**Thank  
You**

