

## Chapter 6

# Case study: Comoros

### Overview

The Comoros is an island nation in the Indian Ocean, off the coast of East Africa, with a total population of about 734,900 in 2013 (World Bank, 2017a). Following independence in 1975, the country experienced a number of changes of Government; political stability has improved since 2009, enhancing prospects for economic development. As in many African LDCs, the population is young, and creating remunerative employment opportunities for new entrants to the labour force is a major challenge. Fishing is the second most important sector of the economy after agriculture, accounting in 2013 for 10 per cent of employment and 8 per cent of GDP (Cofrepeche et al., 2013). The share of the fishing sector in GDP decreased from 15 per cent in 2010 to 8 per cent in 2013, indicating the informal and subsistence nature of the sector and its vulnerability to shocks. The poverty reduction and growth strategy of the Government for 2010–2014 prioritized the sector (International Monetary Fund, 2010).

Artisanal and industrial fishing at present operate entirely separately, to a greater extent even than in most LDCs. All domestic fishing operations are artisanal, and industrial fishing is fully conducted by distant water fishing nations. Foreign vessels, mainly purse seine vessels from France and Spain, fish offshore for several varieties of tuna and swordfish. Fish caught by distant water fishing nations are not landed in the Comoros due to the lack of infrastructure and processing facilities, and there are no exports from domestic fishers. The main local benefit from distant water fishing nations operations comes from the fees that foreign entities pay to the Comoros. Local fishers operate in a circumscribed area of 900 km<sup>2</sup> on the continental shelf, for a large variety of demersal and pelagic species, of which the most important are mackerel, anchovies, white marlin and cuttlefish.

### Tuna fishing

The Comoros is situated on the migration path of tuna and swordfish, the main targets of industrial fishing off the coast of East Africa. The Indian Ocean Tuna Commission has found that tuna species are not overfished, although swordfish show signs of overexploitation.

The Comoros has signed agreements on fishing with the European Union since 1988, renewed every three years, specifying the numbers of European boats allowed to fish off the coast and the maximum tonnage of their capture, in exchange for an annual fee. The European Union provides €615,000 annually for fishing rights and another €161,000 in other fees and payments, for a total of close to €800,000. In comparison with development assistance of nearly €10 million from the European Union and other sources, these fees and payments are relatively small. Given estimated annual captures of 3,582 tons of tuna, this amounts to €217 per ton, or about 15 per cent of the wholesale price of tuna estimated at €1,400 per ton. European fishing companies contribute €45 per ton and the European Union the remaining €172. Significantly, €300,000 is earmarked for the development of domestic fishing, thus providing a vital source of funding for modernization of the industry, and the agreements include technical assistance in planning for and oversight of the sector, monitoring fishing stocks and implementing infrastructure investments (Cofrepeche et al., 2013).

The European Union, Indian Ocean Tuna Commission and regional governments work together to ensure that foreign fleets follow sustainable fishing practices. The European Union may have disproportionate power relative to the Comoros in negotiating agreements and such agreements may have failed to develop the domestic industry. They have, however, provided a tool for transforming the conditions of fishing in the Comoros. Moreover, the agreements are transparent, with provisions spelled out in detail. The World Bank (2012) noted the transparency of European Union fishing accords relative to those of other countries.

A review of the agreements suggests that the funding provided to the Comoros could perhaps be tied to the price of fish, which would be to the advantage of the Comoros if prices continue to rise. In addition, the review suggests a number of areas for reinforced technical assistance, particularly for improving domestic capacity for the management and surveillance of fishing, including combating illegal fishing. Overall, the agreement with the European Union appears fair and transparent, serving the mutual interest of the Government and economy of the Comoros and its fishing industry, and the European Union has suggested lengthening the current three-year duration of the agreements (Cofrepeche et al., 2013).

Since 2005, tuna fishing off the coast of East Africa has been disrupted by piracy. The number of purse seine vessels operating in the region dropped from 55 in 2001 to 35 in 2011. The routes of these boats have been modified to avoid the zones in which pirates are most active. The number of longline vessels operating in the region has dropped more sharply, by 50 per cent since 2007, as they are more vulnerable to piracy than purse seine vessels. Currently, no longline vessels operate off the Comoros, although the European Union agreement allows them to do so. Consequently, total captures of fish in the western Indian Ocean have dropped considerably, although to varying extents in different areas. The Comoros has been less affected than most other countries. The positive aspect of this reduction in tuna fishing is that fish stocks are at healthy levels (Cofrepeche et al., 2013). Recently, piracy has declined due to the use of armed guards and alternative routes.

In contrast to other countries in the region, tuna fishing creates no employment for nationals of the Comoros, as no fish caught in its waters are landed in the Comoros. European vessels either bring their catches directly to Europe or land for processing in neighbouring countries with more developed infrastructure and handling facilities, mainly in Kenya, Madagascar, Mauritius and Seychelles. Due to the unavailability of experienced personnel, there are no observers from the Comoros on board European vessels, contrary to normal European Union procedures and the agreement with the Comoros, and nationals from other developing countries with greater experience are substituted. In addition, the need for armed guards to defend against piracy reduces room for local observers (Cofrepeche et al., 2013).

## Artisanal fishing

Domestic fishing is largely an informal, subsistence activity but has partially transitioned from traditional to artisanal (World Bank, 2006). The 8,000 fishers represent 10 per cent of the population (Cofrepeche et al., 2013). Most fishers still use traditional wooden canoes, but over the last 20 years, small motorized fiberglass boats have been introduced into artisanal fishing, and account for about one third of boats. Traditional canoes stay close to the coast, where fishing resources are more limited. The availability of motorized boats along with fish aggregating devices has enabled artisanal fishers to travel further offshore and obtain some varieties of tuna, substantially increasing catches. A mostly foreign-owned semi-industrial fishing operation registered in the Comoros travels further, but mostly lands its catch in other countries. Stronger and more transparent governance of fisheries could enable smaller, marginalized fisheries communities to capture greater value from the fisheries resources present in Comoros (World Bank, 2014). Lack of access to finance for investment in boats is also a constraint to upgrading the fishing fleet from canoes to fiberglass and increasing the sizes of boats, to travel further and remain at sea for longer, and levels of human resources in both the public and private sectors are low.

## Domestic fish processing

Little processing occurs on land in the Comoros, including in artisanal fishing, due to the lack of landing and cold-chain facilities and know-how. Most fish caught by artisanal fishers are sold directly to the local population and, as noted, foreign vessels do not land fish in the Comoros. However, a tuna-processing facility is under construction, under a mixed public-private venture by Qatar and Sri Lanka. The Government has envisioned several other steps to promote additional local processing, including the construction of larger boats, a quality-control laboratory and a new fishing school (Cofrepeche et al., 2013).

## Institutional structure

The Comoros has a limited institutional structure overseeing fishing, and human and other resources are lacking in the Government. A fishing code was adopted in 2007, with assistance from FAO. There is no official legal framework regarding the exclusive economic zone. The situation is complicated due to the fact that the island of Mayotte continues to be administered by France, and that the Comoros exclusive economic zone overlaps with those of Madagascar, Mozambique, Seychelles and the United Republic of Tanzania (Cofrepeche et al., 2013). Legislation governing the operation of foreign vessels in waters off the Comoros allows for flexibility. The Department of Fishing of the Ministry of Agriculture, Fishing and the Environment is responsible for domestic policies on fishing.

In 2012, funding totalling about €10 million was received from several sources, including Japan, Qatar, the European Union, the International Fund for Agricultural Development and the World Bank (Cofrepeche et al., 2013).

Several intergovernmental agencies govern fishing in the western Indian Ocean, in particular the Indian Ocean Tuna Commission. Cooperation with other Governments in the region is improving. In 2012, the Governments of the Comoros and Seychelles announced an agreement on fishing (Seychelles Department of Foreign Affairs, 2012).

## Assessment and lessons

Relative to other countries in the region, fishing in the Comoros is underdeveloped but has considerable potential for growth. The Comoros currently has no domestic processing and no exports, as domestic fishing is almost entirely artisanal and foreign vessels do not land their catches in the Comoros. This is gradually changing as the Comoros develops infrastructure and capabilities and foreign investment is made in domestic processing, such as the investment in tuna processing by Qatar and Sri Lanka. The Comoros lacks the hard and soft infrastructure required to compete in fishing, and policies on fishing are limited by a lack of information. To achieve the goal of becoming an exporter of fish, reforms are needed in the administration of fishing, along with increased investment in infrastructure. The Comoros is in competition with other countries in the region for processing facilities and should be cautious of prematurely promoting its domestic industry, but should continue to progressively upgrade its human and physical resources, with assistance from the European Union and other partners, while improving the domestic business climate more generally, especially the supply of electric power. If the Government and donors are able to invest in fishing-specific and generalized human capital and infrastructure, foreign and domestic investment should accelerate. Finally, although foreign boats have minimal direct impact on the Comoros and do not create jobs in the Comoros, the agreement with the European Union is important for the fishing industry in promoting modernization and sustainability.