



**forestry, fisheries
& the environment**

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

SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM (SEIAS)

REVISED (2020): FINAL IMPACT ASSESSMENT TEMPLATE –PHASE 2

**NAME OF THE PROPOSAL: POLICY FOR THE ALLOCATION AND MANAGEMENT OF
COMMERCIAL FISHING RIGHTS IN THE DEMERSAL SHARK FISHERY: 2021**

1. Please DO NOT ALTER the template and questionnaire
2. Date must be clearly indicated
3. Draft SEIAS report should have a watermark word DRAFT indicating the version and should be accompanied by the supporting documents (draft proposal, M&E plan and pieces of research work)
4. FINAL report will be in PDF format and will be inclusive of the sign-off
5. FINAL report will have the approval stamp of the Presidency on the front cover and will include the signoff
6. Sign off forms are only valid for a period of six months.
7. Bills and Regulations that introduce permitting, licensing and registration system must be accompanied by a streamlined process map and indicate the proposed turnaround time for processing of such.

PART ONE: ANALYSIS FOR FINAL SEIAS REPORT

Please keep your answers as short as possible. Do not copy directly from any other document.

1. Conceptual Framework, Problem Statement, Aims and Theory of Change

1.1. What socio-economic problem does the proposal aim to resolve?

The revision of the Demersal Shark Longline policy aims to ensure the allocation of Demersal Shark Longline rights that are economically significant and justifiable, while maintaining an ecologically sustainable fishery.

It is important to contextualise the problem by outlining some key characteristics of this sector.

- As a result of over a 100 years of fishing pressure across three different fishing sectors, the trawl fisheries; commercial linefishery and the demersal shark, the main stocks in the demersal shark fishery are overexploited.
- In terms of catch composition, the trawl fishery (which includes inshore and offshore) and the commercial linefishery account for the majority of the total catch of smoothhound sharks and soupfin sharks. Thus, in terms of risk to the soupfin shark stock, which is overexploited and listed as Critically endangered, the commercial linefish; followed by the inshore trawl fishery are the two main culprits. It is vital that the multi-fisheries nature of these resources is acknowledged.
- It is necessary that catches of particularly soupfin shark be reduced through the use of total allowable effort (TAEs) or total allowable catch (TACs) or a combination thereof, across these sectors.
- Declining stocks of high value teleosts in the linefishery, concomitant with an increase in commercial value of demersal sharks have increased the targeting on these sharks since the mid-2000s. This is further compounded by including, but not limited to, improved fishing efficiency and an increase in illegal, unreported and unregulated (IUU) fishing; specifically, for sharks an illegal gillnet fishery has developed over the past 2-3 decades
- Protection of chondrichthyes provided by Marine Protected Areas (MPAs) should be considered through increased research and enforcement of legislation. Research on smoothhound sharks has shown that species uses the habitat within the Langebaan Lagoon MPA for reproduction, feeding and as a nursery ground. These findings indicate that MPAs could provide considerable benefits to the fishery in the form of spill-over if nursery areas are included. Many of the commercially valuable demersal shark species occur within MPAs around South Africa and it therefore likely that MPAs may provide considerable protection for them. Benefits from spill-over of fish from MPAs to neighbouring areas has been shown for many species with a positive overall influence on catches of neighbouring fisheries.

- A panel of International Experts were brought together by the Minister in 2020 to review the National Plan of Action for Sharks 2013 (“the NPOA-Sharks”) and its internal review. Many recommendations were made to improve on the conservation of chondrichthyes in South Africa. Most importantly, the panel urged DFFE to follow scientific recommendations made on the management of demersal sharks. The most threatened shark species in South Africa – the soupfin shark will be commercially extinct in 20 years at current fishing levels. Scientific recommendations have been adopted in the Linefishery and the Demersal shark longline fishery. These include the introduction of mitigation measures, through permit conditions, in the form of Electronic Monitoring Services (EMS) in order to address the problem of incidental catches. To reduce the probability of commercial extinction, it vital that the 20 tonnes Precautionary Upper Catch limit (PUCL) as recommended by the Linefish Scientific Working Group be implemented for the inshore trawl fishery with immediate effect.

The challenge is to allocate Demersal Shark Longline rights that are economically significant, while maintaining an ecologically sustainable fishery.

What are the main root causes of the problem identified above?

What socio-economic problem does the proposal aim to resolve	What are the main roots or causes of the problem
Stock assessments of smoothhound and soupfin sharks show that there is a high probability that current harvest rates across the major fisheries harvesting these species are unsustainable	One of the main target species for this fishery is soupfin shark which is appreciably depleted leading to lower catch rates in the demersal shark fishery. Depletion of this species is largely due to incidental by-catches of hake inshore trawl and commercial traditional linefish sectors.
Some rights holders granted long-term Fishing Rights in 2013 are not properly transformed or fully participating in the fishery. During the past decade although 6 rights were granted, 2 of these have been dormant. It is important that rights are allocated to applicants with historical involvement and a good performance record in the fishery.	The DFFE has noted that between 2007 and 2020 an average of 98% (ranging between 88 to 100%) of the total catch was made by 4 vessels. The granting of rights to paper quota holders is a cause for concern.

1.2. Summarise the **aims** of the proposal and **how** it will address the problem in no more than five sentences.

The aim of the proposal is to review the existing Demersal Shark Longline sector-specific policy and amend the policy in order to:

1. Better align with current Government priorities.
2. Align Demersal Shark Longline Rights allocations to the recommendations of the International Panel of Experts that reviewed the NPOA 2013 in 2020 as well as scientific research.
3. Improve utilisation of the Demersal Shark rights allocations.
4. Improve sustainable economic transformation and job creation in the Demersal Shark fishery
5. Continue to support the sustainable use of the resource by limiting the TAEs on species that are under pressure and promoting alternatives with greater sustainability

1.3. How is this proposal contributing to the following national priorities?

National Priority	Impact
1. Economic transformation and job creation	Meaningful participation and economic viability for all qualifying Demersal Shark fishing rights holders will contribute to inclusive economic growth and improved investor confidence.
2. Education, skills and health	The increased focus on the value chain and transformation skills development within the Demersal Shark sector will translate to improved education and skills throughout the value chain.
3. Consolidating the social wage through reliable and quality basic services	The focus on economic viability will provide more decent and sustainable jobs as well as better wages which will together contribute to more stable communities.
4. Spatial integration, human settlements and local government	Not applicable
5. Social cohesion and safe communities	The allocation of sustainable Demersal Shark fishing rights will improve the livelihoods of the right holders, their employees, families and communities. This will be achieved through skills transfer and capacity building interventions coordinated by the Fisheries Transformation Council (FTC) that will enable value addition on fish caught and access to better markets and thus lead to realisation of good returns on investment.
6. Building a capable, ethical and developmental state	The proposed changes reflect a responsible state department balancing the needs and interests of the environment, the economy and its people.
7. A better Africa and world.	An effective and optimally utilised Demersal Shark Longline fishery, without bycatch can promote sustainable fishing, creates sustainable employment and produces high quality product that generates export revenue.

1.4. Please describe how the problem identified could be addressed if this proposal is not adopted. At least one of the options should involve no legal or policy changes, but rather rely on changes in existing programmes or resource allocation.

Option 1.	Review the Demersal Shark Policy and provide for favourable consideration of a justifiable number of applicants with historical involvement and a good performance record as well as new entrants given the latent effort in the previous fishing rights term in the sector.
Option 2.	Allocate a limited number of fishing rights using current Demersal Shark Policy, using Application Forms and Selection Criteria only to address identified socio-economic problems

PART TWO: IMPACT ASSESSMENT

2. Policy/Legislative alignment with other departments, behaviours, consultations with stakeholders, social/economic groups affected, assessment of costs and benefits and monitoring and evaluation.

2.1. Are other government laws or regulations linked to this proposal? If so, who are the custodian departments? Add more rows if required.

Government legislative prescripts	Custodian Department	Areas of Linkages	Areas of contradiction and how will the contradictions be resolved
Marine Living Resources Act (MLRA)	Department of Forestry, Fisheries and the Environment (DFFE)	<ul style="list-style-type: none"> Section 2: Objectives of the MLRA. Section 14: Determination of Total Allowable Catch (TAC) and Total Allowable Effort (TAE). Section 18: Granting of commercial fishing rights; and Section 28: Cancellation and Suspension of rights, licenses and permits. 	No contradictions. The MLRA is a high level national legal framework that provides for commercial harvesting of marine fisheries resources in South Africa.
National Empowerment Fund (NEF) Act, 1998 (Act No. 105 of 1998)	The dtic	Section 3: Objects of the Trust	No areas of contradiction, the NEF Objectives are complimentary to those of the MLRA
Merchant Shipping Act	South African Maritime Safety Authority (SAMSA)	Section 68: Licensing of Vessels	No areas of contradiction, this Section of the Merchant Shipping Act is enabling and complimentary certain elements of the MLRA
General Policy on the Allocation and Management of	Department of Forestry, Fisheries	All Sector Policies on the Allocation and Management of	The General Policy is generally enabling and complimentary to the

Commercial Fishing Rights (FRAP202/2022)	and the Environment (DFFE)	Commercial Fishing Rights (FRAP202/2022)	Demersal Shark sector policy. Where there is a conflict, the sector specific policy will take precedence.
Policy on the Allocation and Management of Fish Processing Rights (2015)	Department of Forestry, Fisheries and the Environment (DFFE)	All Sector policies under the Policy on the Allocation and Management of Fish Processing Rights (2015)	There are no contradictions, the Fish Processing Policy is complimentary, and both aim to contribute to government objectives of transformation and optimum utilisation and ecologically sustainable development of marine living resources.
Policy for the Transfer of Commercial Fishing Rights	Department of Forestry, Fisheries and the Environment (DFFE)	All Sector Policies on the Allocation and Management of Commercial Fishing Rights (FRAP202/2022)	There are no contradictions, the Transfer Policy is complimentary, and both aim to contribute to government objectives of transformation, economic development and poverty alleviation in South Africa

2.2. Proposals inevitably seek to change behaviour in order to achieve a desired outcome. Describe (a) the behaviour that must be changed, and (b) the main mechanisms to bring about those changes. These mechanisms may include modifications in decision-making systems; changes in procedures; educational work; sanctions; and/or incentives.

- a) What and whose behaviour do the proposal seek to change? How does the behaviour contribute to the socio-economic problem addressed?

The proposal to review the Demersal Shark Longline Sector policy seeks to change the following behaviour patterns:

Aim: Avoid allocating Demersal Shark rights to entities that are not reliant on the fishery and are unlikely to utilise their rights effectively.

- a) Behaviour that must be changed: Lack of sufficient knowledge about applicants by officials responsible allocating fishing rights. Paper quota holders need to be eliminated in the application process.
- b) Mechanisms to bring about change: The policy review includes the addition of sections on paper quota holders and on reliance on the fishery. Information submitted during the application process in this regard will mitigate the risk of allocating rights to individual who will not effectively use their rights.

Aim: Implement harvesting strategies consistent with the recommendations in the shark NPOA to aid in the recovery and ecologically sustainable use of the Demersal Shark resource and ensure the sustainability of the fishery.

- a) Behaviour that must be changed: unsustainable level of harvesting Demersal Shark resources across demersal shark longline, inshore trawl and commercial line fishery.
- a) Mechanisms to bring about change: Reduce TAE in the Demersal Shark Fishery and apply a sustainable PUCL across the trawl, longline and commercial linefishery.

Aim: Encourage right holders within the Demersal Shark Longline sector to sustain and contribute further to socio-economic development, transformation and equality, particularly through focussing on other means of transformation throughout the value chain other than ownership (e.g., skills development and training, value adding processing.

- a) Behaviour that must be changed: belief that transformation can only be achieved by means of changing ownership profile
- b) Mechanisms to bring about change: recognition of meaningful participation for example, increased participation, value-creation, and linkage.
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b) How does the proposal aim to bring about the desired behavioural change?

The Demersal Shark Longline policy will make provision, amongst other things, to:

- Ensure that only 4 rights are issued and an increase in effort cannot be allowed for other fisheries targeting the same species (i.e., an increase in effort in the linefishery).
- Extend the rights period to 15 years to encourage investment in the sector, whilst ensuring the fishery is monitored for the duration of the rights and appropriate management measures are put in place where required.
- Limit the number of new entrants and require new entrants to have demonstrable skills, experience, capacity and access to vessels and processing facilities.
- Ensure the minimum allocation is economically meaningful and supports sustainable socio-economic development.
- Develop a Fisheries Management Plan in consultation with rights holders to ensure the sustainability of the resource.
- Allow for an accredited sea going scientific observer as well as land-based monitoring.

2.3. Consultations

- a) Who has been consulted inside of government and outside of it? Please identify major functional groups (e.g., business; labour; specific government departments or provinces; etc.); you can provide a list of individual entities and individuals as an annexure if you want.

Consulted Government Departments, Agencies and Other Organs of State

Department's name	What do they see as main <u>benefits, Implementation/ Compliance costs and risks?</u>	Do they <u>support</u> or <u>oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these <u>amendments</u> been <u>incorporated</u> in your proposal? If yes, under which section?
Competition Commission	Benefits: Promotion of fairness Implementation/Compliance Costs: None Risks: None	The Competition Commission supports the review of the policy to effect proposed changes.	Proposed amendments: The Competition Commission advised that the Department ensures that no preference is shown towards applicants in a particular category of the three (3) categories (e.g., Category A, B & C). The Competition Commission would like to see the Department make provision for applicants who have made errors in their applications being given an opportunity to rectify such errors.	Yes, No preference shown on any category The revised General Policy allows for some discretion by the Delegated Authority with regards to Improperly Lodged applications.

			<p>With respect to the Balancing Criteria, the Commission would like to advise the Department against having clauses that could lead to barriers to trade, particularly for Category C applicants.</p> <p>On having a portion of the TAC set aside for the Fisheries Transformation Council, the Commission fully supports this initiative and advised that this portion be significant.</p>	Access to a Suitable Vessel is now a Balancing Criteria, not an Exclusionary Criteria.
SAMSA	<p>Benefits: More compliance with Merchant Shipping Act</p> <p>Implementation/Compliance Costs: None</p> <p>Risks: None</p>	SAMSA supports the proposed review of the General Policy	<p>Proposed amendments: On the Balancing Criteria (Job creation sections), SAMSA advised the insertion of text on compliance with the Merchant Shipping Act, 1951 (Act No 57 of 1951)</p>	<p>Yes, Insertion made</p>

Consulted stakeholders outside government

Name of Stakeholder	What do they see as main <u>benefits, Implementation/ Compliance costs and risks?</u>	Do they <u>support or oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal?
Members of the public who participated in the FRAP Public	Concerns were raised regarding longline fishers catching Demersal shark and the sustainability of the resource	They support measures to improve the sustainability of the resource.	They support the inclusion of an observer on board the vessels to monitor the sustainability of the resource.	Provision has been made for an observer at Sea as well as Land Based Monitoring

Participation Process (including Coops, SMME's and fishing community members.	Concerns were raised about the vessel length stipulated in the draft policy	The draft wording was opposed.	They recommended that the vessel should have a maximum length of 20m, not a minimum length of 20 m.	It was noted that the wording in the policy was incorrect, and it has been duly amended.
NGOs – World Wildlife Fund	WWF raised concerns about the policy objective to improve the quality of jobs and to promote the interest of applicants who rely heavily on the demersal shark sector, in a sector that is in decline	WWF supports the proposal for policy change.	The WWF recommends <ul style="list-style-type: none"> A significant decrease in fishing effort and strict by-catch measures enforced for the traditional linefish and hake trawl fisheries. 	The policy has been amended to reflect that only 4 rights will be issued in the Demersal Shark Longline and an increase in effort will not be allowed for other fisheries targeting the same species Permit conditions have been introduced in the commercial linefishery and recommended for the trawl fishery to reduce demersal shark as by-catch.
			<ul style="list-style-type: none"> No transfer of rights should be considered. 	Transfer of rights will be allowed as long as the fishery is sustainably managed according to scientific recommendations.
			<ul style="list-style-type: none"> The duration of right is reduced. 	The fishery will be monitored for the duration of the rights and appropriate measures put in place where required.
			<ul style="list-style-type: none"> New entrants should not be permitted 	The department intends to ensure effective utilisation of the right and prefers applicants who rely on the harvesting of

				demersal shark as a major source of their gross annual income
Business – Molimo Maritime Marine	Concerns were raised about the vessel length stipulated in the draft policy	The draft wording was opposed.	<ul style="list-style-type: none"> They recommended that the vessel should have a maximum length of 20m, not a minimum length of 20 m. 	It was noted that the wording in the policy required amendment and it has been duly amended.

b) Summarise and evaluate the main disagreements about the proposal arising out of discussions with stakeholders and experts inside and outside of government. Do not give details on each input, but rather group them into key points, indicating the main areas of contestation and the strength of support or opposition for each position

Environmental NGOs feel strongly that the Demersal Shark fishery is in decline and as such should be phased out. Key suggestions include:

- Reduction current TAE in fishery by 50%
- No new entrants to be allowed
- No transfers to be allowed
- Introduction of additional closed areas to protect shark aggregations.
- Observer coverage should be compulsory at 100%. Electronic monitoring should also be considered.
- A fishery management plan needs to be developed that prescribes the phasing out of the fishery.
- EAF considerations need to be made explicit in the management of this fishery

The WWF recommended that the department should consider how it can assist current exemption holders to transition to other suitable fisheries like hake longline.

The private sector business raised only concerns regarding the vessel specifications, which were contained in the draft policy.

In addressing the input of the different stakeholder groups, the Department will need to carefully balance the MLRA requirements to ensure the long-term sustainability of the resource through an ecologically sustainable TAE and PUCL, whilst at the same time meeting the government objectives of transformation and development.

- 2.4. Describe the groups that will benefit from the proposal, and the groups that will face a cost. These groups could be described by their role in the economy or in society. Note: NO law or regulation will benefit everyone equally so do not claim that it will. Rather indicate which groups will be expected to bear some cost as well as which will benefit. Please be as precise as possible in identifying who will win and who will lose from your proposal. Think of the vulnerable groups (disabled, youth women, SMME), but not limited to other groups.

List of beneficiaries (groups that will benefit)	How will they benefit?
All Fishing Rights Holders in the Demersal Shark sector, their crew, employees and their respective dependents	Granting of economically significant fishing rights will ensure food security, economic growth and better-quality life.
The DFFE will benefit if the Demersal Shark Fishery resource is utilised optimally, and the fishery is sustainable.	A sustainable, well managed fishery ensures the Department fulfils its mandate and brings in sustainable income.

List of cost bearers (groups that will bear the cost)	How will they incur / bear the cost
Unsuccessful applicants (New Entrants), their employees and communities.	Loss of business opportunity and loss of costs involved in the application process.
Commercial linefishery Inshore Trawl fishery	Loss of income through reduced PUCL of Demersal Shark bycatch
DFFE	Implementation of the Fisheries Management Plan as well as increased observation and management may incur costs for the Department.

- 2.5. Describe the costs and benefits of implementing the proposal to each of the groups identified above, using the following chart. Please do not leave out any of the groups mentioned, but you may add more groups if desirable. Quantify the costs and benefits as far as possible and appropriate. Add more lines to the chart if required.

Note: "Implementation costs" refer to the burden of setting up new systems or other actions to comply with new legal requirements, for instance new registration or reporting requirements or by initiating changed behaviour. "Compliance costs" refers to on-going costs that may arise thereafter, for instance providing annual reports or other administrative

actions. The costs and benefits from achieving the desired outcomes relate to whether the particular group is expected to gain or lose from the solution of the problem.

For instance, when the UIF was extended to domestic workers:

- *The implementation costs were that employers and the UIF had to set up new systems to register domestic workers.*
- *The compliance costs were that employers had to pay regularly through the defined systems, and the UIF had to register the payments.*
- *To understand the inherent costs requires understanding the problem being resolved. In the case of UIF for domestic workers, the main problem is that retrenchment by employers imposes costs on domestic workers and their families and on the state. The costs and benefits from the desired outcome are therefore: (a) domestic workers benefit from payments if they are retrenched but pay part of the cost through levies; (b) employers pay for levies but benefit from greater social cohesion and reduced resistance to retrenchment since workers have a cushion; and (c) the state benefits because it does not have to pay itself for a safety net for retrenched workers and their families.*

Group	Implementation costs	Compliance costs	Costs/benefits from achieving desired outcome	Comments
DFFE	<p>Appointment of commercial fish Catch Data Monitors</p> <p>Costs of undertaking fishing stock assessments and overtime</p> <p>Processing permit Applications and Issuing of Permits.</p> <p>Issuing of Section 28 Notices.</p> <p>Fishing vessel inspections</p> <p>Improved spatial management</p>	<p>Costs of participating at Local, Regional and International Forums as well as costs of meeting the annual reporting obligations</p>	<p>Costs:</p> <p>Stock assessment and related fisheries research undertakings (e.g., Research vessel operation and maintenance costs, sea going allowance, etc)</p> <p>Fisheries Surveillance and Monitoring costs (e.g., Vessel operational and maintenance costs, overtime costs, etc)</p>	
Applicants	<p>Resources allocated / appointed to provide additional information and motivation required in the application process.</p>	<p>Fishing Rights Application costs (All Commercial Fishing Rights applicants). Granting of Fishing Rights Fee (Successful fishing rights applicants). Annual Permit application costs; Imports and Export Permits costs</p>	<p>Benefits:</p> <p>Improved economic viability of allocations contributing to sustainability.</p>	
Fishing Right Holders	<p>Observer at Sea and Land / Electronic monitoring</p>	<p>Cost of Observer as well as electronic monitoring systems.</p>	<p>Benefits:</p> <p>Improved economic viability of allocations contributing to sustainability.</p>	

2.6 Cost to government: Describe changes that the proposal will require and identify where the affected agencies will need additional resources

a) Budgets, has it been included in the relevant Medium Term Expenditure Framework (MTEF) and

Yes, FRAP2020/2021 has been budgeted for in the current Financial Year (2021/2022) with a dedicated FRAP2020/2021 Cost Centre within the Marine Living Resources Fund. Budget provision for policy implementation will be made on the MLRF for the outer financial years until the end of the current MTEF in 2023/24).

b) Staffing and organisation in the government agencies that have to implement it (including the courts and police, where relevant). Has it been included in the relevant Human Resource Plan (HRP)?

Existing staff complement is responsible for policy implementation, however, there is need for additional HR capacity. To augment capacity, ensure due diligence and promote transparency, NEMA Section 40 appointments will be made and collaboration with other government departments and entities will be pursued.

The development and implementation of the Fisheries Management Plan will not require additional staff to carry out the required monitoring and surveillance. Currently vacant positions will need to be filled for the stock assessments.

Note: You MUST provide some estimate of the immediate fiscal and personnel implications of the proposal, although you can note where it might be offset by reduced costs in other areas or absorbed by existing budgets. It is assumed that existing staff are fully employed and cannot simply absorb extra work without relinquishing other tasks.

2.7 Describe how the proposal minimises implementation and compliance costs for the affected groups both inside and outside of government.

For groups outside of government (add more lines if required)

Group	Nature of cost (from question 2.6)	What has been done to minimise the cost?
Applicants	Fishing Rights Application costs (All Commercial Fishing Rights applicants). Granting of Fishing Rights Fee (Successful fishing rights applicants). Annual Permit application costs; Imports and Export Permits costs	The Fees have not been increased – 2015 /16 Application fees and Grant of Right fees will apply
Fishing Rights Holders	Increased monitoring and surveillance costs.	The Department will work with right holders and industry associations to enhance and possibly automate at-sea monitoring, offloading (species composition determination) and data

		capturing through the use of technology (cameras).
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For government agencies and institutions:

Agency/institution	Nature of cost (from question 2.6)	What has been done to minimise the cost?
DFFE	Appointment of FRAP contract workers and filling of vacant posts and creation of key posts additional to the establishment	Entering into formal agreements with other government Departments and Agencies with respect to certification of fisheries products destined for local and international markets (e.g. NRCS); safety at sea and vessel licensing (e.g. SAMSA); prevention and combating of illegal fishing activities (e.g. SAPS); Bilateral and Multi-lateral Agreements on Fisheries Management, Research and Compliance (e.g. MoU between the Republic of South Africa and Republic of Namibia on Fisheries Management and Aquaculture, BCC, SADC and tuna Regional Fisheries Management Organisations) .

2.8 Managing Risk and Potential Dispute

- a) Describe the main risks to the achievement of the desired outcomes of the proposal and/or to national aims that could arise from implementation of the proposal. Add more lines if required.

Note: It is inevitable that change will always come with risks. Risks may arise from (a) unanticipated costs; (b) opposition from stakeholders; and/or (c) ineffective implementation co-ordination between state agencies. Please consider each area of risk to identify potential challenges.

- Allegations on lack of adherence to the process requirements of both SEIAS and the FRAP Consultative process could result in a risk that a stakeholder challenge the process to have it set aside.
- Successful appeals by unsuccessful fishing rights applicants and or aggrieved successful fishing rights applicants as these would delay the implementation of the revised policy, leading to costly court processes; further prolonging of the status quo; and denial of access to the fishing resource by successful new entrants and others; and
- Prolonged and severe Covid-19 related restrictions on day-to-day business operations would negatively affect critical milestones and overall achievement of FRAP2021/2022 objectives.
- Ineffective coordination of the implementation of recommended management measures across the 3 fisheries: demersal shark longline, inshore trawl and commercial line fishery may result in the commercial extinction of the resource.
- Unpredicted ecological damage as a result of climate change and / or involuntary oil spills that may impact the Demersal Shark species and their habitat.

- b) Describe measures taken to manage the identified risks. Add more rows if necessary.

Mitigation measures means interventions designed to reduce the likelihood that the risk actually takes place.

Identified risk	Mitigation measures
Compliance / adherence to the regulatory requirements with regards to the SEIAS and FRAP processes.	Ensure that the requirements have been adhered to and communicate this to all stakeholders.
Capacity and resources to effectively implement the policy changes, particularly with regards to the	Carefully plan and resource the implementation process including the application and allocations.

application and allocation process.	
Appeals by unsuccessful fishing rights applicants.	<p>Transparency and stakeholder consultations.</p> <p>Appointment of an independent Service Provider to oversee FRAP2020/21 to ensure due diligence, quality management and compliance to applicable legislation and prescripts.</p> <p>Facilitate meetings with aggrieved applicants and solicitation of advisory input from CAF</p>
Covid-19 pandemic	<p>Use of virtual platforms to host FRAP2021/2022 and SEIAS meetings.</p> <p>Use of online application form.</p>
Unpredicted ecological damage as a result of climate change and / or involuntary oil spills that may impact the Demersal Shark species and their habitat.	<p>Ensure climate change risk mitigation strategy is developed and adequate research and monitoring is in place. Ensure appropriate research and Environmental Impact Assessments are undertaken prior to Seismic surveys and oil exploration.</p>

- c) What kinds of dispute might arise in the course of implementing the proposal, whether (a) between government departments and government agencies/parastatals, (b) between government agencies/parastatals and non-state actors, or (c) between non-state actors? Please provide as complete a list as possible. What dispute-resolution mechanisms are expected to resolve the disputes? Please include all of the possible areas of dispute identified above. Add more lines if required.

Note: Disputes arising from regulations and legislation represent a risk to both government and non-state actors in terms of delays, capacity requirements and expenses. It is therefore important to anticipate the nature of disputes and, where possible, identify fast and low-cost mechanisms to address them.

Nature of possible dispute (from sub-section above)	Stakeholders involved	Proposed Dispute-resolution mechanism
Legal challenges to the SEIAS / FRAP Process	Existing / potential Rights Holders and the Department (DFFE)	Sharing of a Portfolio of Evidence demonstrating compliance with SEIAS Guidelines (e.g., Completed SEIAS Phase 1 & Phase 2 Templates, Feedback received from The Presidency on submitted

Nature of possible dispute (from sub-section above)	Stakeholders involved	Proposed Dispute-resolution mechanism
		SEIAS documents, Sign Off Forms on completed SEIAS documents, Records of virtual meetings convened with The Presidency)
Transformation/New entrants' provisions	The Department (DFFE) and certain Fishing Rights Holders; and The Department and more labour absorbing Fishing Entities with huge investments in the sector	Establishment of a Fisheries Transformation Council
Appeals and Litigation (including with regard to the application and allocation process)	The Department (DFFE) and Unsuccessful Commercial Fishing Rights Applicants and or aggrieved successful applicants not happy with TAC/TAE allocated	Appointment of a Consultative Advisory Forum to advise the Minister and the Delegated Authority

2.9 Monitoring and Evaluation

Note: Sound implementation of policy and legislation is due to seamless monitoring and evaluation integration during the policy development phase. Policies and legislation that are proficiently written yet unable to report on implementation outcomes are often a result of the absence of an M&E framework at the policy and legislative planning phase. It is therefore imperative to state what guides your policy or legislation implementation monitoring.

2.9.1 Develop a detailed Monitoring and Evaluation Plan, in collaboration with your departmental M&E unit which should include among others the following:

2.9.1.1 Provide clear and measurable policy or legislative objectives

2.9.1.2 Provide a Theory of Change clearly describing the following components:

- Impact: the organisational, community, social and systemic changes that result from the policy or legislation.
- Outcomes: the specific changes in participants (i.e., beneficiaries) behaviour, knowledge, skills, status and capacity.
- Outputs: the amount, type of degree of service(s) the policy or legislation provides to its beneficiaries.
- Activities: the identified actions to be implemented

- Input: departmental resources used in order to achieve policy or legislative goals i.e., personnel, time, funds, etc.
- External conditions: the current environment in which there's an aspiration to achieve impact. This includes the factors beyond control of the policy or legislation (economic, political, social, cultural, etc.) that will influence results and outcomes.
- Assumptions: the facts, state of affairs and situations that are assumed and will be necessary considerations in achieving success

2.9.1.3 Provide a comprehensive Logical Framework (LogFrame) aligned to the policy or legislative objectives and the Theory of Change. The LogFrame should contain the following components:

- Results (Impact, Outcomes and Output)
- Activities and Input
- Indicators (A measure designed to assess the performance of an intervention. It is a quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor)
- Baseline (the situation before the policy or legislation is implemented)
- Targets (a specified objective that indicates the number, timing and location of that which is to be realised)

2.9.1.4 Provide an overview of the planned Evaluation, briefly describing the following:

- Timeframe: when will the evaluation be conducted
- Type: What type of evaluation is planned (formative, implementation or summative) – the selection of evaluation type is informed by the policy owners' objective (what it is you want to know about your policy or legislation).

2.9.1.5 Provide a straightforward Communication Plan (Note: a common assumption is that the target group will be aware of and understand how to comply with a policy or legislation come implementation. However, increases in the complexity and volume of new or amendment policy or legislation render this assumption false. Hence, the need for a communication plan to guide information and awareness campaigns to ensure that all stakeholders (including beneficiaries) are informed.

2.10 Please identify areas where additional research would improve understanding of then costs, benefit and/or of the legislation.

- There is a lack of data on the biology of sharks, particularly life-history information such as growth, maximum age, fecundity and size at maturity, sexual segregation, pupping, mating migrations and the use of nursery grounds. Improved research and monitoring would enable policy makers to identify the best management measures for these species (e.g. MPAs for nursery grounds would enable improved reproduction).

The development and implementation of the Fisheries Management Plan in consultation with right holders will require additional research and stock assessments of shark species. The outcomes of this research will need to be communicated to all stakeholders within the sector. Knowledge of the status of existing shark stocks may help Right Holders to better understand the rationale behind reduced effort allocations and increased monitoring in the sector.

PART THREE: SUMMARY AND CONCLUSIONS

1. Briefly summarise the proposal in terms of (a) the problem being addressed and its main causes and (b) the measures proposed to resolve the problem.
 - (a) To improve the management and allocation of the fishing to enable optimal and sustainable utilisation of the fishery; and
 - (b) The proposed measure is to review the existing Demersal Shark Longline sector-specific policy and amend the policy in order to:
 - Better align with current Government priorities.
 - Align Demersal Shark Longline Rights allocations to the recommendations of the International Panel of Experts that reviewed the NPOA 2013 in 2020 as well as scientific research.
 - Improve utilisation of the Demersal Shark rights allocations.
 - Improve sustainable economic transformation and job creation from the Demersal Shark
 - Continue to support the sustainable use of the resource by limiting the TAEs on fish that are under pressure and promoting alternatives with greater sustainability

2. Identify the social groups that would benefit and those that would bear a cost and describe how they would be affected. Add rows if required.

Groups	How they would be affected
<i>Beneficiaries</i>	
1. Successful fishing rights applicants	Economically viable allocations
2. Employees of fishing rights holders	Improved job sustainability and increased skills development opportunities.
3. Processing companies and their employees	Improved economic viability of rights holders should provide stability of produce for processing / value addition entities.
4. DFFE	Sustainable and well managed fishery.

Cost bearers	
1. DFFE	Filling of vacant DFFE positions and funding for approved posts additional to the establishment; costs related to stakeholder Resource Management Working Group (e.g., travelling & accommodation costs, etc) and costs for undertaking annual stock assessments.
2. Inshore trawl and commercial line fishery	Implementation of PUCL to reduce Demersal Shark bycatch would negatively impact their business.

3. What are the main risks from the proposal in terms of (a) undesired costs, (b) opposition by specified social groups, and (c) inadequate coordination between state agencies?
 - a. Budgetary constraints and human resource capacity limitations within the Department; there is likely to be an increased cost required for the Department to effectively manage the allocation process according to the proposed policy changes.
 - b. There is a risk that the SEIAS and FRAP process is challenged by business / existing exemption and permit holders on the bases that the process did not follow the regulatory requirements.
 - c. The Demersal Shark resource is split across multi-fisheries and therefore needs to be carefully managed and coordinated between the fisheries.

4. Summarise the cost to government in terms of (a) budgetary outlays and (b) institutional capacity.
 - a. Appointment of FRAP contract workers, the filling of vacant posts and the creation of key posts additional to the establishment. The FRAP2020/21 budget and the breakdown thereof can be made available, on request; and
 - b. Existing institutional arrangements (e.g., Fisheries Management and Scientific Working Groups, Delegated Authorities, etc), collaboration with other government departments and agencies (e.g., SAPS, SAMSA, Customs, NRCS, etc), as well as the Fisheries Transformation Council (FTC) and Consultative Advisory Forum (CAF) in the implementation of the policy will suffice.

5. Given the assessment of the costs, benefits and risks in the proposal, why should it be adopted?

The costs of the proposed changes and the potential risks outlined above are outweighed by the socio-economic benefits that will be realised by amending the Demersal Shark policy. Changes to the existing policy are required to ensure the long-term sustainability of the resource as well as to sustain socio-economic viability and ensure that opportunities that are created (i.e., rights allocated) are economically viable and sustainable. The policy certainty will in addition provide greater investor confidence and boost the industry.

6. Please provide two other options for resolving the problems identified if this proposal were not adopted.

Option 1.	Use the General Policy and existing Demersal Shark Longline Sector policy but try to address the socio-economic challenges through the rights allocation process. This will be challenging / limiting as the existing policies are prescriptive.
Option 2.	Make no changes to the Demersal Shark Longline policy and rely on the changes to the General Policy to address the socio-economic challenges identified. The challenge will be to allow for the Sector specific issues to be taken into account.

7. What measures are proposed to reduce the costs, maximise the benefits, and mitigate the risks associated with the legislation?

The cost of increasing the capacity and resourcing to ensure that the application and allocation processes are run as effectively as possible will reduce the cost and risk of legal challenges and appeals. It is also the most important way in which to realise the objectives of the proposed changes to the policy; to ensure that the balance between sustainable use, economic viability, value-addition and broader participation is maximised.

8. Is the proposal (mark one; answer all questions)

	Yes	No
a. Constitutional?	x	
b. Necessary to achieve the priorities of the state?	x	
c. As cost-effective as possible?	x	
d. Agreed and supported by the affected departments?	x	

9. What is the impact of the Proposal to the following National Priorities?

National Priority	Impact
1. Economic transformation and job creation	Meaningful participation and economic viability for all qualifying Demersal Shark Longline fishing rights holders will contribute to inclusive economic growth and improved investor confidence.
2. Education, skills and health	The increased focus on the value chain and transformation skills development within the Demersal Shark sector will translate to improved education and skills throughout the value chain.
3. Consolidating the social wage through reliable and quality basic services	The focus on economic viability will provide more decent and sustainable jobs as well as better wages which will together contribute to more stable communities.
4. Spatial integration, human settlements and local government	Not applicable

National Priority	Impact
5. Social cohesion and safe communities	The allocation of sustainable Demersal Shark fishing rights will improve the livelihoods of the right holders, their employees, families and communities. This will be achieved through skills transfer and capacity building interventions coordinated by the Fisheries Transformation Council (FTC) that will enable value addition on fish caught and access to better markets and thus lead to realisation of good returns on investment.
6. Building a capable, ethical and developmental state	The proposed changes reflect a responsible state department balancing the needs and interests of the environment, the economy and its people.
7. A better Africa and world.	An effective and optimally utilised Demersal Shark Longline fishery, without bycatch can promote sustainable fishing, creates sustainable employment and produces high quality product that generates export revenue.

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

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