



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: GENERAL POLICY ON THE ALLOCATION AND MANAGEMENT OF
COMMERCIAL FISHING RIGHTS (FRAP2020/2021)**

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 proposal to review the General Policy on the allocation and management of Commercial fisheries is aimed at enabling and enhancing the fulfilment of Section 2 of the Marine Living Resources Act, 1998 (Act No 18 of 1998) (MLRA), giving effect to, amongst others, section 14 and section 18 of this Act, through:

- Allocation and granting of commercial fishing rights to successful applicants for a determined long term period (Section 18 of the MLRA); and
- Determination of the Total Allowable Catch (TAC) and Total Allowable Effort (TAE) to ensure sustainable harvesting and use of commercial natural fisheries resources in a manner that promotes justifiable economic and social development (Section 14 of the MLRA and Section 24 b (iii) of the Constitution of the Republic of South Africa, 1996).

Securing ecologically sustainable development through consistent use of natural marine resources whilst promoting justifiable economic and social development is proving more difficult over time due to the following variable factors (list not exhaustive).

- Increase in demand for access to long-term renewable marine living resources which are limited and may not recover if overfished. For an example, in 2005, during LTRAMP, out of 4510 applications distributed, only 3999 applications were received, in FRAP2013, when the 8-year LTRAMP2005 commercial fishing rights expired and were being re-allocated, out of 10977 applications distributed, only 3490 applications were received and in FRAP2015, when the 10-year LTRAMP commercial fishing rights expired and were being re-allocated, out of 16778 applications distributed, only 5588 applications were received.
- The future of South African fishing industry is threatened by illegal activities and adverse environmental conditions that impact throughout the value chain. Illegal activities include but are not limited to cases of corruption, fronting, overfishing, organised crime or syndicates, illegal, unreported and unregulated (IUU) fishing. With respect to IUU, high value nearshore species such as abalone and crayfish are mostly targeted, whereas the stock on various marine species is negatively affected by adverse environmental conditions, including, but not limited to, Climate Change (Overview: Status of the South African Marine Fishery Resources Report, 2020; Report of the Fisheries Climate Change Task Team Workshop on Fisheries Vulnerability to Climate Change, 2015).
- The commercial fishing sector is not sufficiently transformed, economically, though it may appear to be adequately transformed in terms of demographic representation in the fishing industry and the apportionment of the commercial Total Allowable Catch (TAC) or Total Allowable or Applied Effort (TAE) or a combination thereof. In terms of Concentration Ratio (CR), in 2018, the top 10 companies in the marine fisheries and related industries contributed 68.5% to the total income and the top 50 companies contributed 86.9%. The largest number of persons employed in 2018 was males at 67.5%. Historically disadvantaged persons, women

in particular, are not sufficiently actively involved in the management of marketing, operational costs, revenue and profits from the sale of fish and fish products to the global market (Census on Marine Fisheries and Related Services Industry, 2018).

1.2. 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
<p>Increasing number of applicants observed during previous fishing rights allocation processes demonstrate rising demand for access to the economically valuable but finite natural fisheries resources, putting these under serious pressure (e.g. poaching, overharvesting, etc.) as most fisheries are optimally exploited already; and some are seriously endangered</p>	<p>Population growth in coastal communities against a backdrop of declining commercial fisheries stocks, coupled with very low employment opportunities. For an example, in 2005, during LTRAMP, out of 4510 applications distributed, only 3999 applications were received, in FRAP2013, when the 8-year LTRAMP2005 commercial fishing rights expired and were being re-allocated, out of 10977 applications distributed, only 3490 applications were received and in FRAP2015, when the 10-year LTRAMP commercial fishing rights expired and were being re-allocated, out of 16778 applications distributed, only 5588 applications were received.</p> <p>Marine natural resources are finite in nature and thus should never be dependent upon as the only means of livelihood to cater to the socio-economic needs for people living in coastal communities.</p>
<p>Policy ambiguity and lack of focus with respect to transformation and inclusive economic growth. The commercial fishing sector is not sufficiently transformed, economically, though it may appear to be adequately transformed in terms of demographic representation in the fishing industry and the apportionment of the commercial Total Allowable Catch (TAC) or Total Allowable or Applied Effort (TAE) or a combination thereof. Historically disadvantaged persons are not sufficiently actively involved in the entire value chain in the fishing industry.</p>	<p>Lack of internal capacity and expertise on fisheries social and economic sciences.</p> <p>Lack of meaningful support, collaboration and skills transfer across the entire value chain amongst fishing entities.</p>

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

- The proposal aims to ensure an evidence-based and consultative review of the current policy so as to enable consistent, transparent and legally sound allocation and management of commercial fishing rights in South Africa, to contribute towards meaningful transformation and inclusive economic growth, as well as meaningful performance monitoring of commercial fishing rights holders and
- This would be achieved, first by looking at gaps and weaknesses that have been identified and highlighted by various stakeholders since the beginning of the implementation of the current policy; use best available scientific data and recommended conservation and management measures and practices and

consultatively review the policy, making socio-economic development-enhancing changes. A measurable Monitoring and Evaluation Plan, aligned with the MLRF Medium-Term Strategic Framework (2020-2024) is an integral part of this process (See Attached).

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

National Priority	Impact
1. Economic transformation and job creation	Meaningful participation in the industry and contribution to local economy by all qualifying fishing rights holders, particularly the new entrants will enable transition from poverty and dependency on social grants and or part time jobs to financial freedom through the granting of commercially valuable fishing rights; and increased employment through new job opportunities.
2. Education, skills and health	Improved awareness, resourcefulness through meaningful skills transfer throughout the entire value chain. The functions of the Fisheries Transformation Council include assisting in development and capacity building for people from historical disadvantage persons in the society, including Small Medium Enterprises (SMMEs).
3. Consolidating the social wage through reliable and quality basic services	Restoration of human dignity to HDIs in the coastal communities through, amongst other things, skills transfer opportunities in value addition and marketing of fish, as well as the opportunity to become commercial rights holders and not just workers as crew and general workers. These are provided for in the revised General Policy.
4. Spatial integration, human settlements and local government	Not applicable
5. Social cohesion and safe communities	Better livelihoods for coastal communities through granting of commercial fishing rights to new entrants who will get training and development to be facilitated by the Fisheries Transformation Council and thus enable the creation of more jobs. Social cohesion and safer communities would be by products and co-benefits of the above. Section 4.5 of the revised General Policy provides for this change.
6. Building a capable, ethical and developmental state	This is about institutional improvements and ethics in order to achieve the national priorities and policy objectives e.g. ensuring a consistent, transparent and legally sound allocation and management of commercial fishing rights in South Africa.
7. A better Africa and world.	Better access to regional and global markets that ensures good returns on investment

1.5. 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.	Allocate commercial fishing rights, manage them and monitor and evaluate the performance by successful fishing rights holders using the current General Policy and just review Application Forms and Selection Criteria, with input and advice obtained from the Consultative Advisory Forum (CAF).
Option 2.	Allocate commercial fishing rights, manage them and monitor and evaluate the performance by successful fishing rights holders using the MLRA, with input and advice obtained from CAF.

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), 1998 (Act No 18 of 1998)	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. 	<p>No contradictions.</p> <p>The MLRA is a high level national legal framework that provides for commercial harvesting of marine fisheries resources in South Africa and the General Policy is complimentary to the MLRA, providing enabling guidance towards implementation of the provisions of the MLRA and achievement of set objectives thereof.</p>
National Empowerment Fund (NEF) Act, 1998 (Act No 105 Of 1998)	The dtic	<ul style="list-style-type: none"> - 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)	<ul style="list-style-type: none"> - 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
BBBEE Codes of Practice	The dtic	Black economic empowerment through preferential treatment of Historically Disadvantaged Individuals and SMMEs	Exempted Micro-Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) in the current Transfer Policy are outdated and need to be reviewed accordingly. The BBBEE Codes of Good Practice were reviewed in 2013 and so were the thresholds for EMEs and QSEs.

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 does the proposal seek to change? How does the behaviour contribute to the socio-economic problem addressed?

The proposal to review the policy seek to change the following behaviour patterns:

- Unreasonable and unrealistic expectations by various interest groups in the society to earn a living through commercial fishing in South Africa, through the granting of economically viable commercial fishing rights to all of them by the Department. Because of ongoing decline of the marine fisheries resources stocks, coupled with very limited alternative livelihoods and increasing population in the coastal communities, it is proving extremely difficult to adequately address historical imbalances, ensuring inclusive growth without attracting negative ecological and economic consequences.

b) How does the proposal aim to bring about the desired behavioural change?

The policy will make provision, amongst other things, to:

- Allow participation, by new entrants, in any commercial fishery, as far as possible, based on scientific evidence and if it is justifiable to do so (i.e. the standing wild stock is not optimally exploited and or under threat, has experienced significant recovery, a new commercial fishery has been established, etc). There is currently no policy certainty with respect to new entrants, due to most commercial fisheries having been fully subscribed during the LTRAMP2005 fishing rights period;
- Solicit expert advice and input from the multi-disciplinary Consultative Advisory Council and Fisheries Transformation Council by the Minister and or Delegated Authority, once established; and
- Conduct mandatory monitoring and evaluation of performance by commercial fishing rights holders.

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</u> , <u>Implementation/</u> <u>Compliance costs and</u> <u>risks?</u>	Do they <u>support</u> or <u>oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal? If yes, under which section?
<p>Competition Commission</p>	<p>Benefits: Fair and just business operations by all</p> <p>Implementation/Compliance Costs: Not applicable</p> <p>Risks: None specified</p>	<p>The Competition Commission supports the review of the policy to effect proposed changes.</p>	<p>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);</p> <p>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;</p> <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</p>	<p>Steps Taken or to be taken: No particular category will receive preferential treatment by the Department or Delegated Authority during FRAP2020/21</p>

Department's name	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? If yes, under which section?
			initiative and advised that this portion be significant.	
SAMSA	Benefits: Improved compliance with applicable legislation Implementation/Compliance Costs: Status quo remains, no additional costs Risks: None	SAMSA supports the proposed review of the General Policy	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)	Steps Taken or to be taken: The suggested insertion done

Consulted stakeholders outside government

NB: The Department received a lot of comments from external stakeholders on the Draft General Policy, the input below is not exhaustive, detailed and full extent of comments is attached herewith.

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?
I&J	Benefits: No specific mention of benefits Implementation/Compliance Costs: No specific mention of costs Risks: <ul style="list-style-type: none"> - Presence of Paper Quota Holders, they see them as constituting an unproductive drain on the very limited tonnages available to those committed to real transformation, sustainable employment and growth 	Whether or not I&J supports or oppose the Policy is not stated clearly but I&J has expressed the following concerns: <ul style="list-style-type: none"> - Firstly, I&J does not agree with Paragraph 4.4.3, where the Delegated Authority, through the use of the word "may" is given discretion whether or not to take into consideration the use of the BBBEE Act. They are of the opinion that this is incorrect in law; 	Proposed amendments: The word "will" instead of "may" should be used so that the Delegated Authority is obliged to take into consideration the provisions of the BBBEE Act.	Steps Taken or to be taken: Amendments with respect to BBBEE Act and its Codes have been made in the policy and these will be taken into consideration.

Name of Stakeholder	What do they see as main benefits, Implementation/ Compliance costs and risks?	Do they support or oppose the proposal?	What amendments do they propose?	Have these amendments been incorporated in your proposal?
		<p>- I&J is of the view that there is no reason or proper basis for the Department to adopt a different means in the assessment of Black Economic Empowerment than that set out in the BBBEE Act and the Codes.</p>		
<p>Lynette du Preez (Balobi Fishing Enterprises Pty Ltd)</p>	<p>Benefits: No benefits mentioned</p> <p>Implementation/Compliance Costs: No comment received</p> <p>Risks:</p>	<p>No evidence of objection to the proposal</p>	<p>Proposed amendments: That the policy incorporates Economic Units;</p> <p>The General Policy provisions taking precedence over Sector-specific policy provisions is a concern as, according to the stakeholder, this should be the other way round.</p>	<p>Steps Taken or to be taken: The Department recognises Economic Units business model and various options will be considered for properly accounting for the Economic Units business models both in the Applications Forms and subsequent evaluations.</p>
<p>CLYDE BODENHAM (South African Hake Longline Association)</p>	<p>Benefits: No benefits mentioned</p> <p>Implementation/Compliance Costs: No cost related comments</p> <p>Risks:</p>	<p>No evidence of objection to the proposal</p>	<p>Proposed amendments: Economic Unit claims must in the first part be agreed to between the parties and entered into a formal agreement. The Agreement, in addition to setting out the associated parties, must further explain the economic relationship which has contributed towards the employment created, together with the agreed</p>	<p>Steps Taken or to be taken: The Department recognises Economic Units as an important business model and this is now expressed in the updated policy document, with clear guidance for applicants on required relevant information (e.g. information on proportional involvement in business unit and any binding documents/agreement concerning the economic unit)</p>

Name of Stakeholder	What do they see as main benefits, Implementation/ Compliance costs and risks?	Do they support or oppose the proposal?	What amendments do they propose?	Have these amendments been incorporated in your proposal?
			formula used to apportion such claims	
Sharmilla van Heerden, Fisherman Fresh	Benefits: Does not see benefits from having Economic Units Implementation/Compliance Costs: No costs implications specified Risks: Allowing Economic Units would be unfair to individual rights holders with small quotas, who have invested in their companies and pay taxes. That having Economic Units is loophole to enable "Paper Quota Holders".	Do not support Economic Units	Proposed amendments: That Economic Units are prohibited.	Steps Taken or to be taken: The Department recognises Economic Units as an important business model and this is now expressed in the updated policy document, with clear guidance for applicants on required relevant information (e.g. information on proportional involvement in business unit and any binding documents/agreement concerning the economic unit)
Brian Flanagan (Arniston Fish Processors (Pty) Ltd)	Benefits: No specific mention is made Implementation/Compliance Costs: No specific mention made on costs Risks: No particular risk mentioned	They support addition of a provision on Economic Units	Proposed amendments: Inclusion of the Economic Unit in the policy	Steps Taken or to be taken: The Department has included a clause recognising Economic Units, providing guidance to applicants on required information.
Imraan Soomra Chief Executive Officer Oceana Group Limited	Benefits: Implementation/Compliance Costs: Risks:	They are committed to FRAP, support, in principle, the consideration of new entrants but are not supportive of the timeframes, which they find as insufficient.	Proposed amendments: Extension of current exemption to 2022 to allow DFFE to have enough time to allocate fishing rights and deal with appeals and new rights to begin in 2023; and Suggest that the number of new entrants be determined with due consideration to the nature of the fishery in question	Steps Taken or to be taken:

Name of Stakeholder	What do they see as main benefits, Implementation/ Compliance costs and risks?	Do they support or oppose the proposal?	What amendments do they propose?	Have these amendments been incorporated in your proposal?
Don Lucas, MD of Combined Fishing Enterprises (CFE)	Benefits: No specific mention made Implementation/Compliance Costs: No specific mention made Risks: No risk mentioned	Supportive of the inclusion of Economic Units in the policy	Proposed amendments: Addition of Economic Units in the policy	Steps Taken or to be taken: The Department recognises Economic Units as business models and provides guidance on required information from applicants.
Johann Augustyn, Executive Secretary, SADSTIA	Benefits: No specific mention made Implementation/Compliance Costs: Not mentioned Risks: Disapprove of the approach taken by DFFE with respect to SEIAS	Not supportive They are of the view that the Department did not follow SEIAS Guidelines	The Department has followed the SEIAS Guidelines throughout, no amendments are necessary.	No
Thembinkosi Mbande Chairperson and Director/Member Kamva Lethu Fishing Co-Operative Limited	Benefits: Not specified Implementation/Compliance Costs: Not specified Risks: None highlighted	Supportive But request that the Application Forms be made easy and affordable	Proposed amendments: Minister and Department must allow 60 working days before submission of completed Application Forms	Steps Taken or to be taken: The Department will provide assistance for the completion and submission of Application Forms on location

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.

- SEIAS conducted by the Department is not evidence-based: It has come to the Department’s attention that external stakeholders understand SEIAS as a socio-economic study and that until such time that the Department had successfully conducted an industry wide Fisheries Socio-Economic study, with input from the industry, the Department cannot conduct SEIAS. This remained the case in spite of SEIAS awareness raising intervention through the Department by The Presidency to the fishing industry stakeholders. The Department provided a comprehensive explanation and clarity on what SEIAS is and the purpose it serves, i.e. that it is not a study, but is an impact assessment and analysis tool used to improve policy and law making in South Africa in a manner that eradicates excessive administrative and regulatory burden;
- The alleged misleading statement that there is no meaningful transformation in the fishing industry: Clarity was provided by the Department on this matter, giving context within which the statement was made, i.e. that women and youth remain poorly represented, almost throughout the entire value chain in the fishing industry.

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 22 Commercial fishing sectors, their crew, employees and their respective dependents	Granting of economically viable fishing rights will ensure food security, economic growth and better quality life
All Processors and Marketers of fish and fisheries products from the 22 Commercial fishing sectors	Assurance of business continuity and good investor confidence

List of cost bearers (groups that will bear the cost)	How will they incur / bear the cost
DFFE	Appointment of external service providers; costs related to stakeholder consultations

	(e.g. travelling & accommodation costs, printing of policies in four different official languages, contract workers, etc)
--	---

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 the FRAP contract workers, Catch Data Monitors;</p> <p>Filling of vacant posts and creation of key posts additional to the establishment Fishing Rights Application Process (Printing and distribution of Fishing Rights Application Forms, Overtime, Traveling and Accommodation)</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>	
Fishing Rights Holders	Not applicable	<p>Fishing Rights Application costs (All Commercial Fishing Rights applicants);</p> <p>Granting of Fishing Rights Fee (Successful fishing rights applicants);</p> <p>Annual Permit application costs;</p> <p>Imports and Export Permits costs; and</p> <p>Payment of levies for landed fish</p>	Better global market share and good financial returns from sale of fish caught fish	

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. For the remaining MTEF period, annual budgeting process on MLRF will take into consideration policy implementation work and associated costs.

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 compliment will be responsible for the day to day implementation of the policy, but additional capacity is needed as a matter of priority. In the meantime, to augment capacity and ensure due diligence, the Department will partner with other relevant departments and agencies.

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?
Fishing Rights Holders	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	<ul style="list-style-type: none"> It has been a very long time since the Department revised Fishing Rights Application costs and consultation with the Minister of Finance is a requirement whenever rights application fees are reviewed and consultation extends to fishing industry stakeholders as well; and Rights holders in certain commercial fisheries are exempted from paying levies for fish landed.

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.

- 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;
- Prolonged and severe Covid-19 related restrictions on day to day business operations would negatively affect critical milestones and overall achievement of FRAP2020/2021 objectives; and
- Competing priorities within the Fisheries Branch and/or ongoing Union related wage and labour dispute with the Public Sector employer, DPSA could jeopardise progress and timeous and successful completion of FRAP2020/2021.

- 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
Submission of Appeals by aggrieved unsuccessful applicants and unsatisfied successful applicants	Setting aside of a portion of the TAC/TAE as provision for successful appeals; Transparency and stakeholder consultations; Appointment of an independent Service Provider to oversee FRAP2020 to ensure due diligence, quality management and compliance to applicable legislation and prescripts; Facilitate meetings with aggrieved applicants and solicitation of advisory input from CAF
Continuation of business lockdown and or restrictions on movement due to Covid-19 pandemic	Use of virtual platforms to host FRAP2020/2021 and SEIAS meetings
Dispute between Unions and DPSA due to non-filling of vacant posts as well as Zero-increase moratorium on Cost of Living Adjustment for government employees	Appointment of contract workers and external service providers.

- 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
Transformation/New entrants provisions	The Department (DFFE) and certain Fishing Rights Holders The Department and more labour absorbing Fishing	Establishment of a Fisheries Transformation Council, which, amongst other things, will be responsible for:

Nature of possible dispute (from sub-section above)	Stakeholders involved	Proposed Dispute-resolution mechanism
	Entities with huge investments in the sector	<ul style="list-style-type: none"> • Leasing commercial fishing rights; • Determining the price to be paid by leases of rights; and • Assist in the development and capacity building of persons from historically disadvantaged sectors of society and SMMEs.
Appeals and Litigation	The Department (DFFE) and Unsuccessful Commercial Fishing Rights Applicants and or aggrieved successful applicants not happy with TAC/TAE allocated	Setting aside of a portion of the TAC/TAE as provision for successful appeals; and 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 it 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).

Timeframe: The evaluation of the policy will be incorporated into the MLRF Annual Performance Plan (APP) and complimentary Operational Plan, with an overall performance measurement and assessment of the successful fishing rights holders planned for every five (5) years.

Type: The Summative approach will be adopted for evaluation of the policy.

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.

- A comprehensive fishing industry wide socio-economic study; and

- Annual stock assessment and fisheries research surveys in all commercial fisheries

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) Successful allocation of long term commercial fishing rights in an ecologically responsible and socio-economically justifiable manner, against a backdrop of escalating need to access the generally declining commercial fisheries stocks, is very difficult; and
 - b) To achieve the hoped-for Section 2 Objectives of the Marine Living Resources Act, 1998, a comprehensive review of the current General Policy is essential and this should be done consultatively, with internal and external (fishing industry) stakeholders’ input being solicited and taken into consideration.
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
Beneficiaries	
1. All Fishing Rights Holders in the 22 Commercial fishing sectors, their crew, employees and their respective dependents	Granting of economically viable fishing rights will ensure food security, economic growth and better quality life
2. All Processors and Marketers of fish and fisheries products from the 22 Commercial fishing sectors	Assurance of business continuity and good investor confidence
Cost bearers	
1. DFFE	Appointment of external service providers; costs related to stakeholder consultations (e.g. travelling & accommodation costs, printing of policies in four different official, languages, contract workers, etc) (Costs- Approx. R45 000 000.00); Introduction of an IT Services, including an Online Application tool (Costs- R11 084 620.00).

3. What are the main risks from the proposal in terms of (a) undesired costs, (b) opposition by specified social groups, and (b) inadequate coordination between state agencies?

- a) Costs associated with appeals, in the past, the Minister had to appoint an Appeals Advisory Team (ATT) to advise him on appeals at a cost of millions of rands for appeals associated with FRAP2015;
 - b) There are various Fisheries interest groups that have a perception that the Department favours big business and thus allocates a large portion of the TAC to these few big business companies in the fishing industry, to the detriment of HDIs and BBBEE-compliant SMMEs; and
 - c) Whilst a two-day FRAP2020/21 Launch Seminar, with good representation from national government departments, the fishing industry and fishing industry interest groups, was successfully convened by the Department in April 2019, there were delays since the start of the 6th Administration after the General National Elections of May 2019 and the subsequent reconfiguration of some National Departments, including DAFF and DEA, such that no similar seminar was convened when FRAP2020/21 project work was resumed a year later in 2020. See attached FRAP2020/21 Launch Programme.
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 proposal should be adopted based on the ecological, social and economic benefits that would accrue to stakeholders from having an improved version of the policy (e.g. improved fisheries management, boosted investor confidence due to policy certainty, broader scope and provisions to enable better redress of historical imbalances, etc).
 6. Please provide two other options for resolving the problems identified if this proposal were not adopted.

Option 1.	Allocate commercial fishing rights, manage them and monitor and evaluate the performance by successful fishing rights holders using the current General Policy and just review Application Forms and Selection Criteria, with input and advice obtained from the Consultative Advisory Forum (CAF).
Option 2.	Allocate commercial fishing rights, manage them and monitor and evaluate the performance by successful fishing rights holders using the MLRA, with input and advice obtained from CAF.

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

- An introduction of an online application system for operational permits and licenses will reduce the costs for both the regulating authority (DFFE) and the commercial fishing permit holders (costs of installing FRAP IT Services is R11 084 620.00); and
- Optimum benefit will be derived from the establishment of the FTC and CAF with respect to implementation of various key elements of the policy (e.g. transformation, handling of appeals, capacity building interventions and skills transfer, performance management, etc)

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 in the industry and contribution to local economy by all qualifying fishing rights holders, particularly the new entrants will enable transition from poverty and dependency on social grants and or part time jobs to financial freedom through the granting of commercially valuable fishing rights; and increased employment through new job opportunities.
2. Education, skills and health	Improved awareness, resourcefulness through meaningful skills transfer throughout the entire value chain. The functions of the Fisheries Transformation Council include assisting in development and capacity building for people from historical disadvantage

National Priority	Impact
	persons in the society, including Small Medium Enterprises (SMMEs).
3. Consolidating the social wage through reliable and quality basic services	Restoration of human dignity to HDIs in the coastal communities through, amongst other things, skills transfer opportunities in value addition and marketing of fish, as well as the opportunity to become commercial rights holders and not just workers as crew and general workers. These are provided for in the revised General Policy.
4. Spatial integration, human settlements and local government	Not applicable
5. Social cohesion and safe communities	Better livelihoods for coastal communities through granting of commercial fishing rights to new entrants who will get training and development to be facilitated by the Fisheries Transformation Council and thus enable the creation of more jobs. Social cohesion and safer communities would be by products and co-benefits of the above. Section 4.5 of the revised General Policy provides for this change.
6. Building a capable, ethical and developmental state	This is about institutional improvements and ethics in order to achieve the national priorities and policy objectives e.g. ensuring a consistent, transparent and legally sound allocation and management of commercial fishing rights in South Africa.
7. A better Africa and world.	Better access to regional and global markets that ensures good returns on investment

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

<i>Name of Official/s</i>	<i>Asanda Njobeni and Msimelelo Mdledle</i>
<i>Designation</i>	<i>Director: Sustainable Aquaculture Management; Deputy Director: Office of the Chief Director – Marine Resources Management</i>
<i>Unit</i>	<i>Fisheries Management Branch of DFFE</i>
<i>Contact Details</i>	<i>021 4023409 or 0829240101; 021 402 3422 or 084 3040 170</i>
<i>Email address</i>	<i>Anjobeni@dffe.gov.za; Mmdledle@dffe.gov.za</i>