Combating IUU Fishing and Fisheries Crime

Presentation at the 4th International Symposium on Fisheries Crime

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Coordinator of the Special Advisors of the Presidential Task Force to Combat Illegal Fishing (SATGAS 115)
Copenhagen, 15 October 2018
OUTLINE

Category 1: Significance Combating IUU Fishing
Category 2: Combating IUU Fishing: Indonesia’s Policies
Category 3: Positives Impacts of Indonesia’s Policies
Moving Forward
SIGNIFICANCE
COMBATING IUU FISHING
INDONESIA’S ASSET

Two-third of Indonesia’s region (NKRI) is ocean (6.4 million km²), with the second longest coastal lines in the world (108,000 km), 17,504 island and 17% of the world’s coral reef is in Indonesia.

“THE SEA IS THE FUTURE OF OUR NATION”

President Joko Widodo,
State speech on 20 October 2014

Border of Indonesian Sea Region Based on the 1982 LOSC Provisions
INCREASING FISHERIES POTENTIAL

Indonesia’s fish stock is increasing every year

The Number of Fish Resource Potential (MSY) in Indonesia (million ton / year)
THE FISHERIES SECTOR IS ALSO FACING THREATS WHICH CAUSES FISH STOCK DEPLETION

The problems include overfishing, IUU fishing and the use of unsustainable fishing gears and methods, including blast fishing.

According to FAO, **33.1% of global fish stocks were over-exploited**, while another **59.9% were fully-exploited**.

FAO considers **IUU fishing to be a major global threat to sustainable management of fisheries** and to stable socio-economic conditions for many small-scale fishing communities.

Bottom trawl is not a selective fishing gear, which leads to overfishing and discards a lot of fish. As a result, discarding practices have been estimated to lead to **7 million tons of fish being rejected dead at sea**.
DURING THE LAST 10 YEARS, THE LIVELIHOOD OF FISHERMEN ARE DECREASING

There is a decrease in the number of Fishermen Household according to BPS Agriculture Census

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1,800,000</td>
</tr>
<tr>
<td>2013</td>
<td>900,000</td>
</tr>
</tbody>
</table>

Source: BPS Agriculture Census 2003 & 2013

Fish Catching Business

Source: BPS Agriculture Census 2003 & 2013
IUU FISHING AND CRIMES RELATED TO FISHERIES AS TRANSNATIONAL ORGANIZED FISHERIES CRIME

1. Illegal transaction of fuel

2. Immigration-related crime

3. Customs related crime, (incl. smugglings of drugs, protected species, vessel spare parts and other goods)

4. Money laundering

5. Tax crime (evasion or fraud)

6. Corruption

7. Human rights abuses (forced labor, human trafficking and child labor etc)

8. Illicit Drugs Trafficking
COMBATING IUU FISHING: INDONESIA’S POLICIES
Strong governance is the basis to maintain the sustainability of productivity enhancement of marine and fishery resources in Indonesia. Strong fisheries governance is built upon three big pillars of sovereignty, sustainability and prosperity.

1. **FREE TO DETERMINE** one’s purpose for the sake of national interest, without foreign intervention
2. **NATIONAL SECURITY**, which includes the security of its natural resources
3. **THE OCEAN’S RESOURCES IS ADEQUATE** for more than one generation
4. **THE OCEAN BOLSTERS NATION’S DEVELOPMENT**
5. **FISHERIES RESOURCES** to enhance the quality of the people in one nation
6. **TO ACHIEVE THE GOAL OF PUBLIC WELFARE** as mandated by the Preambule of 1945 Constitution of the Republic of Indonesia
7. **HUMAN SECURITY**, which includes a healthy environment, insured health, decent education and protected human rights

**THREE PILLARS OF MARINE AND FISHERIES RESOURCES MANAGEMENT**

**STRONG FISHERIES GOVERNANCE**
POLICIES TO COMBAT IUU FISHING

1. Moratorium for Ex-Foreign Vessels from November 2014 to October 2015
2. Ban on Transhipment at Sea
3. Prohibition on Unsustainable Fishing Gears
4. Establishment of a Ministerial Task Force to Prevent and Combat IUU Fishing (Task Force 115) in 2015
5. Compliance Audit of 1,132 Ex-Foreign Vessels
6. Demolition of 488 Illegal Fishing Vessels to create deterrent effect
8. Strengthening Law Enforcement:
   - Imposing administrative sanctions
   - Monitoring and evaluation of ongoing case handling (quality control) by the Task Force
   - Application of corporate criminal liability and multi-legal regime (multi-door) approach
   - International cooperation (MIST, outreach, utilizing INTERPOL facilities, and Capacity Building)
   - Advocating Transnational Organized Fisheries Crime (in line with UNTOC)
9. Human Rights Protection in the Fisheries Business
10. 2016: Closing foreign investment for capture fisheries sector to protect Indonesia's natural resources
11. Governance improvement:
    1. Improving Governance of Fishery Business License:
    2. Promote fisheries transparency in capture fisheries (FiTI);
    3. Analysis and Evaluation of Local Fishing Vessels to promote compliance and better governance;
    4. Phasing out destructive fishing gears;
    5. Amendment of Fisheries Law to translate the 3 principles and to harmonize with CoC on Responsible and Sustainable Fisheries

3 principles:
- Sovereignty
- Sustainability
- Prosperity
SINKING OF SHIPS IS MANDATED BY THE FISHERIES LAW

Creating a Deterrent Effect to eliminate IUUF in Indonesian waters

Article 69 of the Fisheries Law (31/2004 jo .45/2009)

Scope of Authority:
- **Article 69 (3):** Stop, check, carry and hold the vessels suspected or reasonably suspected of violation in the Area of Fisheries Management
- **Article 69 (4):** On the basis of sufficient preliminary evidence, may take special action in the form of burning and / or sinking of a foreign-flagged fishing vessel on the basis of sufficient initial evidence

<table>
<thead>
<tr>
<th>NO.</th>
<th>Vessel’s Flag</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vietnam</td>
<td>276</td>
</tr>
<tr>
<td>2</td>
<td>Philippines</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>Thailand</td>
<td>50</td>
</tr>
<tr>
<td>4</td>
<td>Malaysia</td>
<td>41</td>
</tr>
<tr>
<td>5</td>
<td>Indonesia</td>
<td>26</td>
</tr>
<tr>
<td>6</td>
<td>Papua New Guinea</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>China</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Belize</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Stateless</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>488</strong></td>
</tr>
</tbody>
</table>

(Nov 2014-Aug 2018)

*) Information: MV Viking
The facts are:
1. The net will shrink, if the vessel is used to hold the net (same as trawl)
2. Average depth of Java sea is 60-100 m, then the net begins to lift if the rest of the warp rope is close to 2x the depth or about 200m
3. On a vessel that uses >3000 m, the swap areas will be along 1300m
4. Many small fish will get caught, thus, not sustainable
ONE ROOF ENFORCEMENT FOR FISHERY CRIME

Establishment of 115 Task Force (Presidential Regulation No. 115/2015 on Illegal Fishing Eradication Task Force)
PRESIDENTIAL REGULATION NO. 44 OF 2016:
Partiality and investment opportunities offered in the field of marine and fisheries

**BUSINESS CATEGORY**

**OPEN**
- For foreign investment 100% without special provisions
- Cold Storage

**OPEN WITH REQUIRED TERMS**
- Requirements reserved for SMEs
- Fish breeding

**OPEN WITH PARTNERSHIP REQUIREMENTS**
- Requires to partner with SMEs
- Fish hatchery and enlargement
- Drying, fumigation, fermentation & surimi
- Marketing, Distribution & Export

**OPEN WITH CERTAIN REQUIREMENTS**
- Specific requirements such as location, capital size & institutional recommendation
- Excavation of sea sand (100% domestic capital)
- Capture fisheries (100% domestic capital and KKP special permits)
- Cultivation of ornamental coral (recommendation from KLHK)

**CLOSED**
- Prohibited from doing any business, either domestic or foreign investors
- Fish listed in CITES
- Utilization of natural corals
- Lifting of the sinking ship
SUSTAINABLE DEVELOPMENT GOALS 14
LIFE BELOW WATER
SDG 14 DRIVES COUNTRIES TO CONSERVE AND SUSTAINABLY USE THE OCEAN THROUGH 10 TARGETS

10 Targets of SDG 14

- Sustainably manage and protect marine and coastal ecosystem by 2020
- Enhance conservation and sustainable use of oceans by implementing international law
- Conserve at least 10% of coastal and marine areas by 2020
- Prohibit certain forms of fisheries subsidies by 2020
- Increase economic benefits from sustainable use of marine resources for SIDS and LDCs
- Increase scientific knowledge to improve ocean health
- Provide access for small-scale artisanal fisheries to marine resources and markets
- Minimize and address the impacts of ocean acidification
- Reduce marine pollution by 2025
- End overfishing, IUU fishing and destructive fishing by 2020

SDG 14 drives countries to conserve and sustainably use the ocean through 10 targets.
POSITIVE IMPACTS OF INDONESIA’S POLICIES
The fishery sector is growing above the national economy.

The growth of GDP value of fishery is always above the national GDP and agricultural sector’s GDP value. Until Quarter III 2017, the growth reached 6.79% and the value is Rp169,513.10 billion.
INCREASING FISH CONSUMPTION

Indicator of increased economic growth in domestic fisheries sector

1. **Fish consumption is increasing to 21.9%** during 2012-2017 with the consumption preference classification as follows: Fresh fish 76%, Processed Fish (KIMJ) 19%, Salted Fish 15%

2. The average of fish consumption is increasing in every province

3. Fish is increasingly popular

Sumber : BPS, processed Ditjen PDS, 2017
*Temporary figures 2017*
FISHERIES POLICY REFORM WILL INCREASE FISH STOCK & REVENUE

Research Results of MMAF Research & HR Agency, together with the University of California Santa Barbara (UCSB)

IUU Policies Work

Under Minister Susi’s direction, Indonesia’s IUU policy to eliminate foreign IUU fishing and invest in a small-scale fleet reduces fishing effort by a net 35% (MMAF Data) and will lead to a long-term increase in catch as long as domestic fishing effort is well-managed.

*Nilai apabila dibandingkan dengan tidak adanya investasi DAN tidak ada reformasi

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FISHERIES POLICY REFORM WILL INCREASE FISH STOCK & REVENUE

Projections 2050: If the fishery reform policy is carried out consistently, it can increase the fish biomass 224%, increase the catch 100%, and increase the economic profit USD 3.7 billion.

And if done globally, by 2050, fish biomass will increase to 619 million metric tons, catch to 16 million metric tons, and fishery profits of USD 53 billion.

Research Results of MMAF Research & HR Agency, together with the University of California Santa Barbara (UCSB)
INCREASING FISH STOCK

Indicator of restored health of marine resources after fisheries policy reform

The Number of Fish Resource Potential (MSY) in Indonesia (million ton / year)

* Ministerial Decree, Kepmen KP No. 50/KEPMEN-KP/2017
## THE FISHERMEN’S PROSPERITY INCREASES

The Fisherman Business Exchange Value (NTUN) has the most significant increase compared to other indicators.

<table>
<thead>
<tr>
<th>Time</th>
<th>NTUN</th>
<th>NTUP</th>
<th>NTUPi</th>
<th>NTPi</th>
<th>NTPi</th>
<th>NTN</th>
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<tbody>
<tr>
<td>Jan-14</td>
<td>107,37</td>
<td>110,61</td>
<td>101,42</td>
<td>98,96</td>
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<td>Feb-14</td>
<td>108,63</td>
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<td>99,65</td>
<td>98,96</td>
<td>99,65</td>
<td>105,90</td>
</tr>
<tr>
<td>Mar-14</td>
<td>117,57</td>
<td>110,61</td>
<td>101,42</td>
<td>98,96</td>
<td>99,65</td>
<td>110,23</td>
</tr>
<tr>
<td>Apr-14</td>
<td>123,01</td>
<td>110,61</td>
<td>101,42</td>
<td>98,96</td>
<td>99,65</td>
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<td>May-14</td>
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<td>110,61</td>
<td>101,42</td>
<td>98,96</td>
<td>99,65</td>
<td>110,23</td>
</tr>
</tbody>
</table>

**Legend:**
- **NTN:** Nilai Tukar Nelayan
- **NTUN:** Nilai Tukar Usaha Nelayan
- **NTUP:** Nilai Tukar Usaha Perikanan
- **NTUPi:** Nilai Tukar Usaha Pembudidaya Ikan
- **NTPi:** Nilai Tukar Pembudidaya Ikan
- **NTP:** Nilai Tukar Perikanan

Sumber: Badan Pusat Statistik, 2017
FISHERIES NON-TAX REVENUE REACH THE HIGHEST RECORD IN 2017

As the regulation and law enforcement improved, state revenues increased.

Fishery Income for 2007-2017 * (Rp Billion)

491.08 Billion Rupiah

The highest achievement in the last 10 years (2007-2017)

Source: [https://spanint.kemenkeu.go.id](https://spanint.kemenkeu.go.id) (9 January 2018)
MOVING FORWARD

• Strong political will is imperative for governments to take actions, make decisions, and enforce the law to support the preservation of healthy ocean.

• Approaches to combat IUU fishing shall include (1) using preventative measure by promoting compliance monitoring system which is conducted regularly and periodically; (2) promoting non-discriminative enforcement policy including using multidoor approach and imposing corporate criminal liability; (3) ensuring the government meets the criteria of 3As (ability to detect, ability respond, and ability to punish); (4) establishing integrated criminal justice system by setting up one roof enforcement system (ORES) to ease the inter-agency coordination; (5) conducting effective international cooperation and collaboration (bilateral, multilateral, and with UN agencies and INTERPOL), including promoting FishFORCE Academy not only located in South Africa and Indonesia but also in other continents to facilitate the capacity building for enforcement officers.
THANK YOU

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