



New General Law

On Fisheries and Aquaculture N° 20.657

The Government of Chile aims at a law that ensures the sustainability of national fisheries resources and generates wellbeing to those who depend on this economic activity.

With this law, everybody wins: the environment, fishermen, fisheries resources, SMEs and the country.

SUSTAINABILITY

■ **The primary objective of the law is to ensure the sustainability of fishery resources, thus, it incorporates criteria recognized by important environmental organizations such as Greenpeace, Oceana and WWF, among others.**

1 New definitions to assess and measure the availability of fishery resources classified as: incipient, under full exploitation, overexploited, collapsed. Accordingly, the authority should adopt corrective actions.

2 New international sustainability management standards such as Biological Reference Points

(BRP) and the Maximum Sustainable Yield (MSY), which set the maximum catch that a resource can be subject to without affecting its medium and long term sustainability.

3 Scientific criteria and advice over political or commercial considerations, introduced to the decision making of measures such as the establishment of quotas and closures.

4 Eleven Technical Scientific Committees (8 on fisheries and 3 on aquaculture), which should decide on the availability of fishery resources, BRP and catch quotas.

5 Management plans should be established for each fishery

resource, to provide a package of measures to support the work of Scientific Committees. Actors in this process will be the different industrial and small-scale stakeholders, who will define rebuilding programs and/or protection measures, if necessary.

6 Conservation measures for Vulnerable Marine Ecosystems (VME) –are areas of the seabed where ecosystems develop, which are rich on coral, fish and hydrothermal vents- such as underwater mounts, where bottom fishing is prohibited as long as it is harmful.

7 Obligation to make an Annual Public Account to communicate the country the exploitation status of fishery resources.

8 Difference between catches and landings. Fishermen should report both catches (tons) aboard their vessels as well as their landings when reaching port. Should there be technically-unexplained differences, they should be charged to the reporting fisherman. This measure, requested by Greenpeace, aims to minimizing discards and promote the use of fishing nets that are as selective as possible.

RESEARCH

Aiming at prioritizing fisheries and aquaculture scientific research, bases are set to establish a research program and the Fisheries Research Agency (IFOP) is mandated as responsible of conducting basic research.

1 A fisheries and aquaculture research program is established to ensure that the Undersecretariat has the information required to adopt measures such as quotas or closures.

2 Research will be conducted by the Fisheries Research Agency, IFOP. IFOP will be an autonomous

entity, whose budget will depend directly on the Ministry of Economy. Transparency and external review requirements regarding IFOP's studies are established as well.

3 Non-basic research, which includes occasional studies and contributes to improving the

fisheries knowledge and complementing the decision-making process, will be executed by the Fisheries and Aquaculture Research Fund (FIP).

INDUSTRIAL FISHING

The Law seeks to incorporate new stakeholders to the sector, through tenders and by making the system more flexible to the license transfer and sale system.

1 Temporary **Tradable Fishing Licenses** are created. They are divisible, and last 20 years; after this period, they can be renewed or rendered expired, depending on the owner's behavior regarding environmental, fishing, and labor matters. These licenses will be required to pay a patent and a specific tax, ensuring equal or higher revenues for the State.

2 In order to enable the entrance of new stakeholders to the sector, up to 15% of the industrial fishing quota of a healthy fishery is tendered. For this, information on the Maximum Sustainable Yields and Biological Reference Points will be required (within a 2-year period). In the case of overexploited fisheries, they are tendered since the fifth year of validity of this Law.

INSPECTION

The budget for inspection and the faculties of the National Fisheries and Aquaculture Service (Sernapesca) are significantly increased.

1 Sernapesca should determine ports and authorized landings sites, implement and supervise the use of satellite positioning devices, the use of onboard cameras, and landing certification. In addition, administrative sanctions are increased.

2 More Job stability is granted to officials in order to improve their performance and increase their commitment towards inspection. An organic restructuring is carried out.

SMALL-SCALE FISHERIES

This law has reached historic agreements for the benefit of small-scale fishermen, and has distinguished the different realities of the productive sector, establishing new control elements for larger vessels (more than 12m length) and new benefits for the smallest ones.

1 The global quota is fractioned between the industrial and small-scale sectors is established for a period of 20 years and for 12 fisheries, since 2013. Thus, the small-scale sector will access 55% of the total landings and will reduce the industrial participation to 45%. Quota transfer from the industrial side to the small-scale fishermen equals USD\$ 51 million a year, included shrimp and Patagonian toothfish.

2 Patents for Benthic Resources Exploitation and Management Areas (AMERB) are eliminated, benefiting 23 thousand fishermen who manage these areas to extract and restock resources such as keyhole limpet, sea urchin, etc. Inspection increases and any illegal extractions of resources from these areas are sanctioned as a crime.

3 The Law regulates the five miles and internal waters for small-scale fisheries; they extend to the south of the Chiloe Island. Industrial vessel entrance to the area reserved for small-scale fisheries -that is, the first five

miles, except for the XV, I, II and IV regions- is suspended.

4 For the first time ever, the first mile is exclusively reserved for lower small-scale fishing vessels (less than 12m length), covering from the northern limit up to the Chiloe Island. This regulation will benefit 11805 small-scale vessels, i.e. 90% of a total 13073 vessels. Larger vessels shall only enter the first mile subject to previous agreement with the small-scale fishermen previously mentioned.

5 SMEs that aim their products for human consumption are granted the exclusive right to auction 1% of the global fisheries quota, except for demersal, benthic and algae. These quotas shall only be obtained by small-scale fishermen duly registered in the relevant fishery.

6 For the first time, all fishermen -crew and divers under 65 years of age- will have a life insurance for the benefit of their families.

7 The Share Fishing Agreement (Contrato a la Parte) working

system is regulated, i.e. agreements for the distribution of income among vessel owners and their crew, restricting the costs to be discounted, are formalized.

8 Satellite Positioning System is required for small-scale (more than 15m length), purse-seine (more than 12m length) and transport vessels; except for those operating on benthic resources. This measure seeks to safeguard the first mile for the smallest vessels of the small-scale fleet.

9 All the larger vessels shall pay a patent, out of which the purchase and satellite positioning device installation costs may be discounted, as well as 50% of the maintenance and landing certification costs.

10 With this Law, 95% of the national fisheries will be certified, compared to a 48% certified until 2012.

11 A catch certificate will be required to vessels of more than 12m length, for a more effective quota control.

12 A bill is developed to create the Institute for the Development of Small-Scale Fisheries and Aquaculture (IDEPA), aimed at improving entrepreneurial, productive and commercial capacity of small-scale fishermen and aquaculture producers, promoting seafood consumption; and, coordinating, funding and executing State actions to foster the productive development of these stakeholders. This bill was presented in the National Congress in March.

13 A bill is developed to grant a subsidy aimed for small-scale fishermen and aquaculture producers to restock and farm algae, which should be submitted six months after the enactment of the Law (August 2013).

SOCIAL PLATFORM

Social benefits are incorporated, which allow the reintegration of employees of the industrial sector, who, as a result of the enactment of this Law, have lost their jobs,

1 Entrepreneurship development programs and technical training will be implemented, including the granting of scholarships for the dependants of these employees, plus the granting of a 40UF for up to 3 years for employees over 55 years old, during the reintegration process.

2 Despite this Law seeks to keep the working stability, tools to face potential contingencies are ensured, including giving determined competences to active employees, without them having to wait to be fired.

